Bite sized insights on Health Insurance (AU)
Key changes in the industry

On March 25, Australia banned non-urgent elective surgeries for public and private hospitals to free up resources to combat the pandemic. Furthermore, major private health funds have delayed the scheduled premium hike for April 1 roughly 6 months and offered fee relief for select policyholders. It is vital that customers gain clarity on the importance of taking out health coverage.

The original March switching seasonality would be expected to occur around October.

Hospital cover becomes the key product for potential policyholders.

Insurers promoting extras cover need to tailor messaging and ensure clarity on what’s provided, e.g. telehealth services.
1. Searches and clicks have contracted in the last two weeks due to announcements that most non-essential elective surgery has been banned and the April 1 price hike has been pushed to roughly October 1.

2. Though volumes for the month of March have been disrupted by the noise from COVID-19, searches for March are still up \(+26\%\) year over year (YoY).
Lower costs per clicks (CPCs) offer an opportunity to increase return on investment

Post lock-down, we’ve seen a substantial decrease in CPCs year over year, as low as −35%

It is important to leverage this as an opportunity to retain your brand visibility

Source: Microsoft Internal Data Jan – Mar 2019 and 2020, data across all devices.
Health insurance competitors are retaining their click share

The leading competitors in the market are showing no signs of slowing down or decreasing their position in the market.

Action: Defend your click share with adequate investment to stay competitive.

Tailor messaging as motivations for private health insurance cover have been disrupted

<table>
<thead>
<tr>
<th>Reason</th>
<th>2019 (%)</th>
</tr>
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<tbody>
<tr>
<td>More choice</td>
<td>17%</td>
</tr>
<tr>
<td>Avoid wait periods</td>
<td>16%</td>
</tr>
<tr>
<td>Use a lot of extras</td>
<td>9%</td>
</tr>
<tr>
<td>Avoid tax penalty</td>
<td>9%</td>
</tr>
<tr>
<td>Don’t trust public system</td>
<td>6%</td>
</tr>
<tr>
<td>Avoid lifetime loading</td>
<td>5%</td>
</tr>
<tr>
<td>Always been on my parents</td>
<td>5%</td>
</tr>
<tr>
<td>For children</td>
<td>3%</td>
</tr>
<tr>
<td>Pregnancy cover</td>
<td>3%</td>
</tr>
<tr>
<td>Have poor health</td>
<td>2%</td>
</tr>
</tbody>
</table>

Health insurance isn’t needed for COVID-19, and the usual benefits like shorter waiting lists for elective surgery and choosing your own doctor are currently less relevant.

23% of our network have household incomes in the top 25%, and this audience would be motivated to take out coverage to avoid tax penalties.

Action: Adjust ad copy and campaigns to address the financial benefits of health insurance and potentially promote lower levels of hospital-only cover.

Government-funded telehealth services may shift behaviours long-term

$100 million package under Medicare to fund health consultations via phone or video potentially make lasting impact on behaviours

Similar lasting effect expected within other areas such as teleconferencing services

Action: Where applicable highlight telehealth and other relevant extras through ad copy within extras campaigns

Health Insurance is a brand keyword-dominated industry on our platform.

In March for the Health Insurance industry, 7 in 10 searches contained a [brand] term within it.

The top 5 insurers on our platform comprise 75% of these searches.

Action: Defend your brand in a brand-centric market.
Varying levels in consumer engagement are clearly shown between age groups.

**Searches split by age group**

- 65+  
- 50-64  
- 35-49  
- 25-34  
- 18-24

**Click-through rate (CTR) by age group**

- 65+  
- 50-64  
- 35-49  
- 25-34  
- 18-24

2 in 5 searches come from people 50 years of age and over.

Higher CTR demonstrates stronger engagement from these demographics.

A forecast into Health Insurance for the rest of the year

**Search forecast with budget adjustment recommendations**

- Expected recovery period up to end of financial year tax season as pandemic slows down and economy recovers, expect spike in July volume based on previous year patterns as people research policies for financial benefits.
- March switching seasonality from 2019 expected to occur in October this year due to price increase pushback.

**Key points to track:**

1. As the pandemic slows down in Australia, keep updated with government news on lockdown laws as this will impact consumer sentiment.
2. Due to the banning of most elective surgeries, cost savings for insurers have been encouraged to be passed on to customers in the form of reduced premiums.

Expect spikes in activity per these announcements.

*Budget recommendations are relative percentage values based on January budgets, e.g. we recommend 65% increase in budget in July compared to January.

Strategies and recommendations

Learn immediate and recovery-phase strategies, and how to approach new opportunities and optimize account health in the Digital Advertiser’s Guide to COVID-19