

## **Attachment B – Guide to premium application compilation**

### **Purpose**

The purpose of this guide is to assist insurers in compiling their premium application. It provides information about the details to include that would be helpful in assessing each application. This includes providing detailed explanations, assumptions and supporting data, tables or graphs where relevant. However, as it is up to each insurer to provide appropriate justification of its proposed premium changes, it is also the insurer's responsibility to assess what level of detail provides sufficient evidence to support its application.

The guide also specifies how to complete the Templates (A, B & C) to Attachment A. In order to ensure consistency across insurers all information should be provided as instructed.

### **Context**

All information provided should be considered in the context of, and with reference to, the insurer's business strategy. The basis of key assumptions should be explained, along with how those assumptions are incorporated into the financial forecasts.

Only information that is relevant to the health insurance business is required. An insurer should assess whether any of its health related business or non-health insurance business information is relevant to the operations of the health insurance business and if so include supporting information.

### **Presentation**

The insurer must set out its premium application in accordance with the approved form requirements, comprising of a cover letter, written report and completed templates. In preparing the written report, the insurer must address the criteria set out in the Report Items. Pages must be numbered and if provided as a PDF file, that file must be generated directly from Microsoft Word rather than having been scanned.

## **Formatting**

The format and/or structure of the Excel spread-sheets must not be changed in any way, as this causes delay in analysis and assessment. Insurers must avoid actions that may alter the integrity of the document including:

- re-structuring templates;
- inserting filters;
- changing number or text formats;
- changing headings and
- inserting blank rows.

If amendments are made to the format and/or structure of the spread-sheet then resubmission of the application will be required, thus delaying consideration.

The templates include a Data Entry Key worksheet that links to the information contained in the drop down lists.

## **Contact information**

Please direct queries regarding the approved form to:

David Wootton

Email: [david.wootton@health.gov.au](mailto:david.wootton@health.gov.au)

Tel: (02) 6289 9320

## Report Items

For each item describing the reason for the premium change at 2(e) of the requirements, it is recommended that information about historical experience be provided for the previous 4 years and that forecasts are provided for the next 3 years. It is recognised that information may not be relevant and/or available for the entire historical or forecast period. In these circumstances, specify the reason(s).

Requirement Reference	Category	Information Provision Guidelines
2a)	Insurer name	Provide the name of the insurer as registered with APRA as at the premium application date.
2b)	Date(s) of effect	Provide the date(s) upon which the premium change(s) are to take effect. It is preferable for insurers to implement a date of effect of 1 April 2016.
2c)	Percentage increase FCI including rate protection	<p>Provide the percentage increase in forecast contribution income resulting from the premium change(s) expressed to two decimal places, for the 12 month period following the implementation of the changes, calculated as follows:  <math>(\text{FCI with premium changes} - \text{FCI without premium changes}) \text{ multiplied by } 100 \text{ then divided by FCI without premium changes}</math></p> <p>FCI is the forecast contribution income for the insurer for the 12 month period following the implementation of the changes, excluding forecast changes in membership, and including rate protection.</p> <p>It is suggested that the numbers underlying the calculation are provided.</p> <p>This will be the statistic that will be used for the purposes of publishing an insurer's average premium change.</p>
2d)	Percentage increase FCI excluding rate protection	<p>Provide the percentage increase in forecast contribution income resulting from the premium change(s) expressed to two decimal places, for the 12 month period following the implementation of the changes, calculated as follows:  <math>(\text{FCI with premium changes} - \text{FCI without premium changes}) \text{ multiplied by } 100 \text{ then divided by FCI without premium changes}</math></p> <p>FCI is the forecast contribution income for the insurer for the 12 month period following the implementation of the changes, excluding forecast changes in membership, and excluding rate protection.</p> <p>It is suggested that the numbers underlying the calculation are provided.</p>

