

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Additional Estimates 2016 - 2017, 1 March 2017

Ref No: SQ17-000030

OUTCOME: 4 - Individual Health Benefits

Topic: Private Health Insurance

Type of Question: Hansard Page 41, 1 March 2017

Senator: Di Natale, Richard

Question:

Senator DI NATALE: It seems to me, though, that you could have a case where insurers—and this appears to be what is happening—are making greater and greater exclusions for people who have taken out a policy. A lot of these people will not know that something has been excluded. It may be that they get a letter. I would be interested to know what—and perhaps you could take on notice—the requirement is under the act. Perhaps you could even provide an example of what is considered to be appropriate practice for insurers in terms of notifying customers.

Ms Jolly: We can certainly take on notice what is in the legislation. I am not sure whether we could provide an example, but we can see what we can do.

Answer:

Under Section 93-25 (1) of the *Private Health Insurance Act 2007* (the Act) a private health insurer must ensure an adult insured under a complying health insurance policy issued by the insurer is informed about any proposed change to the insurer's rules, a reasonable time before the change takes effect, if the proposed change is or might be detrimental to the interests of an insured person.

In addition, under Section 93-20 (2) of the Act a private health insurer must ensure that, if a proposed change to the insurer's rules is or might be detrimental to the interests of an insured person; and will require an update to the standard information statements for a complying health insurance product of the insurer; then an adult insured under each complying health insurance policy in the product must be informed about the proposed change a reasonable time before the change takes effect; and is given the updated standard information statement for the product subgroup that the policy belongs to as soon as practicable after the statement is updated.

The notification may typically take the form of a letter or email but this is not prescribed. Similarly 'a reasonable time' is not prescribed but is generally understood to be around four weeks.