

The CNMC closes the disciplinary proceedings against the insurance company DKV through a commitment decision.

- During the pandemic, DKV unilaterally cancelled the “DKV Renta” temporary disability policies of certain self-employed insured persons and encouraged them to take out other services.
- The company informed this group of insured persons that the regulations required the removal of the disability guarantee from their policy.
- The CNMC initiated disciplinary proceedings after receiving a complaint through the consultation mailbox that it had set up during the COVID-19 pandemic.
- DKV has undertaken to compensate the affected customers. Moreover, the company shall inform them in a clear and transparent way of the alternatives for doing so.

Madrid, 10 February 2023.- The CNMC has closed the disciplinary proceedings that it had initiated against DKV Seguros y Reaseguros S.A.E. (DKV) for alleged anti-competitive practices ([S/0030/20](#)). Specifically, the company unilaterally cancelled the “DKV Renta” temporary disability policies of certain self-employed insured persons during the pandemic and encouraged them to take out other services.

A commitment decision is a formula provided for in the [Spanish Competition Act](#) (LDC), which accepts the commitments offered by the alleged infringer and ends the disciplinary proceedings without imposing a fine.

The CNMC opened the proceedings against DKV after receiving information through the mailbox set up during the COVID-19 crisis, which centralised all complaints and queries related to the application of competition rules in the context of the pandemic (covid.competencia@cnmc.es).

Investigated behaviour

DKV informed certain self-employed policyholders that the declaration of the state of emergency had forced many professionals to temporarily cease their activity. In these circumstances, insurance legislation required the removal of the temporary disability guarantee from their “DKV Renta” policies as the purpose of the policy had disappeared.

In its notice, DKV offered these costumers a refund of the amounts paid and not consumed from their premium, although it ordered them to take out compensation cover for hospitalisation, if they did not have it, as a condition for obtaining the aforementioned refund.

After analysing the facts, the CNMC considered that DKV used a non-existent regulatory requirement as a pretext to modify its policies unilaterally. Thus, DKV cancelled the temporary disability policies of certain self-employed insured persons and encouraged them to contract a service that they would not otherwise have chosen.

These practices could constitute an act of unfair competition according to Article 3 of the [Spanish Competition Act](#) (LDC), and Articles 4 and 5 of the [Unfair Competition Act](#) (LCD).

Commitments assumed by DKV

During the investigation phase of the disciplinary proceedings, DKV requested to close the proceedings through a series of commitments that would resolve the competition concerns detected.

On the one hand, it committed to compensating its customers who suffered temporary disability during the pandemic with the amount they would have received. This includes policyholders who did not request compensation because they thought the policy was no longer in force, and policyholders who had accepted that DKV would unilaterally cancel their policy.

On the other hand, DKV will also compensate those self-employed workers who took out temporary disability insurance with another company when they found out that their sick leave policy was cancelled.

Lastly, DKV undertook to compensate the recipients of the notice who contracted hospitalisation coverage. In these cases, DKV will return the amount unduly received and will allow them to cancel the service without any type of condition.

DKV will also actively contact the insured persons to verify whether the situations that it intends to remedy have occurred. In addition, it will monitor DKV's activity and communicate the commitments clearly and expressly so that those affected can understand and assess the measures proposed, and receive their compensation through simple procedures.

Monitoring by the CNMC

The CNMC considers that these commitments adequately address the competition concerns detected and will monitor compliance with them. DKV will have to send to the CNMC the certifications of the communications sent to the concerned policyholders on the compensation, as well as reports on the results of these communications and on the compensations and refunds of premiums effectively carried out.

Failure to comply with the commitments by DKV shall be considered a very serious infringement of the Spanish Competition Act.

Alternative solution

A commitment decision is an alternative way to end administrative proceedings (Article 52 of the LDC): the CNMC accepts the commitments offered by the alleged infringer and does not impose a fine.

This method resolves the competition concerns detected quickly and reduces the administrative formalities involved in closing the proceedings. To this end, the CNMC follows the principles of the [Notice on commitment decisions in disciplinary proceedings](#), which bring greater transparency to the procedure.