



Report to the Australian Senate

**On anti-competitive and other practices by health
insurers and providers in relation to private health
insurance**

For the period 1 July 2024 to 30 June 2025

Acknowledgment of country

The ACCC acknowledges the traditional owners and custodians of Country throughout Australia and recognises their continuing connection to the land, sea and community. We pay our respects to them and their cultures; and to their Elders past, present and future.

Australian Competition and Consumer Commission
Land of the Ngunnawal people
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Executive Summary

This is the 27th report to the Australian Senate prepared by the Australian Competition and Consumer Commission (ACCC) on competition and consumer issues in the private health insurance industry. This report is for the period 1 July 2024 to 30 June 2025 (the reporting period).

This report focuses on continued insurer actions taken to return profits to policyholders which were gained from fewer claims during the COVID-19 pandemic, as well as relevant ACCC enforcement action, competition exemptions, and exclusive dealing notifications related to the private health insurance industry.

Insurers' current and planned givebacks exceed their COVID-19 savings

Insurers continued to return permanent claims savings from COVID-19 restrictions to policyholders towards meeting their public commitments not to profit from the pandemic, having returned a total of around \$4.77 billion in funds to consumers up to 30 June 2025.

A small proportion of insurers still have planned givebacks totalling around \$290 million to return further permanent claims savings to policyholders during 2025–26. These include givebacks returned between the end of the reporting period and the release of this report.

The ACCC notes that, when including these planned givebacks, the combined figure for all insurer givebacks totals around \$5.06 billion, which exceeds the insurers' combined assessed permanent claims savings of around \$4.84 billion.

Insurers have provided their givebacks in different ways. The largest method has been through direct payments to policyholders, including 'cashbacks', with cumulative returns of around \$2.69 billion through this method. Insurers have also returned around \$1.71 billion through premium relief and a smaller amount of around \$380 million through other measures.

The Department of Health, Disability and Ageing anticipates receiving some limited final reports during the 2025–26 financial year, which will conclude insurers' COVID-19 reporting requirements. The ACCC expects to provide a final update on insurers' givebacks and relief provided in response to their COVID-19 permanent claims savings after 30 June 2026.

ACCC consumer contacts and regulatory actions

The ACCC received 186 contacts (enquiries and reports) about private health insurance in 2024–25, a 22% increase from 2023–24. These contacts have been handled in accordance with the ACCC's Compliance and Enforcement Policy and Priorities. The majority of the contacts to the ACCC concerned potential false misrepresentations or misleading conduct.

On 30 June 2025, the ACCC instituted proceedings in the Federal Court against Bupa HI Pty Ltd (Bupa) for breaches of the Australian Consumer Law in relation to members' entitlements to private health insurance benefits for certain claims, affecting thousands of consumers over a period of more than five years. The ACCC and Bupa have jointly asked the Court to order Bupa to pay penalties in the amount of \$35 million and make other orders.

On 23 October 2024, the ACCC granted a 5-year authorisation to St. Luke's Medical and Hospital Benefits Association (St Lukes) and dentists in its dental partner provider network to enter and give effect to certain price capping provisions in agreements in the same local catchment areas that St Lukes owns and operates dental practices. The ACCC also granted authorisation for St Lukes to issue metrics reports to dentists in its dental partner provider network.

On 27 February 2025, the ACCC granted a 10-year authorisation to Catholic Health Australia Limited (Catholic Health) to enable its members to share data for benchmarking purposes, collectively negotiate hospital and healthcare funding arrangements, collectively negotiate with suppliers and collectively boycott large suppliers in certain circumstances. The conduct has been authorised in similar terms since 2014. The ACCC did not authorise Catholic Health members to engage in a collective boycott of the 5 largest private health insurers, as that aspect of the proposed conduct would likely result in public detriment.

On 8 August 2025, Health Insurance Fund of Australia Limited (HIF) lodged an exclusive dealing notification, with protection commencing immediately, to establish a dental provider network. The ACCC has issued a letter outlining its decision to take no further action at this time, which allows the legal protection provided by the notification to continue.

