

**Ref.: HT.4012 Insurance BER review**

European Commission  
Directorate-General for Competition  
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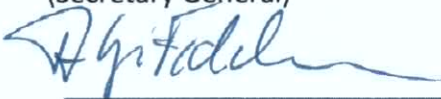
**Subject: Consultation on the Review of the Insurance Block Exemption Regulation  
Response by RIAD, Transparency Register Identification no: 5610333409-62**

RIAD, the International Association of Legal Protection Insurance, and its members are very much in favour of, at least, maintaining the IBER in its present form because the reasons brought forward by the European Commission in 2010 are still valid and there are strong arguments to uphold the exemption because:

- The calculation of a risk remains a key issue for pricing an insurance product which is a distinctive difference to all other industry sectors. Therefore, the necessity to access past statistical data and cooperation in this area is specific to the insurance industry and a prerequisite to price risks.
- In order to ensure that certain risks are covered it is essential to set up and operate co(re)insurance pools for the common coverage of new risks and co(re)insurance pools covering risks which are not new. Individual insurers are often reluctant or unable to cover such a risk entirely alone, in fact non-renewal of the IBER in this area would bear the risk of non-cooperation.
- Although the legal certainty provided by the BER is not absolute, the specific instrument of a BER is necessary to protect insurers, respectively, many insurers would otherwise not engage in cooperation and, subsequently, cover for many risks would not be available.
- Renewal, even extension, of the current BER is the most appropriate legal instrument for the obvious reasons that it is the only instrument which provides the sector with sufficient certainty and safeguards to take on the specific risks.

To provide further evidence RIAD would welcome the opportunity to present in person some data and information on recent market developments, innovation, customer choice and product diversity in order to explain some specifics of the legal protection insurance market to the Commission services. For instance, due to some recent changes of legislation in England and Wales, the personal injury and clinical negligence arena in after the event (ATE) legal protection insurance claims histories and consumer appetite cannot be judged by available data. Subsequently, the insurers do not as yet know if the insurance product remains sustainable and many ATE insurers have ceased to provide any ATE cover for personal Injury or clinical negligence cases. Therefore, the need for new horizontal re-insurance pools has emerged and in future the exemptions applying under IBER to horizontal co-insurance pools may become more relevant to this sector of ATE where insurers may need to seek co-insurance arrangements due to the inevitable larger scheme profiles. Further innovation to meet the changing needs and shape of this market requires that as a minimum the Block Exemptions Regime and the Insurance Block Exemption Regime are preserved. However, certainty as to the regulatory landscape is necessary to provide insurers with the requisite level of confidence to be innovative and, as a matter of fact, it would be preferable that the terms of the BER and IBER are extended for legal protection insurers.

Antje Fedderke  
(Secretary General)

A handwritten signature in blue ink, appearing to read "Antje Fedderke", is written over a horizontal line.