2e)	Components	<p>Provide an explanation of the various components of the premium change at the insurer level.</p> <p>For example:</p> <ul style="list-style-type: none"> <li>• keep pace with drawing rate inflation (5%);</li> <li>• allow for benefit improvements (1%);</li> <li>• raise the gross margin to a level which would increase capital towards the upper end of the target range (2%); and</li> <li>• total (8%)</li> </ul>
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2e)	Drawing Rates	<p>Provide information about changes in drawing rates.</p> <p>Explain how the forecast drawing rate increase assumptions were determined. Significant variations in the forecasts compared to historical trends should also be explained.</p> <p>This could include the following information for each product:</p> <ul style="list-style-type: none"> <li>• hospital;</li> <li>• medical (may be combined with hospital if not typically disaggregated);</li> <li>• prostheses (may be combined with hospital if not typically disaggregated);</li> <li>• general;</li> <li>• other specific general, if relevant;</li> <li>• current year;</li> <li>• previous year, more if relevant;</li> <li>• next year, more if relevant; and</li> <li>• insured group, if relevant.</li> </ul> <p>If this is not feasible or relevant because of the size or diversity of the product range, it is suggested that information is provided as follows:</p> <ul style="list-style-type: none"> <li>• insurer level;</li> <li>• class of treatment (e.g. hospital treatment products);</li> <li>• selected products (e.g. top level hospital treatment products);</li> <li>• insured group (e.g. family policies);</li> <li>• age cohort (e.g. 25-29 year olds);</li> <li>• year joined insurer (e.g. FY10); and/or</li> <li>• State (e.g. WA).</li> </ul> <p>Information for individual products may be most relevant for products with significant premium increases, significant changes in membership, and/or significant increases in drawing rates.</p> <p>Where possible, hospital treatment drawing rate inflation should be expressed inclusive of risk equalisation. It is suggested that drawing rate inflation is broken down into relevant components (e.g. arising from changes in duration of membership; arising from changes in the product mix). Explain how the future drawing rate increase assumptions were determined and provide an explanation for when significant variations occur between the forecasts and historical trends.</p>
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2e)	Membership	<p>Provide information about changes in membership, including recent and forecast numbers of lapses and new members. This could be provided at product level where feasible and relevant.</p> <p>Otherwise, it is suggested that information is provided as follows:</p> <ul style="list-style-type: none"> <li>• insurer level;</li> <li>• class of treatment (e.g. hospital treatment products);</li> <li>• selected products (e.g. top level hospital treatment products);</li> <li>• insured group (e.g. family policies);</li> <li>• age cohort (e.g. 25-29 year olds);</li> <li>• year joined insurer (e.g. FY10); and/or</li> <li>• State (e.g. WA).</li> </ul> <p>Information for individual products may be most relevant for products with significant premium increases, significant changes in membership, and/or significant increases in drawing rates.</p>
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2e)	Upgrades/Downgrades	<p>Provide information about the upgrading and downgrading for hospital treatment products.</p> <p>For the purposes of the premium application, upgrading or downgrading may be defined as a change in the product selection of a consumer that results in the consumer paying a higher or lower price. Examples include:</p> <ul style="list-style-type: none"> <li>• consumer switches from top level hospital treatment product with no excess and price of \$150 per month to top level hospital treatment product with \$500 excess and price of \$100 per month;</li> <li>• changing state (particularly if the insurer has substantial variation in state based pricing);</li> <li>• dropping general cover when a combined product is held (or vice versa); or</li> <li>• moving from single to couple, or couple to family cover (or vice versa).</li> </ul> <p>This could include:</p> <ul style="list-style-type: none"> <li>• the net impact on contribution income in each of the last two years, and allowed for in the forecasts, all as a percentage of contribution income; and</li> <li>• the net impact on benefit outlays in each of the last two years, and allowed for in the forecasts, all as a percentage of contribution income.</li> </ul> <p>This could include the following information for each product:</p> <ul style="list-style-type: none"> <li>• the number of upgrades;</li> <li>• the number of downgrades;</li> <li>• the net effect of the upgrades and downgrades (e.g. 100 upgrades and 200 downgrades for a net downgrade of 100 for hospital treatment products in 2013-14); and</li> </ul> <p>If this is not feasible or relevant because of the size or diversity of the product range, it is suggested that information is provided as follows:</p> <ul style="list-style-type: none"> <li>• insurer level;</li> <li>• class of treatment (e.g. hospital treatment products);</li> <li>• insured group (e.g. family policies);</li> <li>• age cohort (e.g. 25-29 year olds); and/or</li> <li>• selected products (e.g. top level hospital treatment products)</li> </ul> <p>Information for individual products may be most relevant for products with significant premium increases, significant changes in membership, and/or significant increases in drawing rates.</p> <p>If no historical information is collected or no forecasting occurs, please state this, and provide reasons.</p>
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2e)	Waiting Periods	Provide information about waiting periods for hospital treatment products. This should include the number and proportion of people with waiting periods and a description of how persons on waiting periods has been incorporated into the forecasts, notably benefit outlays or drawing rates. If no historical information is collected or no forecasting occurs, please state this, and provide reasons.
2e)	Cross subsidisation	<p>Provide information about cross subsidies between products.</p> <p>This should include a description of the level of cross subsidisation between classes of treatment (e.g. general treatment products versus hospital treatment products). Where a particular product has a significantly different quantum of underwriting profit or loss compared to other products, a specific description concerning these products should be provided (e.g. product name, product type, number of policies covered, number of people covered, amount net profit/loss margin). It is suggested that information be provided to support significant absolute and/or relative premium increases for particular products (e.g. double digit premium increase for a particular product). The information provided may be more qualitative than quantitative.</p>

