



Our Ref: C2006/456
Contact Officer: Carl Toohey
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**Australian
Competition &
Consumer
Commission**

29 March 2006

Mr Eddie Scuderi
Partner
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Dear Mr Scuderi

**Third line forcing notification Nos N92931 and N92392
lodged by Suncorp Metway Insurance Limited (SMIL) and GIO General Limited
(GIO)**

I refer to the above third line forcing notifications lodged with the Australian Competition and Consumer Commission (the ACCC) on 20 February 2006.

The Applicants have described the conduct as follows:

In brief, pursuant to contract of motor vehicle insurance, SMIL and GIO propose to offer certain benefits to insureds on condition that they choose to have repairs to which the policies of insurance respond with recommended repairers nominated by SMIL or GIO, or other repairers who are authorised on an *ad hoc* basis (collectively, Approved Repairers).

The benefits are:

- *A lifetime repair guarantee.* If the insured chooses to have their motor vehicle repaired by an Approved Repairer, SMIL or GIO (whoever is the insurer) (Insurer) guarantees the quality of the materials and labour used in repairs the Insurer authorises for the life of the vehicle, even if the insured no longer owns it. The Insurer will fix any problems arising from faulty materials used in the repair or workmanship during the repair.
- *No cash settlement of repairs.* In the insured chooses to have their motor vehicle repaired by an Approved Repairer, the Insurer will cover the cost of all authorised repairs performed by the repairer (subject to any excess of deductible). If the insured chooses not to have their motor vehicle repaired by an Approved Repairer, the Insurer may not pay the repairer's quoted costs of the repair and may instead settle with the insured for a cash sum that the Insurer considers reasonable in accordance with the Product Disclosure Statement for the insured's insurance policy.

Legal immunity conferred by the notifications commenced on 6 March 2006.



On the basis of the information provided, it is not intended that further action be taken in this matter at this stage.

Please note that the ACCC may act to remove the immunity afforded by the 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 ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Carl Toohey on (03) 9290 1480.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Scott Gregson', with a large, sweeping flourish extending to the right.

Scott Gregson
General Manager
Adjudication Branch