



Private Health Insurance Premium Round 2025 Application Form

Submissions

Applications should be submitted via the **Health Data Portal**, a cloud-based Department of Health and Aged Care (the Department) owned file transfer system by **3pm, 13 November 2024**. Access to the Portal will be provided to the premium round primary and secondary contacts. APRA will have access to the completed submissions and may engage with contacts on any questions they have. To add additional contacts, please provide details to phi@health.gov.au by 11 October 2024.

Direct any enquiries on the premium round application form to the Department (phi@health.gov.au) at the earliest opportunity to ensure sufficient time to respond.

Confidentiality and Publication

The submitted premium application forms will be treated as **protected information** as defined by the *Private Health Insurance Act 2007*.

The Department intends to publish on its website each insurer's average premium price change and the industry average premium price change.

Only highly aggregated or non-identifiable information will be made public, such as average premium changes in jurisdictions or by insured groups.



The Premium Application Form

Section 66-10 of the *Private Health Insurance Act 2007* (the Act) provides that a private health insurer that proposes to change the premiums charged for a complying health insurance product must apply to the Minister for approval of the change:

- a) in the approved form; and
- b) at least 60 days before the day on which the insurer proposes the change to take effect.

A written report and 4 templates (Template A, Template B, Template C and Template D) are collectively referred to as the premium application form. Optional covering letters will also be considered as part of the premium application form.

[Template A](#) details the premium changes for each complying health insurance product. For the purposes of s 66-10 of the Act, the changes to the premiums in [Template A](#) are the changes for consideration by the Minister. The approved changes are the individual changed amounts for each product or product sub-group in [Template A](#).

The premium application form will be assessed by the Department and APRA.

In submitting the premium application form, please note:

- New products which have been introduced between 1 April 2024 and 30 September 2024 should be included.
- All information should be provided as instructed in this document.
- Data should align with information provided to APRA under the reporting standards.
- Pages should be numbered in the written report.
- The premium application form should **not** be submitted in PDF format.
- Only information that is relevant to the health insurance business is required.¹

The Department and/or APRA will contact insurers to discuss applications that do not comply with the guidelines and requirements set out in this document.

2025 average premium increase

The 2025 average premium increase will be calculated from the premium as approved by the Minister for Health and Aged Care in the 2024 premium round, regardless of whether this premium has been applied or not.

The written report

Applications for premium changes should include all information outlined below.

¹ Other than Template B where data is collected at a Health Benefits Fund level.



As a guide, an application which is consistent with the insurer’s pricing targets and capital targets is expected to be no more than 20 pages and no more than 10 pages for the actuarial opinion.

Questions

Reference	Question	Guidance
1	Insurer name	Provide the name of the insurer as registered with APRA as at the premium application date.
2	Date(s) of premium change effect	Provide the date(s) on which the premium change(s) are to take effect. It is preferable for insurers to implement a date of effect of 1 April.
3	Summary statement	Option to answer this question by way of a covering letter OR as part of the written report. Summarise how the key drivers have resulted in the prices applied for and highlight any significant issues or key changes associated with the pricing or implementation approach.
4	Consistency with pricing targets	<p>Outline whether the premium application is consistent with the insurer’s approach to managing insurance risks.</p> <p>This is to detail products that are currently, or forecast to be, outside of pricing targets and any remedial action planned over the forecast period.</p> <p>Insurers are expected to <u>demonstrate</u> whether <u>products and the fund as a whole</u> are aligned to the pricing targets.</p> <p>Insurers are also asked to outline products with a gross margin pricing target below other insurance business expenses, i.e. products that are targeting losses and to confirm whether any action is planned on these products.</p>
5	Consistency with capital targets	Outline whether the capital projections outlined in Template B are consistent with the insurer’s capital targets. This should detail any remedial action planned over the forecast period should the projections be below the targets.



