# MEDIA RELEASE

**23 September 2026**

## ACCC opposes IAG's proposed acquisition of RAC Insurance

The ACCC has decided that Insurance Australia Group Limited (ASX: IAG) (IAG) must not put into effect its proposed acquisition of RAC Insurance (RACI).

Following an in-depth Phase 2 assessment, the ACCC is satisfied that IAG's proposed acquisition would have the effect or likely effect of substantially lessening competition in the supply of motor vehicle insurance and in the supply of home and contents insurance in Western Australia.

In March 2026, IAG notified the ACCC of a proposal to acquire RACI from RACI Pty Ltd, a wholly owned subsidiary of the Royal Automobile Club of Western Australia Inc. If put into effect, the acquisition would have resulted in IAG underwriting motor insurance and home and contents insurance under the RAC brand in Western Australia.

IAG and RACI both supply motor vehicle insurance and home and contents insurance in Western Australia. RACI is the market leader in both motor vehicle insurance and home and contents insurance in Western Australia, where it operates under the RAC WA brand.

IAG is one of the two largest personal insurers in Australia. It is a significant competitor in Western Australia and supplies insurance products under a range of brands, including the well-known NRMA brand.

The proposed acquisition would leave IAG with overall market shares in Western Australia of approximately 55 to 65 per in motor vehicle insurance and approximately 50 to 60 per cent in home and contents insurance.

"The acquisition would combine two large insurers, resulting in a substantial increase in IAG's market share and a significant increase in market concentration," ACCC Chair Gina Cass-Gottlieb said.

"If the acquisition were to proceed, we consider the level of constraint from other insurers would be unlikely to be sufficient to address the loss of competition arising from the acquisition."

The ACCC considers that IAG and RACI both have strengths that make them effective competitors in the supply of motor vehicle insurance and home and contents insurance in Western Australia.

"We conducted extensive inquiries and analysed material provided by IAG, RACI and third parties such as other insurers and industry associations to examine the likely impacts on competition," Ms Cass-Gottlieb said.

"Our assessment is that IAG and RACI are effective competitors in Western Australia. The ACCC considers that IAG is likely to be a stronger competitor than it is presently if the acquisition does not proceed."

The ACCC considered whether the acquisition would allow IAG to restrict competing insurers' access to repair services but did not have sufficient evidence to be satisfied that IAG would have the incentive to engage in such conduct.

The ACCC also considered concerns relating to the market for the acquisition of smash repair services in certain regions of Western Australia. The ACCC concluded it did not have sufficient evidence to be satisfied there would be a likely substantial lessening of competition in these regions.

More information, including the Phase 2 Determination, is available on the ACCC's Acquisitions Register: Insurance Australia Group – RAC Insurance.

**Note to editors**

IAG applied to the ACCC for clearance of the acquisition in 2025 under the previous informal merger regime. In December 2025, the ACCC decided to oppose the acquisition based on the information available to it at that time.

IAG then notified the acquisition under the formal merger regime which commenced on 1 January 2026.

If the ACCC decides not to approve an acquisition, the parties are able to lodge a public benefit application with the ACCC. The ACCC would then consider if the acquisition is likely to result in a benefit to the public, and whether the benefit would outweigh the detriment to the public that is likely to result from the acquisition. The ACCC has 50 business days to determine a public benefit application, subject to any extensions.

**Background**

IAG is an ASX-listed general insurance company providing 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.

In Victoria, IAG has a joint venture with RACV where IAG underwrites RACV-branded home and contents and motor vehicle insurance, and RACV manages distribution and member engagement. In 2025, IAG acquired RACQ Insurance in Queensland. In Western Australia, IAG primarily supplies home and motor vehicle insurance under the NRMA brand, having transitioned its customers away from its SGIO brand from 2022.

IAG also provides intermediated insurance through brokers, authorised financial representatives, institutions and agents under the CGU and WFI brands, and underwrites insurance products distributed by financial institutions, including ANZ, Bendigo and Adelaide Bank, and People's Choice 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. RAC Insurance underwrites motor insurance and home and contents insurance for RAC.

RAC distributes other personal lines of general insurance underwritten by third party insurers, including travel insurance underwritten by Tokio Marine & Nichido Fire Insurance Co. Ltd, health insurance underwritten by HCF, life insurance underwritten by NobleOak Life Limited and pet insurance underwritten by IAG.

IAG did not propose acquiring RAC's roadside assistance business or other operations including auto servicing and repair services, finance, retirement living, home security, batteries, tyres, travel and tourism operations.

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