

Question	Answer
2.2 Market developments	
7	
<p>How would you describe the current competitive situation in the (re) insurance markets with particular regard to the segments where you operate/are concerned with? What are the changes in market structure over the last ten years? Have there been any new entries? Are they greenfield? Have they been facilitated by the IBER?</p>	<p>As an association of actuaries the DAV has no own market data on the competitive situation in the German (re)insurance markets. However, statistics of the German Federal Financial Supervisory Authority (BaFin) and the German Insurance Association (GDV) show that in the German insurance markets the competition is very intense and the level of concentration is low (see Statistisches Taschenbuch der Versicherungswirtschaft, p. 18). They also show that there were several market entries of foreign insurance companies into the German insurance markets over the last years. These entries contribute to further intensify the competition in the German insurance markets. They also show that market entries occur rather often although the German insurance markets are deemed as 'difficult'. Although Greenfield entries – with a dependent branch – occurred more often during the last years they are of minor importance. The main reason for this seems to be the special character of insurance products of most segments of insurance markets due to national preferences of customers and the availability of distribution capacity. Successful market entries therefore need detailed knowledge of the national market and its peculiarities plus market access. Considering this it is all the more important to provide for consistent and legally reliable exceptions in competition law to produce statistical background needed for successful market entries.</p> <p>Of course customers benefit from the positive effects of the competition in the German insurance markets. They pay low premiums and get a high service quality. Several customer surveys show this (cf. „Consumer Satisfaction Survey“ Final Report by IPSOS INRA for the Health and Consumer Protection Directorate-General of the European Commission, May 2007).</p>
8	
<p>Has there been any innovation or market development in the insurance sector in the last ten years that could have had an impact on the (re)insurers' cooperation in the area of joint studies, tables and compilations?</p>	<p>In the field of life insurance several mortality tables have been checked and reviewed to some extent in the last ten years. The DAV examined if the mortality tables for life insurance, disability insurance and long term care insurance are still suitable for calculating reserves for these products (The tables DAV 2008 T, DAV 2008 P and on the review of DAV 1997 I are published under https://aktuar.de/unsere-themen/lebensversicherung/). In this examination statistical data of the (re)insurance companies were used for joint studies, tables and compilations. Although these data were supplemented by statistical data from other sources and information derived from social and medical development it was essential to rely on company data. The community of insured people differs significantly from the groups the other statistics are based on. Only company data can give</p>

	<p>proper information on the special effects that have to be taken into account if it comes to the community of insured people.</p> <p>The market of insurance products is ever evolving. The competition drives the insurance companies to develop new products and new product features. Especially in life insurance products have a long maturity. Therefore it is of utmost importance for the insurance companies that they have most reliable data available for calculating sufficient reserves. In life insurance the market for long term care insurance was growing over the last years. Several insurance companies issued new or reviewed products. This development was supported by the mortality tables of the DAV which enabled the companies to install a proper calculation of the reserves they would need for this products. Similarly in term life insurance the differentiation between smokers and non-smokers tariffs spread through the market. The DAV mortality tables provided companies with information how they could derive smoker and non-smoker mortality tables for reserving from existing mortality tables for mixed smoker/non-smoker communities. This DAV information could only be offered because of joint studies, tables and compilations.</p> <p>Joint tables and studies provide valid information which is not available for small and medium sized companies by their own at the same quality. Therefore joint studies etc. enable those companies to set up adequate and risk based calculations and help them to stay in the market. Consequently the level of competition is increased with those joint studies.</p> <p>Furthermore smaller companies are often orientated and specialised to certain niches offering coverage which not many others are doing. Therefore this helps to raise the level of competition especially for those segments.</p> <p>To keep smaller companies in the market or even to enable new market entries increases the probability of innovation.</p> <p>Another issue can be seen in rare risks which are even hard to calculate on the data basis of a bigger company. In this case joint studies etc can also enable such a company or a pool of these to provide coverage for those special risks.</p>
9	
<p>Has there been any innovation or market development in the insurance sector in the last ten years that could have had an impact on the (re)insurers' cooperation in the area of cooperation in (re)insurance pools?</p>	<p>The DAV has no deeper information on cooperation in (re)insurance pools. Therefore it has no position on this issue.</p>
10	

