

nib announces 2021 premium changes

Following approval from the Federal Minister for Health, nib health funds (nib) will increase health insurance premiums by an average of 4.36% from 1 April 2021 to meet future claims and medical costs. nib's average premium increase for the past three years is 3.55%.

nib Managing Director, Mark Fitzgibbon said the premium changes balance affordability with ensuring nib members can access medical treatment when and where they need it.

"Premium changes are never welcomed but the reality is that the cost of medical treatment continues to rise well above inflation and we're increasingly seeing members access healthcare services with health insurance a critical funding tool enabling treatment and care," Mr Fitzgibbon said.

"A perfect example is the concerning increase in members accessing mental health services. In the 12 months to 30 September 2020 mental health benefits totalled \$48.8 million," Mr Fitzgibbon added.

Mr Fitzgibbon said nib's products continue to remain competitive and affordable with its products coming from a lower premium base compared to the industry average. Following the 1 April 2021 premium increase nib's annual average premium per single equivalent unit will be \$2,844, compared to the industry's \$3,119.

During financial year 2020, nib paid a total of \$1.7 billion on behalf of all members which amounts to \$4.6 million each day.¹

nib's contribution to the industry's risk equalisation scheme is also a driver of its premium increase, Mr Fitzgibbon said.

"nib is the single largest contributor to the risk equalisation scheme, which essentially compensates other funds' older and sicker members. Given nib's success in growing our membership base, particularly younger and healthier members, we are effectively subsidising the rest of industry. Last year alone nib contributed \$247 million² to risk equalisation," Mr Fitzgibbon said.

"We're supportive of the Government's recently announced review of the current risk equalisation arrangements, with the expectation that this will lead to positive change to improve health insurance affordability," he said.

nib also confirmed telehealth benefits are now permanent for nib members helping them to stay healthy, while staying home.

"By extending coverage for telehealth services on an ongoing basis, our members can continue to keep on top of their health and access services like physio and psychology from the comfort of their home," Mr Fitzgibbon said.

"It's just one example of the way we are helping our members stay healthy and out of hospital. nib also offers a range of personalised health programs and prevention initiatives at no additional cost," he added.

Media enquiries:

Matthew Neat

Head of Corporate Affairs and Investor Relations

Phone: +61 (0)411 700 006

Email: m.neat@nib.com.au

¹ Includes COVID-19 provisioning and Risk Equalisation.

² Includes COVID-19 support provisioning.