

**MEDIA RELEASE****HCF announces average premium increase**

**Sydney, 27 February, 2015** – Australia’s largest non-profit private health insurer, HCF, has announced an average premium increase of 6.57%, to take effect on 1 April 2015.

Health Minister Sussan Ley today announced premium increases for all private health insurers. HCF said its increase was unavoidable in light of continued increases in health and medical costs well above inflation, which have affected claims over the past year. HCF paid out \$2,066 million in benefits - hospital and ancillary – in the 2014 financial year, an increase of 9% or \$175 million on 2013 figures.

Since 2011, the cost of hospital, medical and prosthesis benefit payments has increased by more than 50%. This is the compounding effect of both increasing hospital costs and increasing admissions.

Overnight private hospital admissions for stomach procedures, for example, have more than doubled since 2011 and the average cost of treatment has also increased by 11%. Admissions for a total knee replacement have increased by 42% and the cost of treatment has also increased by 7% .

“Value for money is central to HCF’s member proposition and we have worked hard to keep the increase in premiums across all our products as low as possible for 2015,” Mr Larkin said.

“It should be noted that the average premium increase announced today is significantly lower than the 9% increase in claims we experienced in the 2014 financial year,” he said.

With more than 1.5 million members, HCF continues to perform well on standard industry benchmarks for efficient operations and member value. In FY 2014, HCF returned 93 cents out of every premium dollar received back to members in the form of benefits, well above the average of 87 cents for all other funds. Its ratio of management expenses to premium income - 7.1% - was significantly lower than the industry average of 8.8%.

***Issued on behalf of HCF by Sefiani Communications Group. Media inquiries to Karen Dunicliff on ph. (02) 8920 0700, mob. 0435 807 761 or [kdunicliff@sefiani.com.au](mailto:kdunicliff@sefiani.com.au)***

**About HCF**

*HCF is Australia’s largest non-profit health insurer, currently covering more than 1.5 million Australians. To learn more about HCF go to <http://www.hcf.com.au/about-us>.*

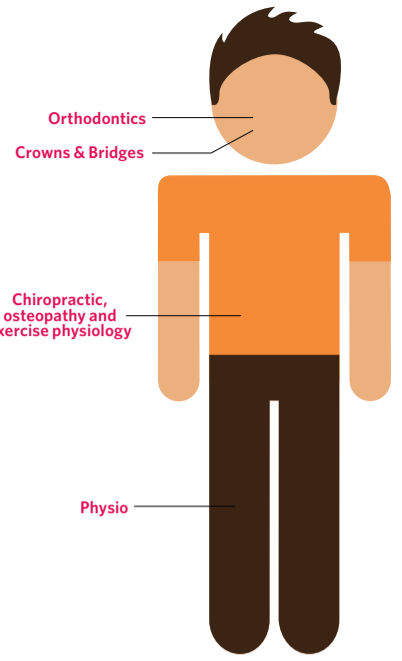


## Get higher limits the longer you're with us

Your loyalty is rewarded when you're with HCF

Depending on your level of cover, your extras claim limits increase for every year you're a member, on extras like dental, orthodontics, physio and chiro, up to a maximum limit. It's another way we want you to stay happy.

See [hcf.com.au/loyaltybenefits](http://hcf.com.au/loyaltybenefits) for more details. Please note that when you upgrade your cover, you'll need to serve waiting periods before you can take advantage of the increased benefits and limits.



## Did you know?

In 2014, we paid over

# \$2,070,000,000

in benefit payments for members' hospital and extras claims

Last year 246,303 HCF members had 495,289 hospital admissions

## 2015 Government rebate change

On 1 April 2014 the Australian Government changed how your rebate was calculated. The Government's contribution to an individual's private health insurance rebate will be adjusted on 1 April each year. This change will apply to all Australian private health funds. Please note: this only affects you if you currently receive a Government rebate.

See below table for the list of new rebate percentages.

