

25 January 2018

Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

RE: Approval received for 2018 premium changes

Private health funds across Australia have today received approval from the Federal Minister for Health for changes to private health insurance premiums.

nib has received approval from the Minister to increase insurance cover premiums for nib health funds by an average of 3.93% across all products. In addition, GU Health insurance premiums will increase by an average of 2.84%.

The changes are effective 1 April 2018.

Please see the attached media release for further information about the premium changes.

Yours sincerely,



Roslyn Toms
Company Secretary

For further information please contact:

Matthew Neat
Head of Corporate Affairs & Investor Relations
T: +61 (0)2 4914 1777
M: +61 (0)411 700 006
E: m.neat@nib.com.au

25 January 2018

nib delivers lowest premium increase in 15 years

nib today announced its lowest rise in premiums in 15 years as part of its commitment to addressing concerns about health insurance affordability. Following approval from the Federal Minister for Health, nib will adjust its health insurance premiums by an average of 3.93% from 1 April 2018.

nib's Chief Executive Officer, Mark Fitzgibbon, said nib remained focused on keeping health insurance affordable, with the premium changes simply reflecting the increased cost and frequency of providing medical and other treatment to its customers. An aging population, rising chronic disease, increasing use of services and the cost of new medical technology are also driving increased claims costs for health insurers.

"We've worked hard to keep our premium changes as low as possible and this is the fourth consecutive year we've been able to deliver an increase lower than the previous year and the lowest increase in 15 years," Mr Fitzgibbon said.

In financial year 2017 nib paid for 314,000 hospital episodes and around 3.6 million extras visits. The average benefit we paid on behalf of our customers for a hospital episode was \$2,683 while \$95 was paid on average for an extras visit. In total we paid \$1.4 billion in claims on behalf of our 1.1 million Australian resident health insurance customers. This was up 5.4% on the previous year.

Mr Fitzgibbon said that with private health insurance remaining an important part of Australia's health system, it is vital Government and industry continue to work together to improve affordability and the attraction of private health insurance.

"Holding down claims and premium inflation is a top priority but so too is giving people even more reason to have health insurance. The digital age is providing opportunities to make health insurance more valuable to people in their everyday lives. So for example helping them better understand their health condition, choose a doctor or dentist and transact with the healthcare system," he said.

Mr Fitzgibbon commended reforms recently announced by Health Minister Greg Hunt and said they would make a meaningful difference. He commented that as a matter of public policy we must ultimately give private health insurance an expanded role in funding the nation's healthcare.

"In the big picture we're simply running out of sufficient taxpayers to fund a growing retired population and as we did with superannuation, people are going to have to take greater responsibility for their lifetime healthcare costs. Private health insurance is a mechanism for doing that. We especially need to be able to cover the full suite of healthcare treatment," Mr Fitzgibbon said.

"The current restrictions preventing insurers covering people outside of hospitals drive unnecessary and expensive hospitalisation, limit our ability to better coordinate care delivery, and confuse consumers, leading to enormous out of pocket expenses," he added.

nib encourages its customers to review their health cover at least every two years to ensure it is providing them with peace of mind by covering the things they need. Free health cover reviews can be done in person at one of our Retail Centres, by visiting nib.com.au or calling 13 14 63.

Media and Investor Relations

Matthew Neat

Head of Corporate Affairs & Investor Relations

Tel: +61 (0)2 4914 1777 or 0411 700 006 (+61 411 700 006)

Email: m.neat@nib.com.au