

19 August 2009

The Manager
Company Announcements
Australia Securities Exchange Limited
Level 4, Bridge Street
SYDNEY NSW 2000

Appendix 4E – Preliminary Final Report 30 June 2009 – correction to page 82

nib holdings limited (nib) advises that typographical errors have been identified in the Appendix 4E released on Monday 17 August 2009. A revised page 82 with the corrections highlighted is attached.

nib apologises for any inconvenience this has caused.

Yours sincerely



Michelle McPherson
Company Secretary/Chief Financial Officer

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nib holdings limited
Notes to the financial statements (continued)
For the year ended 30 June 2009

21. CURRENT LIABILITIES – OUTSTANDING CLAIMS LIABILITIES (CONTINUED)

b) Risk margin (continued)

The Outstanding Claims estimate is derived based on 3 valuation classes, namely Hospital and Prostheses services combined, Medical services, and Ancillary and Ambulance services combined. Diversification benefits within a valuation class are implicitly allowed for through the model adopted. The determination of the risk margin has also implicitly allowed for diversification between valuation classes based on an analysis of past correlations in deviations from the adopted model.

The Outstanding Claims provision has been estimated using a chain ladder method, based on historical experience and future expectations as to claims. For Hospital, Prostheses and Medical services in particular, expected claim numbers and average claims size are used instead for the most recent three months. The calculation was determined taking into account one month of actual post balance date claims.

As claims for health funds are generally settled within in one year, no discounting of claims is usually applied as the difference between the undiscounted value of claims payments and the present value of claims payments is not likely to be material. Accordingly, reasonable changes in assumptions would not have a material impact on the outstanding claims balance.

Changes in the gross outstanding claims can be analysed as follows:

	Consolidated		Parent	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Gross outstanding claims at beginning of period	53,194	47,521	-	-
Administration component	(1,470)	(1,313)	-	-
Risk margin	(2,725)	(2,435)	-	-
Central estimate at beginning of period	48,999	43,773	-	-
Change in claims incurred for the prior year	1,876	(2,151)	-	-
Claims paid in respect of the prior year	(50,875)	(41,622)	-	-
Claims incurred during the year (expected)	598,488	553,072	-	-
Claims paid during the year	(554,390)	(504,073)	-	-
Central estimate at end of period	44,098	48,999	-	-
Administration component	1,323	1,470	-	-
Change in administration component assumptions	-	-	-	-
Risk margin	2,453	2,725	-	-
Change in risk margin assumption	(181)	-	-	-
Gross outstanding claims at end of period	47,693	53,194	-	-

22. CURRENT LIABILITIES – UNEARNED PREMIUM LIABILITY

	Consolidated		Parent	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Unearned premium liability as at 1 July	46,989	51,580	-	-
Deferral of premiums on contracts written in the period	49,888	46,989	-	-
Earning of premiums written in previous periods	(46,989)	(51,580)	-	-
Unearned premium liability as at 30 June	49,888	46,989	-	-

23. CURRENT LIABILITIES – UNEXPIRED RISK LIABILITY

No deficiency was identified as at 30 June 2009 and 2008 that resulted in an unexpired risk liability needing to be recognised.

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