



HEALTH INSURANCE STAR RATINGS

IN THIS REPORT:

We research & rate hospital, extras and packaged private health insurance to uncover outstanding value insurers

A HEALTHY COMPARISON

Private health insurance gives you the peace of mind that you and your family will be covered in the event of a health emergency. As such, it is for most people a necessary part of life. However, private health insurance is not really a set-and-forget product. It changes regularly, due to premium increases, government intervention in rebate rules and changes in the consumer's own life stages which may require altered levels of cover.

A regular review of your health insurance policy is recommended for optimum value for money. This is not easy, as it means comparing what is in the market place and here's where confusion can kill the whole exercise. Luckily, CANSTAR CANNEX makes comparison straightforward by demystifying the ever-changing world of private health insurance.

Each year we research the sector and award star ratings to products of merit. In this, our fourth health insurance star ratings, we identify products and insurers who offer outstanding value in eight common profiles.

These profiles are:

- Young singles
- Established single parents
- Young families/couples (with obstetrics)



- Young couples (no obstetrics)
- Young families (no obstetrics)
- Established families
- Mature singles
- Mature couples

We looked at 1,200 products across three different coverage sectors – hospital, extras and packages. The latter consists of hospital and extras cover rolled into one, as many of these products are not available as stand-alone products.

As well as comparing the health cover according to profile, we also looked at how things differ in each state and territory of Australia to give consumers a more accurate snapshot of the cost of private health cover close to home.

We did not include closed funds in our study as the general public cannot join up. Closed funds are usually provided exclusively to members of an organization or those who work for a specific employer.

HOSPITAL PAYOUT FIGURES

During the June 2011 quarter, insurers paid \$2.5 billion in hospital treatment benefits, an increase of 4.2% compared to the March 2011 quarter.

Hospital treatment benefits were comprised of:

- ◇ \$1,740 million for hospital services such as accommodation and nursing
- ◇ \$403 million for medical services
- ◇ \$359 million for prostheses items
- ◇ \$2.3 million for nursing home type patients.

Source: Private Health Insurance Administration Council, *Quarterly Statistics June 2010*, PHIAC, Canberra, 2010

EXTRAS (ANCILLARY) PAYOUT FIGURES

During the June 2011 quarter, insurers paid \$830 million in general treatment (extras, ancillary) benefits. This was a decrease of 2.9% compared to the March 2011 quarter.

Extras (ancillary) benefits for the June quarter included the major categories of:

- ◇ Dental \$426 million
- ◇ Optical \$138 million
- ◇ Physiotherapy \$69 million
- ◇ Chiropractic \$61 million.

Source: Private Health Insurance Administration Council, *Quarterly Statistics June 2010*, PHIAC, Canberra, 2010



WHO CAME OUT ON TOP?

This year's health insurance comparison is another triumph for the health insurance giants **HCF, Bupa** (through its retail brands **MBF, Mutual Community and HBA**) and **Medibank Private**.

They have retained their status as providing overall Outstanding Value Health Insurance across Australia. In fact these insurers have figured prominently in the CANSTAR CANNEX awards ever since they began four years ago. This is no mean feat and proves the value of consistently good products offered by these three pillars of the health insurance industry.

To find the fund that offers outstanding value private health insurance across Australia, we examined over 10,000 quotes from over 1,200 products and compared them against eight profiles across seven states and territories.

Some health insurance funds did better for specific product lines, states or profiles, depending on their area of focus. The major funds didn't have it all their own way, as a diverse range of names popped up in the final results of funds offering the best value in the different states.

Drilling down into the state awards in the three key areas of health insurance – Hospital, Extras and Packages – HCF was strong in 3 out of the 7 states and territories, particularly in the areas of Hospital and Packages.

Medibank Private dominated the Northern Territory across the board, as well as top scoring for Extras in the majority of states and Packages in Tasmania.



Health Insurance
Australia



HCF

medibank
PRIVATE

It wasn't an HCF and Medibank whitewash though. Breathing down the necks of all state winners was Bupa with its well-known brands MBF, Mutual Community and HBA. While Mutual Community did actually top the Extras category in South Australia, all three Bupa brands did not appear anywhere else in the state breakdown list. However, they were a hare's breath away from the lead in virtually all categories and all states. This made a big impact when the scores were added up and proves the value of consistency all the way.

We congratulate Bupa, HCF and Medibank Private for their achievements state-wide and nationally and for the value they offer Australian consumers in the important areas of private health cover.

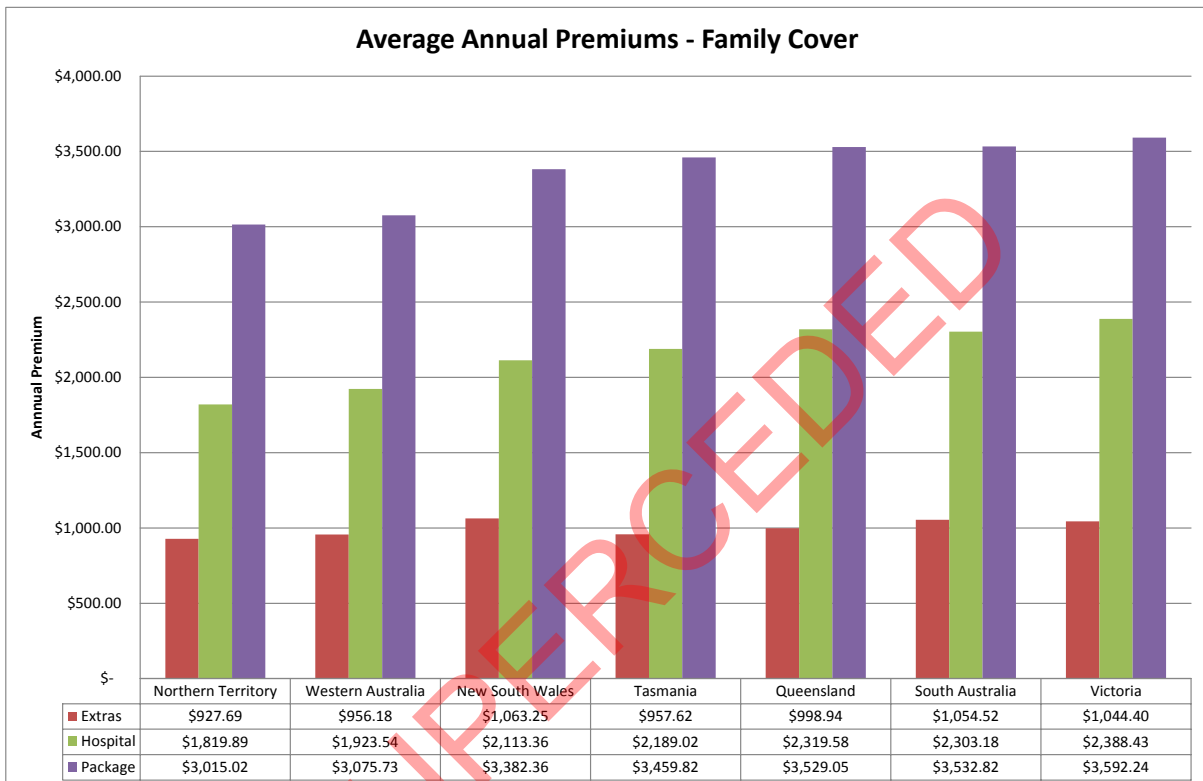
STATE AWARDS 2011

State	Hospital	Extras	Packages
Northern Territory	Medibank Private	Medibank Private	Medibank Private
New South Wales	HCF	Peoplecare	WestFund
Victoria	Latrobe Health Services	Peoplecare	HCF
Queensland	HCF	Medibank Private	HCF
South Australia	HCF	Mutual Community	HCF
Western Australia	GMF Health	Medibank Private	HBF Health
Tasmania	HBF Health	Medibank Private	Medibank Private

WHICH STATES COST MORE?

Premiums for private health insurance are governed by the cost of medical care in each state, the number of people in funds and the number of claims made in each state. Hence there are mostly only slight variances in the average premiums paid according to different states.

