

Date 11 November 2008
Subject nib launches new product range for over 55's

nib health funds (nib) has expanded its product portfolio with the launch of two new products, ***Young at Heart Top*** and ***Young at Heart Mid***, specifically designed to meet the health cover needs of those aged 55 years and over.

nib's Managing Director Mark Fitzgibbon said the development of the new products will complement nib's much publicised strategy of targeting the 18 – 39 year old market as the health fund looks for ways to expand and adapt to the needs of the market.

"Innovation in product development has been a key feature of our strong organic growth over the past four years," Mr Fitzgibbon said.

"Although our core target market for organic growth remains the 18 – 39 year old age group, the *Young at Heart* products will offer nib a strong competitive advantage in growing our over 55's market share.

According to Mr Fitzgibbon the new addition to nib's product portfolio follows extensive market research and analysis.

"We recently conducted a review of our product portfolio and the industry and found a real opportunity to specifically target the over 55's market. As a result, the new products have been designed and developed to cater for the over 55's health cover needs.

"Other products in the market may include cover for major joint, heart and eye surgery. However, what we've done is replace services no longer relevant to over 55's such as pregnancy and fertility treatment with tailored hospital cover and generous annual limits for popular services such as dental, optical and pharmaceuticals," Mr Fitzgibbon added.

Market research and population statistics highlight the growing necessity to provide health insurance products that meet the specific needs of an aging population. The Australian Bureau of Statistics projects that by 2010 over 25% of the population will be aged over 55 years (*ABS Catalogue 3222.0 - Population Projections, Australia, 2006 to 2101*).

Mr Fitzgibbon added that the health fund is excited about the market potential of the new product range and consumer take-up.

"We currently provide health cover to over 700,000 people nationwide, with approximately 4.8% market share of the 2.1 million Australians covered by private health insurance between the ages of 55 and 75. We see significant potential and opportunity with *Young at Heart* to increase market share in this age group.

"Over the next few months we will execute a specific marketing and advertising strategy for *Young at Heart*, which will be aligned with nib's very successful healthy, active and youthful brand positioning." Mr Fitzgibbon added.

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Young at Heart by nib – Product Information

The new products, *Young at Heart Mid* and *Young at Heart Top*, are designed based on the same 'easy to understand' principle underlying nib's current open product range:

- Ancillary benefits are percentage based – 65% of the cost back for *Young at Heart Mid* and 75% of the cost back for *Young at Heart Top*
- Avoidance of confusing sub-limits or step-down benefits
- Clarity on what a policyholder is or is not covered for and any restrictions which may apply

The product features which will give nib a competitive advantage in both products are:

- Tailored hospital cover with the exclusion of services such as pregnancy which are no longer relevant to the over 55's market and inclusion of relevant services such as major joint, heart and eye surgery
- Percentage based rebates on extras (65% and 75%)
- Generous limits on popular services such as dental, optical and pharmaceuticals

Young at Heart Products	Price
Young at Heart Top	\$31.55 per week*
Young at Heart Mid	\$24.70 per week*

* NSW price for single policy, \$500 hospital excess with 30% Government Rebate and 4% Direct Debit discount included.

For further product information and to join online visit www.nib.com.au.

FURTHER INFORMATION

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