2e)	Gross and Net Margins	<p>Provide information about gross and net margins, inclusive of risk equalisation where possible. When summarising margins by year, it would be helpful to refer to premium years (1 April to 31 March) rather than financial years where possible.</p> <p>Identify a target for the gross margin at the insurer level. Provide an explanation about why this target is appropriate. If there is no target, please state this, and explain why. The rationale for any difference between the target and forecasts should be explained (i.e. forecast will be higher than target).</p> <p>This could include the following information for each product:</p> <ul style="list-style-type: none"> <li>• gross margin;</li> <li>• current year;</li> <li>• previous year, more if relevant; and</li> <li>• next year, more if relevant.</li> </ul> <p>If this is not feasible or relevant because of the size or diversity of the product range, it is suggested that information is provided as follows:</p> <ul style="list-style-type: none"> <li>• insurer level;</li> <li>• class of treatment (e.g. hospital treatment products);</li> <li>• selected products (e.g. top level hospital treatment products);</li> <li>• insured group (e.g. family policies);</li> <li>• age cohort (e.g. 25-29 year olds);</li> <li>• year joined insurer (e.g. FY10); and/or</li> <li>• State (e.g. WA).</li> </ul> <p>This information should provide an understanding of the profitability of the insurer.</p> <p>Information for individual products may be most relevant for products with significant premium increases and/or significant changes in gross margin.</p> <p>It is suggested that analysis of recent and forecast gross margin by other variables also be provided where it will assist in understanding the profitability experience of the insurer (e.g. by year joined insurer, by state, by age, or other relevant categories).</p>
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2e)	Capital Management	<p>Provide information about capital management, including processes and targets.</p> <p>Briefly describe the key features of the capital management process, including triggers for action and targets. Explain how these processes and targets influence the insurer's pricing philosophy. Also provide information on investment plans over the next 3 years that may impact materially on the fund's capital position.</p> <p>Describe the capital target (e.g. capital adequacy risk multiple) and its underlying assumptions. Explain why that level of capital is deemed to be necessary / appropriate.</p> <p>It is critical that insurers provide the rationale for any difference between the internal capital target and forecasts (i.e. forecast will be higher than target).</p> <p>A copy of the capital management plan may be provided, but is not required.</p>
2e)	Management expenses	Provide information about management expenses. It is suggested that for insurers forecasting an increase in the management expense ratio and/or that have historically had a higher than industry average management expense ratio, that reasons are provided for this and/or steps to be undertaken to reduce it.
2e)	Dividend payments, distributions or capital returns	Provide information about dividend payments, distributions or capital returns (i.e. capital movements from insurer to parent company; dividend payments from insurer to shareholders), if relevant. This could include an outline of the dividend payment strategy or policy.
2e)	Levies	Provide information about Government levies (e.g. State Government ambulance levies).
2e)	Investments	Provide information about investment returns. This could include an outline of the investment strategy, asset allocation, and historical and forecast returns.
2e)	Taxation	Provide information about taxation, if relevant.
2e)	Exclusions	<p>Provide information about exclusions for hospital treatment products.</p> <p>This could include:</p> <ul style="list-style-type: none"> <li>• the number of products;</li> <li>• the proportion of products;</li> <li>• a description of the pricing philosophy for products with exclusions (e.g. factors and information considered in deciding how to price comprehensive hospital treatment product compared to hospital treatment product excluding obstetrics); and</li> <li>• a description of the exclusions applied to different types of products.</li> </ul>

