

COMPETITION AND CONSUMER ACT 2010

Undertaking to the Australian Competition and Consumer Commission
given for the purposes of section 87B

by

Australian Unity Health Limited (ACN 078 722 568)

Person giving this undertaking

- 1 This undertaking is given to the Australian Competition and Consumer Commission (ACCC) by Australian Unity Health Limited (ACN 078 722 568) (**Australian Unity**) of Level 14, 114 Albert Road, South Melbourne, in the State of Victoria for the purposes of section 87B of the *Competition and Consumer Act 2010* (Cth) (**Act**).

Background

- 2 Australian Unity is a registered private health insurer that offers private health insurance (PHI) products to consumers. Consumers who take up PHI with Australian Unity are referred to by Australian Unity as 'policyholders' and individuals in respect of which benefits are payable under the policy are referred to as 'members'.
- 3 Australian Unity allows its policyholders to pay their policy premiums up to 12 months in advance.

Annual Limit for Comprehensive Extras

- 4 One of the PHI products offered by Australian Unity is Comprehensive Extras or 'E2' (**Comprehensive Extras**).
- 5 Prior to 12 September 2015, Australian Unity's Comprehensive Extras product for couples or families included one overall annual limit for dental benefits for each calendar year (**Annual Limit**). A member's Annual Limit depended on the member's years of membership, as follows:

Years of membership	Annual Limit
First	\$1,600
Second	\$1,600
Third	\$1,800
Fourth	\$1,800
Fifth	\$2,000
Sixth	\$2,400

- 6 Prior to 12 September 2015, the Annual Limit could be used by any one member under the policy (subject to any limits under the policy such as lifetime limits) or shared between members on the policy. Members with family policies could choose how to apportion the total dental benefits cap of \$1,600 to \$2,400 (depending on years of membership) among individual family members. They could choose, for example, to have one person in the family claim the entire Annual Limit in one year with other family members then not being able to claim any dental benefit for that year.
- 7 Prior to August 2015, Australian Unity provided information about its Comprehensive Extras policy to members and consumers primarily by way of policy Fact Sheets that were sent to members in around March of each year, or after purchase of a policy, and made available on the Australian Unity website. The Fact Sheets outlined the Annual Limit amounts in paragraph 5 above, and also stated the following in relation to the Annual Limit:

Yearly Limit – from January to December each year;

[Annual Limits] are shared between all people on the membership.

- 8 From 26 February 2015 to 6 January 2016, the Australian Unity website and terms and conditions (**Terms & Conditions**) also contained the following statements about Australian Unity extras cover:

Website statement

You can choose extras that gives you either a set dollar amount or set percentage back on claims, so you'll know in advance how much you'll get (yearly limits apply).

Terms & Conditions statement

Making claims

The benefits, yearly limits and excesses on your hospital and extras cover are calculated from 1 January each calendar year.

Changes to benefits

- 9 The provision of PHI in Australia is regulated, in part, by the *Private Health Insurance Act 2007* (Cth) (**PHI Act**). Under the PHI Act, a private health insurer must ensure that an adult insured under a policy issued by the insurer is informed about any proposed change to the insurer's fund rules a reasonable time before the change takes effect, if the proposed change is or may be detrimental to the interests of the insured person.
- 10 Australian Unity is also a signatory to the voluntary Private Health Insurance Code of Conduct (**Industry Code**). The Industry Code contains requirements for notification of detrimental changes to hospital and extras policy benefits.
- 11 At all material times, Australian Unity's Fact Sheets, website and Terms & Conditions did not inform members that their benefits could be changed by Australian Unity with reasonable notice.

Conduct of concern

- 12 On 12 August 2015, Australian Unity wrote to policyholders with a Comprehensive Extras couples or family policy notifying them that it was implementing changes to the Annual Limit to introduce new per person annual limits for dental benefits from 12 September 2015 (**Dental Benefits Change**).
- 13 The Dental Benefits Change introduced per person dental limits resulting in an individual family member no longer being entitled to the benefit of the full Annual Limit for the policy. Specifically, while the total Annual Limit did not change, the introduction of a per person limit meant that an individual family member was no longer entitled to the benefit of the full cap of \$1,600 to \$2,400. Each family member was subsequently limited to receiving a maximum of between \$800 and \$1,200 in dental benefits per calendar year (depending on their years of membership with Australian Unity), effectively halving the maximum dental benefit available to a member.
- 14 Moreover, the change was applied retrospectively to the 2015 calendar year. Accordingly, members who had already received dental benefits up to or beyond the new per person limit in 2015 could not receive any further benefits between 12 September 2015 and 31 December 2015. Members who had used a portion of the available dental limit could then only claim up to the new per person limit.
- 15 As part of its implementation of the Dental Benefits Change, Australian Unity formulated a policy for responding to members who contacted Australian Unity to complain about the Dental Benefits Change and who mentioned they had a dental treatment plan in place prior to the Dental Benefits Change taking effect. Under this plan, where a member contacted Australian Unity and provided evidence that they had a dental plan in place prior to the Dental Benefits Change, Australian Unity, after assessing each member's request on a case-by-case basis, may have delayed the introduction of per person limits to the member's dental benefits for either the remainder of the plan, until January 2016, or for the first year of the member's dental plan. If an affected member didn't call to complain, Australian Unity made no offer.

- 16 The ACCC raised concerns with Australian Unity that it had breached section 18, section 29(1)(g) and section 29(1)(m) of the Australian Consumer Law (contained in Schedule 2 to the Act) (ACL) through the following conduct:
- (a) representing to members through the statements made in paragraphs 7 and 8 above that their benefits were fixed for the period 1 January 2015 to 31 December 2015 and would not be subject to detrimental change during the calendar year, when in fact:
 - (i) Australian Unity considered members' benefits were subject to change at any time with reasonable notice; and
 - (ii) Australian Unity made a detrimental change to members' benefits during the calendar year when it implemented the Dental Benefits Change;
 - (b) responding to complaints about the Dental Benefits Change with standard form letters that represented that the change occurred in the future after a period of reasonable notice, when this was not the case.
- 17 Australian Unity has cooperated with the ACCC in its inquiries and admits that the conduct described in paragraphs 7, 8 and 11 is likely to have contravened sections 18, 29(1)(g) and 29(1)(m) of the ACL. While the investigation was underway, Australian Unity unilaterally committed to providing financial compensation to members. That commitment is now reflected in this undertaking.

Commencement of undertaking

- 18 This undertaking comes into effect when:
- (a) the undertaking is executed by Australian Unity; and
 - (b) the ACCC accepts the undertaking so executed.
- 19 Upon the commencement of this undertaking, Australian Unity undertakes to assume the obligations set out in paragraphs 20 to 37 below.

Undertakings as to future conduct in similar matters

- 20 Australian Unity undertakes for the purposes of section 87B of the Act that, for a period of three years from the date of this undertaking:
- (a) it will not make a detrimental change to any benefits which are represented to members or potential members as benefits provided for a 12 month period (**Annual Benefits**), during that 12 month period. For example, where an Annual Benefit is provided for the period of 1 January to 31 December, any detrimental change to the Annual Benefit will only take effect on and from 1 January of the following year;
 - (b) where it elects to make a detrimental change to an Annual Benefit as described in paragraph 20(a), it will inform members at least 60 days in advance of any change taking effect; and
 - (c) if it makes statements that represent that benefits are fixed for a period, it will not make any detrimental changes to those benefits during the period.

