



EUROPEAN COMMISSION  
DG Competition

***Case M.8905 - AXA  
GROUP / ROLAND***

Only the English text is available and authentic.

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

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Article 6(1)(b) NON-OPPOSITION  
Date: 26/07/2018

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## EUROPEAN COMMISSION

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 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 Where possible the information omitted has been replaced by ranges of figures or a general description.

Brussels, 26.7.2018  
C(2018) 5078 final

PUBLIC VERSION

### **To the notifying party:**

**Subject: Case M.8905 - AXA GROUP / ROLAND  
Commission decision pursuant to Article 6(1)(b) of Council  
Regulation No 139/2004<sup>1</sup> and Article 57 of the Agreement on the  
European Economic Area<sup>2</sup>**

Dear Sir or Madam,

- (1) On 29 June 2018, the European Commission received notification of a proposed concentration pursuant to Article 4 of the Merger Regulation by which AXA Konzern AG (Germany, "AXA", also referred to as the "Notifying Party"), belonging to the AXA Group (France, "Axa Group"), acquires within the meaning of Article 3(1)(b) of the Merger Regulation sole control of the whole of ROLAND Rechtsschutzversicherungs AG ("Roland", Germany) by way of purchase of shares.<sup>3</sup> Axa and Roland are designated hereinafter as the "Parties".

#### **1. THE PARTIES**

- (2) AXA Germany is part of the AXA Group, a global insurance group headquartered in Paris, France. AXA is active in the provision of life, health and other forms of insurance, as well as asset management and reinsurance services.

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<sup>1</sup> OJ L 24, 29.1.2004, p. 1 (the 'Merger Regulation'). With effect from 1 December 2009, the Treaty on the Functioning of the European Union ('TFEU') has introduced certain changes, such as the replacement of 'Community' by 'Union' and 'common market' by 'internal market'. The terminology of the TFEU will be used throughout this decision.

<sup>2</sup> OJ L 1, 3.1.1994, p. 3 (the 'EEA Agreement').

<sup>3</sup> Publication in the Official Journal of the European Union No C 239, 9.7.2018, p. 4.

- (3) ROLAND is a German based insurance company, mainly active in the provision of legal protection insurances, accident and breakdown insurances and assistance services.

## **2. THE CONCENTRATION**

- (4) By the proposed concentration, AXA will acquire 60% of the shares in Roland. Gothaer Finanzholding AG, Gothaer Lebensversicherung AG and Gothaer Allgemeine Versicherung AG (together referred to as "Gothaer") will acquire a non-controlling minority share of the remaining 40%. AXA and the Gothaer Group have agreed on a corporate governance structure for Roland which will afford AXA Germany sole control over Roland.
- (5) The concentration constitutes the acquisition of sole control within the meaning of Article 3(1)(b) of the Merger Regulation of the whole of Roland by Axa.

## **3. EU DIMENSION**

- (6) The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 000 million<sup>4</sup>. Each of them has an EU-wide turnover in excess of EUR 250 million, but they do not achieve more than two-thirds of their aggregate EU-wide turnover within one and the same Member State.<sup>5</sup> The notified operation therefore has an EU dimension.

## **4. ASSESSMENT**

### **4.1. Product market definition**

- (7) The Parties are active in (i) providing non-life insurance products, (ii) assistance services, (iii) the distribution of insurance products, and (iv) reinsurance.

#### *4.1.1. Provision of non-life insurance products*

- (8) The Commission has considered in previous cases that non-life insurance do not compete on the same product market as life insurance and re-insurance<sup>6</sup>. The Commission further considered several potential segments within non-life insurances, namely the following segments: (i) accident and sickness; (ii) motor vehicle; (iii) property; (iv) marine, aviation and transport; (v) liability; (vi) credit and surety ship; and (vii) travel<sup>7</sup>. However, ultimately, the Commission left the exact product market definition in relation to non-life insurance open.

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<sup>4</sup> Turnover calculated in accordance with Article 5 of the Merger Regulation.

<sup>5</sup> While Roland achieves more than two-thirds of its aggregate Union-wide turnover within one Member State, Axa does not.

