

## CEA concerned about impact of partially renewed Insurance BER

*Warns of legal uncertainty for unrenewed exemptions*

*Brussels, 24 March 2010:* The CEA, the European insurance and reinsurance federation, is concerned that the only partial renewal of the Insurance Block Exemption Regulation (BER), as adopted today by the EU College of Commissioners, will reduce cooperation between insurers, to the detriment of consumers.

The European Commission has decided to renew just two of the four areas in which certain cooperation agreements in the insurance sector are currently exempt from EU competition law. It has announced that it will issue guidelines for the other two areas.

“In contrast to the BER, the guidelines that will be issued for standard policy conditions (SPCs) and for security devices are not legally binding”, said Michaela Koller, CEA director general. “They will therefore not ensure legal certainty and the CEA is concerned that it could lead to a significant drop in cooperation.”

In the two renewed exemptions — insurance pools and joint compilations, tables and studies — the CEA is pleased that the Commission has recognised that the BER helps insurers to generate efficiencies through legitimate cooperation, to the benefit of consumers.

The CEA welcomes the clarification of the definition of new risks for pools, which now covers, for instance, agricultural risks and natural disasters, the nature of which is fundamentally changing as a result of climate change. It also includes risks arising from new technologies or new legal provisions.

However, the CEA points out that the new market-share calculation for pools leaves larger insurers outside the scope of the BER. Consequently, smaller insurers will not have the opportunity to cooperate with larger companies and benefit from their experience. Ultimately this may result in a lack of available cover for certain risks and less capacity in the market.

Operators now have six months to obtain legal advice on the amended BER and adapt their cooperation as necessary.

### Background

The current BER for the insurance sector sets out the conditions under which insurance companies can cooperate in the fields of joint calculations and studies, standard policy conditions (SPCs), insurance pools and security devices, without infringing EU competition law. The BER was last renewed in 2003 and is due to expire on 31 March 2010. The new BER will apply from 1 April 2010 and is valid until 31 March 2017.

-Ends-

### Notes for editors

1. For further information please contact Janina Clark, head of communications & PR (tel: +32 2 547 5812, [clark@cea.eu](mailto:clark@cea.eu)).



2. Copies of all CEA press releases are available on the CEA's website ([www.cea.eu](http://www.cea.eu)).
3. The CEA is the European insurance and reinsurance federation. Through its 33 member bodies, the national insurance associations, the CEA represents all types of insurance and reinsurance undertakings, eg pan-European companies, monoliners, mutuals and SMEs. The CEA, which is based in Brussels, represents undertakings that account for approximately 94% of total European premium income. Insurance makes a major contribution to Europe's economic growth and development. European insurers generate premium income of €1 100bn, employ one million people and invest €6 900bn in the economy.