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Lodgment and Details

Document Lodged:	Concise Statement
File Number:	ACT 4 of 2026
File Title:	APPLICATION BY RACWA HOLDINGS PTY LTD
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Important information

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PUBLIC VERSION

APPLICATION BY RACWA HOLDINGS PTY LTD

Commonwealth of Australia

Competition and Consumer Act 2010

In the Australian Competition Tribunal

File No. ACT 4 of 2026

Re Application by RACWA Holdings Pty Ltd

This document contains confidential information which is indicated as follows:

1. [Confidential to IAG Limited and governed by the Confidentiality Regime annexed to the directions of the Tribunal made by Justice O'Bryan on 9 October 2026]
2. [Confidential to RACWA Holdings Pty Ltd and governed by the Confidentiality Regime annexed to the directions of the Tribunal made by Justice O'Bryan on 9 October 2026]

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PUBLIC VERSION

Concise Statement

1. Pursuant to s 100C of the *Competition and Consumer Act 2010* (Cth) (**CCA**), RACWA Holdings Pty Ltd (**RAC Holdings**) seeks a review of an acquisition determination of the Australian Competition and Consumer Commission (**ACCC**) made under s 51ABZE(1) of the CCA that a proposed acquisition of RAC Insurance Pty Limited (**RACI**) from RACI Pty Ltd, a wholly owned subsidiary of RAC Holdings, by Insurance Australia Group Limited (**IAG**) (**Proposed Acquisition**) not be put into effect (**Determination**). The ACCC's Statement of Reasons (**SOR**) was included on the ACCC's acquisitions register on 23 September 2026.

2. RAC Holdings contends that the Tribunal should not be satisfied that the Proposed Acquisition, having regard to the Strategic Alliance pursuant to which it is to be put into effect (paragraph 8 below), if put into effect, would, in all the circumstances, have the effect, or be likely to have the effect, of substantially lessening competition in any market. It follows that the Tribunal should determine under s 100N(1)(a) of the CCA that the Determination be set aside and determine under s 51ABZE(1) and s 100N(1)(b) of the CCA that the Proposed Acquisition may be put into effect. Alternatively, the Tribunal should determine under s 51ABZF(1) of the CCA that the Proposed Acquisition may be put into effect on the condition that IAG give and comply with the undertaking under s 87B of the CCA described at paragraph 61 below (**Undertaking**) and annexed to the concise statement dated 30 October 2026 filed by IAG in the ACT 3 of 2026 proceeding (**IAG Concise Statement**).

KEY BACKGROUND FACTS

3. **IAG**: IAG is an ASX-listed general insurance company operating in Australia and New Zealand. In FY25, its Australian gross written premium was $12.9 billion. It offers insurance under its NRMA Insurance brand in all Australian states and territories except Victoria. In Victoria, IAG is party to a joint venture with RACV in which Insurance Manufacturers of Australia Pty Limited (**IMA**), which is owned 70% by IAG and 30% by RACV, manufactures insurance products that are distributed in Victoria by RACV. In Queensland, IAG also manufactures insurance products through RACQ Insurance Limited (which it acquired in September 2025). The RACQ products are distributed in Queensland by RACQ. In Western Australia, IAG expanded its NRMA Insurance brand into the state in November 2021. Before this, IAG offered insurance in Western Australia under the SGIO brand, which it acquired in 2000, and also through its heritage CGU brand. In December 2022, IAG rebranded its SGIO insurance products as NRMA Insurance.

