

Providing advice to clients concerned about the cost of their health insurance cover



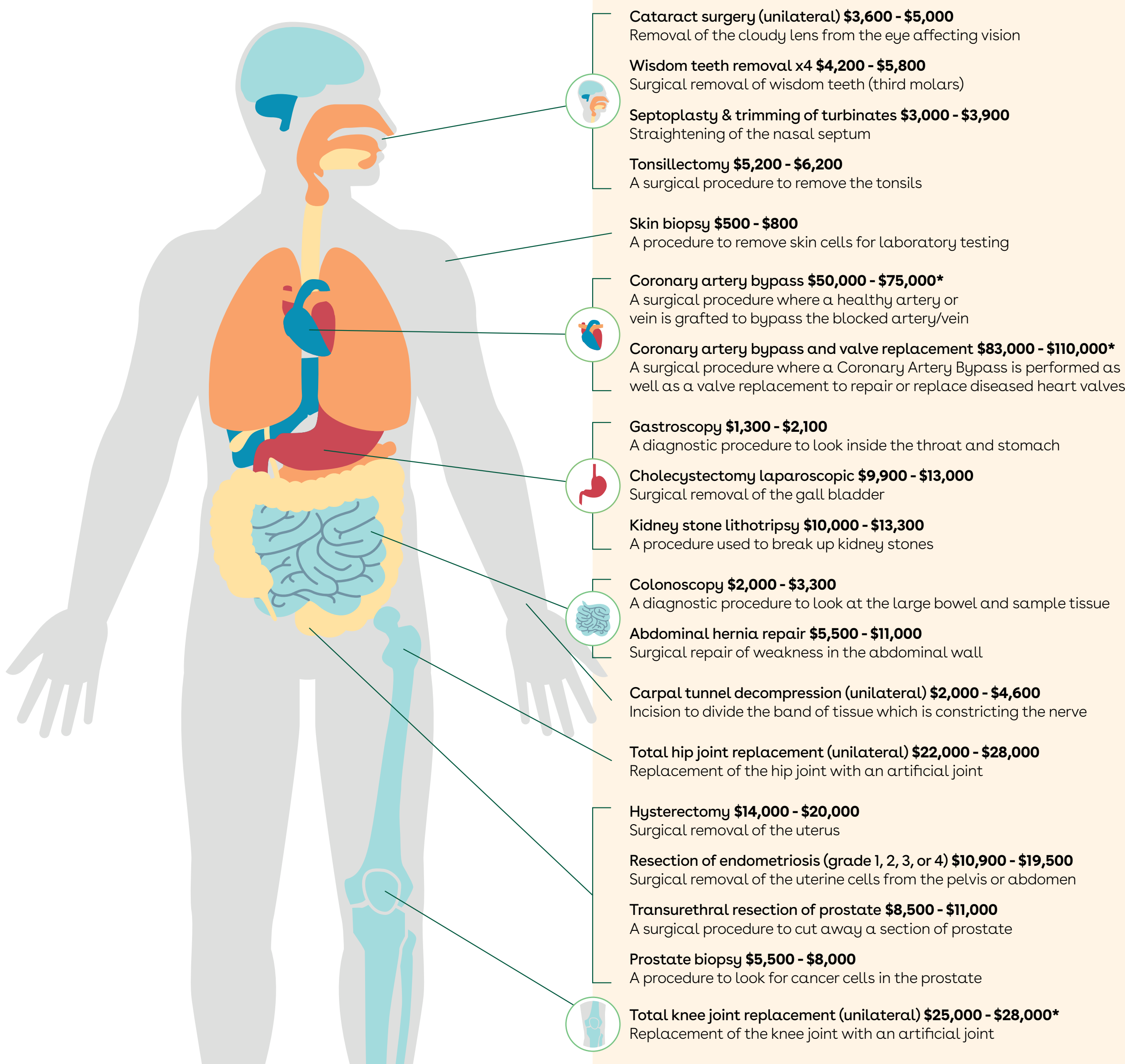
At nib we know that some clients have difficulty affording health insurance premiums and sometimes don’t understand the reasons for premium increases.

Navigating conversations around cost and affordability concerns with your clients can be challenging. To help, we’re sharing some suggestions of how to approach these discussions that will ease your client’s concerns while highlighting the benefits of health insurance.



- Review the discovery agreement or statement of advice you originally prepared for the client. Remind them about the original reason they took out the cover. Clarify how they will manage if they become seriously unwell when they don’t have the cover. This will help establish if their original concern or objective has changed.
- Ask what they like about having the cover – and what the people who depend on them like about having the cover in place.
- Clarify if their concern is about value, ability to pay or some other factor. Price objections can reflect a range of concerns.
- Look at alternative excesses and the impact these might have on their premium. A higher excess may make sense as a client ages. Of course, the client’s ability to pay the excess will also need to be assessed.
- Ask if any of the options in their cover are now non-essential.
- Talk about the factors that contribute to premium increases. If a client cancels their cover and self-insures, the increases in the cost of health services remain and become a risk that they are directly exposed to.
- Refer clients to the costs of common treatments. Ask about their ability to meet the cost of these treatments if they needed one, or more. Clarify the impact on their savings, particularly their retirement savings.
- Remind the client that private health insurance gives them choice – choice of time, health service provider and the type of treatment they want. Loss of income while waiting for treatment is a hidden cost, as is the lost income if family members leave work to support someone they love who is unwell.
- Assist your client with budgeting or refer them to someone who can. Most of us have expenses for things that we buy out of habit or that only contribute a small benefit to the quality of our lives. Help them identify lower cost alternatives.
- Talk to your clients about the benefits available on their current cover to ensure they understand what they can claim for. If they have incurred some costs and didn’t realise they were covered, encourage them to submit a claim. It’s important for clients to see value in the cover they are paying for.

These are private hospital treatment costs you could expect to pay without health insurance



Here are some common treatments you or your family could experience.

Cancer treatments		Diagnostics	
Removal of skin lesions	\$2,300 - \$4,100	PET Scan	\$2,500 - \$3,500
Chemotherapy (Per treatment cycle)	\$18,000 - \$180,000	MRI Scan	\$1,500 - \$2,800
Radiotherapy (Per treatment cycle)	\$20,000 - \$60,000	CT Scan	\$1,000 - \$2,100
		Ultrasound	\$300 - \$600

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Source: nib claim statistics August 2023
This is an illustration of treatments and costs you could expect to pay if treated in private hospital. This is not representative of conditions covered on your policy or the amount that would be paid by nib nz limited in the event of a claim.