Reference	Question	Guidance
6	Benefit growth	<p>Outline the approach to forecasting benefits over the projection period. Commentary should provide an understanding of how benefit growth is forecast (including reference to factors driving average cost growth and utilisation rates) and why they are considered reasonable. This may include quantifying growth drivers and programs affecting benefit growth.</p> <p>Commentary should specifically cover the insurer’s view on how the underlying future benefits have been affected by Government reforms including:</p> <ul style="list-style-type: none">• Medicare Benefits Schedule changes.• Prescribed List Reforms. Include commentary on how current year projections of savings differ to prior projections of savings for the same period, if applicable. For example, projections may have changed due to new information. Also outline how any projected savings will be passed on to policyholders.• Dependents reforms (including how the insurer is implementing the reform, the maximum age of dependants and expected increase in participation). <p>Commentary may also cover matters, such as residual impacts of COVID-19, hospital contract indexation, health system resourcing, out-of-hospital care initiatives, or other programs aimed at reducing costs etc. affecting historical and future underlying benefit growth, and any changes in claiming behaviour and/or uncertainty over the forecast period.</p>
7	Out-of-pocket costs	<p>Provide commentary on the insurer’s strategy and activities that are expected to impact out-of-pocket costs paid by policyholders.</p> <p>Out-of-pocket costs also include excesses and co-payments.</p> <p>Commentary should cover the insurer’s position on:</p> <ul style="list-style-type: none">• arrangements, such as no and known gap agreements, to limit policyholder medical out-of-pockets• strategies and actions affecting customer decisions on excesses and copayments. <p>Where possible, quantify the expected customer impact of these initiatives from 1 April 2025.</p>
8	Pricing	<p>Outline the extent to which benefit growth is factored into pricing, any other drivers that have contributed to the prices applied, and</p>



Reference	Question	Guidance
		<p>other strategies or material risks. Insurers may comment on whether COVID-19 impacts affect the proposed prices.</p> <p>Outline the approach to factoring Risk Equalisation (RE) payments into premium pricing, by product tier. This may include detailing what percentage of the price is attributable to RE payments and providing commentary on impacts on each product tier.</p>
9	Consistency with Act and Rules	<p>Provide a declaration that the premium changes are consistent with the <i>Private Health Insurance Act 2007</i> and <i>Private Health Insurance (Prudential Supervision) Act 2015</i>, and the associated Rules, as at the date submitted.</p>
10	Actuarial opinion	<p>Provide an opinion (and commentary where relevant) from the Appointed Actuary regarding whether the assumptions and forecasts are reasonable. The Appointed Actuary should specifically comment on assumptions on future drawing rate growth.</p> <p>Provide a comment on the reasonableness of the conversion factor values provided by the insurer in Template C and the assumptions used to estimate the impact of the dependants reform in Template D.</p> <p>The Appointed Actuary may also comment on any matter he/she deems relevant to the premium application process.</p>
11	Contact person	<p>Provide the contact details of a primary contact person, and an alternative contact person. This should include:</p> <ul style="list-style-type: none">• name• position title• landline telephone number• mobile phone number• E-mail address.



Template A (Products)

