



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

made under item 1 of the table in subsection 333-20(1) of the  
*Private Health Insurance Act 2007*

## **Compilation No. 6**

**Compilation date:** 1 April 2026  
**Includes amendments:** F2026L00320

Prepared by the Department of Health, Disability and Ageing

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## About this compilation

### This compilation

This is a compilation of the *Private Health Insurance (Incentives) Rules 2012 (No. 2)* that shows the text of the law as amended and in force on 1 April 2026 (the **compilation date**).

The notes at the end of this compilation (the **endnotes**) include information about amending laws and the amendment history of provisions of the compiled law.

### Uncommenced amendments

The effect of uncommenced amendments is not shown in the text of the compiled law. The details of amendments made up to, but not commenced at, the compilation date are underlined in the endnotes. Any uncommenced amendments affecting the law are accessible on the Register ([www.legislation.gov.au](http://www.legislation.gov.au)).

### Application, saving and transitional provisions

If the operation of a provision or amendment of the compiled law is affected by an application, saving or transitional provision that is not included in this compilation, details are included in the endnotes.

### Editorial changes

For more information about any editorial changes made in this compilation, see the endnotes.

### Presentational changes

The *Legislation Act 2003* provides for First Parliamentary Counsel to make presentational changes to a compilation. Presentational changes are applied to give a more consistent look and feel to legislation published on the Register, and enable the user to more easily navigate those documents.

### Modifications

If the compiled law is modified by another law, the compiled law operates as modified but the modification does not amend the text of the law. Accordingly, this compilation does not show the text of the compiled law as modified. Any modifications affecting the law are accessible on the Register.

### Self-repealing provisions

If a provision of the compiled law has been repealed in accordance with a provision of the law, details are included in the endnotes.

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## Part 1 Preliminary

### 1. Name of Rules

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

### 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:

adjustment factor  
adjustment year  
complying health insurance policy  
incentive payments scheme  
participant  
participating insurer  
premiums reduction scheme  
private health insurer  
private health 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 premiums reduction scheme; or
- (b) 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 adjustment factor** means adjustment factor.

**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.

#### 5A. Rebate Adjustment Factor

For the purposes of paragraph 22-15(5E) of the Act the rebate adjustment factor is determined according to the following formula:

- a) For the adjustment year commencing on 1 April 2020:

$$RAF = 1$$

- b) For all other adjustment years:

$$RAF = \frac{CPI \text{ factor for the relevant adjustment year}}{1 + \text{Average premium increase for the relevant adjustment year}}$$

Where:

*RAF* = rebate adjustment factor expressed as a factor to 3 decimal places (rounding up where the fourth decimal place is 5 or more).

*CPI factor for the relevant adjustment year* is the number worked out by dividing the CPI index number for the December quarter immediately preceding that year by the CPI index number for the December quarter preceding the first mentioned December quarter expressed as a factor to 4 decimal places (rounding up where the fifth decimal place is 5 or more).

*CPI index number* for a quarter is the All Groups Consumer Price Index number, being the weighted average of the 8 capital cities, published by the Australian Statistician in respect of that quarter.

*Average premium increase for the relevant adjustment year* means the figure published by the Department of Health during the course of an adjustment year that represents the industry average premium increase (including rate protection and the age-based discount factor) being the average change in premiums for each product subgroup offered by every private health insurer, weighted according to the number of people covered under complying health insurance policies in each product subgroup, expressed as a factor to 4 decimal places (rounding up where the fifth decimal place is 5 or more).

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## 6. Registration as a participant

- (1) 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.

- (2) For the purposes of paragraph 23-16 (1) (b) of the Act, the criteria in relation to an application for registration as a participant in respect of a complying health insurance policy are that the applicant is an eligible person.

## 7. Requirements for the determination of a claim

For the purposes of paragraph 279-11 (1) (b) of the Act, the criteria in relation to a claim are:

- (a) the participant is registered in respect of the policy under subsection 23-16(1) and has not had that registration revoked under either subsection 23-30(3) or subsection 23-35(1).

## 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) if a participant in respect of a complying health insurance policy on issue from the insurer during any time in the previous financial year requests the following information from a participating insurer:
    - (i) the amount of the premium paid for the policy during the previous financial year;
    - (ii) the reduction, under the premiums reduction scheme, for the premium;the participating insurer must issue to the participant a statement in accordance with rule 9;
  - (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:

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- (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) 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:
- (a) be in writing; and
  - (b) set out, clearly and distinctly:
    - (i) if requested by the participant—the amount of the premium paid for the policy during a particular financial year; and
    - (ii) if requested by the participant—the amount of the reduction under the premiums reduction scheme for the premium; and
  - (c) be provided within 14 days of receipt of the request; and
  - (d) be provided:
    - (i) by post; or
    - (ii) if the participant has requested that the information be provided in another manner—if reasonably practicable, in the manner requested by the participant.

Example: If requested by the participant, the information may be provided in an electronic format, including via a web page.

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- (2) A statement under paragraph 8 (1) (a) may be accompanied by other information.

