

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)

N97998 The Hollard Insurance Company Pty Ltd ABN 78 090 584 473 ("Hollard")

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

Hollard is an insurance underwriter, regulated by APRA and holding an ASIC AFSL No. 241436. Hollard offers a range of insurance policy products, including policies branded as "Woolworths Insurance". More specifically, Hollard offers Woolworths Insurance branded Home & Contents Insurance, Motor Vehicle Insurance, Travel Insurance and Pet Insurance.

- (c) *Address in Australia for service of documents on that person:*
The Hollard Insurance Company Pty Ltd
Level 12, 465 Victoria Avenue
Chatswood, NSW 2067

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 only to Woolworths branded Home, Car, Pet and Travel Insurance products offered by Hollard, which can be acquired by the general public ("Woolworths Insurance Products"). Macquarie Bank Limited ABN 46 008 583 542 ("Macquarie Bank") will issue, to eligible applicants, any one of their Woolworths Money Credit Cards ("Woolworths Money Credit Cards"), such as the Woolworths Money Everyday Credit Card ("Woolworths Everyday Card") or the 'Woolworths Money Qantas Credit Card' ("Woolworths Qantas Card") which are branded in conjunction with Woolworths Limited ABN 88 000 014 675 ("Woolworths"). Cardholders will be entitled to receive benefits, when they use their

Woolworths Money Credit Card to pay for their premiums for insurance issued and underwritten by Hollard.

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

Macquarie Bank is proposing to enter into credit card contracts with cardholders, under which the cardholders will be issued with a Woolworths Money Credit Card by Macquarie Bank. Use of the Woolworths Money Credit Card will entitle the cardholder to receive benefits from Hollard on Woolworths Insurance Products on the condition that the product is purchased on the Woolworths Money Credit Card. Benefits will include entitlements to discounts on premiums payable in relation to the Woolworths Insurance Product or accrual of points redeemable for certain goods/services, vouchers and/or entitlements to discounts, special gifts offers or bonus offers ("Benefits").

The notified conduct will arise where:

- a) Hollard supplies, or offers to supply, benefits to persons on the condition that they acquire a Woolworths Money Credit Card and purchase and pay the premiums for Woolworths Insurance Product by using the respective Woolworths Money Credit Card.
- b) Hollard will not supply this discount benefit to persons that have not acquired a Woolworths Money Credit Card and used it to purchase that product.
(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:

- (i) Holders of a Woolworths Money Credit Card;
- (ii) Holders of a Woolworths Insurance Product;
- (iii) Persons wishing to acquire a Woolworths Insurance Product;
- (iv) Persons seeking benefits who have not acquired a Woolworths Insurance Product and a Woolworths Money Credit Card.

(b) *Number of those persons:*

(i) *At present time:*

Approximately 130,000 Cardholders.

(ii) *Estimated within the next year:*

(Refer to direction 6)

Unknown but substantially more than 50.

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

Not applicable.

4. Public benefit claims

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

The proposed conduct offers the following benefits to the public:

- (i) a consumer benefit by providing eligible insurance customers with the opportunity to obtain discounts on those products;
- (ii) the promotion of competition among authorised insurance providers, by prompting competitors of Hollard and Woolworths Insurance to provide value added benefits or similar offerings to their customers;
- (iii) the promotion of competition in the pricing of products and services provided by competitors of Woolworths Insurance by encouraging them to include benefits that impact policy premiums; and
- (iv) the availability of benefits on an optional basis to holders or potential holders of Woolworths Insurance Products.

The significant public benefits outlined above outweigh any potential public detriment which may arise from the conduct.

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

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

- (i) the benefits are valuable to both existing and potential Woolworths Money Credit Card cardholders
- (ii) the benefits can be acquired by any existing cardholders, without additional charges (other than the cost of the Woolworths Insurance Product itself, and any fees and charges applicable to the Woolworths Money Credit Card in the ordinary course) ;
- (iii) there is no compulsion for cardholders to purchase a Woolworths Insurance Product;
- (iv) there is no compulsion for customers to purchase a Woolworths Insurance Product with a Woolworths Money Credit Card (they can do so using other payment options including via unrelated lines of credit);
- (v) the benefits and any terms and conditions applying to the benefits will be clearly disclosed to customers. Any change in the benefits offered or any additional benefit will be notified to customers at the time any particular benefits are made available to those customers.

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:

- (i) the national market for the provision of consumer credit card, charge card and other payment facility services (**Credit Market**); and
- (ii) the national market for the provision of general insurance products, including general insurance by insurers authorised under the Insurance Act 1973 (Cth) and other related insurance products(**Insurance Market**).

Hollard notes that competition in each of these markets is strong and there are numerous other suppliers in both of these markets, many of which engage in conduct similar to that with which Hollard proposes to engage.

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)*

It is Hollard's submission that no likely detriment to the public will result from the proposed conduct and that the proposed conduct will have a negligible effect on competition in the Credit and Insurance Markets.

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

The proposed conduct will not substantially lessen competition in the relevant markets for the following additional reasons:

- (i) the existence of the Woolworths Money Credit Card will continue not to impede the ability of customers to use other retail credit cards or other means with which to purchase Woolworths Insurance Products. Conversely, Cardholders may use their Woolworths Money Credit Cards to purchase any other insurance products through any other insurance provider.
- (ii) the existence of multi product discounts and/or other exclusive offers is not exclusive to the Woolworths Insurance Products and is common among other financial service organisations and products.

- (iii) co-branded and white-labelled credit cards are prolific in Australia and growth in these markets encourages issuers to continue to develop products that add further value for their customers.
- (v) there are a wide range of similar products offered in both the Credit and Insurance Markets.

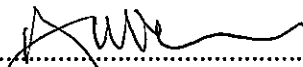
7. Further information

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

Anthony McBride
Senior Compliance Manager
The Hollard Insurance Company Pty Ltd
Level 12, 465 Victoria Avenue
Chatswood NSW 2067
Tel: (02) 8889 9375

Dated... 25 November 2014

Signed by/on behalf of the applicant


.....
(Signature)

Anthony McBRIDE
.....
(Full Name)

The Hollard Insurance Company Pty Ltd.
.....
(Organisation)

Senior Compliance Manager
.....
(Position in Organisation)