

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)

N99185 Tokio Marine & Nichido Fire Insurance Co., Ltd. (TMNF)

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

Supply of general travel insurance services

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

Tokio Marine & Nichido Fire Insurance Co., Ltd.

Level 31, 9 Castlereagh 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:

Supply of travel insurance product

By way of background, AAA Travel Pty Ltd (ABN 30 138 014 105) (AAA) is a travel services company that provides and arranges national travel solutions for the benefit of clubs and their affiliates (**Participating Clubs**).

The Participating Clubs that AAA Travel Pty Ltd provide and arrange travel solutions for include:

- R.A.C. Travel Services Pty. Limited (ABN 17 009 164 176) (RAC)

- Royal Automobile Association of South Australia Incorporated (ABN 90 020 001 807) (RAA)
- RACQ Operations Pty Ltd (ABN 80 009 663 414) (RACQ)
- Royal Automobile Club of Victoria (RACV) Limited (ABN 44 004 060 833) (RACV)

The underwriting, supply and issue of these travel insurance products and services will be arranged by Tokio Marine & Nichido Fire Insurance Co., Ltd. (ABN 80 000 438 291) (TMNF). TMNF holds an Australian Financial Services Licence.

Therefore the goods or services in relation to the supply or acquisition of which this notice relates are:

- Travel insurance products underwritten and issued by TMNF and offered by the Participating Clubs under authorisation; and
- Auto-club memberships sold by the Participating Clubs.

(b) Description of the conduct or proposed conduct:

(Refer to direction 4)

As referred to above, the Participating Clubs will be authorised by TMNF to arrange for the issue of general insurance products, being travel insurance products and services (“the products and services”).

The Participating Clubs propose to:

- supply, or offer to supply, a discount off the standard premiums for various travel insurance products, underwritten and issued by TMNF on the condition that the consumer is also a member of the Participating Club (**PC Members**) or the condition that they are an employee of a Participating Club; and/or
- refuse to supply, or refuse to offer to supply, a discount off the standard premiums for various travel insurance products, underwritten and issued by TMNF for the reason that the consumer is not a member of the Participating Club (**PC Members**) or not an employee of a Participating Club;

For example, Participating Clubs propose to offer a discount of between five percent (5%) and twenty percent (20%) on the retail price of the products and service to PC Members.

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)
- Persons or classes of persons who benefit from goods and services underwritten and issued by TMNF
- (b) Number of those persons:
- (i) At present time:
Substantially in excess of 50
- (ii) Estimated within the next year:
(Refer to direction 6)
- Substantially in excess of 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 will be of benefit to the public because:
- i. PC Members will be offered a benefit in the form of discounted travel insurance;
 - ii. Consumers remain free to acquire both travel insurance products underwritten and issued by TMNF and PC membership services separately;
 - iii. the conduct will encourage competitors of Participating Clubs to offer similar discounted goods or services, or other benefits, to consumers thereby promoting competition in relation to the supply of motor club services generally; and
 - iv. the conduct will encourage those engaged in the supply of travel insurance products and services to retail customers to offer similar discounts, directly or as a part of 'loyalty programs', thereby promoting competition in relation to travel insurance products and services.

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

NA

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)

In broad terms it is submitted that the markets primarily relevant to the assessment of this notification are as follows:

- the market for the supply of travel insurance products and services to consumers in Australia; and
- the market for the supply of motor club services to consumers in Australia.

The markets referred to in (a) and (b) are both very competitive and accordingly the proposed conduct will have little effect on competition in these markets.

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)

TMNF does not consider there to be any public detriments arising from the proposed conduct.

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

N/A.

7. Further information

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

Joaquim Smith

Compliance Manager – Governance Office / Company Secretary

Tokio Marine Management (Australasia) Pty Ltd
Level 31, 9 Castlereagh Street, Sydney NSW 2000

Dated 6 June 2016

Signed by/on behalf of the applicant



.....
(Signature)

Joaquim Smith
(Full Name)

Tokio Marine Management (Australasia) Pty Ltd

On behalf of

Tokio Marine & Nichido Fire Insurance Co. Ltd
(Organisation)

Compliance Manager – Governance Office / Company Secretary
(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.