We compared the average premiums for families across hospital, extras and packaged cover to see which state/territory was paying the least and most. The Northern Territory once again has the lowest cost health insurance in Australia when it comes to Hospital and Packaged cover. Victoria, South Australia and Queensland came in at 1st, 2nd and 3rd respectively for the highest cost Hospital and Packaged cover. Victorians on average would be paying \$592 more annually than their Northern Territory counterparts for packaged cover.



MEANS TESTING ON THE HORIZON

After two previous unsuccessful attempts to introduce means testing to the Private Health Insurance rebate, it is expected that the Gillard government will re-introduce the bill later this year. If it is passed through government, health insurance policy holders earning over \$80,000 a year will see a change in how their premiums are charged.

At present, health insurance policy holders receive a minimum 30% rebate on their premiums. Should means testing become law, from 1 January 2012, the following changes will be implemented:

Tier	Singles Annual Income	Couples Annual Income	Health Insurance Premium Rebate
1	\$80,000 or less	\$160,000 or less	30%
2	\$80,001 to \$93,000	\$160,001 to \$186,000	20%
3	\$93,001 to \$124,000	\$186,001 to \$248,000	10%
4	More than \$124,001	More than \$248,001	0%



HOW WILL IT AFFECT ME?

Of the 168 family combined (Hospital and Extras) policies in New South Wales, a reduction of the rebate to 20% would account for an average premium increase of \$40 per month or \$480 per year¹. This is the equivalent of a 0.15% interest rate increase on a \$400,000 home loan². At the top end of the market the rebate change could translate into an additional \$4,428 a year in premium charges.

There have been various estimates on the number of policy holders who may cancel or downgrade their policies due to the rebate change. These have ranged from 25,000 to 1.6 million. At a time where living costs seem to be on the rise it's not hard to imagine that the added burden of a reduction in rebates paid may well result in people cancelling or downgrading their policies.

For singles and couples the element which will maintain the financial appeal for private health insurance is the Medicare Levy Surcharge (MLS). The MLS is currently charged at 1% of taxable income for singles and couples who earn over \$80,000 and \$160,000 a year respectively and do not hold private hospital insurance.

The government is well aware that the MLS is a financial incentive to purchase health insurance. To maintain the appeal of private health insurance post the rebate changes, incomes over \$93,000 for singles and \$186,000 for couples will also see an increase in the MLS to 1.25% for Tier 3 and 1.5% for Tier 4.

If the rebate changes do come into effect from next year, a word of warning to those who may impulsively rush out and cancel their health insurance because they slot into Tiers 2-4. It would be prudent to first review their policy and undertake a cost analysis. While premiums may increase, there may be cost and health benefits to maintaining your health insurance policy despite the rebate restrictions.

For example a single person who earns \$92,000 a year could be charged a MLS up to \$920 if they were to cancel their health insurance policy. But if that same person was to take up any one of the 29 single combined covers in New South Wales which cost less than \$70 a month, he or she would receive additional hospital and extras benefits, not attract an MLS and save themselves \$80 a year (MLS minus Annual Premium).

¹ Based on average of 168 family combined (Hospital & Extras) policies in NSW at 19/09/2011

² Based on \$400,000 loan taken over 25 years using the average standard variable rate of the four major banks at 19/09/2011

WHAT GOES UP DOESN'T ALWAYS COME DOWN

Private Health Insurers are given the opportunity each year to apply to the Minister for Health and Ageing to change their premiums. This is a formal approval process with exhaustive information and testing required prior to approval being given. The Minister does have the discretion to refuse a premium increase but this is only done in the instance that the increase is not in the public interest.

According to the Department of Health and Ageing, higher costs and greater utilisation of treatment and services has seen Private Health Insurance premiums increase on average by 5.56% in 2011, down 0.22% on 2010. The premium increases came into effect on in April this year.

Individual policy premium increases are not reported on but all policy holders do receive notice of the changes at least 30 days prior to implementation.

A full report is available to the public which outlines how industry and insurers aggregate the average premium increases

<http://www.health.gov.au/internet/main/publishing.nsf/Content/privatehealth-summary-premiumincre>

HOW TO USE CANSTAR CANNEX STAR RATINGS

The fourth annual star ratings of health insurance by CANSTAR CANNEX was a mammoth effort, way beyond the scope of ordinary consumers. That's why the report is so important and an immensely valuable resource for those who are serious about comparing health funds and products.

In looking up the best cover for you or to check out how your current health fund rates, an added bonus is that you'll find out a lot more information along the way, thanks to stories, hints and tips, comments and video clips on www.canstarcannex.com.au

The first thing to do is check what profile would best describe you, then go straight to your state of residence and the profile you have chosen. You will then bring up our Five Star Summary of five star products in all three categories of cover - Hospital, Extras and Hospital & Extras Packages.

This provides a short list of products to investigate further. Don't discount four star products, though. It may be that you require features that are necessary for you but are more expensive such as orthodontic, psychology or blood glucose monitoring. These and other expensive features may not necessarily be

This report is no longer current. Please refer to the CANSTAR website for the most recent star ratings report on this topic.

offered in the five star products but are still offered in plenty of good, fully featured products rated at four

Health cover is not a one-size-fits-all but the CANSTAR CANNEX star ratings are as close as you can get to a complete and fair comparison of all products, right down to providing the average monthly premium associated with each product.

stars and below. You just need to know what features are important to you and search them out.

LIKE TO KNOW HOW WE DID IT?

For more in-depth information on how we conducted this report, read our methodology on the health insurance page at www.canstar.com.au

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SUPERCEDED





METHODOLOGY

HEALTH INSURANCE STAR RATINGS

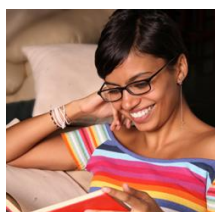
AWARDS TO PRODUCTS

The Health insurance star ratings combines 3 separate health insurance product types (Hospital cover, Extras cover and Packaged Hospital and Extras cover). The rating process for each of these product types employs a separate star ratings methodology consistent with the pricing and features model of the CANSTAR GANEX star ratings.

$$\text{TOTAL STAR RATINGS SCORE (T)} = w_1\text{PRICING SCORE (P)} + w_2\text{FEATURES SCORE (F)}$$

Below is a brief overview of the profiles to be rated so that consumers can use the star ratings results to find the most suitable products. The specific areas of need for both the young and mature profiles for both hospital and extras cover are listed under the inclusions heading of the star ratings methodology section of this document.

All profiles are assumed to represent the average person from that demographic rather than either ends of the risk aversion spectrum.



YOUNG SINGLES:

This profile caters to young to middle-aged singles (both male and female) that have no dependents and no immediate plans for children. While the average young singles do not consider themselves to be invincible, they are mostly concerned about having a safety net for hospital cover if they ever need it. Dental, optical, chiropractic and physiotherapy cover are also important areas of Extras cover.

YOUNG COUPLES – NON OBSTETRICS:

This profile covers young to middle-aged couples who don't plan to have children or at least are postponing a family. They are looking for all-round cover from their health fund but don't need to pay for obstetrics and IVF. A good hospital plan with extras like dental, optical, physiotherapy and chiropractic should provide all round cover for this couple.



YOUNG COUPLES/FAMILY – WITH OBSTETRICS:

This profile covers young to middle-aged couples with a young child or children, as well as couples planning a family. This profile can be seen as growing families but like young singles, they are not yet concerned about cover for hip replacements and multi-focal lenses but are interested in cover for obstetrics and IVF, dental, optical, physiotherapy and chiropractic. Couples planning for children in the short term should be taking out the appropriate family cover now.

YOUNG FAMILIES – NON OBSTETRICS:

This profile covers young to middle-aged couples with a young child or children, and who will not be extending the family. They are confident that they will not be needing obstetrics or IVF cover. These growing families still have a distinct need for a range of hospital and extras cover for both the parents and the growing children.



