



Private Health Insurance Intermediaries Association Inc

Record sales and leads for intermediaries with 60,000 new entrants as consumers seek value

According to a [new survey](#), rising consumer demand for affordable private health insurance choices has driven significant sales growth through comparison services.

Leads rose 19% to 2.4 million, the highest figure recorded since the Private Health Insurance Intermediaries Association's (PHIIA) State of the Sector Survey began in 2017.

FY 2023-24 data was pooled by hospital tier, customer type and age from PHIIA members, including Compare Club, Compare the Market, iSelect and the ItsMy Group.

Members recorded a 16% year-on-year increase in sales, amounting to 216,689 policies. After two years of declining sales, it marked a notable rebound, particularly in older cohorts.

Regarding product preferences, last year's trend toward cheaper base-level coverage changed. While younger, new entrants continue to be highly price-conscious, switchers, predominantly older consumers, sought a more comprehensive coverage level than last year.

"This contrasts sharply with the FY 2022-23 trend, when cost-conscious consumers shifted toward lower-tier products, contributing to a fall in sales of premium-level cover," says PHIIA CEO Christopher Zinn.

"They're now buying higher tier policies such as Silver and Silver Plus at a price that has increased by three per cent, which was less than inflation."

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Silver and Silver Plus tiers experienced the most significant growth, increasing by 51% and 46%, respectively. Silver rose from 41% of total sales in the previous FY to 48% of policies sold.

Though up 18%, Bronze Plus policies fell to 30% of all policies sold. Gold tier policies continued to decline, falling by 10% to represent just 3.5% of total sales. The availability of Gold policies is an issue with the lack of supply of these products in the marketplace

In total, half of all gold policies sold went to those under 35, and 49% went to new entrants.

"We believe this is again linked to access to the psychiatric services that are only available at the Gold tier and remains a key issue for all stakeholders," said PHIA chair Gerald Brown.

In FY 2023-24, APRA reported 919,616 new private health insurance policy sales. Sales by PHIA members accounted for 24% of these sales. New entrants comprised 28% of total sales, down from 31% in FY 2022-23.

While PHIA members introduced nearly 60,000 new entrants to the market, the increase in switching activity suggests the growing importance of helping existing policyholders find better deals or adjust their coverage.

The average gross annual premiums (GAP) for combined policies increased by 3% in FY 2023-24, consistent with the health fund average over the same period.

PHIA is the peak industry body representing and monitoring standards for comparison services, independent intermediaries, agents and brokers advising and selling private health insurance in Australia.

Media inquiries: Christopher Zinn PHIA CEO

chriszinn@phia.org 0425 296 442