Undertakings as to future disclosures to members

- 21 Australian Unity undertakes for the purposes of section 87B of the Act that it will, within 30 days from the date of this undertaking:
- (a) include a new statement to appear in Australian Unity's website materials that refer to the ability for policyholders to elect to pay their premiums in advance in order to lock in the amount of their premium, to the effect that only the policyholder's premiums are fixed for that payment period (and not their benefits);
 - (b) include a new statement in its materials for its contact centre to be read out to Australian Unity policyholders who call to elect to pay their premiums in advance on a 6 monthly or 12 monthly basis, to the effect that:
 - (i) only the policyholder's premiums are fixed for that period (and not their benefits); and

- (ii) Australian Unity may make changes to benefits from time to time, subject to providing policyholders with reasonable notice and ensuring that it complies with the ACL;
- (c) include a new statement to appear on its website on the dedicated page for making online payments (at <https://www.australianunity.com.au/health-insurance/buy/payment>) when a policyholder elects to pay their premiums in advance on a 6 monthly or 12 monthly basis, to the effect that Australian Unity may make changes to benefits from time to time, subject to providing policyholders with reasonable notice and ensuring that it complies with the ACL;
- (d) amend its standard form letters and emails to policyholders advising them of detrimental changes to include a statement that Australian Unity is also bound by the ACL when making changes to benefits; and
- (e) amend its 'Changes to your Cover' clause in its Terms & Conditions and Member Guides to state that Australian Unity is bound by the ACL when making changes to benefits.

Undertakings as to member compensation

- 22 Australian Unity undertakes for the purposes of section 87B of the Act that it will pay by way of compensation an amount that is expected to be at least \$620,000 on the following basis.

Compensation available to Affected Policyholders

- 23 Australian Unity will identify all holders of a Comprehensive Extras couples or family policy (**Affected Policy**) as at 11 September 2015 (**Affected Policyholders**).

Reimbursement for out-of-pocket costs for dental services – Australian Unity data

- 24 Australian Unity will identify, based on the data it has available to it, out-of-pocket costs incurred for dental services by members as a consequence of the Dental Benefits Change under an Affected Policy between 12 September 2015 and 31 December 2015. Australian Unity will reimburse each Affected Policyholder for out-of-pocket costs incurred as a consequence of the Dental Benefits Change, up to the previous Annual Limit that applied to the Affected Policy in the 2015 calendar year (subject to any applicable limits such as lifetime limits and item number limits), in the following circumstances:
- (a) the claim was otherwise valid and payable under the Affected Policy, based on the previous overall Annual Limit that applied in 2015 (and any other applicable limits such as lifetime limits);
 - (b) the amount that the member was entitled to claim from Australian Unity for dental expenses incurred during this period was reduced or not paid because Australian Unity applied the new per person dental limit; and
 - (c) the member has not previously received an ex-gratia payment from Australian Unity under the plan outlined in paragraph 15 above, or in response to a complaint by a member about the Dental Benefits Change, that was of equal or greater value to the member's entitlements under this undertaking.
- 25 Australian Unity will assess the amount of out-of-pocket costs the Affected Policyholder is entitled to in accordance with paragraph 24 above and will automatically pay this amount to the Affected Policyholder, either by way of cheque or direct credit, within 10 Business Days of Australian Unity writing to the Affected Policyholder. Here, and in the remainder of this undertaking, Business Day means a day that is not a Saturday, a Sunday or a public holiday or bank holiday in Victoria.

Reimbursement for out-of-pocket costs for dental services – Payment of un-submitted claims

- 26 In addition, Australian Unity will write to all Affected Policyholders within 15 Business Days from the date of this undertaking offering to honour claims for dental services received by a member under an Affected Policy between 12 September 2015 and 31 December 2015 that have not yet been submitted to Australian Unity for claiming where:
- (a) a member under the Affected Policy provides evidence of payment for the dental services by 31 December 2018 that shows the service was provided between 12 September 2015 and 31 December 2015, and also provides:

- (i) the name of the relevant dentist or dental practice. Australian Unity may contact the relevant dentist or dental practice to verify the consultation date and the relevant item number(s); and
 - (ii) a completed and signed copy of the Comprehensive Extras (Dental Benefits Change) claim form;
 - (b) the claim is otherwise valid and the benefit would have been payable under the previous overall Annual Limit that applied to the Affected Policy in 2015 (and does not exceed any other claiming limit under Comprehensive Extras, e.g. lifetime claiming limit on orthodontics); and
 - (c) the member is not eligible to receive a Top-up Amount from Australian Unity under this proposed scheme, as set out in paragraph 30(a) below.
- 27 Australian Unity will assess the amount of out-of-pocket costs the Affected Policyholder is entitled to in accordance with paragraph 26 above and will pay this amount to the Affected Policyholder, either by way of cheque or direct credit, within five Business Days of receipt of all information that Australian Unity requires to process the claim.

Honouring ongoing dental plans

- 28 Australian Unity will write to all Affected Policyholders asking them if they entered into an ongoing dental treatment plan prior to 12 August 2015 (**Ongoing Dental Plan**) and will honour any claims for dental services received by a member under an Affected Policy from 1 January 2016 as part of an Ongoing Dental Plan in accordance with the overall Annual Limit that applied at the time that the dental services were received. This means that Australian Unity will remove any per person sub-limits that apply to dental services received under an Ongoing Dental Plan for the life of the plan, and will pay claims within five Business Days of receipt of all information that Australian Unity requires to process the claim, where:
- (a) the member under the Affected Policy provides Australian Unity with a copy of the Ongoing Dental Plan or a letter from the relevant dentist who recommended the plan (clearly outlining the dental treatment required under the plan) that shows that the plan was in place before 12 August 2015. Australian Unity may contact the relevant dentist to verify the initial consultation date when the plan was implemented, and the relevant item number(s);
 - (b) the member under the Affected Policy submits evidence of payment for dental services received under the Ongoing Dental Plan between 1 January 2016 and the end of the plan, and also provides:
 - (i) the name of the relevant dentist or dental practice. Australian Unity may contact the relevant dentist or dental practice to verify the consultation date and the relevant item number(s); and
 - (i) a completed and signed copy of the Comprehensive Extras (Dental Benefits Change) claim form; and
 - (c) the claim is otherwise valid under the Affected Policy and the benefit would have been payable under the overall Annual Limit that applied to the Affected Policy at the time the dental services were provided (and does not exceed any other claiming limit under Comprehensive Extras, e.g. lifetime claiming limit on orthodontics).

Affected Policyholders who no longer hold an extras policy with Australian Unity will only be eligible to make claims under this paragraph 28 for dental services received from 1 January 2016 until the date that their extras policy terminated.

Additional compensation available to high claiming members – Top-up Amount

- 29 Australian Unity will also identify all Affected Policies where a member under that policy claimed benefits for dental services in the 2015 calendar year totalling within \$200 of the new per person dental limit (**High Claiming Member**) and will provide additional compensation to the Affected Policyholder as set out in paragraph 30.
- 30 Australian Unity will pay additional compensation as follows:
- (a) Where a High Claiming Member under an Affected Policy:

- (i) made a claim for dental benefits in January 2016 or February 2016; and
- (ii) made claims for dental benefits during the 2016 calendar year that were within \$200 of the new per person dental limit,

Australian Unity will pay an additional amount (**Top-up Amount**) to the Affected Policyholder within 10 Business Days of writing to the Affected Policyholder. The Top-up Amount will be paid as follows:

- (i) Australian Unity will identify the previous overall Annual Limit that applied to the Affected Policy in the 2015 calendar year (**CY15 Annual Limit**);
- (ii) Australian Unity will calculate the total benefits already paid for dental services for each member under the Affected Policy in the 2015 calendar year, plus any amounts that are otherwise to be paid under this undertaking (other than Goodwill Amounts); and
- (iii) if the total amount paid or payable under (ii) above for a policy is less than the CY15 Annual Limit for that policy, the Top-up Amount will be the difference between that total amount and the CY15 Annual Limit (subject to any claiming limits under Comprehensive Extras).

The Top-up Amount is a goodwill gesture on the basis that High Claiming Members may have planned dental treatment up until the end of calendar year 2015 assuming that the Annual Limit under an Affected Policy for this year would not change, and delayed their dental treatment to early 2016 as a result of the Dental Benefits Change.

Additional compensation available to High Claiming Members – Goodwill Amount

- 31 Australian Unity will automatically pay \$100, either by way of cheque or direct credit, to the policyholder of an Affected Policy with a High Claiming Member (**Goodwill Amount**) within 10 Business Days of writing to the policyholder of an Affected Policy.

