The Autorité de la concurrence has fined La Mutualité de la Réunion for non-compliance with commitments

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In brief

The *Autorité* has imposed a fine of €200,000 on La Mutualité de la Réunion (MR) for failing to comply with part of the commitments it had entered into before the *Autorité* that aimed to prevent any confusion between the funeral insurance products offered by MR, an operator likely to be dominant in the funeral insurance market in La Réunion, and the funeral services offered by a cooperative of undertakers that it set up.

The 2009 commitment decision

In 2009, the *Autorité* noted (see Decision 09-D-27) that MR's life insurance policies encouraged policy holders to choose the firm of undertakers that it had created (now called PFM). However, there is a strong tendency for holders of life insurance policies to rely on their insurer for the choice of undertaker.

In order to remedy these concerns about competition, MR had committed to making a distinction between funeral insurance products and services related to the choice of funeral operator in all its documents (contracts, application forms, etc.). It also committed to reminding its policy holders of the possibility of choosing any undertaker.

Facts observed

Following a complaint filed by an insurance company in La Réunion and evidence forwarded by the French Directorate General for Competition Policy, Consumer Affairs and Fraud Control (*Direction générale de la concurrence, de la consommation et de la répression des fraudes*, DGCCRF), the *Autorité* found that several commitments had been breached.

This is because, between October 2010 and October 2014, several editions of MR's magazine Muta.comm presented the undertaker services of PFM without distinguishing from the insurance company activities or indicating the possibility of choosing a firm of undertakers other than PFM. Between July 2012 and June 2013, a single telephone number was also provided for MR insurance products and PFM funeral services. Finally, some policies in 2013 and 2014 contained a commercial link to 'Pompes Funèbres Muta', the former name of PFM.

The commitments require strict interpretation and are binding

Non-compliance with commitments is a serious matter, especially as commitments are made at the initiative of the parties. In this instance, they were unambiguous and easy to implement. Furthermore, they had been clarified by the *Autorité*'s Legal Service in 2010, particularly with regard to the requirement to make the option for members to choose another undertaker clear and understandable.

The breaches by RM created confusion in the consumer's mind even though the commitments were supposed to guarantee their freedom of choice concerning undertakers.

In light of all this, the *Autorité de la concurrence* imposed a fine of €200,000 on La Mutualité de la Réunion and imposed it to publish the summary of the decision in *Le Quotidien de la Réunion* newpaper.

DECISION 20-D-03 OF 20 FEBRUARY 2020

Regarding the compliance with the commitments made by the Mutualité de la Réunion and made mandatory by Decision No. 09-D-27 of 30 July 2009 regarding practices implemented by the Mutualité de La Réunion and the death mutual insurers affiliated with it

See the decision

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