



## **AGREEMENT BETWEEN AIG AND THE COMPETITION AND CONSUMER PROTECTION COMMISSION**

This Agreement and Undertakings is made by and between the Competition and Consumer Protection Commission (the "Commission") and AIG Europe S.A. Ireland Branch Office ("AIG") on the date set forth below.

### **WHEREAS:**

- A. The Commission is a statutory body and one of its functions pursuant to the Competition and Consumer Protection Act 2014 is to enforce the Competition Act 2002, as amended (the "Act") and Articles 101 and 102 of the Treaty on the Functioning of the European Union ("TFEU"). Section 4 of the Act and Article 101 TFEU prohibit anti-competitive arrangements between undertakings, and section 5 of the Act and Article 102 TFEU prohibit the abuse of a dominant position by one or more undertakings.
- B. The Commission's role is to investigate suspected breaches of provisions of the Act and/or Articles 101 or 102 TFEU and to take appropriate enforcement action to deter such breaches and encourage on-going compliance with the provisions of the Act and/or Articles 101 and 102 TFEU.
- C. On 31 August 2016, the Commission commenced an investigation into suspected anti-competitive practices in the provision of private motor insurance ("PMI") in the State (the "Investigation"), contrary to section 4(1) of the Act and Article 101(1) of the TFEU. Following its Investigation, the Commission made preliminary findings in respect of AIG's conduct and communicated its competition concerns to AIG accordingly.
- D. AIG denies that it has engaged in any anti-competitive conduct amounting to an infringement of section 4 of the Act and/or Article 101 TFEU. AIG has made a full response to the Commission's preliminary findings. Nothing in this Agreement and Undertakings may be construed as meaning that AIG has infringed such provisions.
- E. The Commission has informed AIG that this Agreement and Undertakings resolves the Commission's competition concerns arising from its Investigation.

### **AIG AND THE COMMISSION HEREBY AGREE AS FOLLOWS:**

#### **Definitions**

- 1. In this Agreement and Undertakings, the following terms shall have the following meanings:
  - "Act" means the Competition Act 2002 (as amended);
  - "Commencement Date" means 1 July 2021;

**"Commission"** means the Competition and Consumer Protection Commission and its successors;

**"Compliance Officer"** means the Ireland Branch Compliance Manager who is nominated in accordance with Clause 7 of this Agreement and Undertakings;

**"External Expert Auditor"** means an independent external competition law expert;

**"Investigation"** means the investigation commenced by the Commission on 31 August 2016 into suspected anti-competitive practices in the provision of PMI in the State and on the island of Ireland contrary to section 4 of the Act and/or Article 101 TFEU;

**"Parties"** means the Commission and AIG;

**"PMI"** means private motor insurance;

**"State"** means the Republic of Ireland;

**"Term"** means a period of seven (7) years beginning on the Commencement Date; and

**"AIG"** means AIG Europe S.A. Ireland Branch Office (branch registration no. 908876), which has its registered branch office at 30 North Wall Quay, International Financial Services Centre, Dublin 1, D01 R8H7, its successors and assigns.

#### **AIG's undertaking**

2. In consideration of the Commission's undertaking provided for in Clause 3, AIG hereby undertakes:
  - (a) to implement and maintain an effective competition law compliance programme (the "Compliance Programme") which shall, at least:
    - (i) be specifically tailored to the business activities and the competition law risks of AIG and the PMI sector and outline the legal consequences that may arise for breaching the applicable competition legislation;
    - (ii) include providing regular competition law training, including on pricing practices and communications that are and are not permitted under the applicable competition legislation, to all directors, officers and appropriate employees, as well as additional training to any employees involved in setting prices or other terms of business and/or involved in AIG's external communications and public relations, such training to include the risk of breaching competition law in respect of, at least (but not limited to) the following:
      - (A) public announcements relating to future pricing (including, in particular, public announcements made during media interviews);
      - (B) announcements regarding future pricing changes in PMI premiums including premium prices, margins on premium prices, percentage increases or decreases in prices, expected increases or decreases in



margins earned, expected rebates to be granted on premiums or rebates on the premiums paid;

