
PRESS STATEMENT

MyCC ISSUED A PROPOSED DECISION AGAINST PIAM AND ITS 22 MEMBERS

KUALA LUMPUR, 28 February 2017 – In response to various articles published in several newspapers recently, Dato' Abu Samah Shabudin the CEO Malaysia Competition Commission (“MyCC”) would like to confirm that it had indeed issued a Proposed Decision on 22 February 2017 against the General Insurance Association of Malaysia (“PIAM”) and its 22 members for being parties to an anti-competitive agreement to fix the parts trade discount at 25% for six vehicle makes namely Proton, Perodua, Nissan, Toyota, Honda and Naza and 15% for the Proton Saga BLM model, as well as the labour hourly rate of RM30.00 per hour for PIAM Approved Repairers Scheme (“PARS”) workshops.

In the same proposed decision, the MyCC proposes to impose various remedies including financial penalties against the 22 general insurers. The MyCC is allowed under the law to impose a financial penalty of up to 10% of the worldwide turnover of each enterprise.

The Proposed Decision is a written notice setting out the facts on which the MyCC makes its assessment and its reasons for arriving at the Proposed Decision. It is issued to the enterprises concerned to assist them to make representations and provide any other information to support their representations to the MyCC.

The enterprises concerned have thirty days (30) from the date of receipt of the Proposed Decision to make their representations in accordance to section 36 of the Act. The MyCC will then make its final decision after it has considered the representations and all the available information and evidence.

List of the 22 members of PIAM:

1. AIA Berhad (*formerly known as American International Assurance Berhad*);
2. AIG Malaysia Insurance Berhad (*formerly known as Chartis Malaysia Insurance Berhad*);
3. Allianz General Insurance Company (Malaysia) Berhad;
4. AmGeneral Insurance Berhad (*formerly known as Kurnia Insurans (Malaysia) Berhad*);
5. AXA Affin General Insurance Berhad;
6. Berjaya Sompo Insurance Berhad;
7. Chubb Insurance Malaysia Berhad (*formerly known as ACE Jerneh Insurance Berhad*);
8. Etiqa Insurance Berhad;
9. Liberty Insurance Berhad (*formerly known as Uni.Asia General Insurance*);
10. Lonpac Insurance Berhad;
11. MSIG Insurance (Malaysia) Bhd.;
12. MPI Generali Insurans Berhad (*formerly known as Multi-Purpose Insurans Berhad*);
13. Overseas Assurance Corporation (Malaysia) Berhad;
14. Pacific & Orient Insurance Co. Berhad;
15. Progressive Insurance Bhd.;
16. Prudential Assurance Malaysia Berhad;
17. QBE Insurance (Malaysia) Berhad;
18. RHB Insurance Berhad;
19. The Pacific Insurance Berhad;
20. Tokio Marine Insurans (Malaysia) Berhad;
21. Tune Insurance Malaysia Berhad (*formerly known as Oriental Capital Assurance Berhad*); and
22. Zurich Insurance Malaysia Berhad.

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Corporate Affairs Division

Malaysia Competition Commission

Notes to Editor:

Information on Section 4 of the Competition Act 2010

Section 4: Prohibited horizontal and vertical agreement

4. (1) A horizontal or vertical agreement between enterprises is prohibited insofar as the agreement has the object or effect of significantly preventing, restricting or distorting competition in any market for goods or services.

(2) Without prejudice to the generality of subsection (1), a horizontal agreement between enterprises which has the object to—

(a) fix, directly or indirectly, a purchase or selling price or any other trading conditions;

(b) share market or sources of supply;

(c) limit or control—

(i) production;

(ii) market outlets or market access;

(iii) technical or technological development; or

(iv) investment; or

(d) perform an act of bid rigging, is deemed to have the object of significantly preventing, restricting, or distorting competition in any market for goods or services.

About Malaysia Competition Commission (MyCC)

Established in June 2011, MyCC is an independent body responsible for enforcing the Competition Act 2010, which was implemented to create healthy competition which would in turn stimulates productivity and innovation, thus creating wider choices of products for consumers with better quality at reasonable prices. The Act

applies to all commercial activities undertaken within and outside Malaysia that affect competition in the Malaysian market. It provides a regulatory framework including powers to investigate, adjudicate and impose penalties on the perpetrators of anti-competitive practices/ conduct under the competition laws. For more information on the Act and the MyCC's activities, log on to www.mycc.gov.my