



**MEDIA RELEASE**  
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## **MTAA CALLS ON INSURERS TO RETURN WHAT THEY DIDN'T EARN**

Medical Technology Association of Australia (MTAA) has called on the Government to force insurers to return profits gained during the COVID-19 pandemic to their members.

MTAA CEO, Ian Burgess, said that while the COVID-19 pandemic has caused financial stress for many Australians, the data released today by the Australian Prudential Regulatory Authority (APRA) has revealed that COVID has been a boon for big corporate insurers.

The quarterly report from the APRA shows the big insurers' profits continued to soar in the year to 30 June 2021.

Between June 2020 and June 2021 insurers' net investment income rose a staggering 313.2% (\$146.2 million to \$603.9 million) and their net profits are up 93.7% (\$754.0 million to \$1.5 billion).

According to APRA, these gains are likely due to a number of factors, including growth in premiums and lower than anticipated claims.

"There is no doubt that insurers profited from the pauses put on elective surgery in 2020 to the tune of \$1.4 billion in deferred claims which they are still hoarding," Mr Burgess said.

"MTAA does not believe that insurers should profit from this difficult but necessary decision, which delayed access to needed surgery for thousands of their members.

"Over the past four years insurers will have benefitted from an estimated \$1.2 billion in savings due to device price reductions delivered by the medical technology community as part of MTAA's 2017 Agreement with the Federal Government.

"Unfortunately, there is no evidence that insurers have honoured their commitment to pass these savings onto their members.

"MTAA welcomes the clear statement from APRA that insurers should not gain financially from COVID-19. But based on past experience we fear this COVID windfall will disappear into the corporate coffers of insurers and never be returned to members.

"That's why we're calling on the Government to explore all legislative and regulatory options to ensure the COVID windfall insurers' have pocketed are returned to members and not used to increase management bonuses and shareholder profits."

### **MEDIA:**

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### **Did you know?**

1. During COVID-19 the Medical technology industry provided 7,500 ventilators, tens of millions of COVID-19 testing kits, and countless items of PPE including masks and gowns.
2. The medical technology industry currently employs more than 19,000 people.
3. The industry is highly skilled with over 52% of employees having a tertiary qualification, and 25% having a postgraduate qualification.
4. More than half of Australian medical device companies have grown from start-ups. 40% of all medical device businesses have been established since 2000.
5. In 2013-14, Australia exported medical devices to 167 different countries around the world for a total value of \$2.1 billion.
6. Medical technology (7.76%) is second only to Civil Engineering (8.5%) and pharmaceuticals in third (6.3%) when it comes to filing patents for innovative technology.

### **About MTAA**

The Medical Technology Association of Australia (MTAA) is the national association representing companies in the medical technology industry. MTAA aims to ensure the benefits of modern, innovative and reliable medical technology are delivered effectively to provide better health outcomes to the Australian community.

MTAA represents manufacturers and suppliers of medical technology used in the diagnosis, prevention, treatment and management of disease and disability. The range of medical technology is diverse with products ranging from familiar items such as syringes and wound dressings, through to high-technology implanted devices such as pacemakers, defibrillators, hip and other orthopaedic implants. Products also include hospital and diagnostic imaging equipment such as ultrasounds and magnetic resonance imaging machines.

MTAA members distribute the majority of the non-pharmaceutical products used in the diagnosis and treatment of disease and disability in Australia. Our member companies also play a vital role in providing healthcare professionals with essential education and training to ensure safe and effective use of medical technology.