



## **Private Health Insurance (Incentives) Rules 2012 (No. 2)**

I, RICHARD MAGOR, delegate of the Minister for Health, make these Rules under item 1 of the table in section 333-20 of the *Private Health Insurance Act 2007*.

Dated 28 June 2012

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Richard Magor  
Assistant Secretary  
Private Health Insurance Branch  
Medical Benefits Division  
Department of Health and Ageing

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## Part 1 Preliminary

### 1. Name of Rules

These Rules are the *Private Health Insurance (Incentives) Rules 2012* (No. 2).

### 2. Commencement

These Rules commence on the day after registration.

### 3. Revocation

These Rules revoke and replace the *Private Health Insurance (Incentives) Rules 2012*.

### 4. Definitions

Note: Terms used in these Rules have the same meaning as in the Act—see section 13 of the *Legislative Instruments Act 2003*. These terms include:

complying health insurance policy  
incentive payments scheme  
participant  
participating insurer  
premiums reduction scheme  
private health insurer  
standard information statement

In these rules:

**30% Rebate logo** means the logo that insurers were required to use under the *Private Health Insurance (Incentives) Rules 2007*.

**Act** means the *Private Health Insurance Act 2007*.

**Australian Government Rebate on private health insurance** means:

- (a) the incentive payments scheme; or
- (b) the premiums reduction scheme; or
- (c) the private health insurance tax offset.

**eligible person** has the same meaning as in subsection 3 (1) of the *Health Insurance Act 1973* and includes a person who is treated as an eligible person under sections 6, 6A or 7 of that Act.

**private health insurance tax offset** means a tax offset, under the *Income Tax Assessment Act 1997*, for a premium, or in respect of a premium, paid under a complying health insurance policy.

**Rebate logo** means the logo described in rule 10.

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## Part 2 Premiums reduction scheme

### 5. Application

This Part applies in relation to financial years beginning on or after 1 July 2007.

### 6. Registration as a participant

For the purposes of paragraph 23-15 (1) (c) of the Act, the requirements for a person applying to a private health insurer to become a participant in the premiums reduction scheme are:

- (a) the person is an individual; and
- (b) the person is applying in respect of a complying health insurance policy under which each person covered by the policy is an eligible person.

Note: Division 23 provides for reductions in premiums paid by a person to an insurer. The insurer may claim reimbursement of such reductions under Division 279.

### 7. Entitlement to incentive payment

For the purposes of paragraph 26-1 (1) (c) of the Act, the requirements for a person to be entitled to a payment are:

- (a) the person is an individual; and
- (b) the person is applying in respect of a complying health insurance policy under which each person covered by the policy is an eligible person.

Note: Division 26 provides for a payment to the person if the person's premium has not been reduced under Division 23.

### 8. Conditions of participation

- (1) For the purposes of paragraph 206-1 (1) (b) of the Act, the following conditions are specified as conditions of participation in the premiums reduction scheme:
  - (a) on or before 15 July of each year after the commencement of the Act, the participating insurer must issue to each person who was a participant in respect of a complying health insurance policy on issue from the insurer during any time in the previous financial year, a written statement in accordance with rule 9, setting out:
    - (i) the amount of the premium paid for the policy during that financial year; and
    - (ii) the amount of the reduction, under the premiums reduction scheme, for the premium; and
  - (b) before the participating insurer increases the amount of the premium, the insurer must issue to each participant affected by the increase written notice of:

- (i) the amount of the premium; and
- (ii) the increase in the amount of the premium; and
- (iii) the date when the increase takes effect; and
- (iv) the fact that the dollar value of the reduction under the Australian Government Rebate on private health insurance has increased; and
- (v) the new amount of the reduction; and
- (vi) the new amount of the premium; and
- (c) the insurer must use the phrase “Australian Government Rebate on private health insurance” or the Rebate logo in:
  - (i) advertisements for the Australian Government Rebate on private health insurance; and
  - (ii) annual statements under paragraph (a); and
  - (iii) written notices under paragraph (b); and
  - (iv) forms that are given in relation to the premiums reduction scheme; and
  - (v) correspondence relating to the premiums reduction scheme.
- (d) notwithstanding paragraph (c), for any items listed under subparagraphs (i) to (v), an insurer may use any material containing the phrase ‘Federal Government 30% Rebate’ or the 30% Rebate logo until one year after the date of commencement of these Rules.

Note: Rule 10 sets out the details of the Rebate logo.

## 9. Requirements for statements to participants

- (1) A statement under paragraph 8 (1) (a) must not include, be included with or accompany:
  - (a) information, other than information permitted under subrule 9 (2); or
  - (b) a written notice of increase of premium under paragraph 8 (1) (b).
- (2) For paragraph 1 (a), information which is permitted to be included in a statement under paragraph 8 (1) (a) is all or any of the following:
  - (a) information that relates directly to the Australian Government Rebate on private health insurance;
  - (b) information provided in accordance with rule 6 of the *Private Health Insurance (Lifetime Health Cover) Rules 2007*;
  - (c) information about the medicare levy surcharge imposed under the *Medicare Levy Act 1986* or the *A New Tax System (Medicare Levy Surcharge — Fringe Benefits) Act 1999*;
  - (d) a standard information statement;
  - (e) information that the Department:
    - (i) has provided to a participating insurer; and

- (ii) has identified as being available to be included with, or to accompany, a statement under paragraph 8 (1) (a);
- (f) information required to be provided by the Act or any of the Rules made under the Act.

## 10. Rebate logo

- (1) The logo for the Australian Government Rebate on private health insurance is:



- (2) In any reproduction of the logo:
- (a) the portions other than the shaded areas of the umbrella must be black and white, as shown in subrule (1); and
  - (b) the shaded areas of the umbrella must be:
    - (i) in the case of monochrome reproduction — 60% black; and
    - (ii) in any other case — red (PMS 032).

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### Note

1. All legislative instruments and compilations are registered on the Federal Register of Legislative Instruments kept under the *Legislative Instruments Act 2003*. See [www.frli.gov.au](http://www.frli.gov.au)