EUROPEAN COMMISSION

Brussels, 17.01.2024
C(2024) 417 final

PUBLIC VERSION

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 Where possible the information omitted has been replaced by ranges of figures or a general description.

Assicurazioni Generali S.p.A.
Piazza Duca degli Abruzzi, 2
34132 – Trieste
Italy

Subject: **Case M.11234 – GENERALI / LIBERTY SEGUROS**
Commission decision pursuant to Article 6(1)(b) of Council Regulation No 139/2004[1] and Article 57 of the Agreement on the European Economic Area[2]

Dear Sir or Madam,

(1) On 4 December 2023, the European Commission received notification of a proposed concentration pursuant to Article 4 of the Merger Regulation by which Assicurazioni Generali S.p.A. ("Generali" or the "Notifying Party", Italy) will acquire, within the meaning of Article 3(1)(b) of the Merger Regulation, sole control of Liberty Seguros, Compañia de Seguros y Reaseguros, S.A. ("Liberty Seguros" or the "Target", Spain) (the "Transaction"). Generali and Liberty Seguros are together referred to as the "Parties".

1. THE PARTIES

(2) **Generali** is the ultimate parent company of Generali Group, an international group of companies active in the insurance and financial sector. The Generali group is mainly active in Europe in the provision and distribution of both life and non-life

[1] 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.

[2] OJ L 1, 3.1.1994, p. 3 (the 'EEA Agreement').

insurance products, reinsurance products, assistance services, as well as real estate and asset management services.

(3) **Liberty Seguros** is an insurance company which belongs to the Liberty Mutual Insurance Group. Liberty Seguros offers non-life and life insurance products mainly in Spain, Portugal and Ireland.

2. THE OPERATION

(4) Pursuant to a sale and purchase agreement (the "SPA") entered into by Generali and the selling parties Liberty Spain Holdings LLC and Liberty UK and Europe Holdings Limited on 15 June 2023, Generali will acquire 100% of the issued share capital in, and thereby sole control of, Liberty Seguros.

3. UNION DIMENSION

(5) The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 000 million (Generali: EUR 81 538.13 million; Liberty Seguros: […]).[3] Each of them has a Union-wide turnover in excess of EUR 250 million (Generali: EUR […]; Liberty Seguros: […]) and they do not achieve more than two-thirds of their aggregate Union-wide turnover within one and the same Member State. The notified operation therefore has a Union dimension.

4. RELEVANT MARKETS

4.1. Introduction

(6) The insurance industry provides financial protection to individuals, companies and government entities when certain specified events occur. This protection is referred to as insurance cover and an event against which a party seeks protection is referred to as risk. Companies known as insurance carriers or insurers typically provide the insurance cover. In relation to insurance, the Commission has identified in its past decisional practice three broad categories of insurance products: life insurance, non-life insurance, and reinsurance.[4]

(7) The Transaction gives rise to horizontal overlaps in the non-life insurance sector in Portugal where both Parties are active (see Section 4.2).[5] The Transaction also gives rise to a vertical link between AdvanceCare (part of Generali Group)

---

3 Turnover calculated in accordance with Article 5 of the Merger Regulation.

4 Case M.10447 – NN / MetLife Greece / MetLife Poland; Case M.10360 - Assicurazioni Generali / Società Cattolica di Assicurazione; Case M.9796 – UNIQA / AXA (Insurance, Asset Management and Pensions – Czechia, Poland and Slovakia; Case M.9531 – Assicurazioni Generali / Seguradoras Unidas / Advancecare; COMP/M.9056 - Generali CEE/AS; Case M.8905 - AXA Group/Roland; COMP/M.8617 - Allianz / LV general insurance businesses; Case M.8257 - NN Group / Delta Lloyd.

5 An overall insurance market in Portugal would not be affected as the combined market share is ca. 12%. The life insurance market is not affected as the combined market share is only 1.6% in Portugal (in the plausible sub-segments of the life insurance market the combined market share is below 10% in all sub-segments). In the non-life insurance market in Portugal, the Parties combined share is 22.4% with an increment of 3.9%, but this market is not affected within the meaning of recital 25(g) of the introduction of Annex I to Regulation (EU) 2023/914, as it meets the conditions for review under points 5(d)(i) and 5(d)(ii) of the Commission Notice on a simplified treatment for certain concentrations under Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings ("Notice on Simplified Procedure").

upstream, which provides personal injury claims management services to insurance companies downstream, including providers of workers' compensation insurance, where both Parties are active (see Section 4.3).

