

National Health Regulations (Amendment) 1991 No. 262

EXPLANATORY STATEMENT

Statutory Rules 1991 No. 262

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

National Health Act 1953

National Health Regulations (Amendment)

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

Section 140 of the Act provides that the Governor-General may make Regulations for the purposes of the Act.

Section 67 of the Act, which was introduced from 1 September 1985, requires organisations conducting health insurance business to be registered under the 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.

It was subsequently found that the legislation impacted unfavourably on special groups such as sporting bodies, volunteer workers, youth associations (e.g. boy scouts and girl guides) and secondary school students undertaking work experience, particularly as insurance catering for the needs of these groups was not readily available from registered health benefits organisations.

As a consequence, National Health Regulation 29AAB (since renumbered to 48) was introduced to exclude from the definition of "health insurance business" such business as it related to such groups. This action paved the way for general insurance companies to offer health insurance cover for these groups.

The amendment to Regulation 48 allows general insurers to also provide health insurance cover for unemployed persons training under the Government's "Skillshare" program, which is administered by the Department of Employment, Education and Training.