

***Case No COMP/M.4701 -
GENERALI / PPF
INSURANCE BUSINESS***

Only the English text is available and authentic.

**REGULATION (EC) No 139/2004
MERGER PROCEDURE**

Article 6(1)(b) NON-OPPOSITION
Date: 03/12/2007

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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 03-XII-2007

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PUBLIC VERSION

MERGER PROCEDURE
ARTICLE 6(1)(b) DECISION

To the notifying party

Dear Sir/Madam,

**Subject: Case No COMP/M.4701 - Generali/PPF Insurance Business
Notification of 25.10.2007 pursuant to Article 4 of Council Regulation
No 139/2004¹**

1. On 25 October 2007, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No 139/2004 ("the Merger Regulation") by which the undertaking Assicurazioni Generali S.p.A. ("Generali", Italy) acquires within the meaning of Article 3(1)(b) of the Council Regulation control of the whole of the insurance business in Central Europe to Central Asia of PPF Group N.V. ("PPF", the Netherlands) by way of purchase of shares in a newly created company, Generali PPF Holding B.V. ("Newco", the Netherlands).
2. After examination of the notification, the Commission has concluded that the operation falls within the scope of the Merger Regulation and does not raise serious doubts as to its compatibility with the common market and the EEA agreement.

I. THE PARTIES

3. Generali is the parent company of an international group of companies active in the insurance and financial sector worldwide. Generali is primarily active in Italy but the group is also present in other EU countries (e.g. Germany, France, Austria and Spain). Recently, Generali group has opened offices in the main Central and Eastern European (CEE) countries.
4. PPF is the principal holding company of a financial group originated in the Czech Republic. PPF is now active in Central Europe, Central Asia, China and Vietnam. The group specialises in financial services for retail clients in insurance and consumer financing. PPF's insurance business is primarily carried out via the Czech ex-monopolist insurer Česká pojišťovna ("CP", Czech Republic). CP is active in the Czech Republic, Slovakia, Russia, Cyprus and Ukraine.

¹ OJL 24, 29.1.2004 p. 1.

II. THE OPERATION

5. The operation concerns the acquisition of shares by Generali and PPF in a newly created company, Newco. Generali and PPF will contribute to Newco the following businesses (i) Generali's relevant insurance business operating in an area from Central Europe to Central Asia ("CECA"); and (ii) PPF's insurance and insurance-related business in CECA including CP (the "PPF Insurance Business").

III. CONCENTRATION

6. Pursuant to the Joint Venture Agreement and Shareholders Agreement entered into by Generali and PPF on 10 July 2007, Generali will acquire 51% of Newco and PPF the remaining 49%.
7. Pursuant to the Shareholders Agreement, each of Generali and PPF will be entitled to nominate [an equal number] of the members of the Board of Directors. Decisions taken by the Board of Directors of Newco will require simple majority, including the business plan and the annual budget. Therefore, Generali and PPF would be able to veto these strategic decisions. However, the Shareholders Agreement establishes a resolution mechanism when deadlock situations occur. This mechanism will allow Generali to unilaterally pass on resolutions at the General Shareholders meeting within [less than 3 months]². This time period does not seem to be unusually lengthy, in particular when considering that strategic decisions such as the business plan and the annual budget are adopted once per year.
8. It should also be noted that Generali's Head Office will according to the Shareholders Agreement be entitled to set risk and investment methodology and guidelines and group wide limits, which will (in the context of the insurance sector) have a considerable effect on both the commercial policy to be adopted by Newco as well as on its financial results.
9. PPF can nonetheless veto certain decisions for which the affirmative vote of [...] members of the Board nominated by Generali and [...] members nominated by PPF is required ("qualified decisions"). In case of a deadlock situation, the matter is referred to the General Shareholders' meeting where the affirmative vote of shareholders representing [more than 51%] of Newco shares is required. Most of these "qualified decisions" concern issues (such as, inter alia, the amendment or modification of the constitutive documents; investments by Newco or companies controlled by Newco in other companies, changes in Newco's share capital, including increase or reduction of capital) which are normally accorded to minority shareholders in order to protect their financial interests as investors in a joint venture. However, among the "qualified decisions" (i.e. decisions which can be vetoed by PPF), the Shareholders Agreement includes decisions concerning the appointment and dismissal of the CEO of Newco and its subsidiaries. Veto rights on the appointment of senior management of an undertaking are normally considered to be one of the elements which could confer upon the holder the power to exercise decisive influence on the commercial policy of such undertaking.
10. However, in the present case, such limited veto right does not appear to confer control upon PPF in view of the other decisions which could be adopted unilaterally by Generali. In addition, if PPF exercises its veto right on the appointment of senior management at the General Shareholders' meeting, Generali would be able to exercise a call option over

² [...]

PPF's entire shareholding in Newco. [...], the incentives of PPF to actually exercise the veto rights at the General Shareholders' meeting seem to be rather low.

11. As important strategic decisions relating to the commercial policy of Newco can be determined unilaterally by Generali and PPF's incentives to use the limited veto rights seem low, the Commission has concluded that Newco will be solely controlled by Generali.
12. Therefore, the transaction leads to an acquisition of sole control by Generali over PPF Insurance Business and constitutes a concentration within the meaning of Article 3(1)(b) of the Merger Regulation.

IV. COMMUNITY DIMENSION

13. The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 billion³ (Generali € 64,526 million, PPF Insurance Business € 1,403 million). Each of them have a Community-wide turnover in excess of EUR 250 million (Generali € 59,721 million, PPF Insurance Business € [...]). Only PPF Insurance Business achieves more than two thirds of its Community-wide turnover in one Member State (the Czech Republic). The notified operation therefore has a Community dimension.

V. COMPETITIVE ASSESSMENT

(1) RELEVANT MARKETS

14. The transaction concerns insurance products as well as asset management and assistance services.

A.1. Insurance products

a) Relevant product markets

15. Generali puts forward that in its previous decisions, the Commission has distinguished between three large categories of insurance services: life insurance, non-life insurance and reinsurance⁴. Although the Commission has not definitively concluded on the matter, it has suggested that life and non-life insurance can be divided into as many product markets as there are different kinds of risks covered, given that their characteristics, premiums and purposes are distinct and that there is typically no substitutability from the consumer's perspective between different risks insured.⁵
16. The results from the market investigation have shown that the insurance companies active on the Czech market strictly distinguish between life and non-life insurance and reinsurance. A substantial number of them specialise only in one of these sectors and some are even active solely in one sector (mainly in non-life insurance). In addition, the life and non-life insurance and reinsurance products are not substitutable for each other at the level of demand while supply side substitution seems more limited than between different segments within those areas. In addition, life and non-life insurance markets in

³ Turnover calculated in accordance with Article 5(1) of the Merger Regulation and the Commission Notice on the calculation of turnover (OJ C66, 2.3.1998, p25).