4.2. Non-life insurance

4.2.1. Relevant product market

4.2.1.1. The Commission's previous practice

(8) In previous decisions relating to the insurance sector, the Commission has distinguished three broad categories of insurance products: (i) life insurance; (ii) non-life insurance; and (iii) reinsurance.[6] The Commission has in the past also considered a separate market for assistance services, such as roadside assistance.[7]

(9) The Commission has previously considered that non-life insurance could be divided into as many different product markets as there are types of risks to insure, delineated according to the applicable national insurance classification. More specifically, the Commission has distinguished between the following segments or risk classes: (i) accident and sickness; (ii) motor vehicle; (iii) property; (iv) liability; (v) marine, aviation and transport ("MAT"); (vi) credit and suretyship; (vii) travel insurance; (viii) cargo; (ix) speciality; and (x) aerospace.[8] A further distinction could also be made between individual and group customers.[9] The Commission ultimately left open the precise product market definition for non-life insurance products.

4.2.1.2. The Notifying Party's views

(10) The Notifying Party has submitted that considering the regulatory regime in Portugal and, more specifically the fact that all major non-life insurers in the Portuguese market are authorised to provide insurance in essentially all non-life insurance segments, the appropriate delineation would be an overall non-life insurance market. The Notifying Party has nevertheless provided market information in a narrower segmentation according to risk type identified by national legislation in accordance with the Commission's previous practice. Moreover, the Notifying Party has also provided market information on sub-segments of the different risk types further sub-segmenting the various risk classes.[10]

---

6 Case M.10447 – *NN / MetLife Greece / MetLife Poland*; Case M.10360 - *Assicurazioni Generali / Società Cattolica di Assicurazione*; Case M.9796 – *UNIQA / AXA (Insurance, Asset Management and Pensions – Czechia, Poland and Slovakia*; Case M.9531 – *Assicurazioni Generali / Seguradoras Unidas / Advancecare*; COMP/M.9056 - *Generali CEE/AS*; Case M.8905 - *AXA Group/Roland*; COMP/M.8617 - *Allianz / LV general insurance businesses*; Case M.8257 - NN *Group / Delta Lloyd*.

7 Case M.4701 - *Generali / PPF Insurance Business*, para. 30; IV/M.862 - *AXA / UAP*.

8 Case M.8617 - *Allianz / LV general insurance businesses*; Case M.6957 - *IF P&C/ TopDanmark*; Case M.6053 - *CVC/Apollo/Brit Insurance*; Case M.4284 *AXA/Winterthur*.

9 Case M.8905 - *AXA Group / Roland*; Case M.9056 - *Generali CEE / AS.*

10 Form CO, Section 6.

4.2.1.3. The Commission's assessment

(11) A large majority of customers[11] and all competitors[12] responding to the market investigation confirmed that the market for non-life insurance is best delineated along the various non-life insurance classes as laid down in national legislation. In the case of Portugal this would entail a delineation along the insurance classes as provided for in the *Regime Jurídico de Acesso e Exercício da Atividade Seguradora e Resseguradora*, (RJASR), which reflect the delineation contemplated by the Commission in its previous decisions (see recital (9)).

(12) The Commission considers that there is no reason to depart from the past decisional practice and the exact product market definition for the provision of non-life insurance can be left open in this case, as the Transaction does not raise serious doubts as to its compatibility with the internal market under any plausible market definition.

4.2.2. Relevant geographic market

4.2.2.1. The Commission's previous practice

(13) Regarding the provision of non-life insurance in the segments affected by this Transaction, in its prior practice the Commission considered that the markets are generally national in scope (except for MAT insurance, where it considered an EEA-wide market due to the cross-border nature of the insured risk).[13]

4.2.2.2. The Notifying Party's views

(14) The Notifying Party takes no view on the exact market definition.[14]

4.2.2.3. The Commission's assessment

(15) In response to the market investigation, all competitors[15] and a large majority of customers[16] consider that competition takes place at the national level.

