

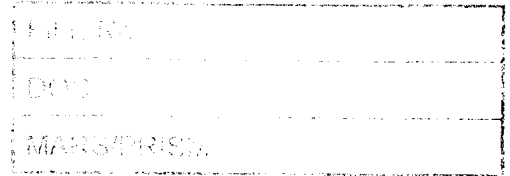
HENRY DAVIS YORK
LAWYERS

6 March 2006

Our Ref REN/CYD/3105225

HAND DELIVERY

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



Dear Sir / Madam

Exclusive dealing notifications

Please find enclosed:

1. Exclusive dealing notification for St.George Life Limited; - N31552
2. Exclusive dealing notification for Swann Insurance Pty Ltd; and - N31553
3. cheques totalling \$2,000 in payment of lodgement fees for the above notifications.

We look forward to receiving confirmation that the above notifications have been processed in due course.

Yours faithfully
Henry Davis York

Robert Neely
Partner
Tel No +61 2 9947 6290
Email robert_neely@hdy.com.au

Encl

Form G

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

N31552

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.

(PLEASE READ DIRECTIONS AND NOTICES ON BACK OF FORM)

1. (a) Name of person giving notice
ST.GEORGE LIFE LIMITED ABN 88 076 763 936

(b) Short description of business carried on by that person
St.George Life Limited – provision of life insurance products.

(See Direction 2 on the back of this form)

(c) Address in Australia for service of documents on that person
C/- Robert Neely, Henry Davis York, 44 Martin Place, Sydney NSW 2000
2. (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates
Provision of consumer credit insurance products in respect of loans and credit card facilities provided by St.George Bank Limited ABN 92 055 513 070.

(b) Description of the conduct or proposed conduct
Please see attached submission.
(See Direction 4 on the back of this Form)
3. (a) Class or classes of persons to which the conduct relates
Australian residents who enter into a loan or credit card facility with St.George Bank Limited ABN 92 055 513 070.

(b) Number of those persons --
(i) At present time **Nil**
(ii) Estimated within the next year **23,000**

(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
**Robert Neely
Henry Davis York
44 Martin Place
SYDNEY NSW 2000
Email: robert_neely@hdy.com.au**

Dated 6/3/06, 2006

Signed by /on behalf of the applicant giving notice

(Signature)

(Full Name)

(Description)

DIRECTIONS

1. If there is insufficient space on this form for the required information, the information is to be shown on separate sheets, numbered 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 (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 provided with the notice.
5. In item 3(a), describe the nature of the business carried out by the person 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 the 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 any kind referred to in sub-section 47(6) 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 sub-section 93(7)(a) 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 sub-section 93(3)A 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 sub-section 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.

SUBMISSION IN SUPPORT OF EXCLUSIVE DEALING NOTIFICATION

1. St.George Life Limited ABN 88 076 763 936 (**St.George Life**) is an Australian Financial Services licensee (AFS licence number 240900) and provider of life insurance products. St.George Life is a wholly owned subsidiary of St.George Bank Limited ABN 92 055 513 070 (**St.George Bank**). In this notification and submission, the term "St.George Bank" includes any part of that company, including (without limitation) its division currently known as BankSA.
2. St.George Life supplies to customers being natural persons a range of life insurance products, including Death Benefit, Total Permanent Disability Benefit, Recovery Benefit, Disability Income Protection Benefit, Disability Income Protection Plus Option and Business Expenses Plan Benefit.
3. Swann Insurance (Aust.) Pty Ltd ABN 80 000 886 680 (**Swann Insurance**) is an Australian Financial Services licensee (AFS Licence Number 238292) which offers a range of consumer credit and motor vehicle related insurance products. Swann Insurance has over 500,000 policy holders and generates gross written premiums of over \$200 million a year. Swann Insurance is part of the Insurance Australia Group (IAG).
4. St.George Bank offers a range of credit facilities to its customers, including:
 - (a) credit cards;
 - (b) "Get Set", a product providing a revolving line of credit; and
 - (c) Fixed-term fixed interest personal loans.
5. Some customers who take out these types of credit facilities are concerned about their ability to meet their payment obligations under their facility if they die or become disabled or involuntarily unemployed. There is a demand from such customers for consumer credit insurance which:
 - (a) covers their payment obligations under their credit facility if the customer becomes involuntarily unemployed or disabled;
 - (b) covers the repayment of their borrowing (or potential borrowing) under their credit facility if they die;
 - (c) offers the above cover in one convenient package;
 - (d) is tailored for the credit facility they propose to take up;
 - (e) is funded through the credit facility; and
 - (f) streamlines the claim payment process by having claim payments made directly to St.George Bank and applied toward their payment obligations.
6. A number of insurers in the market offer consumer credit insurance, typically as a package of life, unemployment and disablement covers and often tailored for specific credit products.
7. In order to provide the general insurance element of the consumer credit insurance referred to in paragraph 5(a), an insurer must have an authorisation under section 12 of the *Insurance*

