



# **Private Health Insurance (Collapsed Organization Levy) Amendment Act 2007**

**No. 34, 2007**

**An Act to amend the *Private Health Insurance  
(Collapsed Organization Levy) Act 2003*, and for  
related purposes**

Note: An electronic version of this Act is available in ComLaw (<http://www.comlaw.gov.au/>)



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# Private Health Insurance (Collapsed Organization Levy) Amendment Act 2007

No. 34, 2007

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**An Act to amend the *Private Health Insurance (Collapsed Organization Levy) Act 2003*, and for related purposes**

*[Assented to 30 March 2007]*

The Parliament of Australia enacts:

## **1 Short title**

This Act may be cited as the *Private Health Insurance (Collapsed Organization Levy) Amendment Act 2007*.

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*Private Health Insurance (Collapsed Organization Levy) Amendment Act 2007* No. 34, 2007

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## 2 Commencement

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

<b>Commencement information</b>		
<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provision(s)</b>	<b>Commencement</b>	<b>Date/Details</b>
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day on which this Act receives the Royal Assent.	30 March 2007
2. Schedule 1	1 April 2007.	1 April 2007

Note: This table relates only to the provisions of this Act as originally passed by both Houses of the Parliament and assented to. It will not be expanded to deal with provisions inserted in this Act after assent.

- (2) Column 3 of the table contains additional information that is not part of this Act. Information in this column may be added to or edited in any published version of this Act.

## 3 Schedule(s)

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

## Schedule 1—Amendments

### *Private Health Insurance (Collapsed Organization Levy) Act 2003*

#### 1 Title

Omit “**collapsed organization levy on registered health benefits organizations**”, substitute “**collapsed insurer levy on private health insurers**”.

#### 2 Section 1

Omit “*Organization*”, substitute “*Insurer*”.

Note: This item amends the short title of the Act. If another amendment of the Act is described by reference to the Act’s previous short title, that other amendment has effect after the commencement of this item as an amendment of the Act under its amended short title (see section 10 of the *Acts Interpretation Act 1901*).

#### 3 Section 5 (definition of *capital adequacy requirements*)

Repeal the definition.

#### 4 Section 5 (definition of *capital adequacy standard*)

Repeal the definition.

#### 5 Section 5

Insert:

*collapsed insurer* means a private health insurer, in respect of at least one of whose health benefits funds (within the meaning of the *Private Health Insurance Act 2007*) at least one of the following paragraphs applies:

- (a) the Council has approved the termination of the health benefits fund under section 149-10 of the *Private Health Insurance Act 2007*;
- (b) the Council has appointed an external manager of the health benefits fund under section 217-10 of the *Private Health Insurance Act 2007*;

- (c) the Federal Court of Australia has ordered the appointment of a terminating manager of the health benefits fund under section 220-5 of the *Private Health Insurance Act 2007*.

**6 Section 5**

Insert:

*collapsed insurer levy* means a collapsed insurer levy imposed under section 7.

**7 Section 5**

Insert:

*collapsed insurer levy day* means a collapsed insurer levy day specified in a determination under section 7.

**8 Section 5 (definition of *collapsed organization*)**

Repeal the definition.

**9 Section 5 (definition of *collapsed organization levy*)**

Repeal the definition.

**10 Section 5 (definition of *collapsed organization levy day*)**

Repeal the definition.

**11 Section 5**

Insert:

*complying health insurance policy* has the same meaning as in the *Private Health Insurance Act 2007*.

**12 Section 5 (definition of *Council*)**

Omit “National Health Act”, substitute “*Private Health Insurance Act 2007*”.

**13 Section 5 (definition of *National Health Act*)**

Repeal the definition.

**14 Section 5**

Insert:

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*private health insurer* has the same meaning as in the *Private Health Insurance Act 2007*.

**15 Section 5 (definition of *registered health benefits organization*)**

Repeal the definition.

**16 Section 5 (definition of *solvency requirements*)**

Repeal the definition.

**17 Section 5 (definition of *solvency standard*)**

Repeal the definition.

**18 Section 6**

Repeal the section, substitute:

**6 Purpose of imposing collapsed insurer levy**

The purpose of imposing a collapsed insurer levy is to help meet a collapsed insurer's liabilities to the people insured under its complying health insurance policies that it is unable to meet itself.

**19 Section 7**

Repeal the section, substitute:

**7 Imposition of collapsed insurer levy**

(1) If:

- (a) a private health insurer is a collapsed insurer; and
- (b) the Minister determines, by legislative instrument, that this section applies to the insurer;

collapsed insurer levy is imposed on each private health insurer (other than an exempt insurer) on each collapsed insurer levy day for the levy determination.

Note: Section 8 deals with exempt insurers.

- (2) The Minister may determine, by legislative instrument, the day that is, or the days that are, to be the collapsed insurer levy day or days for the levy determination.

## 20 Section 8

Repeal the section, substitute:

### 8 Exempt insurers

- (1) A private health insurer is an exempt insurer in relation to a levy determination if:
  - (a) it is the collapsed insurer; or
  - (b) the Minister determines, by legislative instrument, that the insurer is an exempt insurer.
- (2) The Minister may make a determination under paragraph (1)(b) if the Minister is satisfied that imposing the collapsed insurer levy on the insurer would have a significantly adverse effect on the insurer's ability to comply with:
  - (a) the solvency standard under Division 140 of the *Private Health Insurance Act 2007* or a solvency direction given to the insurer under section 140-20 of that Act; or
  - (b) the capital adequacy standard under Division 143 of the *Private Health Insurance Act 2007* or a capital adequacy direction given to the insurer under section 143-20 of that Act.

### 21 Subsection 9(1)

Omit "organization" (wherever occurring), substitute "insurer".

Note: The heading to section 9 is altered by omitting "organization" and substituting "insurer".

### 22 Paragraph 9(1)(a)

Repeal the paragraph, substitute:

- (a) is determined by the Minister by legislative instrument; and

### 23 Subsection 9(2)

Omit "organization's liabilities to its contributors", substitute "insurer's liabilities to people insured under its complying health insurance policies".

### 24 Subsections 9(3) and (4)

Repeal the subsections, substitute:

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- (3) The rate of levy:
- (a) must be based on the number of complying health insurance policies that are on issue on the day determined by the Minister, by legislative instrument, as the census day for the levy day; and
  - (b) may be different for complying health insurance policies under which different numbers of people are insured; and
  - (c) may be set at zero.

**25 Subsection 10(1)**

Omit “organization” (wherever occurring), substitute “insurer”.

**26 Paragraph 10(1)(f)**

Omit “organization’s liabilities to its contributors”, substitute “insurer’s liabilities to people insured under its complying health insurance policies”.

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*[Minister’s second reading speech made in—  
House of Representatives on 7 December 2006  
Senate on 26 February 2007]*

(186/06)

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