

29 June 2021

Medibank to return around \$105 million in COVID-19 savings to customers through premium relief – with total support reaching \$300 million so far

Medibank will return around \$105 million in COVID-19 permanent net claims savings to customers through premium relief, in what is the next phase of our broader COVID-19 financial support package and give back program.

The give back adds to our record \$195 million financial support package during COVID-19 – with the total package reaching \$300 million so far. This will be available to Australian Medibank and ahm customers holding an active hospital and/or extras policy at any time during the period between 1 July 2020 and 30 June 2021.

Approximately 2 million policies will be eligible, and the majority of customers should expect to receive the premium relief by the end of September 2021.

The premium relief will be up to \$52 for extras only policies and up to \$175 for hospital and extras policies – which on average will be \$25 for extras only policies and on average around \$60 for hospital and extras policies. This will be applied to policies automatically; customers do not need to do a thing.

The customer give back will be funded through a partial release of the COVID-19 deferred claims liability as at 30 June 2021, as well as permanent claims savings since 31 December 2020. COVID-19 is not expected to impact Medibank's operating earnings for the financial year ending 30 June 2021.

Medibank CEO David Koczkar said:

"Today's announcement will return around \$105 million in COVID-19 permanent claims savings back to our customers via premium relief, recognising that COVID-19 restrictions limited how our customers could use their health insurance.

"We've been there for our customers to help them navigate through this challenging time, and this give back is just another example of how we are supporting our customers.

"This latest give back is the next phase of our broader Medibank financial support package and customer give back program. Today's announcement will take Medibank's total broader COVID-19 financial support package and give back program to \$300 million so far.

"We said right from the start of the pandemic that we would not profit from COVID-19, and that we were committed to returning any COVID-19 savings back to our customers because it is the right thing to do. And today's announcement shows that we have done what we said we would.

"Private health insurers have been required by the industry regulator to hold funds in order to be able to pay for an anticipated catch up in elective surgeries after COVID-19 restrictions were lifted. With the majority of claims normalising we have been able to allocate the excess funding to be returned to our customers.

"This latest phase of our package will be welcomed by our customers, some of who are still doing it incredibly tough as lockdowns continue in various locations across the country.

"We will continue to assess known claims savings and continue to return any savings back to our customers."

COVID-19 financial support package and give back program

Phase 1 – Financial hardship support package and postponement of premium increases for 6 months – valued at \$185 million, the largest financial support package in our 45-year history.

Phase 2 – ahm customer extras limits roll over valued at around \$10 million. ahm customers got another year to use any unclaimed extras annual limits, for services such as dental, psychology and physio (excluding optical and non-annual limits), as a result of not being able to use some of their health services during the COVID-19 lockdown.

Phase 3 – The return of around \$105 million in COVID-19 permanent net claims savings to Australian Medibank and ahm customers holding an active hospital and/or extras policy at any time during the period between 1 July 2020 and 30 June 2021 through premium relief.

Phase 4 – We will continue to assess known claims savings and continue to return any savings back to our customers.

Other ongoing customer support

- Customers doing it tough financially continue to be able to apply for policy suspensions or other options including support with paying premiums.
- Customers are still able to receive temporary benefits towards heart, lung and kidney hospital admissions, including those related to COVID-19, regardless of their hospital cover.
- Continued extended extras for telehealth services for 7 allied health services such as psychology and physiotherapy.
- Continued access for all Australians to Live Better at Home, a free online program of work out videos, cooking demonstrations and guided meditations.

This announcement has been authorised for release by David Koczkar, Chief Executive Officer.

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