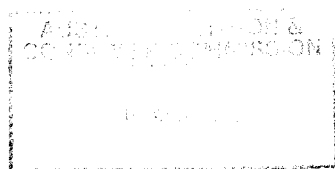
Act 1973 (Cth). In order to provide the life insurance element of the consumer credit insurance referred to in paragraph 5(b), an insurer must be registered under section 17 *Life Insurance Act 1995 (Cth)*.

8. Swann Insurance is authorised under section 12 of the *Insurance Act 1973 (Cth)*, but is not registered under section 17 of the *Life Insurance Act 1995 (Cth)*. St.George Life is registered under section 17 of the *Life Insurance Act 1995 (Cth)*, but does not have an authorisation under section 12 of the *Insurance Act 1973 (Cth)*. Therefore, neither Swann nor St.George Life can independently provide consumer credit insurance of the kind described in paragraph 5 as requested by consumers.
9. Accordingly, in order to meet the demand referred to in paragraph 5, St.George Life and Swann Insurance have entered into an arrangement to package and tailor a range of consumer credit insurance products (**Insurance Products**) for distribution by St.George Bank acting under its own Australian Financial Services Licence as agent for St.George Life and Swann Insurance.
10. Initially, the product range will include "Personal Credit Protect" (for fixed term, fixed interest personal loans offered by St.George Bank), "Get Set Protect" (for the "Get Set" credit product offered by St.George Bank) and "Credit Card Protect" (for credit card accounts offered by St.George Bank). Other products may be added to the range of Insurance Products from time to time.
11. Each Insurance Product includes three separate components of cover:
 - (a) Disablement insurance cover, provided by Swann Insurance;
 - (b) Involuntary unemployment insurance cover, provided by Swann Insurance; and
 - (c) Life insurance cover, provided by St.George Life.

Swann Insurance will also carry out certain administrative functions in respect of the Insurance Products, including processing product applications, underwriting and managing claims.

12. Each Insurance Product is designed to assist customers in meeting their payment obligations under their loan or credit card facilities with St.George Bank in the event of the insured's disablement, involuntary unemployment or death.
13. St.George Bank Customers will be able to apply for the relevant Insurance Product when they apply for the relevant credit facility with St.George Bank, provided they meet specified age, employment and other underwriting requirements. The Insurance Products will not be made available to customers of credit providers other than St.George Bank.
14. Customers are not obliged to purchase the Insurance Products, and similar (though not identical) insurance cover may be obtained through other insurers independently of St.George Bank.
15. St.George Life gives notice that the conduct described in the paragraphs above may be in contravention of sections 47(6) or (7) of the *Trade Practices Act 1974 (Cth)* in that, in the circumstances described, St.George Life may:

- (a) supply or offer to supply the Life cover component of the Insurance Products on the condition that customers acquire Disablement cover and Involuntary Unemployment cover from Swann Insurance;
 - (b) refuse to supply or refuse to offer to supply the Life cover component of the Insurance Products for the reason that the relevant customer has not acquired, or has not agreed to acquire, Disablement cover and Involuntary Unemployment cover from Swann Insurance;
 - (c) supply or offer to supply the Life cover component of the Insurance Products on the condition that customers acquire services under a loan contract or credit card facility with St.George Bank; or
 - (d) refuse to supply or refuse to offer to supply the Life cover component of the Insurance Products for the reason that the relevant customer has not acquired, or has not agreed to acquire, services under a loan contract or credit card facility with St.George Bank.
16. The notified conduct will be of benefit to the public for the following reasons:
- (a) by acquiring the Insurance Products, customers will effectively acquire three insurance products conveniently packaged and at a competitive price;
 - (b) it will provide St.George Life customers with the additional benefits of the insurance products supplied by Swann Insurance;
 - (c) it will provide Swann Insurance customers with the additional benefits of the insurance products supplied by St.George Life;
 - (d) it will promote competition in the relevant markets by encouraging other providers of insurance products to offer comparable products in terms of price and product features;
 - (e) it will assist St.George Life and Swann Insurance to achieve greater efficiencies by enabling their separate insurance products to be supplied in a more efficient manner; and
 - (f) it will assist St.George Life and Swann Insurance to achieve greater efficiencies and provide more suitable cover for customers by enabling the Insurance Products to be tailored to the loan and credit card facilities offered by St.George Bank.
17. The notified conduct will not cause any detriment to the public or lessen competition in the relevant markets as:
- (a) it does not compel a customer to acquire the Insurance Products, or restrict the customer from seeking an alternative product;
 - (b) a customer may acquire comparable cover from a range of other suppliers; and
 - (c) there is substantial and vigorous competition in the market for insurance products and there are many competitors.
18. The applicant believes that the benefits from the proposed conduct outlined above will outweigh any possible detriment considered to arise from the conduct.



