Southern Cross
Health Insurance

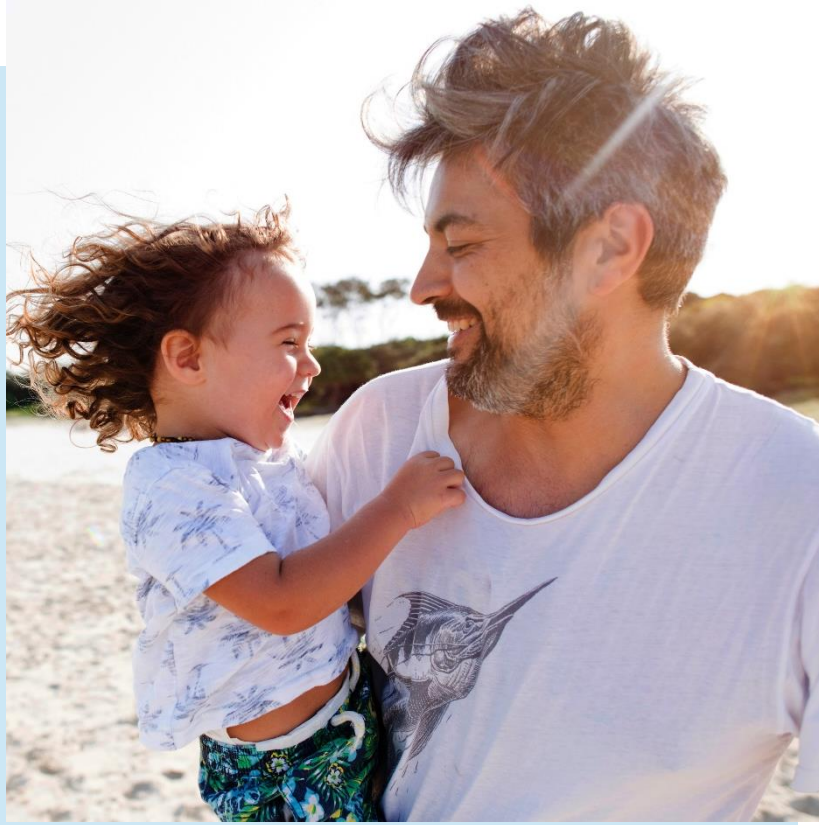
IFHP Conference – Vancouver, Canada, October 2-6, 2022.

Nick Astwick, CEO Southern Cross Health Society

A winning culture is a culture of winning.

Our time together

1. about Aotearoa New Zealand and Southern Cross
2. the role of a CEO
3. right strategy, right culture, right people
4. the power of culture to sustain performance – a peek into 'greatness'
5. the 'soft' stuff is the hard stuff – our cultural journey



Information Classification: Public

Aotearoa New Zealand

- 5.12 million people
- an indigenous population (Māori)
- increasingly multi-ethnic
- a young, but ageing population
  - median age of 37.9
  - 15.2% aged 65+
  - life expectancy M = 80.5, F = 84.1
- one major city, Auckland (1.72 million population)

Te Whanganui-A-Hei (Cathedral Cove) Marine Reserve, Hahei, Coromandel, New Zealand.

