



MEDIA RELEASE

hirmaa funds come out best performing in State of the Health Funds Report

Australian consumers are turning to the country's not-for-profit and member owned health insurers for their health cover amid rising complaints against the larger for-profit funds.

Commonwealth Ombudsman data shows that from 2010/11 to 2014/15, complaints against the country's largest for-profit insurers increased by more than 90 per cent. Complaints against hirmaa member-funds during the same period fell by 8 per cent.

"It's proof again that bigger is not always better, and it would be in the best interests of consumers to shop around when it comes to private health insurance," hirmaa CEO, Matthew Koce said.

The Ombudsman's annual State of the Health Funds Report – released last week – shows that hirmaa's 19 not-for-profit member funds are growing at twice the pace of the bigger for-profit insurers, and are retaining far more policyholders, with an average member retention rate of 90 per cent for the period 2011-2015.

According to the Ombudsman's latest figures, the not-for-profit hirmaa member-funds also re-invest 90 per cent of all premiums paid, back into providing benefits for their policyholders - well above the larger for-profit insurers' average of 86 per cent.

"The not-for-profit hirmaa funds have an excellent record of providing the best quality private health insurance and this is being acknowledged by consumers through this year's doubling of year-on-year policyholder growth," Mr Koce said.

"It's a testament to the not-for-profit member-owned business model that hirmaa insurers are growing twice as fast as the for-profit funds with policyholders receiving the best value for their premium dollar."

"Not-for-profit health insurers only serve policyholders, not revenue-hungry shareholders and overseas investors. They operate at low cost, on very efficient margins and are able to commit more resources to providing the best quality benefits and access to healthcare services while keeping premiums affordable."

"The big for-profit insurers need to send profits to their shareholders and overseas investors. Sometimes that involves not only putting up premiums, but cutting back on services covered."

"Not-for-profit and community based insurers operate in surplus, but only at a level that returns maximum value to their customers."

"It is important that consumers understand that there is a big difference between the for-profit and not-for-profit insurers. They are not all the same."

"The strong consumer performance of the not-for-profit hirmaa insurers is backed up by independent research conducted by Discovery Research. An average overall customer satisfaction score of 97 per cent was recorded across the more than 21,000 responses received through participating not-for-profit hirmaa insurers."

“Whether it be quality of health cover, communication to members, fast payment of claims, value for money or price competitiveness, all the evidence suggests that the not-for-profit and member owned hirmaa funds are leading the health insurance industry,” Mr Koce said.

All hirmaa funds are not-for-profit and member owned, representing more than one million policyholders. To find a not-for-profit hirmaa health insurer go to www.hirmaa.com.au/member-funds/

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We are hirmaa



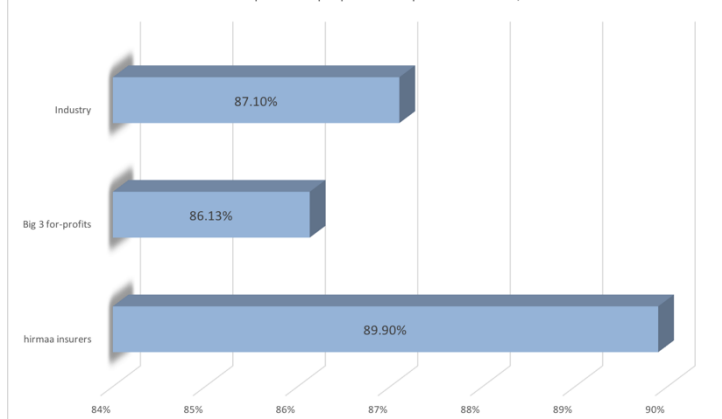
We are hirmaa

hirmaa member funds performance 2015

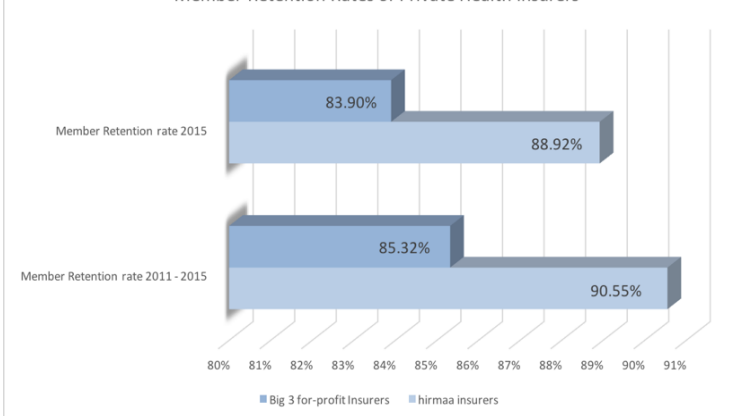
Benefits paid as a proportion of premium revenue, 5-year trend



