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***Case No IV/M.627 -  
UAP / Sun Life***

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

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Article 6(1)(b) NON-OPPOSITION  
Date: 21/08/1995

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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 21.08.1995

PUBLIC VERSION

MERGER PROCEDURE  
ARTICLE 6(1)(b) DECISION

To the notifying party

Dear Sirs,

**Subject: Case No IV/M.627 - UAP/SUN LIFE**

Notification of 24 July 1995 pursuant to Article 4 of Council Regulation  
No. 4064/89

1. On 24.07.1995, Compagnie UAP (UAP), the parent company of the french insurance group UAP notified to the Commission an operation by which it will acquire sole control of the british insurance company Sun Life Corporation plc.
2. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of application of Council Regulation No 4064/89 and does not raise serious doubts as to its compatibility with the common market.

**I THE PARTIES**

3. UAP is a composite french insurance group engaged in France and abroad in all aspects of insurance including life insurance, non-life insurance and reinsurance. UAP is also engaged in banking through several of its subsidiaries.
4. Sun Life Corporation plc is the parent company of a british insurance group, the Sun Life Group, which is active in the life insurance sector mainly in the UK.

## **II THE AGREEMENTS**

5. Prior to this operation the Sun Life Group was jointly controlled by UAP and Transatlantic Holdings plc, (Transatlantic) through a vehicle company, Sun Life Holdings plc, which was created with the sole purpose of establishing the joint control of the Sun Life Group by UAP and Transatlantic. Transatlantic is a subsidiary of the Liberty Life Group, a South African based insurance and financial services group.
6. By the present operation UAP and Transatlantic entered into a share purchase agreement whereby Transatlantic agrees to sell to UAP the whole of its interest in Sun Life Holdings plc. Therefore, following this operation UAP will acquire sole control of the Sun Life group.
7. By separate but linked transactions UAP agrees to sell its minority shareholding in Transatlantic which was acquired when the joint venture was established.<sup>(1)</sup>

## **III CONCENTRATION**

8. By acquiring the whole of Transatlantic's interest in Sun Life, UAP acquires sole control of this undertaking. A change from joint to sole control of an undertaking is a concentration within the meaning of the Merger Regulation because decisive influence exercised solely is substantially different from decisive influence exercised jointly.

## **IV COMMUNITY DIMENSION**

9. The combined aggregate worldwide turnover of UAP and Sun Life, calculated in accordance with Article 5(3)(b) of the Merger Regulation, exceeded 5,000 million Ecu in 1994 (total gross premiums written by UAP amounted to 21,983 million Ecu and those by Sun Life amounted to 2,937 million Ecu). Both UAP and Sun Life had a Community-wide turnover in excess of 250 million Ecu but did not achieve more than two thirds of their aggregate Community-wide turnover in one and the same Member State. The operation therefore has a Community dimension.

## **V COMPATIBILITY WITH THE COMMON MARKET**

10. Sun Life is only active in the life insurance sector and the geographic scope of its activities is predominantly the UK where more than 95% of its turnover is achieved. In the UK, Sun Life estimates its market share of the life insurance sector to be around [...<sup>(2)</sup>]. The UK market is characterised by strong competition. Outside the UK, Sun Life also has activities in other E.U. countries namely in [...<sup>(3)</sup>] but in all these countries its activity is marginal and its market share can be considered as insignificant.
11. UAP is engaged in the life insurance business in several EU countries, but in the UK it does not have any activity in this sector other than its interest in Sun Life.

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<sup>(1)</sup> See case no IV/M.141 - UAP/Transatlantic/Sun Life.

<sup>(2)</sup> Deleted business secrets - below 10%.

<sup>(3)</sup> Deleted business secrets.

12. Therefore, the present operation will not lead to any significant addition of market shares neither in the UK nor in any other EU country. Furthermore, the combined activities of UAP and Sun Life in the life insurance sector will not exceed a 10% market share neither in the UK nor in any other of the E.U. countries in which Sun Life has activities.

## V CONCLUSION

13. Based on the above findings, the Commission has come to the conclusion that the proposed concentration does not raise serious doubts as to its compatibility with the common market.

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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 functioning of the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of Council Regulation No 4064/89.

For the Commission,