(16) This confirms the geographic scope of the non-life insurance markets or segments affected by the Transaction[17] as previously considered by the Commission.

(17) In any event, while the geographic scope of the market is not narrower than national, the exact geographic market definition for the provision of non-life insurance can be left open in this case, as the Transaction does not raise serious doubts as to its compatibility with the internal market under any market definition.

---

11 Replies to eRFI questionnaire for customers, question C.1.
12 Replies to eRFI questionnaire for competitors, question C.1.
13 Case M.10360 - *Assicurazioni Generali / Società Cattolica di Assicurazione,* para. 29.
14 Form CO, paragraph 148.
15 Replies to eRFI questionnaire for competitors, question D.1.
16 Replies to eRFI questionnaire for customers, question D.1.
17 For the sake of clarity, MAT insurance is not among the markets affected by the Transaction.

4.3. Personal injury claims management services

4.3.1. Relevant product market

(18) The Transaction gives rise to a vertical link between AdvanceCare (part of Generali Group) upstream, which provides personal injury claims management services to insurance companies downstream, including providers of workers' compensation insurance (which fall within accident and sickness insurance), where both Parties are active.

4.3.1.1. The Commission's previous practice

(19) The Commission has not previously considered personal injury claims management services. However, it has considered the broader market for health insurance management services,[18] where it found that in-house and third-party provision of health insurance management services should be considered part of the same product market.[19]

(20) The Portuguese Competition Authority has considered personal injury claims management services and concluded that they form a separate product market from the broader market for health insurance management services.[20] In reaching this conclusion, the Portuguese Competition Authority referenced the Commission's past decisions relating to the market for underwriting risk and management services on behalf of insurers/reinsurers, which the Commission considered as a relevant market distinct from the insurance/reinsurance market, but left open: (i) the possibility of segmenting it further according to the type of risks covered; and (ii) the possibility of widening the market to services self-supplied internally by insurers.[21]

4.3.1.2. The Notifying Party's views

(21) The Notifying Party submits that the product market for personal injury claims management services is a separate product market that includes both the independent provision of such services and equivalent services provided in-house by insurers. The option to outsource these management services or to provide them in-house is driven predominantly by cost efficiency concerns and, in that context, internal provision of the relevant insurance and personal injury claims management services by insurers poses a significant competitive constraint on the operations of independent third-party providers such as the Generali subsidiary AdvanceCare.[22]

---

18 Health insurance management services consist of administrative and management services (such as claims management, health provider network negotiations, contracts maintenance and management, payment management and complaints handling) to insurance companies as well as managing access to a designated health network for health insurance policy holders and corporate entities. Case M.9531 – *Assicurazioni Generali / Seguradoras Unidas / Advancecare*.

19 Case M.9531 – *Assicurazioni Generali / Seguradoras Unidas / Advancecare*.

20 Decision of the Portuguese Competition Authority dated 26 June 2015 in Case Ccent. 20/2015 – *Calm Eagle / AdvanceCare*.

21 Case M.5010 – *Berkshire Hathaway/Munich Re/GAUM*; Case M.6053 – *CVC/Apollo/Brit Insurance*, Case M.3035 – *Berkshire Hathaway/Converium/GAUM/JV*.

22 Form CO, paragraph 161.

4.3.1.3. The Commission's assessment

(22) A product market for personal injury claims management services as a separate product market that includes both the independent provision of such services and equivalent services provided in-house by insurers is not inconsistent with the Commission's past decisions.[23]

(23) In any event, the exact product market definition for the provision of personal injury claims management services can be left open in this case, as the Transaction does not raise serious doubts as to its compatibility with the internal market under any plausible market definition, regardless of whether personal injury management services should include services provided in-house or not.

