

20 March 2012

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**Consultation Draft - Competition and Consumer Amendment Regulations (2012)**

Insurance Australia Group (IAG) welcomes the opportunity to make a submission in relation to the *Competition and Consumer Amendment Regulations 2012* (Regulations).

IAG understands that the Draft Regulations give effect to the Government's decision to initially target the laws at the banking sector. IAG appreciates that the Parliamentary Secretary to the Treasurer has stated that the Government has: "...been clear that we would only extend these laws to other sectors of the economy after further detailed consideration and this is reflected in the Regulations." (23 December 2011)

IAG endorses the approach that the legislation only be applied to a sector after careful consideration of the circumstances pertaining to that sector to ensure that there are no unintended consequences for other industry sectors. As IAG highlighted in its submission in relation to the *Exposure Draft – Competition and Consumer Amendment Bill (No.1) 2011 in January 2011*:

*"IAG for example, discusses at half-year and full year results meetings the expected outlook in relation to premium movements and cost pressures that may lead to premium increases. IAG also provides market updates after a major catastrophe event.*

*IAG believes the evidence does not support the need for the application of additional regulation to general insurance. To do so would result in unwarranted layering of regulatory requirements on insurers and lead to uncertainty with consequential operating inefficiencies."*

If you wish to discuss this matter or make further inquiries please contact David Wellfare on 9292 8593 or me on 9292 9557.

Yours sincerely



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