

8 February 2013

Attn: [Elvis Onyura](#)
Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney, NSW, 2000

Lodged ASX Company Announcements Platform (electronically)

RE: nib confirms 2013 price and product changes

Please find attached nib media release confirming approval of nib's 2013 price and product changes by the Federal Government's Department of Health and Ageing.

nib has received approval to increase its premiums by an average of 6.50% across all products (effective 1 April 2013).

nib will announce its FY13 half year results on Monday 18 February 2013.

Yours sincerely



Michelle McPherson
Chief Financial Officer &
Company Secretary

Date 8 February 2013

Subject nib announces premium increases to help meet rising cost of healthcare

Growing hospital and medical costs as well as an increasing contribution to the industry's risk equalisation scheme have been the catalyst for a rise in premiums announced by nib health funds (nib) today.

nib received approval from the Federal Government's Department of Health and Ageing to increase its premiums by an average of 6.50% across all products from 1 April 2013.

nib's Chief Financial Officer, Michelle McPherson, said nib recognises that premium changes are never welcomed by customers, but are necessary to keep pace with mounting health care costs.

"Every effort has been made to keep premium increases as low as possible," Mrs McPherson said.

"The reality is that as demand for health care services escalates so do customer utilisation rates and medical costs. To keep pace with these increased expenses we need to adjust our premiums in order to maintain the level of health cover and benefits our customers have come to expect," she said.

"Despite the rising cost of providing health care, we remain committed to helping our customers pay for their health care when and where they need it," Mrs McPherson added.

Mrs McPherson also singled out nib's increasing contribution to the risk equalisation pool as the health fund's fastest area of claims inflation. The risk equalisation scheme requires all health insurers to share the costs associated with older and chronically ill Australians. nib's increased obligation to the risk equalisation scheme contributed approximately 2% (almost a third) of the health fund's 6.50% premium increase.

In calendar year 2012 nib funded an increase in benefits (including risk equalisation) in excess of 10% on the previous year. This represents a return of more than 86 cents for every \$1 contributed in premiums.

FOR FURTHER INFORMATION:

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