Question for written answer E-015313/2015
to the Commission
Rule 130
Tibor Szanyi (S&D)

Subject: Discounts on renewal of third-party liability vehicle insurance

In Hungary, policy-holders are permitted to terminate their third-party liability vehicle insurance 30 days before the anniversary of the conclusion of the policy without suffering any legal consequences. Insurance companies announce their charges annually, in many cases granting more favourable terms to customers who ‘renew’ a policy than they do to those who simply extend their existing policy.

If policy-holders decide to terminate their policy, they may either take out a policy with a different insurer or – as more frequently happens – ‘renew’ the policy which they have terminated with their existing insurer, so that they enter into a so-called new contract on the same terms but at a cheaper price, in order to obtain that price. Policy-holders who do not adopt this approach and do not renew their policies continue to pay the old, higher charge, while their contractual terms remain unaltered, and insurers do not offer them a discount.

As insurers charge new customers less for a policy taken out on the same terms, for the same service, they effectively apply two different scales of charges, placing loyal customers at a disadvantage, thus compelling customers unnecessarily to renew policies instead of automatically applying to their policies the discount otherwise available: it is unfair to charge different prices for the same service.

Does this dual pricing by insurance companies accord with the EU’s pricing policy and with consumer protection provisions?