

MEDIA RELEASE:

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Official data highlights consumer centric focus of Members Health funds

APRA has today released its latest Quarterly Report showing that health insurers continue to return record benefits to consumers while operating on very narrow margins.

The APRA report highlights the consumer focus of private health insurers, particularly those not-for-profit, member owned and community based,” said Matthew Koce, CEO of Members Health.

“The data unequivocally shows the private health insurers continue to operate on very narrow net margins of less than 6 percent with benefits paid to cover the medical needs of private health policyholders last year approaching a staggering \$20 Billion.

“The private health system provides over half the Australian population with outstanding access to fast and efficient high quality care that would otherwise be unavailable.

“The \$20 Billion dollars in health care funded annually through insurers would otherwise have to be paid for by taxpayers, putting already overstretched public hospital waiting lists under extraordinary pressure.”

“The APRA data shows that health funds continue to return around 85 cents of every premium dollar back to policy holders as health benefits. This figure increases to around 90 cents in every dollar for the not-for-profit, member owned and community based funds represented by Members Health.”

“In contrast, general insurers return only around 64 cents in every premium dollar.”

“Consumers are becoming increasingly conscious about the value proposition of their private health insurance and it is pleasing that they are increasingly turning to the not-for-profit, member owned and community based funds represented by Members Health.

“As a group the Members Health funds are growing around 4 times faster than the industry average and they continue to be the leading lights of the health fund industry when it comes customer satisfaction and value.”

“While the for-profit funds are required to generate profits for shareholders, Members Health funds do not. This is why these funds are able to return around 90 cents in every premium dollar back to members via benefits compared to the industry average of 85 cents.

With the debate about the profitability in private health insurance an ongoing point of focus in the community, the fact that there are a range of funds that operate solely in the interests of their policy holders is very relevant.

“The member centric ethos of Members Health funds has seen very high satisfaction levels over many years. Independent research conducted by Discovery Research shows average customer satisfaction levels with participating Members Health funds of around 97%.”

It is also reflected in statistics from the Commonwealth Ombudsman, which shows Members Health funds’ experience on average far fewer complaints than the rest of the industry in both raw numbers and as a proportion of their market share.”

Putting members’ health before profit

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Page 1 of 2



“All the official data points to the very strong performance and growth across the not-for-profit, member owned and community based health funds represented by Members Health, as consumers search for the best value products.”

Members Health is the peak industry body for 23 health insurers which are not-for-profit, member-owned and community based. In all, the Members Health funds provide private health insurance to over 1.7 million Australians.

Further enquires:

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