21 December 2012: Distribution of insurance products to golfers

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The Autorité de la concurrence makes the commitments proposed by the 'Fédération Française de Golf' mandatory.

Golf players (or licensees) may take out insurance of their choice, which may differ from that offered by the federation.

> Version française

Following a complaint in April 2012 by the company **Eurogolf Liber'Tee** (hereinafter Eurogolf) regarding practices implemented by the **Fédération Française de Golf** (hereinafter, FFGolf), the Autorité de la concurrence today issued a decision by which it accepts the commitments made by FFGolf and makes them mandatory.

The company Eurogolf, an insurance broker, complained that FFGolf was creating, among its members, confusion between the golf licence itself and supplementary insurance products, which are in reality optional, notably by using the expression "insurance-licence" in its communication.

Competition concerns

In October 2012 the investigation services expressed their competition concerns to FFGolf. They underlined the confusion between its public service mission

(issuing golf licences, an activity for which it holds a legal monopoly) and its economic activity (the marketing of different supplementary insurance products, an activity open to competition).

As FFGolf is likely to hold a dominant position in the market of insurance products offered to golfers, and taking into account its links with golf clubs, the inclusion of optional insurance in the federal licence was liable to be considered as "tied selling", which may be qualified as an abuse of dominant position.

The communication developed by FFGolf and aimed at explaining the mandatory nature of the licence to golfers, could also extend the effects of the potentially abusive tied sale and hinder the emergence of competitors. Finally, the "Cap 500,000" program[1] was such as to contribute to the drying up of the insurance market.

The commitments proposed by FFGolf are made mandatory by the Autorité

To meet the competition concerns raised by the Autorité, FFGolf submitted competition commitments. These commitments were then improved after a market test[2].

In the decision issued today, the Autorité makes mandatory – with immediate effect – these commitments, by which FFGolf undertakes, in particular, to:

- unbundle the sale of "personal accident" and "repatriation assistance" insurance from the sale of the licence, for the purchase of any new 2013 licence and for the following seasons. The two insurances become, from 2013, paid and optional;
- modify all its communication tools that could lead to the risk of confusion described, such that none of these additional insurances proposed by FFGolf may be taken out by golf clubs for the benefit of their players;
- accordingly modify its contractual practice with golf clubs;
- modify the contractual documents drawn up within the framework of the Cap 500,000 program for the purposes of making insurance optional and paid.

In the month following the notification of this decision, the FFGolf will inform

member golf clubs of these commitments made mandatory by the Autorité so that they can inform players by all appropriate means.
The Autorité shall monitor respect for these commitments by FFGolf, which must send the Autorité, for four years, an annual report on the actions carried out to implement these commitments.

(1) In 2011, FFGolf launched a promotional campaign for the licence called "Cap 500,000 licences" aimed at golf clubs. The official objective of this campaign is to reach 500,000 licensees before the Ryder Cup due to be held in France in 2018. The idea of this campaign is that in return for an increase in the number of licenses sold, FFGolf will allow member golf clubs to offer unlicensed players, free of charge, with "daily or short term insurance".
(2) The proposed commitments were published on 11 October 2012 on the website of the Autorité, within the framework of a market test open to all third parties that might be interested.

***> Full text of Decision Nr 12-D-29 of 21 December 2012 on practices implemented in the sector of supplementary insurance aimed at golfers* (in French)**

> Press Contact: André Piérard - Tel: (+33) 1 55 04 02 28