<p>Has your business strategy or the way you compete (on price, quality, brand, coverage, etc) in the (re)insurance sector evolved in the last ten years and how? If you are not an (re)insurance undertaking: Are you aware of any developments in the conduct of (re)insurance undertakings during the last ten years which are relevant for the review of the IBER? Please describe and provide examples.</p>	<p>The introduction of Solvency II in the European insurance markets already affected the markets and will affect them even more, when it will be implemented in national laws on 1. January 2016. The insurance companies will have binding requirements for the solvency capital they need. The amount of the solvency capital will be calculated according to the risk situation of the insurance companies. For these calculations it is essential to have market information on best estimates for insurance risks. This information can only be gathered through joint studies, tables and compilations. Therefore it is even more important that insurance companies cooperate in the area of joint studies, tables and compilations. This will be further elaborated below (s.b. Question 11, 15, 17, 19).</p> <p>As already mentioned under Question 8 the DAV regularly generates and reviews mortality tables for life insurance, disability insurance and long term care insurance.</p> <p>As already mentioned under Question 8 too in developing new products and new product features it is of utmost importance for the insurance companies that they have most reliable data available for calculating sufficient reserves.</p>
<p>11</p>	
<p>In your view, did the previous IBER or does the current IBER contribute to the evolution described under question (10)? Please state the reasons for this.</p>	<p>The joint tables and studies enabled by the IBER allow insurance companies for a more accurate risk control. In fact, the joint tables and studies provided by the IBER can be used to implement and to model Solvency II requirements (pillar 1 and pillar 2), i.e. they apply for calculating and assessing quantitative requirements as well as risk management requirements. Thus, the IBER even provides joint tables and studies in order to reduce the risk of insolvency of insurance companies.</p> <p>This aspect is of particular interest for all companies which offer products covering, e.g., a lifetime risk or pay-out. Those products need reliable reserves over a very long time period. Thus, the statistical results provided by the IBER essentially contribute to a solid calculation and estimation of long-term liabilities and thus, to the sustainability of insurance companies and insurance markets.</p>
<p>12</p>	
<p>In your view, did the previous IBER or does the current IBER hamper the evolution described under question (10)? Please state the reasons for this.</p>	<p>No, the IBER supports the developments mentioned under question 10. For reasons see answers to questions 10 and 11.</p>
<p>13.</p>	
<p>Do you consider that the existence of the IBER has improved your capability to accurately price risks or allowed you to enter any specific insurance segment in which you would otherwise</p>	<p>As already mentioned under Question 7 the market data show that the national markets are already interlocked. Insurance companies enter the German markets and German insurers enter other European insurance markets. The IBER supports this development if appropriately established.</p>

<p>not be active? Has the existence of the IBER provided you with a better footing to penetrate other Member States' markets? Please illustrate your reply with case-specific examples.</p>	<p>Claims requirements statistics and mortality tables are essential for the development of insurance products. Since the claims experience, mortality and other insurance risk factors differ significantly between different countries it is very important for foreign insurers entering the German market to get information about the situation in Germany. The joint studies, tables and compilations produced under the IBER provide this information. By this they lower the barriers for market entry. The foreign companies can use the information for their initial product development. Since the joint studies, tables and compilations developed by the DAV are publicly available, we do not know how many companies used the material over the last years for their market entries.</p> <p>The benefit of the statistics compiled under the IBER is not limited to easy market access and intensive competition. The statistics are in some segments of the market also very important to provide insurance cover at all. For some risks no single insurer is able to assess them based on his claims experience. Therefore no insurer could offer insurance cover for these risks. Only through the statistics developed under the IBER it is possible to get enough data for a proper risk assessment.</p> <p>See also answer to question 11.</p>	
<p>14.</p>		
<p>Are there in your view markets that would not exist without the exemptions foreseen in the IBER?</p>	<p>Yes</p>	<p>X</p>
	<p>No</p>	
	<p>Don't know</p>	
	<p>Which ones?</p>	
	<p>In the insurance sector the IBER enables companies to open up new markets or make former uninsurable risks insurable. An essential part of assessing new fields of insurance is pooling anonymized data on the reliable legal base of the IBER. Long term care insurance provided by life insurers gives an example how this works: Only by the joint derivation of biometric actuarial assumptions the field of lifetime long term care insurance could be opened for customers.</p> <p>Since the joint studies, tables and compilations based on the IBER are available to all insurance companies competition in new markets is possible. All companies have access to basic risk information. Starting from there they are able to design competitive products and increase competition and dynamic in these new markets. Customers benefit from this mechanism with a wide range of products and decreasing prices for the cover.</p>	

