



## TRADE PRACTICES COMMISSION

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TELEGRAPHIC ADDRESS: TRADEPRAC  
CANBERRA

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IN REPLY PLEASE QUOTE: G75/788

CITY MUTUAL BUILDING  
HOBART PLACE  
CANBERRA CITY, A.C.T.  
Please address all  
correspondence to  
The Secretary, P.O.  
Box 1851, Canberra  
City, A.C.T. 2601

25 July 1975

Dear Sir,

### TRADE PRACTICES ACT 1974-1975

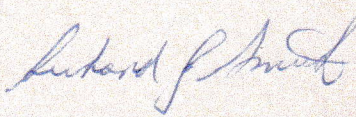
Thank you for your letter of 6 May 1975 in which you say that building societies continue to require prospective borrowers to effect life insurance with nominated insurers.

The Commission has recently been reviewing interim authorizations granted to permanent building societies for their practice of nominating insurers with which borrowers must insure. It listed for public hearing in June 1975 the applications of the Metropolitan Permanent Building Society, the Darling Downs Building Society and the Toowoomba Permanent Benefit Building and Investment Society. Each of the three societies withdrew its authorization application and the proposed public hearing did not take place. The Commission revoked the interim authorizations for those societies.

On 27 June 1975 the Commission wrote to all permanent building societies that had applied for authorization of the conduct in question, asking whether in view of the withdrawal of the three large Queensland societies they wished to withdraw their applications also or whether they were prepared to go to public hearing. As a result of that letter a number of Queensland building societies withdrew their applications and it now seems that borrowers from all Queensland permanent building societies may effect life insurance with an insurer of their choice. A permanent building society which failed to allow a borrower this freedom would appear to be acting in contravention of the Act.

Yours faithfully,

Mr. Brian L. Jones,  
Life Underwriter,  
Carlton-Jones & Associates  
Pty. Ltd.,  
G.P.O. Box 1163,  
BRISBANE. QLD. 4001

  
K.I. MacPherson  
Secretary.