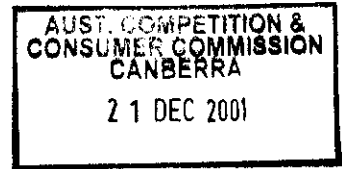


L A W Y E R S

PLUM 15264



20 December 2001

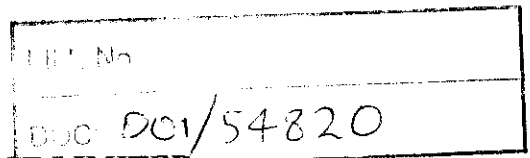
Mr Tim Grimwade
Acting General Manager of Adjudication Branch
Australian Competition and Consumer Commission
PO Box 1199
DICKSON ACT 2602

Contact
Cam Truong (03) 9672 3550
Email: Cam_Truong@corrs.com.au

Partner
Stephen Kroker

Our reference
SCK/CT/AUST8503-6534539

Dear Sir



AUSTRALIAN UNITY GENERAL INSURANCE LIMITED
THIRD LINE FORCING NOTIFICATION

We act for Australian Unity General Insurance Limited ("AUGIL") and enclose:

- a notification for AUGIL in accordance with Section 93(1) of the Trade Practices Act 1974, concerning the proposed supply of or offering to supply free family pet (cats and dogs) accident insurance coverage for up to 6 months (for claims totalling up to \$4000 per year) ("Pet Insurance Policy") on the condition that persons acquiring the Pet Insurance Policy also acquire health insurance policies from Australian Unity Health Limited ("AUHL");
submission in support of the notification; and
a cheque for \$1000 in payment of the applicable statutory lodgement fees.

AUGIL intends to commence promoting the proposed Pet Insurance Policy fourteen days from the date of this notification.

If you require any further assistance regarding this notification, please contact me on (03) 9672 3494 or Cam Truong on (03) 9672 3550.

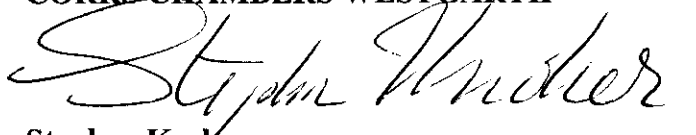
20 December 2001

Page 2

Australian Competition and Consumer Commission
AUSTRALIAN UNITY GENERAL INSURANCE LIMITED
THIRD LINE FORCING NOTIFICATION

Yours faithfully

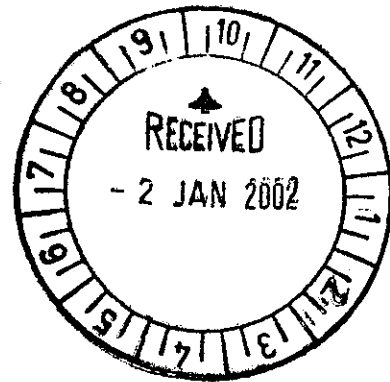
CORRS CHAMBERS WESTGARTH



Stephen Kroker

Partner

encl



FORM G

Regulation 9

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 engaged or proposes to engage.

(PLEASE READ DIRECTIONS AND NOTICE ON BACK OF FORM)

- 1 (a) Name of person giving notice
Australian Unity General Insurance Limited ("**AUGIL**")
- (b) Short description of business carried on by that person
Provider of general insurance products.
- (c) Address in Australia for service of documents on that person
c/- Corrs Chambers Westgarth
600 Bourke Street
MELBOURNE VIC 3000
Reference: Stephen Kroker
- 2 (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates
Accident insurance coverage for family pets (cats and dogs) for up to 6 months (for claims totalling up to \$4000 per year) ("**Pet Insurance Policy**").
- (b) Description of the conduct or proposed conduct
Supplying or offering to supply the Pet Insurance Policy free of charge on the condition that the person supplied or offered supply will acquire a health insurance policy from Australian Unity Health Limited ("**AUHL**").
- (See Direction 4 on the back of this Form)
- 3 (a) Class or classes of persons to which the conduct relates
AUGIL, AUHL and all actual and potential purchasers of AUGIL pet insurance policies and AUHL health insurance policies.

(b) Number of those persons -

(i) At the present time

All actual and potential purchasers of AUGIL pet insurance policies and AUHL health insurance policies.

(ii) Estimated within the next year

10,200

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

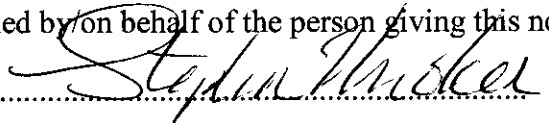
Not applicable.

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

Stephen Kroker
Partner
CORRS CHAMBERS WESTGARTH
600 Bourke Street
MELBOURNE VIC 3000

Dated 20 December, 2001

Signed by/on behalf of the person giving this notice



(Signature)

STEPHEN CHARLES KROKER

(Full Name)

PARTNER, CORRS CHAMBERS WESTGARTH

(Description)

DIRECTIONS

- 1 If there is insufficient space on this form for the required information, the information is to be shown on separate sheets, numbers consecutively and signed by or on behalf of the person giving the notice.
- 2 If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1(a), not the name of the person signing the notice, and the notice is to be signed by a person authorised by the corporation to do so.
- 3 In item 1(b), describe that part of the business of the person giving the notice in the course of which the conduct is engaged in.
- 4 If particulars of a condition or of a reason of the type referred to in sub-section 47(2), (3), (4), (5), (6), (7), (8) or (9) of the *Trade Practices Act* 1974 have been reduced in whole or in part to writing, a copy of the writing is to be furnished with the notice.
- 5 In item 3(a), describe the nature of the business carried on by the persons referred to in that item.
- 6 In item 3(b)(ii), state an estimate of the highest number of persons with whom the person giving notice is likely to deal in the course of engaging in the conduct at any time during the next year.