ESTABLISHED FAMILIES:

This profile covers mostly middle-aged to mature couples with older but still dependent child or children. These families have stopped growing so no longer need cover for obstetrics and IVF. The parents are starting to think about cover they might need for their growing kids such as orthodontics but they are also thinking about other areas of cover they might have ignored when they were younger such as cardio-thoracic surgery. Dental, optical, physiotherapy and chiropractic cover are also important areas of extras cover.



ESTABLISHED SINGLE PARENT:

This profile covers mostly middle-aged to mature singles with older but still dependent child or children. These families have stopped growing so no longer need cover for obstetrics and IVF. The parent is starting to think about cover they might need for their growing kids such as orthodontics but they are also thinking about other areas of cover they might have ignored when they were younger such as cardio-thoracic surgery. Dental, optical, physiotherapy and chiropractic cover are also important areas of extras cover.



MATURE SINGLES:

This profile caters to mature *singles* (both male and female) that no longer have or never had dependent children. We did not wish to draw a finite line as far as the age where maturity begins but this profile is now more concerned with areas of cover such as cardio-thoracic surgery, hip replacements or multi-focal lenses. Due to the natural processes of aging, their health insurance requirements differ from that of young singles. Dental, optical, chiropractic and physiotherapy are also important areas of Extras cover.

MATURE COUPLES:

This profile caters to mature *couples* that no longer have or never had dependent children. This profile is more concerned with areas of cover such as cardio-thoracic surgery, hip replacements or multi-focal lenses. Due to the natural processes of aging their health insurance requirements differ from that of young singles. Dental, optical, chiropractic and physiotherapy are also important areas of Extras cover.



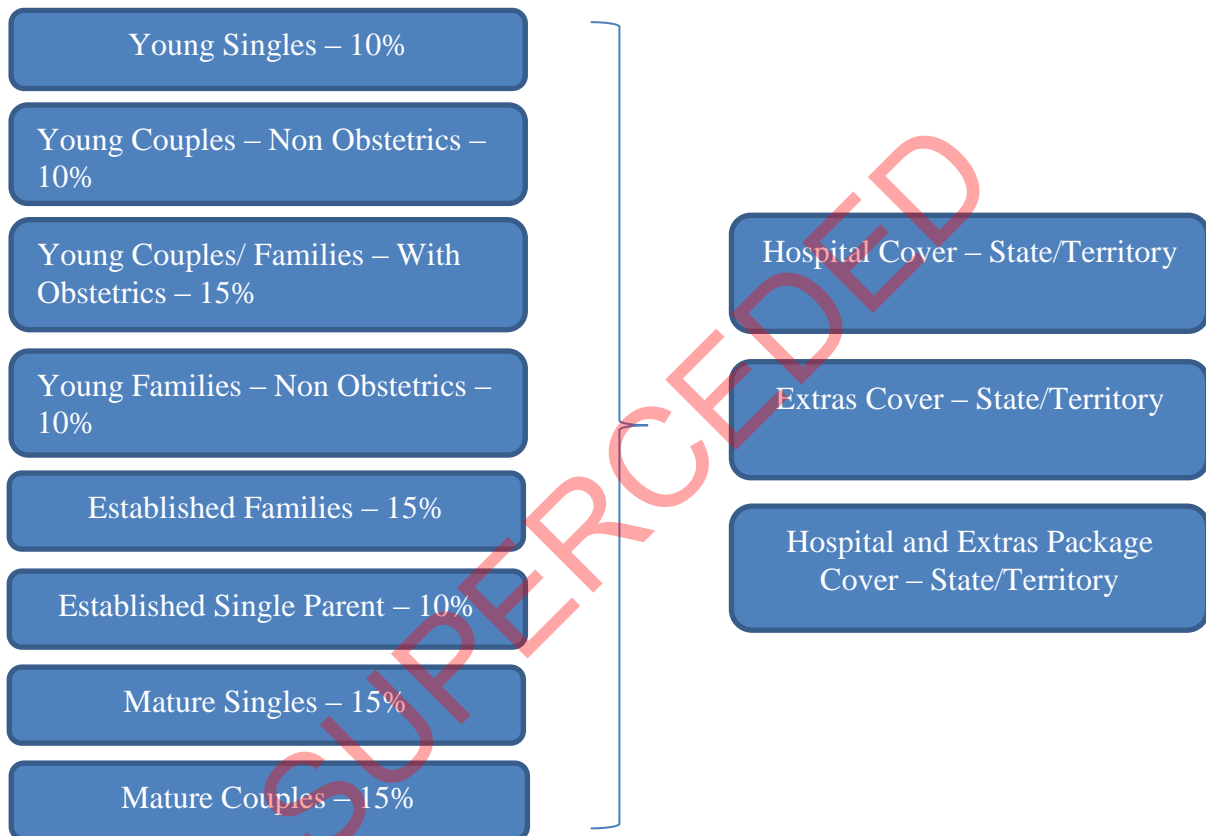
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STATE/TERRITORY AWARDS

Each fund's top performing policy per state/territory across all star ratings profiles are then aggregated to come up with the state/territory awards for all three product categories, (1) Hospital, (2) Extras and (3) Packages.

The State/Territory awards, are awarded in the following states/territories; Queensland, New South Wales/ACT, Victoria, Tasmania, South Australia, Western Australia and Northern Territory.

Each profile is given a weighting towards the state awards.



Example:



Hospital Cover
New South Wales



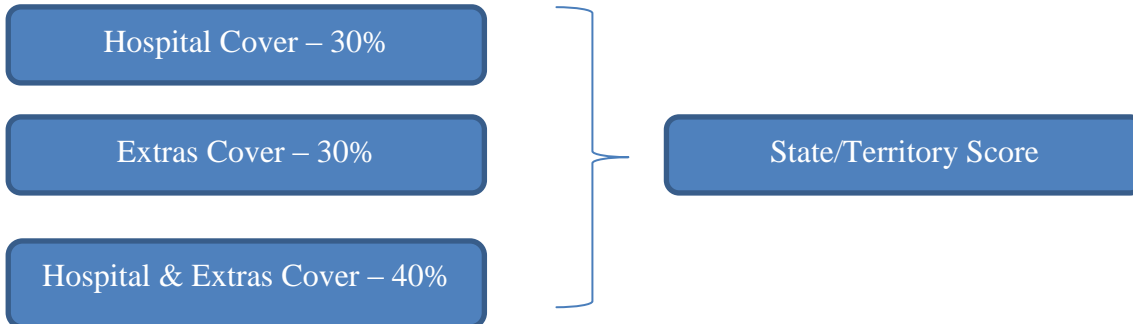
Health Insurance - Extras
New South Wales



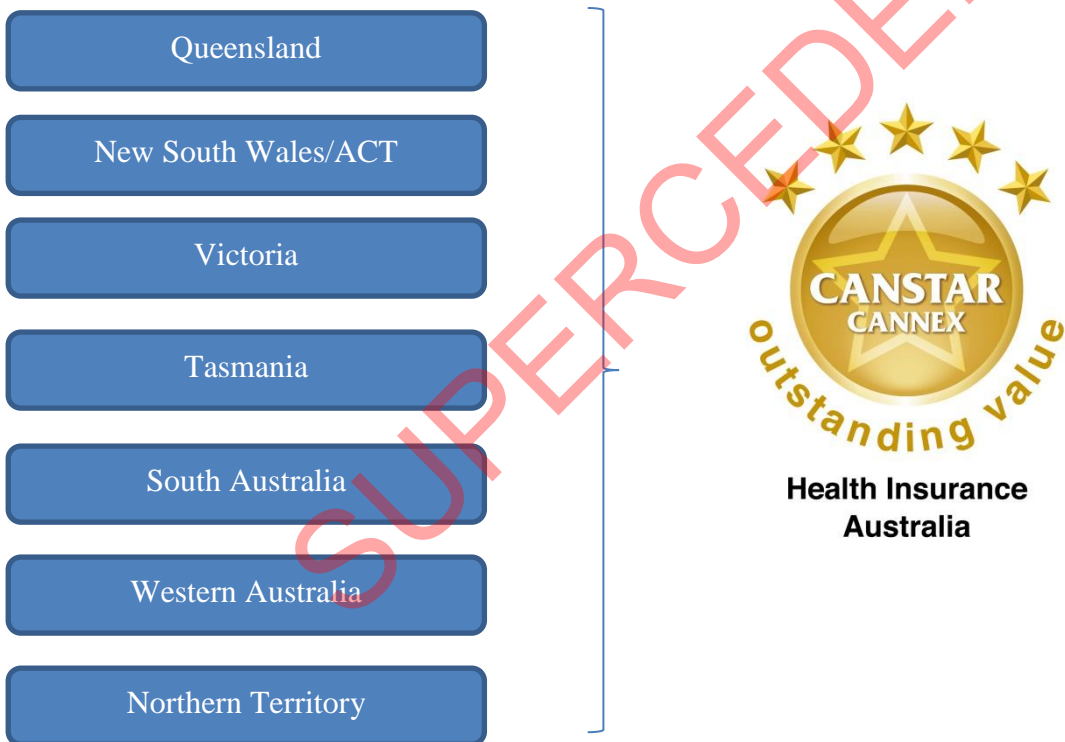
Hospital & Extras Package
New South Wales

NATIONAL AWARDS

Each fund's state/territory performance across the three product categories is then weighted to supply a state/territory score.