Form G

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

N31553

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.

(PLEASE READ DIRECTIONS AND NOTICES ON BACK OF FORM)

1. (a) Name of person giving notice

SWANN INSURANCE (AUST.) PTY LTD ABN 80 000 886 680

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

Swann Insurance (Aust.) Pty Ltd – provision of consumer credit and motor vehicle related insurance products.

(See Direction 2 on the back of this form)

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

C/- Robert Neely, Henry Davis York, 44 Martin Place, Sydney NSW 2000

2. (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates
Provision of consumer credit insurance products in respect of loans and credit card facilities provided by St.George Bank Limited ABN 92 055 513 070.

(b) Description of the conduct or proposed conduct

Please see attached submission.

(See Direction 4 on the back of this Form)

3. (a) Class or classes of persons to which the conduct relates
Australian residents who enter into a loan or credit card facility with St.George Bank Limited ABN 92 055 513 070.

(b) Number of those persons --

(i) At present time **Nil**

(ii) Estimated within the next year **23,000**

(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

Robert Neely

Henry Davis York

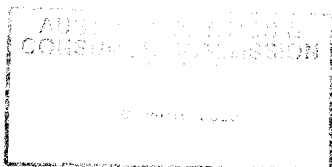
44 Martin Place

SYDNEY NSW 2000

Email: robert_neely@hdy.com.au

Dated 6/3/06, 2005

Signed by/on behalf of the applicant giving notice



Robert Neely
.....
(Signature)

ROBERT NEELY
.....
(Full Name)

SOLICITOR FOR APPLICANT
.....
(Description)

DIRECTIONS

1. If there is insufficient space on this form for the required information, the information is to be shown on separate sheets, numbered 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 (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 provided with the notice.
5. In item 3(a), describe the nature of the business carried out by the person 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 the 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 any kind referred to in sub-section 47(6) 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 sub-section 93(7)(a) 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 sub-section 93(3)A 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 sub-section 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.

SUBMISSION IN SUPPORT OF EXCLUSIVE DEALING NOTIFICATION

1. Swann Insurance (Aust.) Pty Ltd ABN 80 000 886 680 (**Swann Insurance**) is an Australian Financial Services licensee (AFS Licence Number 238292) which offers a range of consumer credit and motor vehicle related insurance products. Swann Insurance has over 500,000 policy holders and generates gross written premiums of over \$200 million a year. Swann Insurance is part of the Insurance Australia Group (IAG).
2. St.George Life Limited ABN 88 076 763 936 (**St.George Life**) is an Australian Financial Services licensee (AFS licence number 240900) and provider of life insurance products. St.George Life is a wholly owned subsidiary of St.George Bank Limited ABN 92 055 513 070 (**St.George Bank**). In this notification and submission, the term "St.George Bank" includes any part of that company, including (without limitation) its division currently known as BankSA.
3. St.George Life supplies to customers being natural persons a range of life insurance products, including Death Benefit, Total Permanent Disability Benefit, Recovery Benefit, Disability Income Protection Benefit, Disability Income Protection Plus Option and Business Expenses Plan Benefit.
4. St.George Bank offers a range of credit facilities to its customers, including:
 - (a) credit cards;
 - (b) "Get Set", a product providing a revolving line of credit; and
 - (c) Fixed-term fixed interest personal loans.
5. Some customers who take out these types of credit facilities are concerned about their ability to meet their payment obligations under their facility if they die or become disabled or involuntarily unemployed. There is a demand from such customers for consumer credit insurance which:
 - (a) covers their payment obligations under their credit facility if the customer becomes involuntarily unemployed or disabled;
 - (b) covers the repayment of their borrowing (or potential borrowing) under their credit facility if they die;
 - (c) offers the above cover in one convenient package;
 - (d) is tailored for the credit facility they propose to take up;
 - (e) is funded through the credit facility; and
 - (f) streamlines the claim payment process by having claim payments made directly to St.George Bank and applied toward their payment obligations.
6. A number of insurers in the market offer consumer credit insurance, typically as a package of life, unemployment and disablement covers and often tailored for specific credit products.
7. In order to provide the general insurance element of the consumer credit insurance referred to in paragraph 5(a), an insurer must have an authorisation under section 12 of the *Insurance*

Act 1973 (Cth). In order to provide the life insurance element of the consumer credit insurance referred to in paragraph 5(b), an insurer must be registered under section 17 *Life Insurance Act 1995 (Cth)*.

