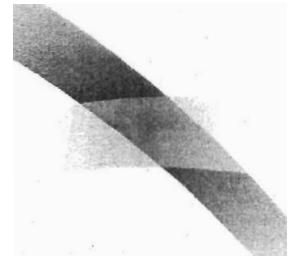
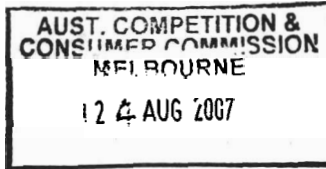




CGU Insurance  
485 La Trobe Street Melbourne VIC 3000  
t (03) 9601 8222 f (03) 9279 5450



Australian Competition and Consumer Commission  
Level 35, The Tower  
360 Elizabeth Street  
Melbourne Central  
Melbourne VIC 3000

|             |
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| FILE No:    |
| DOC:        |
| MARS/PRISM: |

24<sup>th</sup> August 2005.

Dear Sir / Madam,

Please find enclosed two Exclusive Dealing Notifications in relation to CGU Insurance, together with a cheque for \$200.00.

If you have any questions, please do not hesitate to contact me on 03 9601 8484.

Yours sincerely,

Cameron Watson  
National Manager – Affinity Groups

# Form G

Commonwealth of Australia  
*Trade Practices Act 1974 — subsection 93 (1)*

## NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

### 1. Applicant

N93102

- (a) Name of person giving notice:

*CGU Insurance Limited (ABN 27 004 478 371, AFSL 238291) of 485 La Trobe Street, Melbourne, Victoria, 3000 ("CGU")*

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

*Supply of general insurance products.*

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

*c/- Cameron Watson*

*CGU Insurance Limited*

*485 La Trobe Street*

*Melbourne VIC 3000*

### 2. Notified arrangement

- (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

*CGU is one of Australia's largest intermediary-based insurers, offering a diverse range of personal, commercial and rural insurance products, including car insurance, home insurance, travel insurance, landlords residential property insurance, caravan insurance, boat insurance, consumer credit insurance, strata insurance and motor cycle insurance ("CGU Products")*

*Under an arrangement with Defence Force Credit Union Limited ABN 57 087 651 385 ("DefCredit") DefCredit offer these CGU Products to its members as an agent of CGU. DefCredit operates under its own Australian Financial Services License.*

(b) Description of the conduct or proposed conduct:

*CGU proposes:*

- (i) *to supply or offer to supply a CGU Product arranged through DefCredit at a particular price; or*
- (ii) *to give or allow or offer a discount, allowance, rebate or credit in relation to a CGU Product arranged through DefCredit,*

*on the condition that the customer already holds or is going to acquire:*

- (iii) *a CGU Product arranged through DefCredit; or*
- (iv) *a financial product or service issued by DefCredit.*

*An example of the proposed conduct is set out below:*

*CGU may offer a discount off the standard CGU travel insurance premium to customers on the condition that the customer:*

- *already holds or is going to acquire one of the following eligible products:*
  - (A) *another CGU Product which has been arranged through DefCredit;*
  - (B) *any financial product or service issued by DefCredit, and*
- *arranges their CGU travel insurance through DefCredit.*

*The discount applicable may vary depending on the CGU Product involved.*

**3. Persons, or classes of persons, affected or likely to be affected by the notified conduct**

(a) Class or classes of persons to which the conduct relates:

*New and existing CGU customers who arrange their insurance through DefCredit*

(b) Number of those persons:

(i) At present time:

*Significant numbers of customers currently acquire the relevant products.*

(ii) Estimated within the next year:

*DefCredit currently have approximately 80,000 members. All members would be eligible to take advantage of the proposed conduct over the next twelve months.*

- (c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:

*Not applicable*

#### **4. Public benefit claims**

- (a) Arguments in support of notification:

*provide the consumers with real savings on selected CGU Products;*

*provide consumers with complementary insurance services to more effectively meet their insurance needs;*

- *reduce costs of customers who may be otherwise unable to negotiate discounts or other benefits on their own behalf;*
- *promote competition in the relevant markets by encouraging competitors to offer similar discounts or offers; and*
- *provide CGU customers who arrange their insurance through DefCredit with the opportunity to obtain a number of products and services at discounted rates or with additional benefits, and therefore foster business efficiency.*

- (b) Facts and evidence relied upon in support of these claims:

- *there are a significant number of effective competitors and potential competitors for the supply of insurance products;*
- *the market for relevant services are characterised by strong and vigorous competition;*
- *the number of consumers potentially affected by the proposed conduct is insignificant compared to the total number of consumers who acquire insurance services;*
- *CGU Products will continue to be available to consumers as individual products on a stand-alone basis, at the applicable standard rates. That is, for example, consumers are not required to acquire DefCredit Services in order to obtain CGU travel insurance (and vice versa); and*
- *insurance services are non-exclusive and the same customer can continue to acquire their insurance products from other insurers. The proposed conduct does not diminish these options.*

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

#### **5. Market definition**

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets

including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):

*It is submitted that, in broad terms, the markets primarily relevant to the assessment of the notification are:*

*the market for the supply of general insurance products to consumers in Australia; and*

*products and services applicable to credit union members in Australia, such as home loans, vehicle finance, credit cards, transaction accounts etc.*

*Both of these are highly competitive markets.*

## **6. Public detriments**

- (a) Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:

*CGU does not believe that there is a customer detriment associated with the proposed conduct. DefCredit members are not obliged to take any CGU Products, but should they wish to do so they will receive the applicable discount off their premium.*

- (b) Facts and evidence relevant to these detriments:

*A number of factors are assessed by a consumer before they determine what product is suitable for them. Consumers can obtain a financial product from any provider (bank, credit union building society etc) in the Australian market, as well as obtain general insurance products from one of the many insurance companies that operate in Australia.*

**7. Further information**

- (a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:

*c/- Leon Taylor*

*CGU Insurance Limited*

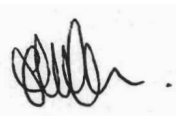
*485 La Trobe Street*

*Melbourne VIC 3000*

*03 9601 8633*

*0411 014 521*

Dated: 24th August, 2007



Cameron Watson

National Manager – Affinity Groups  
CGU Insurance Limited

