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## **ITALIAN COMPETITION AUTHORITY FINES INSURANCE COMPANIES €361 MILLION FOR CAR INSURANCE CARTEL**

On 28 July 2000, the Italian Competition Authority imposed a fine totaling approximately ITL 700 bn (€361 million) on 39 insurance companies for operating a car insurance cartel in Italy. Fines on individual insurers were as high as ITL 95 bn (€49 million) for RAS, 70 bn (€36 million) for SAI, 59 bn (€30 million) for Generali, 52 bn (€27 million) for Assitalia, 50 bn (€26 million) for Loyd Adriatico, 41 bn (€21 million) for Winterthur, 39 bn (€20 million) for Milano, 33 bn (€17 million) for Unipol, and 32 bn (€16 million) each for Fondiaria and AXA.

The Authority determined that the companies, which hold 80 percent of the Italian car insurance market, established in 1993 - just prior to the liberalization of this sector - a complex and well-organized concerted practice between competing insurers, which infringed Section 2(2) of the Italian Competition Act (Law No. 287/90). Violations consisted of (i) widespread, extensive and prolonged exchanges of sensitive information on third-party liability and other types of car insurance premiums, and (ii) a concerted agreement to compel customers to buy insurance cover against unrelated risks, thereby tying fire and theft car insurance to third-party liability car insurance.

The Authority noted that the exchange made it possible to set premiums at a higher level than would otherwise have been the case in a competitive market. In addition, the violation was particularly serious violation because of (i) the magnitude, level of detail and frequency of the exchanges of information, and (ii) the large number of companies involved and their high market share of the Italian car insurance market.

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