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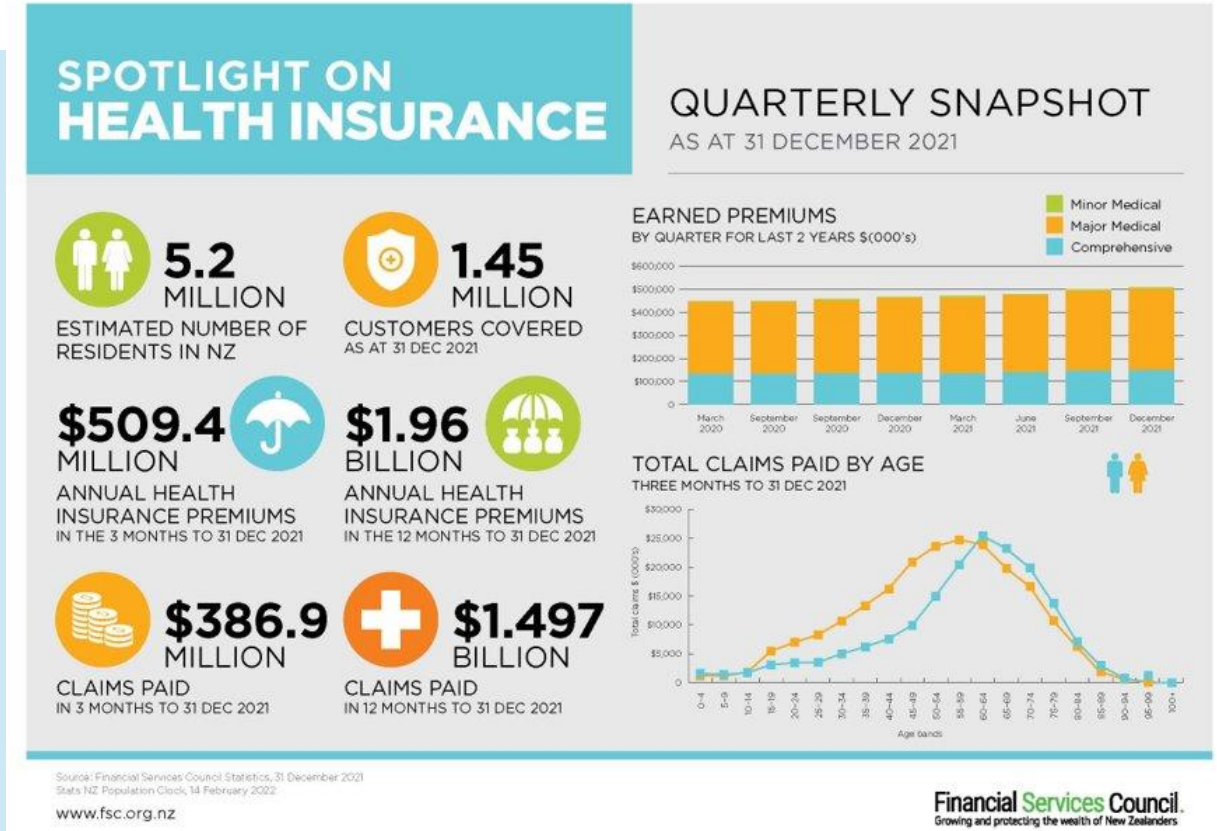
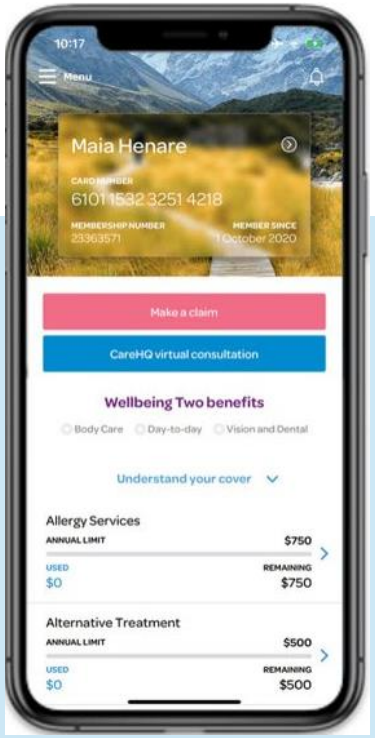
Introducing NZ Private Health Insurance

- non accident with ACC
- complimentary to public
- voluntary, no tax incentives or rebates
- 3 of 10 New Zealanders covered
- 1.45 million people with private health insurance
- priced for risk
- health insurance coverage across age groups:
  - peaks at 37.7% for age 55-59 years
  - drops to 22.1% by age 70-74



Introducing...
Southern Cross Private Health Insurance

- part of a group of New Zealand's largest and national private healthcare group that share a not-for-profit ethos
- group vision. Healthier years for more New Zealanders
- a Friendly Society operated for the benefit of members
- New Zealand’s largest health insurance business with 62% market share of lives, paying 73% of all health insurance claims
- 87c in claims for every dollar received in premiums higher than other insurers at 65c. Small surplus is invested or reserved
- average age is 39, tenure is 17 years
- NPS 57%, CES 84%, DAM 84% & Employee engagement is 83%
- diversification in Life, Pet, Travel Insurance and Virtual GP.



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The role of the CEO

Define reality and give hope.

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The role of the CEO

Define reality and give hope.

Right strategy, right culture, right people.

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Right Strategy

Getting the strategic context right first, is essential.

1. the battleground is relevance
2. what business are we in?
3. compete to win strategy – leverage our strengths.

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Right Strategy – big shifts to make

BILL PAYER	KEY STRATEGIC SHIFT →	INDISPENSABLE PARTNER
INSURER	STRATEGIC CONTEXT	ASSURER
PASSIVE PAYER	FUNDING ROLE	ACTIVE PUCHASER
SUPPLIER	PROVIDE RELATIONSHIP	PARTNER
BENEFIT LED	BUSINESS STRATEGY	AFFORDABILITY LED
PRICE	CONTRACTING STRATEGY	VALUE AND OUTCOME
SPEED AND ACCESS	PRIVATE PROPOSITION	QUANTITY AND QUALITY OF LIFE
HERITAGE	BRAND	ICONIC
SHARE	MARKET FOCUS	MARKET GROWTH
TREATING ILLNESS	HEALTH FOCUS	HEALTH AND WELLBEING

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Right Strategy

This strategy;

- is ambitious
- will disrupt us
- is transformational
- demands different mindsets and skills sets
- requires us to be intentional and aligned
- requires the **right** culture....

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Right Culture

The **‘soft’** stuff is the hard stuff.

"When dealing with people, remember you are not dealing with creatures of logic, but creatures of emotion"

Dale Carnegie, How to Win Friends and Influence People

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Right Culture

Dragonsight
BRECON CARREG

Learning from the All Blacks

The Goal;

"seamlessly realize excellence through perpetuating winning as both an uncompromising goal and a creative struggle".

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Right Culture

The right culture for our strategy is...

1. customer driven
2. purpose and values
3. agile
4. intentional, empowered and accountable
5. achievement via a commitment culture....

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Right Culture

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Right People

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