



**IN THE SUPREME COURT OF VICTORIA
AT MELBOURNE
COMMERCIAL COURT
GROUP PROCEEDINGS LIST**

Case: S ECI 2024 02663

Filed on: 16/05/2025 05:44 PM

No. S ECI 2024 02663

BETWEEN

DEBRA GAYE-ANN DAWSON

First Plaintiff

ANGELA SUSAN WILLIAMS

Second Plaintiff

ANDREW JOHN INGLIS

Third Plaintiff

-and-

INSURANCE AUSTRALIA LIMITED (ACN 000 016 722)

First Defendant

**INSURANCE MANUFACTURERS OF AUSTRALIA PTY LIMITED
(ACN 004 208 084)**

Second Defendant

DEFENCE

Date of Document: 16 May 2025
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To the plaintiffs' Consolidated Statement of Claim filed 4 April 2025, the first and second defendants (IAL and IMA respectively, the **Defendants**) say as follows:

Note: Unless otherwise stated, or required by context, capitalised and abbreviated terms in this Defence have the same meaning as those in the Consolidated Statement of Claim.

A. THE PLAINTIFFS AND THE GROUP MEMBERS

1. The Defendants do not admit paragraph 1.
2. As to paragraph 2, the Defendants:
 - (a) admit that the First Plaintiff was a consumer within the meaning of s 12BC of the ASIC Act;
 - (b) otherwise do not admit the paragraph;
 - (c) say further that the relevant SGIO or SGIC products referred to in paragraph 2(a)(i) to (iii) were known as “Home Buildings”, “Home Contents” and “Home Buildings and Contents”, but for convenience refer to those products in this Defence using the capitalised terms in 2(a) of the Consolidated Statement of Claim.
3. As to paragraph 3, the Defendants:
 - (a) admit that the Second Plaintiff was a consumer within the meaning of s 12BC of the ASIC Act;
 - (b) otherwise do not admit the paragraph;
 - (c) say further that the relevant RACV products referred to in paragraph 3(a)(i) to (iii) were known as “Home Buildings”, “Home Contents” and “Home Buildings and Contents”, but for convenience refer to those products in this Defence using the capitalised terms in 3(a) of the Consolidated Statement of Claim.

4. As to paragraph 4, the Defendants:
- (a) admit that the Third Plaintiff was a consumer within the meaning of s 12BC of the ASIC Act;
 - (b) otherwise do not admit the paragraph;
 - (c) say further that the relevant NRMA products referred to in paragraph 4(a) were known as “Home Buildings”, “Home Contents” and “Home Buildings and Contents”, but for convenience refers to those products in this Defence using the capitalised terms in 2(a)(i) to (iii) of the Consolidated Statement of Claim;
 - (d) say further that the term “IAL Insurance Policy” as defined in paragraph 2(a) relates only to policies issued under the SGIO or SGIC brands, but for convenience use that term in this Defence to refer either to policies within paragraph 2(a) or an IAL Home Policy, IAL Contents Policy or IAL Home and Contents Policy issued under the NRMA brand on the understanding that the Plaintiffs intended the term “IAL Insurance Policy” to cover all such policies.
5. The Defendants do not admit paragraph 5.
6. As to paragraph 6, the Defendants:
- (a) as to paragraph 6(b), admits that the First Plaintiff was a consumer within the meaning of s 12BC of the ASIC Act;
 - (b) as to paragraph 6(c):
 - (i) admit the First Plaintiff was issued an SGIO branded motor vehicle policy (number MOT214076822) in or around November 2005;
 - (ii) deny that policy was an IAL Insurance Policy as defined in paragraph 4(d) above;

- (iii) admit that the First Plaintiff was first issued an IAL Insurance Policy, being a Home Contents policy (number HOM345143907), valid from on or around 7 March 2008;
- (c) as to paragraph 6(d):
 - (i) deny the paragraph as it is based on the incorrect premise in paragraph 6(c);
 - (ii) admit that policy number HOM345143907 was renewed with effect from around 7 March 2009 and say further that the policy expired on or about 12 October 2009;
 - (iii) admit that:
 - (A) the First Plaintiff was issued another IAL Insurance Policy, being a Home Contents policy (number HOM393007119) on or around 12 October 2009;
 - (B) that policy (number HOM393007119) was renewed in or around October in each subsequent year until that policy expired on 12 October 2023;
- (d) as to paragraph 6(e), say further that IAL ceased issuing policies under the brand name SGIO from around January 2023;
- (e) otherwise do not admit the paragraph.

7. As to paragraph 7, the Defendants:

- (a) as to paragraph 7(b), admit that the Second Plaintiff was a consumer within the meaning of s 12BC of the ASIC Act;
- (b) as to paragraph 7(c):
 - (i) admit that the Second Plaintiff was first issued an IMA Insurance Policy, being a Home Buildings and Contents policy (number HOM073684304), valid from on or around 23 July 2001;

- (ii) admit that in around 2002 and from at least 2010 that policy was held jointly with Mr A Williams such that any rights arising under, or in respect of, the policy are rights which are held jointly by the Third Plaintiff and Mr A Williams;
 - (iii) says further that Mr A Williams has not been joined as a party to the proceedings;
 - (iv) admit that IMA issued RACV brand policies from around the year 2000;
 - (c) as to paragraph 7(d), admit that policy HOM073684304 was renewed in or around October in each subsequent year until the end of the IMA Relevant Period (and remained in effect as at the end of the IMA Relevant Period);
 - (d) as to paragraph 7(e), admit the paragraph;
 - (e) otherwise do not admit the paragraph.
8. As to paragraph 8, the Defendants:
- (a) as to paragraph 8(b), admit that the Third Plaintiff was a consumer within the meaning of s 12BC of the ASIC Act;
 - (b) as to paragraph 8(c):
 - (i) admit that the Third Plaintiff was issued an NRMA branded compulsory third party motor policy (number TP02862559) in or around 1987;
 - (ii) deny that the policy identified in paragraph (i) above was an IAL Insurance Policy as defined in paragraph 4(d) above;
 - (c) as to paragraph 8(d), deny the paragraph as it is based on the incorrect premise in paragraph 8(c);
 - (d) as to paragraph 8(e):

- (i) admit that the Third Plaintiff was issued two NRMA branded comprehensive motor policies (numbers CR90141089 and M202517608) in or around 1990;
 - (ii) deny that the policies identified in paragraph (i) above were IAL Insurance Policies as defined in paragraph 4(d) above;
- (e) as to paragraph 8(f), deny the paragraph as it is based on the incorrect premise in paragraph 8(e);
- (f) say further that the Third Plaintiff was first issued IAL Insurance Policies, being a Home Building policy (number HOM022975041) and Home Contents policy (number HOM022996955), valid from on or around 21 July 1999;
- (g) as to paragraph 8(g):
 - (i) admit that the Third Plaintiff was issued an NRMA branded Home Building insurance policy (number HOM083081367) on or about 5 November 2001;
 - (ii) admit that from at least around November 2012 that policy was held jointly with another person;
 - (iii) otherwise deny the paragraph;
- (h) as to paragraph 8(h):
 - (i) deny the paragraph;
 - (ii) say that policy number HOM083081367 was renewed in or around October or November in each subsequent year until that policy was cancelled on or about 29 July 2014;
- (i) as to paragraph 8(i):
 - (i) admit that the Third Plaintiff was issued an NRMA branded Home and Contents insurance policy (number HOM334495426);

- (ii) say that policy referred to in paragraph (i) above was issued on or about 13 November 2007;
 - (iii) admit that from at least around October 2012 that policy was held jointly with Mrs MM O'Byrne such that any rights arising under, or in respect of, the policy are rights which are held jointly by the Third Plaintiff and Mrs MM O'Byrne;
 - (iv) say further that Mrs MM O'Byrne has not been joined as a party to the proceedings;
 - (v) otherwise deny the paragraph;
- (j) as to paragraph 8(j):
- (i) refer to and repeat the matters at paragraph 8(i) above;
 - (ii) admit that HOM334495426 was renewed in or around October to December each year from 2008 until it was cancelled on 15 September 2024; and
 - (iii) otherwise deny the paragraph;
- (k) say further that:
- (i) the Third Plaintiff was issued a further IAL Insurance Policy, being a Home@50 Buildings and Contents Policy (number HOM532644137), valid from on or around 29 July 2014;
 - (ii) from at least around July 2014 that policy was held jointly with Mrs MM O'Byrne such that any rights arising under, or in respect of, the policy are rights which are held jointly by the Third Plaintiff and Mrs MM O'Byrne;
 - (iii) say further that Mrs MM O'Byrne has not been joined as a party to the proceedings;
- (l) as to paragraph 8(k):

- (i) refer to and repeat the matters at paragraph 8(c) above;
 - (ii) admit that at all times from about 21 July 1999 until about 15 September 2024, the Third Plaintiff held at least one IAL Insurance Policy with IAL under the brand name NRMA;
 - (iii) otherwise deny the paragraph;
- (m) as to paragraph 8(l):
- (i) admit the paragraph;
 - (ii) say further that the Third Plaintiff held other insurance policies with IAL under the NRMA brand in respect of matters other than home and/or contents insurance in the period from about 2002 to 2011;

Particulars:

Further particulars will be provided following evidence.

