



## Media Release

### QANTAS AND NIB TO CREATE A MORE REWARDING HEALTH INSURANCE EXPERIENCE

- *Qantas Assure to offer health insurance powered by **nib** to up to 11 million Frequent Flyers*
- *Wearable technology used to reward Frequent Flyer members with Qantas Points for staying active*
- *Next in a series of digitally-focussed growth vehicles for Qantas Loyalty*

**SYDNEY, 23 November 2015:** Qantas and **nib** will offer up to 11 million Qantas Frequent Flyers a more rewarding health insurance experience.

Called **Qantas Assure**, this new program will reward people with Qantas Points for being active when it launches in the first half of 2016. It will feature travel insurance under the same umbrella, which the airline already offers to more than half-a-million customers a year.

Qantas CEO Alan Joyce said **Qantas Assure**, which forms part of the growing Qantas Loyalty suite of businesses, would bring together **nib's** leading health insurance products with the market reach and consumer insights built up over almost three decades of the Qantas Frequent Flyer program.

"Qantas Loyalty has evolved beyond a typical airline rewards program to something that influences the purchasing decisions of millions of people through highly sought after Qantas Points.

"Qantas Loyalty has shown it knows how to attract, reward and retain members for their choice of airline, credit card or retailer. By partnering with **nib**, we believe there is a huge opportunity to do the same thing in the \$19 billion private health insurance market and drive significant growth for the Loyalty business."

Through the deal, **nib** will provide its health insurance, risk assessment and underwriting capability while Qantas Loyalty provides its marketing, data and customer retention expertise. The result will be a range of Qantas Assure-branded health insurance products and the ability to earn Qantas Points through the Frequent Flyer program. Value will be shared equally between the parties.

**Qantas Assure** is targeting a 2-3 per cent share of the Australian private health insurance market on a revenue basis in its first five years.

Explaining a key point of difference of **Qantas Assure**, Mr Joyce said wearable technology would have a key role in rewarding members for even moderate increases in levels of physical activity.

"This is not about simply earning points when you pay a bill. It's about offering members the opportunity to be rewarded for being more active, which is something that also has a direct impact on improving your wellness."

From next year, Qantas Frequent Flyer members who purchase a **Qantas Assure** policy can download a wellness app that syncs with popular forms of wearable technology. The app will log the number of steps taken in a day and then deposit Qantas Points into their Frequent Flyer account. These points can then be used with over 400 partners for flights, shopping or towards your health insurance premium itself.

Members will be able to choose from a variety of daily or weekly targets depending on their lifestyles, with the number of points earned increasing with the size of the target.

CEO of Qantas Loyalty, Lesley Grant, said: "The idea behind **Qantas Assure** came from our members telling us they want to be rewarded for leading a more active lifestyle. They also want to feel more engaged in the health insurance experience rather than just paying their monthly premium or making a claim.

"We believe **Qantas Assure** will create a very different relationship between customers and their health insurance. It's deliberately different and we think it's very exciting.

"When members combine the Qantas points they can earn from literally walking around the block with all the other ways to earn, it becomes a very powerful proposition.

**nib's** Managing Director, Mr Mark Fitzgibbon, said the partnership with Qantas is one of the most innovative partnerships ever offered in the Australian private health insurance market.

"As a health insurer we are obviously strong believers in encouraging our customers to be fit and active.

"Qantas Assure's ability to meaningfully reward customers for leading a more active lifestyle not only strengthens the relationship Qantas has with its members, but has the potential to improve their health and wellbeing and with that lower health care costs.

"The relationship with Australia's most recognised brand, allows us to tap into their avid Qantas Loyalty membership to further grow our business, but equally this partnership allows Qantas to leverage our claims management and extensive underwriting expertise," said Mr Fitzgibbon.

#### **ADDITIONAL INFORMATION**

- It's estimated that around one-quarter of Australians now wear a fitness tracker. Almost half of them (41 per cent) check their activity progress on a daily basis.
- 80 per cent of Australians choose walking and running as the most popular fitness activity.
- According to the ABS, less than one in five Australians take the recommended 10,000 steps per day. Separate research has found that even small increases in activity, from 1000 to 3000 steps a day, could improve mortality by 12 per cent.
- The design of Qantas Assure has been shaped by hundreds of hours of interviews and surveys with thousands of Australians on their views on wellbeing and insurance. Around 50 per cent said they would be more active if given rewards.

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