Compensation for members who cancelled their policies

- 32 Australian Unity has also identified those Affected Policies that were terminated between 11 August 2015 and 11 September 2015, where a member under that policy at the time of termination had claimed benefits for dental services in the 2015 calendar year totalling within \$200 of the new per person dental limit. Australian Unity estimates that there are 11 such policies. Given these policyholders may have terminated their Affected Policy as a result of the Dental Benefits Change, Australian Unity will:
 - (a) pay the Goodwill Amount to these ex-policyholders in the form of a cheque, within 25 Business Days from the date of this undertaking; and
 - (b) write to these ex-policyholders offering to honour claims for dental services received between 12 September 2015 and 31 December 2015, provided that:
 - (i) evidence of payment for the dental services is provided by 31 December 2018, together with:
 - (A) the name of the relevant dentist or dental practice. Australian Unity may contact the relevant dentist or dental practice to verify the consultation date and the relevant item number(s); and
 - (B) a completed and signed copy of the Comprehensive Extras (Dental Benefits Change) claim form; and
 - (ii) the benefit would have been payable under the member's prior Affected Policy with Australian Unity under the previous overall Annual Limit (and does not exceed any other claiming limit under Comprehensive Extras, e.g. any lifetime limits). Australian Unity will pay claims under this paragraph 32(b) within five Business Days of receipt of all information Australian Unity requires to process these claims if it is satisfied, acting reasonably, that the claim has not already been paid by another health fund or by a third party (eg. the TAC).

External auditor

- 33 Australian Unity will appoint an external auditor (at its own cost) to review Australian Unity's compliance with the compensation scheme set out in paragraphs 22 to 32 above.
- 34 The external auditor will provide reports to the ACCC outlining Australian Unity's compliance with the compensation scheme on 30 June 2018 and 30 June 2019.

Corrective notice


- 35 Australian Unity undertakes for the purposes of section 87B of the Act that it will, within 15 Business Days from the date of this undertaking, write to each Affected Policyholder informing the Affected Policyholder of this undertaking and their entitlements under the compensation scheme (see Annexures A to F to this undertaking). The form of the correspondence sent to each Affected Policyholder (i.e. Annexure A, B, C, D, E or F) will depend on the Affected Policyholder's entitlements under this undertaking.
- 36 Australian Unity undertakes for the purposes of section 87B of the Act that it will, within 30 Business Days from the date of this undertaking, write to all its current PHI policyholders (as at the date of this undertaking) in the form contained at Annexure G to this undertaking.
- 37 The text of the letters in Annexures A to G to this undertaking may be altered as necessary to reflect that a policyholder is deceased.


Acknowledgments

- 38 Australian Unity acknowledges that:
- (a) the ACCC will make this undertaking publicly available including by publishing it on the ACCC's public register of section 87B undertakings on its website;
 - (b) the ACCC will, from time to time, make public reference to the undertaking including in news media statements and in ACCC publications; and
 - (c) this undertaking in no way derogates from the rights and remedies available to any other person arising from the alleged conduct.

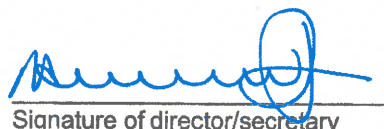
Executed by


Australian Unity Health Limited (ACN 078 722 568) through its authorised officers pursuant to section 127(1) of the Corporations Act 2001.



Signature of director


Name



Signature of director/secretary


Name

This.....2ND.....day of November 2017

ACCEPTED BY THE AUSTRALIAN COMPETITION AND CONSUMER COMMISSION PURSUANT TO
SECTION 87B OF THE COMPETITION AND CONSUMER ACT 2010.

A handwritten signature in blue ink, appearing to read 'Rod Sims', is written over a horizontal line.

Rod Sims
Chairman

This.....^{2nd}.....day of November 2017

**Annexure A – Correspondence to Affected Policyholders pursuant to paragraph 35
(entitlement under paragraphs 24, 25, 26, 27, 28 and 31)**



XX Month, 2017

Mrs Sample
1 Sample Street
SAMPLETOWN VIC 3999

Your Membership Number: <number>

Dear <first name>,

**IMPORTANT NOTICE – POTENTIAL COMPENSATION TO YOU
CLAIMS FOR DENTAL SERVICES**

I am writing to you because during 2015, you held a Comprehensive Extras policy with Australian Unity.

Changes were made to the dental benefits claims limit on your policy part way through the 2015 calendar year (Dental Benefits Change), despite the fact that our fact sheets, website and terms and conditions represented that members' benefits would not change for the period from January to December of each year.

We recognise that we should not have changed our dental claims limit in this way and that, in doing so, we are likely to have breached the Australian Consumer Law. As a result, the Australian Competition and Consumer Commission (ACCC) has accepted a court-enforceable undertaking from us. Attachment A to this letter provides further details of the Dental Benefits Change along with information on our undertaking to the ACCC and Attachment B to this letter provides information on the eligibility requirements to make additional dental claims.

We would like to apologise for any impact that the Dental Benefits Change may have caused. As an organisation, we deeply regret our actions and the inconvenience this may have caused to our members. Australian Unity prides itself on being a values-based organisation that seeks to operate to the highest standards of conduct and we did not live up to our own expectations in this regard.

To ensure that no member has been disadvantaged by the Dental Benefits Change, we are writing to each affected policyholder to advise them of payments they may be eligible to receive as compensation for our actions.

Payments available to you

Our records indicate that you may be eligible for the following payments:

- reimbursement for eligible dental claims that were submitted in 2015, but were rejected or only partially paid because of the Dental Benefits Change, and
- a one-off goodwill payment of \$100.

No action is required on your part as you will automatically receive any payments due. These payments are expected to be made by [date], and you will receive a confirmation letter shortly thereafter.

You may be entitled to make additional claims for dental services

You may also be eligible for additional payments if:

- you have any claims for dental services received between 12 September to 31 December 2015 that you did not submit, and/or
- you entered into an ongoing dental plan prior to 12 August 2015.

Attachment B provides information to help you determine whether you are eligible for additional payments. I would encourage you to read this information in full and—if you think you are eligible for further payment—complete the enclosed claims form.

Need further information?

Our call centre staff are ready to help you with any queries, or to help you submit a claim, and can be contacted on **1800 870 704** between 8.30am and 8pm AEDST from Monday to Friday.

Once again, I would like to sincerely apologise and assure you that we are reviewing our policies, processes and procedures to ensure that we better understand the impact that product changes may have on our members.

Yours sincerely

Amanda Hagan

Chief Executive Officer – Healthcare

Attachment A – Corrective Notice

Undertaking provided by Australian Unity to the Australian Competition & Consumer Commission (ACCC)

We are writing to inform you that Australian Unity Health Limited (AUHL) is likely to have breached the Australian Consumer Law when it changed its Comprehensive Extras dental benefits during 2015 (Dental Benefits Change). AUHL has provided an undertaking to the Australian Competition and Consumer Commission (ACCC) and this letter contains information on the details of that undertaking.

Before 12 September 2015, Australian Unity's Comprehensive Extras product for couples or families included one overall annual limit for dental benefits for each calendar year, which was between \$1,600 and \$2,400 (Annual Dental Limit). Members could choose how to split the Annual Dental Limit among individual family members. For example, families could decide to put the whole Annual Dental Limit towards braces for one child (subject to lifetime orthodontic limits).

Australian Unity's fact sheets, website and terms and conditions in 2015 represented that members' Comprehensive Extras benefits would not change for the period from January to December of each year. However, this was not the case.

Instead, in the middle of the year, Australian Unity changed the way the Annual Dental Limit worked. From 12 September 2015, while the total Annual Dental Limit remained the same, each individual family member could no longer claim up to the full limit, but instead could only claim up to half of it. For example, where a family had an Annual Dental Limit of \$1,600, an individual family member had previously been able to claim up to the entire \$1,600 limit. After 12 September 2015, that family member could claim up to only \$800 of the \$1,600 limit.

In August 2015, Australian Unity wrote to Comprehensive Extras members notifying them of the change. However, some members may have already relied on Australian Unity's previous representations that their benefits were fixed from January to December each year, and planned for individual family members to claim amounts for dental services that exceeded the new per-person limit.

Court enforceable undertaking

Australian Unity acknowledges that its conduct in implementing the Dental Benefits Change is likely to have breached the Australian Consumer Law.