4. The retail personal lines general insurance products offered by IAG comprise motor vehicle insurance, home and contents insurance, residential strata insurance and boat and pleasure craft insurance. IAG also offers Compulsory Third Party (**CTP**) insurance in New South Wales, the ACT and South Australia, but not in Western Australia (where the scheme is administered by the state government) or in Queensland. [IAG Accompanying Submission to Notification, 3 March 2026 (**IAG 3 March Submission**) at Section 3.1]

5. **RAC Holdings**: RAC Holdings is a wholly owned subsidiary of The Royal Automobile Club of W. A. Limited (**RAC**) ACN 696 098 585, formerly The Royal Automobile Club of W.A. Inc. RAC is a purpose-led, member based organisation with over 1.35 million members in Western Australia. It offers a range of products and services in Western Australia, including roadside assistance, auto services, batteries, tyres, home security packages, insurance, retirement living, travel, tourism and financial lending services. [redacted]

6. RAC Holdings is responsible for the commercial activities of RAC, which it operates through various subsidiaries. RAC Holdings is also responsible for the capital management of the RAC Group, [redacted]

7. RACI is a wholly owned subsidiary of RACI Pty Ltd, and an indirect wholly owned subsidiary of RAC Holdings. RACI manufactures and supplies personal lines general insurance products in Western Australia comprising motor vehicle insurance (including motorcycle, caravan and trailer insurance), home and contents insurance and boat insurance. [SOR [1.1], [3.16]; [redacted]]

8. **The Proposed Acquisition**: The Proposed Acquisition involves the acquisition by IAG of 100% of the issued share capital of RACI from RACI Pty Ltd. The Proposed Acquisition forms part of a Strategic Alliance between the parties that will include a 20-year general insurance partnership between IAG and RAC Holdings (**Strategic Alliance**), pursuant to the following transaction documents:

   a. a share sale deed dated 15 May 2025 between IAG, RACI Pty Ltd and RAC Holdings (**Share Sale Deed**);

b. a long-term distribution agreement (**Distribution Agreement**) under which RAC Holdings will distribute general insurance products issued by RACI to RAC members in Western Australia under the RAC brand – in other words, IAG does not acquire the RAC insurance distribution business;

c. a brand licence agreement between RAC Holdings, RACI and IAG under which the RAC brand will be licensed to RACI for the duration of the Distribution Agreement;

d. a transitional services agreement between RAC Holdings and RACI under which RAC Holdings will provide certain services to RACI on a transitional basis for a limited period following completion of the share sale under the Share Sale Deed; and

e. a buyback deed between IAG and RACI Pty Ltd under which IAG will, in the circumstances set out in the buyback deed, provide RACI Pty Ltd with the option to acquire the business comprising one or more of the portfolios of products issued under the RAC brand pursuant to the Distribution Agreement.

9. **IAG's rationale**: the Proposed Acquisition and Strategic Alliance of which it forms part is an opportunity for IAG to: (a) partner with a complementary business operating in a different geographic area to IAG's historical focus areas of New South Wales, the ACT and Victoria; and (b) bring increased resilience and diversification to IAG's personal lines general insurance portfolio as IAG's presence in Western Australia is not substantial. [IAG 3 March Submission at Section 4.2; SOR [3.6]]

10. **RAC Holdings' rationale**: RAC Holdings is [redacted]. RAC Holdings decided to divest RACI to IAG [redacted] and having regard to the [redacted]. Notwithstanding this, RAC Holdings still wants to continue offering an RAC branded insurance product for the benefit of its members. Thus, the Proposed Acquisition and Strategic Alliance of which it forms part allows RAC Holdings to do this while still delivering on its key objectives [redacted] the Proposed Acquisition and Strategic Alliance of which it forms part will allow RAC Holdings to streamline its operating model and focus its

investments on community and member-based services that align with RAC's objectives as a purpose-led member based organisation.

