

TO BE PREPARED ON AUDIT FIRM LETTERHEAD]

INDEPENDENT AUDITOR'S REPORT

Insurer Name and Address

cc: Private Health Insurance Administration Council (PHIAC)

Report pursuant to PHIAC Circular no 08/14 (dated 25/06/2008)

We have audited the quarterly schedules of the Form PHIAC I (the Form) of [enter name of insurer], which is used by PHIAC for the purpose of collecting information about an insurer's policies and benefits for risk equalisation and statistical purposes and providing an Annual Report to Parliament for the financial year ended 30 June 2008.

The Director's Responsibility

The directors of [enter name of insurer] are responsible for ensuring compliance with the accounting and financial reporting matters contained in the PHIAC Circular no 08/14. This responsibility includes the preparation of the Form and the information contained therein and ensuring that the report is prepared in accordance with the requirements of the *Private Health Insurance Act 2007* and the risk equalisation policy rules approved by the Minister for Health and Ageing.

Auditor's Responsibility

Our responsibility is to express an opinion to PHIAC on whether the report is prepared in accordance with the requirements of the *Private Health Insurance Act 2007* and the risk equalisation policy rules approved by the Minister for Health and Ageing.

The Form has been prepared to fulfil the requirements of Circular No. 08/14. We disclaim any assumption of responsibility for any reliance on this report or on the Form to which our report relates, to any person other than PHIAC or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the PHIAC I Returns including the systems and procedures used by the Insurer to process and maintain policy records and benefits paid. These procedures have been undertaken to form an opinion as to whether, in all material respects, the PHIAC I Returns are presented fairly in accordance with the provisions of the *Private Health Insurance Act 2007* and the risk equalisation policy rules approved by the Minister for Health and Ageing.

Auditor's Opinions

In our opinion:

- 1 the information contained in the PHIAC I Returns accurately reflect the data contained in the books and records of the Insurer, and
- 2 the books and records of the Insurer have been accurately compiled so as to fairly state:
 - a the number of single, family, single parent, couples, 2+ persons no adults and 3+ adults policies to the tables of the Insurer;
 - b the number of insured persons covered by policies to the tables of the Insurer; and
 - c the Insurer's risk equalisation Benefits and Total Benefits paid during the quarterly periods.

in accordance with the provisions of Division 318 of the Private Health Insurance Act 2007 approved by the Minister for Health and Aged Care.

Where the Insurer received a qualified audit report in relation to the previous financial year we have examined the issues identified and are satisfied that the insurer has taken the appropriate steps to rectify the matters raised in that report.

[Name of Audit Firm]

Chartered Accountants

by *[Name of Partner]*

[Location]

Partner

[Date]

[Note - It is the responsibility of the auditor to ensure that their opinion is in compliance with any additional internal risk management policies and procedures.]