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Subject: NIB Continues Strong Membership Growth

Newcastle-based health insurer, NIB Health Funds Limited (NIB), has again defied a flattening of growth in the private health sector with strong membership gains over the past 12 months.

Based on figures recently released by the industry regulator, Private Health Insurance Administrative Council (PHIAC), NIB's annualised growth rate of 11.4% (at March 2004) compared with just 0.4% for the industry.

For the March 2004 quarter, NIB's growth of 4.5% was well ahead of the industry average of 0.1% - representing an increase of almost 12,000 members for NIB. This growth has consolidated NIB's position among the top four NSW health funds and the top six across Australia.

NIB Health Funds Chief Executive Officer, Mr Mark Fitzgibbon, said NIB's strong membership growth will result in the fund providing health cover for close to 600,000 Australians by the end of the current financial year.

"NIB delivers value for money and we ensure that members are consistently given outstanding service," Mr Fitzgibbon said.

"We have a straight-forward approach and this style is appreciated by people who find private health insurance confusing".

In the past twelve months NIB has gained more than 15,000 (net) new memberships, and gained a further 10,000 members through the acquisition of the Victorian based health fund, IOOF Health Services.

"The majority of our growth has been organic which demonstrates our value for money and approachability", Mr Fitzgibbon said.

Mr Fitzgibbon was confident NIB could sustain its present growth despite a forecast that the industry will contract.

"We will continue to grow, deliver improved member services, as well as better managing insurance risk," he said.

"But just being bigger is not always better; we will use our growing membership base to continue to deliver products that are priced competitively and that meet the diverse needs of various demographic groups."

In the past year, NIB has also paid close to \$400 million in member benefits, a record for the fund.

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