11. The [redacted] Proposed Acquisition and Strategic Alliance of which it forms part would allow RAC Holdings to [redacted] are:

a. **capital constraints:** [redacted]. Capital constraints arise from the RAC Group not being publicly listed, and therefore unable to raise capital via public equity markets, [redacted]

b. **volatility in earnings:** [redacted] earnings are volatile, [redacted]

c. [redacted] **concentration risk**, which arises from the fact that RACI [redacted];

d. **increased claims cost**, [redacted], and which either must be [redacted] to the detriment of RACI's competitiveness;

e. **reinsurance challenges**, being increased reinsurance costs [redacted];

f. **increased regulatory oversight**, [redacted]

[redacted]

12. **The manufacture and supply of personal lines general insurance**: personal lines general insurance refers to insurance taken out by individuals and families, such as motor vehicle insurance, home and contents insurance, travel insurance and pet insurance. [SOR [41]] Health insurance and life insurance are generally considered to be separate categories of insurance and are not included in general insurance. [IAG 3 March Submission at [43]]

13. General insurers like IAG and RACI "manufacture" personal lines general insurance products in the sense that they develop and offer the policy terms to individual customers and "underwrite" or incur an obligation under the policy to cover claims against the policy that fall within its terms. As an underwriter of its personal lines insurance book, RACI bears the claims risk and performance risk associated with those products. Its responsibilities include pricing, capital management and administration of the insurance products, including management of claims made under the applicable policies. [redacted] To perform this function, an insurance underwriter needs to have actuarial and claims management capability, as well as relationships with property and motor repair services.

14. Personal lines general insurance is regulated as a financial service under the *Corporations Act 2001* (Cth) by the Australian Securities and Investments Commission (**ASIC**) and is also subject to prudential requirements under the *Australian Prudential Regulation Authority Act 1998* (Cth), regulated by APRA: SOR [4.4].

15. As a general insurer RACI is subject to a number of regulatory and operational requirements under the *Insurance Act 1973* (Cth) (**Insurance Act**) and the standards determined by APRA relating to prudential matters including governance, risk management and financial resilience (**Prudential Standards**). Under the Insurance Act and the Prudential Standards, RACI must maintain required levels of capital, have an internal capital adequacy assessment process, maintain a risk management framework and meet APRA's requirements for reinsurance. [redacted]

16. APRA's capital adequacy requirements in prudential standard *GPS 110 (Capital Adequacy)* require general insurers to maintain a minimum level of capital that is directly linked to their measured level of insurance risk, insurance concentration risk, asset risk, asset concentration risk and operational risk. This is known as the Prudential Capital Requirement (**PCR**). The PCR is required to be set at a level intended to cover losses from a one-in-200-year catastrophic event. [First Ali Report at [38(a)], [169], [173]-[174];

Expert Report of Dr Jeffrey Carmichael AO, 21 May 2026 (**First Carmichael Report**) at [5.24]-[5.29]]

17. Reinsurance is the primary mechanism available to general insurers for mitigating general insurance risk, including insurance concentration risk, and is used primarily to address catastrophe risk, being risk associated with natural disaster events such as cyclones, bushfires or earthquakes. [redacted]; First Ali Report at [140]-[141]; First Carmichael Report at [5.11]-[5.16]] RACI uses reinsurance to manage its concentration risk in the event of a catastrophic event. [redacted]

ISSUES

18. **Market definition**: whether, contrary to SOR [8.1] and [8.19], there are national markets for the supply of motor vehicle insurance and home and contents insurance to consumers.

19. **Counterfactual**: whether, contrary to SOR [redacted], RACI is likely to [redacted] in the supply of motor vehicle insurance and home and contents insurance in Western Australia, and [redacted], in the future without the Proposed Acquisition.

20. **SLC**: whether, contrary to SOR [2.16], [10.3], [10.206]-[10.209], [13.3] and [13.117]-[13.120], the Tribunal cannot be satisfied that the Proposed Acquisition would have the effect, or be likely to have the effect, of substantially lessening competition in any market.

21. **Undertaking**: whether, if IAG gives the Undertaking, the Tribunal cannot be satisfied that the Proposed Acquisition would have the effect, or be likely to have the effect, of substantially lessening competition in any market.