⁴ See Case No COMP/M.4284 AXA/Winterthur, 28/8/2006 and Case No COMP/M.4047 Aviva/Arik Life 20/01/2006.

⁵ See Case No COMP/M.4284 AXA/Winterthur, 28/8/2006 and Case No COMP/M.4047 Aviva/Arik Life 20/01/2006.

the Czech Republic have to some extent different characteristics (e.g. as regards the dynamics of the market, the identity of competitors, distribution channels etc.⁶).

17. On the basis of the foregoing the Commission considers that life insurance, non-life insurance and reinsurance form separate product markets. Since the reinsurance market is not affected by the present transaction, the following analysis focuses on a possible further segmentation of life insurance and non-life insurance markets.
18. Generali considers that the Czech life insurance sector should be divided into the following product markets: (i) life risk protection products (i.e. policies covering stand-alone life risks) (*Life Risk Products*); (ii) savings and investment products, which comprise both endowment policies as well as unit-linked insurance policies (*Savings and Investment Products*); and (iii) supplementary pension insurance (*Supplementary Pension Products*). This segmentation follows past decisions where the Commission differentiated between protection products, saving and investment products and pension products⁷.
19. Generali considers that the other possible segmentations previously identified by the Commission (i.e. group life policies v individual life policies and unit-linked and non unit-linked policies⁸) are not appropriate as far as the Czech market is concerned.
20. The market investigation conducted by the Commission appears to support the broad segmentation of life insurance market into three product groups: life risk protection products, savings and investment products, and supplementary pension products. Many respondents pointed out that there is a clear distinction between these product groups and that they form separate product markets⁹. With respect to a possible further differentiation of group and individual policies as well as unit-linked and non unit-linked policies, the results of the market investigation were more mixed. Some respondents indicated that further segmentation into unit-linked and unit-linked life policies may be appropriate in the Czech Republic¹⁰. On the other hand, the distinction between individual and group life insurance products did not appear to be relevant in the present case for the majority of respondents¹¹.
21. However, as the transaction does not give rise to competition concerns under any of the alternative market definitions considered, it can be left open whether distinct product markets based on the above described life insurance segments or sub-segments exist.
22. For the non-life insurance sector, Generali submits that there are 18 regulatory classes under Czech law which are grouped under 7 broader categories. Generali argues that these 7 broader categories correspond to the classification adopted by the Commission in previous decisions. Therefore, Generali considers that the non-life insurance sector should be divided into the following product markets: (i) accident and sickness; (ii) motor vehicle; (iii) property; (iv) marine, aviation and transport (MAT); (v) liability; (vi) credit and suretyship and (vii) travel.

⁶ See below in the Competitive Assessment part.

⁷ See Case No COMP/M.4047 Aviva/Ark Life 20/01/2006.

⁸ See Case No COMP/M.4284 AXA/Winterthur, 28/08/2006 and Case No COMP/M.1453 AXA/GRE, 08/04/1998.

⁹ See replies to question 8 of the questionnaire to competitors, question 7 of the questionnaire to intermediaries and the question preceding question 7 in questionnaire to customers.

¹⁰ See replies to question 9 of the questionnaire to competitors, question 8 of the questionnaire to intermediaries and question 7 in questionnaire to customers.

¹¹ See replies to question 10 of the questionnaire to competitors, question 9 of the questionnaire to intermediaries and question 8 in questionnaire to customers.

23. The results from the market investigation seem to be confirming this segmentation of the non-life insurance sector¹². Although a number of insurance companies active on the Czech market offer the whole range of non-life insurance products, there are also companies specialising only in some of the seven segments.
24. The insurance companies distinguish between products from different segments, even though some of them indicated that, although from the perspective of the end customers the products belonging to different segments of non-life insurance are not substitutable for each other, there is still certain substitutability from the supply side perspective – on the wholesale level. It is mainly due to the role of intermediaries who distribute the whole range of products to the end customers. On the other hand, certain respondents in the market investigation indicated that some segments could possibly be further sub-divided. Several respondents indicated that motor vehicle insurance could be further subdivided into Casco insurance and motor third party liability (MTPL) insurance. While MTPL insurance is obligatory for each motor vehicle, the penetration of Casco insurance in the Czech Republic is much lower. Further, the Commission has in the past distinguished within credit and suretyship insurance the following possible sub-segments (i) delcredere insurance, (ii) capital goods insurance, (iii) consumer credit insurance, (iv) fidelity insurance and (v) guarantee insurance¹³.
25. However, for the purpose of this case, it is not necessary to decide whether distinct product markets based on the above described non-life insurance segments or sub-segments exist as the transaction does not give rise to competition concerns under any of the alternative market definitions considered.

b) Relevant geographic markets

26. The Commission in its previous decisions has defined the markets for life and non-life insurance as being mainly national in scope as a result of national distribution channels, the established market structures, fiscal constraints and differing regulatory systems¹⁴. For the purpose of this notification, Generali has considered life and non-life insurance markets on a national basis, except for MAT insurance, that Generali has considered at least EEA-wide in scope, in line with findings of the Commission in previous cases¹⁵.
27. According to the results of the market investigation, the insurance companies active on the Czech market usually sell their products exclusively on this market and only a small number of them offer their products – to a limited extent and usually under different conditions – also on the Slovak market. Further, the regulatory framework is national in scope and the importance of cross-border sales by insurance providers from other EU countries under the freedom to provide services is negligible¹⁶ (except for MAT insurance discussed below). On this basis and in line with its previous practice the Commission considers that – except for MAT insurance – the Czech insurance market is regarded as national in scope.

¹² See replies to question 11 of the questionnaire to competitors, question 10 of the questionnaire to intermediaries and question 9 in questionnaire to customers.

¹³ See Case No COMP/M.3786 BP/Euler Hermes/Cosec, 29/03/2006 and Case No COMP/M.2602 Gerling/NCM, 11/12/2001.

