

nib New Zealand delivers FY24 \$21.2 million underlying operating profit

- nib NZ FY24 underlying operating profit (UOP) \$21.2 million, from \$33.4 million FY23¹
- strong FY24 resident policyholder growth of 3.1%
- high claims inflation and accounting adjustment affect UOP
- claims cost and utilisation both up sharply
- focus is on efficiency and productivity gains to meet industry-wide price pressures

nib New Zealand (nib NZ) announced an underlying operating profit of \$21.2 million for FY24, down from \$33.4 million in FY23, under a new accounting standard, IFRS17. Insurance revenue was \$402.1 million in FY24, from \$367.6 million in FY23, up 9.4%, due to policyholder growth and premium increases.

Resident private health insurance policyholder growth was 3.1%. Insurance service costs rose 14% to \$380 million in FY24. The FY23 nib NZ result benefited from a one-off deferred acquisition cost adjustment of \$5.2m. Net assets of \$91.8m, up from \$84.6m in FY23.

New international accounting standards and claims cost pressures impacted the nib NZ result. High inflation had a deleterious impact on the NZ economy and filtered through to the health sector. The industry, including nib, responded with higher pricing.

“Kiwi householders have faced stressors including higher interest rates and sharply higher cost of living pressures over the last 12 months,” said nib NZ Chief Executive Rob Hennin. “As in the community, we have seen some of those pressures in the private health insurance sector, with claims costs and utilisation rates much higher than a year ago,” he said. “We are focused on costs and containing inflation in the health sector as much as we can because those costs are passed along to our members.”

“We have continued to deliver value for Kiwis. nib recorded strong policyholder growth, reflecting nib’s appeal to members, their families and communities in FY24. And we have undertaken measures to help bring about operating efficiencies in the year ahead, including automating claims processing.”

Mr Hennin said greater digitisation will deliver savings, provide smoother pathways and quicker processing of claims for members. He said nib NZ’s health management programmes, including those for members with diabetes, and nib’s cardiac care programme, grew in FY24. “And we’re delighted to have seen increased take-up of our non-pharmac benefit,” he said. OrbitProtect, which provides insurance cover for international students and workers as well as inbound travellers, continues its solid growth.

Mr Hennin said non-financial highlights in FY24 include nib NZ’s continued work in its Toi Ora population health programmes in partnership with iwi. This year nib delivered the first phase of its Tohu Toi Ora programme that provides accreditation for health providers who are culturally responsive to Māori.

In March, Non-Executive Director Hanne Janes was appointed Chair of the Board, succeeding retiring Chairman, Tony Ryall. Two new Non-Executive Directors, Josephine Gagan and Sophie Haslem, were appointed in February. Ms Gagan and Ms Haslem bring deep experience in health care and a broad range of skills to the nib NZ Board.

Outlook

nib NZ Chair Hanne Janes said FY25 will bring continued challenges. “New Zealanders have not been immune from the stresses people all around the world face: economic challenges and cost-of-living pressures, an ageing population, continued difficulties in accessing healthcare, and rapidly evolving technology,” she said.

¹ First year adoption of IFRS17 in NZ in FY24. FY23 UOP was \$36 million under IFRS4.



“Our members expect high quality care and better outcomes, and they expect technology to bring them rewards in health care and wellbeing. We strive to deliver that value for our members and deliver better health care now and into the future.”

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Appendix

Reconciliation of Operating Profit per Annual Accounts to Underlying Operating Profit

	2024 \$m	2023 ² \$m
Underlying Operating Profit	\$21.2	\$33.4m
Less One Off and M&A costs	(\$1.7)	(\$2.2m)
Less Amortisation of acquired intangibles	(\$2.6m)	(\$2.7m)
Operating Profit per Annual Accounts	\$16.9m	\$28.5m

² FY23 restated under IFRS17.

