



**Australian
Competition &
Consumer
Commission**

Our Ref: 51646
Contact Officer: Anna Giannakos
Contact Number: (03) 9290 6920

GPO Box 3131
Canberra ACT 2601
23 Marcus Clarke Street
Canberra ACT 2601
tel: (02) 6243 1111
fax: (02) 6243 1199
www.accc.gov.au

2 August 2013

Michelle Bain
Senior Lawyer
Suncorp Group

By email: michelle.bain@suncorp.com.au

Dear Ms Bain

Third line forcing notification N96825 lodged by AAI Limited

I refer to the above third line forcing notification lodged with the Australian Competition and Consumer Commission (the ACCC) on 24 June 2013. The notification has been placed on the ACCC's public register.

The applicant proposes to offer certain benefits (see below) to insureds on condition that they choose to have repairs to which the policies of insurance respond with recommended repairers nominated by the Insurer, or other repairers who are authorised on an ad hoc basis (collectively, Approved Repairers).

In correspondence to the ACCC on 14 June you advised that this notification in effect replaced earlier notifications lodged by Suncorp Insurance, GIO and Vero Insurance as the general insurance businesses of Suncorp Metway Insurance Limited, Australian Associated Motor Insurers Limited, GIO General Limited and Australian Alliance Insurance Company Limited (Transferring Insurers) will be transferred to AAI Limited (AAI), another member of the Suncorp Group.

You also advised that the benefits of these notifications will be unchanged as a result of the transfer to AAI and include:

- A lifetime repair guarantee. If the insured chooses to have their motor vehicle repaired by an Approved Repairer, the Insurer guarantees the quality of the materials and labour used in repairs that 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. If 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 or 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 insured's insurance policy.

Benefits offered to holders of Suncorp, GIO, Resilium and Vero motor vehicle insurance policies issued nationally by the Insurer via either its Personal Insurance or Commercial Insurance business.

Legal protection conferred by the notification commenced on 8 July 2013.

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

As with any notification, please note that the ACCC may act to remove the legal protection provided by the notification 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 assessment has been made on the basis that AAI Limited will disclose all relevant terms and conditions to prospective customers.

A copy of 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 Anna Giannakos on (03) 9290 6920 or by email at anna.giannakos@accc.gov.au.

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized initial 'R' followed by a long horizontal line.

Richard Chadwick
General Manager
Adjudication Branch