

# HOW AGE AFFECTS THE VALUE AND COST OF HEALTH INSURANCE

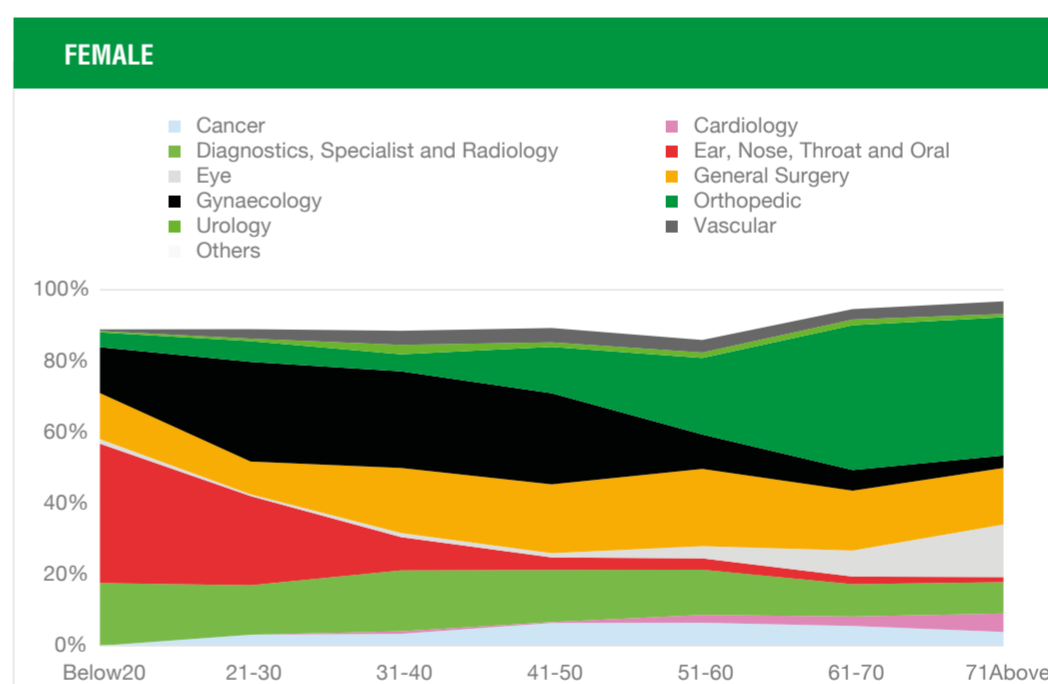
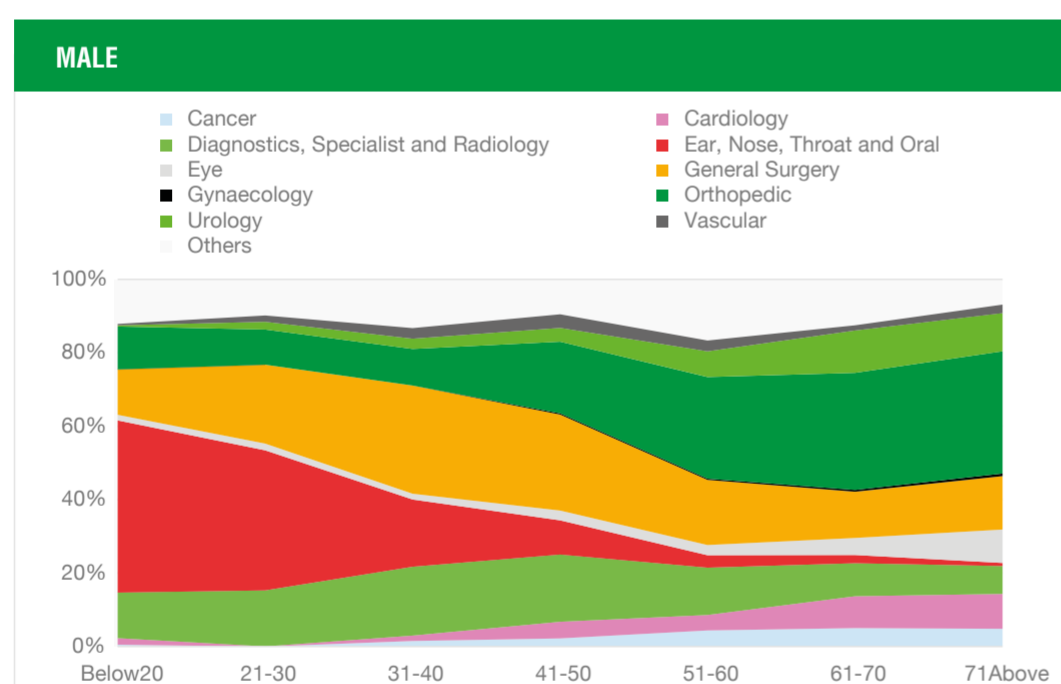
Age is one of several factors that contribute to increasing health insurance premiums. While many clients find age related premium increases difficult to accommodate, they do reflect the increased value of health insurance as we age

