

Date Tuesday 23 February, 2010
Subject nib confirms 2010 price and product changes

nib health funds limited (nib) has received approval from the Federal Government's Department of Health and Ageing to increase its premiums by an average of 5.95% across all products, effective from 1 April 2010.

nib's premium changes will vary across individual products and result in approximately 74% of nib customers receiving an increase of less than \$2.50 per week.

nib's Chief Executive Officer, Mr Mark Fitzgibbon, said the premium changes are necessary to cover the cost of rising claims expenses, which in calendar year 2009 totalled more than \$735 million.

"The cost of providing medical services continues to rise and place upwards pressure on our claims expenses," Mr Fitzgibbon explained.

"In calendar year 2009 we paid more than \$735 million in benefits on behalf of policyholders. This is an increase of 9% on the previous year and represents a return of 85 cents for every \$1 contributed by policyholders to nib.

"We understand that premium increases are not always well received by our customers. However, we have made every effort to price each of our products to maintain nib's affordability and to allow us to continue to provide our customers with value for money private health insurance," Mr Fitzgibbon explained.

nib also confirmed the introduction of a number of product benefit improvements from 1 April 2010, including:

- No hospital excess for child dependents up to 21 years of age on many family health covers.
- Introduction of single parent pricing on Family Basic Saver resulting in a 15% lower price when compared to the family premium.

To maintain the affordability of some of nib's health covers, the following changes will be introduced from 1 June 2010.

- Removal of gastric banding and obesity surgery benefits from Safeguard and Bodyguard products.
- Reduction of full cover for hospital psychiatric benefits to restricted benefits for Essentials, Singles Plus, Couples Plus, Premier 65% and Old Bodyguard.

Other nib health cover options are available for customers on the above products who wish to maintain these benefit levels.

nib Product Price Comparison Examples – 1 April 2009 vs 1 April 2010

The below table indicates the year on year price comparisons for nib's most popular single, couple and family products and excess levels.

Product	1 April 2009	1 April 2010	Difference per week
Single			
Basic Saver \$500 excess	\$9.95	\$10.95	\$1.00
Couple			
Basic Plus \$500 excess	\$29.50	\$31.70	\$2.20
Family (Premium Family Cover)			
Gold nil excess	\$61.48	\$64.30	\$2.82

Figures used in the above table are weekly premiums for NSW and include a discount of up to 4% for direct debit from a cheque or savings account, Federal Government 30% Rebate on Private Health Insurance and excludes Lifetime Health Cover Loadings.

FOR FURTHER INFORMATION:

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