

nib further delays private health insurance premium rise

- deferral applies to more than 651,000 members¹
- premium increase to take effect 1 October 2023; delayed from 1 April 2023
- price rise at 2.72% is second lowest in 20 years, after 2.66% in 2022

nib (ASX: NHF) today announced its premium increase for private health insurance members will be delayed further, coming into effect on 1 October 2023. The 2023 increase, at 2.72%, is nib's second-lowest premium price rise in 20 years, after a 2.66% increase in 2022.

The deferral, which affects more than 651,000 members¹, is one of a range of measures nib has provided following a slowdown in claims due to the impact of COVID-19. The deferral brings nib's Group COVID-19 support package to around \$181 million since March 2020.

In September 2022, nib announced it would give back \$40 million to members, deposited directly into their bank accounts, and in 2021, nib provided a \$15 million one-off COVID credit to members. It has also deferred premium increases, provided extra cover at no extra cost, including COVID cover, and provided extra psychology benefits.

"Our premium deferral is part of our compensation package for members after lower claims volumes through the pandemic," said nib CEO and Managing Director, Mark Fitzgibbon. "The deferral complements our two very low premium increases – at 2.66% last year, which was our lowest rise in 20 years, and 2.72% this year."

Despite the slowdown, nib paid \$1.7 billion in claims for 306,000 hospital admissions and 3.6 million ancillary visits last financial year². "We continued to support members through the pandemic, but we acknowledge that access to healthcare services was restricted," Mr Fitzgibbon said.

Mr Fitzgibbon said nib's Australian residents' health insurance business (arhi) continues to perform well. "Ancillary claims are returning to normal and hospital claims are rising slowly," Mr Fitzgibbon said. "We see continued favourable performance in arhi. Our 12-month growth rate for arhi is 4.7% to the end of the March quarter, against the industry average of 2.0%.³

nib also announced that \$5 million will be provided to the nib foundation, to programs that generate broad health benefits to the community. Since inception, the foundation has invested about \$25 million in community health programs.

The 2023 increase, now deferred to 1 October, was initially expected to take effect 1 April, 2023. The premium postponement means about \$35.5 million in savings for members and will be recognised in nib's operating earnings for the 12 months to 30 June 2023. The value of the premium relief is expected to be, on average, \$64.70 per policy for hospital and extras policies and around \$11.70 per policy on extras policies. nib will notify eligible members⁴ of the premium postponement with the changes automatically applied.

¹ All nib Australian Residents Health Insurance members, including whitelabel partners but excluding GU Health.

² Claims data refers to Australian Residents Health Insurance members only, including whitelabel partners and GU Health. Excludes deferred claims liability and outstanding claims provision movement.

³ APRA Quarterly private health insurance statistics March 2023 (released 24 May 2023).

⁴ Available to nib arhi members (including whitelabel partners) who hold an active hospital and/or extras policy between 1 April 2023 and 30 September 2023. Excludes GU members.

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nib's full range of COVID-19 measures for members can be accessed at nib.com.au/covid19/

Eligibility criteria

- The premium postponement will apply to all nib arhi members (excluding GU Health members) who hold an active policy between 1 April 2023 and 30 September 2023⁴.
- Members who held an active policy as at 31 March 2023 but are no longer active between 1 July 2023 and 30 September 2023 will be eligible for a pro rata give back⁵.



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

⁵ The pro rata giveback will be provided to members who held an active hospital and/or extras policy as at 31 March 2023 but become no longer active between 1 July 2023 and 30 September 2023 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 October 2023.

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