¹⁴ See Case No COMP/M.4284 AXA/Winterthur, 28/08/2006 and Case No COMP/M.2343 Toro Assicurazioni/Lloyd Italo, 15/03/2001.

¹⁵ See Case No COMP/M.4284 AXA/Winterthur, 28/08/2006.

¹⁶ According to the CNB Financial Market Supervision Report 2006, page 75, these providers represented only 1% of the total premiums written in 2005. Even though their activities have a growing trend in particular in non-life insurance, their overall importance is still insignificant.

28. The market investigation conducted by the Commission largely supports the suggestion that the market for MAT insurance, as a whole, is at least EEA-wide. A large majority of respondents confirmed this definition of the geographic market. However, as the transaction does not give rise to competition concerns under either national or an EEA-wide market definition, the exact delineation of the product market may be left open.

A.2. Assistance services

29. According to Generali, assistance services differ from insurance services to the extent that the assistance provider will organise the assistance to the policyholder (such as sending an ambulance or a car recovery vehicle, organising the repatriation of the policyholder or contacting travel agents, airlines and hotels to make the necessary changes to a trip, etc) whereas the insurer covers the costs related to such unexpected events. Assistance products can cover a very wide range of different services.

30. In this case, in line with previous Commission decisions, travel assistance¹⁷ and road assistance¹⁸ can be identified, with a geographic market national in scope. Even though many respondents in the market investigation noted that assistance services are usually not provided to the final customers separately but in most cases within the framework of motor or travel insurance, the investigation in principle supported this market definition¹⁹.

A.3. Asset management

31. The Commission has previously defined asset management as a relevant product market and concluded that it is distinct from life and non-life insurance. It includes the creation, establishment and marketing of retailed pooled funds (mutual funds, unit trusts, investment trusts and open-ended investment companies), and the provision of portfolio management services.²⁰ Generali considers, in accordance with Commission precedents, that the market for asset management services is global in scope given that there is a need to pool risks on an international basis.²¹ However, the exact market definition can be left open as the transaction would not lead to competition concerns under any alternative definition.

(2) COMPETITIVE ASSESSMENT

32. The proposed concentration gives rise to a number of horizontally affected markets in the life and non-life insurance sectors in the Czech Republic. Assistance services for road and travel insurance are vertically affected markets.

33. In 2006 life insurance represented 39% of the total Czech insurance market (measured by written premiums), the non-life insurance market represented 61%. The life insurance share in the total insurance market is increasing yearly.

¹⁷ See Case IV/M. 862 AXA/UAP 20/12/1996 where the Commission identified travel assistance as a relevant product market.

¹⁸ See Case COMP/M.3772 Aviva/RAC, 03/03/2006, in which the Commission identified roadside assistance as a relevant product market. See also Case No COMP/M.3517 CVC/Permira/AA, 27/08/2004, in which the Commission identified breakdown, road assistance and related services as a same market.

¹⁹ See replies to questions 12 and 13 of the questionnaire to competitors and question 10 and 11 of the questionnaire to customers.

²⁰ See Case No COMP/M.1453 AXA/GRE, 08/08/1998.

²¹ See Case No COMP/M.1886 CGU/Norwich Union 13/04/ 2004; Case No COMP/M.1453 AXA/GRE, 08/04/ 1999, Case No COMP/M.1067 Merrill Lynch/Mercury, 22/12/1997; Case No COMP/M.1043 BAT/Zurich 16/02/ 1998.

34. As stated above (paragraph 4), the PPF Insurance Business in the Czech Republic is carried out by CP which is the legal successor of Ceska statni pojistovna, the former state-owned insurance company which ran the insurance monopoly until 1991. According to Generali, CP does not have currently any particular advantage from its status as a former state monopoly. This was also confirmed by the national regulator, the Czech National Bank (CNB). As shown in the table below, its market share has been decreasing due to the entry of well established international insurance companies such as Allianz, ING, KBC (controlling CSOB financial group), Generali, AXA or Wiener Staedtische (controlling Kooperativa insurance company).

Table 1 - Evolution of CP's market share between 1991 and 2006

Market Share	1991	1995	1999	2000	2001	2002	2003	2004	2005	2006
Life	100%	70.9%	42.8%	41.2%	42.5%	36.2%	34.8%	36.0%	33.4%	28.0%
Non-life	100%	70,0%	58.0%	38.1%	37.7%	38.9%	37.6%	37.6%	37.7%	36.6%
TOTAL	100%	70.2%	53.2%	39.1%	39.4%	37.8%	36.4%	37.0%	36.1%	33.2%

Source: Czech Insurance Association (CAP).

35. PPF will contribute all its insurance and insurance-related business (asset management) in CECA to Newco. Generali and the PPF Insurance Business overlap in the following sectors: (i) insurance sector in the Czech Republic and the Slovak Republic and (ii) asset management in the EEA. Additionally, Generali is present in the life and non-life insurance markets in the following CEE countries which are part of the EU: Bulgaria, Hungary, Poland, Romania and Slovenia. However, the PPF Insurance Business has no presence in these countries. The proposed transaction will only lead to affected markets in the Czech Republic.

36. The PPF Insurance Business is active in asset management in the Czech Republic via its subsidiary CP Invest (national market share [0-5%]), Generali is not active in this market in the Czech Republic. On an EEA-wide level the Parties estimate their combined market share to be less than [1%].

37. In the Slovak Republic the horizontal overlap of the PPF Insurance Business and Generali in the insurance sector will not lead to affected markets nor will the proposed transaction lead to vertically affected markets. Their combined market shares amount to [5-10%] and [10-15%] for life and non-life insurance sector respectively.

38. The PPF Insurance Business is not active in reinsurance and neither Generali nor the PPF Insurance Business distributes third party insurance products.

B.1 Life insurance – Czech Republic

Overview of the Czech life insurance sector

39. In general the low Czech market penetration rate, defined as a ratio of written premiums compared to the GDP, of 1.5% for life insurance could suggest that significant growth could be expected in this sector which will be an incentive for other insurers to start operating on the Czech market. The average EU-25 market penetration rate for life insurance is 5.1%. 42% of the competitors participating in the market investigation stated that the market penetration rate in the life insurance sector is low while 58% quantified the penetration rate as medium. All competitors forecasted a growth in written premium for the next three years in the life insurance sector.