CONTENTIONS

22. RAC Holdings disagrees with the ACCC's ultimate conclusion that the Proposed Acquisition would have the effect, or be likely to have the effect, of substantially lessening competition in the markets for the supply of motor vehicle insurance and home and contents insurance in Western Australia: cf. SOR [2.16], [10.3], [10.206]-[10.209],

[13.3] and [13.117]-[13.120]. RAC Holdings also disagrees with the following findings on which that conclusion was based:

a. that the relevant markets are the supply of motor vehicle insurance in Western Australia and the supply of home and contents insurance in Western Australia: cf. SOR [8.1], and [8.19];

b. that the Proposed Acquisition would result in a substantial increase in concentration: cf. SOR [2.10]-[2.11], [10.3]-[10.14], [13.4]-[13.14];

c. that in the future without the Proposed Acquisition [redacted]: cf. SOR [redacted];

d. that IAG is an effective competitor in Western Australia and would likely be a stronger one without the Proposed Acquisition: cf. SOR [2.7], [10.15]-[10.28], [13.15]-[13.25];

e. that IAG and RACI are close competitors, and that the Proposed Acquisition would eliminate the competitive pressure they impose on each other: cf. SOR [2.11], [10.54]-[10.90], [13.43]-[13.64];

f. that expansion by rival insurers and new entry would not be sufficient to offset the loss of competition contended by the ACCC: cf. SOR [2.12]-[2.13], [10.105]-[10.169], [13.67]-[13.94]; and

g. that the Distribution Agreement does not meaningfully constrain IAG, and that the undertaking IAG offered the ACCC in July 2026 does not adequately address the likely competitive harm: cf. SOR [10.97]-[10.104], [13.66], [14.3]-[14.32].

Market definition

23. IAG and RACI overlap in the supply of two broad kinds of personal lines general insurance in Western Australia: (a) motor vehicle insurance (which includes comprehensive car insurance, third party fire and theft, third party property insurance, caravan and trailer insurance, and motorcycle insurance, but excludes CTP insurance); and (b) home and contents insurance (which includes home (building) insurance, contents insurance, combined home (building) and contents insurance and landlord insurance): SOR [8.4].

24. Contrary to SOR [8.1] and [8.19], the relevant markets for the purposes of assessing the competitive effect of the Proposed Acquisition on the supply of overlapping insurance

products are not separate state-based markets for the supply of motor vehicle insurance, and home and contents insurance, in Western Australia.

25. Rather, the relevant markets are national markets for the manufacture and supply of motor vehicle insurance, and home and contents insurance, to consumers. The product dimension of these markets is the supply of personal motor vehicle insurance and personal home and contents insurance respectively. The geographic dimension of these markets is Australia-wide.

26. IAG and RACI also overlap in the acquisition of repair services in Western Australia, being smash repair services, windscreen repair and replacement services, and building repair services. The ACCC's assessment focused only on the acquisition of smash repair services and assessed the competitive effect of the Proposed Acquisition in markets for the acquisition of smash repair services in local or regional areas of Western Australia: SOR [8.35], [8.38]. In circumstances where the ACCC did not find any effect or likely effect of substantially lessening competition in these markets, it is not necessary for the Tribunal to determine definitively the geographic scope of the market in which smash repair services are acquired: SOR [12.6]-[12.7].

27. **Relevant principles**: Section 4E of the CCA sets out an inclusive definition of "market" which makes clear that the relevant parameters of the market are governed by the concepts of substitution and competitive constraint.

28. A market is an area of close competition between firms, or the field of rivalry between them in the sense of the field of actual and potential transactions between buyers and sellers amongst whom there can be strong substitution, at least in the long run, if given a sufficient price incentive: *Epic Games, Inc v Apple Inc* [2025] FCA 900; (2025) ATPR ¶42-910 (***Epic v Apple***) at [1301]; *Re Queensland Co-operative Milling Association Ltd* (1976) 25 FLR 169 at 190.

29. A market has four dimensions, being the product, the geographic, the functional and the temporal: *Epic v Apple* at [1312].

