



**Australian
Competition &
Consumer
Commission**

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28 May 2012

Geoff Penrose
Senior Lawyer
Suncorp Group Ltd
Level 2, 18 Jamison St
SYDNEY NSW 2000

By email: Geoff.penrose@suncorp.com.au

Dear Mr Penrose

Exclusive dealing notifications lodged by Suncorp-Metway businesses

I refer to third line forcing notifications Suncorp-Metway businesses have lodged with the Australian Competition and Consumer Commission (ACCC) regarding arrangements with recommended repairers. These notifications include:

- N93529 from Vero Insurance Ltd (Vero) lodged in 2008
- N92391 and N91125 from Suncorp Metway Insurance Ltd (SMIL) lodged in 2003 and 2006 and
- N92392 and N91126 from GIO General Ltd (GIO) also lodged in 2003 and 2006.

I write to seek your advice on whether the conduct described in the notifications mentioned above has changed since they were lodged. In particular can you confirm that the following is still the case:

- As stated in the letter of 1 March 2006 from Corrs Chambers Westgarth lawyers to the ACCC regarding notifications N92391 and N92392
 - All insureds have the ability to choose their repairer for their motor vehicle, SMIL or GIO do not choose the repairer and insureds retain the right to select their own repairer without being required to pay a higher premium for the privilege
 - If an insured chooses to have his or her motor vehicle repaired by a repairer who is not approved by SMIL and GIO, the only two consequences are
 - SMIL and GIO will not be in a position to offer a lifetime guarantee on the repairs performed by the non-approved repairer
 - SMIL and GIO will settle on a cash amount for the repairs in accordance with the insured's policy of insurance and its product disclosure statement, rather than dealing directly with the repairer

- As stated in the letter of 30 July 2008 from Corrs to the ACCC regarding notification N93529
 - Customers are not prevented from choosing their own repairer
 - There is no premium discrimination involved in Vero's conduct
 - Even if an insured chooses to have his or her vehicle repaired by a repairer other than a recommended repairer, Vero may still provide the benefits of lifetime guarantees and no cash settlements (for example, at that time Vero proposed to provide the guarantee if the insured chose to have the repair performed by a repairer who is not a recommended repairer and Vero authorised the repairs).

I would appreciate a response by **12 June 2012**.

If you have any questions, please contact John Rouw on (03) 9290 1402 or Marie Dalins on (03) 9290 1893.

Yours sincerely



Dr Richard Chadwick
General Manager
Adjudication