



Antwerp, November 25th, 2009

## To whom it may concern

### **Commission of the European Communities DG Competitions**

Re. Position paper in respect of the Non-Renewal of the insurance Block Exemption Regulation (BER) for model legal wordings.

The Koninklijke Belgische Vereniging van Transportverzekeraars – Royale Association Belge des Assureurs Maritimes ( ABAM/BVT) is the professional organisation of insurers and underwriting agencies dealing with transport and marine insurance in Belgium. Almost 95 % of the transport and marine premium in our market is written by our members.

We take notice of the draft of the Commission Regulation (EC) on the *application of Article 81(3) of the Treaty to certain categories of agreements, decisions and concerted practices in the insurance sector.*

This project is designed to replace on 1st April 2010 the current BER (Block Exemption Regulation) and intends to remove the standard models of policies from the BER.

From the practical point of view this proposed new regulation will have important consequences for marine and transport insurers: indeed each insurer using standard policy conditions has to check individually whether those standard models are in compliance with the regulations of Art. 81(3) of the treaty.

This method of self-appreciation puts an additional burden of complexity and inefficiency on the insurers and can never avoid the uncertainty of non compliance. This could be a reason for some insurers to leave the marine and transport market resulting in a decrease of underwriting capacity and thus a hardening of the market which is in disadvantage of the assured. Indeed, the reality now is that standard wordings allow a high degree of free competition on terms and pricing on markets and between international markets.

Standard policies and clauses are common practice in the international market of marine and transport insurance and this for several obvious reasons:

1. The assureds through over the world are asking for standard policies and clauses in order to reach the necessary transparency between the offers of the different insurance markets and to compare on an easier way their respective contents.



2. All parties involved in the international trade being importers, exporters and bankers (documentary credits) need standard policies and clauses for the guidance of their operations. That is the reason why the INCO-terms refer to standard policies used by transport insurers.
3. Also in the hull market the financial partners ( mortgagees and bankers ) cannot but rely on at least the coverage, as foreseen in the standard policies and clauses.
4. The international coinsurance and reinsurance market need standard models and policies and clauses, as those policies and clauses represent reliability and security for partners of different nationalities and jurisdictions.

Another remark is that European marine and transport insurers will be faced with a competitive disadvantage as the other markets, who are not subject to European jurisdiction, will practice their standard policies and clauses.

We conclude that the consumer is not served by the intended change and our association strongly insist to maintain the existing Block Exemption Regulation in respect of marine and transport standard policies and clauses.

Yours faithfully

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