- (n) as to paragraph 8(m):
- (i) refer to and repeat the matters at paragraph 8(c) above;
 - (ii) admit that at all relevant times from around August 1987 until about 15 September 2024 the Third Plaintiff held at least one policy of insurance with IAL under the brand name NRMA;
- (o) otherwise do not admit the paragraph.

B. THE DEFENDANTS

9. As to paragraph 9:

- (a) IAL admits the paragraph;
- (b) IMA does not plead to the paragraph as it contains no allegation against it.

10. As to paragraph 10:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;

- (b) IMA admits the paragraph.

C. THE STATUTORY AND REGULATORY FRAMEWORK

IMA and IAL's AFSL obligations

11. As to paragraph 11, the Defendants:

- (a) admit paragraphs (a) and (b);
- (b) say that with effect from 1 January 2021 the obligation in s 912A(ca) of the Corporations Act was subject to the qualifications in s 912A(ca)(i) and (ii) and otherwise admit paragraph (c).

12. The Defendants admit paragraph 12.

13. As to paragraph 13, the Defendants:

- (a) admit that the Code was at all relevant times a code to which the Defendants subscribed (as restated from time to time);
- (b) say that the Code does not create legal or other rights between the Defendants and any person or entity other than the Insurance Council of Australia;

Particulars:

- (1) Clause 1.5 of the 2014 Code.
- (2) Clause 15 of the 2020 and 2023 Code.
- (c) otherwise do not admit paragraph 13 and say further that the term “applicable industry code” is not defined or particularised in the Consolidated Statement of Claim.

14. As to paragraph 14, the Defendants:

- (a) admit that the Code at all relevant times contained provisions to the effect of paragraphs (a) and (b); and

- (b) will rely on the terms of the Code as in force from time to time for their full force and effect.

15. As to paragraph 15, the Defendants:

- (a) as to paragraph (a):
 - (i) admit that clause 4.4 of the 2014 Code provided that “Our sales process and the services of our Employees and our Authorised Representatives will be conducted in an efficient, honest, fair and transparent manner in accordance with this section”;
 - (ii) admit that clause 21 of the 2020 and 2023 Code provided that “We, our Distributors and our Services Suppliers will be honest, efficient, fair, transparent and timely in our dealings with you”;
 - (iii) otherwise do not admit the paragraph;
- (b) as to paragraph (b):
 - (i) admit that clause 21 of the 2020 and 2023 Code was in the terms pleaded at 15(a)(ii) above; and
 - (ii) otherwise do not admit the paragraph;
- (c) deny paragraph (c);
- (d) will rely on the terms of the Code as in force from time to time for their full force and effect.

D. THE INSURANCE POLICIES

The IAL Insurance Policies

16. As to paragraph 16:

- (a) IAL:
 - (i) admits the paragraph in relation to the First Plaintiff insofar as those allegations are made with respect to the SGI Relevant Period, and in

relation to the Third Plaintiff insofar as those allegations are made with respect to the NRMA Relevant Period only;

- (ii) otherwise does not admit the paragraph and says that no particulars have been provided in respect of the circumstances of IAL Group Members;

- (b) IMA does not plead to the paragraph as it contains no allegation against it.

17. As to paragraph 17:

- (a) IAL, insofar as the allegations are made with respect to the First Plaintiff or IAL SGI Group Members:

- (i) admits that, upon renewal of the First Plaintiff's Home Contents policy HOM393007119 in or around October 2018, there was a contract of insurance between IAL and the First Plaintiff, the terms of which included the contents of at least the following documents:

- (A) the Certificate of Insurance;
- (B) the Home Insurance Buildings and Contents Product Disclosure Statement and Policy Booklet;

Particulars:

- (1) Certificate of Insurance issued by IAL on or about 8 September 2018.
- (2) The version of the Home Insurance Buildings & Contents Product Disclosure Statement and Policy Booklet in effect for renewals from around January 2018 to March 2019.

- (ii) admits that:

- (A) following the renewal described in (a)(i) above, policy HOM393007119 was renewed in around October in each subsequent calendar year in the SGI Relevant Period up to and including around October 2022;

- (B) each such renewal constituted a separate contract of insurance between IAL and the First Plaintiff, the terms of which included the contents of at least the documents equivalent to those at (a)(i)(A) and (B) above;

Particulars:

- (1) Certificates of Insurance issued by IAL on or about 7 September 2019, 12 October 2020, 11 September 2021 and 10 September 2022.
- (2) The versions of the Home Insurance Buildings & Contents Product Disclosure Statement and Policy Booklet in effect for renewals from around April 2019 to April 2021, and from around April 2021 until IAL ceased offering policies under the brand name SGIO, respectively.
- (iii) further says that on or about 12 October 2023, policy HOM393007119 expired;
- (iv) will rely on the terms of the documents for their full force and effect;
- (v) otherwise does not admit the paragraph;
- (b) IAL, insofar as the allegations are made with respect to the Third Plaintiff or IAL NRMA Group Members:
 - (i) admits that, upon renewal of the Third Plaintiff's policy HOM334495426 in or around October 2019, there was a contract of insurance between IAL and the Third Plaintiff, the terms of which included the contents of at least the following documents:
 - (A) the Certificate of Insurance;
 - (B) the Home Insurance Product Disclosure Statement and Policy Booklet;

Particulars:

- (1) Certificate of Insurance issued by IAL on or about 12 October 2019 (as amended).
- (1) The version of the Home Insurance Product Disclosure Statement and Policy Booklet in effect for renewals from around February 2019 to April 2021.
- (ii) admits that:
 - (A) following the renewal described in (b)(i) above, policy HOM334495426 was renewed in around October or November in each subsequent calendar year up to and including around October 2023;
 - (B) each such renewal constituted a separate contract of insurance between IAL and the Third Plaintiff, the terms of which included the contents of at least the documents equivalent to those at (b)(i)(A) and (B) above;

Particulars:

- (1) Certificates of Insurance issued by IAL on or about 10 October 2020, 9 October 2021, 8 October 2022 and 14 October 2023.
- (2) The versions of the Home Insurance Product Disclosure Statement and Policy Booklet in effect for renewals from around February 2019 to April 2021, April 2021 to September 2022, September 2022 to July 2024.
- (iii) further says that on or about 15 September 2024, policy HOM334495426 was cancelled;
- (iv) will rely on the terms of the documents for their full force and effect;
- (v) otherwise does not admit the paragraph;

(c) IAL, insofar as the allegations are made with respect to the Third Plaintiff or IAL NRMA Group Members:

(i) admits that, upon renewal of the Third Plaintiff's policy HOM532644137 in or around July 2019, there was a contract of insurance between IAL and the Third Plaintiff, the terms of which included the contents of at least the following documents:

(A) the Certificate of Insurance;

(B) the Home Insurance Product Disclosure Statement and Policy Booklet;

Particulars:

(1) Certificate of Insurance issued by IAL on or about 6 July 2019 (as amended).

(2) The version of the Home Insurance Product Disclosure Statement and Policy Booklet in effect for renewals from around February 2019 to April 2021.

