

PUBLICATION

European Commission Permits Insurers' "Block Exemption" from the Antitrust Laws to Expire

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On December 13, the European Commission announced that it would not be renewing the "Block Exemption" from the European competition laws that insurers have enjoyed since 1992. The Exemption, which is similar in some respects to the McCarran Ferguson Act (15 U.S.C. 1012, et seq.) in the United States, provides insurers operating in Europe with a limited exemption from European competition laws when they are engaged in (1) the exchange of data in connection with joint compilations, tables and studies and (2) certain insurance "pool" activities.

The Block Exemption was first created in 1992 and was renewed in 2003 and 2010. Unlike the McCarran Ferguson Act, the Block Exemption has always contained a sunset clause that required that the exemption be affirmatively renewed to remain in effect. Because the European Commission has chosen not to renew the exemption, it will expire on March 31, 2017. In reaching that decision, the European Commission announced that it believed its guidelines on horizontal cooperation agreements, issued in 2011, provide insurers with sufficient guidance on how to comply with E.U. competition laws when engaged in information exchanges, thus making the block exemption unnecessary.