

EXPLANATORY STATEMENT

Statutory Rules 1989 No . 291

Issued by the Authority of the Minister for Community Services and Health

National Health Act 1953

National Health Regulations

Paragraph (e) of the definition of health insurance business in subsection 67(4) of the National Health Act 1953 provides that a kind of business not to be included in that definition may be prescribed.

Section 67 of the National Health Act 1953 requires organizations conducting health insurance business to be registered under the said Act. This provision was introduced to preserve the community rating principle, which forms the basis for private health insurance in Australia. Under this principle, all persons are treated equally for health insurance purposes regardless of such factors as age, sex, medical condition or family size.

However, the legislation impacted unfavourably on special groups such as sporting bodies, volunteer workers and youth associations (e.g. boy scouts and girl guides), particularly as insurance catering for the needs of these groups is not readily available from registered health benefits organisations and little or no interest has been displayed by them in the matter.

The legislation also prevented coverage being offered under home contents and travel policies for the loss or damage of personal effects such as hearing aids and spectacles as specified in paragraph (b) of the definition of ancillary health benefit.

The Regulation allows commercial insurers to provide benefits covering the above circumstances without being required to become a registered health benefits organization.

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