1. Introduction

For its 27th report to the Australian Senate, the Australian Competition and Consumer Commission (ACCC) focuses on continued insurer actions between 1 July 2024 and 30 June 2025 (the reporting period) to return profits to policyholders which were gained from fewer claims during the COVID-19 pandemic. The report also covers ACCC consumer contacts, enforcement action, competition exemptions, and exclusive dealing notifications which relate to the private health insurance industry, including developments since the end of the reporting period.

1.1 Senate order

This report has been prepared in compliance with an Australian Senate order, under which the ACCC has an obligation to report annually on competition and consumer issues in the private health insurance industry.¹ The complete Senate order is extracted below.

Senate order

There be laid on the table as soon as practicable after the end of each 12 months ending on or after 30 June 2003, a report by the Australian Competition and Consumer Commission containing an assessment of any anti-competitive or other practices by health insurers or providers which reduce the extent of health cover for consumers and increase their out-of-pocket medical and other expenses.

1.2 Private health insurance regulation

Private health insurance is regulated primarily under the *Private Health Insurance Act 2007*, the *Private Health Insurance (Prudential Supervision) Act 2015*, and related rules and regulations.

Private health insurance is administered by the Department of Health, Disability and Ageing² with prudential oversight provided by the Australian Prudential Regulation Authority (APRA).

APRA also publishes quarterly and annual statistics on the private health insurance industry, including on membership, coverage, benefits paid and out-of-pocket costs.³

The Private Health Insurance Ombudsman (PHIO), which is a specialist role of the Office of the Commonwealth Ombudsman, receives consumer complaints and also provides dispute resolution regarding private health insurance matters.⁴

1 Senate procedural order no. 18 Health—Assessment reports by the Australian Competition and Consumer Commission agreed to 25 March 1999, by means of an amendment to the motion that the report of the committee on Health Legislation Amendment Bill (No. 2) 1999 be adopted. J.626, amended 18 September 2002 J.761.

2 Further information on the Department of Health, Disability and Ageing's role, including its operating rules for private health insurers and providers, is available at <https://www.health.gov.au/topics/private-health-insurance>.

3 APRA's statistical publications on the private health insurance industry are available at: <https://www.apra.gov.au/statistics?industry%5B32%5D=32>.

4 Further information on the PHIO's role is available at: <https://www.ombudsman.gov.au/complaints/private-health-insurance-complaints>.

1.3 ACCC role

The ACCC is an independent Commonwealth statutory agency that promotes competition, fair trading and product safety for the benefit of consumers, businesses and the Australian community. In addition to preparing this report in accordance with the Senate order, the ACCC's role in the private health insurance sector, like the wider economy, is to enforce and encourage compliance with the *Competition and Consumer Act 2010* (CCA), including the Australian Consumer Law (ACL).

The ACCC's Compliance and Enforcement Policy and Priorities outlines our enforcement powers, functions, priorities and strategies.⁵ The ACCC updates this document each financial year to reflect current and enduring priorities.

1.4 Methodology

The ACCC does not have dedicated statutory information gathering powers for this report.

The ACCC has drawn on private health insurer reports provided by the Department of Health, Disability and Ageing on the insurers' progress in fulfilling their commitments not to profit from COVID-19 restrictions.

⁵ ACCC, *Compliance and enforcement policies and priorities*, <https://www.accc.gov.au/about-us/accc-priorities/compliance-and-enforcement-policy-and-priorities>.

2. Insurer responses to COVID-19

2.1 Insurers' initiatives to return profits to policyholders

In 2020, insurer associations and individual insurers made various public commitments to return profits gained from the reduction in claims made by policyholders due to COVID-19 restrictions.⁶

The ACCC recognises that insurers have continued to return profits from COVID-19 restrictions to policyholders by various means towards meeting their public commitments not to profit from the pandemic.

Insurer data submitted to the Department of Health, Disability and Ageing provides an industry-wide figure for 'permanent claims savings' and the total amount of money directed to 'givebacks and relief', that is, measures taken by insurers to fulfil their pandemic commitments. Insurers were able to set out their own definitions and calculation method to arrive at figures for each of these items. The ACCC has based its calculations in this section on this data.