8. Swann Insurance is authorised under section 12 of the *Insurance Act 1973 (Cth)*, but is not registered under section 17 of the *Life Insurance Act 1995 (Cth)*. St.George Life is registered under section 17 of the *Life Insurance Act 1995 (Cth)*, but does not have an authorisation under section 12 of the *Insurance Act 1973 (Cth)*. Therefore, neither Swann nor St.George Life can independently provide consumer credit insurance of the kind described in paragraph 5 as requested by consumers.
 9. Accordingly, in order to meet the demand referred to in paragraph 5, St.George Life and Swann Insurance have entered into an arrangement to package and tailor a range of consumer credit insurance products (**Insurance Products**) for distribution by St.George Bank acting under its own Australian Financial Services Licence as agent for St.George Life and Swann Insurance.
 10. Initially, the product range will include "Personal Credit Protect" (for fixed term, fixed interest personal loans offered by St.George Bank), "Get Set Protect" (for the "Get Set" credit product offered by St.George Bank) and "Credit Card Protect" (for credit card accounts offered by St.George Bank). Other products may be added to the range of Insurance Products from time to time.
 11. Each Insurance Product includes three separate components of cover:
 - (a) Disablement insurance cover, provided by Swann Insurance;
 - (b) Involuntary unemployment insurance cover, provided by Swann Insurance; and
 - (c) Life insurance cover, provided by St.George Life.
- Swann Insurance will also carry out certain administrative functions in respect of the Insurance Products, including processing product applications, underwriting and managing claims.
12. Subject to their terms, each Insurance Product is designed to assist customers in meeting their payment obligations under their loan or credit card facilities with St.George Bank in the event of the insured's disablement, involuntary unemployment or death.
 13. St.George Bank Customers will be able to apply for the relevant Insurance Product when they apply for the relevant credit facility with St.George Bank, provided they meet the specified age, employment and other underwriting requirements. The Insurance Products will not be made available to customers of credit providers other than St.George Bank.
 14. Customers are not obliged to purchase the Insurance Products, and similar (though not identical) insurance cover may be obtained through other insurers independently of St.George Bank.
 15. Swann Insurance gives notice that the conduct described in the paragraphs above may be in contravention of sections 47(6) or (7) of the *Trade Practices Act 1974 (Cth)* in that, in the circumstances described, Swann Insurance may:

- (a) supply or offer to supply the Disablement cover and Involuntary Unemployment cover components of the Insurance Products on the condition that customers acquire the Life cover component of the Insurance Products from St.George Life;
- (b) refuse to supply or refuse to offer to supply the Disablement cover and Involuntary Unemployment cover components of the Insurance Products for the reason that the relevant customer has not acquired, or has not agreed to acquire, Life cover component of the Insurance Products from St.George Life;
- (c) supply or offer to supply the Disablement cover and Involuntary Unemployment cover components of the Insurance Products on the condition that customers acquire services under a loan contract or credit card facility with St.George Bank; or
- (d) refuse to supply or refuse to offer to supply the Disablement cover and Involuntary Unemployment cover components of the Insurance Products for the reason that the relevant customer has not acquired, or has not agreed to acquire, services under a loan contract or credit card facility with St.George Bank.

16. The notified conduct will be of benefit to the public for the following reasons:

- (a) by acquiring the Insurance Products, customers will effectively acquire three insurance products conveniently packaged and at a competitive price;
- (b) it will provide Swann Insurance customers with the additional benefits of the insurance products supplied by St.George Life;
- (c) it will provide St.George Life customers with the additional benefits of the insurance products supplied by Swann Insurance;
- (d) it will promote competition in the relevant markets by encouraging other providers of insurance products to offer comparable products in terms of price and product features;
- (e) it will assist St.George Life and Swann Insurance to achieve greater efficiencies by enabling their separate insurance products to be supplied in a more efficient manner; and
- (f) it will assist St.George Life and Swann Insurance to achieve greater efficiencies and provide more suitable cover for customers by enabling the Insurance Products to be tailored to the loan and credit card facilities offered by St.George Bank.

17. The notified conduct will not cause any detriment to the public or lessen competition in the relevant markets as:

- (a) it does not compel a customer to acquire the Insurance Products, or restrict the customer from seeking an alternative product;
- (b) a customer may acquire comparable cover from a range of other suppliers; and
- (c) there is substantial and vigorous competition in the market for insurance products and there are many competitors.

18. The applicant believes that the benefits from the proposed conduct outlined above will outweigh any possible detriment considered to arise from the conduct.