NOTICE

If this notification is in respect of conduct of a kind referred to in sub-section 47(6) or (7) or paragraph 47(8)(c) or (9)(d) of the *Trade Practices Act* 1974 ("the Act"), it comes into force at the end of the period prescribed for the purposes of subsection 93(7A) of the Act ("the prescribed period") unless the Commission gives a notice under sub-section 93A(2) of the Act within the prescribed period, or this notification is withdrawn.

The prescribed period is 21 days (if this notification is given on or before 30 June 1996) or 14 days (if this notification is given after 30 June 1996), starting on the day when this notification is given.

If the Commission gives a notice under sub-section 93A(2) of the Act within the prescribed period, this notification will not come into force unless the Commission, after completing the procedures in section 93A of the Act, decides not to give a notice under subsection 93(3A) of the Act. The notification comes into force when that decision is made.

If this notification is in respect of conduct of a kind referred to in subsection 47(2), (3), (4) or (5), or paragraph 47(8)(a) or (b) or (9)(a), (b) or (c), of the Act, it comes into force when it is given.

AUSTRALIAN UNITY GENERAL INSURANCE LIMITED

SUBMISSION TO THE AUSTRALIAN COMPETITION AND CONSUMER COMMISSION REGARDING THIRD LINE FORCING NOTIFICATION

1 INTRODUCTION

- 1.1 Australian Unity General Insurance Limited ABN 47 004 125 268 of 114 Albert Road, South Melbourne, Victoria (“AUGIL”) is a provider of general insurance products.
- 1.2 AUGIL proposes to offer family pet (cats and dogs) accident insurance coverage for up to 6 months (for claims totalling up to \$4000 per year) (“**Pet Insurance Policy**”).
- 1.3 AUGIL wishes to supply or offer to supply the Pet Insurance Policy free of charge on the condition that the person acquiring the Pet Insurance Policy will also acquire a health insurance policy from Australian Unity Health Limited (“AUHL”).
- 1.4 It is intended that persons acquiring from AUHL:
- a “Singles” health insurance policy be entitled to accident insurance coverage for one pet; and
 - a “Family” health insurance policy be entitled to accident insurance coverage for two pets,
- under the proposed Pet Insurance Policy.
- 1.5 Supplying or offering to supply the Pet Insurance Policy free of charge on the above condition may involve AUGIL engaging in conduct which contravenes the prohibition against third line forcing in sub-sections 47(6) and (7) of the Trade Practices Act 1974 (“Act”).

2 PUBLIC BENEFITS

- 2.1 AUGIL submits that the following public benefits will result from the proposed conduct:
- purchasers of AUHL health insurance policies (if they choose to participate) will receive up to 6 months accident insurance coverage for at least one family pet, at no additional cost to the purchase price of such policies;
 - participants wishing to obtain accident insurance coverage for their family pet(s) following the “free” 6 month period will be entitled to a reduced insurance premium from AUGIL for such insurance coverage thereafter.
- 2.2 People wishing to acquire insurance products from AUGIL or AUHL will have a genuine choice as to whether to:
- accept the Pet Insurance Policy free of charge, thereby gaining the benefits of free accident insurance coverage of up to 6 months for at least one family pet (participants may withdraw from the Pet Insurance Policy at any time and there is no requirement to acquire any pet insurance services from AUGIL after the free 6 month period);

- simply acquire AUGIL pet insurance policies on a stand-alone basis (and pay the standard insurance premium); or
- simply acquire AUHL health insurance policies on a stand-alone basis (and not receive the benefits of the Pet Insurance Policy free of charge).

Consumers will be able to make their choice on a normal commercial basis of price, expected benefits and what insurance products best meet their respective needs.

3 ANY PUBLIC DETRIMENT?

The only possible detriment (if any) which may result from the proposed conduct is that persons wishing to obtain the Pet Insurance Policy free of charge will need to acquire at least one health insurance product from AUHL.

4 RELEVANT MARKETS

4.1 AUGIL submits that the relevant markets are:

- the market for the supply of pet insurance policies; and
- the market for the supply of health insurance policies.

4.2 Within these markets:

- AUGIL supplies pet insurance services at the retail level; and
- AUHL supplies health insurance services at the retail level.

4.3 Given the highly competitive nature of these markets and AUGIL's and AUHL's modest positions within such markets, supplying or offering to supply the Pet Insurance Policy free of charge on the proposed condition will not lessen competition in these markets, or any other markets. Indeed, AUGIL submits that its proposed conduct will promote competition in the relevant markets, particularly the market for the supply of health insurance policies at the retail level.

5 CONCLUSION

5.1 To avoid any risk of contravening the prohibition against third line forcing, AUGIL is lodging a notification with the Commission in accordance with sub-section 93(1) of the Act.

5.2 AUGIL submits that the likely benefit to the public from the proposed conduct will clearly outweigh any possible detriment to the public resulting from it, in accordance with the statutory test set out in section 93(3A) of the Act.