



AWIB P/L t/as Alan Wilson Insurance Brokers ABN 68 825 024 356  
 AFS Licence No: 234502  
 101 Hotham Street • Traralgon • Vic • 3844  
 PO Box 1045 • Traralgon • 3844  
 Phone (03) 5174 6622 • Fax (03) 5175 0000 • DX No 84418 Traralgon  
 Email info@awib.com.au



Member of National Insurance Brokers Association

Winner Sportscover International  
 Broker of the Year 2002

11<sup>th</sup> January 2005

FILE No:
DOC:
MARS/PRISM

Mr. M Green,  
 Projects Officer  
 Australian Competition & Consumer Commission  
 P O Box 1199  
 Dickson. ACT. 2602



Dear Mr. Green,

Re: Exclusive Dealings Notification Application

Further to our recent discussions, I confirm that our Company is the appointed insurance broker for the Fire Protection Association Australia.

Part of our appointment was to complete a comprehensive insurance survey of a selection of the membership base. The results showed there was a need to establish an Insurance Scheme specially designed for those in the Fire Protection business. As part of this scheme we plan to offer reduced insurance rates to members of the Fire Protection Association Australia.

To avoid any possible problems with the Trades Practices Act, we would like to apply for immunity. Enclosed is the exclusive dealing Form G notification, our submission and our cheque for \$100 being the lodgement fee.

I look forward to receiving your confirmation of the notification and if further information is required, please contact me on 03 51 775500.

Yours faithfully,

Alan N Wilson. CIP. QPIB.  
 ANZIF (Senior Assoc)  
 Dip Financial Services (Broking)  
 Managing Director

## FORM G

### Commonwealth of Australia

### Trade Practices Act 1974 – Subsection 93(1)

### Exclusive Dealings: Notifications

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 subsection 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:  
AWIB Pty Ltd T/as Alan Wilson Insurance Brokers (ABN 68825024 356)
- (b) Short description of business carried on by that person:  
Alan Wilson Insurance brokers carries on the business of providing general insurance.
- (c) Address in Australia for service of documents on that person:  
101 Hotham Street Traralgon 3844
  
- 2 (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:  
Alan Wilson Insurance Brokers provides insurances to the members of the Fire Protection Association Australia
- (b) Description of the conduct or proposed conduct:  
Alan Wilson Insurance Brokers intends to offer various discounts on Public Liability Insurance and professional Indemnity Insurance to members of the Fire Protection Association Australia
  
- 3 (a) Class or classes of persons to which the conduct relates:  
Members or potential members of the Fire Protection Association Australia interested in purchasing Public & Product Liability and Professional Indemnity Insurance

- (b) Numbers of those persons?
  - (i) At the present time  
Currently the FPAA have 1500 members
  - (ii) Estimated within the next year  
The FPAA estimate that they will have approx 2,500 members
- (c) Where number of persons stated in item 3 (b) (i) is less than 50, there names and address:

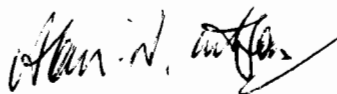
Not applicable

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

Alan Noel Wilson, Alan Wilson Insurance Brokers 101 Hotham Street  
Traralgon 3844 Victoria

Dated.....11/1/2005.....

Signed by/on behalf of the applicant giving notice:



Alan Noel Wilson. CIP. QPIB.  
ANZIIF (Senior Assoc)  
Dip Financial Services (Broking)  
Managing Director

## **Submission in support of exclusive dealing**

### **1 Background**

#### **1.1 Alan Wilson Insurance Brokers**

Alan Wilson Insurance Brokers hold an Australian Financial Services License (No234502) and are licensed General Insurance Brokers who operate from premises at 101 Hotham Street Traralgon 3844. They have been operating for over 20 years and arrange insurance for a wide range of clientele. They have experience in all types of general insurance, including domestic, business and commercial. Alan Wilson Insurance Brokers also have prepared and implemented insurance schemes for other business organizations.

AWIB have been appointed as the Insurance brokers for the FPAA and part of the appointment was to survey a cross section of the membership base of the FPAA to ascertain details of insurance problems, premium examples and a 5 year claims history.

After completion of this comprehensive survey they were to design and implement an insurance scheme designed specifically for FPAA members

#### **1.2 Fire Protection Association Australia**

The Fire Protection Association Australia (FPAA) is the national professional body representing those that are involved in fire protection in Australia. It was formed in 1997 by the merging of the Fire Protection Industry Association and the Fire Protection Association. They operate in all states and territories of Australia and liaise with Government, Australian Standards and all other statutory bodies regarding professional, education and legislation issues.

