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3 December 2002



Dr Kathleen Dermody  
Committee Secretary  
Parliamentary Joint Committee on  
Corporations and Financial Services  
Parliament House  
CANBERRA ACT 2600

Dear Dr Dermody

**Inquiry into the disclosure of commissions on risk products**

Thank you for your letter of 29 November 2002 regarding the above matter.

The Insurance Council of Australia has given extensive consideration to this matter since the release of the original bill and it is our opinion that the existing legislation in sections 1013D(1)(e) and 1013E provides appropriate regulation of this matter. The question of commissions paid for the acquisition of general insurance is probably of lesser consequence than might be the case with other financial products, but, nevertheless, the terms of the existing Act ensure that sufficient information is provided to enable an informed decision to be made and any variation would provide no benefit to consumers of insurers.

ICA would welcome your further comment on this matter in due course.

Yours sincerely

Robert Drummond  
General Manager, Regulation