

6 December 2019

nib establishes health services joint venture with Cigna

nib Group (ASX: NHF) today announced the creation of a specialist healthcare data science and services company, with the specific purpose of delivering better health outcomes for members and communities generally.

The joint venture initiative between nib and Cigna Corporation (Cigna), a global health services company, will see each contribute AUD\$10 million in start-up funding. The joint venture will operate independently of nib and be led by Rhod McKensey who has been Group Executive of nib's Australian Residents Health Insurance (arhi) business since 2013.

The joint venture's purpose is to:

- Analyse and interpret underlying individual disease risk;
- Provide guidance on how this risk can be best prevented, mitigated, managed or treated; and
- Deliver healthcare programs, services and interventions relevant to the disease risk profile.

Although commencing with companies within the nib Group, it is envisaged the joint venture will partner with other healthcare insurers and payers as well as providers of healthcare to improve health outcomes for communities across Australia and New Zealand. It will draw upon and localise existing data science technologies including intellectual property and deep expertise from Cigna as well as develop new capabilities.

nib Managing Director, Mark Fitzgibbon said the joint venture is the result of several years of research and preparation.

"Today's announcement shouldn't be a surprise to anyone familiar with our business and vision of becoming as much about our member's good health as it is their financial protection," Mr Fitzgibbon said.

"It's a giant step in our ambitions to play a more substantive and cost effective role in healthcare. As a business we're determined to help our members, in collaboration with their doctors, keep healthy rather than simply be there for them when they're already sick or injured.

"And with over 740,000 avoidable hospital admissions¹ in Australia every year, representing approximately 7% of all hospitalisations, we think there's an enormous role for the joint venture to play," he added.

Mr Fitzgibbon explained the joint venture's immediate priority is deploying and building the necessary technology and capability. Beyond that it will deliver a range of products and services across the nib Group and later to other health payers and clients.

"The purpose of the joint venture is to help people lead healthier lives. It will do this by using data science to understand their current and future health risks and needs and then actively help them prevent, manage or treat that risk. What we are attempting is the antithesis of what today is too much about cure versus prevention and 'one size fits all' healthcare," he said.

"We've obviously found a world class partner in Cigna and there is strong alignment in how we see healthcare evolving with a greater emphasis upon the individual and more precise health risk management. Cigna is already significantly improving the health of the customers, clients, and communities they serve around the world," he added.

1. Source: Potentially preventable hospitalisations in Australia by age groups and small geographic areas, 2017-18 (Australian Institute of Health and Welfare)

nib has appointed Ed Close, who is currently Head of arhi Marketing and Products as Rhod's replacement as Group Executive arhi effective 1 January 2020. The joint venture's head office will be located in Newcastle, NSW.

About Cigna

Cigna Corporation is a global health service company dedicated to improving the health, wellbeing and peace of mind of those we serve. Cigna delivers choice, predictability, affordability and access to quality care through integrated capabilities and connected, personalised solutions that advance whole person health.

All products and services are provided exclusively by or through operating subsidiaries of Cigna Corporation, including Cigna Health and Life Insurance Company, Cigna Life Insurance Company of New York, Connecticut General Life Insurance Company, Express Scripts companies or their affiliates, and Life Insurance Company of North America. Such products and services include an integrated suite of health services, such as medical, dental, behavioural health, pharmacy, vision, supplemental benefits, and other related products including group life, accident and disability insurance.

Cigna maintains sales capability in over 30 countries and jurisdictions, and has more than 165 million customer relationships throughout the world.

To learn more about Cigna®, including links to follow us on Facebook or Twitter, visit www.cigna.com.

Investor briefing

nib's Managing Director, Mark Fitzgibbon, Chief Financial Officer & Deputy CEO, Michelle McPherson and Group Executive Australian Residents Health Insurance, Rhod McKensy will host an investor/analyst teleconference briefing at 10.30am (AEDT) on 6 December 2019.

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nib will announce its FY20 half year results on 24 February 2020.

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This announcement has been authorised for release by Roslyn Toms, Company Secretary.