- All products should be reported regardless of whether a change in premium is sought.
- Template A should be completed for all products currently available and all new products expected to commence on or prior to **1 April 2025**.
- All products should reflect the name, excesses, and premiums as they will appear in the PHIS and Fund Rules from **1 April 2025**.
- Ambulance Only policies should be included where they are complying health insurance products, and included in HRF601.
- Information should be provided for all products, even if some products have the same price (i.e. information should be provided for couple policies even if they are priced the same as family policies).
- Do not include Overseas Visitors Health Cover or Overseas Student Health Cover products.
- Do not create new categories as a substitute for drop down list options – select only options in the drop-down menu.
- Template A “number of policies” and “insured people” should be consistent with HRF601 for the **September 2024** quarter.
- Products listed in all templates should be identified with a unique ‘Product Code’ identifier. This should be the PHIS ID.
- If an insurer plans to terminate products from **1 April 2025**, the 2025 price should be identical to the 2024 price.
- **ANNUAL CO_PAYMENTS** (column J) to be entered as a dollar amount or as “no cap”. A dollar amount should report the **maximum** allowable **annual total** co-payment amount (this is an amount separate to ANNUAL EXCESS).
- **2024 MONTHLY PREMIUM (\$)** is the approved 1 April 2024 price, regardless of whether this price has been applied or not. The 2025 average premium increase will be calculated from the base price as agreed by the Minister for Health and Aged Care in the 2024 premium round, regardless of whether this price has been applied or not.
- The age-based discount conversion factor at Column O should be identical to that identified in the 2024 premium round. If the discount did not apply to the product, the factor will be 100 per cent.
- The age-based discount conversion factor at Column P of Template A is only relevant to products where the age-based discount will be applied.
 - **If the discount does not apply to the product, the factor will be 100 per cent.**
 - **If 100 people are on a product, and 10 people are eligible for a 2 per cent age-based discount, the difference in monthly income when the discount is applied is 0.2 per cent, therefore, the age-based discount conversion factor is 99.8 per cent.**
- The age-based discount conversion factor at Column Q of Template A will calculate the change in the age-based discount. The figures in Column Q flow through to the insurer average premium change figure in [Template C](#).



Field Descriptions

Field	Data Entry Guidelines	Example
Insurer	Name of insurer.	
State	Select from the drop down list the State/Territory in which the product is available. This should be consistent with the risk equalisation jurisdiction for APRA reporting. Each State/Territory should be recorded separately (i.e. if the same product is available in multiple states, record in individual rows).	Drop down list: <ul style="list-style-type: none">• NSW / ACT• NT• QLD• SA• TAS• VIC• WA
Product code PHIS ID	Enter in full the unique product identification code for the product, exactly as generated in the PHIS by privatehealth.gov.au (i.e. do not truncate by omitting insurer identifier component of code). This includes products that are closed, or have zero policies/people.	
Product name as at 1 April 2025	Enter the product name. If the name is duplicated across products, do not leave any rows blank, but instead enter the identical name for each product. This should be consistent with the information recorded in the PHIS for the product.	Gold Hospital Cover
Product status as at 1 April 2025	Select from the drop down list whether the product is: <ul style="list-style-type: none">• Open and is a New Product to the market.• Open already Existing product.• Closed – Closing, if the insurer plans to close the product anytime between 1 April 2024 to 31 Mar 2025.	Drop down list: <ul style="list-style-type: none">• Open – New Product• Open – Existing• Closed – Closing• Closed – Existing• Terminating



Field	Data Entry Guidelines	Example
	<ul style="list-style-type: none"> • Closed prior to 1 April 2024 – Existing. • Terminating, if planning to terminate the product prior to 1 April 2025 with customers being migrated to alternative products. 	
Product Coverage	Select only from the drop down list.	Drop down list: <ul style="list-style-type: none"> • Hospital = Hospital treatment only • General = General treatment only • Combined = Combined hospital and general treatment • General - Ambulance = Ambulance only
Hospital category as at 1 April 2025	Select only from the drop down list. This should be consistent with the information recorded in the PHIS for the product with that particular unique product identification code. Leave blank for general products.	Drop down list: <ul style="list-style-type: none"> • Gold • Silver Plus • Silver • Bronze Plus • Bronze • Basic Plus • Basic
Insured Group	Select only from the drop down list. Enter information for each product subgroup separately even if different insured groups have the same price (e.g. include couples information in a separate row from family's information even if they have the same prices, if they have different PHIS's).	Drop down list: <ul style="list-style-type: none"> • ChildrenOnly • Couple • ExtendedFamily • ExtendedSingleParentFamily • Family • Single • SingleParentFamily
Annual excess as at 1 April 2025	Enter the amount of the excess for the product as at 1 April 2025. This	\$500



