

MEDIA RELEASE



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IAG's proposed acquisition of WA's RAC insurance business raises concerns

The ACCC has outlined its preliminary competition concerns with Insurance Australia Group Limited's (ASX: IAG) proposed acquisition of RAC Insurance Pty Limited (RACI) from the Royal Automobile Club of Western Australia Inc in a Statement of Issues published today.

IAG and RACI both supply motor insurance and home and contents insurance in Western Australia. The proposed acquisition would result in IAG underwriting motor insurance and home and contents insurance under the RAC brand.

The ACCC's preliminary view is that the proposed acquisition is likely to have the effect of substantially lessening competition in both the supply of motor insurance and the supply of home and contents insurance in Western Australia.

"RACI is the leading provider of both motor and home and contents insurance in Western Australia and has a significantly larger market share in each compared to any other insurer," ACCC Commissioner Dr Philip Williams said.

"RACI competes strongly in Western Australia with its well-recognised brand and focus on customer service. It also appears likely to continue to compete strongly in the future, if the proposed acquisition does not eventuate."

"We are concerned that the acquisition would increase concentration in an already highly concentrated market," Dr Williams said.

The ACCC is concerned that the reduction in competition may enable IAG to increase premiums and reduce the quality of its own and RACI's motor insurance and home and contents insurance products in the future.

The ACCC is also concerned that the proposed acquisition may enable IAG to limit rival insurers' access to quality and cost-effective repairers in Western Australia or increase rivals' costs of acquiring repair services in the state.

Accessing repair services, such as smash repairs, windscreen repairs and home repairs, is a key aspect of providing insurance, and restricting access to such services would likely reduce the competitiveness of rival insurers in Western Australia.

The ACCC invites submissions in response to the Statement of Issues by 18 September 2025. Parties can contact the ACCC via mergers@accc.gov.au.

More information including the Statement of Issues is available on the ACCC's public register here: [IAG Limited – RAC Insurance Pty Limited | ACCC](#).

Background

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IAG is an ASX-listed (ASX: IAG) general insurance company operating in Australia and New Zealand. IAG provides a range of personal and commercial insurance products in Australia directly under its owned brands, including NRMA, Swann Insurance, ROLLiN', Cylo and Lumley Special Vehicles. Through its joint venture business, Insurance Manufacturers of Australia Pty Limited, IAG provides personal lines insurance in Victoria distributed by its joint venture partner RACV.

In addition, IAG provides intermediated insurance through brokers, authorised financial representatives, institutions and agents under the CGU and WFI brands. IAG also underwrites insurance products distributed by financial institutions, including Bendigo and Adelaide Bank, People's Choice Bank and, since 2023, ANZ Bank.

The Royal Automobile Club of Western Australia (RAC) is a Western Australian based member-owned mutual association that provides roadside assistance, general insurance products, and other ancillary services to its members. RACI underwrites motor insurance and home and contents insurance for RAC.

RAC distributes other personal lines of general insurance underwritten by third party insurers. Namely, RAC distributes travel insurance underwritten by Tokio Marine & Nichido Fire Insurance Co. Ltd. RAC also has arrangements in place for the supply of health insurance underwritten by HCF, life insurance underwritten by NobleOak Life Limited and pet insurance underwritten by RACQ Insurance (RACQI).

The Proposed Acquisition does not involve the acquisition by IAG of RAC's roadside assistance business or its other operations including RAC's auto servicing and repair services, finance, retirement living, home security, batteries, tyres, travel and tourism operations.

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