(ii) admits that:

(A) following the renewal described in (c)(i) above, policy HOM532644137 was renewed in around June or July in each subsequent calendar year in the NRMA Relevant Period up to and including around June 2023;

(B) each such renewal constituted a separate contract of insurance between IAL and the Third Plaintiff, the terms of which included the contents of at least the documents equivalent to those at (c)(i)(A) and (B) above;

Particulars:

(1) Certificates of Insurance issued by IAL on or about 27 June 2020, 26 June 2021, 25 June 2022 (as amended), 24 June 2023.

- (2) The versions of the Home Insurance Product Disclosure Statement and Policy Booklet in effect for renewals from around February 2019 to April 2021, April 2021 to September 2022 and September 2022 to July 2024.
- (iii) further says that on or about 29 July 2024, policy HOM532644137 was migrated to policy HOMN0001212000, which subsequently was cancelled on or around 15 September 2024;

Particulars:

- (1) Certificate of Insurance issued by IAL on or about 2 July 2024.
- (2) The version of the Home Insurance Product Disclosure Statement and Policy Booklet in effect for renewals from at least around July 2024.
- (iv) will rely on the terms of the documents for their full force and effect;
- (v) otherwise does not admit the paragraph;
- (d) IMA does not plead to the paragraph as it contains no allegation against it.

18. As to paragraph 18:

- (a) IAL:
 - (i) as to paragraph (a), insofar as the allegations are made with respect to the SGI Relevant Period:
 - (A) admits that during the SGI Relevant Period from time to time it offered to renew policies with eligible consumers holding SGIO and SGIC branded products;
 - (B) refers to and repeats paragraph 6(d) above;
 - (C) admits further that from time to time it offered discounts to policy holders, including discounts referable to the matters

set out in paragraph 18(a)(i) and (ii) of the Consolidated Statement of Claim;

- (D) admits that it issued Certificates of Insurance to the First Plaintiff in the SGI Relevant Period under the SGIO brand and refers to and relies upon the contents of those documents;

Particulars:

Certificates of Insurance issued by IAL on or about 8 September 2018, 7 September 2019, 12 October 2020, 12 September 2020, 11 September 2021 and 10 September 2022.

- (E) says further that the Certificates of Insurance issued to the First Plaintiff on renewal of the First Plaintiff's policy number HOM393007119:
 - (1) in around September in each of the years 2018 to 2022 (inclusive) contained references to "Loyalty years" and "Number of policies" under the heading "Your Loyalty Discount", although they did not state in terms that any Loyalty Discount was "calculated by reference" to these;
 - (2) in around September in 2018 and 2019 contained the words quoted in paragraphs (b) and (e) to the particulars to paragraph 18 of the Consolidated Statement of Claim in respect of the First Plaintiff;
- (ii) as to paragraph (b), insofar as the allegations are made with respect to the NRMA Relevant Period, IAL:
 - (A) admits that during the NRMA Relevant Period from time to time it offered to renew policies with eligible consumers holding NRMA branded products;

- (B) admits further that from time to time it offered discounts to policy holders, including discounts referable to the matters set out in paragraph 18(b)(i) and (ii) of the Consolidated Statement of Claim;
- (C) admits that it issued Certificates of Insurance to the Third Plaintiff in the NRMA Relevant Period under the NRMA brand and refers to and relies upon the contents of those documents;

Particulars:

- (1) Certificates of Insurance issued by IAL for policy number HOM334495426 on or about 12 October 2019 (as amended), 10 October 2020, 9 October 2021, 8 October 2022 and 14 October 2023.
 - (2) Certificates of Insurance issued by IAL for policy number HOM532644137 on or about 6 July 2019 (as amended), 27 June 2020, 26 June 2021, 25 June 2022 (as amended), 24 June 2023, and subsequently, policy number HOMN0001212000 on 2 July 2024.
- (D) says further that the Certificates of Insurance issued to the Third Plaintiff on renewal of the Third Plaintiff's policy number HOM334495426:
- (1) in or around October / November in each of the years 2018 to 2023 (inclusive) contained references to "Loyalty years" and "Number of policies" under the heading "Your Loyalty Discount", although they did not state in terms that any Loyalty Discount was "calculated by reference" to these.
 - (2) in around October / November in 2018 and 2019 contained the words quoted in paragraphs (b) and

(e) to the particulars to paragraph 18 of the Consolidated Statement of Claim in respect of the Third Plaintiff.

(E) says further that the Certificates of Insurance issued to the Third Plaintiff on renewal of the Third Plaintiff's policy number HOM532644137:

- (1) in or around June / July in each of the years 2018 to 2023 (inclusive) contained references to "Loyalty years" and "Number of policies" under the heading "Your Loyalty Discount", although they did not state in terms that any Loyalty Discount was "calculated by reference" to these;
- (2) in around July 2019 contained the words quoted in paragraphs (b) and (e) to the particulars to paragraph 18 of the Consolidated Statement of Claim in respect of the Third Plaintiff.

(F) says further that the Certificate of Insurance issued to the Third Plaintiff on or about 2 July 2024 in respect of the Third Plaintiff's policy number HOMN0001212000:

- (1) contained the words "The premium for your policy includes the following discounts", followed by the words "Multi-Product discount" and "Relationship discount", and the words "More details are provided under the 'Your discounts' section";
- (2) under the heading "Your discounts", contained references to "Multi-Product discount" and "Relationship discount" alongside a percentage figure.

- (iii) otherwise denies the paragraph and says further that no particulars have been provided with respect to the circumstances of IAL Group Members;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
19. As to paragraph 19:
- (a) IAL admits the paragraph;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
20. As to paragraph 20:
- (a) IAL:
 - (i) admits the matters specified in each of paragraphs (a) to (c) in respect of the First Plaintiff and the Third Plaintiff;
 - (ii) otherwise denies the paragraph and repeats paragraphs 16 to 19 above;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.

The IMA Insurance Policies

21. As to paragraph 21:
- (a) IAL does not plead to the paragraph as it contains no allegation against it;
 - (b) IMA:
 - (i) admits the paragraph in relation to the Second Plaintiff only;
 - (ii) otherwise does not admit the paragraph and says that no particulars have been provided in respect of the circumstances of IMA Group Members.
22. As to paragraph 22:
- (a) IAL does not plead to the paragraph as it contains no allegation against it;

(b) IMA:

(i) admits that upon renewal of the Second Plaintiff's Home Buildings and Contents policy HOM073684304 in or around July 2018, there was a contract of insurance between IMA and the Second Plaintiff, the terms of which included the contents of at least the following documents:

(A) the Certificate of Insurance;

(B) the Home Insurance Product Disclosure Statement and Policy Booklet;

Particulars:

(1) Certificate of Insurance issued by IMA on or about 23 June 2018.

(2) The version of the Home Insurance Product Disclosure Statement and Policy Booklet in effect for renewals in the period from around June 2018 to June 2019.

(ii) admits that:

(A) following the renewal described in (b)(i) above, policy HOM073684304 was renewed in around July in each subsequent calendar year in the IMA Relevant Period up to and including around July 2023;

(B) each such renewal constituted a separate contract of insurance between IMA and the Second Plaintiff (as amended from time to time), the terms of which included the contents of at least the documents equivalent to those at (b)(i)(A) and (B) above;

Particulars:

- (1) Certificates of Insurance issued by IMA on or about 15 October 2018, 22 June 2019, 20 June 2020, 19 June 2021, 18 June 2022 and 17 June 2023.
- (2) The versions of the Home Insurance Product Disclosure Statements and Policy Booklets in effect for renewals in the periods from around June 2018 to June 2019, June 2019 to July 2020, July 2020 to April 2021, April 2021 to August 2021, August 2021 to September 2022, and April 2023 to November 2023, respectively.
- (iii) further says that policy HOM073684304 (as renewed in around July 2023) continued in effect at the end of the IMA Relevant Period;
- (iv) will rely on the terms of the documents for their full force and effect;
- (v) otherwise does not admit the paragraph.

23. As to paragraph 23:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA:
 - (i) admits that during the IMA Relevant Period from time to time it offered to renew policies with eligible consumers holding RACV branded products;
 - (ii) admits further that from time to time it offered discounts to policy holders, including discounts referable to the matters set out in paragraph 23(a) and (b) of the Consolidated Statement of Claim;
 - (iii) admits that it issued Certificates of Insurance to the Second Plaintiff in the IMA Relevant Period and refers to and relies upon the contents of those documents;

Particulars:

Certificates of Insurance issued by IMA on or about 15 October 2018, 22 June 2019, 20 June 2020, 19 June 2021, 18 June 2022 and 17 June 2023.

