



**Australian
Competition &
Consumer
Commission**

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Our Ref: C2008/483
Contact Officer: Susan Philp
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3 July 2008

Dear

**Insurance Council of Australia application for authorisation A91086
- draft determination**

The Australian Competition and Consumer Commission (the ACCC) has issued a draft determination in respect of the application for authorisation lodged by the Insurance Council of Australia (Insurance Council) on 20 March 2008. Attached is a summary of the authorisation process including how to make a submission to the ACCC.

The Insurance Council is seeking authorisation for an agreement between its members (both present and future) to voluntarily adopt a common definition of 'inland flood' for the purposes of the provision of flood insurance services to the community.

Draft determination

A copy of the ACCC's draft determination is attached, including a summary of its reasons. For the reasons set out in its draft determination, the ACCC proposes to grant conditional authorisation to the Insurance Council for two years.

Next steps

Once the ACCC issues a draft determination, the Applicants or any interested party may request that the ACCC convene a 'pre-decision conference'. A pre-decision conference provides the opportunity for interested parties to make oral submissions in relation to the draft determination. Conferences are conducted informally and while legal or professional advisers are able to attend they are not entitled to participate in the discussion.

If you wish the ACCC to hold a pre-decision conference in relation to the draft determination, you must notify the ACCC in writing by **21 July 2008**.

Alternatively, you are invited to make a written submission in response to the ACCC's draft determination. Submissions should be lodged by **25 July 2008**.

The ACCC will consider any submissions it receives, including any oral submissions made should a pre-decision conference be called, and will then release a final determination in relation to these applications.

Submissions will be placed on the ACCC's public register subject to any request for exclusion (guidelines are attached).

Timetable

The ACCC will continue to progress its assessment of the application in a timely manner. An updated indicative timetable is set out below for your information.

20 March 2008	Lodgement of application and supporting submission.
2 April 2008	Public consultation process begins.
18 April 2008	Closing date for submissions from interested parties.
15 May 2008	Applicant responds to issues raised in the public consultation process.
3 July 2008	Draft determination.
July 2008	Public consultation on draft determination including any conference if called.
August 2008	Final determination.

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 the writer on 02 6243 1347.

Yours sincerely

Susan Philp
Director
Adjudication Branch

The above letter was sent to the following interested parties

- Australian Securities and Investments Commission
- Choice
Department of the Treasury
- Insurance Ombudsman Service
- Department of the Prime Minister and Cabinet
- National Insurance Brokers Association
- Consumers' Association of Western Australia
Attorney General's Department – Emergency Management Australia
Insurance Reform Campaign
- NSW Office of Fair Trading
Department of Consumer and Employment Protection
- Consumer Affairs Victoria
Office of Consumer and Business Affairs
Department of Justice and Attorney-General
Consumer Affairs and Fair Trading
- Department of Justice
Department of Justice and Community Safety - Office of Regulatory Services