



## MEDIA RELEASE

### Championing health, HCF puts members first in FY15

**Sydney, 26 November 2015**, – Australia's largest not-for-profit private health insurer, HCF, has steered an impressive course in challenging conditions to once again put members first through:

- the introduction of its new product range
- expansion of its More for Programs with an increase of 21% of participating dentists and more than 150,000 free digital retinal scans for members
- returning over 90% of health insurance premiums to members in the form of benefit payments during the 12 months ending 30 June 2015.

In returning more than 90% of premiums to members in benefits, HCF's performance was well above the industry average benefit payout ratio of 87%. This is the fourteenth year in succession that HCF surpassed the industry ratio - underscoring the consistency of its member-centred offering.

At its AGM today the group revealed a solid financial result for FY15, with total revenue for the year – including health insurance, life insurance (HCF Life) and aged care operations – up 5% to \$2.5 billion.

Consistent with the strong revenue result, group surplus was \$155 million as a result of improved benefits management, especially in the area of adverse selection, and strong investment income.

As at 30 June 2015 HCF was insuring more than 1.5 million Australians. As Australia's third-largest private health insurer, HCF maintained a 12% share of the national health insurance market during the year.

HCF's health fund management expense ratio, measuring management expenses as a proportion of premium income, was 6.9%. This is significantly lower than the industry average of 8.6%.

HCF Managing Director, Shaun Larkin, said HCF had performed well in the challenging industry conditions that characterised the year in review.

"Health care costs continue to rise at a rate well in excess of general inflation. Understanding the cost pressures this puts on households drives our member-centred value proposition underpinned by efficient operations. This focus is evidenced by our consistent record for both above industry average benefit payout ratios and industry leading management expense ratio." Mr Larkin said.

"Members have responded well to our new product range, which give them greater control over their health cover options and value for money. Our industry leading approach to chronic disease management was highlighted when a review of our highly regarded My Health Guardian service featured in the peer reviewed journal BMC Health Services Research in April" he said.

HCF continues to lead the industry in the coverage of medical specialist services with 91% of all hospital related medical services being fully covered, that is no gap payment was required.

#### ***About HCF***

*HCF is Australia's largest non-profit health insurer, currently covering more than 1.5 million Australians. To learn more about HCF go to [www.hcf.com.au/about-us](http://www.hcf.com.au/about-us).*