

Date 2 March 2009
Subject nib confirms premium and product changes

Following the announcement by the Federal Minister for Health and Ageing regarding Private Health Insurance Premiums Rise, nib health funds (nib) now provides further information in respect of changes to its premiums and health cover products.

This is further to this morning's ASX Announcement that nib premiums will increase by an average of 5.18% across all products and will be effective from 1 April 2009.

nib's Managing Director Mark Fitzgibbon said the increasing cost of providing health cover continues to place pressure on health funds to keep premium prices down.

"In financial year 2008, nib paid \$647.0 million in benefits on behalf of policyholders, or just under \$1.8 million per day. This represents a return of 85.3 cents for every \$1 contributed to the health fund," Mr Fitzgibbon said.

"We have made every effort to maintain product affordability and price competitiveness with regards to our 2009 price adjustments, with the change in premiums to offset the increasing costs of claims expenses.

"As a result, our average premium increase of 5.18% across all products compares favourably to the industry average increase of 6.02%. In fact some products will remain unchanged or receive a reduction in price," Mr Fitzgibbon added.

nib's Basic Saver product will remain at \$9.95* per week across all states. This product has not received a price increase since it was introduced in June 2006. The price of Family Basic Saver will decrease by 9.6%, making health cover for families even more affordable.

Young at Heart Mid will not receive a price increase while Young at Heart Top will decrease by 4.6% in price. nib's Young at Heart products were introduced in 2008 to cater for people aged over 55.

Last week (25 February 2009), nib announced that it will provide greater ongoing value for customers by introducing higher annual limits for Extras services on selected products.

From 1 June 2009 these higher annual limits will replace the nib Loyalty Bonus program. The majority of nib customers will receive higher annual limits of greater value than their yearly Loyalty Bonus entitlement.

"We're continually investigating ways to provide greater value to our customers. The replacement of the Loyalty Bonus with higher limits provides a more equitable and competitive product offering to current and new nib customers, with approximately 70% of our customers receiving higher annual limits of greater value than their annual Loyalty Bonus entitlement," Mr Fitzgibbon said.

In addition to the introduction of higher annual limits for Extras services on selected products, some of the other product changes being made include:

- Effective 1 April 2009
 - Introduction of a benefit for Post Natal Services with a lactation consultant and/or midwife.
 - Benefits will now be paid for Ante Natal Services performed by a midwife or physio in a private or public hospital.
 - Inclusion of Ante Natal Services by a midwife in private practice for the Family Plus product.
 - Introduction of a benefit for Orthotics on Family Plus.
- Effective 1 June 2009
 - Inclusions or amendments to service limits for Artificial Aids.

** Single price includes a discount of up to 4% for direct debit from a cheque or savings account, Federal Government 30% Rebate on Private Health Insurance, excess of \$500 per calendar year and excludes Lifetime Health Cover Loadings.*

nib Product Price Comparison Examples

1 April 2008 versus 1 April 2009

Product	1 April 2008	1 April 2009	Difference per week
Single			
Basic Saver \$500 excess	\$9.95	\$9.95	\$0
Family			
Gold nil excess	\$61.48	\$63.94	\$2.46

Figures used in the above table are weekly premiums for NSW and include a discount of up to 4% for direct debit from a cheque or savings account, Federal Government 30% Rebate on Private Health Insurance and excludes Lifetime Health Cover Loadings.

FOR FURTHER INFORMATION:

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