Most insurers have defined 'permanent claims savings' as all missing claims due to the pandemic, less claims expected to materialise in the future. As at 30 June 2025, insurers have assessed that around \$4.84 billion in claims will not materialise due to COVID-19 impacts. Claims deferred during COVID-19 that were expected to materialise later were known as the deferred claims liability (DCL). No insurers have reported to the Department of Health, Disability and Ageing that they had any remaining DCL for the 2024–25 financial year.

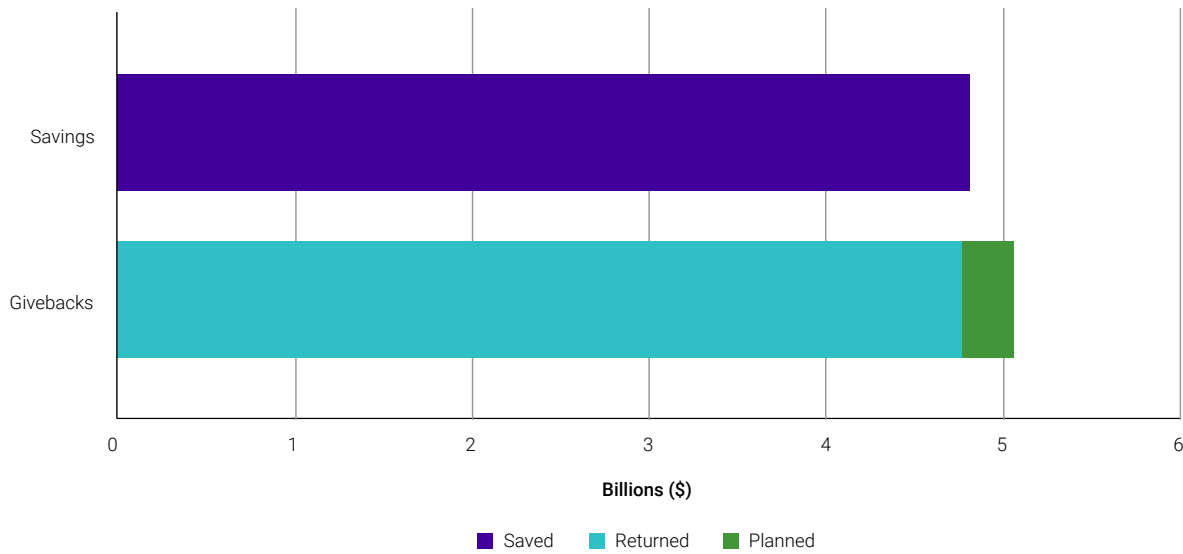
To work towards meeting their pandemic commitments, insurers have returned a total of around \$4.77 billion in funds to consumers as at 30 June 2025.

A small proportion of insurers have also reported planned measures to return further savings of around \$290 million to policyholders during 2025–26. These measures include givebacks returned between the end of the reporting period (30 June 2025) and the release of this report.

Figure 1 shows that, when including insurers' planned givebacks, the combined figure for all insurer givebacks totals around \$5.06 billion, which exceeds the insurers' combined assessed permanent claims savings of around \$4.84 billion.

⁶ ACCC, Private health insurance report 2019–20, 8 December 2020, <https://www.accc.gov.au/about-us/publications/serial-publications/private-health-insurance-reports/private-health-insurance-report-2019-20>.