- (iv) says further that the Certificates of Insurance issued to the Second Plaintiff around the time of renewal of the Second Plaintiff's policy number HOM073684304 in around June in each of the years 2018 to 2023 (inclusive) contained:
 - (A) references to "Multi-Policy Discount" and "Years of Membership Benefit" under the heading "Your Discounts";
 - (B) wording to the effect of that described in paragraphs (b) and (c) of the particulars to paragraph 23 of the Consolidated Statement of Claim;
 - (C) references to "Gold 15% Years of Membership Benefit" alongside a dollar amount under the headings "Your Discounts" and "Discounts you currently receive";
- (v) otherwise denies the paragraph and says further that no particulars have been provided with respect to the circumstances of IMA Group Members.

24. As to paragraph 24:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA admits the paragraph.

25. As to paragraph 25:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;

- (b) IMA:
 - (i) admits the matters specified in each of paragraphs (a) to (c) in respect of the Second Plaintiff;
 - (ii) otherwise denies the paragraph and repeats paragraphs 21 to 24 above.

E. ALLEGED EXPRESS AND IMPLIED REPRESENTATIONS

The Alleged IAL SGIO/SGIC Representations

26. As to paragraph 26:

- (a) IAL:
 - (i) admits that during the SGI Relevant Period, the process by which it determined renewal premiums for IAL Insurance Policies broadly involved determining an initial premium and then deducting any applicable discounts and applying any fees;
 - (ii) otherwise denies the paragraph;
 - (iii) refers to and repeats paragraphs 6(d) and 18(a)(i)(C) above;
 - (iv) says further that the Certificates of Insurance issued to the First Plaintiff around the time of renewal of the First Plaintiff's policy number HOM393007119 in around September in each of the years 2018 to 2022 (excluding the final renewal in the SGI Relevant Period in around October 2023 which involved the policy changing from SGIO to NRMA) contained:
 - (A) a dollar figure beneath the description: "YOUR MONTHLY PREMIUM" or "YOUR PREMIUM" which was stated to include "25% No Claim Bonus, your chosen Options, 12.5% Loyalty Discount and government charges - see over for full details)";

- (B) a negative dollar figure alongside the description “Loyalty Discount 12.5%” under the heading “YOUR LOYALTY DISCOUNT”;
- (C) the following statement under the heading “YOUR PREMIUM”: “Please refer to the Premium Excess and Discounts guide for further information about how we determine your premium and excesses that may be payable at claim time”; and
- (D) beneath the statement in (C) above, a list of dollar figures described as a “breakdown of how your premium is calculated”, with dollar figures provided alongside the following descriptions: “Premium including your chosen options and 25% No Claim Bonus”, “Less 12.5% Loyalty Discount”, “Plus Government charges” and “Total premium”;

Particulars:

Certificates of Insurance issued by IAL on or about 8 September 2018, 7 September 2019, 12 September 2020, 11 September 2021 and 10 September 2022.

- (v) says further that a replacement Certificate of Insurance issued by IAL on or about 12 October 2020 following an amendment to the First Plaintiff’s policy number HOM393007119 also contained the information at (a)(iv)(A) and (C) above;
 - (vi) says further that no particulars have been provided with respect to the circumstances of IAL SGI Group Members;
- (b) IMA does not plead to the paragraph as it contains no allegation against it.

27. As to paragraph 27:

(a) IAL:

- (i) refers to and repeats paragraphs 6(d) and 18(a)(i)(C) above;
- (ii) admits that the Certificates of Insurance issued to the First Plaintiff around the time of renewal of the First Plaintiff's policy number HOM393007119:

(A) in around September in each of the years 2018 to 2022 (inclusive):

- (1) set out the number of "Loyalty Years" and "Number of policies" relevant to the Loyalty Discount;
- (2) stated that the monthly premium in the Certificate of Insurance "includes" a "12.5% Loyalty Discount";
- (3) expressed the applicable Loyalty Discount both as a percentage figure and in dollar terms;
- (4) contained a "breakdown" of the "Total premium" which included the words "Less 12.5% Loyalty Discount" alongside a dollar figure;

Particulars:

Certificates of Insurance issued by IAL on or about 8 September 2018, 7 September 2019, 12 September 2020, 11 September 2021 and 10 September 2022.

(B) in around September 2018 and September 2019, identified a list of the policies used to determine the "Loyalty Discount", stating that this was "based on the policyholder who has the most eligible policies and longest relationship with us"; and

- (iii) says further that a replacement Certificate of Insurance issued by IAL on or about 12 October 2020 following an amendment to the

First Plaintiff's policy number HOM393007119 also contained the information in (a)(ii)(A)(1) and (2) above;

- (iv) otherwise denies the paragraph and says further that no particulars have been provided with respect to the circumstances of IAL SGI Group Members; and

- (b) IMA does not plead to the paragraph as it contains no allegation against it.

28. As to paragraph 28:

- (a) IAL denies the paragraph and repeats paragraphs 18, 26 and 27 above;
- (b) IMA does not plead to the paragraph as it contains no allegation against it.

29. As to paragraph 29:

- (a) IAL denies the paragraph and repeats paragraphs 18, 26 and 27 above;
- (b) IMA does not plead to the paragraph as it contains no allegation against it.

30. As to paragraph 30:

- (a) IAL denies the paragraph and repeats paragraphs 28 and 29 above;
- (b) IMA does not plead to the paragraph as it contains no allegation against it.

31. As to paragraph 31:

- (a) IAL denies the paragraph and:
 - (i) repeats paragraphs 26, 28, 29 and 30 above;
 - (ii) says further or in the alternative that, to the extent any of the IAL SGI Loyalty Discount Representations or the IAL SGI Final Premium Calculation Representation were made (which is denied), any such representations were not with respect to future matters; and
 - (iii) says further or in the alternative that, to the extent any of the IAL SGI Loyalty Discount Representations or the IAL SGI Final

Premium Calculation Representation were made and were representations with respect to future matters (which is denied), IAL had reasonable grounds for making those representations;

Particulars:

- (1) During the SGI Relevant Period, the process by which IAL determined renewal premiums for IAL Insurance Policies broadly involved determining an initial premium and then deducting any applicable discounts and applying any fees. IAL repeats paragraph 26(a)(i) above.
- (2) The process for determining an initial premium involved the use of various models and processes to determine each individual premium. IAL repeats paragraphs 47 to 49 below.
- (3) Further particulars will be provided following evidence.

- (b) IMA does not plead to the paragraph as it contains no allegation against it.

32. As to paragraph 32:

- (a) IAL denies the paragraph and repeats paragraphs 26 to 31 above;
- (b) IMA does not plead to the paragraph as it contains no allegation against it.

The Alleged IAL NRMA Representations

33. As to paragraph 33:

- (a) IAL:
 - (i) admits that during the NRMA Relevant Period, the process by which it determined renewal premiums for IAL Insurance Policies broadly involved determining an initial premium and then deducting any applicable discounts and applying any fees;

- (ii) otherwise denies the paragraph;
- (iii) refers to and repeats paragraph and 18(a)(ii)(C) above;
- (iv) says further that the Certificates of Insurance issued to the Third Plaintiff around the time of renewal of the Third Plaintiff's policy number HOM334495426 in around October of each of the years 2019 to 2023 contained:
 - (A) a dollar figure beneath the description: "YOUR MONTHLY PREMIUM" or "YOUR PREMIUM" which was stated to include "25% No Claim Bonus, your chosen Options, 25% Loyalty Discount and government charges - see over for full details");
 - (B) a negative dollar figure alongside the description "Loyalty Discount 25%" under the heading "YOUR LOYALTY DISCOUNT" (excluding the Certificates of Insurance issued on or about 8 October 2022 and 14 October 2023, which did not include a negative dollar figure);
 - (C) the following statement under the heading "YOUR PREMIUM": "Please refer to the Premium Excess and Discounts guide for further information about how we determine your premium and excesses that may be payable at claim time";
 - (D) in the case of the Certificates of Insurance issued on or about 12 October 2019, 10 October 2020, 9 October 2021, beneath the statement in (C) above, a list of dollar figures described as a "breakdown of how your premium is calculated", with dollar figures provided alongside the following descriptions: "Premium including your chosen options and 25% No Claim Bonus", "Less 25% Loyalty Discount", "Plus Government charges" and "Total premium";

- (E) in the case of the Certificates of Insurance issued on or about 8 October 2022 and 14 October 2023, beneath the statement in (C) above, a statement that: “The following provides an overview of what has been included in your total premium”, and a list containing the following descriptions: “25% No Claim Bonus”, “Your chosen options”, “25% Loyalty Discount” and “Government charges”.

