

## AIRROC GUIDELINES FOR MEETINGS

AIRROC brings together representatives of insurance companies, reinsurance companies, and third-party administrators of companies in run off. These entities may be in competitive positions. Meetings of competitors are obviously not illegal. But they have the potential to be mischaracterized as a forum for anticompetitive conduct. For that reason, common sense requires you to follow some basic rules that will minimize potential antitrust risk.

- You *can* freely discuss matters of general business interest, such as procedures, software, laws that affect the industry, ways to become more efficient, technical matters, reliability, and common problems facing the industry.
- You *can* legitimately prepare joint position statements for courts, regulatory agencies, or any legislative body, lobby for legislation, or issue public statements on matters of common interests. If members think this is important to their companies, they should get their General Counsel's approval before they get involved.
- You should *never* discuss or listen to information about prices, competitive strategies, projected new products, or costs and profits with anyone from another company. Exchange of pricing information can be used as evidence of price-fixing. Price fixing is a real crime, with fines and prison sentences.
- You should *never* discuss group actions involving other competitors, suppliers or customers. This could be misconstrued as an agreement to boycott third parties.
- You should *never* advocate joint action regarding other competitors, suppliers or customers even if you think your reason is a good one. For example, if you think a company is a bad risk, report them to a credit bureau. Then let each competitor make its *own* financial decision what to do about it. If two companies agree on an illegal plan to deal with a bad risk, it could be considered a conspiracy and a boycott.
- You should *never* discuss or listen to any possible limitations on competition. This includes suggestions for not competing for certain customers or in certain areas.
- Meetings should *never* be used as a forum to develop positions that increase costs, restrict service or limit competition. A potential plaintiff might argue that those discussions are evidence of a conspiracy.
- Remember: a "knowing wink" is enough to prove a conspiracy.
- If you even *suspect* any of this is happening, *leave immediately and tell your General Counsel.*
- Don't count on any antitrust immunity from being in a regulated industry.
- You should ask for an agenda in advance of any meeting to make sure there is nothing questionable on it. If you even suspect that an item is inappropriate, show it to your General Counsel.
- ***IF SOMETHING AT ANY SORT OF MEETING LOOKS SUSPICIOUS — STOP, LEAVE THE MEETING, AND THEN CONTACT YOUR GENERAL COUNSEL IMMEDIATELY. DON'T WAIT.***

## THE JUSTICE DEPARTMENT'S "LENIENCY" PROGRAM

The Justice Department encourages people to inform on price fixers and other antitrust violators. Here's the catch — only the *first* company to inform gets immunity. The people they inform on get prosecuted. In the recent Sotheby's/Christie's price fixing case, one of the conspirators flew directly from an illegal meeting in London to the Justice Department in Washington and confessed. The others got convicted, based on his testimony, and were sentenced. He got off.