Over the past 4 years insurance issues has been the biggest complaint that the FPAA has received from the members. Public Liability premiums had increased dramatically with some members not being able to purchase cover and others facing the possibility of closing their business. Professional Indemnity Insurance was not available to all members and the premium levels for those with covers were expensive.

The insurance survey conducted by Alan Wilson Insurance Brokers, on behalf of the FPAA showed only approx 85% of the membership based was able to obtain or afford public liability insurance and the approx 5 year claims loss ratio for FPAA members were under 15%. For Professional Indemnity insurance only approx 39% of the membership were able to obtain this class of insurance and the approx 5 year claims loss ratio for FPAA members was under 5%.

## **Submission in support of exclusive dealing**

### **1 Background (cont)**

#### **1.2 Fire Protection Association Australia (cont)**

Members of FPAA are subject to Licensing and Accrediting system. The purpose of this licensing and accreditation is to have a consistent occupational licensing in the fire protection industry based upon nationally endorsed training packages and qualifications.

Members of the FPAA have greater access to information and matters relevant to risk management through:

- Publication of Fire Australia, Australia's principal journal on fire
- Provision of Industry Code of Practice for the Installation and Maintenance of Fire Protection Equipment
- Production of other specialist newsletters, e.g. FireTalk and HazMat News
- Maintenance of special interest groups within the Association
- Conducting conferences, exhibitions, seminars & workshops
- Provision of training in equipment service & industry fire safety
- Development of technical policies and associated projects
- Representation on fire related committees of Standards Australia
- Representation to Government regarding the regulatory environment
- Present submissions to Government Inquiries on Fire/Industry related issues
- Coordination of Fire Awareness Week activities between States
- Sales of fire related publications, videos and other resource material
- The conduct of public awareness programs
- Promotion of the international fire community

The FPAA have a disputes facility which allows complaints by members of the public to be initially received and handled and potentially resolved before they become claims.

One of the primary benefits as a member of the FPAA is to obtain access to insurance negotiated by the Association and their Broker, in particular Public Liability and Professional Indemnity insurance. These premiums are likely to be more beneficial to the member than if they negotiated these themselves.

Because of the capacity of the FPAA to provide on going information and education to it's members about developments in the fire protection industry, risk management, disputes handling and the survey results of good claims history of the members, the FPAA perceive that their members have a safer risk profile than a non member and therefore risk of a claim being made against a member is reduced by virtue of being a member of the Association.

## **Submission in support of exclusive dealing**

### **2. The notified conduct**

Alan Wilson Insurance Brokers intend to offer a various discounts on insurance to members of the Fire Protection Association Australia (FPAA), approx 25% for Professional Indemnity Insurance and 15% for Public & Products Liability Insurance.

### **3. Possible applications of the Trade Practice Act**

On one interpretation of the offer, Alan Wilson Insurance Brokers offer FPAA members a discount on principally Public Liability and Professional Indemnity Insurance on the condition that the customer is a member of the FPAA. Accordingly, section 47(6) and (7) of the Trade Practices Act 1974 (Cth) may arguably apply.

### **4. Market**

The market in which the conduct relates is the market for General Insurance in Australia and, in particular the market for Public Liability and Professional Indemnity Insurance.

### **5. Analysis of the conduct**

The proposed conduct is a competitive response and is likely to result in a public benefit for the following reasons:

There is no element of compulsion or exclusivity for those involved in the fire protection industry. They are not required to be a FPAA member, nor are they compelled to purchase insurance from FPAA Insurance Scheme through Alan Wilson Insurance Brokers.

Other Insurers offer Public Liability and Professional Indemnity insurance for those who are involved in the fire protection business. This conduct will have no detrimental effect on competition in the general insurance industry and most likely it will increase competition.

This conduct aims to recognise underwriting differences that the risk profile of members of the FPAA, as evidenced by the claims experience obtained in the survey and the risk management strategies of the FPAA may warrant the offering of different insurance premiums to members and non members of the FPAA.

## Submission in support of exclusive dealing

### 5. Analysis of the conduct (cont)

Alan Wilson Insurance Brokers will wholesale the FPAA Insurance rates to other insurance brokers in Australia, provided that Broker has an Australian Financial Services License and their staff are qualified and experienced to handle this type of insurance.

Accordingly, Alan Wilson Insurance Brokers submit that the conduct will have no anti – competitive effect and thus no public detriment and, to the contrary, there are many likely benefits that will arise from the conduct.

Dated the 11<sup>h</sup> day of January 2005

A handwritten signature in black ink, appearing to read "Alan N. Wilson", is written over a horizontal dotted line.

Alan N Wilson. CIP. QPIB.  
ANZIIF (Senior Assoc)  
Dip Financial Services (Broking)

Managing Director  
Alan Wilson Insurance Brokers  
P O Box 1045  
Traralgon 3844