



GAZDASÁGI  
VERSENYHIVATAL

## **Second instance judgement pro GVH in the insurance cartel case**

**The Appeal Court of Budapest dismissed all the actions brought by the undertakings interested in the insurance cartel case. This judgement of second instance court upholds the decision of the Hungarian Competition Authority (GVH) according to which the undertakings were found guilty of restricting competition by colluding agreements and thus received a total fine amounting to HUF 6,8 billion (approx. EUR 27,8 million).**

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 the insurance company Allianz (Allianz Hungária Biztosító Rt., hereinafter: Allianz) and the insurance company Generali-Providencia (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., hereinafter: Peugeot) between 4 October 2000 and 9 March 2005 aiming at influencing the conduct of Peugeot 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., hereinafter: Opel) between 16 April 2002 and 21 March 2005 aiming at influencing the conduct of Opel 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., hereinafter: Porsche) between 24 April 2002 and March 2005 with the aim of influencing the conduct of Porsche in a way that was capable of restricting competition,

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

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

i) agreements concluded by Generali and Porsche between 21 January 2002 and 31 August 2005 aiming at influencing the conduct of Porsche 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 Peugeot, HUF 45 million (approx. EUR 180 thousand at that time) on Opel and HUF 30,7 million (approx. EUR 125 thousand at that time) on Porsche.

The undertakings concerned – except for Porsche – 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 Porsche, however it annulled the fines imposed on Peugeot and the one imposed on Opel by the GVH.

Both parties appealed the decision of the court of first instance. On 24 September 2009 the Appeal Court of Budapest fully dismissed the actions brought by the undertakings as plaintiffs that were found guilty by the GVH. Hereby the court of second instance upheld the decision of the GVH: the GVH was right to establish all the infringements concerned and to impose that total amount of fine. The judgement is final, however the plaintiffs may turn to the Supreme Court for review.

A part of the fines has already been arranged by the undertakings concerned. Allianz, Generali and Porsche paid their respective fines in March 2007. Opel paid HUF 13,6 million. Gémosz and Peugeot were temporarily exempted from paying the fines until the final judgement of the court. After the reception of the final judgment, Gémosz has to pay a fine of HUF 360 million, Peugeot HUF 13,6 million, Opel HUF 31,4 million with interest.

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

Budapest, 2 October 2009

Hungarian Competition Authority

Further information:

András Mihálovits

Hungarian Competition Authority

Address: 1054 Budapest, V., Alkotmány u.5.

Postal address: 1245 Budapest, 5. POB. 1036

E-mail: [Mihalovits.Andras@gvh.hu](mailto:Mihalovits.Andras@gvh.hu)

<http://www.gvh.hu>