## 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).

## Endnotes

Endnote 1—About the endnotes

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## Endnotes

### Endnote 1—About the endnotes

The endnotes provide information about this compilation and the compiled law.

The following endnotes are included in every compilation:

Endnote 1—About the endnotes

Endnote 2—Abbreviation key

Endnote 3—Legislation history

Endnote 4—Amendment history

### Abbreviation key—Endnote 2

The abbreviation key sets out abbreviations that may be used in the endnotes.

### Legislation history and amendment history—Endnotes 3 and 4

Amending laws are annotated in the legislation history and amendment history.

The legislation history in endnote 3 provides information about each law that has amended (or will amend) the compiled law. The information includes commencement details for amending laws and details of any application, saving or transitional provisions that are not included in this compilation.

The amendment history in endnote 4 provides information about amendments at the provision (generally section or equivalent) level. It also includes information about any provision of the compiled law that has been repealed in accordance with a provision of the law.

### Editorial changes

The *Legislation Act 2003* authorises First Parliamentary Counsel to make editorial and presentational changes to a compiled law in preparing a compilation of the law for registration. The changes must not change the effect of the law. Editorial changes take effect from the compilation registration date.

If the compilation includes editorial changes, the endnotes include a brief outline of the changes in general terms. Full details of any changes can be obtained from the Office of Parliamentary Counsel.

### Misdescribed amendments

A misdescribed amendment is an amendment that does not accurately describe the amendment to be made. If, despite the misdescription, the amendment can be given effect as intended, the amendment is incorporated into the compiled law and the abbreviation “(md)” added to the details of the amendment included in the amendment history.

If a misdescribed amendment cannot be given effect as intended, the abbreviation “(md not incorp)” is added to the details of the amendment included in the amendment history.

**Endnote 2—Abbreviation key**

ad = added or inserted	o = order(s)
am = amended	Ord = Ordinance
amdt = amendment	orig = original
c = clause(s)	par = paragraph(s)/subparagraph(s) /sub-subparagraph(s)
C[x] = Compilation No. x	pres = present
Ch = Chapter(s)	prev = previous
def = definition(s)	(prev...) = previously
Dict = Dictionary	Pt = Part(s)
disallowed = disallowed by Parliament	r = regulation(s)/rule(s)
Div = Division(s)	reloc = relocated
ed = editorial change	renum = renumbered
exp = expires/expired or ceases/ceased to have effect	rep = repealed
F = Federal Register of Legislation	rs = repealed and substituted
gaz = gazette	s = section(s)/subsection(s)
LA = <i>Legislation Act 2003</i>	Sch = Schedule(s)
LIA = <i>Legislative Instruments Act 2003</i>	Sdiv = Subdivision(s)
(md) = misdescribed amendment can be given effect	SLI = Select Legislative Instrument
(md not incorp) = misdescribed amendment cannot be given effect	SR = Statutory Rules
mod = modified/modification	Sub-Ch = Sub-Chapter(s)
No. = Number(s)	SubPt = Subpart(s)
	<u>underlining</u> = whole or part not commenced or to be commenced

## Endnotes

### Endnote 3—Legislation history

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#### Endnote 3—Legislation history

This endnote sets out details of the legislation history of the *Private Health Insurance (Incentives) Rules 2012 (No. 2)*.

#### Table of Instruments

Name	Registration	Commencement	Application, saving and transitional provisions
<i>Private Health Insurance (Incentives) Rules 2012 (No. 2)</i>	03 July 2012 (see F2012L01498)	04 July 2012	
<i>Private Health Insurance (Incentives) Amendment Rules 2013 (No.1)</i>	02 January 2014 (see F2014L00019)	01 April 2014	—
<i>Private Health Insurance (Incentives) Rules 2014 (No. 1)</i>	10 April 2014 (see F2014L00397)	09 April 2014	—
<i>Private Health Insurance (Reforms) Amendment Rules 2018</i>	11 October 2018 (see F2018L01414)	Sch 6 (items 1–6): 1 April 2019 (s 2(1) item 10)	—
<i>Private Health Insurance (Incentives) Amendment Rules (No. 1) 2019</i>	13 December 2020 (see F2019L01612)	10 January 2020	—
<i>Private Health Insurance (Incentives) Amendment Rules (No. 1) 2020</i>	30 March 2020 (see F2020L00354)	31 March 2020	—
<i>Private Health Insurance (Incentives) Amendment Rules (No.1) 2026</i>	25 March 2026 (see F2026L00320)	1 April 2026	

## Endnote 4—Amendment history

**Endnote 4—Amendment history**

This endnote sets out the amendment history of the *Private Health Insurance (Incentives) Rules 2012 (No. 2)*.

<b>Provision affected</b>	<b>How affected</b>
<b>Part 1</b>	
r 2	rep LA s 48D
r 3	rep LA s 48C
r 4	am F2014L00019; F2014L00397; F2018L01414
<b>Part 2</b>	
r 5A	am F2014L00019
	rs F2014L00397
	rs F2019L01612
	rs F2020L00354
	rs F2026L00320
r 6	
r 7	rep F2018L01414
	ad F2026L00320
r 8	am F2018L01414
r 9	rs F2018L01414