

Legal latest

Competition, EU and Regulatory news bulletin

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CCPC investigates motor insurance sector

The Competition and Consumer Protection Commission (the "CCPC") has issued witness summonses and information requests to major motor insurance providers and industry groups representing insurers and brokers.

The CCPC is investigating breaches of competition law in the motor insurance sector regarding industry participants signalling future increases in motor insurance premiums. Such indications of future price increases allow other motor insurance operators to become aware of competitors' pricing intentions and may make it possible for them to coordinate their behaviour.

Isolde Goggin, Chairperson of the CCPC, noted that statements by senior industry players have raised serious suspicion as to whether there is a link between these messages and subsequent price increases.

It has been reported in the Irish press that there have been a series of price increases of up to 40% by motor insurance providers in recent months. The cost of motor insurance is reported to have increased by 70% over the last three years.

The issue of publishing future price intentions has recently been investigated by the European Commission. In the Container Shipping case (AT.39850), the European Commission accepted commitments offered by container liner shipping companies in order to address the European Commission's concerns that the companies' practice of publishing their intentions of future price increases may have harmed competition and consumers.

It remains to be seen how the CCPC's investigation will unfold.



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