Field	Data Entry Guidelines	Example
	<p>is the maximum annual excess for the policy. For example, \$500 should be entered if the excess is \$250 per admission per person but limited to a maximum of \$500 per year. This should be consistent with the information recorded in the PHIS for the product with that particular unique product identification code.</p>	
<p>Annual co-payment as at 1 April 2025</p>	<p>Enter the maximum annual total co-payment amount for the product as at 1 April 2025. For example, enter \$500 if the co-payment is \$50 per admission for every admission up to a maximum of \$500 per year. If no cap exists, enter “no cap”.</p>	<p>\$500 or “no cap”</p>
<p>2024 Monthly premium (\$)</p>	<p>Enter the approved 1 April 2024 price, regardless of whether this price has been applied or not.</p> <p>Enter the price of all products introduced between 1 April 2024 and 30 September 2024.</p> <p>This price should reflect the full price and exclude the rebate, LHC loadings, and discounts.</p> <p>For new products commencing on 1 April 2025, please leave blank.</p>	<p>\$100.07</p>
<p>2025 Monthly premium (\$) as at 1 April 2025 - for all products (new and existing)</p>	<p>Enter the proposed new price per month for the product as at 1 April 2025, including for new products. This price should reflect the full price and exclude the rebate, LHC loadings, and discounts.</p> <p>For products terminating by 1 April 2025, please enter the 2024 price.</p>	<p>\$101.67</p>



Field	Data Entry Guidelines	Example
Total number of people covered by this product as at 30 September 2024	Enter the total number of people covered by the policies comprising the insured group for the particular product as at 30 September 2024 (e.g. number of people covered by family policies for the product). Do not record SEUs. Please leave blank for new products commencing on 1 April 2025.	2,000
Total number of policies covered by this product as at 30 September 2024	Enter the total number of policies comprising the insured group for the particular product as at 30 September 2024 (e.g. number of couple's policies for the product). Do not record SEUs. Please leave blank for new products commencing on 1 April 2025.	1,000
Average age-based discount conversion factor 2024	The average age-based discount conversion factor applied in the 2024 premium round should be applied. 100% should be applied to products that did not have an age-based discount in 2024.	
Average age-based discount conversion factor 2025	The average age-based discount conversion factor applied to all policies on this product. 100% should be applied to products that do not have age-based discounts or for all new products.	
Average age-based discount conversion factor net change	This is an automated field that calculates the 2024 age-based factor less the 2025 age-based factor. This provides a net factor for 2025 calculations.	



Field	Data Entry Guidelines	Example
Monthly income from product 2024	This is an automated field that calculates the 2024 monthly income from all policies on the product based on 2024 monthly premium in column K multiplied by the total number of policies covered by this product as at 30 September 2024 in column N. Because there will be zero policies in column N for a proposed new product, this field will be zero for all new products.	
Premium increase 2025 (\$)	This is an automated field that calculates the dollar value of the premium change between the 2025 monthly premium price and the 2024 premium price. For new products this field will be automatically flagged as a 'new' product. For terminating products this field will be automatically flagged as "terminating".	
Premium increase 2025 (%)	This is an automated field that calculates the percentage change of the premium change between the 2025 monthly premium price and the 2024 premium price. For new products this field will be automatically flagged as a 'new' product. For terminating products this field will be automatically flagged as "terminating".	
Monthly income from product 2025	This is an automated field that calculates the 2025 monthly income for all policies on the product based on the 2025 monthly premium multiplied by the total number of policies covered by this product as at 30 September 2024.	