## Different treatments

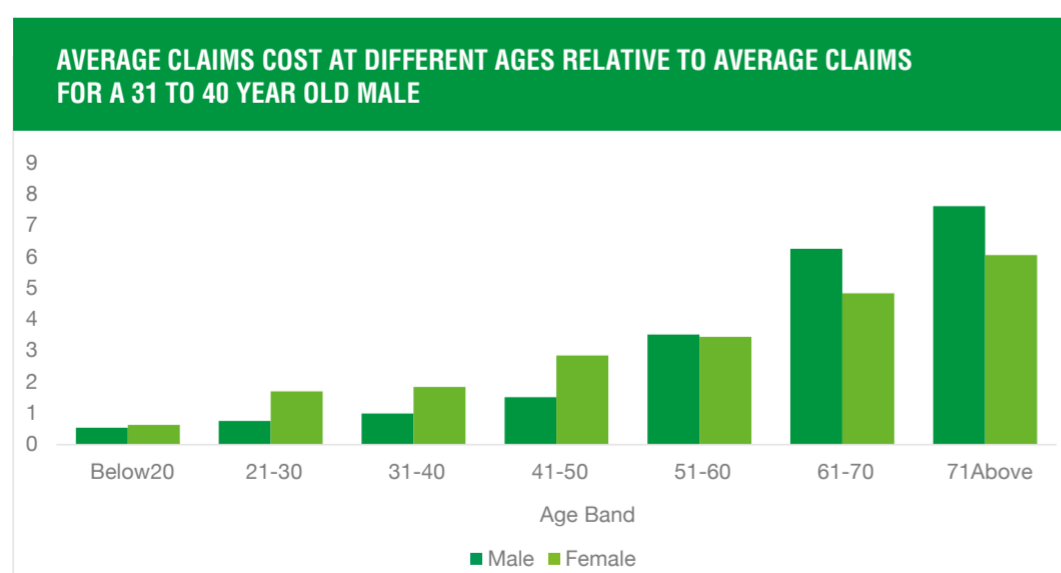
Changes to the types of treatment we need as we age also affects our premiums. The claims of older people tend to be more expensive than those of younger people.

As an example, using grommets to treat ear and hearing problems is a relatively cheap treatment, and the need for grommets usually diminishes as a young person enters adulthood. However, the need for more expensive procedures like joint replacement or cardiac surgery tends to emerge later in life.

To illustrate our changing needs for treatment, we've included two graphs below, one for men and one for women and both showing the changes in the treatments we require as we age.



The chart below, taken from claims nib clients have made, illustrates how premiums reflect the increased utilisation of their cover for older people.



You'll note the differences in claims costs for men and for women and how these follow different upward trends as we age.

While age is a major influence, there are other reasons for premium increases. Refer to our article Medical inflation and how it contributes to health insurance premium increases for more information about medical inflation, other factors which influence the cost of premiums, and how these underlying reasons often reflect better value from health insurance.