

## MEDIA RELEASE

### Health Minister approves HCF average premium increase

**Sydney, 8 February 2013** – Australia's largest not-for-profit private health insurer, HCF, has announced an average premium increase of 5.74% to take effect on 1 April, lower than the average increase across HCF's major competitors (Medibank – 6.20%; BUPA – 5.80%; NIB – 6.50%).

HCF Managing Director, Shaun Larkin, said the premium increase was unavoidable given the steep inflation in health and medical costs and rising claims that have continued from the previous year.

"As a not-for-profit health insurer, HCF can and does put our members first, but we also have to ensure our health fund operations are sustainable," Mr Larkin said.

"Our average increase for 2013 is significantly below the 12% increase in claims we experienced in the last financial year, to \$1.7 billion. HCF continues to perform strongly on key measures of efficient operations, which help relieve pressure on premium increases, and the benefit payout ratio," he said.

"During 2012 HCF has introduced a range of innovative health and wellbeing measures that directly enhance the value our members receive from HCF.

"We have also introduced a lower-cost hospital insurance product into our product suite, specifically for those people looking for less expensive options."

In 2011-12, HCF's paid 91 cents out every premium dollar received back to members in benefits, well above the average of 85 cents for all other funds. Its health fund expense ratio – the ratio of management expenses to premium income – was 7.3%, compared to 9.6% for the rest of the industry.

Product innovations launched by HCF in the past 12 months include:

- My Home Doctor, an after-hours GP consultation service provided to members with hospital cover in their homes, at no additional charge
- My Global Specialist, giving eligible members access to a network of medical experts in more than 400 sub-specialty areas
- More for Teeth, More for Eyes and More for Muscles, providing improved benefits for dental, optical and physiotherapy services
- Enhancements to HCF's award-winning health and wellbeing and chronic disease management program, My Health Guardian.