30. A key consideration in defining the product and geographic boundaries of the market is the sources of supply that are close substitutes for the relevant good or service in question: *Epic v Apple* at [1314].

31. Of particular significance in this case is that substitution may occur on the "demand side" or the "supply side". Demand side substitution occurs where "buyers will switch their patronage from one firm's product to another, or from one geographic source of supply to another". Supply side substitution occurs where "sellers adjust their production plans in response to a sufficient price incentive, substituting one product for another in their

output mix, or substituting one geographic source of supply for another": *Epic v Apple* at [1315].

32. The hypothetical monopolist test is a tool commonly used to assess substitution possibilities on the demand side: *Epic v Apple* at [1316]. The question posed is whether a hypothetical monopolist could profitably impose a small but significant non-transitory increase in price (**SSNIP**), typically of 5 to 10%. If so, the market is well defined. If not, the next best substitute on the demand side is added to the market.

33. Importantly, the hypothetical monopolist test is "a test looking at demand-side substitutability rather than supply-side substitutability": *Epic v Apple* at [1320]. This is because, unlike on the demand side, the hypothetical monopolist test cannot provide a complete or sufficient test of close substitution on the supply side.

34. For example, although it could be said that a market should be expanded if a hypothetical monopolist could not profitably impose a SSNIP because other suppliers would switch their production plans to the focal product from a different product, the converse is not necessarily true. This is because, as stated in *Epic v Apple* at [1315], substitution on the supply side encompasses more than only substitution by suppliers who are not currently supplying the focal product. It also includes suppliers who do supply the focal product, but who can scale up their production of the focal product by scaling down their production of a different product. This form of substitution still amounts to substitution from another product on the supply side that could prevent a SSNIP.

35. Critically, the ACCC's approach in this case overlooks this aspect of supply side substitutability. Its approach "considers that the HMT should be understood as asking whether a hypothetical monopolist supplier of insurance to Western Australia customers could profitability raise its prices": SOR [8.31]. In other words, the ACCC's approach ignores the potential for substitution on the supply side by suppliers who already do supply the focal product and could increase their supply by switching production from other products, by focusing instead on only the time and investment required by suppliers to enter supply of the focal product: see SOR [8.10], [8.11], [8.30]. The Tribunal would err if it were to adopt the ACCC's approach to assessing supply side substitutability and it therefore should reject that approach. By contrast, when the correct approach is applied, which considers both substitution by suppliers already supplying the focal product as well as by suppliers who do not, the market definition contended for by RAC Holdings becomes clearer still.

36. **Product dimension**: RAC does not press any dispute about the product dimension of the relevant markets, being the supply of motor vehicle insurance, and the supply of home and contents insurance, to consumers: SOR [8.8].

37. **Geographic dimension**: By contrast, there is a dispute with respect to the geographic dimension. RAC Holdings contends that the geographic dimension of the relevant markets is national, not limited to Western Australia.

38. On the *demand side*, personal motor vehicle insurance or home and contents insurance supplied by an insurer located outside Western Australia is a close substitute for the same kind of insurance supplied by an insurer located in Western Australia. Consumers research and acquire such personal lines general insurance products online, and claims are typically handled online or over the telephone, which means consumers do not necessarily *require* an insurer with a physical local presence.

39. Contrary to SOR [8.23], the fact that some customers might value an insurer having a local presence in Western Australia does not mean that insurance supplied from out of state is not a close substitute. [redacted]. In those circumstances, there is close substitutability on the demand side with insurance supplied from outside Western Australia. [IAG 3 March Submission at [79]; [redacted]]