In order to address the conduct, Australian Unity has provided a court-enforceable undertaking to the ACCC. In accordance with the undertaking, Australian Unity has made the following commitments to you and other members, among other things:

- 1.** A commitment that it will not make detrimental changes to benefits which are represented as benefits provided for a 12 month period, during that 12 month period. For example, where a benefit is provided for the period of 1 January to 31 December, any detrimental change to the benefit will only take effect from 1 January of the following year.
- 2.** A commitment to provide better information to consumers about changes to benefits, including better information about when Australian Unity is entitled to make changes to benefits, in accordance with its obligations under the Australian Consumer Law.
- 3.** A commitment to provide compensation to affected members who held a Comprehensive Extras couples or family policy as at 11 September 2015, in a total amount expected to be at least \$620,000.
- 4.** A commitment to notify members about the undertaking.

Attachment B - Eligibility to make additional dental claims

You may be eligible for additional payments to compensate you for the Dental Benefits Change. If you believe that you are eligible for an additional payment, you will need to make a claim. Instructions on how to do this are outlined below.

(a) Un-Submitted Claims

Australian Unity will honour any claims for dental services that you (or anyone else covered under your policy at the time) received between **12 September 2015 to 31 December 2015**, which you have not yet submitted to us for claiming.

Australian Unity will do this where:

- you have a valid evidence of payment for these dental services that shows the service was provided between 12 September 2015 and 31 December 2015
- you provide us with the name of the dentist or dental practice that provided you with the dental services alongside a completed and signed copy of the enclosed claims form
- you have not previously had a claim paid for these services (either by us or by another health fund or a statutory authority (eg. TAC))
- your claim would have been otherwise valid and payable under the annual dental limit that applied to your Comprehensive Extras policy as at 11 September 2015 (that is, you have not reached your annual dental limit in 2015), and
- you make a claim for these services by 31 December 2018.

(b) Ongoing Dental Plans

Australian Unity will also honour any claims for dental services you (or anyone covered under your policy) received under an ongoing dental plan. We will pay these in accordance with the annual dental limit that applied at the date of the service.

Australian Unity will do this where:

- you (or anyone else covered under your policy) entered into an ongoing dental treatment plan before 12 August 2015 (Ongoing Dental Plan)
- you provide us with a copy of the Ongoing Dental Plan or a letter from your relevant dentist and evidence of payment for any dental services received under the Ongoing Dental Plan between 1 January 2016 and the end of the plan
- you provide us with the name of the dentist or dental practice that provided you the dental services alongside a completed and signed copy of the enclosed claims form, and
- your claim is otherwise valid and payable under your Comprehensive Extras policy.

How do I make a claim?

To ensure your claim is processed promptly, please submit your claim as follows.

- **Mail** – complete the enclosed Comprehensive Extras (Dental Benefits Change) Claim Form (including any relevant evidence of payment or other required information) and return it to Australian Unity
- **Email** – complete the enclosed Comprehensive Extras (Dental Benefits Change) Claim Form and email it to **dentalclaims@australianunity.com.au**. Please attach any relevant evidence of payment or other required information to the email

**Annexure B – Correspondence to Affected Policyholders pursuant to paragraph 35
(entitlement under paragraphs 26, 27, 28, and 31)**



XX Month, 2017

Mrs Sample
1 Sample Street
SAMPLETOWN VIC 3999

Your Membership Number : <number>

Dear <first name>,

**IMPORTANT NOTICE – POTENTIAL COMPENSATION TO YOU
CLAIMS FOR DENTAL SERVICES**

I am writing to you because during 2015, you held a Comprehensive Extras policy with Australian Unity.

Changes were made to the dental benefits claims limit on your policy part way through the 2015 calendar year (Dental Benefits Change), despite the fact that our fact sheets, website and terms and conditions represented that members' benefits would not change for the period from January to December of each year.

We recognise that we should not have changed our dental claims limit in this way and that, in doing so, we are likely to have breached the Australian Consumer Law. As a result, the Australian Competition and Consumer Commission (ACCC) has accepted a court-enforceable undertaking from us. Attachment A to this letter provides further details of the Dental Benefits Change, along with information on our undertaking to the ACCC and Attachment B to this letter provides information on the eligibility requirements to make additional dental claims.

We would like to apologise for any impact that the Dental Benefits Change may have caused. As an organisation, we deeply regret our actions and the inconvenience this may have caused to our members. Australian Unity prides itself on being a values-based organisation that seeks to operate to the highest standards of conduct and we did not live up to our own expectations in this regard.

To ensure that no member has been disadvantaged by the Dental Benefits Change, we are writing to each affected policyholder to advise them of payments they may be eligible to receive as compensation for our actions.

Payments available to you

Our records indicate that you are eligible for a one-off goodwill payment of \$100. No action is required on your part as you will automatically receive this payment. This payment is expected to be made by [date], and you will receive a confirmation letter shortly thereafter.

You may be entitled to make additional claims for dental services

You may also be eligible for additional payments if:

- you have any claims for dental services received between 12 September to 31 December 2015 that you did not submit, and/or
- you entered into an ongoing dental plan prior to 12 August 2015.

Attachment B provides information to help you determine whether you are eligible for additional payments. I would encourage you to read this information in full and—if you think you are eligible for further payment—complete the enclosed claims form.

Need further information?

Our call centre staff are ready to help you with any queries, or to help you submit a claim, and can be contacted on **1800 870 704** between 8.30am and 8pm AEDST from Monday to Friday.

Once again, I would like to sincerely apologise and assure you that we are reviewing our policies, processes and procedures to ensure that we better understand the impact that product changes may have on our members.

Yours sincerely

Amanda Hagan

Chief Executive Officer – Healthcare

Attachment A – Corrective Notice

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Before 12 September 2015, Australian Unity's Comprehensive Extras product for couples or families included one overall annual limit for dental benefits for each calendar year, which was between \$1,600 and \$2,400 (Annual Dental Limit). Members could choose how to split the Annual Dental Limit among individual family members. For example, families could decide to put the whole Annual Dental Limit towards braces for one child (subject to lifetime orthodontic limits).

Australian Unity's fact sheets, website and terms and conditions in 2015 represented that members' Comprehensive Extras benefits would not change for the period from January to December of each year. However, this was not the case.

Instead, in the middle of the year, Australian Unity changed the way the Annual Dental Limit worked. From 12 September 2015, while the total Annual Dental Limit remained the same, each individual family member could no longer claim up to the full limit, but instead could only claim up to half of it. For example, where a family had an Annual Dental Limit of \$1,600, an individual family member had previously been able to claim up to the entire \$1,600 limit. After 12 September 2015, that family member could claim up to only \$800 of the \$1,600 limit.

In August 2015, Australian Unity wrote to Comprehensive Extras members notifying them of the change. However, some members may have already relied on Australian Unity's previous representations that their benefits were fixed from January to December each year, and planned for individual family members to claim amounts for dental services that exceeded the new per-person limit.

Court enforceable undertaking

Australian Unity acknowledges that its conduct in implementing the Dental Benefits Change is likely to have breached the Australian Consumer Law.

In order to address the conduct, Australian Unity has provided a court-enforceable undertaking to the ACCC. In accordance with the undertaking, Australian Unity has made the following commitments to you and other members, among other things:

- 1.** A commitment that it will not make detrimental changes to benefits which are represented as benefits provided for a 12 month period, during that 12 month period. For example, where a benefit is provided for the period of 1 January to 31 December, any detrimental change to the benefit will only take effect from 1 January of the following year.
- 2.** A commitment to provide better information to consumers about changes to benefits, including better information about when Australian Unity is entitled to make changes to benefits, in accordance with its obligations under the Australian Consumer Law.
- 3.** A commitment to provide compensation to affected members who held a Comprehensive Extras couples or family policy as at 11 September 2015, in a total amount expected to be at least \$620,000.
- 4.** A commitment to notify members about the undertaking.

Attachment B - Eligibility to make additional dental claims

You may be eligible for additional payments to compensate you for the Dental Benefits Change. If you believe that you are eligible for an additional payment, you will need to make a claim. Instructions on how to do this are outlined below.

