

2 March 2016

The Manager
Company Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

RE: nib announces changes to premiums

Please find attached nib media release advising approval of nib's 2016 premium changes by the Federal Minister for Health.

nib has received approval to increase its premiums by an average of 5.55% across all products (effective 1 April 2016).

Yours sincerely



Michelle McPherson
Company Secretary/Chief Financial Officer

MEDIA RELEASE

2 March 2016

Premium changes lowest in four years

The growing cost of health care combined with an increase in the frequency of people seeking treatment has seen nib's claims expense increase 7.2% to \$1.3 billion for calendar year 2015. This resulted in nib paying 86 cents for every \$1 collected in premiums on claims.

In an effort to keep pace with rising health care costs and to continue to provide benefits customers expect, nib will be increasing health insurance premiums by an average of 5.55%.

The changes are effective from 1 April 2016.

nib's Chief Executive Officer, Mr Mark Fitzgibbon, said health insurance affordability and value for money remain a heavy focus.

"We continue to see year-on-year increases in benefits paid. On one hand this is positive, as customers are receiving value from their health insurance for needed treatment. On the other though, it places upward pressure on premiums," Mr Fitzgibbon said.

Mr Fitzgibbon said he expects health insurance affordability to be one of the Federal Government's key areas of focus following the recent PHI Review.

"Minister Ley has already targeted the prosthetic pricing system as an opportunity to improve PHI affordability. Current pricing arrangements are an unfair cost burden on consumers, which if changed, could save \$800 million per annum," Mr Fitzgibbon said.

"Our desire to tackle rampant cost variation in treatment and help people make better choices explains our investment in Whitecoat, a website that allows people to search and compare healthcare professionals and make more informed decisions. Already Whitecoat has more than 30,000 registered providers and 200,000 patient reviews and is growing quickly," Mr Fitzgibbon added.

nib said it encourages all policyholders to review their health cover at least every two years to ensure they are receiving the right level of cover and benefits that meet their needs. nib customers can receive a free health cover review by visiting any nib Retail Centre, going online at nib.com.au or calling 13 14 63.

Media and Investor Relations

Matthew Neat

Head of Corporate Affairs & Investor Relations

Tel: +61 (0)2 4914 1777 or 0411 700 006 (+61 411 700 006)

Email: m.neat@nib.com.au