	Over all there are a number of fields of insurance where no or only few insurance products could be provided without joint studies, tables and compilations, see also above and question 13.	
15.		
Would premiums be appreciably higher without the IBER exemptions?	Yes	X
	No	
	Don't know	
	Please reason your answer and provide examples and data to the extent available.	
<p>Insurance premiums are based on an estimation of the risk to be insured which has to be as precise as possible. The current IBER offers legal security that insurers can exchange information and data on insurance risks to create joint studies, tables and compilations on the market wide estimation of these risks. These results offer first quantitative indications as an initial point for a company-specific assessment of an insurance risk.</p> <p>In the highly competitive market the differing market premiums result from various additional factors. These factors are not part of an information exchange between the insurance companies. These factors are the essential parts of the competition in the insurance market and the huge variety of insurance products customers are asking for.</p> <p>These factors include inter alia specific features of the company's tariffs, costs for administration and distribution, interest rates plus the development of the risk portfolio under Solvency II.</p> <p>An elimination of the basic risk statistics provided under the IBER could increase uncertainty in the assessment of the risk. If insurance companies want to continue their business in the known fields of insurance they could be forced – consistent with Solvency II – to add safety margins because of the increased uncertainty. Additional safety margins are likely to increase insurance premiums.</p> <p>It is also possible that some insurers decide to leave the market. Only companies with a sufficient claims experience which enables them to assess the risks themselves would stay in the market. Finally this could lead to a shrinking variety of products for customers. This would also support price increases.</p> <p>Without the IBER the insurers will have to audit each single activity of cooperation in which they are or they consider to be involved. The costs resulting from the employment of legal experts, lawyers and consultants in order to assess – without guaranteeing – the legal validity of the envisaged forms of cooperation will increase costs substantially, especially the investment costs</p>		

	<p>for market entry. There is a significant risk that those going through such an exercise would ultimately pass on the related extra costs to the customers.</p> <p>Considering these points the IBER not only supports market entrances (see question 7), it also stabilizes the existing and well-functioning competition in the German insurance markets.</p>	
16.		
<p>Would customer choice and supply diversity be appreciably reduced without the IBER exemptions?</p>	Yes	X
	No	
	Don't know	
	<p>Please reason your answer and provide examples and data to the extent available.</p> <p>The derivation of joint tables and studies in order to provide reliable and significant statistical results facilitates the market access for new market participants. Thus it accounts for a stabilization of the existing competition.</p> <p>Without legal certainty there is a significant risk that insurers no longer cooperate on joint compilations, tables and studies, and in relation to pools. The absence of this cooperation would result in a reduced knowledge of the risks, a more restricted choice in terms of providers and of products to the detriment of customers.</p> <p>As mentioned in our answer to question 15, customers benefit from the diversity of insurance products in national markets because a particular risk is likely to be covered by an appropriate product.</p> <p>Indeed, instead of engaging in cooperation due to the lack of legal certainty, big insurers will prefer to rely on their own portfolio and collect statistics by themselves. As a result, because of the restricted size of their portfolio, small and medium-sized insurance undertakings and new entrants will not possess sufficiently representative and reliable data to enable them to carry out calculations on a reasoned basis and they will thus be excluded from the market. Hence, the product diversity is likely to be gradually reduced.</p>	
17.		
<p>Do you consider that the IBER protects competition and effective innovation in the insurance sector or not? In your view, does the IBER succeed in creating/maintaining a level playing field? Please reason your answer and give case-specific examples if any.</p>	<p>Yes, the DAV considers the IBER as a fundamental instrument that stimulates and supports the well-functioning competition and product innovations: The IBER facilitates new market accesses and it provides the sustainability of calculations and reserves within a Solvency II framework. This</p>	

	<p>is, because comprehensive statistics can be legally derived for assessing risks, of fundamental importance for the risk management, i.e. for the enterprise controlling in general.</p> <p>In particular, small and medium-sized enterprises benefit from such cooperation because their own ability to verify statistically based risk analysis is typically much lower and more uncertain. In turn, small and medium-sized enterprises would have to calculate with higher safety margins in order to compensate this uncertainty. Of course, this leads consequentially to an increase in premiums and to a reduction of its competitive ability.</p> <p>In life insurance markets, enterprises with a market share of more than 2% would have to face such limitations. The same holds for all enterprises, which have gained important information via the DAV statistics in order to access the market.</p> <p>Overall, the IBER allows for statistics, which are highly appreciated by enterprises sharing a low data record for claims, in order to compete with enterprises having a more reliable empirical experience of claims.</p>	
<p>18.</p>		
<p>Do the recent developments in competition rules, e.g. the Commission Horizontal Guidelines, and the recent developments in the relevant national/EU case-law affect your commercial behaviour? Please describe and give case-specific examples.</p>		
<p>2.3 Application of the IBER in practice</p>		
<p>19 Do you make use of the exemptions foreseen in the IBER?</p>	<p>Yes</p>	<p>X</p>
	<p>No</p>	
	<p>N/A</p>	
	<p>Please specify whether it concerns:</p>	
	<p>Exemption of agreements with regard to joint compilations, joint tables and studies</p>	<p>X</p>
	<p>Exemption of agreements with regard to common coverage of certain types of risks ("co(re)insurance pools")</p>	
	<p>Please give case- specific examples on how you make use of the respective exemptions.</p>	

