



**ANDERSEN LEGAL**

Our Ref SIG154/00023

Your Ref

Contact Joanne Kelly

10 September 2001

**Andersen Legal**

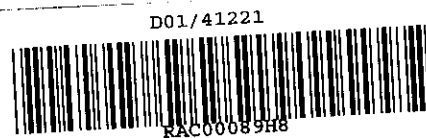
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Mr Tim Grimwade  
General Manager of Adjudication Branch  
Australian Competition & Consumer Commission  
P O Box 1199  
DICKSON ACT 2602



0200/1246

Dear Sir

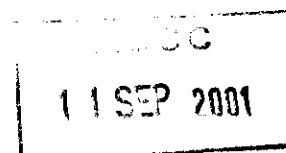
**Signature Security Group Pty Ltd**

We act for Signature Security Group Pty Ltd.

We enclose our client's Notification pursuant to section 93(1) of the *Trade Practices Act 1974* (Cth), together with a cheque in your favour for the \$100.00 filing fee.

Yours faithfully

**Joanne Kelly**  
Director  
61 2 9993 6601  
joanne.h.kelly@au.andersenlegal.com



# Form G

N90898

Commonwealth of Australia

*Trade Practices Act 1974 - Sub-section 93(1)*

## EXCLUSIVE DEALING

### NOTIFICATION

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with sub-section 93(1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to in sub-section 47(2), (3), (4), (5), (6) or (7), or paragraph 47 (8) (a), (b) or (c) or (9) (a), (b), (c) or (d) of that Act in which the person giving notice engages or proposes to engage.

1 (a) Name of person giving notice:

**Signature Security Group Pty Ltd**  
**ACN 076 836 416**

(b) Short description of business carried on by that person:

Supply and installation of monitored electronic security alarm systems.

(c) Address in Australia for service of documents on that person:

Level 3, 56 York Street, Sydney, NSW 2000

2 (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

- Monitored electronic home security alarm systems;
- Goods and services in the category of general insurance products.

(b) Description of the conduct or proposed conduct:

See Confidential Attachment A.

3 (a) Class or classes of persons to which the conduct relates:

Policyholders of GIO General Limited.

(b) Number of those persons:

i) At present time:

1.3 million.

ii) Estimated within the next year:

No projections are currently available.


(c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:

N/A

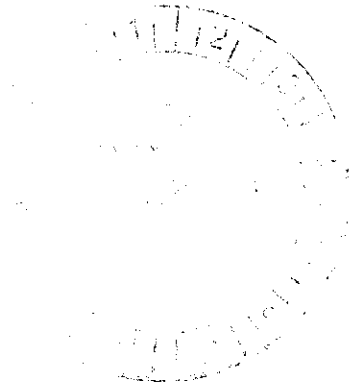
4 Name and address of person authorised by the person giving this notice to provide additional information in relation to this notice:

Joanne Kelly of Andersen Legal, 363 George Street, Sydney, NSW 2000

Dated 7 September, 2001 Signed by/on behalf of the applicant giving notice

  
.....  
(Signature)

Howard Watson  
Chief Executive Officer



**SUBMISSIONS IN SUPPORT OF NOTIFICATION APPLICATION  
OF EXCLUSIVE DEALING LODGED BY  
SIGNATURE SECURITY GROUP PTY LIMITED (ACN 076 836 416)  
IN ACCORDANCE WITH SECTION 93(1) OF THE TRADE PRACTICES ACT**

This submission reports a notification of exclusive dealing lodged by Signature Security Group Pty Limited (ACN 076 836 416) (**Signature Security**) with the Australian Competition and Consumer Commission.

