

'HCF CLARIFIES JUNK POLICIES POSITION'

20 June 2016: HCF, Australia's leading not for-profit health fund, has spelt out its position on the pejorative and misleading term 'junk policies':

At HCF we believe we have a responsibility to offer consumers a competitive and affordable range of policies that meet their needs.

HCF offers members an '*Accident Only*' policy, which is affordable coverage for accident-only hospital admission. This is not a 'junk policy' but rather a policy designed for a small group of people looking for insurance that offers cover only in the event of an accident – *hence the name*.

This 'Accident Only' policy accounts for just 0.4% of all HCF policies.

Shaun Larkin, Managing Director of HCF, said: "We don't offer 'junk policies'. We do offer policies based on what consumers wish to purchase and a very small percentage wish to purchase accident-only cover. We are always reviewing our policies to ensure they remain relevant and meeting consumer demand. Our success in doing this was evident in the just released (June, 2016) Choice Hospital health insurance ¹."

Further evidence of this approach is also evident in the fact that HCF excels with medical gap coverage in the annual State of the Health Funds Report. For the last five years HCF has been identified by the Private Health Insurance Ombudsman ² as delivering the highest proportion of medical services with zero gap in every state and territory.

Larkin continued: "Our ultimate goal is to empower Australians to make informed choices about their health insurance. We welcome and encourage people to ask questions to ensure they understand their health cover."

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About HCF

HCF is Australia's largest not for-profit health insurer, currently covering more than 1.5 million Australians. To learn more about HCF go to www.hcf.com.au/about-us.

¹ To see how HCF ranked, see the Choice report www.choice.com.au/money/insurance/health/review-and-compare/hospital-health-insurance

² For most current results see www.ombudsman.gov.au - 2015 State of the Health Funds Report – page 19.