

MEDIA RELEASE

HCF boosts membership and market share

Sydney, 28 November 2013 – Australia's largest not-for-profit private health insurer has recorded its 12th successive year of above average industry growth while maintaining its consistent record of industry-leading benefit payout ratios and low-cost operations.

In financial results released today HCF announced that as at 30 June this year it covered 1.52 million Australians, up from 1.48 million members a year earlier. HCF is Australia's third-largest private health insurer, with a national market share of 12.6%.

HCF's health insurance premium revenue was up 10% to \$2.1 billion for the year, while health insurance claims increased 11% to \$1.9 billion.

HCF's benefit payout ratio – a key indicator of member value that measures benefits paid as a percentage of premium income earned – was 92% for the year, well above the industry average of 87%.

HCF's health fund management expense ratio, measuring management expenses as a proportion of premium income, was 7.1%, significantly lower than the industry average of 8.8%.

Commenting on the result, HCF Managing Director, Shaun Larkin, said: "This was a strong year for HCF given the environment facing health insurers. The sharply rising cost of health and medical care continue to pose challenges, putting a premium on cost-efficient operations and a strong member value proposition.

"HCF is acutely aware of cost of living pressures facing Australian families. Delivering more for members continues to be central to our mission. As the largest for-purpose, not-for-profit health fund in Australia, HCF is uniquely placed to meet the demand for sustainable health insurance that delivers value," Mr Larkin said.

HCF's commitment to member service was recognised at the CSIA's annual Customer Service Excellence Awards where HCF was awarded 'Best of the Best' award for offering the most outstanding customer service of any organisation in Australia.

During the year HCF extended its contract for its award-winning chronic disease support program, My Health Guardian, with Healthways, which now support more than 27,000 HCF members. During the year My Health Guardian was enhanced with smartphone applications, social media tools and a highly innovative tele-monitoring program being rolled out in conjunction with Telstra and Healthways.

Other initiatives included geographical expansion of HCF's highly popular after-hours GP service, My Home Doctor, which by the end of June had provided more than 20,000 home visits. HCF also launched three new programs to reduce member out-of-pocket expenses in key therapeutic areas: More for Muscles (physiotherapy), More for Backs (chiropractic) and More for Feet (podiatry).

At its Annual General Meeting in Sydney today HCF announced the results of elections for Elected Councillors and Directors. It welcomed the election of Mr Tony O'Hare, Dr Richard Phoon, Mr Vivek Prabhu and Mr Tony Stephenson as Elected Councillors, and Mr Mark Johnson and Mr Russell Schneider as Directors of the Board.

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