

PUBLICATION

FTC Announces Increase in Merger Filings by Insurers and Overall

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On August 12, the Federal Trade Commission (FTC) and DOJ released the agencies' 37th Annual Hart-Scott-Rodino Act (HSR) Report, highlighting the 33 merger enforcement actions brought by the agencies over the federal government's most recently completed fiscal year (covering October 2013 – September 2014). The report also provides details on the number of transactions submitted for pre-merger approval under the HSR Act by industry, and the number of "Second Requests" for additional information issued by the agencies in response to such filings.

The report notes that 1,633 transactions were reported to the FTC/DOJ in fiscal year 2014, which was the highest number of transactions since 2008. This was also a 25 percent increase over the number reported for fiscal year 2013. The percentage of "Second Requests" was slightly over three percent, a number that is within the 2.5 percent to -4.5 percent range that has been consistently reported by the agencies for this statistic over the last 10 years.

With respect to the insurance industry, the report indicates that 61 pre-merger notification filings were made over the course of the year, a slight increase over the prior year (typically, absent an exemption, any deal valued at approximately \$75 million must be reported and obtain pre-approval before it can be consummated). In addition, two Second Requests were issued in insurance matters – one by the FTC and one by the DOJ Antitrust Division. Given the significant increase in insurer transactions over the last six months, it would not be surprising if the insurer statistics rise again when the FTC/DOJ issue their 38th report next year.