



# Department of Justice

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FOR IMMEDIATE RELEASE  
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AT  
(202) 616-2771

**JUSTICE DEPARTMENT ALLOWS INSURANCE ORGANIZATION'S PROPOSAL  
TO CREATE A COMPUTER DATABASE TO COMPARE PRICES**

WASHINGTON, D.C. -- The Justice Department's Antitrust Division will allow the nation's property and casualty insurers to create a computer database to permit users to compare the prices charged by insurers within a state for personal automobile and homeowners insurance.

The Department said it would not challenge the proposal because of the McCarran-Ferguson Act which exempts the insurance industry from the antitrust laws.

Insurance Services Office Inc., a nonprofit corporation of approximately 1,400 participating property and casualty insurers, proposes to develop and market a computer database with proprietary software that could be loaded, via diskette, onto a personal computer and would enable a user to compare the premiums being charged by different insurers for personal automobile and homeowners insurance, taking into account various risk-dependent surcharges and discounts. A user would be able to purchase data for either line of insurance and for any number of states or companies.

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The Department's position was stated in a business review letter from Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division.

Bingaman's letter noted that Insurance Services Offices Inc.'s product would derive premiums being charged by insurance companies from rate data that is filed with state insurance regulators and is publicly available. The product would include premium information only for states in which insurance rates are subject to regulation. Insurance Services Offices Inc. intends to market its premium-comparison product to property and casualty insurers and to state regulators, but it will make its product available for purchase to any other interested party.

Bingaman stated that, although the Department would be concerned about the anticompetitive impact on insurance rates of the creation by competitors of a database that permits the detailed comparison of current premiums for homeowners and personal automobile insurance, the Department had concluded that it would not challenge Insurance Services Offices Inc.'s conduct in light of the McCarran-Ferguson Act, which provides an exemption from the antitrust laws to "the business of insurance to the extent that such business is . . . regulated by state law." The Department determined that, if the proposed conduct was found to be anticompetitive, it would fall within the McCarran-Ferguson Act exemption.

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Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Legal Procedure Unit of the Antitrust Division, Room 3235, Department of Justice, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file.

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