Field	Data Entry Guidelines	Example
	<p>Because there will be zero policies for a proposed new product, this field will be zero for all new products.</p>	
<p>Estimated migration of people due to dependents reform over the 12 months from 1 April 2025</p>	<p>Estimate the number of people included in “TOTAL NUMBER OF PEOPLE COVERED BY THIS PRODUCT as at 30 September 2024 (Leave blank for new products commencing on 1 April 2025)” that will migrate as a result of the dependents reform.</p> <p>This number should reflect a movement for either part or all of the forecast HIB premium revenue 12 month period, therefore this may be a non-integer.</p> <p>For example:</p> <ul style="list-style-type: none"> • One person migrating for 12 months: -1 / +1 • One person migrating for six months: -0.5 / +0.5 <p>Enter zero where there are no movements.</p> <p>If impacts were reported last year, do not double-count in this year’s application.</p>	<p>-100 +100 0</p>
<p>Estimated migration of policies due to dependents reform over the 12 months from 1 April 2025</p>	<p>Estimate the number of policies included in “TOTAL NUMBER OF POLICIES COVERED BY THIS PRODUCT as at 30 September 2024” that will migrate as a result of the dependents reform.</p> <p>This number should reflect a movement for either part or all of the forecast HIB premium revenue</p>	<p>-100 0</p>



Field	Data Entry Guidelines	Example
	<p>12 month period, therefore this may be a non-integer. For example:</p> <ul style="list-style-type: none">• One person migrating for 12 months: -1• One person migrating for six months: -0.5 <p>Enter zero where there are no movements.</p> <p>If impacts were reported last year, do not double-count in this year's application.</p>	
Estimated 2025 monthly premium (\$) adjustment due to dependents reform migration	<p>This is an automated field that estimates the 2025 monthly premium adjustment due to dependents reform migration.</p>	



Template B (Financials)

- [Template B](#) reflects the APRA capital and reporting framework effective as of 1 July 2023.
- Actual data submitted under [Template B](#) must be consistent with actual data submitted under the APRA reporting standards. Notwithstanding this, insurers must note the following differences:
 - [Template B](#) requests monthly data whereas the APRA reporting standards request quarterly data.
 - Data must be entered in thousands of dollars (\$'000) under [Template B](#) (with the exception of Hospital SEUs where the data must be entered in whole numbers). However, under the APRA reporting standards via APRA Connect, data are submitted in whole dollars.
- Data items highlighted in **bold** and *italics* within the tables below are defined in the APRA reporting standards.
- For items relating to balance sheet (APRA basis), HPS 340 insurance liabilities, prescribed capital amount (PCA) and capital base / target capital, insurers are only required to complete the forecasts on a quarterly basis.
- Insurers must provide the respective actual data items for the September 2024 month (and the October 2024 month where possible), and the respective forecast data items for each month thereafter.
- Data must be reported at a Health Benefits Fund level. Where applicable, data items must be aggregated across categories to calculate the amount for a Health Benefits Fund.
- Insurers are only required to complete the white cells. Grey cells will automatically calculate.
- COVID-19 liability givebacks must be reported in the insurance performance section. Depending on its form, it may be part of premium revenue, insurance claims or other insurance business expenses.
- The PCA is a formulaic driven line item which accounts for the minimum PCA of \$5 million as per Prudential Standard HPS 110 Capital Adequacy (HPS 110) paragraph 24.
- Cells in [Template B](#) without a value should have a '0' inserted and not be left blank.
- No additional columns or rows are to be inserted into [Template B](#).

Items under insurance performance and balance sheet – APRA basis

Data item	Definition
HIB Premium Revenue	This item aligns with <i>accrued premium</i> reported under <i>Reporting Standard HRS 101.0 Regulatory Income Statement – Supplementary Information</i> (HRS 101.0).
Claims Incurred	This item aligns with <i>claims incurred amount</i> reported under HRS 101.0.



