



One Company
Many Brands



Suncorp Group Limited
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General Manager
Small Business, Competition and Consumer Policy Division
The Treasury
Langton Crescent
PARKES ACT 2600
competition@treasury.gov.au

Dear General Manager,

Competition Policy Review (Harper Review) Final Report - Consultation

This response is lodged on behalf of Suncorp's General Insurance businesses. Operating some of the country's most trusted insurance brands, Suncorp is one of the leading general insurance groups in Australia. We offer a range of personal and commercial insurance products, protecting the financial well being of millions of Australians and businesses. As a Group, Suncorp employs over 15,000 Australians and has more than nine million customers across Australia and New Zealand. In our Australian Commercial and Personal Insurance business lines alone, Suncorp paid out \$5.2 billion in insurance claims, averaging more than \$14 million each day, in 2013-14.

Suncorp welcomes the Final Report of the Competition Policy Review (Harper Review) and commends the important work of the Review Panel.

Personal Injury Insurance Schemes

Suncorp is encouraged by the reference to current regulatory restrictions over personal injury insurance schemes in the Final Report (p.116). As mentioned in our previous submissions there are significant economic benefits to be gained from competitively underwriting personal injury insurance schemes such as workers compensation and compulsory third party schemes. The benefits include:

- increased economic output, output per worker and government revenues due to a boost in productivity and better capital management;
- higher productivity gains leading to increased wage and employment growth and increased household consumption; and
- an increase of \$3 billion in economic output over ten years from competitively underwriting the NSW workers compensation scheme alone.

With these benefits in mind Suncorp believes that the competitive underwriting of personal injury insurance schemes should be a high priority for the proposed Australian Council for Competition Policy (ACCP). In particular Suncorp sees value in the ACCP undertaking a market study (Rec 46) into personal injury insurance schemes to identify how they can be better managed and outline the positive impact of competition on premiums, health outcomes and the fiscal position of states and territories.

We wholly support the establishment of the ACCP and see it as a key driver of competition policy reform over the coming decades. Suncorp particularly supports the involvement of the states and territories in the ACCP and the identification of a clear and stable funding source.

Finally, like the Insurance Council of Australia (ICA), Suncorp has concerns with Recommendation 30 which proposes to incorporate an 'effects test' into section 46 of the *Competition and Consumer Act 2010*. The ICA's submission to this consultation fully addresses the industry's concerns with this recommendation and Suncorp endorses their position.

Should you, or your office, require any further information on Suncorp's submission to the Harper Review I can be contacted on (02) 81210277 or at Duncan.Bone@suncorp.com.au

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Duncan Bone', consisting of two distinct cursive strokes.

Duncan Bone
Senior Manager (Public Policy)
General Insurance

ATTACHMENT A: Suncorp's Submission to the Competition Policy Review (November 2014)