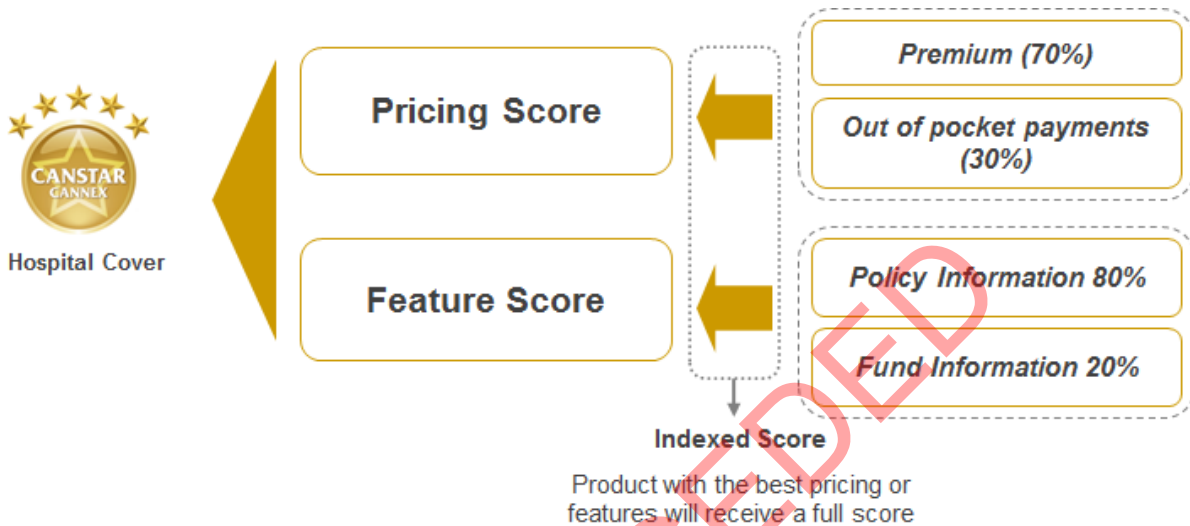
The state/territory scores are then weighted based on ABS population data. The national award is then awarded to the top three performing funds across Australia.



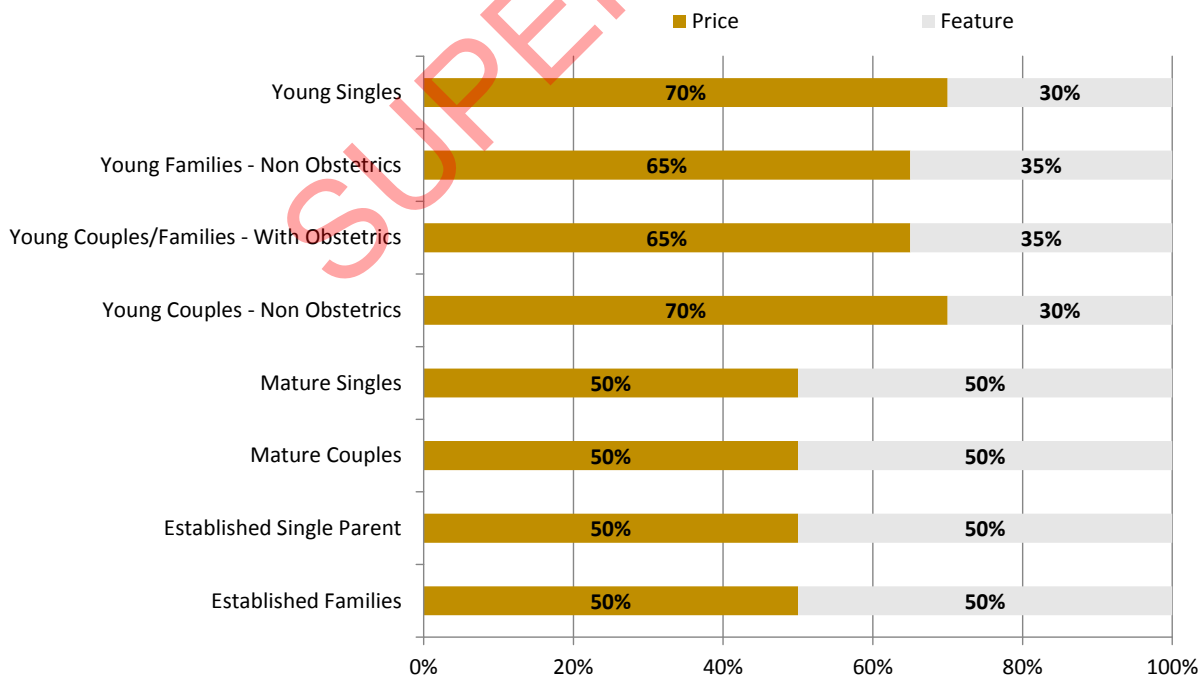
HOSPITAL COVER METHODOLOGY

Hospital cover products will be rated across 7 states and 8 profiles so that consumers from any demographic will be able to identify a short list of 5 star products that are best suited for their individual needs. Eligibility for each of the 56 State-Profile combinations will depend on product availability for the state and whether the insurance cover is for singles, single parents or couples & families. Products nominated for families are also eligible to be compared in the single parent profile in accordance with sales practices of the private health insurance industry.

OVERALL



OVERALL WEIGHTS



ELIGIBILITY REQUIREMENTS

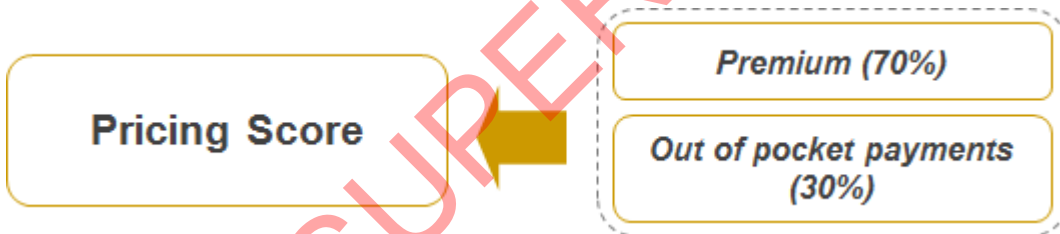
For a Hospital Policy to be considered in CANSTAR CANNEX ratings it needs to meet the following criteria:

- Not be restricted to certain groups or a corporate policy;
- Cover a stay in a private hospital;
- Exempt the policy holder of Medicare Levy Surcharge;
- Available for new policy holders; and
- Be approved by PHIO.

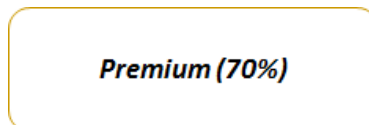
There are five profiles which have a minimum level of comprehensive cover for a policy to be considered:

Profile Name	Cardiac	Joint Replacement	Obstetric
Established Families	✓		
Established Single Parent	✓		
Mature Couples	✓	✓	
Mature Singles	✓	✓	
Young Couples/Families - With Obstetrics			✓

PRICING SCORE



PREMIUM



The base premium for hospital cover insurance products will be used as the main point of cost comparison. Peer products will be compared and the product with the lowest cost will be awarded the highest base premium score. All other peer products will be awarded a relative score based on how much more expensive they are (i.e. if a product costs twice as much as the cheapest, it will earn half the base premium score of the cheapest product).