40. In 2006 the parties combined market share for the overall life insurance sector was 32% (CP: 28% - Generali: 4%). Within the life insurance sector, the proposed operation gives rise to two affected markets in the Czech Republic: savings and investment products and supplementary pension products. An overview of the parties' and competitors' market shares in the life insurance segments is provided in the table below.

Table 2 – 2006 Market shares - Life insurance in the Czech Republic

Companies	Life Risk Products *	Savings and investment Products *	Supplementary Pensions **
Generali	[0-5%]	[0-5%]	[0-5%]
CP	[5-10%]	[25-30%]	[20-25%]
Combined	[10-15%]	[30-35%]	[20-25%]
Kooperativa + CPP	[15-20%]	[15-20%]	
Pojist'ovna CS	[5-10%]	[5-10%]	
CARDIF	[15-20%]		
Komerčni Pojist'ovna	[10-15%]	[5-10%]	
ING	[5-10%]	[10-15%]	[10-15%]
CSOB		[5-10%]	[10-15%]
Axa	[0-5%]	[0-5%]	[20-25%]
Allianz	[5-10%]	[0-5%]	[0-5%]
UNIQA	[5-10%]		
Ceska sporitelna			[10-15%]
Komerčni banky			[10-15%]
Total	89	91	100

Source: 2006 figures Czech insurance association (CAP).

* market shares based on gross written premiums

** market shares based on assets under management

(i) Savings and investment products

41. In *savings and investment products*, the market investigation confirmed that the proposed operation does not significantly impede effective competition in the Czech Republic. It should be noted that Generali's market share increased by [0-5%] in the last three years but CP's market share dropped by [5-10%] in the same period. Generali's main competitors in this market are strong international players including ING, CSOB (which belongs to the KBC group) and Kooperativa (controlled by Wiener Staedtische Allgemeine Versicherung AG). In addition there are other international companies active on the Czech insurance market which could start competing on life insurance products and insurance companies could become active on the Czech market via the European principle which allows companies the freedom to provide services in other Member States.

42. Furthermore, based on the above table, the HHI of this market pre-transaction is [...], post-transaction it would be [...] i.e. an increment of [...] which is below the 250 safe harbour provided by the Horizontal Merger Guidelines²².

43. In case this market should be further subdivided into unit-linked and non-unit-linked products, as indicated by the market investigation, the market share of the merged entity would be below 15% for unit-linked products and [35-40%] (CP [35-40%], Generali [0-5%]) for non unit-linked products. Therefore, the transaction does not significantly impede competition even under the narrower market definition.

²² Guidelines on the assessment of horizontal mergers under the Council Regulation on the control of concentrations between undertakings, OJ C 31 page 5 – 05.02.04.

(ii) Supplementary pension products

44. The market investigation also confirmed that the proposed operation does not significantly impede effective competition in the *supplementary pensions* market in the Czech Republic. The parties combined market share is [20-25%] while its closest competitor AXA has a market share of [20-25%] and four competitors' market shares range around [10-15%]. As is the case for savings and investment products, international companies are active on this market or could easily become active.
45. Based on the above table, the HHI levels both pre- and post-transaction are below 2000 and the increment arising from the transaction is only [...] points i.e. well below the threshold specified in the Commission's Horizontal Merger Guidelines.
46. Further, the market investigation indicated that the barriers to entry into the Czech life insurance market are low and that recently companies such as Direct pojistovna, Dolnorakouska, AEGON, AXA and AIG started operating on the Czech life insurance market. It should be noted that legislation concerning pension reform will be prepared in 2008-2009, however, at this moment in time the influence on the life insurance sector can not be quantified.
47. In the light of the foregoing, the present transaction does not raise any competition concerns on the life insurance market in the Czech Republic or any segment thereof.

B.2. Non life insurance – Czech Republic

Overview of the Czech non-life insurance sector

48. The Czech non-life insurance market is the second largest market within the CEE region, behind the Polish non-life insurance market. The CNB Financial Market Supervision Report 2006 (the "CNB report") indicates that non-life insurance represented 61.3% of the total Czech insurance sector in 2006.²³
49. Generali argues in the notification that on average the levels of growth in the Czech non-life insurance markets have been modest in comparison with other EU Member States in recent years. However, Generali indicates that the low level of insurance penetration in the Czech market would allow for a substantial potential for expansion and development of competition in this country. Generali therefore expects significant growth in this area going forward.
50. Total insurance penetration amounted in 2005 to 3.9% in the Czech Republic while the average EU-25 penetration ratio amounted to 8.5 %²⁴. According to the European Commission's Interim Report on the business insurance sector inquiry" of January 2007 the main factor influencing market entry by insurers is potential for growth, which seems to be present in the Czech market.²⁵
51. Competitors and intermediaries' replies to the market investigation show that the penetration level is perceived to be medium and the expected growth ranges between 3 to 5%.²⁶ The CNB report indicates that premiums written in non-life insurance in 2006

²³ See CNB Financial Market Supervision Report 2006, page 75.

²⁴ Source: CEA - European insurance in figures – June 2006.

²⁵ Interim Report on the business insurance sector inquiry, page 48.

²⁶ See replies to question 19 of the questionnaire to competitors and question 15 of the questionnaire to intermediaries.

showed lower growth than in 2005 (3.8% v. 5.5%) but the CNB considers that this is due to *"high competition in the Czech insurance market, which is pushing down premium rates, and also to insurance contracts [...] concluded with insurance undertakings from other EU or EEA countries operating in the Czech Republic under the freedom to provide services"*.²⁷ The reply from the Czech regulator CNB indicates that in the first half of 2007 the premiums written in non-life insurance grew by 4.6% which seems to indicate certain improvement of the growth dynamics compared to the previous years²⁸. Therefore, despite a certain decrease of the dynamic growth of the non-life insurance market in the Czech Republic in the recent years, this market is still expected to grow in the future and provide attractive opportunities for existing suppliers or new entrants.

52. The market investigation has further addressed whether there are any capacity constraints to expansion in the non-life insurance market in the Czech Republic²⁹. The majority of the respondents (competitors and intermediaries) agree with Generali that there are no such constraints.
53. Generali entered the non-life insurance sector in the Czech Republic in 1993. Since then, Generali's market share in the overall non-life insurance sector has remained rather modest (mostly below 5%). In 2006, Generali's market share was 6.1%. As the former monopolist, CP's market shares are considerably higher (36.6% in the overall non-life insurance sector). However, Generali has provided information on the evolution of CP's market shares since 1998. One can see clear trend of a decrease of CP's market share: from 61.7% in 1998 to 36.6% in 2006³⁰. Other significant competitors in the overall non-life insurance market are Kooperativa (including its subsidiary Česká podnikatelská pojišťovna – CPP) with 33.5% market share, Allianz with 9.9% and ČSOB with 4.5% and a number of other smaller insurance companies covering the remaining almost 10% of the market. The market shares of CP, Generali and their competitors in the main segments of the non-life insurance market are summarised in the following table.