Benefits paid as a proportion of premiums 2014/15

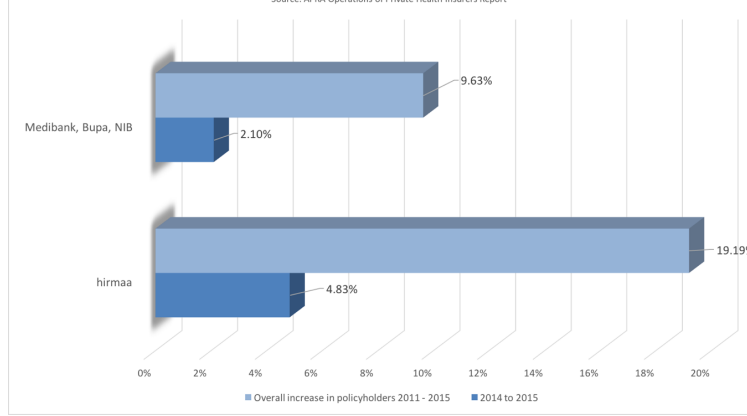


Member Retention Rates of Private Health Insurers

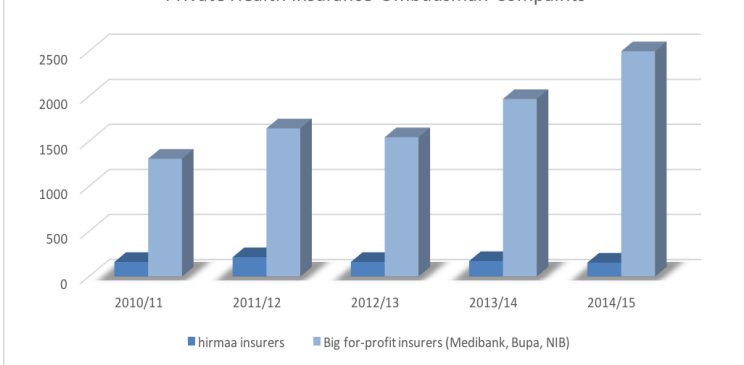


Industry Growth By Policy Holders

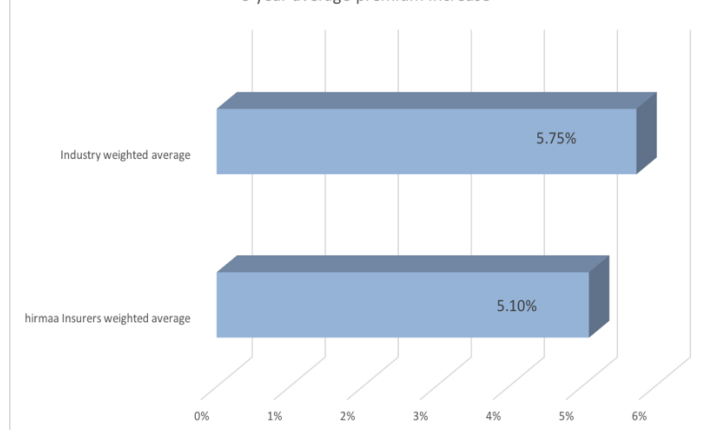
Source: APRA Operations of Private Health Insurers Report



Private Health Insurance Ombudsman Complaints



5 year average premium increase



Member
Satisfaction
Research

2016

Research Metrics

Total Respondents:	<ul style="list-style-type: none"> 🌀 21,875
hirmaa Funds Involved: [13]	<ul style="list-style-type: none"> 🌀 ACA Health Benefits Fund 🌀 Defence Health 🌀 Doctors' Health Fund 🌀 Mildura Health Fund 🌀 Navy Health 🌀 Peoplecare Health Insurance 🌀 Phoenix Health Fund 🌀 Police Health 🌀 Queensland Country Health Fund 🌀 RBHS 🌀 rt health fund 🌀 St Lukes Health 🌀 TUH
Research Conducted:	<ul style="list-style-type: none"> 🌀 February 2016
Service Areas Tested:	<ul style="list-style-type: none"> 🌀 Member Communication 🌀 Telephone Service 🌀 Written Service 🌀 Payment of Claims
Values Tested:	<ul style="list-style-type: none"> 🌀 Value for Money, Price Competitiveness, Benefits Positioning, Premium Affordability, Reliability, Integrity, Personal Service, Friendliness, Member Service Focus, Ease of Dealing With, Staff Problem Solving, Understanding of Cover and Website Information

Overview of the Member Satisfaction Research Work

↳ The commitment of the hirmaa Funds to the research

- ↳ 2016 marked the eleventh consecutive year of the Member Satisfaction Research for most of the hirmaa Funds. The hirmaa Funds remain committed to closely examining how their value and service offer meets the demands of their membership base.

