



**The Hon Greg Hunt MP
Minister for Health**

20 December 2020

s47F

Chief Executive Officer and Managing Director
Hospitals Contribution Fund of Australia

s47F

Cc: s47F

Dear s47F

Thank you for your application for the 2021 Private Health Insurance Premium Round, requesting approval of proposed premium changes for complying health insurance products offered by Hospitals Contribution Fund of Australia.

As Minister for Health, and acting under subsection 66-10 (3) of the *Private Health Insurance Act 2007*, I approve the proposed changed amounts for complying health insurance products which Hospitals Contribution Fund of Australia have applied for. I note that your average premium increase is 2.95 per cent. As per previous years, this will be the figure which is displayed on my Department's website. While some of your customers may experience different percentage price changes, it is your responsibility to clearly explain this to your customers.

I appreciate the hardship measures that have been put in place to assist policyholders in response to the COVID-19 pandemic and anticipate that you will continue to remain responsive to the individual circumstances of your members. During the course of 2021 my Department, working closely with the Australian Prudential Regulation Authority and the Australian Competition and Consumer Commission, will actively monitor the performance of the sector to meet its public commitment to not profit from the impact of the pandemic.

I thank you for your cooperation with my Office, my Department and the Australian Prudential Regulation Authority during this premium approval process and over recent months in working with the Government to continue to develop and implement private health insurance reforms.

Work has already commenced on the next wave of measures to further improve the affordability premiums and the sustainability of the sector and I look forward to working with you and other stakeholders to implement these reforms.

Yours sincerely

Greg Hunt