



Message from the Chairman

As you may be aware, the private health insurance industry is increasingly facing a number of challenges. These include escalating health care costs, increasing demand from members for healthcare services and a concerning decline in the number of younger people holding health insurance. These issues impact members through increased premiums and risk the future sustainability of funds, particularly smaller funds such as rt health.

In a process that has now run over many months, the Board has been exploring opportunities to ensure that we can continue to provide you with the most comprehensive health cover, at the most affordable price, both now and into the future.

This has included entering into discussions with larger health funds that are able to secure the longevity and prosperity of the fund, while preserving its legacy, history and heritage. Most importantly, the Board is seeking opportunities that provide members with equal or better benefits and services, at lower premiums, resulting in significant cost savings to you.

The opportunities under consideration include the potential to merge with another mutual health fund, and the Board currently has a number of proposals from other funds for consideration. Each of these has the capability to deliver to you:

- superior health insurance benefits
- lower and more affordable premiums
- enhanced services and facilities
- a broader range of other health-related products and services
- substantially greater financial capacity to withstand current industry challenges.

These proposals offer a certain, secure future for the rt health brand, in a way that respects the legacy built up over 130 years by the members of this fund, including you. The Board is currently in the process of considering these proposals and in due course, may come to you with a recommendation on what we believe is the most prudent course of action for the fund's future, and for your individual benefit.

Whichever course of action we follow, the Board is committed to continuing our long and proud history of helping transport and energy industry employees and their families, and our primary goal is to ensure that you are provided with the best benefits, products and services, for the most affordable cost into the future.

We are aware that some members have recently received communication from the RTBU (Rail, Tram and Bus Union) making statements about the process we are undertaking and seeking support to make changes to rt's Board. We ask our members to first wait to understand the benefits you stand to receive as a result of any proposal we might seek to proceed with, before further considering the RTBU's communication. One of the poorest outcomes of this process for members would be that the opportunities presented, which can offer real advantages and cost savings for members, are lost because members are not accurately and fully informed.

There is no action required of you at the moment, other than to be aware of this process and to be ready to participate in any member vote related to an option the Board might choose to put to you.

Sincerely

Alan Bardwell
Chairman