

## LIFETIME HEALTH COVER LOADING REFUND – FREQUENTLY ASKED QUESTIONS

### What's Lifetime Health Cover Loading and why do I need to pay it?

Lifetime Health Cover (LHC) is an Australian Government initiative designed to encourage people to take out hospital cover earlier in life and maintain it.

### How do I find out more about Lifetime Health Cover Loading?

You can read more at <https://www.hcf.com.au/insurance/health/understanding-the-costs/lifetime-health-cover>

### What's the problem that occurred?

We're currently upgrading our information technology systems to improve our members' experience when they use our services. During this upgrade, we found a very rare problem in our system that happened when calculating the Lifetime Health Cover Loading for a small number of members. This resulted in a slight overpayment of their premiums.

### Has the problem been fixed?

Absolutely, this problem in our system has been fixed. We've rigorously tested our system so this error won't happen again.

### How much more was I paying?

During the time your policy was impacted by this problem, you paid between 1–2% more for your hospital cover than you needed to. We're now refunding the money back to you.

### How was my refund calculated and how can I be sure it's correct?

We've done extensive quality checks to make sure your refund is accurate.

The refund we're paying you is 2% of your hospital cover premium for the time you were overcharged, regardless of whether you were overcharged by 2% or less than that. We've also included interest in your refund.



### **I'm a current HCF member, will my ongoing premium be lowered?**

Yes, we'll lower your hospital cover premium by the percentage that you were overcharged. Extras cover and HCF Life cover are not subject to Lifetime Health Cover Loading. As such, we won't lower the premiums of these.

### **Why is HCF including interest in my refund and how was it calculated?**

We've included additional interest in your refund to compensate for any interest you might've earned if the money was invested elsewhere. The interest is the average yearly cash rate plus the average yearly retail rate during the overcharged period, reported by the Reserve Bank of Australia compounded to the date of this payment. You can learn more about the cash rate on the Reserve Bank of Australia website at [rba.gov.au/statistics/cash-rate](https://rba.gov.au/statistics/cash-rate)

### **I was meant to get my refund through direct credit into my bank account, but I haven't received it yet. What should I do?**

You don't need to do anything. Your refund can take up to 5 working days, depending on your financial institution. If your bank account details are closed or incorrect, the funds will be returned to HCF and we'll send a cheque to your postal address.

### **I'm a current HCF member, how will this impact my current payments?**

We've sent you a letter to let you know if there'll be a change to your ongoing premium.

If you're paying by direct debit, the new amount will come into effect from your next debit billing date.

If you're paying via voucher, cheque or BPAY, the new amount will come into effect from when you make your next payment. If you pay via BPAY, you'll need to update the amount due directly with BPAY.

If you're paying via payroll deductions, you don't need to do anything. We'll advise your company of the changes in your premiums.

### **Where do I find more information?**

If you have any questions, call us on **13 13 34** (Mon-Fri: 8am-8pm, Sat-Sun: 9am-5pm AEST/AEDT), send us a message at [hcf.com.au/contact-us](https://hcf.com.au/contact-us) or visit a branch.