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4 April 2000 A5-0104/2000

### **REPORT**

on the report from the Commission to the Council and the European Parliament on the operation of Commission Regulation No 3932/92 concerning the application of Article 81(ex Article 85), paragraph 3, of the Treaty to certain categories of agreements, decisions and concerted practices in the field of insurance

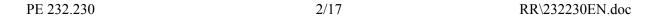
(COM(1999) 192 - C5-0254/1999 - 1999/2183(COS))

Committee on Economic and Monetary Affairs

Rapporteur: Werner Langen

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#### PROCEDURAL PAGE

By letter of 12 May 1999 the Commission forwarded to Parliament the report from the Commission to the Council and the European Parliament on the operation of Commission Regulation No 3932/92 concerning the application of Article 81(ex Article 85), paragraph 3, of the Treaty to certain categories of agreements, decisions and concerted practices in the field of insurance (COM(1999) 192 – 1999/2183(COS)).

At the sitting of 19 November 1999 the President of Parliament announced that she had referred the report to Committee on Economic and Monetary Affairs as the committee responsible and the Committee on Legal Affairs and the Internal Market for its opinion (C5-0254/1999).

The committee had appointed Werner Langen rapporteur at its meeting of 25 October 1999.

It considered the Commission communication and the draft report at its meetings of 21 February, 22 February, 4 April 2000.

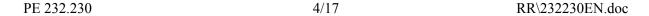
At the last meeting it adopted the motion for a resolution by 25 votes unanimously.

The following were present for the vote: Christa Randzio-Plath, chairman; William Abitbol, vice chairman; Werner Langen (for Karl von Wogau), rapporteur, Hans Blokland, Harald Ettl (for Hans Udo Bullmann), Jonathan Evans, Carles-Alfred Gasòliba i Böhm, Robert Goebbels, Christopher Huhne, Othmar Karas, Giorgos Katiforis, Piia-Noora Kauppi, Astrid Lulling, Jules Maaten (for Karin Riis-Jørgensen), Thomas Mann (for Christoph Werner Konrad), Karla M.H. Peijs (for José Manuel García-Margallo y Marfil), Fernando Pérez Royo, José Javier Pomés Ruiz, John Purvis (for Amalia Sartori), Alexander Radwan, Peter William Skinner, Charles Tannock, Marianne L.P. Thyssen, Helena Torres Marques, Theresa Villiers.

The opinion of the Committee on Legal Affairs and the Internal Market is attached.

The report was tabled on 4 April 2000.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant partsession.





#### **MOTION FOR A RESOLUTION**

European Parliament resolution on the report from the Commission to the Council and the European Parliament on the operation of Commission Regulation No 3932/92 concerning the application of Article 81(ex Article 85), paragraph 3, of the Treaty to certain categories of agreements, decisions and concerted practices in the field of insurance (COM(1999) 192 - C5-0254/1999 – 1999/2183(COS))

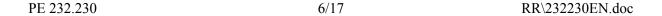
The European Parliament,

- having regard to the report from the Commission to the Council and the European Parliament on the operation of Commission Regulation No 3932/92 concerning the application of Article 81(ex Article 85), paragraph 3, of the Treaty to certain categories of agreements, decisions and concerted practices in the field of insurance (COM(1999) 192<sup>1</sup> C5-0254/1999),
- having regard to Commission Regulation No 3932/92 concerning the application of Article 81(3) of the EEC Treaty,
- having regard to the opinion of 9 December 1999 of the Economic and Social Committee (CES 1139/99),
- having regard to Rule 47(1) of its Rules of Procedure,
- having regard to the report of the Committee on Economic and Monetary Affairs and the opinion of the Committee on Legal Affairs and the Internal Market (A5-0104/2000),
- 1. Welcomes the Commission report on the block exemption Regulation for the insurance industry, even though it has been submitted late and not by the six-year time limit;
- 2. Accepts the Commission's judgment of satisfaction as one that appears well-founded, but notes that the process of consultation that will now ensue is capable of further testing this judgment;
- 3. Agrees with the Commission that the block exemption Regulation for the insurance industry has proved its worth, overall, albeit leaving a host of unresolved questions for individual areas such as agreements on the formation of co-insurance or co-reinsurance pools;
- 4. Notes that the Report contemplates the extension of the operation of Regulation No 3932/92 into two further domains, namely agreements on claims settlement and registers of aggravated risks, in respect of which further information is required; also that it contemplates possible adjustments and improvements in the four domains in which the Regulation No 3932/92 is currently operative;

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<sup>&</sup>lt;sup>1</sup> OJ L 398, 31.12.1992, pp. 7-14.

