



# Sign up for healthy profit

## EXCLUSIVE

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NATIONAL POLITICAL EDITOR

MUM and dad investors will be able to pre-register from today for a slice of Australia's biggest health insurer, Medibank Private, and policy holders will get a head start with a special share deal.

Finance Minister Senator Mathias Cormann will outline details of the public share offer

for the first time today. Existing Medibank Private policy holders will secure a greater preferential allocation of shares under the offer.

The Abbott government's first big privatisation is tipped to generate up to \$4 billion for taxpayers, with the proceeds to go into new infrastructure.

The sale is one of the biggest since the Telstra sell-off. It is the largest Australian initial public offering since the QR National sale in 2010.

Pre-registration will open at 11am today, with Medibank Private expected to list on the Australian Stock Exchange by December.

It is expected that the

Medibank Private sell-off will be oversubscribed.

"Eligible Medibank Private and policy holders who pre-register and then apply for shares can receive a greater preferential allocation than non-holders who register," Mr Cormann said.

"Australian residents who pre-register to receive a prospectus and then apply for shares can receive a preferential allocation of shares.

"Further details of the offer will be provided in the Medibank Private Share Offer prospectus, which is expected to list on the Australian Stock Exchange by December 2014."

Hundreds of Medibank Private members had asked the government for free shares on the grounds their contribu-

tions helped build the fund. While the government has rejected that option, the arrangement will ensure members secure a greater allocation of shares if they choose to invest.

Pre-registration carries no obligation to proceed with buying shares but does ensure that investors can secure a preferential allocation.

Independent research

house Morningstar recently gave the tick of approval to

Medibank Private's sale but warned that future government changes to the Medicare levy, surcharge and private health insurance rebates were examples of policy changes that could affect the franchise.

"Other risks include increasing policyholder lapse rates caused by weaker economic conditions, higher-than-expected claims costs, pricing risks, greater utilisation of hospital and ancillary services," it said.

**Senate F&PA Committee**

Tabled Document

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