40. On the *supply side*, and contrary to SOR [8.24]-[8.30], there is substantial actual and potential supply side substitution that supports national markets, not markets limited to Western Australia. This is so for several key reasons:

    a. *First*, all the major national insurers (QBE, Allianz, Suncorp, Auto & General, Youi and Hollard) already operate in Western Australia and supply both kinds of personal lines general insurance under national brands with national products. These insurers are therefore already present and actively supplying personal lines insurance to customers in Western Australia; [IAG 3 March Submission at [79(a)]]

    b. *Second*, while the ACCC has found that all insurers who offer insurance in Western Australia have a form of physical local presence (cf. SOR [8.22]), it is not strictly necessary for an interstate insurer to build a local sales, claims and customer service presence in Western Australia to facilitate entry, because most insurers in Australia have centralised operations, including centralised call centres with a single telephone number and website for customers to use regardless of location; [IAG 3 March Submission at [79(e)]]

c. *Third*, insofar as local sales or distribution capability would be useful to an interstate insurer expanding into Western Australia, there are several potential insurance distribution partners or brokers operating in Western Australia with whom an interstate insurer could partner; [IAG 3 March Submission at [79(d)]]

d. *Fourth*, an interstate insurer is likely to be able to rely on their existing reinsurance arrangements when entering Western Australia, because reinsurance is typically negotiated on a whole of portfolio basis; [IAG 3 March Submission at [79(k)]]

e. *Fifth*, in any event, it is unlikely that an interstate national insurer would face any material cost disadvantage relative to a Western Australia focused insurer, because a Western Australia focused insurer is likely to have higher concentration risk and associated higher reinsurance costs that would mitigate any (if any) cost advantage it may have in local sales, claims and customer service capability; [Expert Report of Jason Ockerby, 1 July 2026 (**Second Ockerby Report**) at [101]-[107]]

f. *Sixth*, it is unlikely that an interstate national insurer would face any material cost disadvantage relative to a Western Australia focused insurer in establishing a smash repairer network and/or assessor arrangements for home claims, because these arrangements are contractual rather than based on assets specific to Western Australia, and [redacted]

g. *Seventh*, it is unlikely that an interstate national insurer would face any material barrier to entry based on marketing costs, because most insurers in Australia have nationwide brands, which obviates the need to invest in developing and marketing a new brand to facilitate entry into Western Australia, and [redacted]

h. *Eighth*, contrary to SOR [8.25]-[8.27], it is unlikely that an interstate national insurer would face any material barrier to entry based on economic, demographic or environmental differences in Western Australia, because insurance pricing typically involves the application of national considerations (with reference to localised natural peril risks only as required) and underwriting limits are generally calculated on a national basis (with some variance in policy terms in local areas

due to supply issues and claims serviceability). [IAG 3 March Submission at [79(g), (h)]]

Counterfactual analysis with respect to RACI

41. RAC Holdings disagrees with the ACCC's finding that, in the future without the Proposed Acquisition: (a) [redacted]; and (b) [redacted]

42. Instead, RAC Holdings contends that, in view of the [redacted] outlined in paragraphs 10 and 11 above, the correct counterfactual is one where [redacted], and as a consequence: (a) RACI is likely to [redacted], including because [redacted] and (b) [redacted] As a result, in the future without the Proposed Acquisition, it is likely that [redacted].

43. **RACI's [redacted] capital constraints**: RACI has [redacted] constraints on its ability to raise capital relative to other major insurers operating in Western Australia. It is unable to raise capital through traditional equity capital markets (being owned by a mutual organisation) and other forms of capital raising available to it (eg. Mutual Capital Instruments (**MCI**)) are not attractive to investors: SOR [9.8]. These constraints [redacted]. When combined with [redacted] (see [redacted] below) and [redacted] claims costs (see paragraph 53 below), the inevitable likely consequence of [redacted] is

that, in the future without the Proposed Acquisition, [redacted]

44. RAC Holdings' earnings from RACI have fluctuated [redacted] over time, reflecting [redacted] However, the fact that RACI has been profitable [redacted] in the future without the Proposed Acquisition, [redacted] (*contra* SOR [redacted]). This is because:

a. [redacted] profitability is inherently volatile, being materially dependent on weather and seismic conditions. [redacted]

b. Likewise, [redacted]