- 5. Recommends that the Commission take active steps to secure an informed public debate of its Report, in which as well as the insurance industry, consumers organisations, the academic community (especially those who have substantial research achievements in the economics of insurance and insurance law) and other concerned groups in civil society are actively engaged in the process of consultation and further discussion, with a view to the Commission's bringing forward proposals for an enhanced Regulation similar in purport to 3932/92 ready for the legislative process to take its course in 2003.
- 6. Welcomes the fact that the exemption Regulation for the insurance industry contributes to decentralised application of Community competition law, though agrees with the Commission that a systematic overview of national implementing practices is needed for the Regulation to be further enhanced in a sensible manner;
- 7. Stresses that cooperation in the calculation of premiums for similar risks and the reliable statistics that this requires are necessary and sensible for both small and large firms in the insurance industry;
- 8. Stresses that the clauses referred to in Article 7(1)(a) to (c) are unexemptable unless there is an enabling clause or, pursuant to Article 6(1), each individual insurer is allowed to depart from them (non-binding status rule);
- 9. Calls on the Commission to extend block exemption in line with the three-tie economic approach it has developed, as only a small proportion of co-insurance and co-reinsurance pools come under existing exemption arrangements under Articles 10-13;
- 10. Believes that Article 11 needs to be amended, in connection with co-insurance groups and co-reinsurance groups, with regard to thresholds and establishing the lead insurer, with regard to the definition of relevant world market, if foreign risks account for more than 20% of the risks covered, and with regard to insurance companies' right of termination, under which the six-month period should be extended to one year;
- 11. welcomes the information given by the Commission on assessing the "de minimis dimension" for the *common coverage of certain risks*, a practice which does not arise directly from the provisions of the regulation but is implemented by the Commission in order to "refine" its consideration of situations, and considers its introduction in the regulation to be opportune;
- 12. calls on the Commission to take account of the work of European insurers on *safety equipment* and proposes that these harmonised specifications at European level should be assimilated to CEN and CENELEC standards;
- 13. Calls on the Commission to improve the internal cooperation between the directoratesgeneral responsible in order, finally, to be able to devise a Community harmonisation basis for genuine European standards geared to the proposal submitted by the European insurance industry;



- 14. Takes the view that, in spite of a lack of experience, the claims settlement area should be incorporated into the block exemption Regulation when the review scheduled for 2003 takes place, in order to secure arrangements on the European internal market which are as consumer-friendly as possible, and in this connection proposes that, in consumers' interests, direct settlement by a person's own insurer should also be allowed;
- 15. Takes the view, however, that claims settlement agreements must not lead to an increase in premiums or to an improper shifting of financial responsibility from those who are responsible to policyholders as a whole;
- 16. Stresses that, though Regulation 3932/92 has been successful overall, the experience which has been gained and Parliament's proposals should be incorporate into a moderate enhancement in 2003;
- 17. Instructs its President to forward this opinion to the Commission and the Council.

#### **EXPLANATORY STATEMENT**

#### Introduction

The Commission has submitted the report on the functioning of the Regulation, entitled 'Report from the Commission to the Council and the European Parliament on the operation of Commission Regulation No 3932/92 concerning the application of Article 81 (ex-Article 85), paragraph 3, of the Treaty to certain categories of agreements, decisions and concerted practices in the field of insurance', which it is required to do under Article 8 of the Council's enabling Regulation (No 1534/91). The Regulation stipulating that the report must be submitted by the Commission no later than six years after its entry into force.

As a matter of principle, agreements which, under Article 81(1) of the EEC Treaty, restrict competition and would therefore normally be prohibited may be authorised pursuant to Article 1(3), on condition that they promote technical or economic progress or contribute to ensuring that consumers receive an appropriate share of the benefit generated to improving production or the distribution of insurance products, provided their competition is not ruled out.

Regulation No 3932/92 regulates block exemption in the insurance industry. In this report, the Commission provides information on the application thereof. There are four groups of agreements. Exemption is regulated for:

- 1. agreements on the calculation of premiums,
- 2. establishment of policy conditions,
- 3. joint coverage of certain types of risk and
- 4. safety equipment.

To date, agreements on claims settlement and registers of aggravated risks have not been included in the Regulation, since, on its own admission, the Commission does not possess sufficient experience in this field.

