

Committee to review the Trade Practices Act

Dear Sirs

## FORMAL AUTHORIZATION OF AN INSURANCE CARTEL

We note the review of the Trade Practices Act.

We wish to make a short submission.

We take it that it is within the terms of reference of the Committee to make a submission **against** legislation proscribing anti-competitive conduct and urge the benefits of industry rationalization.

We note that, with the privatization, takeovers, demutualizations and proscription on offshore insurers canvassing in Australia, we seem to be heading towards a very nice insurance cartel.

The premium increases being demanded and paid are excellent.

It also seems that there are efficiencies to be had in having insurers rewrite the law of negligence for 9 Parliaments (efficiencies of scale there) and an insurance cartel could save the public some unnecessary public servants, lawyers and Judges.

As investors, we consider the Committee ought have a due and proper regard to the legitimate expectations of a return on investment of those who are willing to enterprise their capital for the community's good by backing the shares of insurance companies likely to form the genesis such a cartel (on the "no liability for anything" model of course).

It is, we submit, time for a clear and manly approach to this vexed issue. Competition just does not work in insurance - every expert knows there was ridiculous premium discounting and underwriting over-capacity. Let us as a nation stop beating around the bush and recognize the great social benefits of an insurance cartel or monopoly.

It is time Australia treated herself to the best laws on negligence and monopoly that money can buy and we as investors are willing to bet on the benefits.

Yours respectfully

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