²⁷ See CNB Financial Market Supervision Report 2006, page 75.

²⁸ See reply of CNB to the questionnaire to the regulator, question 8.

²⁹ See replies to question 18 of the questionnaire to competitors and question 14 of the questionnaire to intermediaries.

³⁰ Market share information is Generali's estimates. Form CO, page 87.

Table 3 2006 Market shares non-life insurance in the Czech Republic (based on gross written premiums)

Companies	Accident & sickness	Motor vehicle	Property	MAT	Liability insurance	Credit & suretyship	Travel
Generali	[0-5%]	[5-10%]	[5-10%]	[0-5%]	[5-10%]	[0-5%]	[0-5%]
Acquired Business	[35-40%]	[35-40%]	[35-40%]	[30-35%]	[30-35%]	[40-45%]	[20-25%]
Combined	[40-45%]	[45-50%]	[45-50%]	[35-40%]	[40-45%]	[40-45%]	[25-30%]
Kooperativa + CPP	[10-15%]	[30-35%]	[30-35%]	[10-15%]	[35-40%]		[10-15%]
Allianz	[5-10%]	[10-15%]	[5-10%]	[30-35%]	[5-10%]	[5-10%]	
CSOB	[5-10%]	[5-10%]	[0-5%]	[5-10%]	[0-5%]		[5-10%]
Pojist'ovna CS	[5-10%]						
Cardif	[5-10%]					[5-10%]	
ING	[5-10%]						
AIG	[5-10%]		[0-5%]	[5-10%]	[0-5%]		
UNIQA		[0-5%]	[0-5%]	[0-5%]			[0-5%]
EGAP/KUP						[35-40%]	
VZP							[20-25%]
Evropska Cestovni							[10-15%]
Komerčni pojistovna							[5-10%]
Total	96	100	99	99	93	99	97

Source: 2006 figures Czech Insurance Association(CAP).

54. The notifying party further argues with respect to Generali's position in the non-life markets that it is not a strong competitive force or a particular innovator. The market investigation also did not provide any indications that Generali could be considered as a maverick which would represent an important competitive force on the Czech non-life insurance market eliminated by the merger.
55. A review of Generali's internal documents drafted for the purposes of the present transaction and disclosed to the Commission shows optimistic, realistic and pessimistic scenarios for CP and Generali non-life business in the Czech Republic. According to the scenario, Generali market share would either decrease (pessimistic), remain stable at around [...] (optimistic), or slightly increase by [...] (optimistic) As regards CP's market share, even on the optimistic scenario, the document forecasts a decrease to [less than 35%].³¹
56. The results of the market investigation indicate that Generali is considered as one of their top 5 competitors in the non-life insurance only by half of the respondents. Nearly all intermediaries, however, included Generali among the top 5 insurers in non-life³². The CNB report also includes Generali among the group of large insurance undertakings (life and non-life) considering that its market share exceeded 5% in 2006.³³
57. As for the parties' competitors in the non-life insurance market, the CNB report and the market investigation show that large and medium-sized insurance undertakings belong to major international insurance and financial groups, confirming Generali's views. Examples are Kooperativa (controlled by the Austrian insurer Wiener Staedtische), Allianz, CSBO (owned by the Belgian bank KBC), Uniqa (non-life Austrian insurer) and American International Group (AIG). The market investigation has further confirmed the

³¹ CA IB Corporate Finance d.o.o. presentation prepared for Generali "Project 10 Plus – Preliminary valuations of CZIH and Generali CEE", 13 April 2007.

³² See replies to question 16 of the questionnaire to competitors and question 12 of the questionnaire to intermediaries.

³³ See CNB Financial Market Supervision Report 2006, page 74.

presence of recent entrants into the non-life markets including Direct, Triglav and Wüstenrot and a few respondents quote AXA and ACE as insurers expected to enter the market³⁴. The CNB report indicates that the number of branches in the Czech Republic of insurance undertakings from EU and third countries rose in the area of non-life insurance between 2004 and 2006 from 6 to 13³⁵. In addition, a number of existing insurance companies indicated that they plan to further expand their operations in the non-life insurance market in the Czech Republic³⁶. Therefore, the merged entity would face even after the merger significant actual competitors as well as potential new entrants which would be able to provide significant competitive constraints on the merged entity.

58. Generali has also noted the activity of insurers outside the Czech Republic that provide insurance services under the freedom to provide services ("FOS providers"). Generali argues that the role of these FOS providers, although not significant currently, is increasing and already creates competitive pressure on Czech insurers. The replies to the market investigation generally show however that competitors view penetration of FOS providers as low (without distinguishing between life and non-life). Some replies further argue that it has not been as high as expected or that their impact on business is in any event insignificant. Replies from intermediaries are more balanced with some respondents considering that penetration of FOS providers is low whereas others consider that it will grow or increases competition. Finally, customers' replies frequently refer to FOS providers on support of easy access to the Czech insurance market³⁷.
59. As regards the regulator's views, the CNB indicates that FOS providers accounted for 1% of the total premiums written by domestic insurance companies in 2005 (for both life and non-life but mostly attributable to non-life). CNB expects that 2006 figures will show an increase "in the scope and importance of this form of service provision". Moreover, the CNB provides some figures on EU or EEA companies intending to carry on insurance business in this Member State under the freedom to provide services: 401 by the end of 2006 which represents an increase in 73 companies compared to the end of 2005³⁸. CNB in its reply indicates that the number of these companies has grown further this year exceeding already 450³⁹. Therefore, even though FOS providers do not play an important role on the overall non-life insurance market, they are able to offer alternative products in non-life insurance (in particular through independent channels such as brokers) in case the offer of the established providers is limited. In addition, the dynamic growth of FOS providers interested in the Czech insurance market confirms the attractiveness of the market for new entrants.
60. As regards barriers to entry in the Czech insurance market, Generali argues that there are no material barriers to entry in non-life insurance markets in the Czech Republic. According to Generali, brand loyalty is not a decisive factor in the insurance market, costs of entry are low and there are no IP-related issues. Regarding the results of the market investigation, the presence of a distribution network is perceived by competitors as the major barrier to entry. Intermediaries however do not consider it relevant. Other factors hindering entry are branding and reputation, as well as customer inertia. Regulation

³⁴ See replies to questions 26 and 27 of the questionnaire to competitors and questions 19 and 20 of the questionnaire to intermediaries.

