

BE POSITIVE

22 March 2005

FILE No:
DOC:
MARS/PRISM:

MBF Australia Limited  
ABN 81 000 057 590

50 Bridge Street  
Sydney NSW 2000  
Australia

Telephone +61 2 9323 9500

[www.mbf.com.au](http://www.mbf.com.au)

Australian Competition and Consumer Commission  
Level 7, Angel Place  
123 Pitt Street  
SYDNEY NSW 2000

Dear Sir/Madam

**MBF Australia Limited / MBF Life Limited**

Please find enclosed:

- (a) completed Form G Exclusive Dealing Notifications (Third Line Forcing) by MBF Australia Limited, together with submission in support;
- (b) completed Form G Exclusive Dealing Notifications (Third Line Forcing) by MBF Life Limited, together with submission in support; and
- (c) cheque in the sum of \$1200,

by MBF Australia Limited and MBF Life Limited in relation to potential third line forcing conduct under the Trade Practices Act 1974.

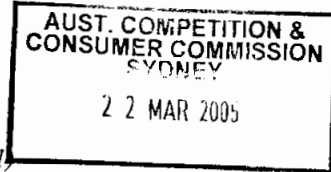
If you have any questions in relation to this notification, or require any additional information please contact Ayela Thilo on (02) 9323 9898.

Yours faithfully

**Ayela Thilo**  
Corporate Lawyer

# Form G

Commonwealth of Australia  
*Trade Practices Act 1974 --- Sub-section 93(1)*  
**EXCLUSIVE DEALING  
NOTIFICATION**



N. 31370

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**

MBF AUSTRALIA LIMITED ACN 000 057 590

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

Health insurance

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

Level 18, 50 Bridge Street, SYDNEY NSW 2000

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

Health insurance and other member-related services

**(b) Description of the conduct or proposed conduct**

Discounts or allowances provided from time to time on MBF Australia Limited products to persons who are life insurance policy owners with MBF Life Limited, a related body corporate of MBF Australia Limited

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

Life insurance policy owners with MBF Life Limited

**(b) Number of those persons:**

(i) **At Present**  
66,800

(ii) **Estimated within the next year**

74,000

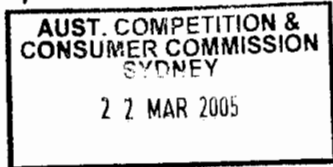
**(c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses**

Not applicable

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

Juli Brown  
Group Executive Group Marketing  
MBF Australia Limited  
Level 18  
50 Bridge Street  
SYDNEY NSW 2000  
Fax - 9323 9076

Dated 21/3/ 2005



Signed by/on behalf of the applicant giving notice

Juli Brown  
(Signature)

JULI ANNE BROWN  
(Full Name)

GROUP EXECUTIVE, GROUP MARKETING  
(Description)

## MBF AUSTRALIA LIMITED

### SUBMISSIONS TO AUSTRALIAN COMPETITION AND CONSUMER COMMISSION IN SUPPORT OF NOTIFICATION OF EXCLUSIVE DEALINGS RELATING TO MBF AUSTRALIA LIMITED AND MBF LIFE LIMITED

#### **1. Description of business carried on by MBF Australia Limited and MBF Life Limited**

- 1.1 MBF Australia Limited (MBF) is a mutual organisation which currently provides a range of health insurance products to the Australian public, referred to below as the “members of MBF”.
- 1.2 MBF Life Limited (MLL) a related company of MBF, is a registered life insurance company and issues life insurance products to the Australian public.

#### **2. Description of the goods or services in relation to the supply or acquisition of which this notice relates**

- 2.1 MLL sells life insurance products to the Australian public in general who may or may not be members of MBF.

#### **3. Third line forcing**

- 3.1 MLL may from time to time offer a discount or allowances on its life insurance products to primary members of MBF.
- 3.2 MLL does not provide the same discount or allowances to individuals as a benefit of being a primary member of another health fund.

#### **4. Public benefit – Differentiation of MBF in the marketplace**

- 4.1 The ability of MBF to offer such a benefit to its primary members above those of other health funds is an important mechanism for the differentiation of MBF in the health insurance market.
- 4.2 Differentiation of an organisation in the market is a prime element in the encouragement of healthy competition.