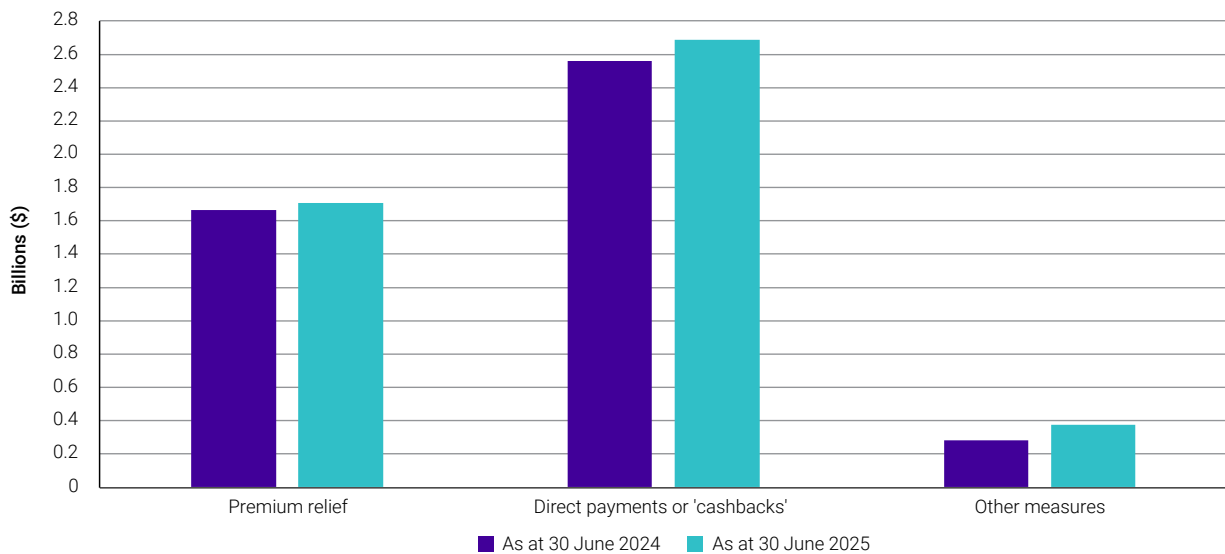
Figure 1: Private health insurers' permanent claims savings and givebacks (returned and planned), as at 30 June 2025



Source data: Department of Health, Disability and Ageing pandemic commitment monitoring reports.

Figure 2 sets out the different ways in which insurers have provided their 'givebacks and relief' to policyholders as at 30 June 2025, and the increased returns in each category since the previous reporting period. Direct payments to policyholders, including 'cashbacks', is still the largest method by dollars returned (around \$2.69 billion). This is followed by premium relief (around \$1.71 billion), particularly deferrals of planned premium increases, with a smaller amount allocated to other measures (around \$380 million).

Figure 2: Cumulative private health insurer COVID-19 'givebacks and relief' by method of distribution, as at 30 June 2025



Source data: Department of Health, Disability and Ageing pandemic commitment monitoring reports.

'Other measures' encompasses various additional insurer actions including COVID-19 hardship measures and some coverage extensions for policyholders. As first noted in our 2021–22 report, in contrast to direct payments and premium relief, some of these other measures have been made opt-in and might not apply to all members.⁷

The ACCC urges insurers to continue to ensure that any provisioning of funds for 'other measures' is utilised by policyholders. For example, if additional extras benefits offered in line with insurers' commitments not to profit from the COVID-19 pandemic are not claimed, or if the cost of hardship measures has been less than expected, insurers should take further measures to return any leftover funds.

The Department of Health, Disability and Ageing anticipates receiving some limited final reports during the 2025–26 financial year, which will conclude insurers' COVID-19 reporting requirements. The ACCC expects to provide a final update on insurers' givebacks and relief provided in response to their COVID-19 permanent claims savings after 30 June 2026.

⁷ ACCC, *Private health insurance report 2021–22*, 1 December 2022, <https://www.accc.gov.au/about-us/publications/serial-publications/private-health-insurance-reports/private-health-insurance-report-2021-22>, p 19.

3. ACCC consumer contacts and regulatory actions

This chapter notes contacts to the ACCC about private health insurers during the reporting period and summarises recent ACCC enforcement action, competition exemptions, and exclusive dealing notifications related to the industry.

3.1 Consumer contacts about private health insurance

Contacts to the ACCC about private health insurance

Although the PHIO receives most consumer complaints about private health insurance disputes, the ACCC also receives contacts (enquiries and reports) regarding the private health insurance industry.