(a) Un-Submitted Claims

Australian Unity will honour any claims for dental services that you (or anyone else covered under your policy at the time) received between **12 September 2015 to 31 December 2015**, which you have not yet submitted to us for claiming.

Australian Unity will do this where:

- you have a valid evidence of payment for these dental services that shows the service was provided between 12 September 2015 and 31 December 2015
- you provide us with the name of the dentist or dental practice that provided you with the dental services alongside a completed and signed copy of the enclosed claims form
- you have not previously had a claim paid for these services (either by us or by another health fund or a statutory authority (eg. TAC))
- your claim would have been otherwise valid and payable under the annual dental limit that applied to your Comprehensive Extras policy as at 11 September 2015 (that is, you have not reached your annual dental limit in 2015), and
- you make a claim for these services by 31 December 2018.

(b) Ongoing Dental Plans

Australian Unity will also honour any claims for dental services you (or anyone covered under your policy) received under an ongoing dental plan. We will pay these in accordance with the annual dental limit that applied at the date of the service.

Australian Unity will do this where:

- you (or anyone else covered under your policy) entered into an ongoing dental treatment plan before 12 August 2015 (Ongoing Dental Plan)
- you provide us with a copy of the Ongoing Dental Plan or a letter from your relevant dentist and evidence of payment for any dental services received under the Ongoing Dental Plan between 1 January 2016 and the end of the plan
- you provide us with the name of the dentist or dental practice that provided you the dental services alongside a completed and signed copy of the enclosed claims form, and
- your claim is otherwise valid and payable under your Comprehensive Extras policy.

How do I make a claim?

To ensure your claim is processed promptly, please submit your claim as follows.

- **Mail** – complete the enclosed Comprehensive Extras (Dental Benefits Change) Claim Form (including any relevant evidence of payment or other required information) and return it to Australian Unity
- **Email** – complete the enclosed Comprehensive Extras (Dental Benefits Change) Claim Form and email it to **dentalclaims@australianunity.com.au**. Please attach any relevant evidence of payment or other required information to the email

**Annexure C – Correspondence to Affected Policyholders pursuant to paragraph 35
(entitlement under paragraphs 24, 25, 28, 29, 30, 31 or 28, 29, 30, 31)**



XX Month, 2017

Mrs Sample
1 Sample Street
SAMPLETOWN VIC 3999

Your Membership Number: <number>

Dear <first name>,

**IMPORTANT NOTICE – POTENTIAL COMPENSATION TO YOU
CLAIMS FOR DENTAL SERVICES**

I am writing to you because during 2015, you held a Comprehensive Extras policy with Australian Unity.

Changes were made to the dental benefits claims limit on your policy part way through the 2015 calendar year (Dental Benefits Change), despite the fact that our fact sheets, website and terms and conditions represented that members' benefits would not change for the period from January to December of each year.

We recognise that we should not have changed our dental claims limit in this way and that, in doing so, we are likely to have breached the Australian Consumer Law. As a result, the Australian Competition and Consumer Commission (ACCC) has accepted a court-enforceable undertaking from us. Attachment A to this letter provides further details of the Dental Benefits Change, along with information on our undertaking to the ACCC and Attachment B to this letter provides information on the eligibility requirements to make additional dental claims.

We would like to apologise for any impact that the Dental Benefits Change may have caused. As an organisation, we deeply regret our actions and the inconvenience this may have caused to our members. Australian Unity prides itself on being a values-based organisation that seeks to operate to the highest standards of conduct and we did not live up to our own expectations in this regard.

To ensure that no member has been disadvantaged by the Dental Benefits Change, we are writing to each affected policyholder to advise them of payments they may be eligible to receive as compensation for our actions.

Payments available to you

Based on your claims history, we will pay you the remainder of your 2015 annual dental limit, that is, the amount that you have not yet claimed. We will also pay you an additional goodwill amount of \$100. No action is required on your part as you will automatically receive any payments due. These payments are expected to be made by [date], and you will receive a confirmation letter shortly thereafter.

You may be entitled to make additional claims for dental services

You may also be eligible for additional payments if you entered into an ongoing dental plan prior to 12 August 2015, which extended beyond 1 January 2016.

Attachment B provides information to help you determine whether you are eligible for additional payments. I would encourage you to read this information in full and—if you think you are eligible for further payment—complete the enclosed claims form.

Need further information?

Our call centre staff are ready to help you with any queries, or to help you submit a claim, and can be contacted on **1800 870 704** between 8.30am and 8pm AEDST from Monday to Friday.

Once again, I would like to sincerely apologise and assure you that we are reviewing our policies, processes and procedures to ensure that we better understand the impact that product changes may have on our members.

Yours sincerely

Amanda Hagan

Chief Executive Officer -- Healthcare

Attachment A – Corrective Notice

Undertaking provided by Australian Unity to the Australian Competition & Consumer Commission (ACCC)

We are writing to inform you that Australian Unity Health Limited (AUHL) is likely to have breached the Australian Consumer Law when it changed its Comprehensive Extras dental benefits during 2015 (Dental Benefits Change). AUHL has provided an undertaking to the Australian Competition and Consumer Commission (ACCC) and this letter contains information on the details of that undertaking.

Before 12 September 2015, Australian Unity's Comprehensive Extras product for couples or families included one overall annual limit for dental benefits for each calendar year, which was between \$1,600 and \$2,400 (Annual Dental Limit). Members could choose how to split the Annual Dental Limit among individual family members. For example, families could decide to put the whole Annual Dental Limit towards braces for one child (subject to lifetime orthodontic limits).

Australian Unity's fact sheets, website and terms and conditions in 2015 represented that members' Comprehensive Extras benefits would not change for the period from January to December of each year. However, this was not the case.

Instead, in the middle of the year, Australian Unity changed the way the Annual Dental Limit worked. From 12 September 2015, while the total Annual Dental Limit remained the same, each individual family member could no longer claim up to the full limit, but instead could only claim up to half of it. For example, where a family had an Annual Dental Limit of \$1,600, an individual family member had previously been able to claim up to the entire \$1,600 limit. After 12 September 2015, that family member could claim up to only \$800 of the \$1,600 limit.

In August 2015, Australian Unity wrote to Comprehensive Extras members notifying them of the change. However, some members may have already relied on Australian Unity's previous representations that their benefits were fixed from January to December each year, and planned for individual family members to claim amounts for dental services that exceeded the new per-person limit.

Court enforceable undertaking

Australian Unity acknowledges that its conduct in implementing the Dental Benefits Change is likely to have breached the Australian Consumer Law.

In order to address the conduct, Australian Unity has provided a court-enforceable undertaking to the ACCC. In accordance with the undertaking, Australian Unity has made the following commitments to you and other members, among other things:

- 1.** A commitment that it will not make detrimental changes to benefits which are represented as benefits provided for a 12 month period, during that 12 month period. For example, where a benefit is provided for the period of 1 January to 31 December, any detrimental change to the benefit will only take effect from 1 January of the following year.
- 2.** A commitment to provide better information to consumers about changes to benefits, including better information about when Australian Unity is entitled to make changes to benefits, in accordance with its obligations under the Australian Consumer Law.
- 3.** A commitment to provide compensation to affected members who held a Comprehensive Extras couples or family policy as at 11 September 2015, in a total amount expected to be at least \$620,000.
- 4.** A commitment to notify members about the undertaking.

Attachment B - Eligibility to make additional dental claims

You may be eligible for additional payments to compensate you for the Dental Benefits Change. If you believe that you are eligible for an additional payment, you will need to make a claim. Instructions on how to do this are outlined below.

Ongoing Dental Plans

Australian Unity will honour any claims for dental services you (or anyone covered under your policy) received under an ongoing dental plan. We will pay these in accordance with the annual dental limit that applied at the date of the service.

Australian Unity will do this where:

- you (or anyone else covered under your policy) entered into an ongoing dental treatment plan before 12 August 2015 (Ongoing Dental Plan)
- you provide us with a copy of the Ongoing Dental Plan or a letter from your relevant dentist and evidence of payment for any dental services received under the Ongoing Dental Plan between 1 January 2016 and the end of the plan
- you provide us with the name of the dentist or dental practice that provided you the dental services alongside a completed and signed copy of the enclosed claims form, and
- your claim is otherwise valid and payable under your Comprehensive Extras policy.