<sup>6</sup> Cases COMP/M.5384, *BNP Paribas/Fortis*, COMP/M.5083, *Groupama/OTP Garancia*, COMP/M.4284, *Axa/Winterthur*, COMP/M.4701, *Generali/PPF Insurance Business*,

<sup>7</sup> Cases COMP/M.8617, *Allianz / LV General Insurance Businesses*, para 9; COMP/M.7233, *Allianz/Going concern of Unipolaisai Assicurazioni*, decision of 10 June 2014, para. 11; COMP/M.6957 *IF P&C / Topdanmark*, para. 18 and COMP/M.6848, *Aegon/Santander/Santander Vida/Santander Generales*, para. 24.

- (9) The Parties consider that in light of their activities, a possible separate market could be defined for the underwriting of legal protection insurance. Legal protection insurances are insurances, designed to cover certain costs related to legal assistance of individuals, motor vehicle owners, business owners and employees in legal proceedings, regardless of whether a legal action is brought by or against the policyholder. The Parties submit that from a demand side perspective, legal protection insurance is not substitutable with other types of non-life insurance. The Parties also submit that the Commission could leave open the product market definition in relation to the underwriting of legal protection insurance.
- (10) In its preceding decisions, the Commission has tentatively considered a separate market for legal assistance insurances, eventually concluding however, that that potential sub-segmentation could be left open<sup>8</sup>.
- (11) The Parties also submit that a separate market for protection letters (Schutzbrief) may be considered. Protection letters consists of a declaration of the insurer to provide protection to the policyholder in case of an unexpected event that poses a danger to the rights or the legally protected interests of the policyholder. The Parties eventually submit that the Commission could leave open also this potential sub-segmentation.
- (12) Against this background, the Commission considers that, for the purpose of this case, the precise market definitions can be left open because no competition concerns would arise under any plausible product market definition.

#### 4.1.2. Assistance services

- (13) Assistance services include organizing supports for customers. Assistance service policies are provided to both private customers and corporate customers such as, e.g., insurance companies, fleet owners or manufacturing companies, which include these services in the product offering for their customers.
- (14) In its previous decisions, the Commission has defined a separate market for the provision of assistance services. It noted that, in such a market, it is the assistance provider who organizes the assistance to the policyholder, while it is the insurer who covers the costs of such unexpected events.<sup>9</sup> The Commission previously considered potentially separate sub-segment for road assistance<sup>10</sup> and travel assistance.<sup>11</sup>
- (15) In the past, the Commission has tentatively considered that the market for assistance services could be further sub-divided into services provided to consumers purchasing contracts on an individual basis, and corporate customers who purchase roadside assistance services to cover their own fleet or who buy the services in bulk to resell such services to their own customers, often bundled with

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<sup>8</sup> See, for example: Case COMP/M.8257 – *NN Group / Delta Lloyd*, para 73; Case no COMP/M.7233 – *Allianz / Going Concern of Unipolsai Assicurazioni*, para 13

<sup>9</sup> Cases COMP/M 6649 – *Allianz / Insurance Portfolio and Brokerage Services of GAN Eurocourtage*, para 17; M.3772 – *Aviva / RAC*, para. 13; IV/862 AXA/UAP, para 9; M.4701 – *Generali / PPF Insurance Business*, para 29.

<sup>10</sup> Case COMP/M. 3772 – *Aviva / RAC*, para 13.

<sup>11</sup> Cases COMP/M.4701 – *Generali / PPF Insurance Business*, para. 30; IV/M.862 – *AXA / UAP*, para 9.

another product. Furthermore, it considered a potential sub-segmentation of the market according to the type of customers (brand strength and reassurance oriented customers on the one hand and price oriented customers who see the service as commodity on the other hand), as was suggested during the market investigation. Eventually, in such instances the Commission decided to leave open the exact definition of the product market.<sup>12</sup>

- (16) The Parties submit that a distinction between assistance services and the markets for the underwriting of insurance policies is not appropriate. The Parties also submit that it would not be appropriate to distinguish between assistance services based on whether the underlying agreement has been entered into with a private individual or a corporate customer.
- (17) Against this background, for the purpose of this case, the Commission considers that the precise market definitions can be left open because no competition concerns would arise under any plausible product market definition.

#### *4.1.3. Reinsurance*

- (18) Reinsurance consists of providing insurance cover to another party, the insurer, for part or all of the liabilities assumed by the latter party under a policy or policies of insurance which it has issued. It is a means of risk management, to transfer risk from the insurer to the reinsurer.
- (19) In its prior decisional practice, the Commission has tentatively considered but ultimately left open whether, within the reinsurance market, a further distinction between life and non-life segments should be considered, and whether within the non-life segment, an additional segmentation according to the class of risk covered should be considered.<sup>13</sup>
- (20) The Parties submit that the market comprises all reinsurance, given the large degree of supply-side substitutability.
- (21) Against this background, the Commission considers that, for the purpose of this case, the precise market definitions can be left open because no competition concerns arise under any plausible product market definition.

