At the request of the Senate Finance Committee, the Autorité de la concurrence has published an opinion on the local and regional public authority property insurance sector

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On the basis of Article L. 462-1 of the French Commercial Code (*Code de commerce*), the Chair of the Senate Finance Committee asked the *Autorité de la concurrence* for an opinion on the competitive situation in the local and regional public authority property insurance sector in France.

Having consulted and questioned various players (associations representing local and regional public authorities, insurers, the French insurance federation [*Fédération française de l'assurance*], insurance consultancy firms, etc.), the *Autorité* found that the sector, which is strategic for the protection of public assets, is characterised by a highly concentrated offer and dominated by two main operators (Groupama and SMACL Assurances SA), and low competitive intensity.

In its opinion, the *Autorité* found that although local and regional public authorities are not legally obliged to take out property insurance, they generally choose to do so in order to protect themselves against the financial risks associated with claims. Nevertheless, they face a number of obstacles, such as constraints linked to the complexity of public procurement rules, unsuccessful calls for tender and significant increases in premiums and deductibles.

The aim of the opinion is to put forward solutions that could boost supply in the sector and, in particular, to describe the levers available to local and regional public authorities to stimulate competition. The *Autorité* makes seven

recommendations, either to improve the preparation of public insurance contracts (recommendations 1 to 3) or to secure the underwriting of insurance contracts (recommendations 4 to 7):

- **Recommendation 1**: the *Autorité* recommends that local and regional public authorities improve their knowledge of their assets and all their risks. Once identified, local and regional public authorities should be encouraged to take the necessary measures to prevent the occurrence and/or consequences of these risks.
- **Recommendation 2**: the *Autorité* invites local and regional public authorities to seek assistance, if necessary, in preparing and conducting the procedure for awarding their insurance contracts, and reminds authorities that they can share services with other local and regional public authorities or use project management assistance services.
- **Recommendation 3**: the *Autorité* invites local and regional public authorities to share their experience of the competitive organisation of insurance contracts.
- **Recommendation 4**: the *Autorité* recommends that the application of the French Public Procurement Code (*Code de la commande publique*) to local and regional public authority insurance contracts be clarified, by formulating clear practical and legal guidelines for the authorities.
- **Recommendation 5**: the *Autorité* invites local and regional public authorities to extend the deadlines for insurers to respond to their calls for tender.
- **Recommendation 6**: the *Autorité* invites local and regional public authorities to stagger the competitive bidding process and to publicise their calls for tender as widely and as early as possible.
- **Recommendation 7**: the *Autorité* recommends that local and regional public authorities systematically consider the possibility of awarding their contracts by lot before deciding on the next expiry dates of their contracts with operators.

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