**1 Notified Conduct**

- 1.1 The notifier, Signature Security, and GIO General Limited (**GIO**) have entered into an arrangement, which provides for the promotion by GIO of Signature Security monitored base home electronic alarm systems to the GIO retail customer base.
- 1.2 Signature Security will offer to give a discount in relation to the supply of a monitored base home electronic alarm system to a person who is a policy holder of GIO at a price that is discounted from Signature Security's normal selling price.
- 1.3 Signature Security may refuse to offer to give or allow the discount provided for in 1.2 above to a person unless or on the condition that that person is a policyholder of GIO.
- 1.4 The arrangement between Signature Security and GIO is a non-exclusive one.

**2 Relevant Products and Markets**

- 2.1 Signature Security is a provider of domestic and commercial monitored electronic security systems in Australia.
- 2.2 Signature Security has offices in:
  - a) Adelaide;
  - b) Brisbane;
  - c) Melbourne;
  - d) Perth; and
  - e) Sydney.
- 2.3 GIO operates in New South Wales, the ACT, Victoria, Tasmania and Western Australia.
- 2.4 GIO currently has [ ] policyholders in its general insurance, including home, motor and compulsory third party insurance.
- 2.5 Signature Security's offer to GIO policyholders is to install a monitored base home electronic alarm system for a price of [ ] together with a monthly monitoring fee of [ ] for the term of a 60-month monitoring agreement, to be entered into between Signature Security and GIO policyholders. This represents a discount from Signature Security's normal retail price for the same base product of [ ] for the base system and [ ] per month monitoring fee (all prices quoted are GST-inclusive).

2.6 A Signature Security base alarm security system comprises:

- (i) 1 control panel with battery backup;
- (ii) 1 code pad;
- (iii) 2 motion detectors;
- (iv) 1 internal screamer siren;
- (v) 1 external siren and strobe light;
- (vi) 1 Mode 3 connection; and
- (vii) back-to-base monitoring.

### **3 Promotion of Signature Security Monitored Base Home Electronic Alarm Systems**

3.1 The proposed marketing by GIO of the Signature Security monitored base home electronic alarm systems will involve:

- a) Tele-claims: Inbound tele-claim callers will be offered a no-obligation quotation from Signature Security for its monitored base home electronic alarm system. Requests to purchase or enquiries relating to Signature Security systems will be referred to Signature Security by an e-mail system;
- b) Direct mail promotion to existing GIO policyholders;
- c) Signature Security brochures will be on display at GIO retail outlets.

### **4 Possible Application of Trade Practices Act**

4.1 On one interpretation, the offer to be made by Signature Security of a discount to GIO policyholders is conditioned by the requirement that the proposed acquirer of the goods or services, must have first become a policyholder of GIO. Arguably, therefore, the provisions of s47(6) and s47(7) of the Trade Practices Act may apply.

4.2 It is submitted, however, that there is no element of compulsion forcing or requiring a GIO policyholder to acquire goods or services from Signature Security.

### **5 Public Benefit**

5.1 The proposed conduct is a competitive response by Signature Security and GIO General Insurance. It provides GIO customers with the opportunity to acquire the benefits and discounts of a Signature Security monitored base home electronic alarm system, resulting in lower prices for those policyholders and will therefore serve to increase competition in the markets for both insurance and home security systems.

5.2 The GIO customers are able to purchase the Signature Security system at a discounted rate, which means that more members of the public will potentially benefit from the protection of a security system to guard their property against burglary and/or fire. It also has the flow-on effect of reducing insurance premiums because the security system is likely to reduce the occurrence of burglary and/or fire.

5.3 GIO offers reduced premiums to policyholders who have installed a back-to-base home alarm system.

5.4 GIO customers are not compelled to purchase both products together and may purchase each product separately.

## **6 Detriment**

- 6.1 There is no detriment associated with the proposed conduct. The conduct is no more than an exhibition of competitive conduct in a highly competitive insurance and security industry. The conduct has clear benefits for customers who may obtain discounts on home security alarm systems.

For these reasons and based on the information provided in this submission and the Form G Notification which it supports, it is submitted that the notified conduct should not be opposed by the Commission, but should let this notification stand.