Particulars:

Certificates of Insurance issued by IAL on or about 12 October 2019 (as amended), 10 October 2020, 9 October 2021, 8 October 2022 and 14 October 2023.

- (v) says further that the Certificates of Insurance issued to the Third Plaintiff around the time of renewal of the Third Plaintiff’s policy number HOM532644137 in around June or July of each of the years 2019 to 2023 (inclusive) contained:
- (A) a dollar figure beneath the description: “YOUR MONTHLY PREMIUM” which was stated to include “25% No Claim Bonus, your chosen Options, 25% Loyalty Discount and government charges - see over for full details”);
- (B) a negative dollar figure alongside the description “Loyalty Discount 25%” under the heading “YOUR LOYALTY DISCOUNT” (excluding the Certificate of Insurance issued on or about 24 June 2023, which did not include a negative dollar figure);
- (C) the following statement under the heading “YOUR PREMIUM”: “Please refer to the Premium Excess and Discounts guide for further information about how we determine your premium and excesses that may be payable at claim time”; and

- (D) in the case of the Certificates of Insurance issued on or about 6 July 2019, 27 June 2020, 26 June 2021, 25 June 2022, beneath the statement in (C) above, a list of dollar figures described as a “breakdown of how your premium is calculated”, with dollar figures provided alongside the following descriptions: “Premium including your chosen options and 25% No Claim Bonus”, “Less 25% Loyalty Discount”, “Plus Government charges” and “Total premium”;
- (E) in the case of the Certificate of Insurance issued on or about 24 June 2023, beneath the statement in (C) above, a statement that: “The following provides an overview of what has been included in your total premium”, and a list containing the following descriptions: “25% No Claim Bonus”, “Your chosen options”, “25% Loyalty Discount” and “Government charges”;

Particulars:

Certificates of Insurance issued by IAL on or about 6 July 2019 (as amended), 27 June 2020, 26 June 2021, 25 June 2022 (as amended) and 24 June 2023.

- (vi) says further that the Certificate of Insurance issued to the Third Plaintiff on or about 2 July 2024 in respect of the Third Plaintiff’s policy number HOMN0001212000 contained:
 - (A) a dollar figure under the words “First Instalment amount”;
 - (B) a statement that “The premium for your policy includes the following discounts” above the words “Multi-Product discount” and “Relationship discount”, followed by a statement that “More details are provided under the 'Your discounts' section”;

- (C) under the heading “Your discounts”, contained references to “Multi-Product discount” and “Relationship discount” alongside percentage figures;
 - (vii) says further that no particulars have been provided with respect to the circumstances of IAL NRMA Group Members;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
34. As to paragraph 34:
- (a) IAL:
 - (i) refers to and repeats paragraph 18(a)(ii)(C) above;
 - (ii) admits that the Certificates of Insurance issued to the Third Plaintiff around the time of renewal of the Third Plaintiff’s policy with number HOM334495426:
 - (A) in around October in each of the years 2019 to 2023 (inclusive):
 - (1) set out the number of “Loyalty Years” and “Number of policies” relevant to the Loyalty Discount;
 - (2) stated that the monthly premium or premium in the Certificate of Insurance “includes” a “25% Loyalty Discount”;
 - (B) in around October in each of the years 2019, 2020 and 2021 expressed the applicable Loyalty Discount both as a percentage figure and in dollar terms;
 - (C) in around October 2022 and 2023 expressed the applicable Loyalty Discount as a percentage figure;
 - (D) in around October in each of the years 2019, 2020 and 2021 contained a “breakdown” of the “Total premium” which

included the words “Less 25% Loyalty Discount” alongside a dollar figure;

- (E) in around October 2019 and 2020, contained the words quoted at paragraph 34(b)(viii);
- (F) in around October 2019 identified a list of the policies used to determine the “Loyalty Discount”, stating that this was “based on the policy holder who has the most eligible policies and longest relationship with us”;

Particulars:

Certificates of Insurance issued on or about 12 October 2019 (as amended), 10 October 2020, 9 October 2021, 8 October 2022 and 14 October 2023.

- (iii) admits that the Certificates of Insurance issued to the Third Plaintiff around the time of renewal of the Third Plaintiff’s policy with number HOM532644137:

- (A) in around June or July in each of the years 2019 to 2023 (inclusive):
 - (1) set out the number of “Loyalty Years” and “Number of policies” relevant to the Loyalty Discount;
 - (2) stated that the monthly premium in the Certificate of Insurance “includes” a “25% Loyalty Discount”;
- (B) in around July 2019 and in around June in each of the years 2020, 2021 and 2022 expressed the applicable Loyalty Discount both as a percentage figure and in dollar terms;
- (C) in around June 2023 expressed the applicable Loyalty Discount as a percentage figure;

- (D) in around July 2019 and in around June in each of the years 2020 to 2022 (inclusive) contained a “breakdown” of the “Total premium” which included the words “Less 25% Loyalty Discount” alongside a dollar figure;
- (E) in around July 2019 and June 2020, contained the words quoted in paragraph 34(b)(viii);
- (F) in around July 2019 identified a list of the policies used to determine the “Loyalty Discount”, stating that this was “based on the policy holder who has the most eligible policies and longest relationship with us”;

Particulars:

Certificates of Insurance issued on or about 6 July 2019 (as amended), 27 June 2020, 26 June 2021, 25 June 2022 (as amended) and 24 June 2023.

- (iv) otherwise denies the paragraph and says further that no particulars have been provided with respect to the circumstances of IAL NRMA Group Members;

- (b) IMA does not plead to the paragraph as it contains no allegation against it.

35. As to paragraph 35:

- (a) IAL denies the paragraph and repeats paragraphs 18, 33 and 34 above;
- (b) IMA does not plead to the paragraph as it contains no allegation against it.

36. As to paragraph 36:

- (a) IAL denies the paragraph and repeats paragraphs 18, 33 and 34 above;
- (b) IMA does not plead to the paragraph as it contains no allegation against it.

37. As to paragraph 37:

- (a) IAL denies the paragraph and repeats paragraphs 35 and 36 above;
- (b) IMA does not plead to the paragraph as it contains no allegation against it.

38. As to paragraph 38:

- (a) IAL denies the paragraph and:
 - (i) repeats paragraphs 33, 35, 36 and 37 above;
 - (ii) says further or in the alternative that, to the extent any of the IAL NRMA Loyalty Discount Representations or the IAL NRMA Final Premium Calculation Representation were made (which is denied), any such representations were not with respect to future matters;
 - (iii) says further or in the alternative that, to the extent any of the IAL NRMA Loyalty Discount Representations or the IAL NRMA Final Premium Calculation Representation were made and were representations with respect to future matters (which is denied), IAL had reasonable grounds for making those representations;

Particulars:

- (1) During the NRMA Relevant Period, the process by which IAL determined renewal premiums for IAL Insurance Policies broadly involved determining an initial premium and then deducting any applicable discounts and applying any fees. IAL repeats paragraph 26(a)(i) above.
- (2) The process for determining an initial premium involved the use of various models and processes to determine each individual premium. IAL repeats paragraphs 47 to 49 below.
- (3) Further particulars will be provided following evidence.

- (b) IMA does not plead to the paragraph as it contains no allegation against it.

39. As to paragraph 39:

- (a) IAL denies the paragraph and repeats paragraphs 33 to 38 above;
- (b) IMA does not plead to the paragraph as it contains no allegation against it.

