

### IBER renewal is crucial in supporting competition in insurance market

The Insurance Block Exemption Regulation (IBER) is vital in fostering competition in the insurance market and in ensuring the availability of a wide range of insurance products. It must, therefore, be fully renewed by the European Commission (EC) in 2017, according to Insurance Europe, the European insurance and reinsurance federation.

An EC consultation on the IBER, which in its current form produces a wide range of pro-competitive effects that benefit policyholders, closes today, 4 November 2014. The IBER provides the legal certainty necessary for insurers to cooperate when compiling data and to conduct joint studies. This allows insurers to better understand and price risks.

In particular, the IBER allows new competitors to enter markets, as well as enabling small and medium-sized companies to compete with their larger rivals. Consequently the IBER plays an important role in fostering competition in the insurance market.

William Vidonja, Insurance Europe's head of single market and social affairs commented: "The competition fostered by the IBER has an important impact on insurance coverage and pricing. It opens up markets to new competitors, and so results in more choice in terms of insurance suppliers and products for policyholders."

Rapid technological developments mean that exchanging data is increasingly important; for instance for fraud prevention and detection, as well as offering policyholders more innovative products and services.

"Constant technological developments make the continued cooperation of insurers, which is enabled by the IBER, essential in ensuring that policyholders' interests are protected and their constantly evolving needs and demands are met," Vidonja said.

The IBER also enables insurers to form pools to cover specific risks. These pools ensure that certain types of risks can be covered collectively, where individual companies would not be able to insure them alone. This cooperation enables insurers, in particular small and medium-sized ones, to enter and remain in new markets, by helping them to gain the necessary experience of risks they are not familiar with.

Vidonja added: "The renewal of the current IBER is essential for insurers in Europe. Without the legal certainty provided by the IBER there is a serious risk that insurers may stop cooperating and this would have a detrimental impact on competition in the industry, and ultimately policyholders."

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#### Notes for editors

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