



**Australian
Competition &
Consumer
Commission**

Our Ref: C2004/1520
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19 November 2004

BY FACSIMILE

Mr Ian Wylie
Partner
Blake Dawson Waldron
Level 35, Grosvenor Place
225 George Street
Sydney NSW 2000

Dear Mr Wylie

Insurance Australia Group Choice of Repairer Notifications of third line forcing

I refer to your letters dated 26 October 2004 and 10 November 2004 in respect of the third line forcing notifications lodged with the Australian Competition and Consumer Commission (the ACCC) on 27 September 2004 relating to the Choice of Repairer Policy.

You advise that the notified conduct relates to the offering of the higher priced Choice of Repairer Policy option, whereby the IAG Insurers are refusing to give a discount in relation to the supply of motor vehicle insurance (ie the Standard Policy price) for the reason that the insured has not agreed to acquire repair services directly or indirectly from a preferred smash repairer or an associate smash repairer.

You advise that, characterised this way, you consider that the conduct falls within the description of third line forcing in section 47(7)(c) of the *Trade Practices Act 1974*(Cth)(TPA).

The ACCC proposes to proceed with its assessment of the notifications based on this clarification of the notified conduct. The ACCC considers that, in lodging the notifications, the IAG Insurers consider themselves at risk of breaching section 47(7)(c) of the TPA.

The ACCC intends to seek submissions from interested parties in relation to the likely public benefits and detriments from the notified conduct and any non-confidential



submissions will be provided to you for information and/or comment.

A copy of this letter, and your letters dated 26 October 2004 and 10 November 2004, will be placed on the ACCC's public register. If you have any questions about this matter please contact Joanne Palisi on 02 6243 1051.

Yours sincerely



Tim Grimwade
General Manager
Adjudication Branch