



Private Health Insurance Intermediaries Association Inc

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Given the April 1 health insurance hikes - don't be a fool and pay too much

Private health insurance premiums rise *on average* by almost five per cent on April 1 with some consumers facing even higher amounts.

But in seeking to avoid the above-CPI increases, too many consumers will either drop their cover, or dilute it, with exclusions and excesses which could prove foolhardy.

PHIIA, the association of comparison services and agents in the sector, says there are better options to get greater value from your health insurance.

The group's Christopher Zinn says everyone's insurance needs are different due to factors such as age, income and healthiness and the key is to find more suitable policies and providers.

"It's a great idea to ensure you are not paying for treatments you are unlikely to need, such as obstetrics for the elderly, but not such a good idea to exclude areas such as heart or joint replacements which you may need," he said.

PHIIA members, such as comparison services iSelect, Compare The Market and Choosewell, provide free advice via phone to help consumers align their needs with better value products.

They are bound by a code of conduct ensuring recommendations are in the consumers' interests and not influenced by any incentives or arrangements with the funds.

“Despite the annual increases, there are ways to get more value and ensure you have a policy which really suits your needs, which is from a provider who does likewise,” says Zinn.

Five Tips to get more value from your insurance

1. Dig out the policy standard information sheet your fund sends you every year. If you've never had cover, check out information online from a number of sources: government, regulator, comparison services etc

2 Review the existing or prospective cover relative to your age and health. Remove treatments which may be redundant and consider those which may become more relevant

3 Match and compare your needs and the desired level of care, ie low, medium or high, with the product offerings, again through more than one source

4 Remember, much of the complexity comes through the policy settings on costs and savings, ie the carrots and sticks, offered and imposed by the government to encourage people to take up and keep PHI. Factor these in to determine the price.

5 Pursue value and not just price. Be wary of dropping cover on treatments which you may need or upping excesses. Focus on securing the policy and provider which matches your needs in terms of premium, service and ability to control costs.

Media inquiries PHIA CEO Christopher Zinn 0425 296 442

chriszinn@phia.com Go to phia.com.au/resources/ for code of conduct