

Date 28 February 2012
Subject 2012 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 5.5% across all products.

The changes will be effective from 1 April 2012.

nib’s premium changes will vary across products and therefore policyholders. However, almost 85% of nib customers will receive an increase of less than \$3 per week.

nib’s Chief Executive Officer, Mr Mark Fitzgibbon, said the health fund appreciates premium changes like any other price increase, are never welcomed.

“Every effort has been made to minimise premium increases. The premium changes are required to cover increasing claims experience and ensure nib remains commercially solvent,” Mr Fitzgibbon said.

In the 2011 calendar year nib paid approximately \$880 million in benefits to or on behalf of policyholders. This was an increase of more than 10% on the previous year. For every \$1 contributed in premiums, 85 cents was paid in benefits.

“Like all other health insurers we face twin forces of growing hospital utilisation and increasing medical prices. Keeping a lid on costs is always a challenge,” Mr Fitzgibbon added.

To help meet our customers’ health cover needs, a number of product improvements are planned from 1 June 2012. nib policyholders are encouraged to check their premium notification to be sent in the coming weeks for details.

“Health cover needs vary as life circumstances change, so we encourage our customers to review their health cover at least every two years to make sure their cover suits their needs,” Mr Fitzgibbon added.

nib Product Price Comparison Examples – 1 April 2011 vs 1 April 2012

The below table indicates the year on year price comparisons for a single, couple and family on a nib product.

Product	1 April 2011	1 April 2012	Difference per week
Single			
Basic Saver \$500 excess	\$11.95	\$12.95	\$1.00
Couple			
Basic Plus \$500 Excess	\$33.28	\$35.12	\$1.84
Family			
Top Cover \$500 Excess	\$69.36	\$74.56	\$5.20

Figures used in the above table are weekly premiums for NSW and include a discount of 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:
 Matthew Neat
 Tel: 02 4914 1777
 Mob: 0411 700 006
 Email: m.neat@nib.com.au