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nib completes purchase of QBE's travel insurance business

nib holdings limited (ASX: NHF) today announced it has completed the purchase of QBE's travel insurance business (QBE Travel). nib first announced the purchase on 3 August 2018.

The acquisition includes the distribution and claims capability of QBE Travel. The business will be re-branded to nib Travel and new policies issued will be underwritten by AXA XL.

The final purchase price is \$24.2 million¹ reflecting the level of business generated.

One-off transaction and integration costs are forecast to be approximately \$11 million and amortisation of related identifiable intangibles are expected to be approximately \$2 million annualised.

nib's Managing Director, Mark Fitzgibbon, said the acquisition bolsters nib's domestic travel insurance market position, with nib Travel now clearly Australia's third largest travel insurer.

"This is a very good acquisition, consistent with our strategy to grow our travel insurance operations both domestically and globally. It's expected to increase nib Travel's annual domestic gross written premium by more than 50%," Mr Fitzgibbon said.

"We're also excited to welcome the QBE Travel team to the nib family from today, including approximately 150 employees in Glen Waverley (Victoria), Cebu and Manila in the Philippines," he added.

Mr Fitzgibbon said the acquisition adds considerable scale to nib's existing platform to deliver further revenue and cost synergies.

"With more than 60% of travel insurance claims medical or health-related, being part of the nib Group allows our travel business to leverage and tap into our hospital and provider networks, claims management capability and distribution channels," he added.

The acquisition will also see nib Travel become the exclusive travel insurance partner of Qantas across Australia and New Zealand.

MEDIA AND INVESTOR RELATIONS

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¹ After allowance for net liabilities (mainly employee liabilities) acquired