



**Australian Government**  
**Private Health Insurance**  
**Administration Council**

**Re: Development of Corporate Governance Guidelines for the Private Health Insurance Industry**

The attached discussion paper forms part of an ongoing dialogue between the private health insurance industry and PHIAC on the development of governance guidelines for the industry.

In March 2005, PHIAC circulated draft governance principles to the industry for comment. The principles were based on the results of three years of PHIAC fund reviews and were aligned to national and international governance standards.

The revised draft incorporates feedback from the industry in the intervening twelve months. It includes written submissions and one-on-one discussions with PHIAC staff during the year.

Our goal in developing the guidelines is to provide the industry with principles which are practical to implement and relevant to the operation of all health funds. By proposing the general framework, the guidelines are intended to ensure consistency of issues across the industry whilst enabling individual funds to implement governance programs tailored to their needs.

All health fund boards are encouraged to discuss the paper and determine if their fund may benefit from a change in its approach to corporate governance.

PHIAC invites written comment on the draft by 30 July 2006. This will enable us to workshop the key issues raised by the industry in October 2006, with the objective of refining and publishing guidelines by the end of the year. Comments on the paper should be sent, or emailed, to:

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Yours sincerely

Gayle Ginnane  
Chief Executive Officer

22 June 2006