How do I make a claim?

To ensure your claim is processed promptly, please submit your claim as follows.

- **Mail** – complete the enclosed Comprehensive Extras (Dental Benefits Change) Claim Form (including any relevant evidence of payment or other required information) and return it to Australian Unity
- **Email** – complete the enclosed Comprehensive Extras (Dental Benefits Change) Claim Form and email it to **dentalclaims@australianunity.com.au**. Please attach any relevant evidence of payment or other required information to the email

XX Month, 2017

Mrs Sample
1 Sample Street
SAMPLETOWN VIC 3999

Your Membership Number: <number>

Dear <first name>,

**IMPORTANT NOTICE – POTENTIAL COMPENSATION TO YOU
CLAIMS FOR DENTAL SERVICES**

I am writing to you because during 2015, you held a Comprehensive Extras policy with Australian Unity.

Changes were made to the dental benefits claims limit on your policy part way through the 2015 calendar year (Dental Benefits Change), despite the fact that our fact sheets, website and terms and conditions represented that members' benefits would not change for the period from January to December of each year.

We recognise that we should not have changed our dental claims limit in this way and that, in doing so, we are likely to have breached the Australian Consumer Law. As a result, the Australian Competition and Consumer Commission (ACCC) has accepted a court-enforceable undertaking from us. Attachment A to this letter provides further details of the Dental Benefits Change, along with information on our undertaking to the ACCC and Attachment B to this letter provides information on the eligibility requirements to make additional dental claims.

We would like to apologise for any impact that the Dental Benefits Change may have caused. As an organisation, we deeply regret our actions and the inconvenience this may have caused to our members. Australian Unity prides itself on being a values-based organisation that seeks to operate to the highest standards of conduct and we did not live up to our own expectations in this regard.

To ensure that no member has been disadvantaged by the Dental Benefits Change, we are writing to each affected policyholder to advise them of payments they may be eligible to claim for.

You may be entitled to make additional claims for dental services

You may be eligible to claim for payment if:

- you have any claims for dental services provided during the period of 12 September to 31 December 2015 that you did not submit, and/or
- you entered into an ongoing dental plan prior to 12 August 2015.

Attachment B provides information to help you determine whether you are eligible for additional payments. I would encourage you to read this information in full and—if you think you are eligible for further payment—complete the enclosed claims form.

Need further information?

Our call centre staff are ready to help you with any queries, or to help you submit a claim, and can be contacted on **13 29 39** between 8.30am and 8pm AEDST from Monday to Friday.

Once again, I would like to sincerely apologise and assure you that we are reviewing our policies, processes and procedures to ensure that we better understand the impact that product changes may have on our members.

Yours sincerely

Amanda Hagan

Chief Executive Officer – Healthcare

Attachment A – Corrective Notice

Undertaking provided by Australian Unity to the Australian Competition & Consumer Commission (ACCC)

We are writing to inform you that Australian Unity Health Limited (AUHL) is likely to have breached the Australian Consumer Law when it changed its Comprehensive Extras dental benefits during 2015 (Dental Benefits Change). AUHL has provided an undertaking to the Australian Competition and Consumer Commission (ACCC) and this letter contains information on the details of that undertaking.

Before 12 September 2015, Australian Unity's Comprehensive Extras product for couples or families included one overall annual limit for dental benefits for each calendar year, which was between \$1,600 and \$2,400 (Annual Dental Limit). Members could choose how to split the Annual Dental Limit among individual family members. For example, families could decide to put the whole Annual Dental Limit towards braces for one child (subject to lifetime orthodontic limits).

Australian Unity's fact sheets, website and terms and conditions in 2015 represented that members' Comprehensive Extras benefits would not change for the period from January to December of each year. However, this was not the case.

Instead, in the middle of the year, Australian Unity changed the way the Annual Dental Limit worked. From 12 September 2015, while the total Annual Dental Limit remained the same, each individual family member could no longer claim up to the full limit, but instead could only claim up to half of it. For example, where a family had an Annual Dental Limit of \$1,600, an individual family member had previously been able to claim up to the entire \$1,600 limit. After 12 September 2015, that family member could claim up to only \$800 of the \$1,600 limit.

In August 2015, Australian Unity wrote to Comprehensive Extras members notifying them of the change. However, some members may have already relied on Australian Unity's previous representations that their benefits were fixed from January to December each year, and planned for individual family members to claim amounts for dental services that exceeded the new per-person limit.

Court enforceable undertaking

Australian Unity acknowledges that its conduct in implementing the Dental Benefits Change is likely to have breached the Australian Consumer Law.

In order to address the conduct, Australian Unity has provided a court-enforceable undertaking to the ACCC. In accordance with the undertaking, Australian Unity has made the following commitments to you and other members, among other things:

- 1.** A commitment that it will not make detrimental changes to benefits which are represented as benefits provided for a 12 month period, during that 12 month period. For example, where a benefit is provided for the period of 1 January to 31 December, any detrimental change to the benefit will only take effect from 1 January of the following year.
- 2.** A commitment to provide better information to consumers about changes to benefits, including better information about when Australian Unity is entitled to make changes to benefits, in accordance with its obligations under the Australian Consumer Law.
- 3.** A commitment to provide compensation to affected members who held a Comprehensive Extras couples or family policy as at 11 September 2015, in a total amount expected to be at least \$620,000.
- 4.** A commitment to notify members about the undertaking.

Attachment B - Eligibility to make additional dental claims

You may be eligible for additional payments to compensate you for the Dental Benefits Change. If you believe that you are eligible for an additional payment, you will need to make a claim. Instructions on how to do this are outlined below.

(a) Un-Submitted Claims

Australian Unity will honour any claims for dental services that you (or anyone else covered under your policy at the time) received between 12 September 2015 to 31 December 2015, which you have not yet submitted to us for claiming.

Australian Unity will do this where:

- you have a valid evidence of payment for these dental services that shows the service was provided between 12 September 2015 and 31 December 2015
- you provide us with the name of the dentist or dental practice that provided you with the dental services alongside a completed and signed copy of the enclosed claims form
- you have not previously had a claim paid for these services (either by us or by another health fund or a statutory authority (eg. TAC))
- your claim would have been otherwise valid and payable under the annual dental limit that applied to your Comprehensive Extras policy as at 11 September 2015 (that is, you have not reached your annual dental limit in 2015), and
- you make a claim for these services by 31 December 2018.

(b) Ongoing Dental Plans

Australian Unity will also honour any claims for dental services you (or anyone covered under your policy) received under an ongoing dental plan. We will pay these in accordance with the annual dental limit that applied at the date of the service.

Australian Unity will do this where:

- you (or anyone else covered under your policy) entered into an ongoing dental treatment plan before 12 August 2015 (Ongoing Dental Plan)
- you provide us with a copy of the Ongoing Dental Plan or a letter from your relevant dentist and evidence of payment for any dental services received under the Ongoing Dental Plan between 1 January 2016 and the end of the plan
- you provide us with the name of the dentist or dental practice that provided you the dental services alongside a completed and signed copy of the enclosed claims form, and
- your claim is otherwise valid and payable under your Comprehensive Extras policy.

How do I make a claim?

To ensure your claim is processed promptly, please submit your claim as follows.

- **Mail** – complete the enclosed Comprehensive Extras (Dental Benefits Change) Claim Form (including any relevant evidence of payment or other required information) and return it to Australian Unity
- **Email** – complete the enclosed Comprehensive Extras (Dental Benefits Change) Claim Form and email it to dentalclaims@australianunity.com.au. Please attach any relevant evidence of payment or other required information to the email

XX Month, 2017

Mrs Sample
1 Sample Street
SAMPLETOWN VIC 3999

Your Membership Number: <number>

Dear <first name>,

**IMPORTANT NOTICE – POTENTIAL COMPENSATION TO YOU
CLAIMS FOR DENTAL SERVICES**

I am writing to you because during 2015, you held a Comprehensive Extras policy with Australian Unity.

Changes were made to the dental benefits claims limit on your policy part way through the 2015 calendar year (Dental Benefits Change), despite the fact that our fact sheets, website and terms and conditions represented that members' benefits would not change for the period from January to December of each year.