4.3.2. Relevant geographic market

4.3.2.1. The Commission's previous practice

(24) The Commission has not previously considered the geographic market for personal injury claims management services. In relation to the broader market for health insurance management services, the Commission considered that the geographic market could be national in scope, but ultimately left the definition open. [24] In relation to the market for personal injury claims management services, the Portuguese Competition Authority also considered the relevant geographic market to be national, but ultimately left the definition open.[25]

4.3.2.2. The Notifying Party's views

(25) The Notifying Party takes no view on the exact market definition.[26]

4.3.2.3. The Commission's assessment

(26) In line with the Commission's precedents in health insurance management services and the Portuguese Competition Authority's precedents in personal injury claims management services, the Commission considers that the relevant geographic market is likely national in scope. However, while the geographic scope of the market is not narrower than national, the exact geographic market definition for the provision of personal injury claims management services can be left open in this case, as the Transaction does not raise serious doubts as to its compatibility with the internal market under any market definition.

5. COMPETITIVE ASSESSMENT

5.1. Analytical framework

(27) Article 2 of the Merger Regulation requires the Commission to examine whether notified concentrations are compatible with the internal market, by assessing whether they would significantly impede effective competition in the internal market or in a substantial part of it.

---

23 Case M.9531 – *Assicurazioni Generali / Seguradoras Unidas / Advancecare*.

24 Case M.9531 – *Assicurazioni Generali / Seguradoras Unidas / Advancecare*.

25 Decision of the Portuguese Competition Authority dated 26 June 2015 in Case Ccent. 20/2015 – *Calm Eagle / AdvanceCare.*

26 Form CO, paragraph 163.

(28) In this respect, a merger may entail horizontal and/or non-horizontal effects. Non-horizontal effects are those deriving from a concentration where the undertakings concerned are active in different, but related, relevant markets.

(29) A case where a merger entails both horizontal and non-horizontal effects may for instance be when the merging firms are not only in a vertical relationship, but are also actual or potential competitors of each other in one or more of the relevant markets concerned. In such a case, the Commission will appraise horizontal and vertical effects in accordance with the guidance set out in the relevant notices.[27]

(30) As regards the assessment of horizontal overlaps, the Commission's guidelines on the assessment of horizontal mergers under the Council Regulation on the control of concentrations between undertakings (the "Horizontal Merger Guidelines")[28] distinguish between two main ways in which mergers between actual or potential competitors on the same relevant market may significantly impede effective competition, namely non-coordinated and coordinated effects.

(31) Non-coordinated effects may significantly impede effective competition by eliminating important competitive constraints on one or more firms, which consequently would have increased market power, without resorting to coordinated behaviour. In that regard, the Horizontal Merger Guidelines consider not only the direct loss of competition between the merging firms, but also the reduction in competitive pressure on non-merging firms in the same market that could be brought about by the merger.

(32) Coordinated effects may change the nature of competition in such a way that firms that previously were not coordinating their behaviour, are now significantly more likely to coordinate and raise prices or otherwise harm effective competition. A merger may also make coordination easier, more stable or more effective for firms which were coordinating prior to the merger.[29]

(33) As regards non-horizontal mergers, the Commission's guidelines on the assessment of non-horizontal mergers under the Council Regulation on the control of concentrations between undertakings (the "Non-Horizontal Merger Guidelines")[30] consider vertical mergers involving companies operating at different levels of the supply chain.[31]

(34) There are two main ways in which non-horizontal mergers may significantly impede effective competition: non-coordinated effects and coordinated effects.[32]

(35) Non-coordinated effects may principally arise when non-horizontal mergers give rise to foreclosure.[33]

---

27 Non-Horizontal Merger Guidelines, recital 7.

28 Guidelines on the assessment of horizontal mergers under the Council Regulation on the control of concentrations between undertakings ("Horizontal Merger Guidelines"), OJ C 31, 05.02.2004, p.5-18.

29 Horizontal Merger Guidelines, recital 22.

30 Guidelines on the assessment of non-horizontal mergers under the Council Regulation on the control of concentrations between undertakings ("Non-Horizontal Merger Guidelines"), OJ C 265, 18.10.2008, p.6-25.