2e)	Restrictions	<p>Provide information about restrictions for hospital treatment products.</p> <p>This could include:</p> <ul style="list-style-type: none"> <li>• the number of products;</li> <li>• the proportion of products;</li> <li>• a description of the pricing philosophy for products with restrictions (e.g. factors and information considered in deciding how to price hospital treatment product the covers private patient in a private hospital compared to hospital treatment product that covers private patient in a public hospital only); and</li> <li>• a description of the restrictions applied to different types of products.</li> </ul>
2e)	Excesses	<p>Provide information about excesses for hospital treatment products.</p> <p>This could include:</p> <ul style="list-style-type: none"> <li>• the number of products;</li> <li>• the proportion of products;</li> <li>• a description of the pricing philosophy for products with excesses (e.g. factors and information considered in deciding how to price product with \$500 excess compared to product with \$1,000 excess); and</li> <li>• a description of the excesses applied to different types of products.</li> </ul>
2e)	Co-payments	<p>Provide information about co-payments for hospital treatment products.</p> <p>This could include:</p> <ul style="list-style-type: none"> <li>• the number of products;</li> <li>• the proportion of products;</li> <li>• a description of the pricing philosophy for products with co-payments (e.g. factors and information considered in deciding how to price product with \$50 daily co-payment compared to product with \$100 daily co-payment; maximum annual co-payment of \$500 versus no annual co-payment); and</li> <li>• a description of the co-payments applied to different types of products.</li> </ul>
2e)	Extended family	<p>Provide information about the extended family insured group.</p> <p>This could include the:</p> <ul style="list-style-type: none"> <li>• number of products;</li> <li>• number of people covered; and</li> <li>• types of people covered by these products (i.e. student dependent versus non-student dependent); and</li> <li>• pricing philosophy (e.g. 25% loading applied to relevant family product).</li> </ul> <p>Please note that extended family also includes single parent extended family.</p>