We recognise that we should not have changed our dental claims limit in this way and that, in doing so, we are likely to have breached the Australian Consumer Law. As a result, the Australian Competition and Consumer Commission (ACCC) has accepted a court-enforceable undertaking from us. Attachment A to this letter provides further details of the Dental Benefits Change, along with information on our undertaking to the ACCC and Attachment B to this letter provides information on the eligibility requirements to make additional dental claims.

We would like to apologise for any impact that the Dental Benefits Change may have caused. As an organisation, we deeply regret our actions and the inconvenience this may have caused to our members. Australian Unity prides itself on being a values-based organisation that seeks to operate to the highest standards of conduct and we did not live up to our own expectations in this regard.

To ensure that no member has been disadvantaged by the Dental Benefits Change, we are writing to each affected policyholder to advise them of payments they may be eligible to claim for.

You may be entitled to make additional claims for dental services

You may be eligible to claim for payment if you entered into an ongoing dental plan prior to 12 August 2015.

Attachment B provides information to help you determine whether you are eligible for additional payments. I would encourage you to read this information in full and—if you think you are eligible for further payment—complete the enclosed claims form.

Need further information?

Our call centre staff are ready to help you with any queries, or to help you submit a claim, and can be contacted on **13 29 39** between 8am and 8pm AEDST from Monday to Friday.

Once again, I would like to sincerely apologise and assure you that we are reviewing our policies, processes and procedures to ensure that we better understand the impact that product changes may have on our members.

Yours sincerely

Amanda Hagan

Chief Executive Officer – Healthcare

Attachment A – Corrective Notice

Undertaking provided by Australian Unity to the Australian Competition & Consumer Commission (ACCC)

We are writing to inform you that Australian Unity Health Limited (AUHL) is likely to have breached the Australian Consumer Law when it changed its Comprehensive Extras dental benefits during 2015 (Dental Benefits Change). AUHL has provided an undertaking to the Australian Competition and Consumer Commission (ACCC) and this letter contains information on the details of that undertaking.

Before 12 September 2015, Australian Unity's Comprehensive Extras product for couples or families included one overall annual limit for dental benefits for each calendar year, which was between \$1,600 and \$2,400 (Annual Dental Limit). Members could choose how to split the Annual Dental Limit among individual family members. For example, families could decide to put the whole Annual Dental Limit towards braces for one child (subject to lifetime orthodontic limits).

Australian Unity's fact sheets, website and terms and conditions in 2015 represented that members' Comprehensive Extras benefits would not change for the period from January to December of each year. However, this was not the case.

Instead, in the middle of the year, Australian Unity changed the way the Annual Dental Limit worked. From 12 September 2015, while the total Annual Dental Limit remained the same, each individual family member could no longer claim up to the full limit, but instead could only claim up to half of it. For example, where a family had an Annual Dental Limit of \$1,600, an individual family member had previously been able to claim up to the entire \$1,600 limit. After 12 September 2015, that family member could claim up to only \$800 of the \$1,600 limit.

In August 2015, Australian Unity wrote to Comprehensive Extras members notifying them of the change. However, some members may have already relied on Australian Unity's previous representations that their benefits were fixed from January to December each year, and planned for individual family members to claim amounts for dental services that exceeded the new per-person limit.

Court enforceable undertaking

Australian Unity acknowledges that its conduct in implementing the Dental Benefits Change is likely to have breached the Australian Consumer Law.

In order to address the conduct, Australian Unity has provided a court-enforceable undertaking to the ACCC. In accordance with the undertaking, Australian Unity has made the following commitments to you and other members, among other things:

- 1.** A commitment that it will not make detrimental changes to benefits which are represented as benefits provided for a 12 month period, during that 12 month period. For example, where a benefit is provided for the period of 1 January to 31 December, any detrimental change to the benefit will only take effect from 1 January of the following year.
- 2.** A commitment to provide better information to consumers about changes to benefits, including better information about when Australian Unity is entitled to make changes to benefits, in accordance with its obligations under the Australian Consumer Law.
- 3.** A commitment to provide compensation to affected members who held a Comprehensive Extras couples or family policy as at 11 September 2015, in a total amount expected to be at least \$620,000.
- 4.** A commitment to notify members about the undertaking.

Attachment B - Eligibility to make additional dental claims

You may be eligible for additional payments to compensate you for the Dental Benefits Change. If you believe that you are eligible for an additional payment, you will need to make a claim. Instructions on how to do this are outlined below.

Ongoing Dental Plans

Australian Unity will also honour any claims for dental services you (or anyone covered under your policy) received under an ongoing dental plan. We will pay these in accordance with the annual dental limit that applied at the date of the service.

Australian Unity will do this where:

- you (or anyone else covered under your policy) entered into an ongoing dental treatment plan before 12 August 2015 (Ongoing Dental Plan)
- you provide us with a copy of the Ongoing Dental Plan or a letter from your relevant dentist and evidence of payment for any dental services received under the Ongoing Dental Plan between 1 January 2016 and the end of the plan
- you provide us with the name of the dentist or dental practice that provided you with the dental services alongside a completed and signed copy of the enclosed claims form, and
- your claim is otherwise valid and payable under your Comprehensive Extras policy.

How do I make a claim?

To ensure your claim is processed promptly, please submit your claim as follows.

- **Mail** – complete the enclosed Comprehensive Extras (Dental Benefits Change) Claim Form (including any relevant evidence of payment or other required information) and return it to Australian Unity
- **Email** – complete the enclosed Comprehensive Extras (Dental Benefits Change) Claim Form and email it to **dentalclaims@australianunity.com.au**. Please attach any relevant evidence of payment or other required information to the email

**Annexure F – Correspondence to Affected Policyholders pursuant to paragraph 35
(entitlement under paragraph 32)**



XX Month, 2017

Mrs Sample
1 Sample Street
SAMPLETOWN VIC 3999

Your Membership Number: <number>

Dear <first name>,

**IMPORTANT NOTICE – POTENTIAL COMPENSATION TO YOU
CLAIMS FOR DENTAL SERVICES**

I am writing to you because during 2015, you held a Comprehensive Extras policy with Australian Unity.

Changes were made to the dental benefits claims limit on your policy part way through the 2015 calendar year (Dental Benefits Change), despite the fact that our fact sheets, website and terms and conditions represented that members' benefits would not change for the period from January to December of each year.

We recognise that we should not have changed our dental claims limit in this way and that, in doing so, we are likely to have breached the Australian Consumer Law. As a result, the Australian Competition and Consumer Commission (ACCC) has accepted a court-enforceable undertaking from us. Attachment A to this letter provides further details of the Dental Benefits Change, along with information on our undertaking to the ACCC and Attachment B to this letter provides information on the eligibility requirements to make additional dental claims.

We would like to apologise for any impact that the Dental Benefits Change may have caused. As an organisation, we deeply regret our actions and the inconvenience this may have caused to our members. Australian Unity prides itself on being a values-based organisation that seeks to operate to the highest standards of conduct and we did not live up to our own expectations in this regard.

To ensure that no member has been disadvantaged by the Dental Benefits Change, we are writing to each affected policyholder to advise them of payments they may be eligible to receive as compensation for our actions.

Payments available to you

Our records indicate that you are eligible for a one-off goodwill payment of \$100. No action is required on your part as you will automatically receive any payment due. This payment is expected to be made by [date], and you will receive a confirmation letter shortly thereafter.

You may be entitled to make additional claims for dental services

You may also be eligible for additional payments if you have any claims for dental services received between 12 September to 31 December 2015, which you did not submit to a third-party for claiming.

Attachment B provides information to help you determine whether you are eligible for additional payments. I would encourage you to read this information in full and—if you think you are eligible for further payment—complete the enclosed claims form.

Need further information?

Our call centre staff are ready to help you with any queries, or to help you submit a claim, and can be contacted on **1800 870 704** between 8.30am and 8pm AEDST from Monday to Friday.

Once again, I would like to sincerely apologise and assure you that we are reviewing our policies, processes and procedures to ensure that we better understand the impact that product changes may have on our members.

