



# Private Healthcare Australia

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# INTRODUCTION

# Since Budget night ...



## APRA has been

- **working with other agencies -  
PHIAC, Dept of Health & Treasury**
- **liaising with PHIAC**
- **interacting with industry**
- **learning and building knowledge**
- **developing operating model**

# Proposed legal framework



- **New Private Health Insurance (Prudential Supervision) Act**
  - a parallel to other industry Acts
  - under Treasurer
  - draft bill issued for consultation
- **APRA powers**

# Before 1 July 2015:



- Nothing significant for industry to do to prepare for APRA's supervision
- If you are compliant now, you will remain compliant
- No need for industry to make substantive changes to internal policy and procedures

# 1 July 2015



- PHIAC ceases to exist
- Various PHIAC functions transfer to APRA
- Majority of staff automatically transfer to APRA



# PHI Prudential Standards

- Substantially same in content as current
- Alignment with PHI (PS) Bill
- For consultation in early April
  - Prudential
  - Reporting forms

# Commitment to consultation –



- APRA general practice: 8 weeks
- At least 6 weeks for remaking PHIAC rules & standards coming to APRA (being 'remade' without change to substance)





# Standard Operating Procedures

- Don't have any legal standing - non-binding.
- Links to *PHI Act*
- No APRA equivalent, but consistent with APRA's approach
- SOP Principles



# Standard Operating Procedures Principles

- No surprises
- Transparency
- Confidentiality
- Timeliness
- Fairness
- Responsibility
- Accuracy

# From 1 July 15 ...



## APRA will ...

- proceed carefully
- retain PHIAC staff, including supervision team
- continue to build its knowledge
- assign PHIAC staff and work to APRA departments
- transfer work to new locations over time

# From 1 July 15 ...



## APRA will not ...

- make major policy changes without thorough consultation
- change solvency and capital adequacy pre-July 2016, and no present intent
- make major changes to PHIAC's approach in the near term



## Transfer on 1 July 2015 is important:

- Removes uncertainty
- Maintains continuity + momentum
- PHIAC people will have clarity



# Discussion