OUT OF POCKET PAYMENTS

**Out of pocket payments
(30%)**

This is a scenario based assessments to assess the amount of excess or co-payment required for each hospitalisation. There are six scenarios used in the assessment:

Scenario	No of Admissions/year	Length of Stay/Admission
1	1	0 nights
2	3	0 nights
3	1	2 nights
4	3	2 nights
5	1	14 nights
6	3	14 nights

FEATURE SCORE

Feature Score

Policy Information 80%

Fund Information 20%

FUND INFORMATION

Fund Information 20%

General Information 20%

Agreement Network 60%

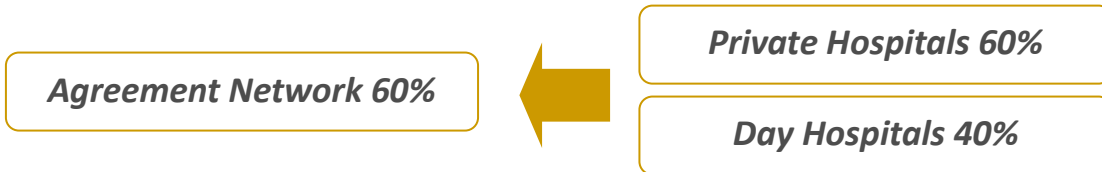
Accessibility 20%

GENERAL INFORMATION

General Information 20%

This section includes general information relating to the health fund. This includes but is not limited to online application, direct debit payments, payment frequencies and maximum age of dependents.

AGREEMENT NETWORK



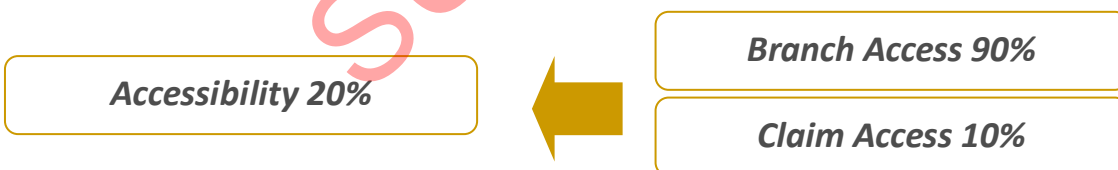
Agreement Private Hospitals

The number of agreement hospitals available in a state represents the level of choice a patient has in health care providers that will not charge a gap fee. For each State-profile combination, the number of no-gap hospitals for the relevant state will be compared against the number for other health funds to determine the no-gap hospital contribution to the star ratings score. The health fund that has the most total no-gap hospitals in that state will earn the maximum score (5%) towards all their eligible hospital cover products while all other health funds will be awarded a score based on their number of no-gap hospitals relative to the institution with the most no-gap arrangements.

Agreement Day Hospitals

The number of agreement day hospitals available in a state represents the level of choice a patient has in health care providers that will not charge a gap fee. For each State-profile combination, the number of no-gap day-hospitals for the relevant state will be compared against the number for other health funds to determine the no-gap day-hospital contribution to the star ratings score. The health fund that has the most no-gap day-hospitals in that state will earn the maximum score (5%) towards all their eligible hospital cover products while all other health funds will be awarded a score based on their number of no-gap day-hospitals relative to the institution with the most no-gap arrangements.

ACCESSIBILITY



Accessibility is measured across the following:

- Branch Access: The number of branches per state/territory;
- Claim Access: The points where a policy holder is able to claim outside of branches including phone, post, online and HICAPS.

POLICY INFORMATION

Hospital cover policies vary in the types of procedures that are insured. The table below lists some of the more common hospital inclusions and their relative importance to the various profiles.

Policy Inclusions are scored as follows:

- Covered = 5 points
- Benefit Limitation period = 3 points
- Restricted = 1 point

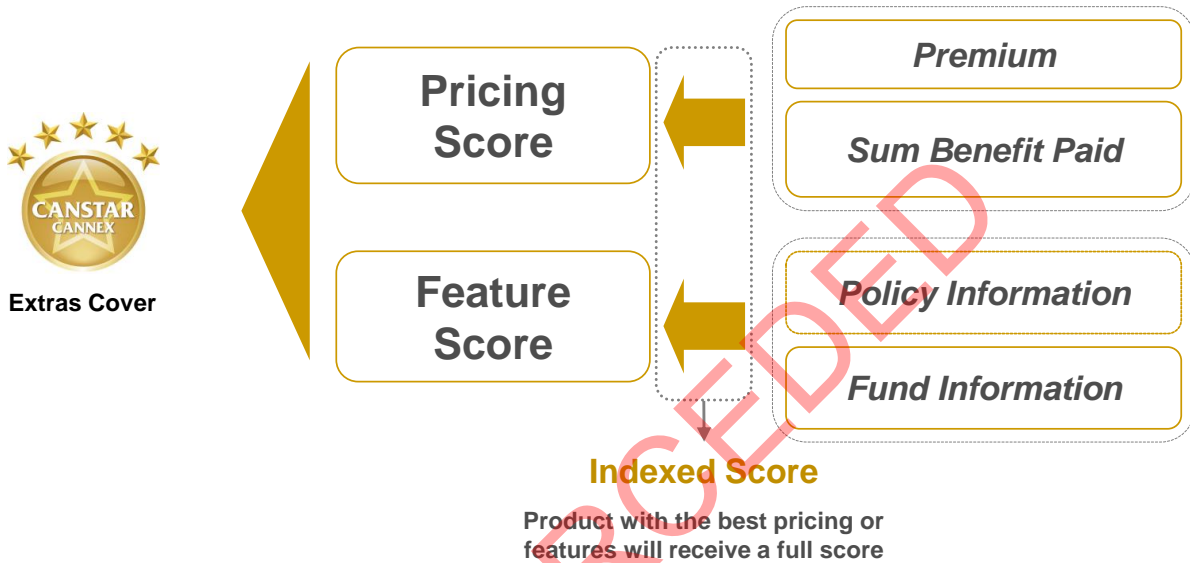
INCLUSION WEIGHTS

Category	Young Single	Young Couple – non Obstetric	Young Couple/Family – with Obstetric	Young Family – non Obstetric	Established Family	Single Parent	Mature Single	Mature Couple
Assisted Reproductive	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cardiac	15.0%	15.0%	10.0%	15.0%	20.0%	20.0%	20.0%	20.0%
Cataract Eye Lens	5.0%	5.0%	1.0%	5.0%	5.0%	5.0%	10.0%	10.0%
Joint Replacement	5.0%	5.0%	5.0%	5.0%	8.0%	8.0%	15.0%	15.0%
Reconstructions	13.0%	13.0%	5.0%	10.0%	8.0%	8.0%	5.0%	5.0%
Obstetric	0.0%	0.0%	15.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Palliative	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Plastic Non Cosmetic	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Psychiatric	20.0%	20.0%	15.0%	15.0%	10.0%	10.0%	10.0%	10.0%
Rehabilitation	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	5.0%	5.0%
Renal Dialysis	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	10.0%	10.0%
Ear, Nose & Throat Surgery	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	2.0%	2.0%
Colonoscopy	1.0%	1.0%	1.0%	5.0%	8.0%	8.0%	10.0%	10.0%
Gastric Banding	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	1.0%	1.0%
Wisdom Teeth	10.0%	10.0%	5.0%	9.0%	5.0%	5.0%	1.0%	1.0%
Sterilisation	0.0%	0.0%	2.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Total	100%	100%	100%	100%	100%	100%	100%	100%

