

PRIVATE HEALTH INSURANCE (PRUDENTIAL SUPERVISION) RULES 2019

EXPLANATORY STATEMENT

Prepared by the Australian Prudential Regulation Authority

Private Health Insurance (Prudential Supervision) Act 2015, subsection 174(1)

Under subsection 174(1) of the *Private Health Insurance (Prudential Supervision) Act 2015* (the Act), APRA has the power to make APRA rules, in writing, prescribing matters required or permitted by the Act to be prescribed by APRA rules, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

The *Private Health Insurance (Prudential Supervision) Rules 2019* (the Instrument) will commence on the day after they are registered on the Federal Register of Legislation.

The Instrument revokes the *Private Health Insurance (Prudential Supervision) Rules 2016* (Previous Instrument).

1. Background

The Instrument prescribes various requirements applicable to private health insurers including rules in relation to the expenditure and application of health benefits funds, restructure of health benefits funds, mergers and acquisitions of health benefits funds and reporting and notifications requirements.

The Rules were amended in 2016 by the Previous Instrument to preserve a provision allowing donation to medical research as a specified purpose under subparagraph 28(2)(a)(iv) of the Act.

The Instrument corrects paragraph reference errors in the Previous Instrument. It does not make any other changes.

2. Purpose of the instrument

The purpose of the Instrument is to both revoke the Previous Instrument and to make the Instrument so as to correct incorrect paragraph references in the Previous Instrument.

3. Consultation

Due to the minor and machinery nature of the amendments, a formal consultation process is not required. Stakeholders will be notified of the correction by email.

4. Statement of compatibility prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

A Statement of compatibility prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011* is provided at Attachment A to this Explanatory Statement.

ATTACHMENT A

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Private Health Insurance (Prudential Supervision) Rules 2019

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011* (HRPS Act).

Overview of the Legislative Instrument

The *Private Health Insurance (Prudential Supervision) Rules 2019* prescribe matters applicable to private health insurers.

The Instrument specifies rules in relation to the expenditure and application of health benefits funds, restructure of health benefits funds, mergers and acquisitions of health benefits funds, and reporting and notifications requirements.

Human rights implications

APRA has assessed this Legislative Instrument and is of the view that it does not engage any of the applicable rights or freedoms recognised or declared in the international instruments listed in section 3 of the HRPS Act. Accordingly, in APRA's assessment, the Instrument is compatible with human rights.

Conclusion

The *Private Health Insurance (Prudential Supervision) Rules 2019* are compatible with human rights because they do not raise any human rights issues.