	<p>DAV relies on the exemptions of IBER in particular when reviewing and deriving the biometric actuarial assumptions as well as for Solvency II calculations. As a rule, this is achieved by pooling anonymized statistical data of insurance companies.</p> <p>As an example, when reviewing the biometric actuarial assumptions for disability insurance a pool of anonymized statistical data was established containing data of insurance companies which together cover 85 % of the German market for disability insurance. Similar rates of coverage are obtained when reviewing and deriving the biometric actuarial assumptions for other insurance types.</p> <p>Against the Solvency II-background, detailed market information is essential. Because the amount of the solvency capital will be calculated according to the risk situation of the insurance companies it is essential to assess the risk. This information can only be gathered through the cooperation of insurance companies in the area of joint studies, tables and compilations. The statistical results allow a solid calculation with minimized uncertainty and thus reduce the risk of insolvency of insurance companies. Additional safety margins are not necessary and risk-adequate insurance premiums are possible.</p>
20	
<p>Does the IBER affect the business conduct in your daily practice and how? Please describe and give case-specific examples.</p>	<p>The IBER affects DAV work insofar as DAV has to comply with its requirements when deriving biometric best-estimate actuarial assumptions for the reserving of insurance products. DAV develops and publishes a jointly derived basis for actuarial calculations in the following areas:</p> <ul style="list-style-type: none"> - Pensions - Life Insurance - Long-term care insurance - Occupational invalidity insurance (Erwerbsunfähigkeit) - Disability insurance (Berufsunfähigkeit) - Liability insurance and insurance with accident annuities.
21	
<p>Have you been involved in litigation and/or competition investigations concerning the IBER?</p>	No

<p>Please specify and provide any relevant decisions, reports or other relevant information.</p>	
<p>22</p>	
<p>Study on co (re)-insurance pools and on ad-hoc co (re)-insurance agreements on the subscription market: In 2013 the Commission published a study on co (re)-insurance pools and on ad-hoc co (re)-insurance agreements on the subscription market and a new edition in 2014 http://ec.europa.eu/competition/sectors/financial_services/KD04147_07ENN.pdf). It provides among other an overview of co (re)-insurance pools after the adoption of the new BER. Following the study the Commission held a workshop in March 2013 where the findings of the study were presented and discussed. Below we present some of the findings of the study and the workshop concerning the IBER and would appreciate your feedback: The study reports that "There are uncertainties as to definition, with a risk of mismatch between industry perceptions of pools and the intentions of the BER, which may indicate a need for clarification: these affect both the identification of pools themselves and the definition of the relevant market. There are also questions as to the boundaries of the definition where pool-like arrangements are set up by parties other than insurers, particularly intermediaries, which may warrant study outside the scope of this report." Do you share this view or not? Please explain why and how the following could be improved? (i) definition of "pools"; (ii) determination of the relevant market.</p>	
<p>23</p>	
<p>Do you encounter any difficulties in applying the IBER rules? Please explain and provide case-specific examples.</p>	<p>The IBER has been approved for the derivation of joint tables and studies which give a first assessment for a reliable reservation. It also supports the well-functioning competition and market development. Therefore, the DAV favors the renewal of the IBER including all existing standards.</p>