2e)	3+ Adults	<p>Provide information about the 3+ Adults insured group.</p> <p>This could include the:</p> <ul style="list-style-type: none"> <li>• number of products;</li> <li>• number of people covered;</li> <li>• types of people covered by these products (e.g. three related people residing together such as mother, father, and mother-in-law); and</li> <li>• pricing philosophy (e.g. 50% loading applied to relevant family product).</li> </ul>
2e)	Single parents	<p>Provide information about the single parent insured group.</p> <p>This could include the:</p> <ul style="list-style-type: none"> <li>• number of products;</li> <li>• number of people covered; and</li> <li>• pricing philosophy (e.g. 1.5 times the price of the same product for the single insured group).</li> </ul>
2e)	Corporate products	<p>Provide information about corporate products.</p> <p>For the purposes of the premium application, a corporate product is defined as a product which is identified as such on Standard Information Statements and products which are marketed to particular sectors or organisations (e.g. particular sector such as financial sector; particular organisation such as Rio Tinto).</p> <p>This could include the:</p> <ul style="list-style-type: none"> <li>• number of products;</li> <li>• number of people covered;</li> <li>• pricing philosophy; and</li> <li>• type of organisation to which such products are targeted and available.</li> </ul>
2e)	Rate protection and/or pre-payments	<p>Provide information about assumptions for allowance for rate protection that impact upon the forecasts provided. This could include:</p> <ul style="list-style-type: none"> <li>• maximum period of rate protection offered;</li> <li>• breakdown of proportion of payments by payment frequencies (i.e. 75% fortnightly, 25% annual); and</li> <li>• proportion of consumers that are assumed to incur the new premium each month following the premium change.</li> </ul>
2e)	Hospital contracting	<p>Provide information about hospital contracting. This could include a description of contracting arrangements to ensure cost effectiveness, quality and safety, where relevant.</p>

2e)	Current and/or proposed chronic disease management programs and hospital-substitute treatment	<p>Provide information about recent and/or proposed chronic disease management programs and hospital-substitute treatment. This may also include hospital-in-the-home programs. Where possible, this should include:</p> <ul style="list-style-type: none"> <li>• an outline of the program's operation;</li> <li>• recent and/or forecast estimates of the number of people involved;</li> <li>• recent and/or forecast estimates of expenditure and/or savings; and</li> <li>• outcomes/results of the existing programs.</li> </ul>
2e)	Closed products	<p>Provide information about closed products.</p> <p>This relates to products closed in the past two financial years (i.e. 2013-14 and 2014-15).</p> <p>This could include the:</p> <ul style="list-style-type: none"> <li>• product code;</li> <li>• product name;</li> <li>• description of its scope of coverage;</li> <li>• date of closure;</li> <li>• number of policies (at the time of closure);</li> <li>• number of people covered (at the time of closure);</li> <li>• reason for closure; and</li> <li>• annual contribution income for 2013-14 and 2014-15.</li> </ul>

2e)	New products	<p>Provide information about new products.</p> <p>This relates to products:</p> <ul style="list-style-type: none"> <li>• introduced since the 2015 premium round for which there will be a premium change as part of the 2016 premium round;</li> <li>• introduced since the 2015 premium round for which there will be no premium change as part of the 2016 premium round, and</li> <li>• that will be introduced, but for which there will be no premium change as part of the 2016 premium round (this does not apply to new products which are under development but for which a decision about its introduction and scope has been determined).</li> </ul> <p>This could include:</p> <ul style="list-style-type: none"> <li>• product code, if relevant;</li> <li>• product name;</li> <li>• description of its scope of coverage;</li> <li>• date of introduction;</li> <li>• premium;</li> <li>• number of people covered (as at 30 September 2015);</li> <li>• reason for introduction; and</li> <li>• recent and forecast annual contribution income (as a proportion of the total contribution income by financial year).</li> </ul>
2e)	Effect of relevant changes in legislation, regulation, or Government policy	<p>Provide information about any relevant changes in legislation, regulation, or Government policy that may affect the financial forecasts. This should include details about data and assumptions, and specific information regarding the estimated impact on margins (as a percentage of contribution income is preferred).</p>
2e)	Proposed rule changes	<p>Provide information about proposed rule changes.</p> <p>In particular, this should include information about benefit reductions and changes to exclusions/restrictions since the 2015 premium round or proposed for introduction. State the estimated impact as a percentage of total contribution income.</p> <p>Insurers are requested to provide this information on a good faith basis. That is, insurers are not obliged to implement the proposed rule changes should circumstances change following the submission of the premium application. Insurers are also allowed to implement rule changes not outlined in the premium application if a decision on such a change is made following submission of the application. However, if a rule change is under serious consideration despite a final decision not having been made, and it would take effect in the period covered by the forecasts, then it is suggested that a reference is included in the application.</p>