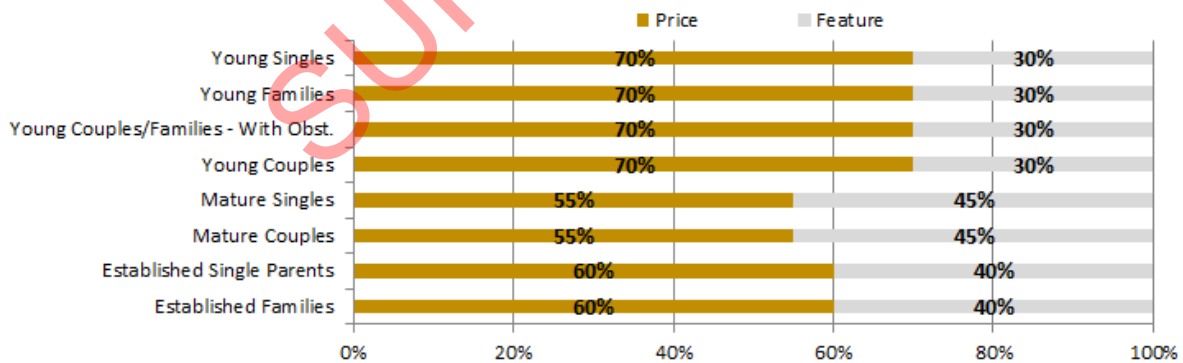
EXTRAS COVER METHODOLOGY

Extras cover products will be rated across 7 states and 8 profiles so that consumers from any demographic will be able to identify a short list of 5 star products that are best suited for their individual needs. Eligibility for each of the 56 State-Profile combinations will depend on product availability for the state and whether the insurance cover is for singles, single parents or couples & families. Products nominated for families are also eligible to be compared in the single parent profile in accordance with sales practices of the private health insurance industry.

OVERALL



OVERALL WEIGHTS



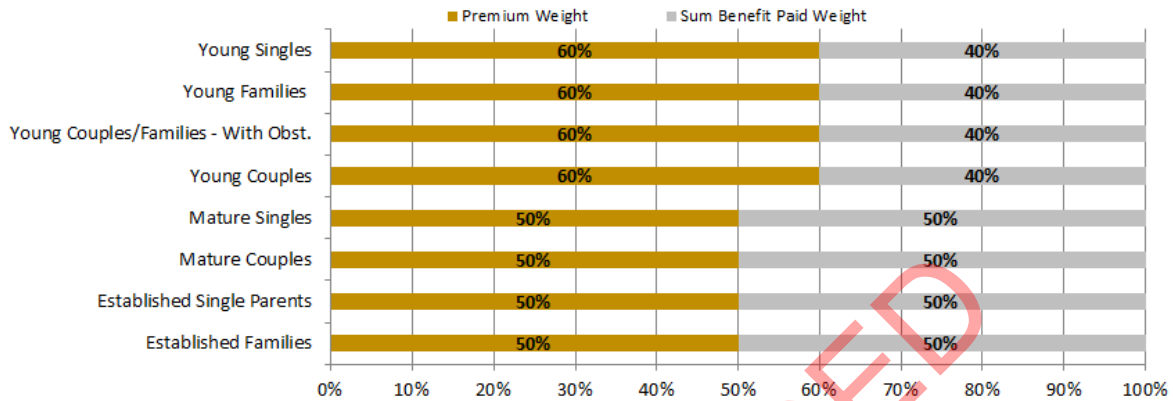
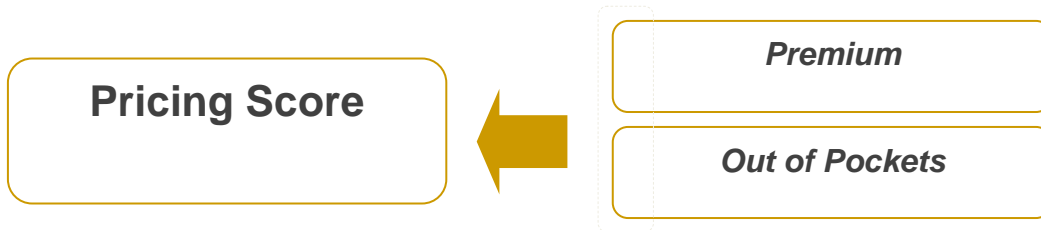
ELIGIBILITY REQUIREMENTS

For an Extras Policy to be considered in CANSTAR CANNEX ratings it needs to meet the following criteria:

- Not be restricted to certain groups or a corporate policy;
- Available for new policy holders; and
- Be approved by PHIO.

There are no individual profile eligibility requirements.

PRICING SCORE



PREMIUM

The base premium for extras cover insurance products will be used as the main point of cost comparison. Peer products will be compared and the product with the lowest cost will be awarded the highest base premium score. All other peer products will be awarded a relative score based on how much more expensive they are (i.e. if a product costs twice as much as the cheapest, it will earn half the base premium score of the cheapest product).

OUT OF POCKET EXPENSES

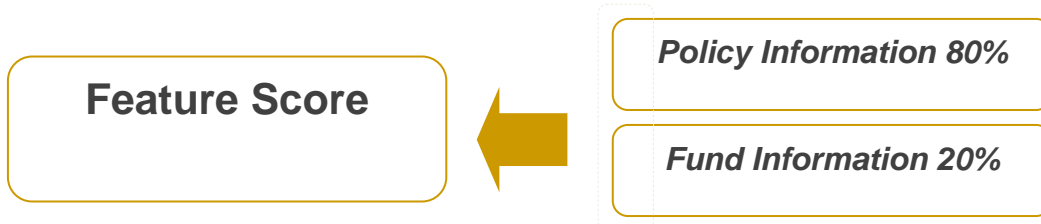
The Out of Pocket Expenses is a scenario based calculation. The calculation uses 100 hypothetical new policy holders who have met all the waiting period requirements and their use of Dental, Optical, Physiotherapy and Chiropractic over a 12 month period.

The policy holder usage is based on PHIAC data with the min/max usage based on the star ratings profiles. The cost for the services used is based on the national average cost.

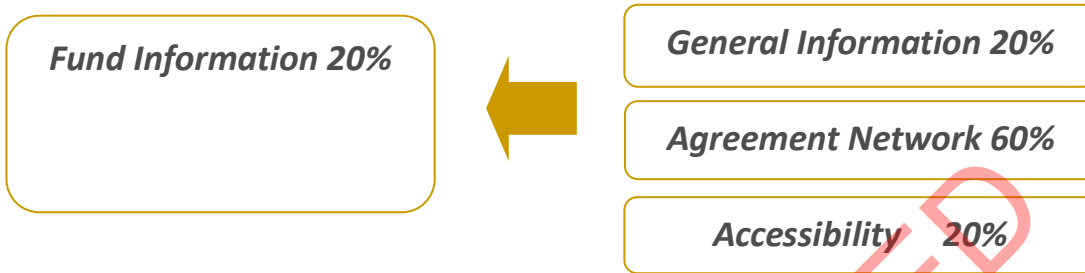
Where a health fund has network providers we have used their standard schedule costs for the proportion of their policy holders who use a network provider. Where a health fund does not have network providers the standard costing will be used in the calculations.

All limits are incorporated into the calculations including, item limits, sub limits, category limits and group limits. The total out of pockets is indexed for each of the 100 policy holders per policy. The 100 indexed scores are then averaged to provide a policy out of pocket score. The policy with the greatest average out of pocket score will receive a full score and all other policies scores will be indexed.

