

**SHRI ANIL RATHI V ORIENTAL INSURANCE CO. LTD.**

**Case No. 13 of 2019**

**Decision Date:** 10.05.2019

**Keywords:** General Insurance, Fire Insurance, Abuse of Dominance

**Rule:** s 4 of the Competition Act, 2002.

The Informant is a partner of M/s. Laxmi Polymers engaged in trading and processing of rubber, plastic and glass. They have obtained a Standard Fire and Special Perils Policy from the OP. The OP is a public sector general insurance company.

A fire broke out in the premises of Informant's firm. Pursuant to the loss occurred on account of fire, a claim was lodged by the Informant with the OP, in terms of the purchased insurance cover. In response to the claim, OP appointed a surveyor to investigate and make assessment of loss suffered by the firm. Subsequently, the Informant received a letter dated 02.11.2017 from the OP repudiating the claim on the ground that the Informant is in breach of a few conditions of Standard Fire and Special Perils Policy.

The Informant has stated that since the survey report was not shared with him, he was not able to clarify the position on the observations and findings of the surveyor.

**ALLEGATION:** The acts of the OP reflect abuse of dominant position, under the provisions of Section 4 of the Act.

**ANALYSIS**

**Relevant Market:** Market for provision of fire insurance services in India

- **Relevant Product Market:** The Commission noted that a general insurance company is engaged in selling various types of non-life insurance products, including motor, home, fire, marine, travel etc. It observed that each non-life insurance product is distinct in terms of end use, underwriting norms, coverage, risk etc. Thus, each type of noninsurance product is capable of being in a distinct relevant product market.

Therefore, the Commission was of the opinion that the ‘market for provision of fire insurance services’ is the relevant market as fire insurance products offered by various non-life insurers are interchangeable and substitutable with each other.

- **Relevant Geographic Market:** The conditions of competition in the market for provision of fire insurance services, in terms of demand or supply of fire insurance services, are not distinct from one region to another within India. Therefore, geographic market has to be whole of India.

**Analysis of OP’s position in the Relevant Market:** The Commission noted that the market for general insurance/ non-life insurance is competitive with presence of about 25 general insurers and that all these non-life insurance companies offer fire insurance policies. In terms of gross premium earned from fire segment of non-life insurance, the OP enjoyed a market share of about 10.1% during 2016-17, which declined to about 8.6% during 2017-18. Thus, on the basis of market share, it can be concluded that the OP is not in a position of dominance in the relevant market.

Moreover, the commission also stated there is no material on record to show that the OP operates independently of competitive forces prevailing in the relevant market or that it affects its competitors or consumers or the relevant market in its favour.

### **HOLDING**

The OP was held to not occupy a dominant position in the market. There exists no case of contravention of the provision of s 4 of the Act since holding a dominant position is a *sine qua non* for holding an enterprise accountable for abuse of dominance under s 4.

Accordingly, the matter was ordered to be closed