

asx release

21 December 2020

Medibank delivers lowest premium rise in 20 years

The Federal Minister for Health today announced that private health insurance premiums will change across the industry, effective 1 April 2021. Medibank has received approval to increase Medibank and ahm health insurance premiums by an average of 3.25% from 1 April 2021 – its lowest average premium increase in 20 years.

Attached is a copy of Medibank's media release.

This announcement has been authorised for release by Craig Drummond, Chief Executive Officer.

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media release

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Medibank delivers lowest premium increase in 20 years

Medibank and ahm health insurance premiums will rise by an average of 3.25% from 1 April 2021, Medibank's lowest premium rise in 20 years.

Medibank Chief Customer Officer David Koczkar:

"Medibank is committed to ensuring that private health insurance remains affordable for Australians.

"Which is why in 2021 we are delivering our lowest premium increase in 20 years.

"2020 has been an extraordinary year and we have remained focused on supporting our customers through this difficult time. Some of our customers have struggled financially, some have even lost their jobs. But we've all experienced the uncertainty created by COVID-19.

"While we have supported our customers through COVID-19 – with a customer support package of more than \$185 million – we knew we needed to keep the 2021 premium increase as low as possible.

"Despite the fact that we continue to pay more for health costs, because as a community we are getting older and going to hospital more, Medibank is working hard to ensure that private health insurance remains affordable.

"COVID-19 is the biggest health crisis we've faced in a generation and private health insurance will continue to play an important role in taking pressure off the public hospital system as it gets through a backlog of elective surgeries, with wait times now exceeding 1.5 years for some common elective procedures.

"Australians are more focused on their health and wellbeing than ever before, and they are wanting to hold onto their private health insurance. They value the peace of mind it gives them and the choice of when and who treats them.

"Our customers will continue to be our focus as we support them through the recovery phase of COVID-19. We will continue to support our customers doing it tough financially including those on government support packages who are able to apply for policy suspensions, or other options for customers including support with paying premiums.

"We are also providing additional value to eligible extras covers, by giving customers the option to continue claiming for virtual consultations for services like psychology and physiotherapy. While this is available for all our customers, telehealth has been particularly popular with younger Australians."

Medibank's response to COVID-19

- Postponed premium increases for 6 months for all customers.
- Introduced a financial hardship policy.
- The temporary addition of heart, lung and kidney coverage to more than 1-million policies.
- Extended extras to include telehealth services for 7 allied health services such as psychology and physiotherapy.
- Launched COVID-19 Health Assist, a program of customised health and wellbeing support for customers, including the most vulnerable.
- Extended access to Medibank's 24/7 nurse and mental health lines to ahm customers.
- Launched Live Better at Home to give all Australians access to a free online program of work out videos, cooking demonstrations and guided meditations.
- A 12-month extension to most unused annual extras limits for ahm customers as at 30 June 2020, valued at around \$10 million.
- Funding a number of projects researching the impact of COVID-19.
- Donated \$5 million to Beyond Blue for its COVID-19 mental wellbeing and support service.
- Supported the Victorian Government during stage 4 lockdown measures – facilitating in-home COVID-19 testing, assisting with contact tracing and providing services to hundreds of residents in aged care homes.

Further information:

The premiums charged for each product are influenced by several factors such as the state/territory a product is offered in and the costs associated with a hospital stay, the type of cover (e.g. family, single), the excess levels and the general claiming pattern on that product.

The average premium increase is an overall figure. Customers may experience a premium change above or below the average. The change can depend on the state or territory a customer lives in or the type of cover they're on.

Medibank and ahm will adjust premiums for customers from 1 April 2021.

Medibank and ahm customers will be formally notified of their new premium from February 2021 through the post or via email.

Medibank customers can also find more information about premiums on the Medibank website or by calling Medibank on 132 331, and ahm customers can visit the ahm website or call ahm on 134 246.

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