



GAZDASÁGI
VERSENYHIVATAL

Judgement of the court of first instance in the insurance cartel case

The Municipal Court of Budapest partly modified the decision of the Hungarian Competition Authority (GVH) in the so-called insurance cartel case. The Court did not contest that the GVH was right to find the insurance companies and the car dealers guilty of cartelling, however in the case of the insurance brokers it ordered the GVH to conduct a new proceeding. Furthermore the court decreased the amount of the fines – by the amount of the fines relating to the agreements made with the brokers respectively – that were imposed by the GVH.

In December 2006, the GVH established in its resolution that the following conducts were capable of restraining competition:

- a) decisions made by the Hungarian Association of Automobile Dealers (Gépjármű Márkakereskedők Országos Szövetsége, hereinafter referred to as GEMOSZ) on agreements about the hourly wages for car repair works applied by Allianz Hungária Biztosító Rt. (hereinafter: Allianz) and Generali-Providencia Biztosító Zrt. (hereinafter: Generali) in 2003, 2004 and 2005 in the case of automobile dealers,
- b) agreements concluded by Allianz and GEMOSZ and certain automobile dealers about hourly wages for car repair works applied in 2004 and 2005 by Allianz in the case of automobile dealers and about the linking of these hourly wages to the revenues deriving from the sale of Allianz' insurances,
- c) agreements concluded by Generali and certain automobile dealers about hourly wages for car repair works applied in 2004 and 2005 by Generali in the case of automobile dealers and about the linking of these hourly wages to the revenues deriving from the sale of Generali's insurances,
- d) agreements concluded by Allianz and the insurance brokerage company of Peugeot dealers (Magyar Peugeot Márkakereskedők Biztosítási Alkusz Kft.) between 4 October 2000 and 9 March 2005 aiming at influencing the conduct of the insurance brokerage company of Peugeot dealers in a way that was capable of restricting competition,
- e) agreements concluded by Allianz and the brokerage company of Opel dealers (Magyar Opelkereskedők Bróker Kft.) between 16 April 2002 and 21 March 2005 aiming at influencing the conduct of the brokerage company of Opel dealers in a way that was capable of restricting competition,
- f) agreements concluded by Allianz and the insurance brokerage company of Porsche dealers (Porsche Biztosítási Alkusz Kft.) between 24 April 2002 and March 2005 with the aim of influencing the conduct of the insurance brokerage company of Porsche dealers in a way that was capable of restricting competition,

g) agreements concluded by Generali and the insurance brokerage company of Peugeot dealers between 11 October 2000 and 1 March 2005 aiming at influencing the conduct of the insurance brokerage company of Peugeot dealers in a way that was capable of restricting competition,

h) agreements concluded by Generali and the brokerage company of Opel dealers between 21 December 2001 december 21 and 10 August 2005 aiming at influencing the conduct of the brokerage company of Opel dealers in a way that was capable of restricting competition,

i) agreements concluded by Generali and the insurance brokerage company of Porsche dealers between 21 January 2002 and 31 August 2005 aiming at influencing the conduct of the insurance brokerage company of Porsche dealers in a way that was capable of restricting competition.

The GVH prohibited the undertakings to continue the unlawful conduct after the receipt of the resolution. Furthermore, it imposed a fine of HUF 5319 million (approx. EUR 21,7 million at that time) on Allianz, HUF 1046 million (approx. EUR 4,3 million at that time) on Generali, HUF 360 million (approx. EUR 1,5 million at that time) on GEMOSZ, HUF 13,6 million (approx. EUR 55 thousand at that time) on the brokerage company of Peugeot dealers, HUF 45 million (approx. EUR 180 thousand at that time) on the insurance brokerage company of Opel dealers and HUF 30,7 million (approx. EUR 125 thousand at that time) on the brokerage company of Porsche dealers.

The undertakings concerned – except for the insurance brokerage company of Porsche dealers – appealed the decision of the GVH. The Municipal Court of Budapest acting as a first instance court partly changed the decision of the GVH at the end of January 2009. It approved points a), b) and c) of the decision, however points d), e), g) and h) were fully repealed while f) and i) were only repealed in connection with Allianz and Generali, and the Court ordered the GVH to conduct a new proceeding. The Court did not find the evidence sufficient to prove that the insurance companies and insurance brokers would have concluded unlawful agreements that were likely to restrict competition. Since the Court found one of the infringements unfounded, it implicitly ignored the part of the fines imposed for this infringement; hereby the amount of the fines imposed in the case was decreased. Finally, Allianz was fined HUF 4970 million instead of HUF 5319 million originally imposed by the GVH and Generali HUF 880 million instead of HUF 1046 million. The Court did not modify the fines of HUF 360 million imposed on GEMOSZ and HUF 30,7 million imposed on the insurance brokerage company of Porsche dealers, however it annulled the fines imposed on the insurance brokerage company of Peugeot dealers and the one imposed on the Opel dealers by the GVH.

The GVH will decide after the receipt of the written judgement of the Court whether it will launch an appeal in the case.

Case number: **Vj-51/2005**.

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