Health Policy Updates – Adviser FAQ's

How should I explain these changes to my clients?

Focus on the long-term sustainability message: these changes are about protecting the parts of cover your clients rely on most, while managing the impact of rapidly rising claims and healthcare costs.

Will this affect my clients' retention or policy satisfaction?

There may be more questions from clients, which is natural during a change like this. But the underlying value of the product (timely access to hospital care, surgery and specialist treatment) remains strong. With your support, we can help clients understand their options and retain confidence in their cover.

Are nib's products still competitive?

Yes. While we've made some structural changes, nib continues to offer comprehensive private health insurance with strong hospital and specialist cover, digital tools like nib Balance, Symptom Checker and targeted health programs. We're focused on helping your clients stay healthy and manage their healthcare needs affordably.

Why does nib spend money on online tools like nib Balance instead of your core business of paying claims for essential health cover?

Paying claims is the core of what we do, and we continue to support our members with hundreds of millions of dollars in claims payments each year. But supporting members' health is also about prevention and helping people stay well.

nib Balance is part of our long-term investment in preventative health. It gives your clients personalised insights across key wellbeing indicators and encourages earlier action before health concerns escalate. Tools like nib Balance may help members stay healthy, which is part of our mission – improving the health of your clients and their families.

Are other insurers making these same changes? Why is nib making these changes?

Each insurer takes its own approach. However, the health sector is under pressure from rising claims and medical inflation. Our changes have been applied carefully, targeting select services only. This step is about protecting the sustainability of our products and ensuring we can continue supporting our members in the long term.

How can you justify putting premiums up while also taking benefits away?

While we understand that changes like these are never welcomed by our members, the reality is that healthcare expenses continue to grow as the cost and frequency of medical treatment increases. We are continuously refining our operations to improve efficiencies and save costs within the business. But in the current landscape, we also need to regularly review our health insurance premiums and products and identify ways that we can adjust them accordingly. These changes simply reflect the rising costs of keeping our members healthy.

nib has consistently increased premiums by a significant amount. Will costs keep rising?

Like the rest of the private health sector, nib NZ has faced rising healthcare costs and an increase in claims volumes. In FY25, and in FY24, we paid out significantly higher claims (volume and value) than the previous year, and healthcare inflation increased substantially. These pressures are driven by real increases in hospital costs, medical wages, and demand for treatment.

While we can't control all these external pressures, we are taking proactive steps to ensure our products remain sustainable. That includes making targeted changes to reduce cost growth and protect access to essential care. We're also focused on improving efficiency and supporting member health through prevention, all with the goal of keeping cover accessible in the long term.

Why should our clients stay with nib, when they have to pay higher costs and get lower cover?

We understand these changes may be difficult for households feeling cost-of-living pressures. But the changes we've made are about focusing on the benefits that your clients value and use most, such as hospital treatment, surgery, and cancer care, ensuring that cover remains available long into the future.

At the same time, we're continuing to invest in tools and programs that support better health outcomes, including nib Balance and targeted health management initiatives that help your clients stay well and avoid hospitalisation.

Staying with nib means having access to trusted cover when it's needed most, along with ongoing support for overall health and wellbeing. Our goal is to continue delivering value, not just by paying claims, but by helping members live healthier, longer lives.

Will my client's future premium go down if they're getting fewer benefits now?

Premiums are based on the overall cost of delivering healthcare and how frequently members use their cover. Removing lower-use benefits helps us avoid even higher premium increases.

How did nib decide which benefits to cut?

We reviewed how members were using their cover and identified benefits with very low uptake or limited health impact. These included Check Up, Gym/Sports Vouchers, Public Hospital Payment, and Cover in Australia. By removing these benefits, we can focus on protecting the cover members rely on most like hospital admissions, surgery, cancer treatment.

What happens if my client can't afford the co-payment? Will they still be covered?

If affordability is a concern for your client, please get in touch with your adviser partner manager. We can discuss their options, including adjusting their policy or excess. Remember, co-payments apply only to some services, and their cover for private hospital admissions remains unchanged.

Will the co-payment apply every time my clients use their insurance?

No, the co-payment only applies to certain diagnostic and specialist services. The co-payment doesn't apply to diagnostics listed in the Diagnostics Schedule. You can help your clients find a copy of the Diagnostics Schedule on the "What you're covered for" page at nib.co.nz. They can access it directly by entering the following URL into their browser: nib.co.nz/am-i-covered

Does the co-payment impact clients' excess?

If an excess and co-payment both apply to a claim, the co-payment will be applied to the claim first, and then the excess will be deducted from the part of the claim we pay.

When do these changes come into effect?

From 3 November 2025 these benefits will be removed from select policies: **Loyalty - Check Up Benefit, Public Hospital Payment benefit, Cover in Australia benefit, Loyalty – Gym and Sports Bonus, Loyalty – Active Wellness Benefit (GP Option)**

What happens to applications underway when the co-payment changes take effect on the 3 of November 2025 ("inflight applications")?

If your client already has a current pre-approval, it's still valid and will be honoured under their existing policy terms if the treatment takes place before 15 October 2025. If they're issued a pre-approval between now and 15 October 2025 and have their treatment before that date, their existing policy terms will apply. However, for any treatment on or after 15 October 2025, the new policy terms will apply — even if the pre-approval was issued before that date.

After this time, co-payments may apply, depending on the treatment.