## **4.2. Geographic market definition**

### *4.2.1. Provision of non-life insurance products*

- (22) In previous cases, the Commission considered markets for insurance products to be national in scope.<sup>14</sup> However, the Commission has ultimately left the exact scope of the geographic market open. The Parties agree to this approach.

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<sup>12</sup> Case COMP/M. 3772 – Aviva / RAC, para 17.

<sup>13</sup> Case COMP/M.8257, NN Group /Delta Lloyd, para. 104.

<sup>14</sup> Cases COMP/M.7233, Allianz / Going concern of Unipolaisai Assicurazioni, decision of 10 June 2014, para. 20; COMP/M.6957 IF P&C / Topdanmark, para. 30, COMP/M.6521, Talanx International / Meiji Yasuda Life Insurance / Warta, para. 56.

- (23) For the purpose of this case the precise geographic market definition can be left open because no competition concerns arise under any plausible geographic market definition.

#### 4.2.2. Assistance services

- (24) The Parties submit that the geographic market for assistance services is national or wider (regional) in scope.
- (25) In its decisional practice, the Commission has defined the relevant geographic market for travel assistance services and roadside assistance services to be national in scope.<sup>15</sup>
- (26) Against this background, the Commission considers that, for the purpose of this case the precise geographic market definition can be left open because no competition concerns arise under any plausible geographic market definition.

#### 4.2.3. Reinsurance

- (27) In previous cases, the Commission considered markets for reinsurance to be global in scope due to the need to pool risks on a worldwide basis.<sup>16</sup> However, the Commission has ultimately left the exact scope of the geographic market open. The Parties agree to this approach.
- (28) Against this background, the Commission considers that, for the purpose of this case the precise geographic market definition can be left open because no competition concerns arise under any plausible geographic market definition.

### 4.3. Competitive assessment

- (29) The Parties and Gothaer's market shares are represented in the table below.

**Table 1: market shares of the Parties and Gothaer**

		AXA	Roland	Combined	Gothaer
Non-life insurance	Legal protection insurance (Italy)	[0-5]%	[5-10]%	[5-10]%	[0-5]%
	Legal protection (Germany)	na	na		
	Protection letters (Germany)	[0-5]%	[0-5]%	[0-5]%	[0-5]%
Assistance services	Assistance services (Germany)	[0-5]%	[0-5]%	[0-5]%	[0-5]%
	Roadside assistance (Germany)	[0-5]%	[0-5]%	[5-10]%	[0-5]%
	Other assistance (Germany)	[0-5]%	[0-5]%	[0-5]%	[0-5]%
	Assistance services, Corporate customers (Germany)	[5-10]%	[5-10]%	[10-20 ]%	[0-5]%
	Assistance services, Corporate customers (excl. Intra-group) (Germany)	[5-10]%	[10-20]%	[10-20 ]%	[0-5]%
Reinsurance (global)		[0-5]%	[0-5]%	[0-5]%	[0-5]%

Source: Data provided by the Parties

<sup>15</sup> See: Case COMP/M.4701 – *Generali / PPF Insurance Business*, para. 30.

<sup>16</sup> See cases M.5925 – *MetLife / Alico / Delam*, M.5083 – *Groupama / OTP Garancia*, M.4059 – *Swiss Re / GE Insurance Solutions* and M.6053 - *CVC / Apollo /Brit Insurance*

- (30) Based on the Parties' estimates, the combined market share are well below 20% under all plausible market definitions.
- (31) Since the Parties' combined market shares do not exceed 20% on any horizontally or vertically related markets, the Transaction does not give rise to any affected markets and will not raise competition concerns.
- (32) Even taking the activities of Gothaer into account, the assessment does not change due to the still very limited overall market of all parties involved.
- (33) For these reasons, the Transaction does not raise concerns as to its compatibility with the internal market.

## **5. CONCLUSION**

- (34) For the above reasons, the European Commission has decided not to oppose the notified operation and to declare it compatible with the internal market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of the Merger Regulation and Article 57 of the EEA Agreement.

*For the Commission*

*(Signed)*  
*Margrethe VESTAGER*  
*Member of the Commission*