



ACE Insurance Limited
The ACE Building
28 O'Connell Street
Sydney NSW 2000
Australia

+61 2 9335 3200 *main*
+61 2 9335 3301 *direct*
+61 478 862 949 *mobile*
karen.schutte@acegroup.com
www.acegroup.com/au

Karen Schutte
Legal Counsel

27 March 2014

General Manager
Adjudication Branch
Australian Competition and Consumer Commission

By email: adjudication@accc.gov.au

Dear sir/Madam

ACE Insurance Limited – Exclusive Dealing Notification

Enclosed is an Exclusive Dealing Notification in relation to a third line forcing matter.

Please be advised that we have telephonically arranged for payment of the \$100 fee earlier today.

Feel free to contact me on 02 9335 3301 if you have any questions.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'KS' or similar, written over a horizontal line.

Karen Schutte
Legal Counsel

enclosure

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:

N97335 **ACE Insurance Limited** ABN 23 001 642 020 AFSL 239687 (ACE)

- (b) Short description of business carried on by that person:

ACE is authorised as a general insurer under the Insurance Act 1973 (Cth) and carries on the business of providing a range of personal and commercial insurance products.

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

The ACE Building
28 O'Connell Street
Sydney
NSW 2000

2. Notified arrangement

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

The supply of general insurance cover to provide lump sum or weekly benefits in the event of the Insured's involuntary unemployment or following accidental injury or sickness (the Product).

Cover is subject to the terms, conditions and exclusions as outlined in the relevant Product Disclosure Statement (PDS).

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

ACE and True Insurance Pty Ltd ACN 163 278 493 (True) have entered into an Authorised Representative and Distribution Agreement, whereby ACE has appointed True as its Authorised Representative to deal in certain general insurance products underwritten by ACE via telemarketing, online website promotion or other electronic marketing as agreed between the parties from time to time.

In connection with this relationship, ACE through its Authorised Representative, True, proposes (through marketing campaigns run from time to time) to:

- supply, and offer to supply, the Product at particular prices; and
 - give or allow, and offer to give or allow a discount, allowance, rebate or credit (Incentive) in relation to the Product,
- on the condition that the person who acquires the Product will acquire goods or services from EnergyAustralia Pty Ltd ABN 99 086 014 968 (Energy Contract). Therefore, eligibility for the Incentive will only arise when this condition is satisfied.

The specific Incentive offered will vary from offer to offer. Examples of the types of Incentive that may be offered include, but are not limited to:

- a price reduction (for example 10% off or \$50 off);
- a refund of a portion of the amount paid (for example \$50 off);
- an optional cover provided with the Product for no additional premium (for example 6 months' free cover);
- extended period of cover for no additional premium (for example 13 months for the price of 12).

The initial marketing campaign will offer the Product for 6 months' free to qualifying new Energy Contract customers. The cost of the premium will be borne by True for the 6 month period. At the end of this 6 month period the customer will have the opportunity to renew the insurance cover for an annual period, or they may choose to not renew.

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:

Electricity and gas consumers in Australia who wish to enter change their energy or gas services provider and qualify for the Product as per the PDS.

- (b) Number of those persons:

- (i) At present time:

None (marketing campaigns have not begun)

- (ii) Estimated within the next year:

ACE is not in a position to know the exact or approximate outcome of the marketing campaigns.

- (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:

- Customers will benefit from the proposed arrangement as they will obtain insurance at a substantial saving on the premium payable for the Product as a result of the Incentives.
- Customers may elect not to take up the Product but to rather purchase a similar product from an insurer of their choice.
- ACE also offers similar products to the Product which is available to customers outside of this arrangement.
- The proposed offer may also promote competition in the retail markets for both bill protection insurance and energy and gas accounts.
- There is no obligation to take up the Product in order to acquire the new Energy Contract.
- The Product has been designed with household expenses in mind should an accidental injury or sickness prevent the insured from engaging in their permanent employment or if they become involuntarily unemployed. Terms, conditions and exclusions apply as will be outlined to customers in the relevant PDS.
- The conduct is likely to promote competition in the markets referred to in question 5.

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

- The markets referred to in question 5 are vigorous and highly competitive with many possible alternative products and service providers. There are a large number of suppliers who offer insurance products similar to the Product.
- Please refer to 4(a) above for further details.

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):

ACE considers that the relevant market for the purpose of assessing this notification is the market for the supply of general insurance products in Australia. The national market offers many products similar to the Product and is highly competitive, which enables customers to make choices based on the price, quality and availability of the products and services offered.

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:

ACE does not consider that the notified conduct would result in any public detriment as eligible customers are not required to take up the offer of insurance. In addition, they are free to obtain insurance from a provider of their choice. Similar products are offered and the market is highly competitive.

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

Purchasers have a wide choice of insurance providers and are not required to take up the offer from ACE when they acquire the Energy Contract. Furthermore, customers who do not acquire the Energy Contract remain able to acquire general insurance products from ACE. Please also refer to the details set out in 6(a) above.


7. Further information

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

Karen Schutte / Hannah Mill
Legal Counsel / Assistant Legal Counsel
Ace Insurance Limited
The ACE Building
28 O'Connell Street
Sydney
NSW 2000
Phone: 02 9335 3301 / 02 9335 3445

Dated: 27 March 2014

Signed by/on behalf of the applicant



Karen Schutte
Legal Counsel

ACE Insurance Limited

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.