

<b>Date:</b>	14 March 2003
<b>Subject</b>	NIB intent on keeping membership affordable

NIB CEO Mark Fitzgibbon said today that NIB's strong financial position had enabled the fund to keep contribution increases to less than half the industry average.

Mr Fitzgibbon was commenting on reaction to yesterday's announcement from the Federal Minister for Health, The Hon. Kay Patterson, approving rate increases for all health insurers.

NIB's weighted average increase of 3.2% across all health covers, is well below the average industry rise of 7.4%. The fund will maintain its 4% discount for those paying their contributions by direct debit (excluding ambulance only cover).

"We are successfully managing our business in a very difficult environment," Mr Fitzgibbon said.

"Benefits payments rose by 13% last year, while we are also paying much more for medical technology, private hospital services, 'no gap' medical procedures and nurses' wages.

"But we are experiencing ongoing membership growth, we posted a satisfactory surplus for the last financial year, and we are well ahead of budget for the current year.

"We are therefore in a sound position to absorb many of these cost increases and continue to provide our members with affordable access to the best health care services available.

"We have sought an increase that will simply maintain contribution levels in real terms and at the same time we are trying to further drive down expenses through increased efficiency and expanding other revenue streams."

Mr Fitzgibbon said almost half of NIB's membership would experience contribution increases of 3% or less. Some health covers with higher claims experience will increase by slightly more.

"For example, families who have NIB Gold (top hospital and extras cover) will be paying only \$1.20 more a week or \$63 more a year after the 30% rebate; Bodyguard with a \$200 excess, a popular young singles cover, will rise by just 30 cents a week or \$12.30 a year after the rebate."

NIB is presently in its strongest ever position, with membership and reserves at an all-time high. This consolidates NIB's position as one of the top six health insurers in Australia.

**NIB Health Funds Limited**  
A.B.N. 83 000 124 381

Head Office  
384 Hunter Street  
Newcastle NSW 2300

Phone: 13 14 63  
Fax: 02 4921 2444  
Web: nib.com.au

Retail centres around Australia

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