

Senate Economics Legislation Committee**ANSWERS TO QUESTIONS ON NOTICE****Treasury Portfolio**

Budget Estimates, 1 to 4 June 2004

Question: Bud 98**Topic: ACCC – Financial Services Reform Act - Insurers****Hansard Page: Written Question on Notice**

Senator Conroy asked:

Is the ACCC aware of allegations that some larger insurers may be using the Financial Services Reform Act as an excuse not to cross-endorse some smaller players. A Treasury regulation was made to overcome the problem of cross-endorsement. Prior to this regulation, some insurers were concerned that they may be liable to the obligations of the Act, even if they were not providing the insurance coverage, but because they were cross-endorsing another firm.

ASIC have advised that this issue is now a market-practices issue/ anti-competitive issue and should be considered by the ACCC.

Has the ACCC considered this issue? Has the ACCC taken any action?

Answer:

The ACCC is aware of the allegations of anti-competitive behaviour in relation to cross-endorsement of insurance brokers and has an investigation in train.