31 Non-Horizontal Merger Guidelines, recital 4.

32 Non-Horizontal Merger Guidelines, recital 17.

33 Non-Horizontal Merger Guidelines, recital 18.

(36) Coordinated effects may arise in situations where competition changes as referred to in recital (32).[34]

(37) A merger may result in foreclosure where actual or potential rivals' access to supplies or markets is hampered or eliminated as a result of the merger, thereby reducing these companies' ability and/or incentive to compete. Two forms of foreclosure can be distinguished. The first is where the merger is likely to raise the costs of downstream rivals by restricting their access to an important input (input foreclosure). The second is where the merger is likely to foreclose upstream rivals by restricting their access to a sufficient customer base (customer foreclosure).[35]

(38) Input foreclosure arises where, post-merger, the new entity would be likely to restrict access to the products or services that it would have otherwise supplied, absent the merger, thereby raising its downstream rivals' costs by making it harder for them to obtain supplies of the input under similar prices and conditions as absent the merger. This may lead the merged entity to profitably increase the price charged to consumers, resulting in a significant impediment to effective competition.[36] In assessing the likelihood of an anticompetitive input foreclosure scenario, the Commission examines, first, whether the merged entity would have, post-merger, the ability to substantially foreclose access to inputs, second, whether it would have the incentive to do so, and third, whether a foreclosure strategy would have a significant detrimental effect on competition downstream.[37]

(39) Customer foreclosure may occur when a supplier integrates with an important customer in the downstream market. Because of this integration, the merged entity may foreclose access to a sufficient customer base to its actual or potential rivals in the upstream market and reduce their ability or incentive to compete. In turn, this may raise downstream rivals' costs by making it harder for them to obtain supplies of the input under similar prices and conditions as absent the merger. This may allow the merged entity profitably to establish higher prices on the downstream market.[38] In assessing the likelihood of an anticompetitive customer foreclosure scenario, the Commission examines, first, whether the merged entity would have the ability to foreclose access to downstream markets by reducing its purchases from its upstream rivals, second, whether it would have the incentive to reduce its purchases upstream, and third, whether a foreclosure strategy would have a significant detrimental effect on consumers in the downstream market.[39]

---

34 Non-Horizontal Merger Guidelines, recital 19.
35 Non-Horizontal Merger Guidelines, recital 30.
36 Non-Horizontal Merger Guidelines, recital 31.
37 Non-Horizontal Merger Guidelines, recital 32.
38 Non-Horizontal Merger Guidelines, recital 46.
39 Non-Horizontal Merger Guidelines, recital 59.

5.2. Assessment of horizontal effects

(40) The Transaction gives rise to the following horizontally affected markets or segments of markets within non-life insurance:[40]

Products and plausible segments	Geographic scope	Generali	Liberty Seguros	Combined
1. Provision of workers' compensation insurance (a sub-segment of accident and sickness insurance within non-life insurance)	Portugal	27.7%	3.2%	**30.9%**
2. Provision of motor insurance[41]	Portugal	21.7%	6.3%	**28.0%**
3. Provision of other damage to property ("ODP") commercial – multiple risks insurance (a subsegment of property insurance)	Portugal	21.8%	4.3%	**26.1%**

5.2.1. Workers' compensation insurance

(41) Workers' compensation insurance is a legally mandatory insurance for employers to cover employment related accidents. Workers' compensation insurance is a subsegment of the broader market for accident and sickness insurance, which is not affected by the Transaction. Table 1 below sets out the ten largest providers of workers' compensation insurance in Portugal.

Table 1: Providers of Workers' Compensation Insurance

#	2022	Gross Written Premiums ('GWP') €m	%
	Market	1 027.20	100.0%
	Combined entity	***316.48***	***30.9%***
1	Fidelidade	286.62	27.9%
2	**Generali**	**284.11**	**27.7%**
3	Allianz	99.39	9.7%
4	Ageas	90.58	8.8%
5	Zurich Insurance	60.48	5.9%

[40] Several horizontal overlaps do not give rise to affected markets within the meaning of recital 25(g) of the introduction of Annex I to Regulation (EU) 2023/914, as they meet the conditions for review under points 5(d)(i) and 5(d)(ii) of the Notice on Simplified Procedure, based on combined market shares below 20% and/or a combined market share below 50% and an HHI delta below 150: (i) accident and sickness insurance; (ii) property insurance; (iii) MAT insurance; ; (iv) credit and suretyship; (v) liability insurance, (vi) travel insurance, (vii) cargo insurance, and (viii) a general non-life insurance market. Therefore, these overlaps will not be discussed in this Decision.