Both the four areas first referred to and the two last-named areas are addressed in separate chapters of the Commission's report. 'For each type of agreement, the Commission presents a number of considerations of a general nature, describes its practical experience and mentions possible future developments.' (Commission document COM(1999) 192 final) No adopted proposals for amendments to the Regulation are submitted; rather, basic forward-looking ideas in these areas are set out. The Commission says that it is interested in receiving comments from interested parties.

Basically, exemption regulations spare firms and administrations the bother of individual authorisation procedures. This cuts the Commission's workload and helps to focus on cases which stand out from the bulk of similar agreements. According to the Commission, the Regulation has made it possible to cut the number of current notifications from several hundred to about ten. The parties were invited to say whether they wished to maintain their notifications or insisted on a Commission declaration of compatibility with Article 81. Should a reply not be forthcoming, procedures have been closed after six months.

In its comments, the Commission voices regret that it does not have a systematic list of the

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cases in which Member State authorities apply the Regulation. It considers that the forwarding of this data by the Member States is a prerequisite for formulating tangible proposals to amend the Regulation.

# Analysis of the categories of agreement, under the Regulation, for the insurance industry

#### I. Calculation of premiums

Each person taking out insurance pays a price for the covering of a risk: the gross premium. This contains a risk premium which is dependent on two factors: (1) the extent of insurance cover; (2) the frequency with which the risk occurs. The net premium is calculated on the basis of these two factors plus a coefficient which takes account of forecasts of the future occurrence of the risk. The risk premium plus administrative costs plus profit margin together make up the gross premium.

In accordance with the Regulation, the net premium may be jointly calculated by insurers. This may only be done in order to obtain reliable statistics on the scope and frequency of claims in the past. Joint studies may also be carried out in this area, though they may not be used to calculate future security charges. Joint calculation of administrative costs and profit margins is also disallowed.

By grouping together similar risks, insurers can avoid divergence between compensation for a claim and the policyholder's premium and calculate the corresponding average costs. The Regulation allows insurers to do this jointly. Joint studies on specific risks may also be carried out so that they can be better evaluated in future.

#### II. Establishment of standard policy conditions

The establishment and distribution of standard policy conditions for direct insurance and common models illustrating profits from an insurance policy involving an element of capitalisation are exempt under Article 5(1) and (2) of the regulation. On the one hand, such agreements restrict customer choice and hence competition; on the other, they make the extent of a policy cover more transparent and standardise the classification of risks. Basically, the exemption applies only if it is expressly specified that the models are not binding; accordingly, they may be used for guidance only.

The conditions specified in Article 7 of Regulation No 3932/92 may not be contained in standard policy conditions in connection with agreements, decisions and concerted practices. These 'black clauses' relate to (1) the extent of cover, (2) policy duration and excessive tying of customers and (3) forms of tying. Exemption in respect of agreements providing for certain policyholders to be excluded from certain risk categories is not possible either. Specific policy conditions for particular social or occupational categories of the population are permissible, however.

The Commission reports on problems of interpreting the Regulation in connection with different language versions. It invites interested parties to signal discrepancies and propose possible amendments. Existing discrepancies in the individual language versions should therefore be eliminated as soon as possible.

The Commission points out that the clauses referred to in Article 7(1)(a) to (c) are unexemptable unless there is an enabling clause, i.e. unless the individual insurer may depart from what is laid down. What is crucial in this connection is whether there is a manifest willingness in individual policy conditions to incorporate the stipulations of the insurance association to coordinate insurers' conduct on the market.

#### III. Common coverage of certain risks

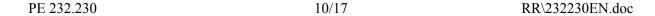
This title concerns co-insurance or co-reinsurance pools for covering 'an unspecified number of risks' (hereinafter referred to as "groups"). Certain categories of risk are intended to be covered in institutionalised groups. The regulation makes provision for exemption where, in the case of co-insurance pools and co-reinsurance pools, the market share of all participating firms does not exceed 10% and 15% respectively (Article 11(1)). The crucial factor for calculating these thresholds is the global turnover of all participating firms in the relevant insurance market. Accordingly, non-pooled business areas are also factored in.

Article 11(2) describes the exemption arrangement where (1) catastrophic risks (rare, large-scale claims) or (2) aggravated risks (high frequency of claims) are covered. In this instance, only the products brought into the group are taken into account, provided that none of the firms concerned has a holding in another group covering risks on the same market. For aggravated risks, no more than '15% of all identical or similar products underwritten by the participating companies or on their behalf on the market concerned may be brought into the group'. According to the Commission, the direct application of Article 11 hinges on the definition of the relevant product and geographic market. The Commission provided that definition in its notice of 9 December 1997.