	Concerning co (re)-insurance pools, the DAV is unable to favor a particular position (see also answer 9).	
2.4 Policy Options		
24		
<p>The IBER will expire on 31 March 2017. The Commission is considering the following options (the order does not reflect ranking or any preference):</p> <p>(i) Non-renewal of the IBER (ii) Partial renewal (iii) Renewal of the current IBER</p> <p>Which one of the abovementioned options is in your view justified for objective reasons and better suited for improving the functioning of the insurance markets, stimulating product innovation and increasing consumer's choice in any specific insurance segment?</p>	Non-renewal	
	Partial renewal: renewal of the exemption for cooperation in the area of joint studies, tables and compilations	
	Partial renewal: renewal of the exemption for cooperation in (re)insurance pools	
	<i>Renewal of the current IBER</i>	X
	Do not have a view	
	Please provide a detailed reasoned argumentation for your position.	
<p>There are various well-substantiated reasons for an exemption for cooperation in the area of joint studies, tables and compilations, which have been explained above and will be described in the following:</p> <p>Concerning co (re)-insurance pools, the DAV is unable to favor a particular position (see also answer 9).</p>		
25		
Are there in your view other options which the Commission should consider?	<p>The IBER provides the legal prerequisites to prepare joint compilations, tables and studies. As mentioned above, the results of such cooperation enhance the understanding of risks and their insurability.</p> <p>It is thus essential for customers as well as for insurers, that a profound legal basis such as the IBER remains in order to maintain and to evolve a broad variety of insurance products.</p> <p>Therefore, beside a renewal of the IBER, other options seem to be improper to supply sufficient legal support for a further development of risk transfer options for customers, i.e. of insurance products. In particular, principle-based guidelines would considerably raise the legal uncertainty which could result in a remarkable reduction of insurance innovations and competition.</p>	
26		

<p>The existence of a block exemption does not relieve undertakings from their obligation to carry out a self-assessment on the admissibility of their cooperation under competition rules. If the Commission would not renew the IBER, insurers would have to carry out the self-assessment of their cooperation in information exchange and joint commercialisation under the principles of the horizontal cooperation guidelines, instead of under the provisions of the IBER.</p> <p>Do you consider that sector-specific regulation such as the IBER is necessary for the insurance sector? If so, which distinct features of the insurance market would make a sector-specific block exemption regulation necessary in the current enforcement system where Article 101 (3) TFEU is directly applicable by virtue of Article 1 of Council Regulation (EC) No 1/2003 and where guidance is provided by means of appropriate horizontal instruments? Please reason your answer and give case-specific examples.</p>	<p>The probability theory and the estimation of probabilities is the main basis for insurance business activities. Therefore, the IBER is of essential significance for the total insurance business area. The restrictions stated in the horizontal guidance for sharing specific anonymized information are therefore not suitable for the insurance market (see our answer to questions 33 and 35).</p> <p>The statements of the Commission in their Communication on the application of Article 101 of the Treaty on the Functioning of the European Union (TFEU) in the insurance sector continue to apply. The Commission correctly states that the costs of insurance products are unknown at the time the price is agreed and the risk covered. Calculation of risk is a key issue in pricing all insurance products which appears to be a differentiating factor from other sectors including the banking sector. This makes access to past statistical data in order to technically price risks crucial. Therefore, the Commission considers that cooperation in this area is both specific to the insurance industry and necessary in order to price risks. (Communication from the Commission on the application of Art. 101 (3) TFEU in the insurance sector (2010/C 82/02), No. 8)</p>
<p>27</p>	
<p>Were there any developments over the last years that affect the IBER and would require in your view a change in the rules? What are these developments and the necessary ensuing changes? Please explain and provide specific examples.</p>	<p>No.</p>
<p>28</p>	
<p>Can you provide examples of specific conduct of undertakings that currently fall within the scope of the IBER but which in your view should no longer be subject to a block exemption? Please provide specific reasons for your answer.</p>	<p>No.</p>
<p>29</p>	
<p>Can you provide examples of behaviour that currently fall outside but which in your view should fall inside? Please provide specific reasons for your answer.</p>	<p>No</p>
<p>2.5 Impacts</p>	

For each of the different changes in your conduct and ultimate impacts on the market that you will identify in the answers to the questions contained in this section, please rate their importance according to the following scale: Slight, Moderate, Appreciable.		
30		
<p>In your view, does the IBER provide additional substantial legal certainty to (re)insurance undertakings on top of the (directly applicable) exemption of Article 101(3) TFEU and the guidance given by the Commission on horizontal cooperation agreements?</p>	Slight	
	Moderate	
	Appreciable	X
	<p>The additional legal certainty compared to the direct exemption of Art. 101 (3) TFEU and the guidelines on horizontal co-operation agreements is in our view significant when discussing joint studies, tables and compilations. The criteria of Art. 101 (3) TFEU are currently not clearly defined, and there is only a small number of additional legal advice or legal practice to further contour the high number of indefinite legal concepts in these prerequisites. Furthermore, the examination of the regulation requires a complex collection of data on the actual economic conditions in the markets concerned.</p> <p>As regards the question under which circumstances compilations under Art. 101 (3) TFEU are exempted there is only little evidence. On top of that it cannot be safely assumed that a national competition authority (which in all likelihood would have jurisdiction to review the antitrust admissibility of nationally collected statistics) would apply the same standards for testing the Antitrust Compliance as the Commission.</p> <p>The guidelines on horizontal cooperation agreements hardly make a difference as they do not properly take into account specifics and exceptional cases of the compilations (cf. our answer to question 25).</p>	
31		
<p>If the IBER was not renewed, would your compliance costs increase? Please reason your answer and provide a detailed description of such costs compared with those you already incur for your self-assessment, as well as an estimate of their value.</p>	Slight	
	Moderate	
	Appreciable	X
	<p>Without IBER the costs resulting from assessing the legal validity of tables or compilations would be significantly higher as a high number of interrelated factors have to be taken into account which</p>	

