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EUROPEAN COMMISSION
Regulatory Scrutiny Board

Brussels,
Ares(2016)

Opinion

Title **DG COMP – Insurance Block Exemption Regulation**

(version of 12 October 2016)*

(A) Context

Article 101(3) of the Treaty on the Functioning of the European Union (TFEU) prohibits enterprise behaviour that impairs or distorts competition. The Commission can nevertheless "block exempt" activities that fulfil certain conditions. A block exemption provides firms with a safe harbour for activities that might otherwise appear anticompetitive.

The Insurance Block Exemption Regulation (IBER) permits (re)insurers to share data for the purpose of joint compilations, tables and studies. It also permits co(re)insurance of certain types of risks in (re)insurance pools. The IBER was first adopted in 1992, with a sunset clause. It was amended and extended in 2003 and 2010.

The IBER is now due to expire on 31 March 2017. This impact assessment considers the merits of extending it further.

The Commission originally proposed the IBER to lower administrative costs for companies and competition authorities. At the time, competitors that entered into agreements with each other had to obtain prior approval from the Commission. This requirement ended in 2004. Currently, insurers may co-operate with each other without seeking prior approval if they follow a self-assessment procedure**.**

(B) Overall opinion: POSITIVE

The Board gives a positive opinion, with a recommendation to further improve the report in the following key aspects:

(1) Reinforce the problem analysis with a more extensive description of the situation today and how it has evolved since the 2010 IBER renewal.

(2) Further motivate the choice of policy options with regard to their duration and content.

(3) Provide more evidence with regard to how compliance costs are likely to evolve.

The lead DG shall ensure that these recommendations are duly taken into account in the report prior to launching the inter-service consultation.

* Note that this opinion concerns a draft impact assessment report which may differ from the one adopted.

(C) Main recommendations for improvements

(1) Problem analysis. The report should further clarify the circumstances and reasons for extending the IBER in 2010. It should explain what has changed since then, such as market developments and the Horizontal Guidelines of 2011. It should also examine how allowing the IBER to lapse would affect SMEs, notably with regard to entry barriers and access to data.

(2) Policy options. For option 2, the report should explain why it does not consider alternative (shorter) time periods than 10 years. It should also state whether both sub-options of option 3 are equally realistic.

(3) Compliance costs. The report should demonstrate that the self-assessment costs are similar under the IBER and under the Guidelines. This could be done via a comparative table showing the steps that a company must follow when self-assessing. The report should also try to provide quantitative estimates of compliance costs for insurance companies under the IBER and under the Horizontal Guidelines.

Some more technical comments have been transmitted directly to the author DG; these and the written reaction to it by DG COMP are expected to be incorporated into the final version of the impact assessment report.

(D) Procedure and presentation

The report fulfils the requirements with regard to its readability. The executive summary should reflect changes to the main report.

(E) RSB scrutiny process	
Reference number	2016/COMP/001
External expertise used	No
Date of RSB meeting	08 November 2016 (written procedure)