



nbva

betrokken adviseurs

By e-mail: Comp-Ins-Inquiry-Feedback@ec.europa.eu
European Commission
Directorate-General for Competition
B-1049 Brussels
Belgium

Tiel, 14 May 2007

Re: Comment on the interim report 'Business insurance sector inquiry', January 2007

Dear Sir or Madam,

NBVA, Dutch association of financial and insurance advisors have with great interest read and studied the thorough inquiry in the business insurance sector performed by EC DG Competition.

NBVA is a member of BIPAR, the European Federation of Insurance Intermediaries. BIPAR will comment to the inquiry on behalf of its members.

NBVA will take this opportunity to make a few additional comments, which specifically refer to the Dutch market for business insurance.

NBVA agrees with the EU Commission that longterm contracts (5-year policy periods), which are indeed still common in the Netherlands, in general are not in the clients interest. Only in case of choice because of clearly stated advantages for the client, longterm contracts should remain possible.

In The Netherlands we find to a large extent SME group contracts comprising large segments of industry sectors with favoured low premiums and favoured conditions. This kind of group contracts have two possible negative effects:

1. They form a barrier to competition in case they are only open to designated - captive - distributors or designated favored intermediaries.
2. These group contracts in many cases have negative technical results, function as a means for cross selling to other product lines, and group results are cross subsidized by the single policies markets or other industry segments. NBVA advocates stricter rules for SME group contracts where a distortion of competition is involved.

In a considerable number of SME business segments insurability is not a given and NBVA finds that the insurance industry do not adequately fulfil their economic and societal role in offering sufficient insurance to those SME segments in The Netherlands.

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In The Netherlands insurability is questionable for intermediaries as such. Professional indemnity insurance in case of liability of intermediaries, to a large extent depends on only two insurance providers. EU directives and local legislation in many instances require financial security from intermediaries in case of liability. NBVA draws the EU DG 's attention to the very limited insurance market as the sole provider for this kind of financial security.

NBVA is striving for the kind of transparency and understandable information and service which clients really require and are willing to pay for. It is with those purposes in mind that NBVA with great interest is looking forward to the final findings of this sector inquiry.

NBVA is willing to give further information or clarifications if so required.

Kindest Regards,
NBVA, association of independent financial and insurance advisors,



Mr. A.R. Groenemeijer
Chairman