

Discover your edge

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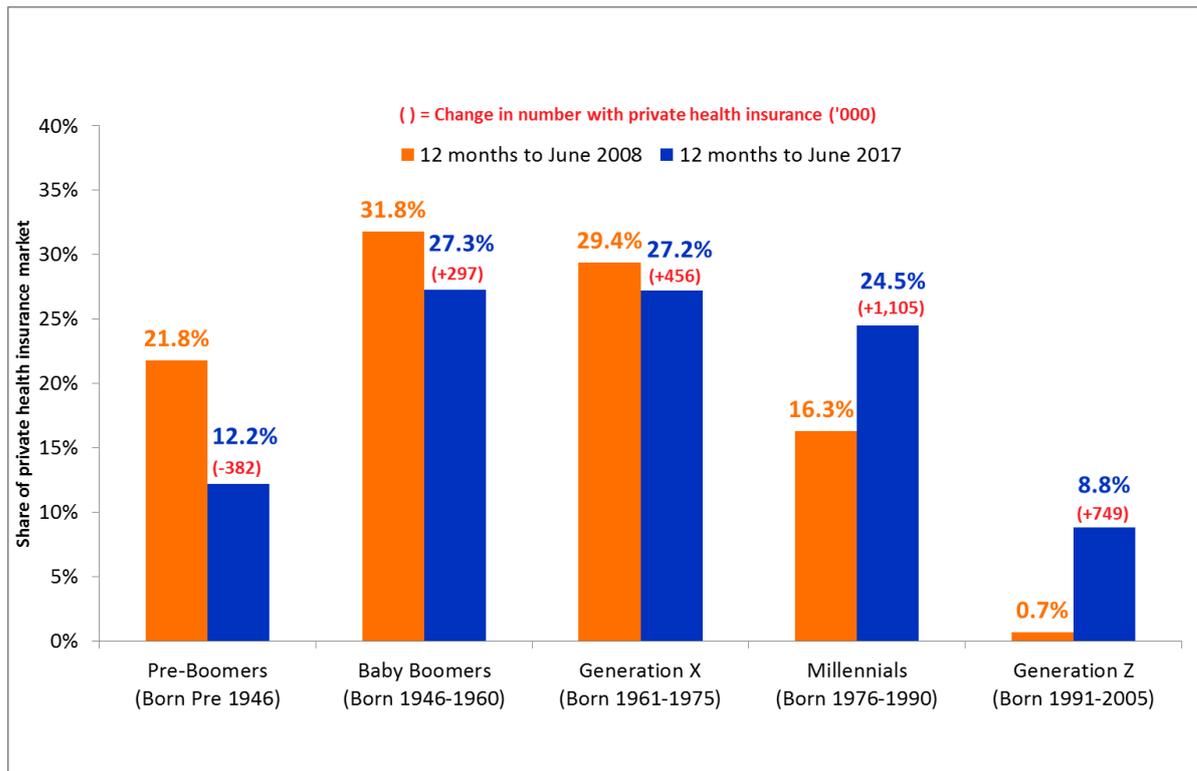
Millennials driving growth in private health insurance with over one million increase since 2008

New research from Roy Morgan shows that since 2008, there has been an increase of 1.1 million millennials with private health insurance, which accounts for nearly half (49.6%) of the overall market growth.

These are the latest findings from Roy Morgan's Single Source survey of over 50,000 consumers pa.

Millennials now account for nearly a quarter (24.5%) of the private health insurance market, compared to only 16.3% in 2008, due to an increase of 1.1 million over this period. In 2008, millennials share of the market was well below that of pre-boomers, baby boomers and generation X but as a result of their rapid growth, they are now close to being the most significant generation in this market.