Current Rebate	Rebate from 1/4/15
38.720%	As at 11 <sup>th</sup> Feb 2015 these figures are not available from the Australian Government. To find out your new rebate percentage or which rebate percentage you are eligible for based on your income and age, or for more information please go to <a href="http://privatehealth.gov.au">privatehealth.gov.au</a>
33.880%	
29.040%	
24.200%	
19.360%	
14.520%	
9.680%	



### When was the last time you reviewed your health cover?

As you grow older, your health cover needs can change. We're here to help you decide the right cover for your life stage.

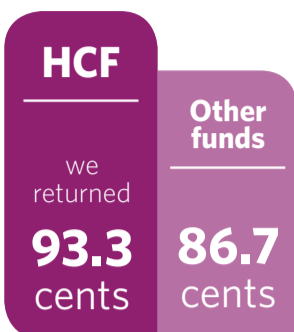
Please contact the HCF Member Information Line on **13 13 34**, visit [hcf.com.au](http://hcf.com.au) or visit one of our 53 branches and kiosks to find out more.

# We work hard to keep your health cover costs down



# At HCF, we're committed to giving you great health cover that's better value

In 2014 we returned 93.3 cents of every premium dollar received back to our members (as against the industry average of 86.7 cents).\*



\*Reference: HCF Annual Report 2014

And we make the other cents go a long way

## Reserves

We are required by law to keep a reserve to pay for members' future claims needs. We top up these funds every year.

## Member services and administration

In 2014 HCF had the lowest operating and management costs of any of the major health funds. And even though we run a lean operation, we'll always put our members' needs first.\*

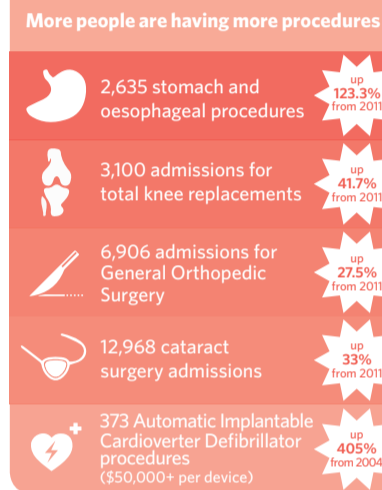
## Why costs go up

Every year, more Australians use our health system. Advances in medical technology and the cost of providing more procedures are why costs continue to rise.

Here are some examples of how we supported our members\*:



\* Reference: HCF Annual Report 2014



## The benefits of extras cover with HCF's More for you programs

Our network of participating providers means you can seek treatment from clinicians who offer fully covered services to HCF members with extras cover. There are currently over 10,000 HCF participating providers in the More for You programs. To see which program is available with your cover call us on 13 13 34 or visit our website for a list of providers in your area, and see how you can get more from HCF.

## Pay nothing on a range of extras

HCF includes 100% back on certain claims on selected extras at participating providers (subject to your limits). The higher your extras cover, the more services you can claim back.

### With HCF extras you get:

- More for Teeth
- More for Feet
- More for Backs
- More for Muscles
- More for Eyes
- More for Hearing

Get free access to

## great health coaching with your HCF cover

It's like having your own personal health coach 24 hours a day!

My Health Guardian's online health management program can help you make the positive changes that will improve your health. Both healthy members and those with chronic conditions such as diabetes or high blood pressure can benefit from the program.

Improve your health for free

There's no charge for using My Health Guardian. It's provided to members with Hospital and/or Extras cover at no extra cost. Why not see how you or a family member can benefit?

My HealthGuardian®

## HCF has your travel, pet and financial protection insurance needs covered

**Travel Insurance**

Did you know HCF offers members 10% discount on overseas travel and pet insurance?

**Pet Insurance**

You also receive further discounts for each additional pet you insure.

**Cash Assist**

HCF Life offers five easy, affordable ways to help you get back on your feet with Cash Assist options should sickness, accidents or unemployment strike. For more information on these products, please visit [hcf.com.au](http://hcf.com.au)

\*Travel, Pet and Life insurance are respectively issued by QBE Insurance Australia Ltd, Hollard Insurance Company Pty Ltd and HCF Life Insurance Company Pty Ltd. Before purchasing these products you should consider the relevant Financial Services Guide and the Product Disclosure Statement. They can be found at [hcf.com.au](http://hcf.com.au)