45. Nor can it be said that, in the future without the Proposed Acquisition, [redacted] (*contra* SOR [redacted]). The RAC Group operates a diverse range of businesses in the interests of its members. Each business [redacted]

46. **RACI's technology investment needs**: The ACCC accepts that some of RACI's digital technology capabilities [redacted] and [redacted]: SOR [9.38]. [redacted]. However, contrary to SOR [9.35] and [9.39], in the future without the Proposed Acquisition, [redacted]. In particular:

    a. [redacted]

    b. [redacted]

    c. [redacted] and

    d. [redacted]

47. **RACI's higher concentration risk**: RACI faces a [redacted] higher concentration risk than other major insurers, because it supplies insurance only to customers in Western Australia whereas most other insurers have a spread of customers across different geographic regions: SOR [9.87]. Approximately [redacted] of RACI's insured members are located in the Perth metropolitan area and its motor vehicle insurance and home and contents insurance products account for [redacted] of its insurance book. [redacted] RACI therefore has a [redacted] in that it has a high geographic concentration risk and a non-listed parent company [redacted]. [Supplementary Expert Report of Mozammel Ali, 1 July 2026 (**Second Ali Report**) at [27]; Third Supplementary Expert

Report of Mozammel Ali, 2 September 2026 (**Fourth Ali Report**) at Section 4.2, [16] and [25]]

48. Notwithstanding this, the ACCC found that RACI is "well-placed to manage its concentration risk in the short to medium term" because it has adequate reinsurance and sufficient funds to cover reinsurance costs (SOR [9.88]-[9.89]). [redacted]. Specifically:

    a. [redacted]

    b. [redacted]

    c. [redacted]

49. **RACI's [redacted] reinsurance costs**: due to RACI's [redacted] concentration risk, RACI needs to purchase [redacted] reinsurance [redacted].

50. Notwithstanding this, the ACCC found that [redacted] (SOR [9.54]) and that [redacted] (SOR [redacted]). [redacted]

[redacted]

51. Another consequence of RACI's [redacted] concentration risk and acquisition of [redacted] reinsurance coverage is that it has had to [redacted]. [redacted]. The ACCC found that RACI can manage [redacted] reinsurance deductibles in the short to medium term and that this had not impacted RACI's ability to compete effectively: SOR [9.67]. However, [redacted]. The likely consequence of this is that, in the future without the Proposed Acquisition, [redacted]

52. Further, even with the amount of reinsurance that RACI acquires, [redacted] In this respect, the ACCC's finding that RACI is nevertheless managing its insurance risk appropriately [redacted] This creates a [redacted] in the balance sheets of RACI and RAC Holdings with [redacted]. The [redacted]

53. [redacted] **claims costs**: insurance claims are becoming more complex and expensive to resolve due to a range of factors including increasing frequency and severity of natural disasters and extreme weather events, increased technology in cars and reduced availability and supply of parts. Such cost increases have a [redacted] impact on [redacted]. RAC Holdings disagrees with ACCC's finding [redacted].

54. **RACI's increased regulatory cost burden**: there has been increasing regulation of insurance companies in recent years with increased costs as a consequence: SOR [9.104]. The ACCC found that such cost increases apply to all insurers and are a challenge that is not unique to RACI: SOR [9.105]. [redacted]

55. [redacted]

56. [redacted]

    a. [redacted]

b. [redacted]

c. [redacted]

i. [redacted]

ii. [redacted]

iii. [redacted]

iv. [redacted]

v. [redacted] and

vi. [redacted]

d. [redacted]

e. [redacted]

57. Further, in circumstances where the ACCC first notified this issue in the SOR, RAC Holdings was left without any reasonable opportunity to make submissions about this particular ground of the Determination. It follows that RAC Holdings may bring an application under s 100S(2)(b) of the CCA to provide further information, documents or evidence addressing this issue in relation to whether it is likely that [redacted] in the future without the Proposed Acquisition.

