

Why do you need Health Insurance?



An average of 3,362 people per month have been waiting for longer than 6 months for their first specialist assessment through the public health system.¹

Ill health or lack of health insurance is one of the three main causes of people going bankrupt.²

Health insurance claims in New Zealand topped three-quarters of a billion dollars (\$764 million) in one year.³

Sources: 1. Average for the 12 months ending November 2009, Ministry of Health, www.electiveservices.govt.nz 2. Ministry of Economic Development – Insolvency and Trustee Service Statistical Data Report 2008 – 2009, www.insolvency.govt.nz 3. Health Funds Association of New Zealand, "Record claims show health insurance value", www.healthfunds.org.nz

If you were to become unwell, you would want to take steps to get back to good health as soon as possible. While New Zealand does have a public health system, you are not always guaranteed fast access to treatment. This means you may be waiting for months in pain for a specialist consultation and subsequent treatment. Your condition could even deteriorate.

The reality is that while you may be in good health now, it is likely that you or someone you love could experience a significant health problem. Having faster access and a greater choice of treatment options means you can get back to work faster, so that you can continue to earn an income and pay those important expenses such as your mortgage.

Who claims for health insurance?

- The largest claim made for treatment of a single condition is \$128,000 for cancer (claim ongoing), followed closely by a claim for \$122,000 for multiple heart problems.¹
- The largest claim amount over the duration of a single policy is more than \$246,000.¹
- 15 clients have had claims approved for over \$60,000 each in one year.²
- 54% of health insurance claimants are aged 30-59.¹

Sources:

1. TOWER Health & Life claims information, as at Dec 2009.

2. TOWER Health & Life claims information for the 12 months ending Nov 2009.

Could you afford to pay for these treatments in the private health system if you didn't want to wait on a public hospital waiting list?

Radical mastectomy \$4,000–\$9,000*

Surgical removal of the breast and underlying muscle tissue and some ancillary nodes

Heart bypass \$32,000–\$40,000

An operation to rechannel blood flow to the heart

Cholecystectomy \$5,000–\$8,500*

Surgical removal of the gall bladder

Spinal fusion \$35,000–\$42,000

An operation to join two or more vertebrae together

Hysterectomy \$10,200–\$19,300

Removal of the uterus

Prostate removal \$8,000–\$13,000*

Surgical removal of the prostate gland

Total knee replacement* \$15,000–\$22,000*

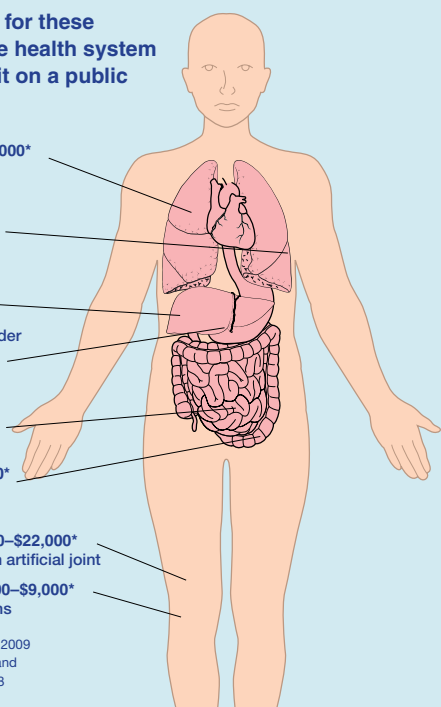
Replacement of the knee with an artificial joint

Varicose veins (both legs) \$6,000–\$9,000*

Surgical removal of varicose veins

Source: TOWER Claims Statistics - May 2009

* Health Funds Association of New Zealand www.healthfunds.org.nz, February 2008



"If I didn't have insurance, I wouldn't have been able to walk up the aisle on my wedding day"

Just two months before her wedding, Fiona (24), was diagnosed with a cyst inside her hip joint which fractured the bone, leaving her unable to walk without pain and discomfort. After several specialist visits she was told that she would need surgery to repair the fracture and stabilise the joint.

The danger of her situation was that at any time, the small fracture in her hip could increase – causing a full hip fracture and the need for a total hip replacement.

Because Fiona had health insurance, she was able to have the surgery within weeks of her diagnosis – meaning just enough recovery time to be able to walk unassisted down the aisle on her wedding day.

With the operation costing \$17,000, she would not have been able to afford to go privately, especially as she and her fiancé were saving hard to pay for their wedding. Waiting in the public health system would most probably have meant that she would not have had her surgery before her wedding and would have been on crutches on her wedding day.

"Needing surgery came as a big shock to me. I'm only 24 and in great health so was pretty overwhelmed when they told me the news. Not having to worry about medical bills gave me such comfort – being unwell is stressful enough without worrying about money"

*This case study is taken from a real claims situation. Names and some details have been changed to protect privacy.

This brochure is not a policy wording. Full terms and conditions are set out in the policy wording and can be obtained at any time from TOWER. The policy wording sets out the benefits, features, any limitations, maximums and exclusions (circumstances where cover is not provided). Normal underwriting criteria will apply.

For more information, talk to your adviser or phone TOWER on 0800 808 808.