#### **5. Detriment to the public**

- 5.1 The only possible detriment to the public arising as a result of this arrangement is the possibility that people who are not primary members of MBF will not be provided with the same discounts by MLL.
- 5.2 However, other health funds may make similar arrangements with other competitors to offer the same discounts to their members, thereby competing with MBF.
- 5.3 The offer does not limit the genuine choice of customers whether or not they take out health insurance or life insurance with MBF or MLL.

**6. Public benefit / Public detriment**

- 6.1 Accordingly, the public benefit outlined above will, it is submitted, outweigh the public detriment caused by the arrangement as proposed in the accompanying notification.



## Form G

Commonwealth of Australia  
*Trade Practices Act 1974 --- Sub-section 93(1)*  
**EXCLUSIVE DEALING  
NOTIFICATION**

N. 31371

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**

MBF LIFE LIMITED ACN 000 021 581

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

Issuer of life insurance products

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

Level 18, 50 Bridge Street, SYDNEY NSW 2000

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

Life insurance products

**(b) Description of the conduct or proposed conduct**

Discounts or allowances provided from time to time on MBF Life Limited life insurance policies to persons who are primary members of MBF Australia Limited, of which MBF Life Limited is a related body corporate

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

Primary members of MBF Australia Limited

**(b) Number of those persons:**

**(i) At Present**

790,000 primary members

**(ii) Estimated within the next year**

806,000 primary members

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

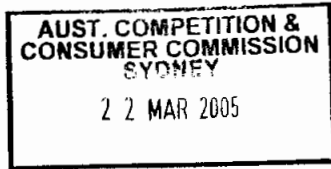
Not applicable

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

John Huijsen  
General Manager MBF Life  
MBF Life Limited  
Level 18  
50 Bridge Street  
SYDNEY NSW 2000  
Fax - 9323 9076

Dated... 21st March ... 2005

Signed by/on behalf of the applicant giving notice



J. Huijsen  
(Signature)

John Huijsen  
(Full Name)

General Manager, MBF life  
(Description)

## MBF LIFE LIMITED

### SUBMISSIONS TO AUSTRALIAN COMPETITION AND CONSUMER COMMISSION IN SUPPORT OF NOTIFICATION OF EXCLUSIVE DEALINGS RELATING TO MBF AUSTRALIA LIMITED AND MBF LIFE LIMITED

#### **1. Description of business carried on by MBF Australia Limited and MBF Life Limited**

- 1.1 MBF Life Limited (MLL) a related company of MBF Australia Limited (MBF), is a registered life insurance company and issues life insurance products to the Australian public.
- 1.2 MBF is a mutual organisation which currently provides a range of health insurance products to the Australian public, referred to below as the "members of MBF".

#### **2. Description of the goods or services in relation to the supply or acquisition of which this notice relates**

- 2.1 MBF sells health insurance products to the Australian public in general who may or may not be life policy owners with an MLL product.

#### **3. Third line forcing**

- 3.1 MBF may from time to time offer discounts or allowances on its health insurance products to policy owners of MLL.
- 3.2 MBF does not provide the same discount or allowances to individuals as a benefit of being policy owners of another life insurance company.

#### **4. Public benefit – Differentiation of MLL in the marketplace**

- 4.1 The ability of MLL to offer such a benefit to its life policy owners above those of other life insurance companies is an important mechanism for the differentiation of MLL in the life insurance market.
- 4.2 Differentiation of an organisation in the market is a prime element in the encouragement of healthy competition.

#### **5. Detriment to the public**

- 5.1 The only possible detriment to the public arising as a result of this arrangement is the possibility that people who are not life policy owners of MLL products will not be provided with the same discounts or allowances by MBF.
- 5.2 However, other life insurance companies may make similar arrangements with other competitors to offer the same discounts to life policy owners, thereby competing with MLL.
- 5.3 The offer does not limit the genuine choice of customers whether or not they take out health insurance or life insurance with MBF or MLL (as the case may be).



**6. Public benefit / Public detriment**

- 6.1 Accordingly, the public benefit outlined above will, it is submitted, outweigh the public detriment caused by the arrangement as proposed in the accompanying notification.