

Private Health Insurance

This document contains factual and general information only to assist you in understanding financial planning concepts. It is designed to be used in conjunction with a Statement of Advice.

Private Health Insurance is medical insurance in addition to Medicare. It provides you with greater flexibility regarding who administers your care and the amount of time taken to receive that care.

The level of coverage varies between policies and you can choose specific coverage according to your medical and financial needs.

It is a cost effective way of preparing for the costs involved with unforeseen accidents and illnesses.

Health care policies generally do not cover pre-existing injuries or illnesses in the first 12 months of taking out cover. Therefore the sooner you and/or your family have appropriate cover in place; the smaller the risk of being denied future cover.

The advantages of private health insurance are:

-  You can choose your own doctor and whether to be treated as a private patient in either a public or a private hospital.
-  You may also have the choice as to when you are admitted to hospital. If you choose to be treated as a private patient in a hospital (public or private), Medicare may cover you for 75% of the Medicare Benefits Schedule (MBS) fee for associated medical costs.
-  Private Health Insurance can cover a number of ancillary treatments like physiotherapy, orthodontics etc.

Private Health Care policies can vary quite significantly in cost, cover and benefits. It is important that you choose cover that will suit you and your family. Make a list of what is important to you e.g. cost, ambulance, ancillary benefits, no out of pocket treatments etc and then compare

different policies. There are online comparison tools like www.finder.com.au or www.iselect.com.au that can assist in making this decision.

Australian Government Rebate

Individuals and families may be eligible for a rebate for their private health insurance premiums. You can apply to pay the reduced rate throughout the year or to get the rebate back through your tax return. The rebate is between 0-32.8% depending on your age and income.

Information about the rebate can be found at: https://privatehealth.gov.au/health_insurance/surcharges_incentives/insurance_rebate.htm

In its 2026 Federal Budget, the Government proposed changes to the rebate for people over 65 years of age. While not yet legislated, these changes are expected to apply from 1 April 2027. This document does not address the proposed change.

What is the Lifetime Health Cover?

Lifetime Health Cover is designed to encourage Australians to take out private hospital insurance at an early age and to maintain their cover for life. It applies to all Australian

citizens and permanent residents and is an age-based levy imposed on those who fail to take out hospital cover until later in life. Essentially it is a 2% loading that is charged on top of the premium each year that you do not have private healthcare in place. The loading can make taking out private health insurance expensive if you wait until later in life.

Factual Information Disclaimer

This information has been provided as factual information only. We have not considered your personal financial circumstances, needs or objectives.

Whilst all care has been taken in the preparation of this material, it is based on our understanding of current regulatory requirements and laws at the publication date. As these laws are subject to change you should speak with an authorised adviser or relevant professional for the most up-to-date information. Any case studies, graphs or examples are for illustrative purposes only and are based on specific assumptions and calculations. Past performance is not an indication of future performance.