



THE COMPETITION COUNCIL CARRIED OUT DAWN RAIDS ON THE MARKET OF SERVICES FOR MOTOR VEHICLE MAINTENANCE

The Competition Council carried out dawn raids at the headquarters of certain auto and insurance companies: Automobile-Dacia SA, Renault Commercial Roumanie SRL, RCI Broker de Asigurare SRL, RCI Finanțare România SRL, RCI Leasing România IFN SA, Allianz-Țiriac Asigurări SA, Omniasig Vienna Insurance Group SA, Groupama Asigurări SA, UNIQA Asigurari SA, Asigurarea Românească - Asiom Vienna Insurance Group SA, Euroins România Asigurare-Reasigurare SA.

The inspections were carried out following the extension of the investigation, triggered in 2017, on the market of services for motor vehicle maintenance.

The investigation, which will be finalized this year, refers to a possible participation of companies in the discussions / negotiations conducted by ACODAREN (Association of Dacia, Renault and Nissan Dealers) and its members, regarding a possible coordination for setting tariffs, discounts and other trading conditions.

During the investigative procedure, dawn raids were also performed in 2017 at 8 headquarters and working place of ACODAREN and some of its member companies, from which it could have been obtained relevant information on the possible anticompetitive agreement.

RCI Finanțare România SRL and RCI Leasing România IFN SA are not targeted by the investigation of the Competition Council, but dawn raids were made at their headquarters in the view of obtaining all the information necessary to assess the context in which the possible investigated deed took place.

Dawn raids are authorized by the Bucharest Court of Appeal and are justified by the need to obtain all the information and documents necessary to clarify the possible anti-competitive practices analysed. The unannounced inspections represent an important step within the investigation procedures of an alleged anticompetitive behaviour. Conducting unannounced inspections do not mean that the competition authority pre-decided as regards the companies' guilt.



In recent years, the Competition Council made a series of recommendations for strengthening the compulsory car insurance (RCA) market and for increasing the degree of protection of insured people, some being taken over in the primary and secondary legislation in the field. Thus, following the study conducted on the compulsory motor insurance market, the Competition Authority found that there are situations in which a certain price is required if the repair costs are paid by the owner and a higher price if repairs are paid by the insurance company.

Given the tense relationship between insurers and service companies, the Competition Council proposed the development of a code of conduct applicable in the relationship between the two parties in order to avoid to prejudice the consumers.

Also, in order to drop the price of compulsory car insurance, the competition authority argues that it is necessary to increase the coverage of the compulsory car insurance, i.e. to increase the number of vehicles in circulation that have a valid RCA. At present, many cars in circulation do not have a valid RCA, in some measure because the owners paid a RCA for a short period of time and then forgot to renew it.

As a result, the competition authority proposed that natural persons should no longer conclude RCA for one month, but for 6 or 12 months, and only legal persons should conclude RCA for a period of time of one to 12 months, multiple for one month.

We recall that, at the end of 2018, the competition authority sanctioned nine companies and National Union of Romanian Insurance and Re-insurance companies (UNSAR) with total fines of approximately Euro 53 million for breaching the national and European competition rules by behaviour coordination on RCA market in order to increase the insurance tariffs.

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