

***Case No IV/M.1131 -  
AGF / ROYAL***

Only the English text is available and authentic.

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

---

Article 6(1)(b) NON-OPPOSITION  
Date: 23/04/1998

*Also available in the CELEX database  
Document No 398M1131*



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.1131 - AGF/Royal**

1. On 19 March 1998 the Commission received a notification of a proposed concentration by which the undertaking Assurances Générales de France ("AGF") takes over Royal Nederland Verzekeringsgroep N.V. (RN) by acquiring control of its holding company European Partners for Insurance Co-operation S.A. (EPIC).
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 OPERATION**

3. AGF, with headquarters in Paris, is an insurance company active in life and non-life insurance and in re-insurance, in the EEA and world-wide.
4. RN is a Dutch company holding participation in insurance companies active in the life and non-life insurance industries. RN is controlled by AMB via the holding company EPIC. EPIC is a wholly owned subsidiary of AMB and a mere vehicle holding company, which is not regarded as a party to the proposed concentration.
5. The proposed concentration will be effected by the acquisition of all shares of EPIC by AGF. The take over will grant AGF sole control over EPIC. According to a tri-partite Agreement concluded between Generali, the German Allianz AG and AGF on 30 December 1997, the take over will be effected as soon as Generali has obtained at least 70% of the share capital of the German insurer Aachener und Münchener Beteiligungsgesellschaft (AMB).<sup>1</sup>

## **II. COMMUNITY DIMENSION**

6. AGF and RN 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 (AGF: ECU 10,680 million, RN: ECU 578 million). Each of them has a Community-wide turnover, calculated in accordance with Article 5 (3) (b) of the Regulation of more than ECU 250 million (AGF: ECU 9,183 million, RN: ECU 578 million), but they 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 ASSESSMENT**

### *Relevant product markets*

7. Life and non-life insurance can be divided into as many product markets as there are different kinds of risk covered. Their characteristics, premiums and purposes are distinct and there is typically no substitutability for the consumer between the different risks insured (see case IV/M.812 - Allianz/Vereinte or case IV/M.862 - Axa/UAP). For the purpose of the present case it is, however, not necessary to define conclusively the relevant product markets as, even with the narrowest market definition, the concentration does not create or strengthen a dominant position.

### *Relevant geographical markets*

---

<sup>1</sup> Generali shall then use its best efforts to cause AMB to sell 100% of the shares of EPIC to AGF.

8. Due to the present and future measures to liberalise intra-community trade in services, insurance markets tend to become more open to community-wide competition, in particular for commercial and industrial policies. Nevertheless, the markets for life and non-life insurance for private households have been mainly considered to be national, as a result of national distribution channels, the established market structures, fiscal constraints and differing regulatory systems (see case IV/M.759 - Sun Alliance/Royal Insurance). In the present case, however, the definition of the relevant geographical markets for credit insurance can be left open because any alternative geographic market definitions would not lead to a dominant position.
9. There are no markets affected by the concentration in any member State or in the Community as a whole. AGF and RN are active in the life insurance, non-life and re-insurance business. The parties identified overlapping activities only in liability insurance, motor insurance, maritime transport insurance, fire insurance, accident insurance and life insurance in the Netherlands. In the Dutch market, the combined aggregate shares remain below 10%. The increment in shares is marginal, since AGF's shares do not exceed 1.6% in any product market. Therefore, the concentration does not lead to the creation of a dominant position. The take over does not have any significant effects on markets outside of the Netherlands.

#### **IV. CONCLUSION**

10. 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,