Australian Government
Private Health Insurance Ombudsman

MEDIA RELEASE

27 November 2006

PRIVATE HEALTH INSURANCE OMBUDSMAN RELEASES 2005/06 ANNUAL REPORT

The Private Health Insurance Ombudsman, Mr John Powlay, today released his office's Annual Report, which provides information on the activities of the office over the twelve-month period between 1 July 2005 and 30 June 2006.

"It is pleasing to note a decline in the overall number of complaints to my office for the third consecutive year," Mr Powlay said.

"There are a number of factors contributing to the decline. Many funds, with assistance from my office, have improved their internal complaint handling processes. The flow on effect of these improvements is now being seen in their complaint numbers. This is a very positive development for their members.

"There has also been a continued decline in the number of complaints about premium increases. Some of this would be due to improvements in the timing and way in which annual premium increases are communicated to consumers.

"I also believe that changing expectations is a significant factor in the decline, as consumers now expect annual premium increases and have some acceptance that such rises are necessary, given increased health costs," Mr Powlay said.

Mr Powlay said that although overall complaint numbers had fallen, the number of higher-level complaints requiring more detailed investigation by his office has increased. This suggests that funds are becoming more effective at resolving less complex consumer complaints through their own internal complaint handling systems, with only the more difficult issues being referred to the PHIO for investigation.

Mr Powlay also said he was pleased to see that revised arrangements to facilitate portability for members transferring between funds appeared to be working well and had resulted in fewer complaints to the office about this issue during the year.

Mr Powlay said he welcomed the expansion in his role and powers, which took effect from 1 July 2006, including provisions aimed at maintaining a clear focus in the Ombudsman's activities on the rights of consumers. The Ombudsman is currently in the process of developing a new consumer website to provide consumers with independent information about private health insurance, including standard product information about their own health insurance product and/or comparable products offered by other funds. The website will be operational from 1 April 2007.

The PHIO 2006 Annual Report can be viewed on the Ombudsman's website at www.phio.org.au and copies of the report can be requested by contacting the Ombudsman's office on (02) 8235 8777.

Contact: Samantha Gavel (02) 8235 8709; (0401) 349303

Level 7, 362 Kent St. Sydney NSW 2000
Telephone 1800 640 695
Fax 02 8235 8778 **Email** info@phio.org.au **Web** www.phio.org.au
ABN 61 673 137 709