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Consumer Data Right Division
Treasury

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Dear colleagues

MIGA submission – Consumer data right for insurance

As a medical and professional indemnity insurer, MIGA appreciates the invitation to contribute to Treasury's Consumer Data Right (CDR) Strategic Assessment, and to meet with Department officials on these issues.

MIGA's position

MIGA considers a CDR is of limited, if any, value to consumers and insurers in the medical indemnity insurance (MII) and healthcare professional indemnity insurance (PII) sectors.

Any extension of CDR to insurance should be focused on areas where it lends the most value to consumers and insurers. That does not include MII and healthcare PII. CDR implementation in these lines of insurance would need a compelling value case, supported by research, analysis and stakeholder consultation prior to any decision on implementation.

No real value for MII and PII

MII is a highly regulated line of insurance, featuring a relatively small number of insurers offering similar products based on minimum professional and prudential requirements.

Under universal cover obligations, MII providers are required to make offers of MII cover to doctors on request, with legislated exceptions.

Detailed product information (including policy wording and product disclosure statements) is already readily available online.

This makes comparison of MII products a relatively straightforward process.

In healthcare PII the number of insurers is comparatively limited.

Given the nature of risk involved, products offered can be readily compared.

Additional analysis of healthcare PII offerings is not a matter of obtaining further information, but rather through use of relevant experts, such as brokers, lawyers and financial advisers.

Changing insurers for a health professional or healthcare entity is not a difficult process.

There is an established, efficient process for obtaining claims histories from existing insurers.

Otherwise information required for underwriting decisions is based on

- Publicly available information (e.g. Australian Health Practitioner Regulation Agency health practitioner registration database), and
- Information which professionals and entities can provide themselves without having to seek further information from a current insurer (e.g. nature of practice, current billings).

MII and PII providers hold little, if any, information that would be of broader use to their consumers in other contexts. Anything of conceivable use (such as details of cover held) is already readily available on request.

There is nothing to suggest a CDR in MII and healthcare PII would add any efficiencies or reduce cost.

Instead it is likely to add a more challenging avenue for obtaining a limited range of information more readily accessible by other means.

The structure of a CDR is likely to require greater consumer input to determine and direct the provision of information for MII and healthcare PII than what is required from consumers under existing mechanisms.

Accordingly a CDR for MII and healthcare PII is likely to add little, if any, value its consumers or their insurers.

Next steps

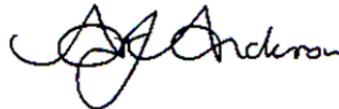
If you have any questions or would like to discuss, please contact Timothy Bowen, 02 8905 3476 / timothy.bowen@miga.com.au.

We look forward to hearing from you on the progress of this consultation.

Yours sincerely



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