The Proposed Acquisition will not substantially lessen competition in any relevant market

58. **No likely effect of substantially lessening competition in national markets**: If the relevant markets are national markets for the supply of motor vehicle insurance and

home and contents insurance to consumers, the market share increment from the Proposed Acquisition would be [redacted] and [redacted] respectively (as at December 2025, noting these increments do not account for the Undertaking that IAG is prepared to give, outlined at paragraph 61 below) [redacted]. In that case, there would not be any effect, or likely effect, of substantially lessening competition in these markets, because the increase in concentration would be too small to have any meaningful impact on competition.

59. **No likely effect of substantially lessening competition in Western Australia markets**: even if the relevant markets are markets in Western Australia for the supply of motor vehicle insurance and home and contents insurance to consumers, there still would not be any effect, or likely effect, of substantially lessening competition in those markets. In this respect, RAC Holdings adopts the following paragraphs of the IAG Concise Statement:

    a. the markets are highly competitive with significant national insurers competing in Western Australia (paragraphs 28 to 32);

    b. IAG and RACI are not close competitors (paragraphs 33 to 37);

    c. the market share data the ACCC relies on is backward looking and outdated (paragraph 38);

    d. the Proposed Acquisition is pro-competitive, because it would enable the RAC offering to compete more effectively (paragraph 39); and

    e. the ACCC was correct to be satisfied that vertical effects would not amount to a substantial lessening of competition (paragraph 40).

60. **The Distribution Agreement constrains IAG**: the CCA requires that regard must be had to all relevant matters in considering whether the Proposed Acquisition, if put into effect, would or could, in all the circumstances, have the effect, or be likely to have the effect of substantially lessening competition in any market: CCA, s 51ABZH(2), (3). This includes the Strategic Alliance and in particular the Distribution Agreement, which would preserve the RAC offering in Western Australia and impose a significant competitive constraint on IAG. In this respect, RAC Holdings adopts paragraphs 41 to 45 of the IAG Concise Statement.

CONDITIONS AND UNDERTAKING

61. The Undertaking that IAG is prepared to give (see paragraphs 47 to 49 of the IAG Concise Statement and the Undertaking annexed to the IAG Concise Statement) is in the same form as that lodged with IAG's public benefit application under s 51ABZP of the CCA on 13 October 2026. The fact that it was not provided to the ACCC during its

review of IAG's original acquisition notification under s 51ABX does not prevent the Tribunal from considering it. This is because the Tribunal has power to include conditions in a determination that an acquisition may be put into effect, such as a condition that a specified person give an undertaking to the ACCC under s 87B of the CCA: CCA s 51ABZF(1), s 100N(1)(b). The Tribunal can impose such a condition even if it was not considered by the ACCC.

62. If the Tribunal is satisfied that, disregarding any conditions it could include, the Proposed Acquisition, if put into effect, could, in all the circumstances, have the effect of substantially lessening competition in any market, the Tribunal should instead determine that the Proposed Acquisition may be put into effect on the condition that IAG give the Undertaking to the ACCC and comply with it. In this respect, RAC Holdings adopts paragraphs 47 to 49 of the IAG Concise Statement, which explain why the Undertaking would address any residual competition concern with the Proposed Acquisition.

DETERMINATION

63. Having regard to the matters above, RAC Holdings seeks a determination that the Determination be set aside under s 100N(1)(a) of the CCA and that the Proposed Acquisition may be put into effect under s 51ABZE(1) and s 100N(1)(b) of the CCA. Alternatively, if the Tribunal is satisfied as described in s 51ABZF(2) of the CCA, the determination under s 51ABZE(1) should include a condition under s 51ABZF(1) that IAG give an undertaking under s 87B of the CCA in the form of the Undertaking and comply with it.

4 November 2026