³⁵ See CNB Financial Market Supervision Report 2006, page 73, Table V.1 (these figures take into account branches active both only in non-life insurance and in life and non-life insurance).

³⁶ See replies to question 28 of the questionnaire to competitors.

³⁷ See replies to question 29 of the questionnaire to competitors, question 21 of the questionnaire to intermediaries and question 17 of the questionnaire to customers.

³⁸ See CNB Financial Market Supervision Report 2006, pages 73 and 75.

³⁹ See reply of CNB to the questionnaire to the regulator, question 7.

however is not considered a barrier⁴⁰. Overall, as documented by the growing number of foreign insurance companies entering the Czech market (either by setting up a branch or as a FOS provider) in the recent years (see paragraphs 57-59 above), the existing entry barriers seem to be rather limited and do not hinder new entry in any significant way.

61. Distribution of non-life insurance products in the Czech Republic is done, according to the notifying party, largely via non-exclusive insurance intermediaries (brokers and to a lesser extent multilevel market agents - MLM⁴¹, dealers, independent agents etc.) which together represent [55-60%] of the new premiums in the overall Czech non-life market in 2006. In particular, independent brokers play a very important role in the non-life insurance distribution as they represent according to the parties' estimates almost [50-55%] of the new premiums. This is also valid for most of the individual segments of non-life insurance (with the exception of accident and sickness insurance and credit and suretyship insurance where exclusive agents and direct sales respectively are the main distribution channel). The importance of large independent brokers (such as AON Stach, Marsch, WILLIS, Greco, Renomia, Respect or CAC) was also largely confirmed by the market investigation⁴². Brokers (as well as other independent distribution channels) thus also facilitate new entry to the Czech non-life insurance markets for companies that do not have own distribution network.
62. The market investigation indicated that brokers' importance in the non-life insurance market is expected to increase⁴³. Large brokers consider that they are usually able to exercise buying power vis-à-vis the insurance companies⁴⁴. Further, they normally distribute insurance products of various insurance companies⁴⁵ in all individual segments of the non-life insurance market⁴⁶.
63. Generali claims that customers can easily switch suppliers in the non-life insurance markets without any significant switching costs. Non-life policies can generally be terminated by the customer every year, six weeks before the anniversary of the policy. The market investigation clearly confirmed that switching suppliers of non-life insurance is easy and does not involve significant costs⁴⁷. Therefore, as there are also no meaningful capacity constraints on the supply-side (see paragraph 52 above), customers can easily switch to a different insurance company in response to increased premiums or reduced services of their existing insurer. This is also documented by the decreasing trend of the market share of CP in the past which lost customers to the benefit of smaller competitors. Further, in particular large customers can usually exercise some buying power vis-à-vis the insurance companies⁴⁸.

Unilateral effects

⁴⁰ See replies to question 25 of the questionnaire to competitors and question 18 of the questionnaire to intermediaries.

⁴¹ Multilevel market agent (MLM) is a group of individual agents organised under a pyramidal structure, with agents at the bottom working for those on top and with the possibility of going up or down the scale depending on how successful the agent is.

⁴² See replies to question 30 of the questionnaire to competitors and question 22 of the questionnaire to intermediaries.

⁴³ See replies to question 25 of the questionnaire to intermediaries.

⁴⁴ See replies to question 28 of the questionnaire to intermediaries.

⁴⁵ See replies to question 6 of the questionnaire to intermediaries.

⁴⁶ See replies to question 5 of the questionnaire to intermediaries.

⁴⁷ See replies to question 18 of the questionnaire to customers, question 23 of the questionnaire to competitors and question 16 of the questionnaire to intermediaries.

⁴⁸ See replies to question 19 of the questionnaire to customers.

64. As indicated above, the transaction combines the first and the fourth largest non-life insurance companies active in the Czech Republic leading to a combined market share on the overall non-life insurance market of almost 43%. The transaction would lead to substantial combined market shares ranging between [25-50%] also on the individual segments of the non-life insurance market. However, the actual increment to the currently already high market shares of CP provided by the addition of Generali is rather modest, amounting to around [5-10%] on the overall market and ranging between [0-10%] on individual segments. As mentioned above, CP is, due to historical reasons, already now the number one supplier of non-life insurance both on the overall market as well as on all but one of the individual segments (the only exception is liability insurance where Kooperativa was the leading supplier in 2006). Therefore, the structural change of the market due to the merger is limited and, as Generali is not considered as the maverick, its elimination as one of the existing competitors to CP does not affect significantly the competitive conditions on the market.
65. In addition, as indicated above, the insurance companies do not face any important capacity constraints or barriers to entry or expansion and at the same time customers are able to switch easily between providers. This means that in case the merged entity raised prices or deteriorated insurance conditions, customers would be able to switch to alternative suppliers which could then expand their activities. Therefore, even though the merger would strengthen the leading position of CP, the remaining competitors (most of which belong to established and financially strong European insurance groups) would still provide sufficient competitive constraints to the merged entity. Furthermore, even though the Czech non-life insurance market's dynamics are lower than in case of life insurance, it is still expected to grow further and thus provide additional opportunities for expansion of existing or entry of new competitors (such as AXA that has recently entered the Czech life insurance market or other potential entrants mentioned above).
66. Some respondents to the market investigation indicated that the strengthened position of CP/Generali would provide the merged entity with an advantage vis-à-vis brokers and could thus make access to the independent distribution channels more difficult for other insurance companies. However, the market investigation did not confirm that such effects of the transaction would be likely. First, the actual change of the market position of CP resulting from the merger is limited and unlikely to change in a significant way its position vis-à-vis brokers. Second, the investigation showed that, although CP is already now a clear number one provider of non-life insurance services, brokers actually offer insurance products of a variety of suppliers. Third, brokers are valued by customers for their independence and ability to compare different products offered by insurance companies in order to find the best solution for the customer⁴⁹. There are no indications that a minor change in the structure of supply would make them preferring the merged entity's products and thus jeopardising their reputation of independence and market knowledge. Fourth, brokers seem to have a significant buying power vis-à-vis the providers of non-life insurance services (representing almost [50-55%] of all new premiums). Finally, a majority of competitors as well as intermediaries indicated that the merger is not likely to have any negative effects on the access to independent distribution channels.
67. For these reasons, the transaction does not lead to competition concerns due to unilateral effects in the overall non-life insurance sector in the Czech Republic.