Data item	Definition
Net Risk Equalisation Special Account Amount	This item aligns with net RETF amount reported under HRS 101.0.
State Ambulance Levies	This item aligns with state ambulance levies reported under HRS 101.0.
Other Insurance Business Expenses – HIB	This item aligns with other business expenses amount for health insurance business (HIB) reported under HRS 101.0.
HRIB Premium Revenue	This item aligns with the amount calculated after deducting reinsurance premiums ceded amount from gross accrued premium for health-related insurance business (HRIB) reported under HRS 101.0
HRIB Insurance Claims	This item aligns with the amount calculated after deducting reinsurance recoveries amount from gross claims incurred amount for health-related insurance business reported under HRS 101.0
Other Insurance Business Expenses – HRIB	This item aligns with other business expenses amount for health-related insurance business reported under HRS 101.0.
Net Other Operational Revenue (Include Health-Related Business Non-Insurance)	This item aligns with the amount calculated after deducting other business expenses amount for health-related business non-insurance from the sum of health-related business non-insurance revenue amount and net other operational revenue amount . The relevant data items are reported under HRS 101.0.
Investment Income Amount	This item aligns with investment income amount reported under HRS 101.0.
Gains/Losses On Investments Amount	This item aligns with gains/losses on investments amount reported under HRS 101.0.
Hospital SEUs (at months end)	This item aligns with Single Equivalent Units (fund) count reported under HRS 115.0 Insurance Risk Charge (HRS 115.0). These values must be reported in whole numbers.



Data item	Definition
Total Assets (Excluding DTAs, Total Intangible Assets And Goodwill, And AASB 17 Insurance And Reinsurance Contracts Asset)	<p>This item aligns with the amount calculated after deducting the following items from total assets:</p> <ul style="list-style-type: none"> • Total deferred tax assets; • Total intangible assets and goodwill; • Insurance contract assets; and • Reinsurance contract assets. <p>The relevant data items are reported under <i>HRS 300.0 Statement of Financial Position (HRS 300.0)</i>.</p>

Items under capital standards

Data item	Definition
Outstanding Claims Liability At 75th Probability Of Adequacy	This item aligns with OCL at 75th probability of adequacy calculated under HRS 115.0.
Premiums Liability At 75th Probability Of Adequacy (HIB)	This item aligns with PL at 75th probability of adequacy calculated under HRS 115.0 for health insurance business.
Premiums Liability At 75th Probability Of Adequacy (HRIB)	This item aligns with PL at 75th probability of adequacy calculated under HRS 115.0 for health-related insurance business.
Risk Equalisation Transfers At 75th Probability Of Adequacy	<p>This item aligns with the amount calculated after deducting unbilled gross deficit amount from the sum of the following items.</p> <ul style="list-style-type: none"> • Unbilled calculated deficit amount; • Billed risk equalisation special account liability amount; and • Risk margin at 75th POA – risk equalisation transfers amount. <p>The relevant data items are reported under HRS 115.0.</p>
Individual Other Insurance Liability At	This item aligns with individual other insurance liability at 75th POA amount reported under HRS 115.0.



Data item	Definition
75th Probability Of Adequacy	
Deferred Claims Liability At 75th Probability Of Adequacy	This item aligns with <i>DCL at 75th probability of adequacy (POA) amount</i> reported under HRS 115.0
Outstanding Claims Liabilities Risk Charge	This item aligns with <i>Outstanding Claims Liabilities Risk Charge</i> reported under <i>HRS 110.0 Prescribed Capital Amount</i> (HRS 110.0).
Premiums Liabilities Risk Charge	This item aligns with <i>Premiums Liabilities Risk Charge</i> reported under HRS 110.0.
Risk Equalisation Risk Charge	This item aligns with <i>Risk Equalisation Risk Charge</i> reported under HRS 110.0.
Other Insurance Liabilities Risk Charge	This item aligns with <i>Other Insurance Liabilities Risk Charge</i> reported under HRS 110.0.
Future Exposure Risk Charge (HIB)	This item aligns with <i>Future Exposure Risk Charge (HIB)</i> reported under HRS 110.0.
Future Exposure Risk Charge (HRIB)	This item aligns with <i>Future Exposure Risk Charge (HRIB)</i> reported under HRS 110.0.
Deferred Claims Liability Risk Charge	This item aligns with <i>Deferred Claims Liability Risk Charge</i> reported under HRS 110.0.
Asset Risk Charge	This item aligns with <i>Asset Risk Charge</i> reported under HRS 110.0.
Asset Concentration Risk Charge	This item aligns with <i>Asset Concentration Risk Charge</i> reported under HRS 110.0.
Operational Risk Charge	This item aligns with <i>Operational Risk Charge</i> reported under HRS 110.0.
Aggregation Benefit	This item aligns with <i>aggregation benefit</i> reported under HRS 110.0.
Tax Benefits	This item aligns with <i>tax benefits</i> reported under HRS 110.0.