Yours sincerely

Amanda Hagan

Chief Executive Officer – Healthcare

Attachment A – Corrective Notice

Undertaking provided by Australian Unity to the Australian Competition & Consumer Commission (ACCC)

We are writing to inform you that Australian Unity Health Limited (AUHL) is likely to have breached the Australian Consumer Law when it changed its Comprehensive Extras dental benefits during 2015 (Dental Benefits Change). AUHL has provided an undertaking to the Australian Competition and Consumer Commission (ACCC) and this letter contains information on the details of that undertaking.

Before 12 September 2015, Australian Unity's Comprehensive Extras product for couples or families included one overall annual limit for dental benefits for each calendar year, which was between \$1,600 and \$2,400 (Annual Dental Limit). Members could choose how to split the Annual Dental Limit among individual family members. For example, families could decide to put the whole Annual Dental Limit towards braces for one child (subject to lifetime orthodontic limits).

Australian Unity's fact sheets, website and terms and conditions in 2015 represented that members' Comprehensive Extras benefits would not change for the period from January to December of each year. However, this was not the case.

Instead, in the middle of the year, Australian Unity changed the way the Annual Dental Limit worked. From 12 September 2015, while the total Annual Dental Limit remained the same, each individual family member could no longer claim up to the full limit, but instead could only claim up to half of it. For example, where a family had an Annual Dental Limit of \$1,600, an individual family member had previously been able to claim up to the entire \$1,600 limit. After 12 September 2015, that family member could claim up to only \$800 of the \$1,600 limit.

In August 2015, Australian Unity wrote to Comprehensive Extras members notifying them of the change. However, some members may have already relied on Australian Unity's previous representations that their benefits were fixed from January to December each year, and planned for individual family members to claim amounts for dental services that exceeded the new per-person limit.

Court enforceable undertaking

Australian Unity acknowledges that its conduct in implementing the Dental Benefits Change is likely to have breached the Australian Consumer Law.

In order to address the conduct, Australian Unity has provided a court-enforceable undertaking to the ACCC. In accordance with the undertaking, Australian Unity has made the following commitments to you and other members, among other things:

1. A commitment that it will not make detrimental changes to benefits which are represented as benefits provided for a 12 month period, during that 12 month period. For example, where a benefit is provided for the period of 1 January to 31 December, any detrimental change to the benefit will only take effect from 1 January of the following year.
2. A commitment to provide better information to consumers about changes to benefits, including better information about when Australian Unity is entitled to make changes to benefits, in accordance with its obligations under the Australian Consumer Law.
3. A commitment to provide compensation to affected members who held a Comprehensive Extras couples or family policy as at 11 September 2015, in a total amount expected to be at least \$620,000.
4. A commitment to notify members about the undertaking.

Attachment B - Eligibility to make additional dental claims

You may be eligible for additional payments to compensate you for the Dental Benefits Change. If you believe that you are eligible for an additional payment, you will need to make a claim. Instructions on how to do this are outlined below.

Un-Submitted Claims

Australian Unity will honour any claims for dental services that you (or anyone else covered under your policy at the time) received between 12 September 2015 to 31 December 2015.

Australian Unity will do this where:

- you have a valid evidence of payment for these dental services that shows the service was provided between 12 September 2015 and 31 December 2015
- you provide us with the name of the dentist or dental practice that provided you with the dental services alongside a completed and signed copy of the enclosed claims form
- you have not previously had a claim paid for these services (either by us or by another health fund or a statutory authority (eg. TAC))
- your claim would have been otherwise valid and payable under the annual dental limit that applied to your Comprehensive Extras policy as at 11 September 2015 (that is, you have not reached your annual dental limit in 2015), and
- you make a claim for these services by 31 December 2018.

How do I make a claim?

To ensure your claim is processed promptly, please submit your claim as follows.

- **Mail** – complete the enclosed Comprehensive Extras (Dental Benefits Change) Claim Form (including any relevant evidence of payment or other required information) and return it to Australian Unity
- **Email** – complete the enclosed Comprehensive Extras (Dental Benefits Change) Claim Form and email it to **dentalclaims@australianunity.com.au**. Please attach any relevant evidence of payment or other required information to the email

XX Month, 2017

Mrs Sample
1 Sample Street
SAMPLETOWN VIC 3999

Your Membership Number: <number>

Dear <first name>,

THIS LETTER IS FOR INFORMATION ONLY: NO ACTION IS REQUIRED

I am writing to inform you that Australian Unity recently provided a court enforceable undertaking to the Australian Competition and Consumer Commission (ACCC), as a result of changes we made to dental benefit limits in 2015 that are likely to have breached the Australian Consumer Law.

Changes were made to our dental benefits claims limit part way through the 2015 calendar year, despite the fact that our fact sheets, website and terms and conditions represented that members' benefits would not change for the period from January to December each year. The attachment to this letter provides further details of the changes we made to the dental benefits limit, along with information on our undertaking to the ACCC.

The changes we made affected certain members that held a Comprehensive Extras policy during 2015. We have already contacted these affected members to ensure they will be appropriately compensated.

While there is no impact to you or your policy because of these changes, we are writing to you because as an organisation, we deeply regret our actions and the inconvenience that it has caused our members. Australian Unity prides itself on being a values-based organisation that seeks to operate to the highest standards of conduct and we did not live up to our own expectations in this regard.

I would like to sincerely apologise and assure you that we are reviewing our policies, processes and procedures to ensure that we better understand the impact that product changes may have on our members.

Yours sincerely

Amanda Hagan
Chief Executive Officer – Healthcare

Attachment – Corrective Notice

Undertaking provided by Australian Unity to the Australian Competition & Consumer Commission (ACCC)

We are writing to inform you that Australian Unity Health Limited (AUHL) is likely to have breached the Australian Consumer Law when it changed its Comprehensive Extras dental benefits during 2015 (Dental Benefits Change). AUHL has provided an undertaking to the Australian Competition and Consumer Commission (ACCC) and this letter contains information on the details of that undertaking.

Before 12 September 2015, Australian Unity's Comprehensive Extras product for couples or families included one overall annual limit for dental benefits for each calendar year, which was between \$1,600 and \$2,400 (Annual Dental Limit). Members could choose how to split the Annual Dental Limit among individual family members. For example, families could decide to put the whole Annual Dental Limit towards braces for one child (subject to lifetime orthodontic limits).

Australian Unity's fact sheets, website and terms and conditions in 2015 represented that members' Comprehensive Extras benefits would not change for the period from January to December of each year. However, this was not the case.

Instead, in the middle of the year, Australian Unity changed the way the Annual Dental Limit worked. From 12 September 2015, while the total Annual Dental Limit remained the same, each individual family member could no longer claim up to the full limit, but instead could only claim up to half of it. For example, where a family had an Annual Dental Limit of \$1,600, an individual family member had previously been able to claim up to the entire \$1,600 limit. After 12 September 2015, that family member could claim up to only \$800 of the \$1,600 limit.

In August 2015, Australian Unity wrote to Comprehensive Extras members notifying them of the change. However, some members may have already relied on Australian Unity's previous representations that their benefits were fixed from January to December each year, and planned for individual family members to claim amounts for dental services that exceeded the new per-person limit.

Court enforceable undertaking

Australian Unity acknowledges that its conduct in implementing the Dental Benefits Change is likely to have breached the Australian Consumer Law.

In order to address the conduct, Australian Unity has provided a court-enforceable undertaking to the ACCC. In accordance with the undertaking, Australian Unity has made the following commitments to you and other members, among other things:

- 1.** A commitment that it will not make detrimental changes to benefits which are represented as benefits provided for a 12 month period, during that 12 month period. For example, where a benefit is provided for the period of 1 January to 31 December, any detrimental change to the benefit will only take effect from 1 January of the following year.
- 2.** A commitment to provide better information to consumers about changes to benefits, including better information about when Australian Unity is entitled to make changes to benefits, in accordance with its obligations under the Australian Consumer Law.
- 3.** A commitment to provide compensation to affected members who held a Comprehensive Extras couples or family policy as at 11 September 2015, in a total amount expected to be at least \$620,000.
- 4.** A commitment to notify members about the undertaking.