⁴⁹ See replies to question 21 of the questionnaire to customers.

68. The above described arguments also largely apply to all individual segments of the non-life insurance market in the Czech Republic. However, as there are certain specific features of at least some of these segments, these are discussed individually below.

(i) Accident and sickness insurance

69. The addition of Generali increases the market share of CP only by [0-5] percentage points to [40-45%]. However, Generali was in fact one of the smallest competitors on this market segment and the merging parties would face significant competition by a large number of competitors (Kooperativa, Allianz, CSOB, Pojistovna CS, Cardif, ING and AIG) with market shares ranging between [5-15%]. Other smaller competitors are also active on this market including a recent entrant Slavia. In addition, ACE has announced entry to this market segment in May 2007.

70. Further, as the above described characteristics of the non-life insurance market largely apply also to this segment, the transaction does not raise any competition concerns on this particular market segment.

(ii) Motor vehicle insurance

71. While the combined merged entity's market share [45-50%] (CP [40-45%], Generali [5-10%]) is significant, the increment caused by the transaction is modest and the merged entity would face competition from other established providers such as Kooperativa ([30-35%] market share), Allianz ([10-15%]), CSOB [5-10%] and UNIQA [0-5%]. Further, since liberalisation of the motor third party liability (MTPL) insurance in 2000⁵⁰, there were numerous new entrants to this market including recent entries by Wüstenrot in 2006 or Direct and Dolnorakouská pojišťovna in 2007 while possible new future entrants include such established insurance companies as AXA or ACE.

72. Even if the motor vehicle insurance market is further subdivided into Casco insurance and MTPL insurance as suggested by some respondents, the market structure would be similar to the overall market. In Casco insurance the combined market share would amount to [45-50%] (CP [35-40%], Generali [5-10%]) while in MTPL insurance the combined market share would amount to [45-50%] (CP [40-45%], Generali [5-10%]). In both sub-segments the same competitors as on the overall motor vehicle insurance market are active with comparatively similar market shares.

73. Further, the reply of the Czech Insurers Bureau (a professional organisation of MTPL insurers) indicates that the transaction would not affect the MTPL insurance market and that it is likely that other existing and newly entering competitors will attack the merged entity and also that some of its existing customers may leave due to the foreseen transaction⁵¹.

74. Further, as the above described characteristics of the non-life insurance market largely apply also to this segment, the transaction does not raise any competition concerns on this particular market segment or its possible two sub-segments.

⁵⁰ Until then CP was according to the relevant legislation the monopoly provider of MTPL insurance in the Czech Republic.

⁵¹ See reply of the Czech Insurers' Bureau to the questions 13 and 14.

(iii) Property insurance

75. The combined market share of the merged entity in the property insurance segment would amount to [45-50%] (CP [35-40%], Generali [5-10%]). Even though Generali's market share is the highest of all non-life insurance segments where it is present, the combined entity would still face significant competition from Kooperativa ([30-35%] market share), Allianz ([5-10%]), CSOB ([0-5%]), UNIQA ([0-5%]) and AIG ([0-5%]). In addition, ACE has announced its entry to this market segment in may 2007 while AXA is a possible future entrant to this market. Further, Generali argues that FOS suppliers are particularly active on this market with an estimated [5-10%] market share as large companies assisted by brokers (which are particularly important in this segment representing alone around [55-60%] of the new premiums) are actually using FOS providers as their property insurance suppliers.
76. Further, as the above described characteristics of the non-life insurance market largely apply also to this segment, the transaction does not raise any competition concerns on this particular market segment.

(iv) Marine, Aviation and Transport (MAT) insurance

77. It is emphasised that the geographic market for MAT insurance is most likely at least EEA wide and the combined market share of the parties on such market would be well below 15%.
78. However, even if a narrower national market is considered, the combined market share of the merged entity would be lower than in other non-life insurance segments, amounting to [35-40%] (CP [30-35%], Generali [0-5%]). Further, the merged entity would face significant competitors including Allianz ([30-35%] market share), Kooperativa ([10-15%]), CSOB ([5-10%]), AIG ([5-10%]) or UNIQA ([0-5%]).
79. Further, as the above described characteristics of the non-life insurance market largely apply also to this segment, the transaction does not raise any competition concerns on this particular market segment.

(v) Liability insurance

80. The combined market share of the merged entity in the liability insurance segment would amount to [35-40%] (CP [30-35%], Generali [5-10%]). The combined entity would still face significant competition from Kooperativa ([35-40%] market share), Allianz ([5-10%]), AIG ([0-5%]) and CSOB ([0-5%]). In addition, ACE is believed to be a potential entrant in this segment.
81. Further, as the above described characteristics of the non-life insurance market largely apply also to this segment, the transaction does not raise any competition concerns on this particular market segment.

(vi) Credit and suretyship insurance

82. The combined market share of the merged entity in the credit and suretyship insurance market segment would amount to [40-45%], however the increment brought by Generali would be insignificant ([0-5%]). The merged entity would face competition in particular by the EGAP/KUP specialised in this market segment with [35-40%] market share. Other competitors include insurance companies well established in this market segment such as Cardif ([5-10%]) or a subsidiary of Allianz - Euler ([5-10%]).

