



Australian Competition & Consumer Commission

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Our Ref: C2004/381  
Contact Officer: Amanda Dadd  
Contact Number: (02) 6243 1391

31 March 2004

Aldo Nicotra  
General Counsel  
Insurance Australia Group Limited  
388 George Street  
SYDNEY NSW 2000

Dear Mr Nicotra

**Notifications of exclusive dealing lodged by SGIC General Insurance Limited (N31280), Insurance Australia Limited (N31281) and CGU Insurance Limited (N31282)**

I refer to the above third line forcing notifications lodged by SGIC General Insurance Limited, Insurance Australia Limited and CGU Insurance Limited, jointly referred to as the IAG Members on 24 February 2004 with the Australian Competition and Consumer Commission (the Commission).

You have described the conduct in respect of each notification as follows.

*Notification N31280 lodged by SGIC General Insurance Limited (SGIC)*

This notification details an arrangement in which SGIC proposes to provide consumers with an indemnity for the cost of the first hour of legal services provided by a legal firm nominated by SGIC from time to time. This indemnity will be available to consumers on the condition they acquire home buildings insurance, home contents insurance, or combined home buildings and contents insurance from an IAG Member, and who are over 50 years of age (50+ Policyholder) or are a co-insured of a 50+ Policyholder.

*Notification N31281 lodged by Insurance Australia Limited (IAL)*

This notification details an arrangement in which IAL proposes to offer consumers a discount on installation or monitoring cost of a monitored home security system (the IAL security system) on the condition they acquire home buildings insurance, home contents insurance, or combined home buildings and contents insurance from an IAG Member, and are over 50 years of age (50+ Policyholder) or are a co-insured of a 50+ Policyholder.



*Notification N31282 lodged by CGU Insurance Limited (CGU)*

This notification details an arrangement in which CGU proposes to offer consumers a discount on CGU's travel insurance on the condition they acquire home buildings insurance, home contents insurance, or combined home buildings and contents insurance from an IAG Member, and are over 50 years of age (50+ Policyholder) or are a co-insured of a 50+ Policyholder.

Legal immunity provided by these notifications commenced on 9 March 2004.

On the basis of the information that you have provided, it is not intended that further action be taken in respect of the above notifications at this stage.

As with any notification, please note that the Commission may act to remove the immunity afforded by the above notifications at a later stage if it is satisfied that the likely benefit to the public from the conduct will not outweigh the likely detriment to the public from the conduct.

This letter has been placed on the Commission's public register.

If you wish to discuss any aspect of this matter, please do not hesitate to contact Amanda Dadd on (02) 6243 1391.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Ti' followed by a stylized 'C' and 'e'.

Tim Grimwade  
General Manager  
Adjudication Branch