The Alleged IMA Representations

40. As to paragraph 40:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA:
 - (i) admits that during the IMA Relevant Period, the process by which it determined renewal premiums for IMA Insurance Policies broadly involved determining an initial premium and then deducting any applicable discounts and applying any fees;
 - (ii) otherwise denies the paragraph;
 - (iii) refers to and repeats paragraph 23(b)(ii) above;
 - (iv) says further that the Certificates of Insurance issued to the Second Plaintiff around the time of renewal of the Second Plaintiff's policy number HOM073684304 in around June in each of the years 2018 to 2023 (inclusive) contained:
 - (A) a dollar figure under the description "First Instalment";
 - (B) a section with the heading "Your Discounts" under which there were dollar amounts next to each of the descriptions "25% No Claim Bonus Discount", "Multi-Policy Discount" and "Gold 15% Years of Membership Benefit", and which included the statement "These discounts have already been deducted from your premium";

- (C) a section with the heading “Discounts you currently receive” which stated that the discounts had already been deducted before setting out dollar amounts next to each of the descriptions “Multi-Policy Discount”, “Gold 15% Years of Membership Benefit” and “25% No Claim Bonus Discount”; and
- (D) a statement in the section headed “Discounts you currently receive” inviting the Second Plaintiff to refer to the Product Disclosure Statement (for the Certificates of Insurance issued on renewal on or about 23 June 2018, 22 June 2019 and 20 June 2020) and the Premium Excess and Discounts Guide (in relation to the Certificates of Insurance issued on renewal on or about 19 June 2021, 18 June 2022 and 17 June 2023).

Particulars:

Certificates of Insurance issued by IMA on or about 23 June 2018, 22 June 2019, 20 June 2020, 19 June 2021, 18 June 2022 and 17 June 2023.

- (v) says further that no particulars have been provided with respect to the circumstances of IMA Group Members.

41. As to paragraph 41:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA:
 - (i) refers to and repeats paragraph 23(b)(ii) above;
 - (ii) says further that the Certificates of Insurance issued to the Second Plaintiff around the time of renewal of the Second Plaintiff’s policy number HOM073684304 in around June in each of the years 2018 to 2023 (inclusive) contained:

- (A) a dollar amount alongside the description “Multi-Policy Discount”;
- (B) a dollar amount alongside the description “Gold 15% Years of Membership Benefit”;
- (C) the statement alleged in subparagraph 41(b)(ii) of the Consolidated Statement of Claim;
- (D) the statement alleged in subparagraph 41(c)(iii) of the Consolidated Statement of Claim;

Particulars:

Certificates of Insurance issued by IMA on or about 23 June 2018, 22 June 2019, 20 June 2020, 19 June 2021, 18 June 2022 and 17 June 2023.

- (iii) says further that an amendment Certificate of Insurance issued by IMA on or about 15 October 2018 following an amendment to the Second Plaintiff’s policy number HOM073684304 also contained the statement alleged in subparagraph 41(b)(ii) of the Consolidated Statement of Claim;

- (c) otherwise denies the paragraph and says further that no particulars have been provided with respect to the circumstances of IMA Group Members.

42. As to paragraph 42:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA denies the paragraph and repeats paragraphs 23, 40 and 41 above;

43. As to paragraph 43:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA denies the paragraph and repeats paragraphs 23, 40 and 41 above.

44. As to paragraph 44:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA denies the paragraph and repeats paragraphs 42 and 43 above.

45. As to paragraph 45:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA denies the paragraph and:
 - (i) repeats paragraphs 40, 42, 43 and 44 above;
 - (ii) says further or in the alternative that, to the extent any of the IMA Loyalty Discount Representations or the IMA Final Premium Calculation Representation were made (which is denied), any such representations were not with respect to future matters;
 - (iii) says further or in the alternative that, to the extent any of the IMA Loyalty Discount Representations or the IMA Final Premium Calculation Representation were made and were representations with respect to future matters (which is denied), IMA had reasonable grounds for making those representations;

Particulars:

- (1) During the IMA Relevant Period, the process by which IMA determined renewal premiums for IMA Insurance Policies broadly involved determining an initial premium and then deducting any applicable discounts and applying any fees. IMA repeats paragraph 40(b)(i) above.
- (2) The process for determining an initial premium involved the use of various models and processes to determine each individual premium. IMA repeats paragraphs 63 to 65 below.

(3) Further particulars will be provided following evidence.

46. As to paragraph 46:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA denies the paragraph and repeats paragraphs 40 to 45 above.

F. THE PRICING PROCESS

IAL Pricing Process

47. As to paragraph 47:

- (a) IAL:
 - (i) admits that it used, inter alia, modelling during the SGI Relevant Period and NRMA Relevant Period as part of a process that led to the calculation of initial premiums for consumers;
 - (ii) says further that from time to time during the SGI Relevant Period and NRMA Relevant Period in respect of some SGI and NRMA branded IAL Insurance Policies respectively, IAL used the following models, estimates and processes as part of its pricing:
 - (A) technical risk models and estimates;
 - (B) natural perils risk models and estimates;
 - (C) Demand Modelling (defined in paragraph 48(a)(i) below);
and
 - (D) optimisation processes which included business rules (known as “constraints”) which limited the extent to which the premium for particular customer segments could vary, and which were used to limit the price changes generated for customers including based on years of relationship with the insurer;

(IAL Pricing Process),

Particulars:

- (1) In the SGI Relevant Period until around December 2022, IAL used the IAL Pricing Process for some SGIO and SGIC branded IAL Home Policies, IAL Contents Policies and IAL Home and Contents Policies.
- (2) From around December 2022, IAL ceased using the IAL Pricing Process described above in respect of SGIO and SGIC branded IAL Home Policies, IAL Contents Policies and IAL Home and Contents Policies, and from around January 2023, ceased issuing SGIO and SGIC branded IAL Home Policies, IAL Contents Policies and IAL Home and Contents Policies.
- (3) In the SGI Relevant Period until around December 2022, IAL did not use the output from the IAL Pricing Process for SGI branded IAL Home Policies, IAL Contents Policies and IAL Home and Contents Policies where:
 - (4) IAL did not use the output from the IAL Pricing Process for SGI branded IAL Home Policies, IAL Contents Policies and IAL Home and Contents Policies where:
 - i. the policy was deemed a flood risk; or
 - ii. where there were hardship grounds.
- (5) In the NRMA Relevant Period until around October 2023 or, where the risk asset insured was located in Victoria, November 2023, IAL used the IAL Pricing Process for some NRMA branded IAL Home Policies, IAL Contents Policies and IAL Home and Contents Policies.
- (6) From around October 2023 or, where the risk asset insured was located in Victoria, November 2023, IAL ceased using the IAL

Pricing Process described above in respect of NRMA branded IAL Home Policies, IAL Contents Policies and IAL Home and Contents Policies.

(7) In the NRMA Relevant Period until around October 2023, or where the risk asset insured was located in Victoria, November 2023, IAL did not use the outputs of the IAL Pricing Process for NRMA branded IAL Home Policies, IAL Contents Policies and IAL Home and Contents Policies where:

- i. the risk asset insured was located in a state in which the process was not used;
- ii. the policy was deemed a flood risk; or
- iii. where there were hardship grounds.

(iii) says it was the combination of the output of the models, estimates and processes (including constraints) referred to in paragraph (a)(ii) above as applicable from time to time, the attributes of the other policies within the optimisation process and business judgment, that determined the initial premium for an individual policy;

(iv) otherwise denies the paragraph.

(b) IMA does not plead to the paragraph as it contains no allegation against it.

48. As to paragraph 48:

(a) IAL:

(i) admits that the modelling used by IAL in the IAL Pricing Process as set out in paragraph 47(a)(ii) above included modelling as applicable from time to time that estimated the likelihood of a policyholder renewing an insurance policy at different percentage changes in premium (when compared to the policyholder's previous premium) **(Demand Modelling)**;

(ii) otherwise denies the paragraph.

(b) IMA does not plead to the paragraph as it contains no allegation against it.

49. As to paragraph 49:

(a) IAL:

(i) admits that the Demand Modelling used during the SGI Relevant Period and NRMA Relevant Period from time to time had regard to a number of factors;

Particulars:

IAL refers to and repeats the particulars to paragraph 47(a)(ii) above.