FEATURE SCORE



FUND INFORMATION



GENERAL INFORMATION

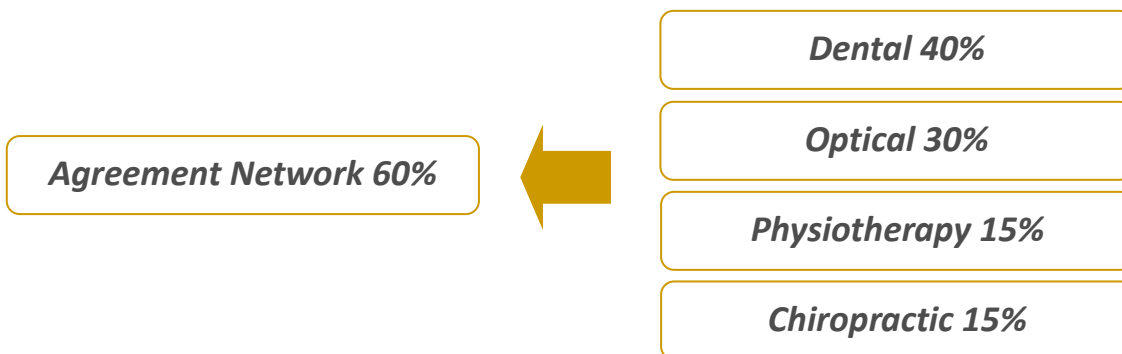


This section includes general information relating to the health fund. This includes but is not limited to online application, direct debit payments, payment frequencies and maximum age of dependents.

AGREEMENT NETWORK

The Agreement Network looks at the number of providers which a health fund has an agreement with. The fund with the greatest amount of agreement providers in a particular speciality will receive a full score and the remainder of funds will be indexed off the greatest amount.

PROPOSED



ACCESSIBILITY



Accessibility is measured across the following:

- Branch Access: The number of branches per state/territory;
- Claim Access: The points where a policy holder is able to claim outside of branches including phone, post, online and HICAPS.

POLICY INFORMATION

Extras cover policies vary in the types of services that are insured. The table below lists some of the more common Extras inclusions and their relative importance to the various profiles.

Policy Inclusions are scored as follows:

- Covered = 1 points
- Not Covered = 0 Points

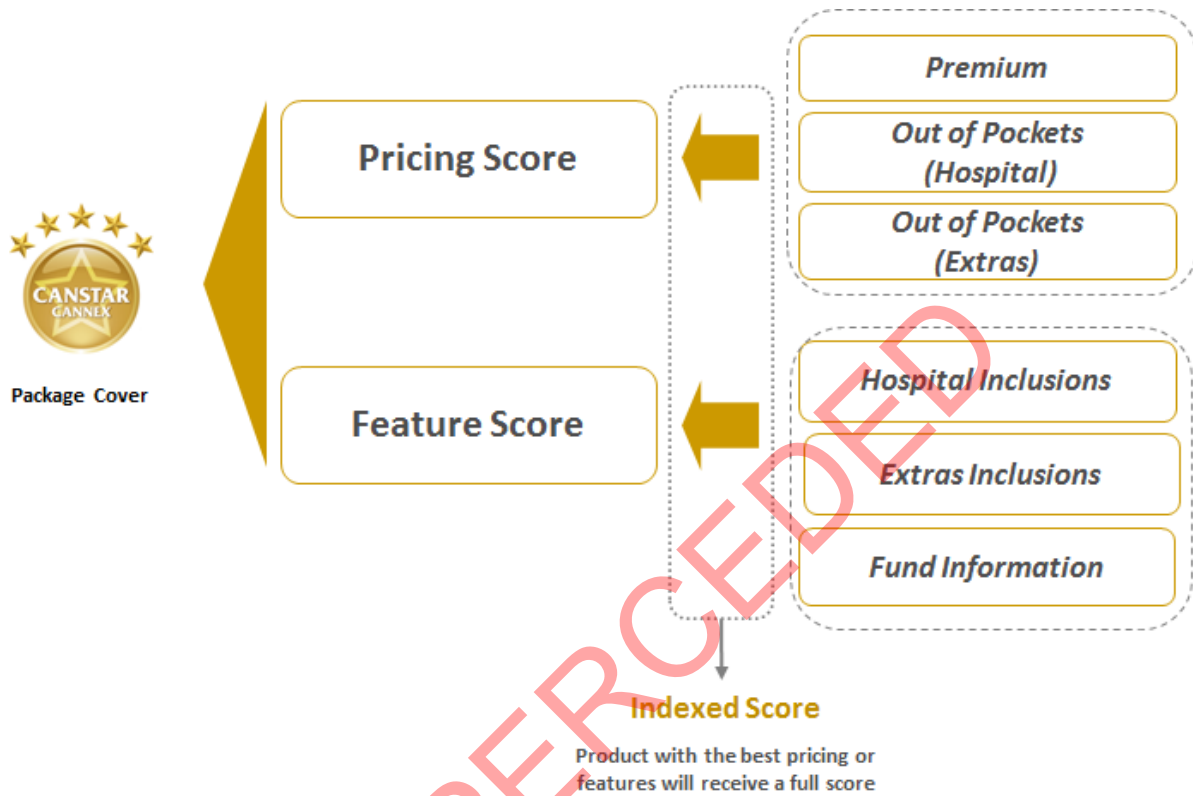
INCLUSION WEIGHTS

Category	Young Single	Young Couple - Non Obstetrics	Young Family - Non Obstetrics	Young Couple/Family - With Obstetrics	Established Family	Single Parent	Mature Single	Mature Couple
General Dental	20%	20%	20%	20%	14%	14%	10%	10%
Major Dental	10%	10%	10%	10%	14%	14%	10%	10%
Orthodontic	7%	7%	7%	7%	14%	14%	0%	0%
Endodontic	2%	2%	5%	3%	5%	5%	10%	10%
Optical	20%	20%	20%	20%	15%	15%	20%	20%
Acupuncture	1%	1%	1%	1%	1%	1%	1%	1%
Chiropractic	10%	10%	10%	10%	10%	10%	8%	8%
Physiotherapy	12%	12%	12%	10%	10%	10%	8%	8%
Podiatry	1%	1%	1%	1%	3%	3%	8%	8%
Psychology	5%	5%	2%	5%	1%	1%	3%	3%
Glucose Monitor	1%	1%	1%	1%	1%	1%	3%	3%
Hearing Aids	1%	1%	1%	1%	1%	1%	5%	5%
Ambulance	1%	1%	1%	2%	2%	2%	2%	2%
NonPBS	1%	1%	1%	1%	1%	1%	1%	1%
Massage	2%	2%	2%	2%	2%	2%	5%	5%
Naturopathy	1%	1%	1%	1%	1%	1%	1%	1%
Wellness	5%	5%	5%	5%	5%	5%	5%	5%
Total	100%	100%	100%	100%	100%	100%	100%	100%

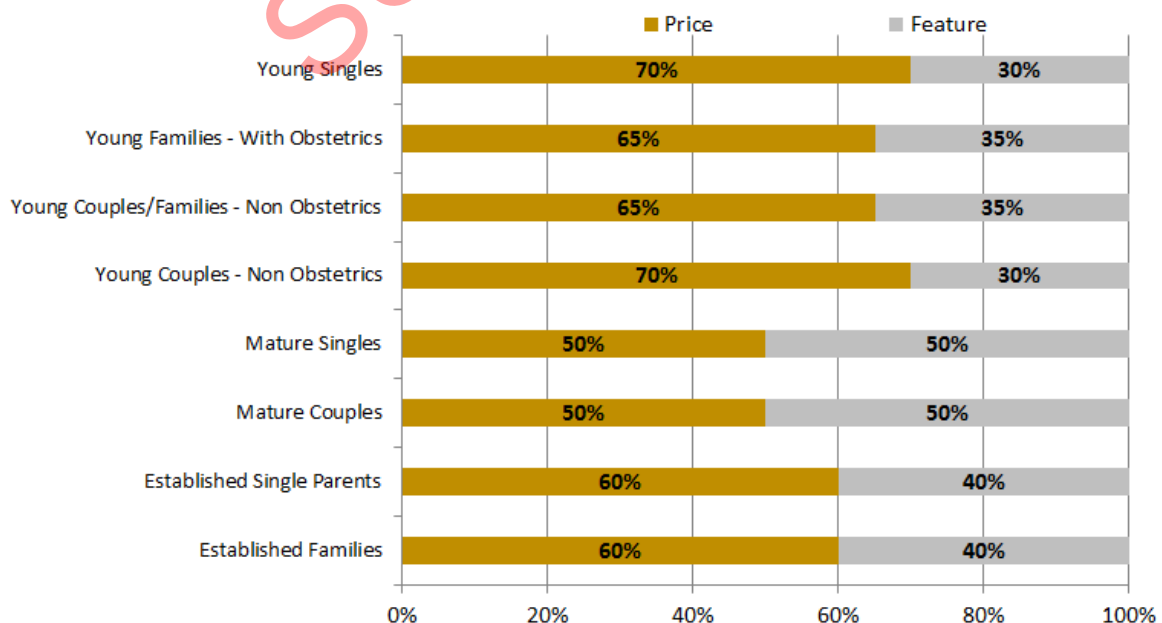
PACKAGE COVER METHODOLOGY

Packaged Hospital & Extras cover products are rated across 7 states and 8 profiles so that consumers from any demographic will be able to identify a short list of 5 star products that are best suited for their individual needs. Eligibility for each of the 56 State-Profile combinations depend on product availability for the state and whether the insurance cover is for singles, single parents or couples & families. Products nominated for families are also eligible to be compared in the single parent profile in accordance with sales practices of the private health insurance industry.

