

***Case No COMP/M.2012 -
CGNU / ASEVAL***

Only the English text is available and authentic.

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

Article 6(1)(b) NON-OPPOSITION
Date: 20/07/2000

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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 20.07.2000

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EEC) No 4064/89 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus [...]. Where possible the information omitted has been replaced by ranges of figures or a general description.

PUBLIC VERSION

MERGER PROCEDURE
ARTICLE 6(1)(b) DECISION

To the notifying party

Dear Sirs,

Subject: Case No COMP/M. 2012 – CGNU/ASEVAL

Notification of 19.06.2000 pursuant to Article 4 of Council Regulation No 4064/89

1. The operation consists of the acquisition by CGNU plc (“CGNU”), through its subsidiary, Commercial Union International Holdings Limited, of a 50% shareholding in Aseguradora Valenciana Sociedad Anonima de Seguros y Reaseguros (“Aseval”), belonging to Caja de Ahorros de Valencia, Castellon y Alicante (“Bancaja”).
2. After examination of the notification, the Commission has concluded that the proposed 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 and the functioning of the EEA Agreement.

I. THE PARTIES AND THE OPERATION

3. CGNU, a UK insurance group, is the result of the recent merger between the UK company, CGU, and another UK insurance company, Norwich Union. CGNU’s principal activities are the transaction of all classes of insurance and life insurance, other than industrial life, as well savings products, in Europe, North America, Asia and Australia.
4. Aseval, a Spanish company, is active in underwriting and distributing life assurance in Spain through its parent, the Spanish banking group, Bancaja.
5. While the operation will result in both Bancaja and CGNU having a 50% shareholding in Aseval, nonetheless, CGNU will acquire sole control over Aseval, due to the voting arrangements for the Board of Directors, which provide for CGNU having a casting vote on strategic issues, including the budget and business plan.

II. CONCENTRATION OF A COMMUNITY DIMENSION

6. The operation constitutes a concentration within the meaning of Article 3.1.b. of the Merger Regulation.
7. CGNU and Aseval have a combined aggregate worldwide turnover in excess of €5,000 million (CGNU, €37,200 million; Aseval, €366.7 million). Each of them has a Community-wide turnover in excess of €250 million (CGNU, €28,259 million; Aseval, €366.7 million), and they do not achieve more than two-thirds of their respective aggregate Community-wide turnovers within one and the same Member State. The notified operation, therefore, has a Community-wide dimension.

III. COMPATIBILITY WITH THE COMMON MARKET

8. The sector concerned by the operation is that of insurance and the geographic overlap between CGNU and Aseval in this sector occurs only in Spain, outside of which country Aseval is not active. More than 50% of CGNU's income in the EU is gained in the UK, and its presence in Spain is relatively small.
9. Within insurance, the activities of CGNU and Aseval overlap in the areas of life insurance and general (non-life) insurance. The shares of both CGNU and Aseval are of a very limited size in the insurance products in which they overlap, with the result that their combined share is, in all cases, far from reaching the 15% level of an affected market. The operation does not produce any vertically affected markets either.
10. Given the lack of any affected markets and in the absence of any other competition concerns arising from the proposed operation, it is considered that it will not lead to the creation or strengthening of a dominant position as a result of which effective competition would be significantly impeded in the common market or a substantial part thereof.

IV. CONCLUSION

11. For the above reasons, the Commission has decided not to oppose the notified operation and to declare it compatible with the common market and the EEA Agreement. This decision is adopted in application of Article 6.1.b. of Council Regulation (EEC) No 4064/89.

For the Commission,
Mario Monti
Member of the Commission