(ii) says further that the Demand Modelling undertaken during the SGI Relevant Period and NRMA Relevant Period varied from time to time, and may have had regard to approximately 50 to 80 factors at any point in time;

(iii) to the extent Demand Modelling was used as described at paragraph 47(a)(ii), says that some of the factors that the Demand Modelling had regard to in respect of SGIC/SGIO branded policies in the SGI Relevant Period (but not after 5 September 2021) and in respect of NRMA branded policies in the NRMA Relevant Period (but not after 5 September 2021) included:

(A) the number of years since the customer's home insurance policy was first written;

(B) the number of consecutive years the customer had held any same branded insurance policy (with SGIO or SGIC or NRMA as applicable);

(C) the number of same branded Building policies or Contents policies (or other eligible policies) the customer held (with SGIO or SGIC or NRMA as applicable);

- (iv) otherwise denies the paragraph;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
50. As to paragraph 50:
- (a) IAL:
 - (i) refers to and repeats 47 and 49;
 - (ii) says that:
 - (A) optimisation was a process which used the output of various models, estimates and business rules, including:
 - (1) technical risk models and estimates;
 - (2) natural perils risk models and estimates;
 - (3) Demand Modelling;
 - (4) a set of business rules (known as “constraints”) which limited the extent to which the premium for particular customer segments could vary, and which were used to limit the price changes generated for customers including based on years of relationship with the insurer;
 - (B) in the premises, the output of the Demand Modelling was only one of the inputs used in the process of optimisation to determine a proposed premium change for that policy;
 - (C) it was the combination of the output of the models, estimates and business rules (including constraints) referred to in paragraph (a)(ii)(A) above as applicable from time to time, the attributes of the other policies within the optimisation process and business judgment, that determined the price change for any individual policy as reflected in the initial premium;

- (iii) otherwise denies the paragraph;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
51. As to paragraph 51:
- (a) IAL denies the paragraph and repeats paragraphs 48 to 50 above;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
52. As to paragraph 52:
- (a) IAL denies the paragraph and repeats paragraphs 16 and 51 above;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
53. As to paragraph 53:
- (a) IAL denies the paragraph and repeats paragraphs 47 to 52 above;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
54. As to paragraph 54:
- (a) IAL denies the paragraph and repeats paragraphs 47 to 52 above;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
55. As to paragraph 55:
- (a) IAL denies the paragraph and repeats paragraphs 47 to 54 above;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
56. As to paragraph 56:
- (a) IAL denies the paragraph and repeats paragraphs 50 and 51 above;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
57. As to paragraph 57:

- (a) IAL denies the paragraph and refers to paragraphs 50 to 56 above;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
- 58. As to paragraph 58:
 - (a) IAL denies the paragraph and refers to paragraphs 50 to 56 above;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
- 59. As to paragraph 59:
 - (a) IAL denies the paragraph;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
- 60. As to paragraph 60:
 - (a) IAL denies the paragraph and repeats paragraph 59 above;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
- 61. As to paragraph 61:
 - (a) IAL denies the paragraph and repeats paragraph 60 above;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
- 62. As to paragraph 62:
 - (a) IAL denies the paragraph and repeats paragraph 60 above;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.

IMA Pricing Process

- 63. As to paragraph 63:
 - (a) IAL does not plead to the paragraph as it contains no allegation against it;
 - (b) IMA:

- (i) admits that it used, inter alia, modelling during the IMA Relevant Period as part of a process that led to the calculation of initial premium for consumers;
- (ii) says further that from time to time during the IMA Relevant Period IMA used the following models, estimates and processes as part of its pricing:
 - (A) technical risk models and estimates;
 - (B) natural perils risk models and estimates;
 - (C) Demand Modelling (defined in paragraph 64(b)(i) below);
and
 - (D) optimisation processes which included business rules (known as “constraints”) which limited the extent to which the premium for particular customer segments could vary, and which were used to limit the price changes generated for customers including based on years of relationship with the insurer;

(IMA Pricing Process),

Particulars:

- (1) In the IMA Relevant Period until around November 2023, IMA used the IMA Pricing Process for some RACV branded IMA Home Policies, IMA Contents Policies and IMA Home and Contents Policies.
- (2) From around November 2023, IMA ceased using the IMA Pricing Process described above.
- (3) In the IMA Relevant Period until around November 2023, IMA did not use the output from the IMA Pricing Process for RACV branded IMA Home Policies, IMA Contents Policies and IMA Home

and Contents Policies where the policy was deemed a flood risk.

(iii) says it was the combination of the output of the models, estimates and processes (including constraints) referred to in paragraph (b)(ii) above as applicable from time to time, the attributes of the other policies within the optimisation process and business judgment, that determined the initial premium for an individual policy;

(iv) otherwise denies the paragraph.

64. As to paragraph 64:

(a) IAL does not plead to the paragraph as it contains no allegation against it;

(b) IMA:

(i) admits that the modelling used by IMA in the IMA Pricing Process as set out in paragraph 63(a)(ii) above (where used) included modelling as applicable from time to time that estimated the likelihood of a policyholder renewing an insurance policy at different percentage changes in premium (when compared to the policyholder's previous premium) (**Demand Modelling**);

(ii) otherwise denies the paragraph.

65. As to paragraph 65:

(a) IAL does not plead to the paragraph as it contains no allegation against it;

(b) IMA:

(i) admits that the Demand Modelling used during the IMA Relevant Period from time to time had regard to a number of factors;

Particulars:

IMA refers to and repeat the particulars to paragraph 63(b)(ii) above.

- (ii) says further that the Demand Modelling undertaken during the IMA Relevant Period varied from time to time, and may have had regard to approximately 50 to 80 factors at any point in time;
- (iii) says that some of the factors that the Demand Modelling had regard to in the IMA Relevant Period (but not after 5 September 2021) included:
 - (A) the number of years the customer had been a member of RACV;
 - (B) the number of years the customer held their home insurance policy;
 - (C) whether the customer had a multi-policy discount; and
 - (D) the number of consecutive years since the policy was first written;
- (iv) otherwise denies the paragraph.

66. As to paragraph 66:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA:
 - (i) refers to and repeats 63 and 65;
 - (ii) says that:
 - (A) optimisation was a process which used the output of various models, estimates and business rules, including:
 - (1) technical risk models and estimates;
 - (2) natural perils risk models and estimates;
 - (3) Demand Modelling;

- (4) a set of business rules (known as “constraints”) which limited the extent to which the premium for particular customer segments could vary, and which were used to limit the price changes generated for customers including based on years of relationship with the insurer;
 - (B) in the premises, the output of the Demand Modelling was only one of the inputs used in the process of optimisation to determine a proposed premium change for that policy;
 - (C) it was the combination of the output of the models, estimates and business rules (including constraints) referred to in paragraph (b)(ii)(A) above as applicable from time to time, the attributes of the other policies within the optimisation process and business judgment, that determined the price change for any individual policy as reflected in the initial premium; and
- (iii) otherwise denies the paragraph.

67. As to paragraph 67:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA denies the paragraph and repeats paragraphs 64 to 66 above.

68. As to paragraph 68:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA denies the paragraph and repeats paragraph 21 and 67 above.

69. As to paragraph 69:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA denies the paragraph and repeats paragraphs 64 to 68 above.

70. As to paragraph 70:
- (a) IAL does not plead to the paragraph as it contains no allegation against it;
 - (b) IMA denies the paragraph and repeats paragraphs 64 to 68 above.
71. As to paragraph 71:
- (a) IAL does not plead to the paragraph as it contains no allegation against it;
 - (b) IMA denies the paragraph and repeats paragraphs 64 to 70 above.
72. As to paragraph 72:
- (a) IAL does not plead to the paragraph as it contains no allegation against it;
 - (b) IMA denies the paragraph and repeats paragraphs 66 and 67 above.
73. As to paragraph 73:
- (a) IAL does not plead to the paragraph as it contains no allegation against it;
 - (b) IMA denies the paragraph and repeats paragraphs 66 to 72 above.
74. As to paragraph 74:
- (a) IAL does not plead to the paragraph as it contains no allegation against it;
 - (b) IMA denies the paragraph.
75. As to paragraph 75:
- (a) IAL does not plead to the paragraph as it contains no allegation against it;
 - (b) IMA denies the paragraph and repeats paragraph 74 above.
76. As to paragraph 76:
- (a) IAL does not plead to the paragraph as it contains no allegation against it;
 - (b) IMA denies the paragraph and repeats paragraph 75 above.