The Commission describes its approach to verifying the scope of Article 81(1) of the EEC Treaty in relation to co-insurance or co-reinsurance pools as a 'three-tier legality test'. Firstly, compliance with the thresholds in Article 11 is verified. According to the Commission, precise measurement of market shares is highly problematic because of the structure of the insurance sector. The second stage consists in verifying whether a pool is necessary, should it exceed the Article 11 thresholds. As a rule, an insurer must offer a broad risk profile to prevent himself from being subject to excessive risk exposure in other areas. In particular in the area of individual catastrophic risks, then, it may be impossible for insurers to offer coverage on their own. In this case, the pooled offer does not represent restraint of competition. 'In any event, the Commission will consider that pools, no matter how high their market share is, are not covered by Article 81(1) ... when they are necessary to allow their members to provide a type of insurance they could not provide alone.' (Commission document COM(1991) 192 final) The third part of the Commission's three-tier legality test consists in verifying the individual contractual arrangements of insurance pools.

#### IV. Safety equipment

Insurers may coordinate their technical specifications for safety equipment and procedures to verify compliance with specifications plus conditions for approval of fitters or repairers and corresponding procedures. This is intended to allow better evaluation of risks covered and



more precise calculation of premiums. In addition, manufacturers can improve their systems, thus reducing the insured risks. The Commission regards the Regulation as being in line with harmonisation efforts in the area of standards. Such standardisation is intended to take place with the involvement of all market players, and taking account of existing framework legislation and the work of recognised European standardisation organisations. Article 14 refers in particular to Europe-oriented technical standards; but nationally oriented technical standards are also exemptable on condition that they are 'technically justified'.

The Commission reports that there have been only a few cases to be examined in the safety equipment field. It voices its disappointment that use has not been made of the possibility for insurers to agree on specifications in order to create a Community harmonisation basis for genuine European standards. The Commission says that it knows of no document drawn up by insurers' associations which 'has formed the basis for European standardisation work'. The Commission is therefore thinking of commissioning market players to draft European standards on a collaborative basis.

#### Categories of agreements not included in the Regulation

#### I. Claims settlement

In the Commission's view, two aspects are relevant with regard to claims settlement: (1) direct compensation for the insured person, and (2) the allocation of compensation costs between insurers. The Commission considers the benefit of an agreement between insurers concerning the first aspect to lie in the prompt settlement of a claim, while, as regards the second aspect, it considers the benefit to lie in a reduction in overheads, which could result in lower premiums.

Over the last six years, according to the Commission, few notifications concerning the aspects above have been received. Accordingly, virtually no new experience had been gained in the area of claims settlement. In all cases, according to the Commission, confirmation was given that the agreements concerned pose no problems.

# II. Registers of aggravated risks and exchange of relevant information

Registers of aggravated risks and exchanges of relevant information enable insurers to familiarise themselves with the various types of risks to be insured. In the Commission's view, such agreements do not come under Article 81(1) of the EEC Treaty. The Commission points to a possible tie-in with data privacy protection law. More far-reaching agreements can be addressed under other titles of the block exemption Regulation.

#### **Conclusions**

Regulation No 3932/92 expires in March 2003. As part of the appraisal of the application of

the Regulation, and groundwork for its possible overhaul, account should be taken of the following considerations:

The Commission judges the production of statistics which include data from both small and large firms as establishing 'a certain solidarity between insurers of different sizes', since, according to the Commission, larger insurers are in a position to produce their own statistics. This appraisal appears doubtful, since both large and small insurers are interested in having as broad a calculation basis as possible that is in turn based on as much information as possible. The resulting actuarial reliability leads to a more discriminating approach to rates. Meaningless statistics based on as large a set of data as possible are therefore a precondition for economically efficient behaviour, as they are in many other areas of the economy. They are ultimately the basis for smaller insurance firms, but also newcomers to the market in particular, to be able to withstand competition.

The Commission takes the view that statistics ought to be compiled only to the extent necessary 'to constitute a population capable of being handled statistically'. The text of the Regulation would tend to suggest, however, that at least ('in sufficient number') a particular volume of data must be available. Here the Commission has evidently inadequately interpreted its own text.

