



Private health insurance reforms: Improved consumer protections for terminating products

Important consumer protections will be introduced if an insurer chooses to terminate a product and move those insured to a new product

The Government will introduce requirements that insurers must adequately inform each adult insured under a terminating policy about the planned termination and the associated transfer to a new product.

Health insurers already have many products that are closed to new policy-holders, and will continue to be able to choose whether or not to terminate a closed product.

If an insurer does choose to terminate a product, they will need to provide information to affected adults including:

- details about the new policy such as
 - any services that are covered under the terminating policy that will not be covered under the new policy
 - differences between the excesses or co-payments payable under the terminating policy and the new policy
 - relevant details about waiting periods that might apply under the new product
- the premium that will be payable for their new policy
- advice that any person covered under the terminating policy may choose to transfer to a different policy instead of the one chosen by the insurer.

Why is this important?

- If an insurer plans to terminate a product and move policy holders to a new product, those policy holders need clear and transparent information about how this change will affect them.

Who will benefit?

- Consumers will be better informed if their insurer chooses to terminate their product, and will be better placed to decide whether to transfer to the new product chosen by the insurer or to purchase a different product.

What impact will this change have on private health insurance?

This change is designed to help consumers compare more easily different products and understand what they are, and are not, covered for.