77. As to paragraph 77:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA denies the paragraph and repeats paragraph 75 above.

G. ALLEGED MISLEADING OR DECEPTIVE CONDUCT

Alleged IAL Misleading or Deceptive Conduct

78. As to paragraph 78:

- (a) IAL:
 - (i) refers to and repeats paragraph 26 to 31, 33 to 38 and 47 to 60;
 - (ii) otherwise denies the paragraph;
- (b) IMA does not plead to the paragraph as it contains no allegation against it.

79. As to paragraph 79:

- (a) IAL denies the paragraph and repeats paragraphs 26 to 31, 33 to 38 and 47 to 60 above;
- (b) IMA does not plead to the paragraph as it contains no allegation against it.

80. As to paragraph 80:

- (a) IAL denies the paragraph and repeats paragraphs 26 to 31, 33 to 38 and 47 to 60 above;
- (b) IMA does not plead to the paragraph as it contains no allegation against it.

81. As to paragraph 81:

- (a) IAL denies the paragraph and repeats paragraphs 26 to 31, 33 to 38 and 47 to 60 above;
- (b) IMA does not plead to the paragraph as it contains no allegation against it.

82. As to paragraph 82:
- (a) IAL denies the paragraph and repeats paragraphs 26 to 31, 33 to 38 and 47 to 60 above;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
83. As to paragraph 83:
- (a) IAL denies the paragraph, repeats paragraphs 16, 26 to 31 and 47 to 60 above and says further that the allegations are vague and embarrassing in circumstances where no particulars of reliance have been provided;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
84. As to paragraph 84:
- (a) IAL denies the paragraph, repeats paragraphs 16, 33 to 38 and 47 to 60 above and says further that the allegations are vague and embarrassing in circumstances where no particulars of reliance have been provided;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
85. As to paragraph 85:
- (a) IAL denies the paragraph and repeats paragraphs 78 to 84 above;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
86. As to paragraph 86:
- (a) IAL denies the paragraph and repeats paragraphs 26 to 31, 33 to 38 and 47 to 60 above;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
87. As to paragraph 87:
- (a) IAL denies the paragraph and repeats paragraph 86 above;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.

88. As to paragraph 88:
- (a) IAL denies the paragraph and repeats paragraphs 26 to 31, 33 to 38 and 47 to 60 above;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
89. As to paragraph 89:
- (a) IAL denies the paragraph and repeats paragraphs 26 to 31, 33 to 38 and 47 to 60 above;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
90. As to paragraph 90:
- (a) IAL:
 - (i) denies the paragraph;
 - (ii) repeats paragraphs 78 to 89 above;
 - (iii) says further that the assessment of any loss or damage suffered (which is denied) is inherently individual and does not give rise to common questions.
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.
91. As to paragraph 91:
- (a) IAL denies the paragraph and repeats paragraphs 78 to 90 above;
 - (b) IMA does not plead to the paragraph as it contains no allegation against it.

Alleged IMA Misleading or Deceptive Conduct

92. As to paragraph 92:
- (a) IAL does not plead to the paragraph as it contains no allegation against it;
 - (b) IMA:

- (i) refers to and repeats paragraphs 40 to 45 and 63 to 75; and
- (ii) otherwise denies the paragraph.

93. As to paragraph 93:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA denies the paragraph and repeats paragraphs 40 to 45 and 63 to 75 above.

94. As to paragraph 94:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA denies the paragraph and repeats paragraphs 40 to 45 and 63 to 75 above.

95. As to paragraph 95:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA denies the paragraph and repeats paragraphs 40 to 45 and 63 to 75 above.

96. As to paragraph 96:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA denies the paragraph and repeats paragraphs 40 to 45 and 63 to 75 above.

97. As to paragraph 97:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA denies the paragraph, repeats paragraphs 21, 40 to 45 and 63 to 75 above and says further that the allegations are vague and embarrassing in circumstances where no particulars of reliance have been provided.

98. As to paragraph 98:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA denies the paragraph and repeats paragraphs 92 to 97 above.

99. As to paragraph 99:
- (a) IAL does not plead to the paragraph as it contains no allegation against it;
 - (b) IMA denies the paragraph and repeats paragraphs 40 to 45 and 63 to 75 above.
100. As to paragraph 100:
- (a) IAL does not plead to the paragraph as it contains no allegation against it;
 - (b) IMA denies the paragraph and repeats paragraph 99 above.
101. As to paragraph 101:
- (a) IAL does not plead to the paragraph as it contains no allegation against it;
 - (b) IMA denies the paragraph and repeats paragraphs 40 to 45 and 63 to 75 above.
102. As to paragraph 102:
- (a) IAL does not plead to the paragraph as it contains no allegation against it;
 - (b) IMA denies the paragraph and repeats paragraphs 40 to 45 and 63 to 75 above.
103. As to paragraph 103:
- (a) IAL does not plead to the paragraph as it contains no allegation against it;
 - (b) IMA:
 - (i) denies the paragraph;
 - (ii) repeats paragraphs 92 to 102 above;
 - (iii) says further that the assessment of any loss or damage suffered (which is denied) is inherently individual and does not give rise to common questions.
104. As to paragraph 104:
- (a) IAL does not plead to the paragraph as it contains no allegation against it;

- (b) IMA denies the paragraph and repeats paragraphs 92 to 103 above.

H. ALLEGED UNCONSCIONABLE CONDUCT

Alleged IAL Unconscionability

105. As to paragraph 105:

- (a) IAL:
 - (i) does not admit paragraphs (a) and (b);
 - (ii) otherwise denies the paragraph;
- (b) IMA does not plead to the paragraph as it contains no allegation against it.

106. As to paragraph 106:

- (a) IAL denies the paragraph and repeats paragraph 105 above;
- (b) IMA does not plead to the paragraph as it contains no allegation against it.

107. As to paragraph 107:

- (a) IAL denies the paragraph and repeats paragraphs 105 and 106 above;
- (b) IMA does not plead to the paragraph as it contains no allegation against it.

108. As to paragraph 108:

- (a) IAL denies the paragraph and repeats paragraphs 105 to 107 above;
- (b) IMA does not plead to the paragraph as it contains no allegation against it.

109. As to paragraph 109:

- (a) IAL denies the paragraph and repeats paragraphs 105 to 107 above;
- (b) IMA does not plead to the paragraph as it contains no allegation against it.

110. As to paragraph 110:

- (a) IAL denies the paragraph and repeats paragraphs 105 and 107 above;
- (b) IMA does not plead to the paragraph as it contains no allegation against it.

111. As to paragraph 111:

- (a) IAL denies the paragraph and repeats paragraphs 105 to 110 above;
- (b) IMA does not plead to the paragraph as it contains no allegation against it.

Alleged IMA unconscionability

112. As to paragraph 112:

- (a) IAL does not plead to the paragraph as it contains no allegation against it.
- (b) IMA:
 - (i) does not admit paragraphs (a) and (b);
 - (ii) otherwise denies the paragraph.

113. As to paragraph 113:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA denies the paragraph and repeats paragraph 112 above.

114. As to paragraph 114:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA denies the paragraph and repeats paragraphs 112 and 113 above.

115. As to paragraph 115:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA denies the paragraph and repeats paragraphs 112 to 114 above.

116. As to paragraph 116:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA denies the paragraph and repeats paragraphs 112 to 114 above.

117. As to paragraph 117:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA denies the paragraph and repeats paragraphs 112 and 114 above.

118. As to paragraph 118:

- (a) IAL does not plead to the paragraph as it contains no allegation against it;
- (b) IMA denies the paragraph and repeats paragraphs 112 to 117 above.

I. RELIEF CLAIMED

119. The Defendants deny that the Plaintiffs are entitled to the relief sought in paragraph 119.

Dated 16 May 2025


A handwritten signature in black ink, appearing to read 'm3m', is written over a horizontal line.

Signed

Prepared by Herbert Smith Freehills &
Elizabeth Collins SC, Nicholas de Young KC,
Kane Loxley, Madeleine Salinger of counsel