

**MEDIA RELEASE:**

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06.11.2020

**APRA report confirms Members Health funds defy industry trends**

Australia's not-for-profit and member owned health funds have outperformed the rest of the industry while supporting members through one of the toughest economic periods on record.

As a group, Members Health funds grew 2.7 per cent in 2019-20 while the rest of the industry shrunk -0.5 per cent, according to the latest APRA figures. During that same period, Members Health funds recorded an increase of 17,628 people aged under 40 with hospital cover, while the rest of the industry saw a decline of 85,277.

Now covering almost 4 million Australian lives, the funds in the Alliance together represent the lion's share of the private health insurance market (28 per cent).

"Throughout the COVID-19 pandemic crisis, Members Health funds have been focused on one thing – caring for their members' health and wellbeing," said Members Health CEO, Matthew Koce.

"This is not a time for bloated profit margins or inflated shareholder dividends. This is a time for support and stability."

Since COVID-19 reached Australia, Members Health funds have committed more than \$250 million towards customer support and hardship measures. Those measures have included premium deferrals, waivers, discounts or suspensions, expanded benefits coverage for COVID-19 related treatments and increased telehealth services.

APRA data released this week also showed the group of not-for-profit and member owned funds continued to lead the industry in 2019-20 for value, paying more than 90 cents of every premium dollar back as healthcare benefits to their members.

"COVID-19 has taken its toll on all industries, but the Members Health funds – some of which have been around for more than 100 years – have continued to prove they are exceptionally resilient, prudently run and focused solely on their members, not profits," Mr Koce said.

"APRA figures show year after year that if it weren't for the stable and consistently high performing Members Health funds, hundreds of thousands more Australians – including younger, healthier people – might be leaving the system entirely."

"The difference between the not-for-profit and member owned funds, and the rest of the industry is truly a *tale of two cities*. Ignoring the performance of this group of health funds is akin to discussing superannuation without differentiating between bank-owned retail funds and the better performing industry funds."

*Members Health is the peak industry body for an alliance of 26 health funds that are not-for-profit or part of a member-owned group, regional or community based. They all share the common ethic of putting their members' health before profit. Our funds represent the interests of more than 3 million Australians.*

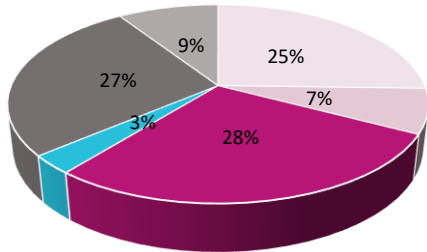
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**Putting members' health before profit**

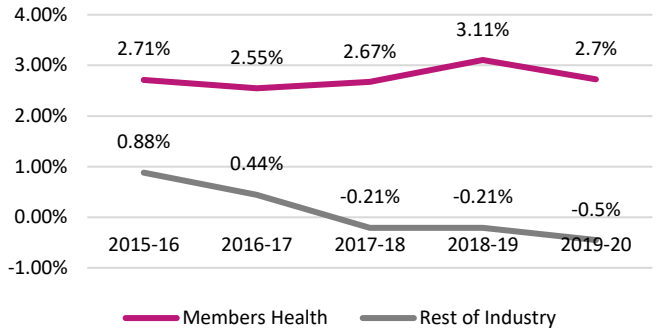
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**Private Health Insurance market share by policies 2020**