	<p>are not exactly quantifiable. The work of DAV would be severely limited by this. Assessments of specific cases would cause additional legal and administrative costs (cf. our answer to question 15).</p> <p>Furthermore, the greater legal uncertainty could lead to higher reservation risks for the insurance companies as well as for auditors certifying the annual balance sheet.</p>	
32		
<p>If the IBER was not renewed, would your compliance costs decrease? Please reason your answer and provide a detailed description of such costs compared with those you already incur for your self-assessment, as well as an estimate of their value.</p>	Slight	
	Moderate	
	Appreciable	X
	<p>The compliance costs of DAV would rise, not decline (see answer to question 31).</p>	
33		
<p>What would be the changes in your conduct if the cooperation between insurers in joint compilation, tables and studies were assessed exclusively under the provisions on information exchange of the Commission guidelines on horizontal co-operation agreements? Please elaborate on the changes, using a separate box and rating per change you identify.</p>	Change 1	
	Slight	
	Moderate	
	Appreciable	X
	<p>The criteria to be assessed according to the guidelines on horizontal co-operation agreements are less clearly defined and more numerous than the criteria of IBER. Furthermore, oligopolistically structured markets are assessed differently under the guidelines and under IBER. An assessment according to the guidelines requires a balance between a high number of factors and an evaluation of the specific market conditions (e.g. concentration, transparency, stability, symmetry, complexity). Apart from the question of recognizable competitors' behavior IBER correctly does not refer to market conditions. This simplifies the assessment a lot, as otherwise the degree of competition has to be determined on an empirical basis and taken into account. The prerequisites of IBER refer to the studies, tables and compilations themselves and not to external factors. Therefore these prerequisites can be implemented and monitored without consuming research efforts. Moreover, no monitoring will be necessary to record changes in these prerequisites over time.</p>	
Change 2		
Slight		

	Moderate	X
	Appreciable	
	In addition, market coverage of the co-operating companies is of no importance. It seems possible that studies, tables or compilations could be considered legally questionable which are characterized by a high number of companies involved and thus by a sound statistical basis. As recital 12 and Art. 3 (1) a) and b) IBER show this statistical significance is just the prerequisite of an exemption under IBER.	
	Change 3	
	Slight	
	Moderate	
	Appreciable	
34		
What would be the changes in your conduct if the cooperation between insurers in pools were assessed exclusively under the provisions on commercialisation agreements of the Commission guidelines on horizontal co-operation agreements? Please elaborate on the changes, using a separate box and rating per change you identify.	Change 1	
	Slight	
	Moderate	
	Appreciable	
	Change 2	
	Slight	
	Moderate	
	Appreciable	

	Change 3	
	Slight	
	Moderate	
	Appreciable	
35		
What would be the impacts on the relevant markets of the above-mentioned changes in your conduct if the cooperation between insurers in joint compilation, tables and studies were assessed exclusively under the provisions on information exchange of the Commission guidelines on horizontal co-operation agreements? Please elaborate on the impacts, using a separate box and rating per impact you identify.	Impact 1	
	Slight	
	Moderate	
	Appreciable	X
	Without legal certainty there is a significant risk that insurers no longer cooperate on joint compilations, tables and studies, and in relation to pools. This would result in a reduced knowledge of the risks, a more restricted choice in terms of providers and of products to the detriment of customers.	
	Impact 2	
	Slight	
	Moderate	
	Appreciable	X
	A less accurate risk control would result as well as a growing risk of insolvency of insurance companies. The joint tables and studies can't be used to implement and to model Solvency II requirements, i.e. they apply for calculating and assessing quantitative requirements as well as risk management requirements.	
	Impact 3	
	Slight	
	Moderate	