[41] Even if the market for the provision of motor insurance was further delineated between small and large vehicles or individual and group insurance the combined market shares or increment would not be significantly higher. This segment includes both motor insurance sold alone and motor insurance sold in a bundle with roadside assistance.

#	2022	Gross Written Premiums ('GWP') €m	%
6	Lusitania Seguros	60.05	5.9%
7	Caravela	36.69	3.6%
8	**Liberty Seguros**	**32.37**	**3.2%**
9	CA Seguros	29.56	2.9%
10	Una Seguros	18.56	1.8%

Source: *Form CO, ASF, Annex 6.3-1, page 34.*

5.2.1.1. The Notifying Party's views

(42) The Notifying Party submits that no horizontal competition concerns will arise on the market for workers' compensation insurance considering the low increment (3.2%) brought by the Target and the fact that several competitors will remain on the market post-Transaction including Fidelidade (27.9%), Allianz (9.7%), Ageas (8.8%), Zurich (5.9%) and Lusitania Seguros (5.9%). Further, the Notifying Party submits that the market share of Liberty Seguros has decreased from 2019 to 2022 showing that the Target's relevance in the market has been declining (from 5.6% in 2019 to 3.2% in 2022).[42]

5.2.1.2. The Commission's assessment

(43) The majority of competitors and customers who responded to the market investigation consider that the combined entity will continue to face sufficient rivals post-Transaction.[43] The vast majority of competitors further consider that the barriers for rival non-life insurance providers to expand in the workers' compensation insurance market in Portugal are low.[44] The market investigation revealed no substantiated competition concerns from customers or competitors in connection with the worker's compensation insurance market in Portugal.

(44) The Commission observes that, while the combined entity will be the largest insurance company providing workers' compensation insurance in Portugal, the market share of the combined entity is just over 30% (30.9%) and several competing insurance providers will remain on the market post-Transaction, including the current number one player Fidelidade with 27.9%. Moreover, the increment brought about by Liberty Seguros is limited (3.2%).

(45) In light of the above, the Commission concludes that the Transaction does not give rise to serious doubts as to its compatibility with the internal market as regards the possible relevant market for the provision of workers' compensation insurance.

42 Form CO, paragraph 221.

43 Replies to eRFI questionnaire for competitors, question E.3, and replies to eRFI questionnaire for customers, question E.3.

44 Replies to eRFI questionnaire for competitors, question E.4.

5.2.2. *Motor insurance*

(46) Motor insurance encompasses both casco (casualty and collision) and liability insurance as well as persons carried and goods in transit insurance. Table 2 below sets out the ten largest providers of motor insurance in Portugal.

Table 2: Providers of Motor Insurance

#	2022	GWP €m	%
	Market	1 966.04	100.0%
	Combined entity	***550.84***	***28.0%***
1	Fidelidade	549.15	27.9%
2	**Generali**	**426.69**	**21.7%**
3	Ageas	236.20	12.0%
4	Zurich Insurance	185.86	9.5%
5	Allianz	151.32	7.7%
6	**Liberty Seguros**	**124.15**	**6.3%**
7	Lusitania Seguros	79.47	4.0%
8	Caravela	68.06	3.5%
9	Mapfre	47.35	2.4%
10	CA Seguros	42.83	2.2%

Source: *Form CO, ASF,* ***Annex*** *6.3-1, page 37*

5.2.2.1. The Notifying Party's views

(47) The Notifying Party submits that no horizontal competition concerns will arise in the market for motor insurance considering the relatively low increment brought about by the Target (6.3%) and the fact that several competitors will remain on the market post-Transaction including Fidelidade (27.9%), which will only be slightly behind the combined entity (28%). Further, the Notifying Party submits that the market share of Liberty Seguros has decreased from 2019 to 2022 showing that the Target's relevance in the market has been declining (in casco from 7.9% in 2019 to 6.1% in 2022 and in liability from 7.1% in 2019 to 6.1% in 2022).[45]

5.2.2.2. The Commission's assessment

(48) The majority of competitors and customers who responded to the market investigation consider that the combined entity will continue to face sufficient rivals post-Transaction.[46] The vast majority of competitors further consider that the barriers for rival non-life insurance providers to expand in the motor insurance market in Portugal are low.[47] The market investigation revealed no substantiated competition concerns from customers or competitors in connection with the motor insurance market in Portugal.

