



4 May 2018

The Committee Secretary
Parliamentary Joint Committee on Corporations and Financial Services
Parliament House
Canberra ACT 2600

Dear Committee Secretary

Options for greater involvement by private sector life insurers in worker rehabilitation

Thank you for the opportunity to provide this brief submission to the Parliamentary Joint Committee in relation to the inquiry into options for greater involvement by private sector life insurers in worker rehabilitation.

The National Insurance Brokers Association represents over 300 insurance broking firms, and over 4,500 insurance brokers, across the cities, towns and regions of Australia.

Insurance brokers assist their business clients –

- Assess, understand and manage their risks arising out of their business operations, including the risk of workplace injury and disease;
- Access insurance markets for appropriate insurance coverage for those risks on cost effective terms; and
- Support and assist their clients when incidents occur and claims need to be pursued. In these cases, the insurance broker becomes the advocate of the client.

There are a number of mechanisms for the funding of medical and rehabilitation treatment for injury and disease in Australia. These include –

- The health insurance system, including Medicare and private health insurance;
- Life insurance, including Income Protection and Total and Permanent Disability cover;
- General insurance, including accident and health insurance, travel insurance, public liability insurance;
- Accident compensation schemes, including workplace injury compensation, motor accident compensation, national injury insurance

schemes, the National Disability Insurance Scheme, Comcare, and so on.

However, section 126 of the Health Insurance Act 1973 prohibits the making of insurance contracts which would cover the payment of medical expenses in relation to professional services for which a Medicare benefit is payable.

As this is Federal legislation, it operates to over-ride a wide range of state based legislative personal injury regimes, including state legislation with respect to compensation for accident, injury and disease.

NIBA respectfully submits that –

1. The legislative policy behind section 126 of the Health Insurance Act needs to be fully reviewed, in the context of the full array of insurance frameworks for accident, injury and disease, including worker rehabilitation and support after return to work.
2. Life insurance is one, but only one, of the potential funding mechanisms for worker rehabilitation and support after return to work. The full range of funding mechanisms need to be considered in any comprehensive review of this area.
3. There is a distinction between funding mechanisms, via insurance frameworks, and the provision of rehabilitation and support services. There are now a range of support services in the public and private sectors operating in this area, often operating under State and Territory workplace injury and disease schemes. Full account needs to be taken of the nature and range of services currently available, and the most appropriate framework for arranging the supply of these services and the funding of these services.

NIBA would be pleased to provide further information to the Committee on these matters, and to meet and discuss these matters with the Committee if required.

Yours sincerely,

Dallas Booth
Chief Executive Officer