	Appreciable	X
	Rising costs to customers would result. The insurers will have to audit each single activity of cooperation in which they are or they consider to be involved. The costs resulting from the employment of legal experts, lawyers and consultants in order to assess – without guaranteeing – the legal validity of the envisaged forms of cooperation, especially the investment costs for market entry.	
36		
What would be the impacts on the relevant markets of the above-mentioned changes in your conduct if the cooperation between insurers in pools were assessed exclusively under the provisions on commercialisation agreements of the Commission guidelines on horizontal co-operation agreements? Please elaborate on the impacts, using a separate box and rating per impact you identify.	Impact 1	
	Slight	
	Moderate	
	Appreciable	X
	A more restricted choice in terms of providers and of products to the detriment of customers would result.	
	Impact 2	
	Slight	
	Moderate	
	Appreciable	
	Impact 3	
	Slight	
	Moderate	
	Appreciable	
37		
What are in your view the overall likely impacts of each of the policy options mentioned in Section "2.4 Policy options" above? Are they likely to	Non-renewal Impact 1	
	Slight	

<p>induce any specific changes in business practices or impact consumers? Please explain the likely economic effects of such changes in terms of competition, market structure, supply, entry barriers, competitiveness of smaller insurers, customers, level of customer mobility, social and environmental impacts, etc. Please elaborate on the impacts, using a separate box and rating per impact you identify.</p> <p>Non-renewal</p>	Moderate	
	Appreciable	X
	<p>Risk assessment will become much more complicated and uncertain for existing as well as for new risks. As a result, the existing and functioning competition is jeopardised. Thus, the insurance market is likely to be seriously reduced in a number of competitive companies, in variety of insurance products and, in pressure of creating new innovative products. Thus, the insurance market may partially break down or premiums may increase (see also our answer to questions 8, 14, 15).</p>	
	Non-renewal Impact 2	
	Slight	
	Moderate	
	Appreciable	X
	<p>Risk management will become much more uncertain. As a consequence, the sustainability of reserves in order to cover risks and their future development will be at risk itself. Hence, the continuity of insurance companies is highly questionable (see also answer to question 8, 11, 15).</p>	
	Non-renewal Impact 3	
	Slight	
	Moderate	
	Appreciable	X
	<p>Legal uncertainty will be raised considerably. As a consequence, additional costs for providing risk assessment and new insurance products will emerge and thus, premiums will likely increase (see also answer to question 15).</p>	
	<p>What are in your view the overall likely impacts of each of the policy options mentioned in Section "2.4 Policy options" above? Are they likely to induce any specific changes in business practices or impact consumers? Please explain the likely economic effects of such changes in terms of competition, market structure, supply, entry barriers, competitiveness of smaller insurers, customers, level of customer mobility,</p>	Partial renewal Impact 1
Slight		
Moderate		
Appreciable		X
<p>One of the most fundamental conditions to explore, to review and, to evaluate the insurability of risks will be established. In fact, the framework for a fair competition between existing companies</p>		

social and environmental impacts, etc. Please elaborate on the impacts, using a separate box and rating per impact you identify. Partial renewal: renewal of the exemption for cooperation in the area of joint studies, tables and compilations	and new market participants will be continued, which results in an active insurance market and a comprehensive variety of market participants. Consequentially, this is resulting in a broader diversity of insurance products.	
	Partial renewal Impact 2	
	Slight	
	Moderate	
	Appreciable	X
	The sustainability of reserves will be based on a much more reliable and significant statistical evaluation. As a consequence, the continuity of the insurance business and of companies, respectively, becomes particularly within a Solvency II framework much more reliable.	
	Partial renewal Impact 3	
	Slight	
	Moderate	
	Appreciable	X
The legal certainty will be highly appreciated by customers and product providers, respectively, because no additional costs need to be anticipated due to an unexpected change of the basis for calculations. Hence, there will be no need to raise the insurance premiums by virtue of a partial renewal of IBER which otherwise will become most likely.		
What are in your view the overall likely impacts of each of the policy options mentioned in Section "2.4 Policy options" above? Are they likely to induce any specific changes in business practices or impact consumers? Please explain the likely economic effects of such changes in terms of competition, market structure, supply, entry barriers, competitiveness of smaller insurers, customers, level of customer mobility, social and environmental impacts, etc. Please elaborate on the impacts, using a separate box and rating per impact you identify.	Partial renewal Impact 1	
	Slight	
	Moderate	
	Appreciable	X
	Risk assessment will become much more complicated and uncertain for existing as well as for new risks. As a result, the existing and functioning competition is jeopardised. Thus, the insurance market is likely to be seriously reduced in number of competitive companies, in variety of insurance products and, in pressure of creating new innovative products. Thus, the insurance market may partially break down or premiums may increase (see also our answer to questions 8, 14, 15).	

