

nib postpones premium increases for additional two months

nib Group (ASX: NHF) has announced it will postpone increasing health insurance premiums for its Australian Residents Health Insurance (arhi) members¹ for an additional two months until 1 November 2022 to further support members impacted by the COVID-19 pandemic.

While premiums were approved to increase from 1 April 2022, nib decided earlier this year to postpone the increase for five months. The approved increase, averaging 2.66%, is the insurer's lowest premium increase in 20 years. Today's announcement brings the premium postponement to seven months.

nib Managing Director, Mark Fitzgibbon said nib fully appreciates that throughout the pandemic, many of its members encountered difficulties in accessing hospital and other healthcare treatment.

"In some cases, treatment will no longer occur but in others it has simply been deferred until a later time. So, while nib's claims experience throughout the pandemic has been lower than what would otherwise have been the case, inevitably there will be a catchup. This likelihood is reflected in nib's balance sheet provision for deferred claims," Mr Fitzgibbon said.

Mr Fitzgibbon said how much treatment had been lost versus simply deferred means that estimating any actual savings remains challenging.

"Since the pandemic we have been proactively returning savings back to members in a variety of ways including premium increase deferrals, premium credits, expanded cover for COVID-19 related treatment and additional benefits (including psychology Extras benefits) at no additional cost," he said.

"We'll continue to monitor our position and as we have done throughout the pandemic, consider if any further support is warranted," he added.

The seven-month premium postponement will see around \$40 million in savings returned to members and will be recognised in nib's operating earnings for the 12 months to 30 June 2022. nib's COVID-19 member and community support package for its members and travellers now totals almost \$100 million.

nib will notify eligible members¹ of the premium postponement with the changes automatically applied to their health cover policy. More information about nib's COVID-19 member and community support package including current initiatives is available at nib.com.au/covid19

Eligibility criteria

- The premium postponement will apply to all nib arhi members who hold an active policy between 1 April 2022 and 31 October 2022¹.
- Members who held an active policy as at 31 March 2022 but become no longer active between 1 July 2022 and 31 October 2022 will be eligible for a pro rata give back².

This announcement has been authorised for release by Roslyn Toms, nib Company Secretary.

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1. Available to nib arhi members (including whitelabel partners) who hold an active hospital and/or extras policy between 1 April 2022 and 31 October 2022. Excludes GU Health members.

2. The pro rata give back will be provided to members who held an active hospital and/or extras policy as at 31 March 2022 but become no longer active between 1 July 2022 and 31 October 2022 in the form of a direct credit or gift card where direct credit is not available. The pro rata give back will be made from 1 November 2022.

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