

Form G
Commonwealth of Australia
Trade Practices Act 1974 - subsection 93(1)
NOTIFICATION OF EXCLUSIVE DEALING

FILE No:

DOC

MARS/PRISM:

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

- (a) Name of person giving notice:
(Refer to direction 2)

N94563 Australian Health Management Group Pty Limited ABN 96 003 683 298 (ahm).

- (b) Short description of business carried on by that person:
(Refer to direction 3)

ahm provides private health insurance.

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

Ailsa Wadey
Advertising & Sponsorship Manager
Australian Health Management (ahm)
Locked Bag 3, Wollongong NSW 2500

2 Notified arrangement

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

ahm is a private health insurer that is a wholly-owned subsidiary of Medibank Private Limited ABN 47 080 890 259. ahm is based in Wollongong and has approximately 250,000 members.

IMB Ltd ABN 92 087 651 974 (IMB) is the longest standing mutual building society in New South Wales with approximately 180,000 members.

ahm intends to make available to IMB members a special offer until 30 April 2010. IMB members joining ahm as new customers on a new combined hospital and extras policy and paying 6 weeks premium in advance will receive a one off payment from ahm of \$120 for a single policy, \$200 for a single parent policy or \$240 for a family policy to their nominated IMB bank account.

- (b) Description of the conduct or proposed conduct:

ahm proposes to:

- (i) give or allow, or offer to give or allow, a discount, allowance, rebate or credit in relation to ahm health insurance on the condition that the customer acquires or agrees to acquire banking services from IMB; and
- (ii) refuse to give or allow, or offer to give or allow, a discount, allowance, rebate or credit in relation to ahm health insurance to customers for the reason that the customer has not acquired or has not agreed to acquire banking services from IMB.

(Refer to direction 4)

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:

(Refer to direction 5)

New customers of ahm who obtain banking services from IMB.

- (b) Number of those persons:

- (i) At present time:

None.

- (ii) Estimated within the next year:

(Refer to direction 6)

Substantially greater than 50.

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

Not relevant.

4 Public benefit claims

- (a) Arguments in support of notification:

(Refer to direction 7)

ahm submits that the proposed conduct will be of benefit to the public because it will:

- (i) allow customers who obtain banking services from IMB to receive a cash back amount from ahm in relation to their health insurance;
- (ii) promote competition in the relevant markets by encouraging health insurer competitors to offer similar promotions.

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

ahm submits that the proposed conduct:

- (i) is designed to encourage members of IMB to take up private health insurance by offering them a cash back amount from ahm in relation to their health insurance;
- (ii) does not compel members of IMB to take up private health insurance with ahm, or private health insurance at all; and
- (iii) may also encourage other health insurance providers to offer similar benefits and therefore encourage additional competition that is likely to benefit consumers.

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):

(Refer to direction 8)

The relevant markets are the markets for the provision of private health insurance and banking services in Australia.

Competition in the relevant markets is vigorous and many competitors currently do, or from time to time may, engage in conduct similar to the proposed conduct and in competition with the proposed conduct.

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:

(Refer to direction 9)

ahm submits that no public detriment would be likely to result from the proposed conduct.

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

ahm submits that the proposed conduct will not lessen competition because:

- (i) IMB members are not obliged to purchase ahm health insurance, or any private health insurance whatsoever;
- (ii) competition in the relevant markets is vigorous;
- (iii) the number of consumers potentially affected by the proposed conduct is insignificant compared to the total number of consumers who acquire health insurance products; and
- (iv) IMB members may acquire their health insurance services from a wide range of providers.

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

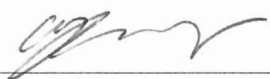
7 Further information

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

Ailsa Wade
Advertising & Sponsorship Manager
Australian Health Management (ahm)
Locked Bag 3, Wollongong NSW 2500
Ph: (02) 4221 8260

Dated

Signed by/on behalf of the applicant



(Signature) AILSA WADEY

(Full Name) AUSTRALIAN HEALTH
MANAGEMENT

(Organisation)
ADVERTISING + SPONSORSHIP MANAGER

(Position in organisation)



DIRECTIONS

1. **In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission to take into account in assessing their notification.**

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.
2. **If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (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. **Describe that part of the business of the person giving the notice in the course of the which the conduct is engaged in.**
4. **If particulars of a condition or of a reason of the type referred to in section 47 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. **Describe the business or consumers likely to be affected by the conduct.**
6. **State an estimate of the highest number of persons with whom the entity giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.**
7. **Provide details of those public benefits claimed to result or to be likely to result from the proposed conduct including quantification of those benefits where possible.**
8. **Provide details of the market(s) likely to be affected by the notified conduct, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the notification.**
9. **Provide details of the detriments to the public which may result from the proposed conduct including quantification of those detriments where possible.**