<p>Partial renewal: renewal of the exemption for cooperation in the (re)insurance pools.</p>	Partial renewal Impact 2	
	Slight	
	Moderate	
	Appreciable	X
	Risk management will become much more uncertain. As a consequence, the sustainability of reserves in order to cover risks and their future development will be at risk itself. Hence, the continuity of insurance companies is highly questionable (see also answer to question 8, 11, 15).	
	Partial renewal Impact 3	
	Slight	
	Moderate	
	Appreciable	X
	Legal uncertainty will be raised considerably. As a consequence, additional costs for providing risk assessment and new insurance products will emerge and thus, premiums will likely increase. (see also answer to question 15)	
<p>What are in your view the overall likely impacts of each of the policy options mentioned in Section "2.4 Policy options" above? Are they likely to induce any specific changes in business practices or impact consumers? Please explain the likely economic effects of such changes in terms of competition, market structure, supply, entry barriers, competitiveness of smaller insurers, customers, level of customer mobility, social and environmental impacts, etc. Please elaborate on the impacts, using a separate box and rating per impact you identify.</p> <p>Renewal</p>	Renewal Impact 1	
	Slight	
	Moderate	
	Appreciable	
	One of the most fundamental conditions to explore, to review and, to evaluate the insurability of risks will be established. In fact, the framework for a fair competition between existing companies and new market participants will be continued, which results in an active insurance market and a comprehensive variety of market participants. Consequentially, this is resulting in a broader diversity of insurance products.	
	Renewal Impact 2	
	Slight	
	Moderate	
	Appreciable	

	The sustainability of reserves will be based on a much more reliable and significant statistical evaluation. As a consequence, the continuity of the insurance business and of companies, respectively, becomes much more reliable - particularly within a Solvency II framework.	
	Renewal Impact 3	
	Slight	
	Moderate	
	Appreciable	
	The legal certainty will be highly appreciated by customers and product providers, respectively, because no additional costs need to be anticipated due to an unexpected change of the basis for calculations. Hence, there will be no need to raise the insurance premiums by virtue of a partial renewal of IBER which otherwise will become most likely.	
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Please rate the importance of the likely overall impact of each of the policy options mentioned in Section "2.4 Policy options". Non-renewal	Non-renewal Impact 1	
	Slight	
	Moderate	
	Appreciable	X
	reduction of competition	
	Non-renewal Impact 2	
	Slight	
	Moderate	
	Appreciable	X
	poorer risk management	
	Non-renewal Impact 3	
	Slight	
	Moderate	

	Appreciable	X
	higher premiums	
Please rate the importance of the likely overall impact of each of the policy options mentioned in Section "2.4 Policy options". Partial renewal: renewal of the exemption for cooperation in the area of joint studies, tables and compilations	Partial renewal Impact 1	
	Slight	
	Moderate	
	Appreciable	
	well-functioning competition	
	Partial renewal Impact 2	
	Slight	
	Moderate	
	Appreciable	
	effective risk management	
	Partial renewal Impact 3	
	Slight	
	Moderate	
	Appreciable	
	no need to raise the insurance premiums	
Please rate the importance of the likely overall impact of each of the policy options mentioned in Section "2.4 Policy options".	Partial renewal Impact 1	
	Slight	
	Moderate	

Partial renewal: renewal of the exemption for cooperation in (re)insurance pools	Appreciable	X
	reduction of competition	
	Partial renewal Impact 2	
	Slight	
	Moderate	
	Appreciable	X
	poorer risk management	
	Partial renewal Impact 3	
	Slight	
	Moderate	
	Appreciable	X
	higher premiums	
	Please rate the importance of the likely overall impact of each of the policy options mentioned in Section "2.4 Policy options". Renewal	Renewal Impact 1
Slight		
Moderate		
Appreciable		
well-functioning competition		
Renewal Impact 2		
Slight		
Moderate		
Appreciable		
effective risk management		
Renewal Impact 3		

	Slight	
	Moderate	
	Appreciable	
	no need to raise the insurance premiums	
2.6 Other information / views		
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Please provide any other information and/or views which you consider relevant for the Commission's review of the functioning and future of the IBER. Please provide any relevant documents, e.g. complaints, decisions, market studies, administrative practice, court cases and/or arbitration awards, scientific research, workshop reports, etc.		
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Please point out any specific competition rules, administrative practice or jurisprudence in non-EU jurisdictions concerning the insurance sector which the Commission in your view should also consider.		