In 2024–25, the ACCC received 186 contacts about private health insurance. This represented a 22% increase from the previous financial year, when 152 contacts were received. These contacts have been handled in accordance with the ACCC’s Compliance and Enforcement Policy and Priorities. Most of the contacts related to consumer protection issues, and 57% concerned potential false representations or misleading conduct.

3.2 Enforcement action

Bupa in Court for unconscionable conduct and misleading consumers about health insurance benefits entitlements

On 30 June 2025, the ACCC instituted proceedings in the Federal Court against Bupa HI Pty Ltd (Bupa) for breaches of the ACL in relation to members’ entitlements to private health insurance benefits for certain claims, affecting thousands of consumers over a period of more than five years.⁸

Bupa has admitted to engaging in misleading or deceptive conduct and making false or misleading representations by advising members they were not entitled to private health insurance benefits for their entire claim, when in fact they were entitled to benefits for any treatment covered under their policy. Bupa has also admitted to engaging in unconscionable conduct in connection with its assessment of certain Mixed Coverage Claims.

The ACCC and Bupa have jointly asked the Court to order Bupa to pay penalties in the amount of \$35 million and make other orders. It is a matter for the Court to determine whether the penalties and other orders are appropriate.

⁸ ACCC, [Bupa in Court for unconscionable conduct and misleading consumers about health insurance benefits entitlements](#), media release, 30 June 2025.

Bupa started compensating affected members, medical providers and hospitals, before the start of this legal action, and as at 30 June 2025, has paid \$14.3 million to parties for more than 4,100 affected claims. The ACCC has accepted a court-enforceable undertaking from Bupa to continue compensating affected parties under its existing remediation program.

3.3 Competition exemptions

Authorisation granted regarding Catholic Health Australia's data sharing and collective bargaining arrangements

On 27 February 2025, the ACCC granted a 10-year authorisation to Catholic Health Australia Limited (Catholic Health) to enable its members to share data for benchmarking purposes, collectively negotiate hospital and healthcare funding arrangements, collectively negotiate with suppliers and collectively boycott large suppliers in certain circumstances.⁹ The conduct has been authorised in similar terms since 2014. The ACCC did not authorise Catholic Health members to engage in a collective boycott of the 5 largest private health insurers, as that aspect of the proposed conduct would likely result in public detriment.

Authorisation granted regarding St. Luke's Medical and Hospital Benefits Association and its dental partner provider network in Tasmania

On 23 October 2024, the ACCC granted a 5-year authorisation to St. Luke's Medical and Hospital Benefits Association (St Lukes) and dentists in its dental partner provider network to enter and give effect to certain price capping provisions in agreements in the same local catchment areas that St Lukes owns and operates dental practices.¹⁰ The provisions include requirements for participating dentists to adhere to maximum chargeable fees for particular dental services. The ACCC also granted the authorisation for St Lukes to issue metrics reports to dentists in its dental partner provider network regarding their services delivery and billing to St Lukes members.

⁹ A copy of the application for authorisation and ACCC's determination is available at <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/catholic-health-australia-limited-and-ors>.

¹⁰ A copy of the application for authorisation and ACCC's determination is available at <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/st-lukes-medical-and-hospital-benefits-association>.

3.4 Exclusive dealing notifications

Exclusive dealing notification lodged by HIF for dental provider network

On 8 August 2025, Health Insurance Fund of Australia Limited (HIF) lodged an exclusive dealing notification, with protection commencing immediately.¹¹ HIF is a small not-for-profit private health insurer, with approximately a 3% market share in Western Australia and 0.7% market share nationally. HIF proposes to establish a dental provider network (HIF Choice Network) and pay 100% benefits on the agreed listed services (product and service limits apply) at HIF Choice Network Dentists with whom HIF establishes an agreement to provide specified services at a maximum chargeable fee. On 28 August 2025, the ACCC issued a letter outlining its decision to take no further action at this time, which allows the legal protection provided by the notification to continue unless or until the ACCC revokes the notification or the notification is withdrawn.

¹¹ A copy of the exclusive dealing notification is available at <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/exclusive-dealing-notifications-register/health-insurance-fund-of-australia-limited>.

