



1 April 2009

## **HIF Delivers on Affordability**

Premium increase well below industry average

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In the face of significant health cost pressures, HIF of WA announced today that once again it has been able to keep a tight lid on premium increases. HIF's premiums will increase on 1 April 2009 by an average of 4.98% compared with the industry average of 6.02%. A single membership would increase by an average of \$0.97 a week after the 30% Federal Government rebate, and for some products, the weekly increase will be as low as only \$0.19.

Chief Executive Officer Mr Graeme Gibson said that HIF is sending a strong message to consumers when HIF's average increase of 4.98% is compared to Australia's largest insurer Medibank Private's average increase of 5.74% and that of publicly listed NIB at 5.18%.

Mr Gibson said that "affordability" has always remained front of mind at HIF, so it is even more significant for WA consumers that HIF continues to grow and remain a strong challenger to the big WA insurer HBF which will be increasing premiums by an average of 7.95%.

HIF had performed much better than the big funds that operate nationally and in WA in the 2008 financial year. In 2008, through a responsible and prudent approach to its core health insurance business, HIF was able to avoid the severe impacts of the global financial crisis. Many funds have suffered more in the early part of the 2009 financial year through further (and sometimes larger) losses from investments, so there would be no surprise to see the big funds request similar increases in the next annual cycle. Ninety six percent (96%) of HIF's ~50,000 members are from WA, Mr Gibson said.

For some products premiums will decrease whilst the increase for a large number of other products will be as low as 2.50%. While premium increases are never good news, HIF members should be comforted in knowing that their premiums have been contained to the minimum required, at a time when HIF is planning to increase rebates and include new provider services under some products, Mr Gibson said.