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HIF - WA'S BEST RANKED HEALTH INSURER

Following the announcement of today's increases in private health insurance premiums Graeme Gibson, the Managing Director of the not-for-profit Health Insurance Fund of WA, has made these comments.

"At HIF we are committed to making private health insurance affordable that's why we are keeping our average premium increase to just 4.5% and that that's why our membership continues to grow substantially.

"This increase is lower than last year and means that HIF is ranked in the top five nationally when it comes to keeping premiums down. We are also the best Western Australian based, stand-alone health insurer. By comparison HBF were ranked 11th, Medibank Private 18th and NIB 21st.

"This is the fourth year in a row that HIF has kept its average premium rise below most of the big health funds and the national industry average.

"HIF's increase is significantly lower than the national industry average of 5.78% and below HBF's 4.95% rise, and below Medibank Private's 5.74% increase and the 5.95% rise NIB's members are being hit with this year. Medibank Private and NIB are both for-profit health funds.

"HIF's increase means that approximately 90% of all single members with hospital cover will only pay no more than 85¢ extra a week, singles with ancillary cover will only pay an extra 35¢ or less each week, while singles with combined hospital and ancillary cover will only cost up to \$1.20 per week extra.

"At HIF we have consistently kept private health insurance affordable by holding premium increases to under 5% for four consecutive years when health inflation is running well beyond this level. That's because as a not-for-profit health fund any surpluses we make are returned to members through lower premiums, increased benefits and better customer service.

"Last year HIF's premium rise was under 5%, HBF's was almost 8%, on the back of them losing around \$200 million in bad investments over the past two years.

"I think there are a few questions that need answering, firstly are HBF members still paying for the company's bad investments over recent years?"

“And secondly, before Christmas last year, Health Minister Nicola Roxon sent more than half of the health funds a please explain letter, telling them that their proposed average premium rise was unacceptable or to explain the extent of their average increase. What I’d like to know is whether HBF, NIB and Medibank Private were told to sharpen their pencils and if so, how much did they initially want to gouge from their members?”

“I can categorically state that HIF never received such a letter from the Minister, we told her that our average premium increase should be no more than 4.5% and she accepted that as fair and reasonable. Did the Minister think the same about HBF, Medibank Private and NIB’s proposed rate rise?”

“HIF is the smart choice in health cover and we believe that Western Australians are starting to realise that when it comes to choosing your private health insurer, bigger is not always better. Our membership numbers have soared, in November and December 2009 HIF’s membership numbers increased by 394% and 179% compared to the same time the previous year and we’re now growing at around three times the national industry growth rate.”

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