2e)	Other relevant matters	<p>Provide information about any other relevant matters.</p> <p>This could include:</p> <ul style="list-style-type: none"> <li>• price competitiveness;</li> <li>• other prudential matters;</li> <li>• risk equalisation pool transfers;</li> <li>• description of effects of any assumed premium changes after 1 April 2016;</li> <li>• comprehensiveness of product coverage;</li> <li>• focus on regional areas;</li> <li>• benefit enhancements or improvements in benefits;</li> <li>• benefit payout ratios; and/or</li> <li>• health related business effect upon health insurance business (e.g. hospital or dental centre ownership, Overseas Visitors Health Cover).</li> </ul> <p>For price competitiveness, the following information is suggested:</p> <ul style="list-style-type: none"> <li>• relativities between the premiums charged for key products or most popular products in comparison to insurers with comparable products; and</li> <li>• perspectives on possible reasons for the price differences.</li> </ul>
2f)	Consistency with Act and Rules	Provide a statement that the changes are consistent with the <i>Private Health Insurance Act 2007</i> and the associated Private Health Insurance Rules
2g)	Consent to release average premium change	Provide a statement indicating whether or not consent is provided for your average premium change to be publicly released. If consent is declined, a reason(s) should be provided. The intention is to base the premium increase announcement upon the calculation of forecast contribution income including rate protection (refer to section 2(c) of the requirements).
2h)	Actuarial opinion	Provide an opinion from the Appointed Actuary regarding whether the financial forecasts and assumptions are reasonable central estimates.
2i)	Contact person	<p>Provide the contact details of a primary contact person, and an alternate contact person.</p> <p>This should include:</p> <ul style="list-style-type: none"> <li>• name;</li> <li>• position title;</li> <li>• landline telephone number;</li> <li>• mobile phone number;</li> <li>• e-mail address; and</li> <li>• dates of availability or non-availability.</li> </ul>

## TEMPLATES

### Template A – Products

Product information must be supplied for **all products**, regardless of whether a change in premium is being sought. Common oversights to be aware of when compiling the application include:

- not including all products – information should be provided for all products, even if some products have the same price (i.e. information must be provided for couple policies even if they are priced the same as family policies and information has already been included for family policies);
- inclusion of Overseas Visitors Health Cover products – this information should not be included; only include information about complying health insurance products;
- creation of new categories or terminology as a substitute for drop down list – this should not occur; only select from the options allowed for from the drop down lists required;
- not including the full Standard Information Statement (SIS) product code – enter the full product code as per the SIS and do not truncate by omitting the insurer identifier component;
- entering the same Standard Information Statement product code for different products – each insured group should have its own unique code;

The examples provided are hypothetical and not necessarily intended to be realistic.

Field	Data Entry Guidelines	Example
Insurer Name	Do not enter any information as this is an automated field.	Aussie Aussie Aussie Health Insurance Pty Ltd
State/Territory	<p>Select from the drop down list the State or Territory in which the product is available. This should be consistent with the risk equalisation jurisdiction for APRA reporting with the exception of NSW/ACT. It is recognised that NSW and ACT products must be identically priced and packaged and therefore much of the information provided will be identical (e.g. product code, product name, 2016 monthly premium). However, some information will be different depending upon whether the policyholders reside in NSW or ACT (e.g. total number of people covered by this product). Each State/Territory must be recorded separately (i.e. if the same product is available in multiple states do not record in the same row as NSW/ACT/VIC but in individual rows). Where possible, please keep products for each state grouped together (e.g. all NT products in consecutive rows).</p> <p>NSW = New South Wales            ACT = Australian Capital Territory            NT = Northern Territory            QLD = Queensland            SA = South Australia            TAS = Tasmania            VIC = Victoria            WA = Western Australia</p>	<p><b>Drop down list:</b>            NSW            ACT            NT            QLD            SA            TAS            VIC            WA</p>
SIS Product Code	Enter in full the unique product identification code for the product, exactly as generated in the Standard Information Statement by privatehealth.gov.au (i.e. do not truncate by omitting insurer identifier component of code). This includes products that are closed, or have zero policies, or zero people. It is anticipated that the only products without a product code may be ambulance only products.	AAA/H9/Z0000T
Product Name	Enter the product name. If the name is duplicated across products, do not leave any rows blank, but instead enter the identical name for each product. As far as possible, this should be consistent with the information recorded in the Standard Information Statement for the product. Where the product name will be changing, enter the recent name rather than the proposed new name.	Gold Extras Cover
Product Status	Select from the drop down list whether the product is open (available for purchase) or closed (not available for purchase by new members) as at 30 September 2015.	<p><b>Drop down list:</b>            Open            Closed</p>

