

*Case No IV/M.1098 -  
GENERALI / AMB /  
ATHENA*

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**REGULATION (EEC) No 4064/89  
MERGER PROCEDURE**

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Article 6(1)(b) NON-OPPOSITION

Date: 23/04/1998

*Also available in the CELEX database*

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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 23.04.1998

PUBLIC VERSION

MERGER PROCEDURE  
ARTICLE 6(1)(b) DECISION

To the notifying parties:

Dear Sirs,

**Subject : Case No IV/M.1098 - Generali/AMB/Athena**

**Date of notification : 19.03.1998**

**Legal Deadline : 23.04.1998**

1. On 19 March 1998 the Commission received a notification of a proposed concentration by which the undertaking Assicurazioni Generali S.p.A. ("Generali") following a mutual contract between Generali, Allianz and AGF concluded on 30 December, 1998 will acquire sole control over AMB Aachener und Münchener Beteiligungsgesellschaft ("AMB"), GPA (Vie and IARD) and Proxima. These operations are subject to the prior condition that Allianz succeeds in taking over the whole of AGF's shares.
2. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of Council Regulation (EEC) No 4064/89 and does not raise serious doubts as to its compatibility with the Common market or a substantial part of it.

**I. THE PARTIES INVOLVED AND THE OPERATIONS**

3. Generali is an Italian insurance company active in life insurance, property and casualty insurance and re-insurance in the EEA and world-wide.

4. AMB is a holding company and ultimate parent company of the German AM Group, owning majority participation in several major insurance companies active in property and casualty insurance, life-insurance, health insurance and re-insurance, mainly in Germany
5. GPA (Vie and IARD) and Proxima are French insurance companies, subsidiaries of the Athena Group, controlled by AGF. GPA is mainly active in life insurance, property and casualty insurance, while Proxima is mainly active in welfare benefit insurance and professional retirement insurance.
6. The take over of AMB and GPA by Generali is part of an Agreement between Allianz, AGF and Generali dated 30 December 1997. After the Allianz bid has been declared successful, Generali will take over around 60% of AMB's share capital, through the exercise of call and put options provided for in a mutual Option agreement between Generali, Allianz, AGF and a number of other shareholders of AMB. The options may be exercised until 31 December 1998. Generali will acquire the remaining shares in AMB by way of a public bid. Generali will further purchase from the AGF-owned Athena-Group the whole share capital and voting rights of GPA Vie and IARD and all of the outstanding capital of Proxima. After the completion of the above-mentioned operations, Generali will have sole control over AMB and GPA and Proxima. Both operations are concentrations according to Article 3 (1) (b) of the Regulation.

## **II. COMMUNITY DIMENSION**

7. The parties have a combined aggregate world-wide turnover, calculated in accordance with Article 5 (3) (b) of the Regulation in excess of ECU 5,000 million. Generali, AMB and GPA have each a Community-wide turnover, calculated in accordance with article 5 (3) (b) of the Regulation of more than ECU 250 million. The parties do not achieve more than two-thirds of their aggregate Community-wide turnover within one and the same member State. The notified operation therefore has a Community dimension. It does not constitute a co-operation case under the EEA Agreement pursuant to Article 57 of that Agreement.

## **III. PRELIMINARY ANALYSIS**

### *Relevant Product Markets*

8. Insurance markets can be distinguished into life insurance, non-life insurance and reinsurance. Direct life and general insurance can usually be divided into as many product markets as there are insurances covering different risks, provided there is no substitutability for the consumer (see for example cases IV/M.759 - Sun Alliance/Royal Insurance; IV/M.862 - Axa/UAP; IV/M.985 - Crédit Suisse/Winterthur). In the present case, the following markets are concerned: direct general insurance and direct life insurance in Germany, France and Belgium. The final product market definition, however, can be left open, because, even on the basis of the narrowest definition, the proposed operation does not raise serious doubts as to its compatibility with the common market or a substantial part of it.

### *Relevant Geographical Markets*

9. In view of some market characteristics like established market structures, the need for adequate distribution channels, fiscal constraints and different national regulatory supervision, the life and non-life insurance markets have been considered to be mainly national. However, insurance markets in general, and some market segments in particular, are becoming more and more open to intra-community competition, following the free movement of services in the Common Market and the harmonisation of national regulatory provisions. This tendency is particularly evident with regard to industrial and commercial policies.

A final definition of geographical scope is not needed in the present case, given the fact that even the narrowest market definition would not strengthen or create a dominant position.

10. There are no markets affected by the concentrations. The parties have overlapping activities in Germany, France and Belgium. In none of these countries do the parties have combined market shares of more than approximately 11% in any segment. In all the three countries there are international competitors active with comparable or higher market shares.

11. In Germany, the highest combined shares achieved by Generali and German AMB-groups is connected to household insurance and amount to approximately 10%, while, in life insurance, the combined shares amount to 9.7%. In both cases, Generali's share does not exceed 1.5 %.

In France, where Generali, GPA and Proxima are present together, combined market shares, except for accident insurance (*circa* 11%), group life insurance (*circa* 8%) and personal property fire insurance (approximately 6%), remain below 5% in any market segment.

In Belgium, Generali and AMB are only active in damage to property insurance and motor insurance, where combined shares stay below 3%.

### **IV. CONCLUSION**

12. For the above reasons, the Commission has decided not to oppose the notified operation and to declare it compatible with the Common market. This decision is adopted in application of Article 6 (1) (b) of Council Regulation (EEC) No 4064/89.

For the Commission,