2026 ISSUE TWO

STUART·CARLYON

Financial advisers for your lifetime goals

The rising cost of health

According to Aon's 2025 Global Medical Trend Rates Report, global medical costs were expected to rise by around 10% in the 2025 year, marking the second consecutive year of double-digit increases.

The problem is more local than one might imagine. While the annual inflation rate (for groceries, utilities, rates etc.) sits at 4.1%, the price of a NZ typical medical plan has roared upward by 17% in 2025. The forecast for the rate of increase for 2026 is projected to be 18% which is far above the global average.

Kids love playing doctor. The game gets a lot more serious as we face old age.

The high cost of healthcare

Even compared with Australia, New Zealand faces higher healthcare costs. At a recent NIB webinar we attended, we heard a hip replacement in a private hospital can cost around $22,000 to $28,000 without health insurance.

And the price of a coronary artery bypass is not for the, er, fainthearted. Without health insurance the operation could set you back by somewhere between $83,000 to $110,000.

What is driving the increase?

The reasons for the ballooning health costs are woven together in a complicated tango of cause and effect. Our average life expectancy at birth in 1960 was 71 years. This figure has grown to 83 in 2026 (from www.macrotrends.net). The advances in diagnostics, medicine and surgical techniques have made this possible.

In that sense the shape of the healthcare system has changed. Today there is much greater use of diagnostic testing – think CAT and MRI scans - and this leads to a rise in specialists treating suspected health issues before they become fatal problems. In our old age we can expect several successful hospital episodes.

Let's not forget the top 3 chronic conditions such as cardiovascular disease, cancer and high blood pressure which are major contributors to healthcare demand and costs. As more people need ongoing diagnosis, treatment and monitoring, the financial pressure on the health system — and on households — continues to grow.

Insurance provides a buffer — but for how long?

Sitting in the wings of this story is health insurance and it is here that our clients most commonly confront the rapidly rising cost of medical care. Health insurance provides a shared financial buffer against the truly high health bills. It also provides shorter waiting times for treatment.

According to a RNZ article on 18 February 2023 about the woes of public healthcare, private hospitals are responsible for nearly 70% of elective surgery procedures in NZ (224,000 per year).

The crisis with private health cover is that the pool of members is currently skewed toward older people: the very people who are likely to require more expensive care. Insurance companies are putting up their prices as well as taking a tougher line on pre-existing conditions as well as what conditions get covered.

At the webinar, NIB indicated that the medical insurance industry is unlikely to suffer a structural failure and for the industry "the tide is turning to sustainability". But they recognise that there are concerns about private insurers, and their viability and sustainability to meet claims.

What does this mean for clients?

Health insurance premiums	As premiums rise faster than CPI inflation, there is a strong case for building an emergency fund in lieu of choosing policies that are too comprehensive.
Retirement income planning	It is worth reviewing the level of portfolio drawings to allow for increasing living costs and testing how long your money will last if costs rise faster than CPI. Check in with your adviser for some projections.
Cash-flow management	A medical event can create costs beyond hospital treatment such as healthier but more expensive food choices or medicines not funded by Pharmac.
Cover decisions	Review cover levels, excesses and affordability so insurance remains fit for purpose. Increasing an excess or removing non-essential benefits can reduce premiums, while any decision to drop cover should be weighed against how much you are prepared to self-fund.

Increasing the excess on your medical plan can be a simple way to trim down premiums. LifeDirect, an insurance advice business with a DIY quote comparison website, estimates that adding a $1,000–$4,000 surgical excess to Southern Cross cover could lower premiums by 20–40%. This excess usually applies only to surgical hospital claims, not GP or specialist visits.

Suite 2.1, 8a Cleveland Road, PO Box 137-154, Parnell, Auckland, 1151, New Zealand Phone: +64 9 307 2331 www.stuartcarlyon.co.nz

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The best financial strategy is to stay healthy.

Ultimately prevention is the key to reducing the risk of an expensive health episode.

- Keep active, eat sensibly and have regular check-ups.
- Maintain suitable emergency and healthcare reserves.
- Have a financial plan that gives you confidence and peace of mind.
- Build flexibility into retirement spending assumptions.
- Review medical cover as premiums and personal circumstances change.

Spotlight on Jenaya Clarke

We are delighted to introduce Jenaya Clarke, the newest adviser recruit to the Stuart Carlyon team, and shine a spotlight on what inspired her career in financial advice, her approach to clients, and what she enjoys beyond the office.

What made you want to become a financial adviser?

My path into financial advice wasn't a straight line. After working in a variety of roles across financial services, I discovered I was most motivated by helping people solve problems and achieve meaningful goals. I love that financial advice combines technical knowledge with making a real difference in people's lives.

What do you enjoy most about helping clients?

The most rewarding part is seeing clients gain confidence in their decisions. Whether they're navigating a major life change, preparing for retirement, or simply getting organised, I enjoy helping them move forward with clarity and confidence.

What excites you most about the future of financial advice?

Technology is helping advisers work more efficiently and deliver a better client experience. While AI and automation can save time and provide valuable insights, nothing can replace the experience, empathy, and genuine understanding that comes from working with a trusted adviser. Technology will enhance great advice, not replace it.

What do you enjoy most about working at Stuart Carlyon?

I value the genuinely client-focused culture and the team's commitment to doing the right thing. We take a long-term view of financial planning, and there's a strong collaborative environment where everyone is encouraged to learn and improve.

You're learning te reo Māori. What inspired you to start that journey?

I've been learning te reo Māori on and off for the past decade. My son has inspired me to strengthen my connection to my iwi, whānau, and te ao Māori, and as someone with whakapapa to Ngāti Tūwharetoa, it has become an important way to reconnect with my culture.

Having also learned Japanese, French, and Italian, I've always believed language is a powerful way to understand people and their stories.

What are some of your favourite travel memories?

Walking the Cinque Terre in Italy, snowboarding in Nozawa Onsen in Japan, and relaxing at a beach bar in Juan-les-Pins on the French Riviera are all experiences that stand out. Each combines beautiful scenery, unique culture, and great food, which are three of my favourite things when travelling.

How do you spend your weekends?

Depending on the season, you'll usually find me on a golf course or a ski field. Golf has become a family passion, and we often plan weekends around tee times and exploring new courses. In winter, I swap the clubs for a snowboard and head to Queenstown whenever I get the chance.

Celebrating Success

You may recall that Samuel Mataele, a young countertenor, performed at our client event celebrating 20 years in March 2025. Since then, the now 19-year-old has gone on to win first place in the inaugural Kiri Te Kanawa Song Quest, held on Saturday 11 July 2026. Sam is the first countertenor to have ever won the Song Quest and only the second 19-year-old to ever have achieved that remarkable result.

In 1965, Dame Kiri won the Mobil Song Quest, which launched her career. Six decades later, the same competition now bears her name. Fiona Ferens, a long-term client of ours is Samuel's singing teacher, and will remain so until he heads to Europe at some stage in the future.

Congratulations to Samuel.

Dame Kiri Te Kanawa, Samuel Mataele and head judge Frederica von Stade.

Photo credit: Hagen Hopkins