Data item	Definition
Adjustments To Prescribed Capital Amount As Approved By APRA	<p>This item aligns with adjustments to prescribed capital amount as approved by APRA reported under HRS 110.0.</p> <p>Only adjustments approved by APRA should be reported in this data item, consistent with the definition in HRS 110.0. Please do not report the difference between the minimum PCA and the calculated PCA in this item.</p> <p>Insurers electing to participate in the transitional arrangements described in HPS 110 Attachment A should report the adjustment to the PCA under this item.</p>
Capital Base	<p>This item aligns with capital base calculated under <i>HRS 112.0 Determination of Capital Base</i>.</p> <p>Insurers electing to participate in the transitional arrangements described in <i>Prudential Standard HPS 112 Capital Adequacy: Measurement of Capital</i> Attachment G should report the capital base after applying the transitional adjustment.</p>
Dividends Declared Or Paid	<p>This item aligns with dividends declared or paid reported under HRS 101.0.</p> <p>Report this item as a positive value.</p>
Retained Earnings Movements Other Than Profit / Loss After Tax And Dividends Declared Or Paid	<p>This item is all movements in retained earnings movement within the Health Benefits Fund excluding movements due to the following items reported under HRS 101.0.</p> <ul style="list-style-type: none"> • Profit / loss after income tax attributable to members of the company; and • Dividends declared or paid. <p>Please only report those movements that impact the capital base.</p> <p>Report this as a positive value where it would result in an increase in retained earnings.</p> <p>Report this as a negative value where it would result in a decrease in retained earnings.</p>
Share Capital Injections	<p>This item is any share capital injections made into the Health Benefits Fund (e.g. from the parent).</p> <p>Report this item as a positive value.</p>



Data item	Definition
Share Capital Movements Other Than Share Capital Injections	<p>This item is all movements in share capital movement within the Health Benefits Fund other than share capital injections (e.g. share capital reductions).</p> <p>Please only report those movements that impact the capital base.</p> <p>Report this as a positive value where it would result in an increase in share capital.</p> <p>Report this as a negative value where it would result in a decrease in share capital.</p>
Target Capital	<p>This item aligns with target capital amount reported under <i>HRS 104.0 Forecasts and Targets</i>.</p> <p>Insurers that use a range for its target capital should report the lower bound of the range as per the definition.</p>



Template C (Snapshot)

- Insurers are only required to complete the white cells. Grey cells will automatically calculate.
- Rate Protection Conversion Factor (%) will convert Excluding Rate Protection (%) into Including Rate Protection (%). To be calculated as per prior years.
- Proposed changes to benefits, should include an estimated cost or saving as a percentage of total HIB premium revenue (in the 12 months from 1 April). Savings should be stated as a negative amount as a percentage of total HIB premium revenue. For changes to benefits due to product changes, details should be included in the Product Changes section of the table. Product changes may be grouped as the insurer sees fit.
- The Department intends to publish the insurer average premium rate change including age-based discount, rate protection and the dependents reform adjustment.
- ‘Prostheses List Reforms’ is now ‘Prescribed List Reforms’.
- Forward estimates of Prescribed List Reforms savings are on a best endeavours basis.

