

CROESUS

CROESUS LIMITED

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09th September 2009

Mr. Thomas Abe
Commissioner & CEO
Independent Consumer and Competition Commission
P.O. Box 6394
Boroko, NCD

Dear Sir,

Re: ICCC Housing Review

Comment has been invited following the distribution of the Housing Industry Review “Issue Paper” dated the 12th August 2009. In response to the invitation, we restrict our observations to Clause 5.3 and the points marked “Issues for comment”.

Reference to the ICCC’s review of the General Insurance industry is mentioned in Clause 5.3 and we understand in that report, the ICCC issued a positive conclusion regarding the health, pricing and competitiveness of the General Insurance industry.

Turning to the “Issues for comment” in Cl. 5.3 we do not consider an Insurance Proposal for example is difficult. It is an adopted universal document and there appears no alternative method for a Finance Company or an Insurer to assess their potential client. During this pre insurance policy process, it appears to us a potential Finance Customer receives adequate information regarding a potential Insurers Home Insurance policy; this enables him or her to make an informed judgement about a Home Insurance product.

As regards competition or alternatives, there are competing Underwriters who offer products to suit a variety of home buyers requirements and there are also Intermediaries in the market place that may offer advice about these various policies. During their decision making process, a potential insurance buyer may not necessarily be that impressed by the Home Insurance product, but with the potential service offered by a direct insurer or an Intermediary. We are not able to comment on Issue 4 as it appears somewhat broad in scope, nor the universal effects of the implementation of the ICCC 2007 review other than a general impression noted in para 2 above.

Yours faithfully,



M.P. SAUNDERS
PRINCIPAL OFFICER

cc Office of the Insurance Commissioner.