Generational share of private health insurance market 2008 to 2017



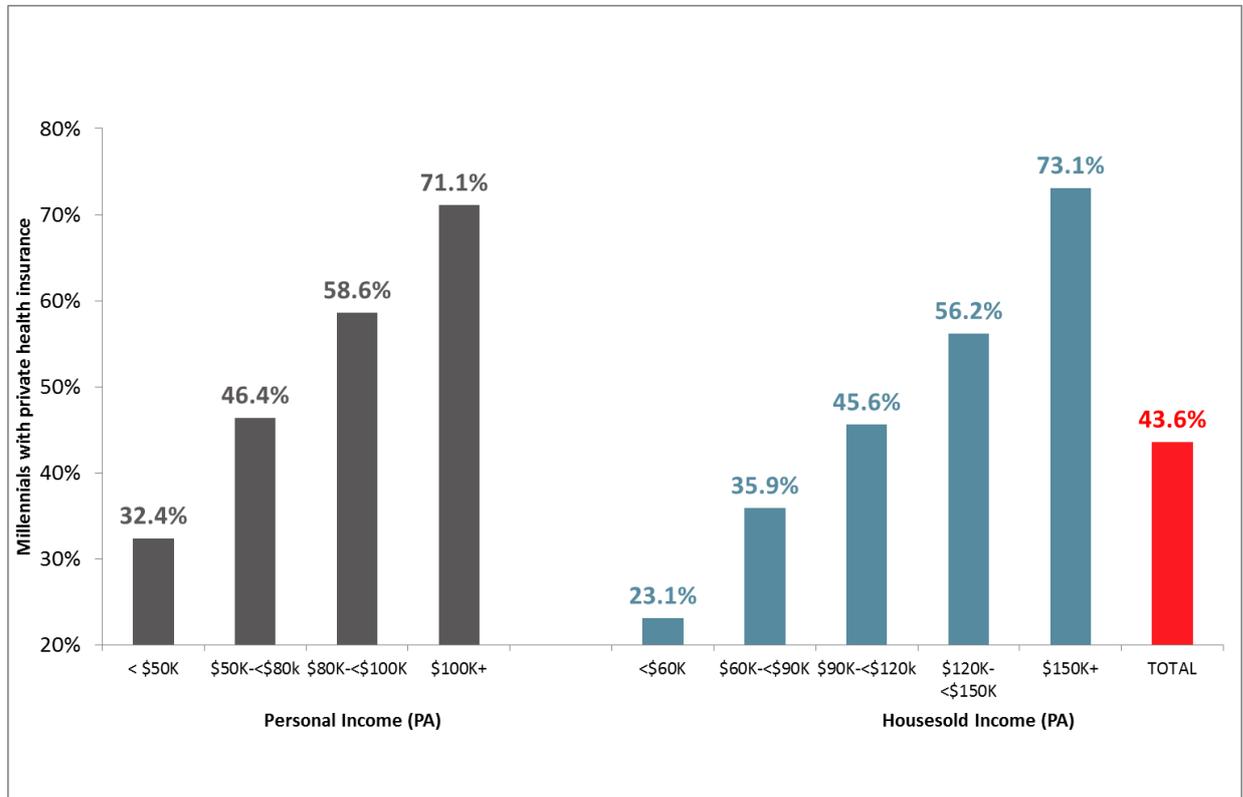
Source: Roy Morgan Single Source (Australia) 12 months to June 2008, n = 52,091, 12 months to June 2017, n = 50,008. **Base:** Australians 14+.

The youngest group in this market is generation Z, which has also experienced a major increase of 749,000 customers since 2008 and now accounts for 8.8% of the market. This share is currently not far below the 12.2% held by the oldest generation, the pre-boomers who make up 12.2%.

Not all millennials are the same

Although 43.6% of millennials overall now have private health insurance, this varies considerably by income. In terms of personal income, less than a third (32.4%) of millennials with an income of less than \$50K pa have private health insurance but this increases to 71.1% among those with incomes of \$100K pa or more.

Millennials with private health insurance by income



Source: Roy Morgan Single Source (Australia) 12 months to June 2017, n = 50,008, of which 9,759 were millennials. **Base:** Millennials 14+ Australia.

In terms of millennials household incomes, for those with an income of less than \$60K pa, only 23.1% have private health insurance, compared to 73.1% for incomes of \$150K pa or more.

Norman Morris, Industry Communications Director, Roy Morgan Research says:

“With health insurance facing rapidly rising premiums, it is now becoming increasingly important to understand where the growth is coming from and what motivates this growth. This research shows that with the ageing of the population it will become more important to encourage the younger age groups to become more engaged with private health insurance.

“Millennials have been shown to be the major driver of growth as they account for around half of the increase in the market over the last nine years. The motivation for millennials taking out health insurance has some differences compared to other groups, including around one in five (20.7%) saying that they ‘only did it to avoid paying extra tax’, this is twice the average for other generations (10%). They also rely to a much greater extent on recommendation from family and friends when choosing a health insurance provider, nearly one in three do so (30.1%) compared to only 12% for other groups.

“In terms of brand loyalty, millennials show that they are much less likely to renew automatically with the same insurer as they indicate that they are either more likely to shop around before deciding, don’t know what they will do or intend to change company.

“Although millennials have been seen to be a critical segment to achieve growth in private health insurance, they present a challenge to engage, particularly those on lower incomes and those with major alternative commitments such as home loans and family expenses. They also present a challenge in terms of brand loyalty compared to other generations and are likely to need an incentive to renew with the same provider. Incentives are not the same as discounts and understanding how to engage millennials requires understanding of their motivations and values. For a deeper understanding of the millennial mindset, contact Roy Morgan.”

For comments or more information about Roy Morgan Research’s banking and finance data, please contact:

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About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years’ experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
7,500	±1.1	±1.0	±0.7	±0.5
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2