



Issue 28 - January 2011

healthcare insurance

NEWS

New Communications Module

Email communication

We have been upgrading our software and we now have a new communications module that provides more flexibility in terms of how we communicate with you. In particular it does allow us to send you information automatically by email. If you would prefer to receive information through this method then please send us an email to enquiries@hcilt.com.au It really will save us a lot of time and reduce our postage cost.

Thanks to those people who have already provided their email address, you should start to receive emails from HCI in the coming months. If you do not want us to use your email please give us a call on **1800 804 950**.

BPay

BPay is now available for members who prefer to make their contribution payments electronically. It is quick and easy and because it is automatic, reduces the potential for errors occurring.

Banking system

We recently changed over to National Australia Bank (NAB) as our preferred bank. The NAB, in conjunction with our software providers HAMBS and HICAPs, have done a lot of work integrating our "in house" systems with the banking system to provide a more efficient flow of information and transactions. As part of that process we have been checking and updating, as required, credit card information on our database. To those members who have assisted us in this process, thank you for your help.

On line member services

Stage 2 of the communications module will be a new and improved on line member services. We are targeting making that available in June 2011.



Director elections

The Annual General Meeting of **Health Care Insurance** was held on the 18th of October.

As per the constitution, 3 elected Directors were required to retire after a 2 year term and seek re-election. This year marked the end of the 2 year term for Wayne Tibbits, John Perkins and Phillip Boon.

Wayne Tibbits decided not to seek re-election this year and as such retired from the Board of **Health Care Insurance** at the AGM.

As required by the constitution, nominations were sought for positions on the Board and this year there were more nominations than vacancies so, as we did last year, we had a postal ballot.

As a result of that postal ballot Phillip Boon was re-elected and joined by Paul Smith and Jill Brasch as elected Directors. Congratulations to Phillip, Paul and Jill on their election.

On behalf of the Chairman and the Directors thanks to Wayne Tibbits and John Perkins, the retiring Directors who both joined the Board in 1996, and have made significant contributions to the governance of **Health Care Insurance** over an extended period.

The current Directors of the Board of **Health Care Insurance** are:

Mark Fishwick Chairperson

Phillip Boon Deputy Chair

Jill Brasch

Ron Coghill

John Guest

Paul Smith

Greg Spinks

To those people who were nominated and those members who voted, thank you for your interest.

we care for our own



Member Update from the Health Care Insurance Limited Board of Directors

Your Board of Directors believe that it is important to keep you, the fund members, up to date with developments affecting the private health insurance environment in which **Health Care Insurance** operates.

As you are aware, your fund is a not-for-profit fund open to present and past employees of forest products-related enterprises including contractors, and their family members. Not-for-profit means that any surplus each year remaining from members contributions, after all benefits claims and operating expenses have been processed, is retained in the fund for the payment of member claims in the future. That is, they are retained in reserves. Not-for-profit funds do not pay dividends to shareholders or pay company tax.

The reserves are invested in short term (six to twelve month) fixed interest with a selection of institutions, principally banks, with the investment income being added to the reserves for contingency against future adverse high claims periods that the fund experiences from time to time.

Up until recent times the vast majority of private health insurance fund members throughout Australia were covered by not-for-profit private health insurance funds.

This is now changing as a result of a series of fund takeovers and mergers, and the decision by the largest fund, Medibank Private, to change to a for-profit fund. These funds, instead of retaining all of any surplus of members contributions in reserves, use these funds to pay dividends to shareholders (the Federal Government in the case of Medibank Private,

overseas shareholders in the case of another large fund) as well as pay their company tax.

As mentioned above, this is not the case with **Health Care Insurance** and other not-for-profit funds. Any surpluses stay in the fund.

It is **Health Care Insurance's** mission to provide our members with very competitive, cost-effective private health insurance and provide our members with prompt, efficient personal service.

As a result we believe **Health Care Insurance's** contribution rates are, on average, lower than our competitors for equivalent benefits coverage.

It is the objective of the **Health Care Insurance** Board, management and staff to maintain this outcome for our members into the future.

Health Care Insurance operates in a highly regulated and complex environment. Contribution rates are approved by the Federal Minister for Health and Ageing (the Federal Government contributes 30% of the member contribution via the 30% rebate). The contribution rates are reviewed annually by the Federal Minister for Health and Ageing and any changes apply from April 1 each year. This years review is currently in progress and takes into account the increase in both the number of claims processed and the cost of claims. Historically this combination results in an increase that is higher than CPI. For example, according to the Australian Bureau of Statistics over the twelve months to September quarter 2010, the increase in cost alone for hospital and medical services was 6.9%. (www.abs.com.au)

The requirement of the Board in these reviews is to ensure that future contribution income

will cover projected member claims, maintain the level of cash reserves that will allow the fund to continue to operate through periods of abnormal claiming by members, and satisfy the prudential requirements of the industry regulator. The for-profit funds, on the other hand, also have to provide for shareholder dividends and Company Tax from their contribution income.

Health Care Insurance has been able to maintain the reserves required by the regulator whilst maintaining our objective of providing very competitive and cost-effective private health insurance.

In order to secure our future as a not-for-profit private health insurance fund and continue to offer the benefits and service to members that we currently do, **Health Care Insurance** has adopted a strategy for moderate membership growth. We are looking to achieve a membership growth of around 5% over the next three years. You most likely will have seen or heard some of the advertising we have undertaken to assist in achieving this aim.

It is the objective of the Directors of the **Health Care Insurance** board (elected by the members of the fund) to provide the best value-for-money private health insurance available. The Directors believe this is the major advantage of a not-for-profit fund whose only interest is in our members, not shareholder interest and the Australian Taxation Office.

Your Board of Directors trusts that this information provides members with a clear picture of **Health Care Insurance** Limited going forward with confidence.



healthcare
insurance



Health Care Insurance uses
National Carbon
Offset Standard
certified ENVI
Carbon Neutral paper
An Australian Government Initiative

The holiday season

On behalf of the management and staff
of HCI enjoy the holiday season -
but remember to slip, slop, slap.

FRECALL
1800 804 950
www.hcilt.com.au