- (C) communications regarding premium prices, margins on premium prices, percentage increases or decreases in premium prices, expected increases or decreases in margins earned, expected rebates to be granted on premiums or rebates on the premiums paid; and
    - (D) communications containing references to the future premium pricing of other insurers providing PMI in the State;
  - (iii) be reviewed regularly by the Compliance Officer, who will be responsible for effectively implementing updates to the Compliance Programme as and when necessary, including any recommendation for improvements made by the External Expert Auditor following the annual external audit of the Compliance Programme required under Clause 2(b);
  - (iv) be incorporated into employee induction and training programmes;
  - (v) incorporate the requirement of staff to adhere to the Compliance Programme and attend regular refresher training into training and disciplinary schemes operating within AIG;
  - (vi) provide an internal monitoring mechanism to detect, identify and report suspected breaches of the Compliance Programme to the Compliance Officer;
  - (vii) provide a mechanism and protection for employees reporting suspected breaches of the Compliance Programme (whistle blower protection);
  - (viii) provide a mechanism through which the Compliance Officer, reports any suspected or confirmed breaches of the Compliance Programme to the General Manager, Ireland as expeditiously as possible after the Compliance Officer, is notified or becomes aware of such suspected or confirmed breaches; and
  - (ix) use all reasonable endeavours to ensure all directors, officers and appropriate employees of AIG undertake training on a regular basis (at least annually) and maintain a record of training undertaken on the Compliance Programme; and
- (b) to ensure that the Compliance Programme, including the implementation of the Compliance Programme, is audited annually by the External Expert Auditor, by reference to this Agreement and Undertakings, for the duration of the Term, and who will provide a full report to the Compliance Officer detailing any confirmed or suspected breaches of the Compliance Programme and list any recommendations for amendments and updates to the Compliance Programme that have been identified through the audit process; and
- (c) to submit to the Commission, at intervals of one (1) year after the Commencement Date for the duration of the Term, a written certificate in the form set out in Schedule

A to this Agreement and Undertakings (the "Compliance Certificate") signed by an Officer of AIG.

**Commission's undertaking**

3. In consideration of AIG entering into this Agreement and Undertakings, the Commission undertakes that it shall conclude its Investigation and shall refrain from instituting proceedings pursuant to section 14A of the Act against AIG in respect of any matter to which the Investigation relates for so long as AIG remains in compliance with the Agreement and Undertakings.

**Compliance**

4. AIG shall submit a Compliance Certificate to the Commission, in the form set out in Schedule A to this Agreement and Undertakings, at intervals of one (1) year after the Commencement Date for the duration of the Term.
5. The Commission reserves the right to require AIG to provide to the Commission, at any time, such additional information as the Commission considers reasonably necessary in order for the Commission to verify AIG's compliance with its obligations set out in this Agreement and Undertakings. AIG shall use all reasonable endeavours to promptly provide to the Commission all such information in its possession or control.
6. The Commission may provide such written directions to AIG from time to time as needed to require compliance with this Agreement and Undertakings. AIG shall use all reasonable endeavours to promptly comply with any written direction issued by the Commission pursuant to this Agreement and Undertakings.
7. AIG shall nominate a Compliance Officer who will have responsibility for monitoring compliance by it with this Agreement and Undertakings, for responding to any request(s) for information and for complying with any written direction(s) received from the Commission in connection with this Agreement and Undertakings. AIG shall provide the name and contact details of such Compliance Officer to the Commission within one (1) month of the Commencement Date. AIG shall provide written notice to the Commission in advance of any changes of the Compliance Officer nominated pursuant to this paragraph and shall use all reasonable endeavours to promptly provide to the Commission the name and contact details of any proposed replacement Compliance Officer who is to replace the prior nominated Compliance Officer.

**Review clause**

8. The Commission may, at the latest after five (5) years from the Commencement Date, review to what extent the undertakings provided for in Clause 2 of this Agreement and Undertakings remain warranted to address the competition concerns identified by the Commission in the Investigation.



**Final provisions**

9. This Agreement and Undertakings shall be and is intended by the Parties to be a binding and enforceable agreement which may be enforced by the Parties by an action in any court of competent jurisdiction in the State.
10. This Agreement and Undertakings shall be binding on AIG and on the successors and assigns of AIG and on its employees, servants and agents.
11. This Agreement & Undertakings does not prevent AIG from complying with the laws or regulations of any jurisdiction that are in conflict with this Agreement and Undertakings provided that AIG informs the Commission promptly in writing of any such laws or regulations.
12. This Agreement and Undertakings shall take effect upon its execution by both Parties and shall remain in force for the duration of the Term.

SIGNED for and on behalf of the Commission by:

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Name: ISOLDE GOGGIN

Title: CHAIRPERSON

Date: 1/7/2021

SIGNED for and on behalf of AIG by:

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Name: AIDAN CONNAUGHTON

Title: GENERAL MANAGER

Date: 24<sup>th</sup> June 2021



**SCHEDULE A  
TO THE AGREEMENT AND UNDERTAKINGS**

24<sup>th</sup> June 2021

Mr Ibrahim Bah  
Director  
Competition Enforcement and Mergers Division  
Competition and Consumer Protection Commission  
Bloom House  
Railway Street  
Dublin 1

**Re: Investigation into suspected anti-competitive practices in the provision of private motor insurance in the State**

Dear Mr Bah,

I refer to the Agreement and Undertakings entered into by the Competition and Consumer Protection Commission (the "Commission") and AIG ("AIG") on [•] 2021 (the "Agreement and Undertakings"). The definitions of terms contained in the Agreement and Undertakings shall also apply to the terms used herein, unless otherwise stated.

In accordance with Clause [•] of the Agreement and Undertakings, I hereby confirm compliance by AIG with the terms of the Agreement and Undertakings during the period commencing on [the Commencement Date]/[date of the previous certificate issued by [•]] and ending on the date hereof.

Yours sincerely,

  
Aidan Connaughton  
General Manager, AIG Europe S.A., Ireland branch