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Premium rise: don't be a set-and-forgetter on health insurance

iSelect is urging consumers to review their health cover and, if necessary, shop around for a better deal, following the Federal Health Minister's announcement today that private health insurance premiums will rise by an average 6.18%.

The increase, which will take effect on the first of April, will affect all policy holders regardless of their cover level. Currently, more than 13 million Australians are covered by private health insurance, which is more than 47 per cent of the population.

The government has cited its decision to raise health insurance premiums on increases in the use of health services, rising medical care costs associated with healthcare facilities purchase and use of expensive medical technology.

"The upcoming April premium increase stands to significantly hit the hip pocket of the average policy holder by about \$185 per year, said Matt Cuming from iSelect.

"It's important that policy holders understand that the increase is an average only, with many Australians expected to be hit with increases well above this average, depending on the type of policy they hold.

"For example a \$3,000 per year policy will rise by \$185 per year while a \$2,500 per year policy will rise by \$154 per year. Hence the importance of securing the best deal prior to the premium rise."

Over the last 10 years, health insurance premiums have increased at three times the rate of inflation, but there are still many policy holders that haven't reviewed their cover in that time.

"Our strong advice is for consumers to review their cover ahead of the premium increase and ensure it still matches their life-stage," said Mr Cuming. "Being a set-and-forgetter can result in not being covered for what you need, and in many cases paying for things you don't need."

"Changing your health insurance policy is easy and any hospital benefit waiting periods you have already served are protected by law if you want to change insurers."

Analysis conducted by iSelect also shows the annual cost of like-for-like hospital cover can vary between insurers by upwards of \$800 per year, depending on what state you live in.

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About iSelect

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