

Wesfarmers General Insurance Limited
ABN 24 000 036 279

Level 9, 309 Kent Street
Sydney NSW 2000, AUSTRALIA
PO Box Q338, QVB Post Shop NSW 1230
T +61 2 9248 1111 F +61 2 9248 1122

www.wesfarmersinsurance.com.au

31st January 2014

Australian Competition & Consumer Commission
Level 20
175 Pitt Street
SYDNEY NSW 2000

Dear Sir/Madam,

RE: Third Line Forcing Notification

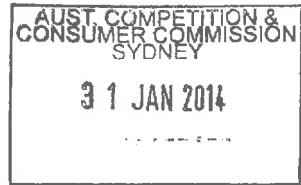
Please find enclosed with this letter a Third Line Forcing Notification by Wesfarmers General Insurance Limited (ABN 24 000 036 279) in accordance with section 93(1) of the *Competition and Consumer Act 2010* (Cth).

If you have any queries regarding this Notification please do not hesitate to contact me on (02) 9248 1386.

Yours faithfully



Jennifer Burton
Compliance Framework Manager
Wesfarmers Insurance



Form G

Commonwealth of Australia
Competition and Consumer Act 2010 — 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 *Competition and Consumer Act 2010*, 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)

N97216 **Wesfarmers General Insurance Limited ABN 24 000 036 279**

("Wesfarmers")

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

**Wesfarmers is an insurance underwriter offering a range of insurance policies, including insurance policies branded "Coles Insurance".
Wesfarmers offers a range of Coles Insurance branded home insurance policies and motor vehicle insurance policies.**

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

**Christian Bauer
Wesfarmers Limited
Corporate Solicitors Office
11th Floor
40 The Esplanade
Perth WA 6000**

2. Notified arrangement

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

This notice relates to Coles Insurance branded motor vehicle and home (including home & contents) insurance products offered by Wesfarmers which are acquired by the general public ("Products")

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

Wesfarmers proposes to offer discounts on Products to some existing Product Holders and/or some prospective purchasers of Products (“Eligible Customers”) on the condition that they are a member of either One Big Switch (“OBS” –see further details at Item 3 below) and/or the Fifty Up Club/50Up (“the Club” – see further details at Item 3 below) offered by One Big Switch Pty Ltd. The notified conduct will arise where Wesfarmers:

- (a) Gives or allows, or offers to allow, particular discount or allowance in relation to the Products to Eligible Customers on the condition that the Eligible Customers is a member of the Club and/or OBS (refer to Item 3 below), and so are acquiring services from the Club and/or OBS;
- (b) Refuses to give or allow, or offer to give or allow, a particular discount or allowance in relation to Products to Eligible Customers for the reason that the Eligible Customer is not a member of the Club and/or OBS and so have not agreed to acquire services from the Club and/or OBS.

(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)

The conduct relates to persons who are or may become members of the Fifty Up Club and/or OBS. The Fifty Up Club is a scheme operated by One Big Switch Pty Ltd, in conjunction with 4KQ radio station in Queensland and the Macquarie Radio Network, which generates discount offers for its members from third party product/service providers. Membership of the Club is generally to people aged 50 years and over.

- (b) Number of those persons:

- (i) At present time:

Unknown but significantly greater than 50

- (ii) Estimated within the next year:

(Refer to direction 6)

Unknown but significantly greater than 50

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

N/A

4. Public benefit claims

- (a) Arguments in support of notification:
(Refer to direction 7)

Wesfarmers considers that the proposed conduct will provide the following benefits to the public:

- a consumer benefit by giving members of the Club and/or OBS the opportunity to obtain discounts on Products; ‘and
- other motor vehicle and home insurance providers will be encouraged to develop similar offerings that compete with the Products offered by Wesfarmers.

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

In addition to the benefits described above, it should be noted that:

- at present, there is not cost in enrolling with the Club and/or OBS;
- there is no compulsion for members of the Club and/or OBS to purchase a Product from Wesfarmers;
- there is no compulsion for member of the Club and/or OBS to purchase motor vehicle or home insurance.

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 retail market for motor vehicle insurance and home insurance products in Australia. Wesfarmers would characterise these markets as very competitive and notes that many competitors currently engage in conduct similar to that which Wesfarmers proposes to engage in.

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)

Wesfarmers considers that the proposed conduct will not give rise to any public detriment.

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

Wesfarmers submits that the proposed conduct will not result in any detriments to the public because:

- **Wesfarmers' arrangement with Eligible Customers will not be an exclusive arrangement conditional upon acquisition of services from the Club and/or OBS. Instead, Eligible Customers will be free to purchase Products from Wesfarmers at standard prices without acquiring service from the Club and/or OBS;**
- **Eligible Customers are free to enter into arrangement with other providers of motor vehicle insurance and home insurance products that compete with Wesfarmers Products; and**
- **Products will remain available for purchase from Wesfarmers to the market generally;**
- **There are many alternative providers of motor vehicle and home insurance products that Club and/or OBS members may purchase products from.**

7. Further information

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

Attention Jennifer Burton

Wesfarmers General Insurance Limited

Level 9, 309 Kent Street

Sydney NSW 2000, AUSTRALIA

PO Box Q338, QVB Post Shop NSW 1230

Tel: (02) 9248 1386

Dated 31-1-2014

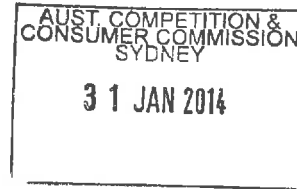
Signed by/on behalf of the applicant

J. Burten
(Signature)

Jennifer Burten
(Full Name)

Wesfarmers Insurance
(Organisation)

Compliance Framework 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 *Competition and Consumer Act 2010* 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.