83. It is noted that CP's strong position on this market is partly due to the fact that its consumer credit insurance is distributed mainly together with consumer credits offered by Home Credit, a subsidiary of PPF. These sales represent [90-100%] of CP's sales of credit and suretyship insurance. As the transaction agreements do not provide for [...] and as PPF will no longer be controlling CP (despite its significant shareholding in Newco – see above paragraphs 6 and following), the transaction would weaken the link between CP's consumer credit insurance and Home Credit's activities and Home Credit would be free to distribute insurance from other suppliers with its consumer credit.
84. In addition, according to the CNB report, credit insurance recorded in 2006 showed the strongest growth of all non-life insurance segments due to growth in premiums by 80%⁵².
85. Even if the credit and suretyship insurance is further subdivided in line with previous Commission's practice into (i) delcredere insurance, (ii) capital goods insurance, (iii) consumer credit, (iv) fidelity insurance and (v) guarantee insurance, the transaction is unlikely to raise competition concerns. Neither CP nor Generali provide delcredere insurance, capital goods insurance or fidelity insurance in the Czech Republic. Even though CP is (due to its connection to Home Credit which is in fact weakened by the transaction) a significant provider of consumer credit insurance, the activities of Generali in this sub-segment are negligible (leading to an estimated market share below [1%]). The only real overlap between the parties activities is then in guarantee insurance but the combined market share of the parties amounts to [35-40%] (CP [10-15%], Generali [20-25%]) and the parties would face significant competition of EGAP/KUP ([25-30%] market share), Kooperativa ([15-20%]) or UNIQA ([10-15%]).
86. Further, as the above described characteristics of the non-life insurance market largely apply also to this segment, the transaction does not raise any competition concerns on this particular market segment.

(vii) Travel insurance

87. The combined market share of the merged entity in the travel insurance market segment is the lowest of all non-life insurance segments amounting to [25-30%] (CP [20-25%], Generali [0-5%]). The merged entity would face significant competition from a number of strong competitors such as VZP ([20-25%] market share), Kooperativa ([10-15%]), Evropská cestovní ([10-15%]), Komerční pojišťovna ([5-10%]), CSOB ([5-10%]) or UNIQA ([0-5%]).
88. In view of the modest combined market share and as the above described characteristics of the non-life insurance market largely apply also to this segment, the transaction does not raise any competition concerns on this particular market segment.

Co-ordinated effects

89. A merger in a concentrated market may also significantly impede effective competition by way of coordinated effects, namely if it increases the likelihood that firms are able to coordinate their behaviour.⁵³
90. The non-life insurance sector (especially some of the possible market segmentations analysed above) can be characterised as concentrated based on the small number of major

⁵² See CNB Financial Market Supervision Report 2006, page 45 and 76.

⁵³ Guidelines on the assessment of horizontal mergers under the Council Regulation on the control of concentrations between undertakings, para 40.

competitors. Although non-life insurance involves a large number of products with varying degrees of product differentiation, co-ordination could in principle be facilitated by the resulting multi-market contact and the high frequency of interaction. Conceivable tacit co-ordination mechanisms include pricing as well as more subtle mechanisms, for example a tacit allocation of certain customer groups among insurers (e.g. by not competing aggressively outside historical areas of expertise). The results of the market investigation seem to indicate that the insurance market is sufficiently transparent to reach terms of co-ordination. Competitors indicate that prices are easy to monitor as well as competitors' general conditions and that competitors tend to monitor other operators' prices and insurance conditions.⁵⁴

91. However, despite this apparent market transparency, the results of the market investigation also indicate that the proposed operation is unlikely to give rise to coordinated effects. Based on its market investigation, the Commission has no indications that the main insurers are already at present co-ordinating their competitive behaviour⁵⁵. There are also no indications that Generali has played a decisive role in preventing co-ordination, relative to other smaller competitors.
92. Additionally, for coordination to be successful, the actions of non-coordinating companies and potential competitors, as well as customers, should not be able to jeopardise the outcome expected from coordination⁵⁶. In the present case there would seem to be significant competitive constraints present on the market which would destabilise any attempt at coordination. These constraints would in particular stem from effective competition from recent entrants. Moreover, as stated above (paragraphs 52 and following), there are no capacity constraints in the non-life insurance market, barriers to entry are rather limited and new entry is expected in the future.
93. Finally, it should be noted that, notwithstanding the concentration levels of the overall non-life insurance market, reports indicate that the market is at present competitive and expected to grow. In particular, as indicated above (paragraph 73) the Czech Insurers Bureau considers that the MTPL insurance (the highest concentrated non-life insurance market) in the Czech Republic is a growing one and that the future share of the joint venture will be decreasing since they expect that "existing and newly coming competitors will attack the joint venture".⁵⁷
94. Based on the above market characteristics and the possibilities for outsiders to prevent coordination, the notified transaction does not raise serious doubts with regard to co-ordinated effects.

B.3. Other markets – assistance services

95. EuropAssistance, belonging to the Generali group, offers travel assistance ([0-5%] of the Czech market) and road assistance ([5-10%] of the Czech market) which are usually sold as part of motor and travel insurance respectively. CP is not active in assistance services but uses other providers of assistance services.
96. The Commission analysed whether the combination of travel and motor insurance activities of CP and Generali could have vertical effects in view of their connection with assistance

⁵⁴ See replies to questions 20 and 21 of the questionnaire to competitors.

⁵⁵ The Czech Competition Authority reached the same conclusion in Case S 180/03-3845/03, *Kooperativa pojist'ovna/Pojist'ovna Ceske sporitelny*, 5 November 2003.

⁵⁶ Guidelines on the assessment of horizontal mergers, para 56.

⁵⁷ See reply to question 13 of the questionnaire to the Czech regulator.

services offered by Generali. However, the market shares of Generali in the assistance markets are relatively small and there are large competitors such as AXA Assistance and Elvia Assistance, which are also part of large international insurance groups and hold very significant market shares⁵⁸. Therefore, the merged entity would not be able to foreclose its competitors in the motor and travel insurance markets from access to assistance services. Further, the combined entity would not be able to foreclose the upstream providers of assistance services competing with Generali from access to customers, as it will not have market power on the downstream travel and motor insurance markets (see above) and there are significant competitors to the merged entity on these markets.

97. The market investigation clearly confirmed that the transaction would not have any negative effects on the upstream assistance services⁵⁹. Therefore, the transaction does not lead to any competition concerns relating to the vertical relationship between Generali's assistance services on the one hand and the merged entity's activities on the motor and travel insurance markets on the other hand.

VI. CONCLUSION

98. For the above reasons, the Commission has decided not to oppose the notified operation and to declare it compatible with the common market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of Council Regulation (EC) No 139/2004.

For the Commission

[signed] Neelie Kroes,
Member of the Commission

⁵⁸ Axa Assistance: [40-45%] in travel assistance and [10-15%] in road assistance; Elvia Assistance: [20-25%] in travel assistance and [10-15%] in road assistance.

⁵⁹ See replies to question 36 of the questionnaire to competitors.