



MEDIA RELEASE

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IAG's acquisition of RAC Insurance requires Phase 2 review

Insurance Australia Group Limited's (ASX: IAG) proposed acquisition of RAC Insurance (RACI) could substantially lessen competition and requires an in-depth Phase 2 assessment, the ACCC has decided.

RACI is owned by the Royal Automobile Club of Western Australia (RAC). IAG and RACI both supply motor insurance and home and contents insurance in WA. The acquisition would result in IAG underwriting motor insurance and home and contents insurance under the RAC brand.

"This acquisition would combine two of the biggest insurers in WA," ACCC Chair Gina Cass-Gottlieb said.

"RACI is WA's market leader both in motor vehicle insurance and in home and contents insurance."

"We consider the acquisition could substantially lessen competition in both the supply of motor vehicle insurance and the supply of home and contents insurance in Western Australia".

The ACCC is also considering the impact of the acquisition in relation to smash repair services.

The ACCC has not reached a conclusion on the issues and will continue to consider the acquisition in Phase 2.

The ACCC invites submissions in response to its Phase 2 Notice by 4 May 2026. Parties can contact the ACCC via mergers@acc.gov.au.

More information and the Phase 2 Notice are available on the ACCC's acquisitions register: [Insurance Australia Group – RAC Insurance | ACCC](#).

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 not to clear the acquisition based on the information available to it at that time.

Under the formal merger regime which commenced on 1 January 2026, IAG notified the acquisition again and the ACCC is considering the acquisition under this regime.

Background

IAG is an ASX-listed general insurance company operating in Australia and New Zealand 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 Western Australia, IAG primarily supplies home and motor vehicle insurance under the NRMA brand.

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 RAC is a WA-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, such as travel insurance, health insurance and pet insurance.

The proposed acquisition does not include 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.

Formal merger regime

The ACCC can decide a notification is to be subject to a Phase 2 review if the ACCC is satisfied that the acquisition to which the notification relates, if put into effect, could, in all of the circumstances, have the effect, or be likely to have the effect, of substantially lessening competition in any market.

Under the Competition and Consumer Act, a Phase 2 assessment can take up to 90 business days, unless extended under specific circumstances.

More guidance on the new merger regime can be found on the ACCC's website: [Guidance documents for the merger control regime](#).

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