



Press release
21 October 2007

FERMA Responds to Commission Report on Insurance

The executive board of the Federation of European Risk Management Associations (FERMA) has made its first review of the final report of the European Commission sector inquiry into business insurance. The national associations which are members of FERMA are continuing to examine the implications of the report, but FERMA has made the following initial comments:

We are pleased that the Commission has not found major anti-competitive issues which would require sanctions; it is only revisiting the process with a different angle.

On co-insurance and co-reinsurance, FERMA will be contacting insurance and broker associations to define with them what improvements could be made to market practices to satisfy the Commission's concerns. We are ready to talk again with the Commission about the block exemption in time for its 2009 report. This is the subject of continuing discussion within FERMA.

We are satisfied that the Commission has understood the issue of transparency of broker remuneration. We invite the broking community to take better initiatives than it has done so far to meet the requirements of business insurance buyers, and we encourage the Commission to amend the intermediation directive towards a true transparency.

The President of FERMA, Marie-Gemma Dequae said, "The proposal by two further major brokers to charge insurers an additional 2.5% commission, in addition to the one broker who is already doing so, shows clearly that there is a fundamental problem for the Competition Directorate to address. FERMA's stated position is that payment for broking services should be set by negotiation between the buyer and the broker and that it should be fully transparent."

On long term contracts, FERMA is satisfied with the European Commission's conclusion to allow three year deals to continue, as we suggested.



FEDERATION OF EUROPEAN RISK MANAGEMENT ASSOCIATIONS
FEDERATION EUROPEENNE DE RISK MANAGEMENT

Notes to journalists:

High resolution photo of Marie-Gemma Dequae available if required.

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The national risk management associations of 15 countries form the Federation of European Risk Management Associations – FERMA. It represents over 5,000 individual members and a wide range of business sectors from manufacturing to financial services, charities and health organisations as well as local government organisations. Member associations are from the following countries: Belgium (BELRIM), Bulgaria (BRIMA), Denmark (DARIM), Finland (FinnRiMa), France (AMRAE), Germany (Bfv & DVS), Italy (ANRA), Netherlands (NARIM), Poland (POLRISK) Portugal (APOGERIS), Russia (RusRisk), Spain (AGERS), Sweden (SWERMA), Switzerland (SIRM) and United Kingdom (AIRMIC).

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