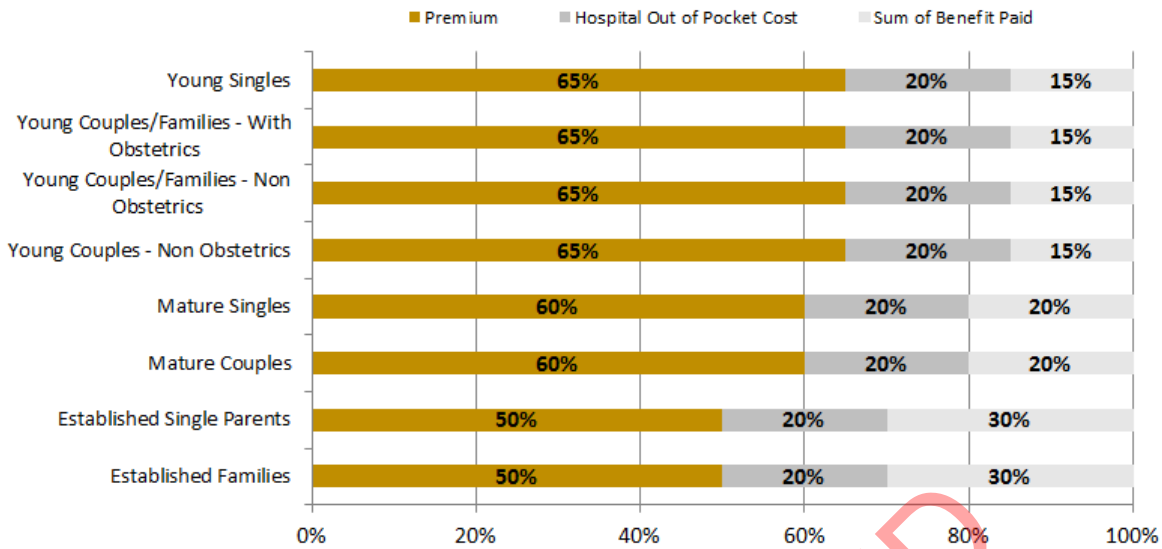
OVERALL



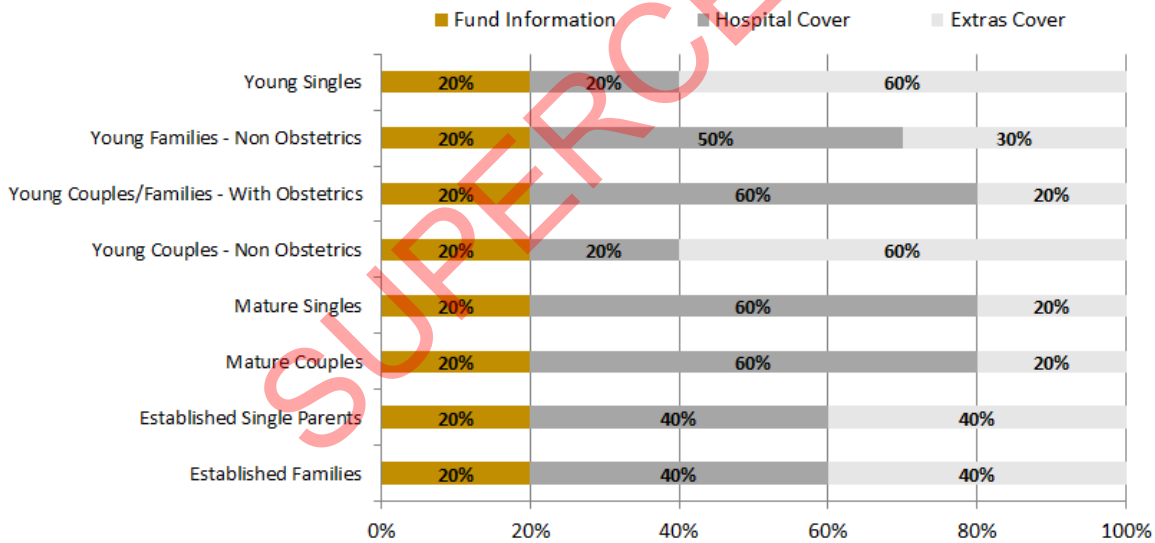
OVERALL WEIGHTS



PRICE WEIGHTS



FEATURE WEIGHTS



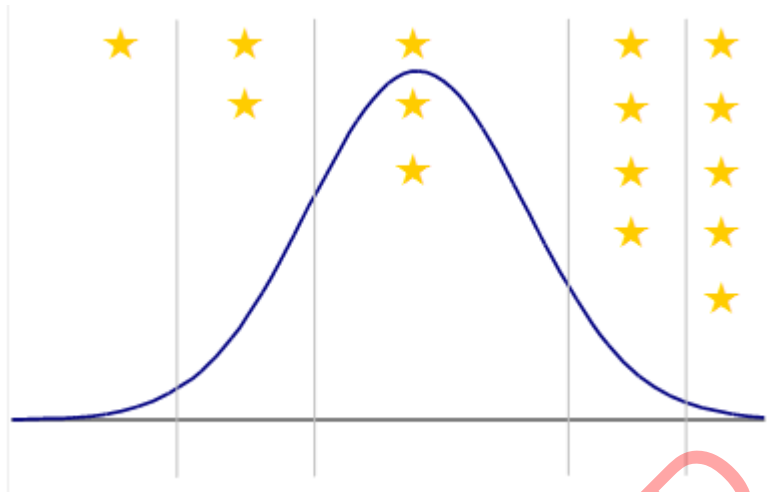
FUND ELIGIBILITY

To be included in a states/territory star ratings a health fund (fund) is required to have a minimum market share of 0.4% in that particular state/territory. Should a fund not have sufficient market share in any one state or territory it will be entered into its 'home state'. Funds without sufficient market share in any one state or territory will not be eligible for a state or territory award.

All funds are eligible for the national awards. However, should a fund not be eligible for a state/territory award, that state/territory will carry a zero score.

HOW ARE THE STARS AWARDED?

The total score received for each profile ranks the products. The stars are then awarded based on the distribution of the scores with the objective to award the top 5-10% of products with the CANSTAR CANNEX 5-star rating.



The results are reflected in a consumer-friendly CANSTAR CANNEX star rating concept, with five stars denoting outstanding value.

HOW OFTEN ARE CANSTAR CANNEX *health insurance* star ratings RE-RATED?

Products are officially re-rated every twelve months. The results are published in a variety of mediums (newspapers, magazines, television, websites etc)

DOES CANSTAR CANNEX RATE OTHER PRODUCT AREAS?

CANSTAR CANNEX researches, compares and rates the suite of banking and insurance products listed below. These star ratings use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the CANSTAR CANNEX website at www.canstar.com.au if you would like to view the latest star ratings reports of interest.



- Account based pensions
- Agribusiness
- Business banking
- Business life insurance
- Car insurance
- CFD trading
- Credit cards
- Deposit accounts
- Direct life insurance
- Health insurance
- Home & Contents
- Home loans
- Life Insurance
- Managed investments
- Margin lending
- Package banking
- Personal loans
- Reward programs
- Superannuation
- Travel insurance

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