Template D (Various)

Hospital Product Margins

Insurers are asked to provide actual and forecast margins by product tier for the years commencing 1 April 2023 (actual), 1 April 2024, 1 April 2025 and 1 April 2026, based on past and proposed price increases. Risk equalisation should include gross deficit and calculated deficit. All relevant allocations should be done on a best endeavours basis. Margins are limited to the hospital component of the product if the product is a combined product. Insurers are asked to outline in the submission any assumptions on product and membership mix underpinning the forecasts.

Migration impact

Where insurers plan to migrate policyholders between products, insurers are asked to report the expected Gross Margin (\$) impact of the movement. The calculation should reflect both changes in premium received, relative to 2025 Monthly Premium reported in [Template A](#), and changes in claims net of risk equalisation to reflect changes in coverage between products. Where possible, migration impacts should also consider policyholder terminations. The amount should be aggregated for all planned migrations.

Dependents reform

“Net overall impact of implementing dependents reforms \$” – insurers are asked to report the expected Gross Margin (\$) impact of implementing the dependents reforms. This should reflect all impacts including price changes. Insurers may also provide a description.



Grey cells have been linked to Templates A and C. The information in the grey cells for Apr 24 will be used to adjust the forecast HIB premium revenue calculated in [Template C](#). Insurers are asked to estimate net overall impact and the migration of policies for Apr 25.

Products below targets

Insurers are asked to identify products that achieved below the product's gross margin target percent. This can be margin from the last financial year or in the 12 months to 30 September. The table asks for the HIB premium revenue for all these products divided by total HIB premium revenue for the insurer.

A 'product' for this purpose is one that shares the same coverage and name, but combined across all states, co-payments and insured groups (e.g. family, single). Products with different excesses, coverage or name should be considered a different product.

For example: a product 'Gold \$500' excess single Victoria, would be combined with 'Gold \$500' excess couple NSW. This would be combined with the offering in other states for Gold \$500 and all insured groups. However, Gold \$250 excess and Gold \$500 excess would be separate products. Similarly, if an insurer has multiple Gold products at \$500 excess with different names they should be considered different products. For example, Gold product A \$500 and Gold product B \$500 are to be considered different products.

Insurers that do not have targets at a product level are asked to apply the fund's overall gross margin target percent as the gross margin target percent for each product.

Insurers that do not have a gross margin target percent at a fund level are asked to identify products with a net margin below 0% i.e. loss-making products.

Insurers are asked to confirm whether the insurer has a gross margin target percent for the fund and at a product level in the application.

Largest products below target – by HIB premium revenue

Insurers are asked to identify the 10 largest products by HIB premium revenue that have:

- actual gross margin below the gross margin target percent; OR
- actual gross margin less than the expense ratio (previously referred to as management expense ratio). That is, the products are making losses.

This is the gross margin for the products in the last financial year, or in the 12 months to 30 September 2024.

The forecast gross margin for the year commencing 1 April 2025 and 1 April 2026 are designed to align with the table on Hospital Product Margins described above.

Guidance for interpreting products and for insurers that do not have targets at a product or fund level can be found under 'Products below target' above.



Avoiding Data Issues and Resubmissions

Each year a number of insurers are asked to resubmit applications due to incorrectly completing the approved form or for data issues. To avoid these in the coming round, insurers are asked to be particularly vigilant of data issues that have historically resulted in insurers being asked to resubmit.

To ensure each application does not contain data issues it is requested insurers check the following before submitting:

- The Excel spreadsheet does not contain links to other files.
- Cells surrounding the template are blank. Cells outside of the requested fields do not have checking or verification calculations.
- Changes to benefits in [Template C](#) that result in savings are expressed as a negative.
- Cells requesting a number have a number inserted and not text. Similarly, cells with a number have not been formatted to 'text'.
- The formula cells have not been edited by the insurer.
- Data entered by the insurer should be values and not include calculations.
- Compliance checks are routinely carried out to ensure premiums approved by the Minister in the premium round process reflect the corresponding PHIS. Please ensure that accurate PHIS Product ID's are provided along with the new premium price requested for each product.