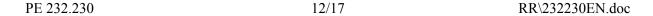
With regard to standard policy conditions, the Commission mentions in its report that it proposes to review the arrangements contained in Article 7(1)(a) to (c). However, it has neglected to spell out what considerations have prompted it to carry out such a review. It is therefore essential that the Commission State why it takes this view before it carries out a review of current exemption practice. The Commission's approach – a declaration under Article 7(1)(d) that a clause is not binding gives rise to exemption – is to be welcomed, though percentage thresholds should continue to be possible. This helps to make the insurance market more transparent for the consumer and make offers more comparable.

For insured persons' wishes that go beyond 'normal' coverage, reference in insurers' individual conditions to the fact that individual conditions are negotiable could be an advantage.

In the area of co-insurance or co-insurance pools – they are chiefly made up of a lead insurer and a number of small insurers - the main factor is the joint market share of insurance pools. Since, however, competition in those areas which are not pooled by individual insurers is not restricted or hampered, Article 11(1) should be amended to make provision for an additional exemption arrangement. Accordingly, for identical and comparable insurance products of participating insurers, the thresholds should be 5% and 10% respectively and the lead insurer should not be factored in.

Furthermore, the Commission should lay down the conditions under which, at a time of globalised markets, the relevant product and geographic market is the world market. The question is whether this is not already the case if foreign risks account for more than 20% of the risks covered by insurance.

With regard to Article 11(1)(b), the notice period for withdrawing from a pool should be increased from six months to one year. Current arrangements give insurers – not policy holders – protection that is not necessary and harbours the danger that, if short notice periods



are possible, adequate coverage for an undertaking to provide insurance will no longer be available.

With regard to safety equipment, the Commission is disappointed at insurers' contribution to creating 'a Community basis for genuine European standards'. The European Insurance Committee (EIC) has reported relevant notifications to DG III, by its own account, which evidently have not been passed on to DG IV, to the effect that European harmonised specifications have already been drawn up. EIC specifications should therefore be made equivalent to CENELEC and CENEOC standards and to technical specifications drafted and published by industrial associations. With regard to claims settlement, the block exemption arrangement should be incorporated into the Regulation in order to achieve legal certainty.

With regard to registers of aggravated risks and exchanges of relevant information, there is evidently no need to act to amend the Regulation.

The basic conclusion is that, in the first six years of application, Regulation No 3932/92 has produced satisfactory results overall and has been successfully implemented. It has led to greater legal certainty for the insurance industry and to a needs-driven supply of various types of insurance cover in consumers' interest. The experience gained and Parliament's demands should be input into the process of reworking the Regulation in 2003.

## OPINION OF THE COMMITTEE ON LEGAL AFFAIRS AND THE INTERNAL MARKET

for the Committee on Economic and Monetary Affairs

on the Report from the Commission to the council and the european Parliament on the operation of commission regulation n° 3932/92 concerning the application of article 81 (ex-article 85), paragraphe 3, of the treaty to certain categories of agreements, decisions and concerted practices in the field of insurance (COM(1999)192 – C5-0254/1999 – 1999/2183(COS)) (report by Werner Langen)

Draftsman: Donald Neil MacCormick

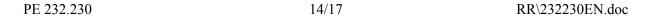
#### **PROCEDURE**

The Committee on Legal Affairs and the Internal Market appointed Donald Neil MacCormick draftsman at its meeting of 30 November 1999.

It considered the draft opinion at its meetings of 20 March 2000 and 28 March 2000.

At the last meeting it adopted the amendments below unanimously.

The following were present for the vote: Ana Palacio Vallelersundi, chairman; Willi Rothley, vice-chairman; Rainer Wieland, vice-chairman; Eduard Beysen, vice-chairman; Donald Neil MacCormick, draftsman; Luis Berenguer Fuster (for Candal), Enrico Ferri (for Tajani), Janelly Fourtou, Marie-Françoise Garaud, Gerhard Hager, The Lord Inglewood, Vincenzo Lavarra (for Enrico Boselli pursuant to Rule 153(2)), Klaus-Heiner Lehne, Toine Manders, Véronique Mathieu, Manuel Medina Ortega, Bill Miller, Feleknas Uca, Theresa Villiers (for Zappala) and Diana Paulette Wallis.