↳ Satisfaction improvements are steady and incremental by nature

- ↳ A very pleasing aspect of the Member Satisfaction program is the improvement in satisfaction scores noted by all hirmaa Funds that have committed to the process. An element of “healthy competition” exists between the Funds that has seen them all striving for improvement in member satisfaction; having obvious benefits for the Funds in terms of member retention, but ultimately being for the benefit of each individual Fund member through receiving improved products and/or services.

↳ Improvement through member focused initiatives coming via team based workgroups

- ↳ The commitment to the research has been reinforced by action within the hirmaa Funds; many of the funds having teams that meet regularly to develop member focused improvements, and a number of funds having developed KPIs that are tightly focused on achieving improved satisfaction levels.

↳ Depth of customer understanding

- ↳ Each year of the research the hirmaa funds have been able to build upon their knowledge regarding the needs and motivations of specific segments within their membership base. This knowledge has enabled the funds to remain in touch with changing expectations of their membership; enabling them to renew and reinvigorate their products, service offer and marketing strategies to best meet the needs of their members – for now and into the future.

↳ Still managing to achieve their best results over the years of the research work

- ↳ As mentioned, many of the Funds have been conducting the Member Satisfaction Research for a number of consecutive years. It is remarkable that for many of the key service and value areas that the research tests, that very high satisfaction levels have been maintained, and in some cases this year the Funds have achieved their highest ratings of any of the years of the research, i.e. improving on their previous best results.

↳ Overwhelmingly positive feedback in the thousands of members’ comments

- ↳ Many thousands of verbatim comments are collected each year from members of the hirmaa Funds. These comments are overwhelmingly positive in nature and reflect on the strength of the service and the value proposition offered by the hirmaa Funds. What comes through as a regular theme is the deep care for the individual member and their circumstances.

Overview of Results

<p>Overall Member Satisfaction</p> <p>Overall, how satisfied are you with your health fund membership?</p>	<p>2016: 97% satisfied</p>	<p>2015: 98% satisfied 2014: 98% satisfied 2013: 97% satisfied 2012: 98% satisfied 2011: 98% satisfied</p>	<p>2010: 98% satisfied 2009: 98% satisfied 2008: 97% satisfied 2007: 98% satisfied 2006: 97% satisfied</p>
<p>Member Communication</p> <p>How satisfied are you with the amount of communication that you receive regarding your membership?</p>	<p>2016: 96% satisfied</p>	<p>2015: 96% satisfied 2014: 97% satisfied 2013: 97% satisfied 2012: 96% satisfied 2011: 96% satisfied</p>	<p>2010: 96% satisfied 2009: 95% satisfied 2008: 94% satisfied 2007: 94% satisfied 2006: 93% satisfied</p>
<p>Telephone Service</p> <p>How satisfied have you been with the quality of the service that you have received over the telephone, i.e. in terms of your problem being solved, the advice that you have been given, etc?</p>	<p>2016: 97% satisfied</p>	<p>2015: 97% satisfied 2014: 97% satisfied 2013: 96% satisfied 2012: 97% satisfied 2011: 97% satisfied</p>	<p>2010: 97% satisfied 2009: 97% satisfied 2008: 95% satisfied 2007: 96% satisfied 2006: 96% satisfied</p>
<p>Written Service</p> <p>How satisfied are you with the service offered by mail, fax or email?</p>	<p>2016: 95% satisfied</p>	<p>2015: 95% satisfied 2014: 95% satisfied 2013: 95% satisfied 2012: 94% satisfied 2011: 94% satisfied</p>	<p>2010: 96% satisfied 2009: 95% satisfied 2008: 95% satisfied 2007: 95% satisfied 2006: 95% satisfied</p>

Overview of Results

<p>Payment of Claims How satisfied are you with the speed of the payment of your claim(s)?</p>	<p>2016: 98% satisfied</p>	<p>2015: 98% satisfied 2014: 98% satisfied 2013: 98% satisfied 2012: 97% satisfied 2011: 98% satisfied</p>	<p>2010: 98% satisfied 2009: 97% satisfied 2008: 95% satisfied 2007: 95% satisfied 2006: 97% satisfied</p>
<p>Value for Money Offers good value for money to its members</p>	<p>2016: 84% agree</p>	<p>2015: 85% agree 2014: 86% agree 2013: 86% agree 2012: 86% agree 2011: 86% agree</p>	<p>2010: 86% agree 2009: 87% agree 2008: 84% agree 2007: 85% agree 2006: 84% agree</p>
<p>Price Competitiveness Is competitively priced with other health funds</p>	<p>2016: 77% agree</p>	<p>2015: 78% agree 2014: 79% agree 2013: 78% agree 2012: 79% agree 2011: 80% agree</p>	<p>2010: 80% agree 2009: 81% agree 2008: 79% agree 2007: n/a 2006: n/a</p>