Corporate Product Statement	Enter the corporate product statement. This should be consistent with the information recorded in the Standard Information Statement for the product with that particular unique product identification code. If the product is not a corporate product then leave blank.	Employees/Members of organisations with arrangements with health insurer OR Employees/Members of [insert company/organisation name] OR Blank
Product Type	Select from the drop down list the product type. This should be consistent with the information recorded in the Standard Information Statement for the product with that particular unique product identification code.	<b>Drop down list:</b> Hospital = Hospital treatment only General = General treatment only Combined = Combined Hospital and General Treatment Ambulance = Ambulance Only
Insured Group	Select from the drop down list the insured group for the product. As far as possible, this should be consistent with the information recorded in the Standard Information Statement for the product with that particular unique product identification code. However, there may be some exceptions (e.g. reporting of extended family may not correspond with SIS due to way SIS information about 3+ Adults and extended family is collated).  Enter information for each product subgroup separately even if different insured groups have the same price (e.g. include couples information in a separate row from families information even if they have the same prices).	<b>Drop down list:</b> ChildrenOnly Couple ExtendedFamily ExtendedSingleParentFamily Family Single SingleParentFamily 3+Adults
Hospital Class	Select from the drop down list the level of cover offered by the product. This should be consistent with the information recorded in the Standard Information Statement for the product with that particular unique product identification code.	<b>Drop down list:</b> Top Medium Budget Public
General Class	Select from the drop down list the level of cover offered by the product. This should be consistent with the information recorded in the Standard Information Statement for the product with that particular unique product identification code.	<b>Drop down list:</b> Comprehensive Medium Budget
Annual Excess	Enter the amount of the excess for the product. This is the maximum annual excess for the policy (i.e. \$500 should be entered if the excess is \$250 per admission per person but limited to a maximum of \$500 per year). This should be consistent with the information recorded in the Standard Information Statement for the product with that particular unique product identification code.	\$500

Co-payments	Select from the drop down list whether the product has co-payments or not. This should be consistent with the information recorded in the Standard Information Statement for the product with that particular unique product identification code.	<b>Drop down list:</b> Yes No
Exclusions	Select from the drop down list whether the product has exclusions or not. This should be consistent with the information recorded in the Standard Information Statement for the product with that particular unique product identification code.	<b>Drop down list:</b> Yes No
Restrictions	Select from the drop down list whether the product has restrictions or not. This should be consistent with the information recorded in the Standard Information Statement for the product with that particular unique product identification code.	<b>Drop down list:</b> Yes No
2015 Monthly Premium	Enter the rent price per month for the product. This price should reflect the full price and exclude the rebate, LHC loadings, and discounts. There is no requirement to round to the nearest five cents, although the template is set up to automatically round to two decimal points.	\$100.05
2016 Monthly Premium	Enter the proposed new price per month for the product. This price should reflect the full price and exclude the rebate, LHC loadings, and discounts. There is no requirement to round to the nearest five cents, although the template is set up to automatically round to two decimal points.	\$105.10
People covered	Enter the total number of people covered by the policies comprising the insured group for the particular product as at 30 September 2015 (e.g. number of people covered by couples policies for the product). Do not record SEUs.	2,000
Policies covered	Enter the total number of policies comprising the insured group for the particular product as at 30 September 2015 (e.g. number of couples policies for the product). Do not record SEUs.	1,000
2016 Premium Increase (\$)	Do not enter any information as this is an automated field that calculates the dollar value of the premium change.	
2016 Premium Increase (%)	Do not enter any information as this is an automated field that calculates the percentage increase of the premium change.	

