

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Additional Estimates 2016 - 2017, 1 March 2017

Ref No: SQ17-000022

OUTCOME: 4 - Individual Health Benefits

Topic: Reduced Premiums

Type of Question: Hansard, Page 38, 1 March 2017

Senator: Dastyari, Sam

Question:

Senator DASTYARI: But that was not the question. I note that the increase is lower than it has previously been and I think by all accounts would be a good thing. If we are looking at aggregation over the past few years of somewhere around 25 or 26 per cent on struggling family incomes how can it not be a concern for the government?

Mr Bowles: The government and the minister have actually got a committee process around looking at private health insurance. That has been around now for quite a while now, Senator. There were some changes to prostheses late last year, which had an impact in the sector, but there is a broader review activity happening around private health insurance at the moment.

Senator DASTYARI: I am questioning whether you are aware of this and if you are not then you can take it on notice, has any insurer reduced their premiums?

Mr Bowles: We will take that on notice.

Senator DASTYARI: Okay. In the past year has anyone gone backwards?

Ms Jolly: We would have to take that on notice because we deal predominantly in averages and you are asking a question about premiums, so we would need to have a look at the data.

Answer:

Information on premium changes by individual products is commercial in confidence, and is not publicly available. The Department of Health can confirm that average premiums for all insurers have increased. There have been no decreases.

However, at an aggregate level, in 2017 there were 841 products that had reduced premiums, as shown below.

Year	No. Products	No. Policies	Average Monthly Premium Reduction
2012	1,369	4,009	-\$12.06
2013	331	30,280	-\$10.17
2014	640	2,111	-\$24.84
2015	496	7,576	-\$247.50
2016	732	10,656	-\$15.44
2017	841	14,065	-\$29.33