#### **BACKGROUND/GENERAL COMMENTS**

This Opinion is substantially self-explanatory, and should in any event be read along with the lead committee's report by Mr Werner Langen which is extremely full and helpful and need not be repeated here. The matter in issue is the Regulation No 3932/92, which grants block exemption to certain types of agreement and practice in the insurance industry. The exemption is under EEC Treaty Article 81 (3), for practices that would otherwise fall foul of para 1 of Article 81 (ex Article 85) of the Treaty as being restrictive of competition. Conditions in the insurance industry make desirable and necessary some pooling of information in order to secure the maximum of actuarial information, in the interest both of assurers and of assureds, and other forms of limited co-operation between competitors are similarly justifiable.

The Commission is under an obligation, which it has fulfilled a little belatedly, to report on the operation of the Regulation, with a view to its modification, repeal, or enhancement. The Report, which is highly informative, essentially gives the regulation and the practices carried out under it, a clean bill of health. There are now to be further consultations, and, if neede and justified, new legislation to be brought forward for 2003. Provided the consultation is carried out effectively, there will be a further basis for assessing the generally satisfactory appearance of the regulation and the practices.

Regulation No 3932/92 grants block exemption to the insurance industry for certain practices that would otherwise be illegal under Article 81(1) of the EEC Treaty on the ground of restricting competition; and

The exemption granted is justifiable under Article 81 (3) of the EEC Treaty provided the practices in question promote technical or economic progress or contribute to ensuring that customers benefit proportionately and that competitive conditions are preserved otherwise;

Regulation No 3932/92 grants exemption in four domains, namely

- Agreements on the calculation of premiums
- Establishment of policy conditions
- Joint coverage of certain types of risk
- Safety Equipment

From the point of view of the Committee on Legal Affairs and the Internal Market, the legal foundations for all this appear perfectly satisfactory, and there are no apparent internal market grounds for objection to the practices enabled by the block exemptions. A fairly brief statement of opinion to that effect is all that is necessary or desirable at this stage.

#### **CONCLUSIONS**

The Committee on Legal Affairs and the Internal Market calls on on Economic and Monetary Affairs, as the committee responsible, to incorporate the following amendments in its report:

- 1. Welcomes the (somewhat overdue) Report of the Commission on the operation of this Regulation, noting that the Commission is satisfied that in the first six years of its application the practice of granting block exemption in the stated domains appears to have had satisfactory results, judged by the relevant criteria;
- 2. Accepts the Commission's judgment of satisfaction as one that appears well-founded, but notes that the process of consultation that will now ensue is capable of further testing this judgment;
- 3. Notes that the Report contemplates the extension of the operation of Regulation No 3932/92 into two further domains, namely agreements on claims settlement and registers of aggravated risks, in respect of which further information is required; also that it contemplates possible adjustments and improvements in the four domains in which the Regulation No 3932/92 is currently operative;
- 4. Recommends that the Commission take active steps to secure an informed public debate of its Report, in which as well as the insurance industry, consumers organisations, the academic community (especially those who have substantial research achievements in the economics of insurance and insurance law) and other concerned groups in civil society are actively engaged in the process of consultation and further discussion, with a view to the Commission's bringing forward proposals for an enhanced Regulation similar in purport to 3932/92 ready for the legislative process to take its course in 2003.
- 5. considers that agreements on the *calculation of risk premium*, so long as they remain illustrative in character, serve competition as they leave the insurance companies total freedom to apply to these aggregated calculations the share corresponding to their commercial practice;
- 6. recommends maintenance of the principle whereby certain exclusion clauses of the *standard policy conditions* are authorised where the agreement provides specifically that the signatory insurers remain free to waive or derogate from conditions that restrict their own liability (article 7.1. a) to c)), as practice shows that the signatories of the agreements do make use, sometimes extensive use, of the option open to them to waive or derogate, in particular for commercial reasons concerning large risks;
- 7. welcomes the information given by the Commission on assessing the "de minimis dimension" for the *common coverage of certain risks*, a practice which does not arise directly from the provisions of the regulation but is implemented by the Commission in order to "refine" its consideration of situations, and considers its introduction in the regulation to be opportune;
- 8. calls on the Commission to take account of the work of European insurers on safety

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- *equipment* and proposes that these harmonised specifications at European level should be assimilated to CEN and CENELEC standards;
- 9. subscribes to the Commission's opinion whereby the advantages of agreements on *settlement of claims* counterbalance any possible disadvantages which, as things stand at the moment, makes any extension of the regulation to this category unnecessary;
- 10. notes, with the Commission, that the agreements on *register of aggravated risks* are not likely to come under the scope of article 81 and that it is therefore pointless to envisage establishing a group exemption mechanism for them.