## **Template B – Financials**

Information requested in dollars should be entered as thousands of dollars (i.e. \$'000).

Forecasts are required for the period October 2015 to March 2018.

## Template C – Snapshot

The snapshot of key information must be completed using the template provided in Attachment A. Please enter information for the insurer as a whole (i.e. no need to indicate individual State/Territory information).

The examples provided are hypothetical and not necessarily intended to be realistic.

Field	Data Entry Guidelines	Example
Insurer Name	Enter the name as registered with APRA as at the application date.	Aussie Aussie Aussie Health Insurance Pty Ltd
Abbreviation	Enter the relevant abbreviation as at the application date.	AAA
For-profit/not-for-profit status	Select from the drop down list the profit status as registered with APRA as at the application date.	For-profit
Open/restricted status	Select from the drop down list the membership status as registered with APRA as at the application date.	Open
Date of effect	Enter the proposed date of effect of the premium increase.	1/4/2016
Brief reason(s)	Enter a brief outline for the premium changes. There is a limit of 600 characters.	Increasing cost of hospital treatment costs, particularly cardiac related procedures. Increasing utilisation of hospital services among members. Expansion in scope of coverage and benefit levels for general treatment services.
Benefit Outlays	Enter the amount of growth in total benefit outlays for the 12 months to 30 June 2014 (i.e. 2013-14 financial year), 30 June 2015, 30 June 2016, 30 June 2017, and 30 June 2018. This should include benefits incurred and/or payable for all classes of treatment and outstanding benefit claims, but exclude risk equalisation transfers. For the 12 months to 30 June 2014 and 30 June 2015, this should be the actual growth. For the twelve months to 30 June 2016, 30 June 2017, and 30 June 2018 this should be the forecast growth.	11.50% 8.77% 9.22% 10.00% 7.39%
Hospital benefits	Enter the hospital treatment benefits for the relevant period. Hospital treatment benefits should be calculated consistent with APRA quarterly reporting.	
Hospital SEUs	Enter the hospital SEUs for the relevant period. Hospital SEUs should be calculated consistent with APRA quarterly reporting.	
Hospital benefits per hospital SEU	Do not enter any information as this is an automated field that calculates in hospital treatment benefits per hospital SEU for the relevant period.	

Annual growth in hospital benefits per hospital SEU	Do not enter any information as this is an automated field that calculates the percentage annual growth in hospital treatment benefits per hospital SEU.	
LHC Loading Revenue	Enter the amount of Lifetime Health Cover loading revenue for the 12 months to 30 June 2014 (i.e. 2013-14 financial year), 30 June 2015, 30 June 2016, 30 June 2017, and 30 June 2018. For the 12 months to 30 June 2014 and 30 June 2015, this should be the actual revenue. For the twelve months to 30 June 2016, 30 June 2017, and 30 June 2018 this should be the forecast revenue.	\$100,000 \$200,000 \$250,000 \$275,000 \$355,000
Forecast contribution income – including rate protection	Enter the amount of the proposed average premium changes (including rate protection) for 2016, 2017, and 2018. These should be provided to 2 decimal places.	
Forecast contribution income – excluding rate protection	Enter the amount of the proposed average premium changes (excluding rate protection) for 2016, 2017, and 2018. These should be provided to 2 decimal places.	