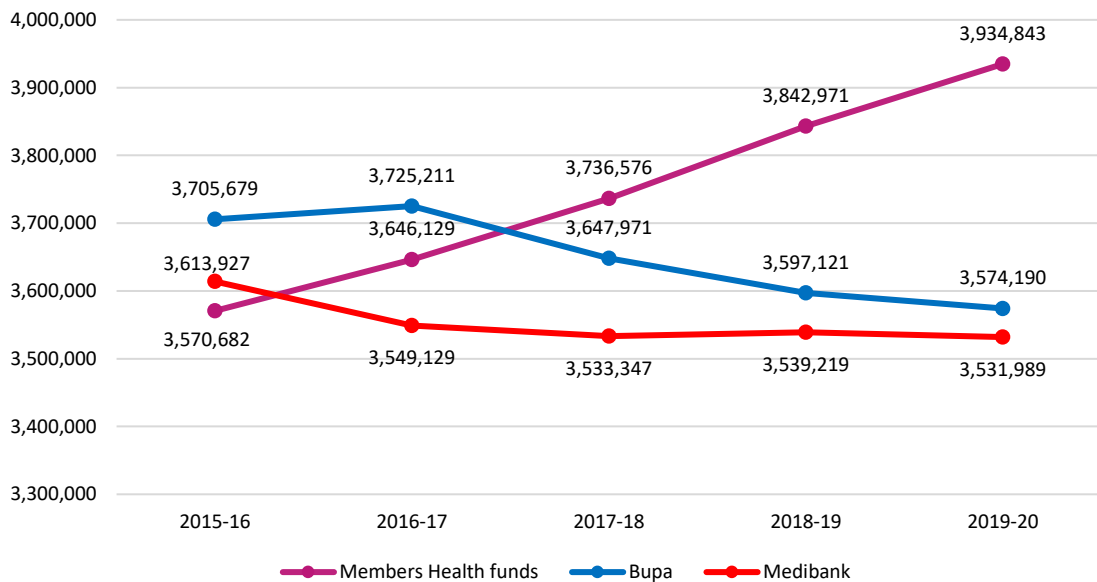


■ Bupa ■ HBF ■ Members Health ■ Other ■ Medibank ■ nib

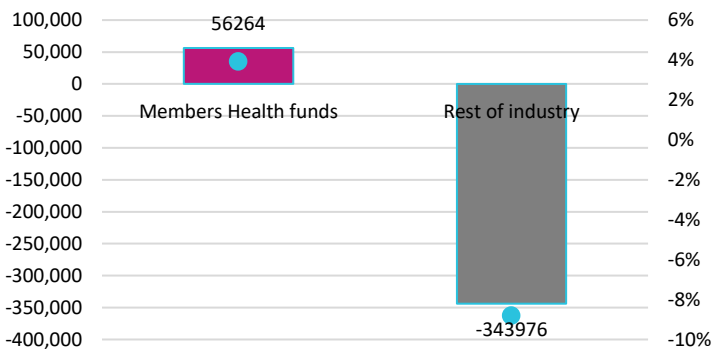
**% Growth Rate Policies by Industry Group: 2015-2020**



**Growth in Persons Insured: Members Health vs two largest health funds 2015-2020**

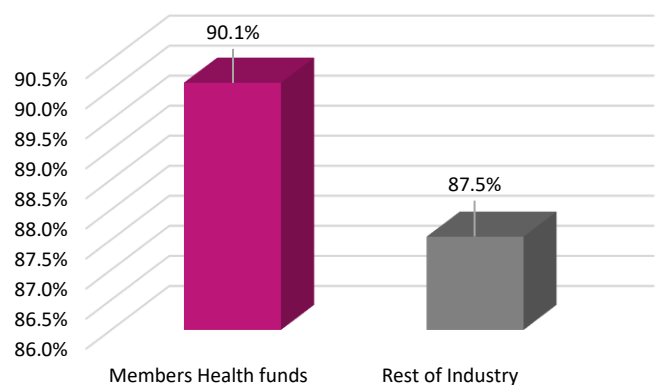


**Change persons insured on hospital treatment policies <40 years old: 06/2016 to 06/2020**



■ Total Change June 16 to June 20 ● Change % June 16 to June 20

**Benefits Paid as a Percentage of Premium Revenue 2019-2020**



Source: APRA statistics

## Putting members' health before profit

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