---

45 Form CO, paragraphs 227-229.

46 Replies to eRFI questionnaire for competitors, question E.7, and replies to eRFI questionnaire for customers, question E.6.

47 Replies to eRFI questionnaire for competitors, question E.8.

(49) The Commission observes that while the combined entity will be the largest insurance company providing motor insurance in Portugal, the market share of the combined entity is below 30% and various other competing insurance providers will remain on the market post-Transaction, most notably Fidelidade with 27.9%. Moreover, the increment brought about by Liberty Seguros is moderate (6.3%).

(50) In light of the above, the Commission concludes that the Transaction does not give rise to serious doubts as to its compatibility with the internal market as regards the possible relevant market for the provision of motor insurance.[48]

5.2.3. ODP - commercial multiple risks insurance

(51) ODP insurance covers damage to or loss of property due to hail, frost, and any event such as theft, not covered by fire and natural forces insurance. ODP insurance is a subsegment of the broader segment of property insurance. Both ODP and property insurance are not affected by the Transaction. In the subsegment for ODP - commercial multiple risks,[49] the Parties have a market share below 30% (26.1%). Table 3 below sets out the ten largest providers of ODP – commercial multiple risks insurance in Portugal.

Table 3: Providers of ODP Commercial - Multiple Risks Insurance

#	2022	GWP €m	%
	Market	173.80	100.0%
	Combined entity	***45.34***	***26.1%***
1	Fidelidade	40.04	23.0%
2	**Generali**	**37.82**	**21.8%**
3	Ageas	31.62	18.2%
4	Zurich Insurance	12.62	7.3%
5	Allianz	12.42	7.1%
6	CA Seguros	7.82	4.5%
7	**Liberty Seguros**	**7.51**	**4.3%**
8	Lusitania Seguros	6.72	3.9%
9	Mapfre	4.61	2.6%
10	Caravela	4.46	2.6%

Source: *Form CO, APS,* ***Annex*** *6.3-2, page 66*

48 This conclusion does not change even if the motor insurance market is further segmented between casco and liability insurance, in which the combined market shares are 26.9% (for casco) and 27.9% (for liability) or between small vehicles and large vehicles, in which the combined market shares are [20-30]% (for small vehicles) and [20-30]% (for large vehicles). The increment brought about by Liberty Seguros is moderate or limited also in all these segments: 6.1% (for casco), 6.1% (for liability), [5-10] % (for small vehicles) and [0-5]% (for large vehicles).

49 Other sub-segments of ODP are ODP Multiple Risks, ODP Multiple Risks Home and ODP Multiple Risks Industrial.

5.2.3.1. The Notifying Party's views

(52) The Notifying Party submits that the property insurance market as a whole or its subsegment ODP insurance (without further segmentation) are not affected by the Transaction.[50] According to the Notifying Party no competition concerns will arise in the market for ODP - commercial multiple risks insurance considering that there will remain several other relevant operators active in this segment post-Transaction, such as Fidelidade (23.0%), Ageas (18.2%), Zurich (7.3%), Allianz (7.1%) and CA Seguros (4.5%).[51]

5.2.3.1. The Commission's assessment

(53) In response to the market investigation, no competitors or customers voiced concerns relating to the ODP insurance market.

(54) The Commission observes the market share of the combined entity is below 30% in ODP – commercial multiple risks insurance (26.1%) and various other competing insurance providers will remain on the market post-Transaction, including the market leader Fidelidade at 23% and Ageas at 18.2%. Moreover, the increment brought about by Liberty Seguros is limited (4.3%).

(55) In light of the above, the Commission concludes that the Transaction does not give rise to serious doubts as to its compatibility with the internal market as regards the possible relevant market for the provision of ODP - commercial multiple risks insurance.

5.3. Assessment of vertical links

(56) The Transaction gives rise to a vertical link between the personal injury claims management services provided by AdvanceCare (part of Generali Group that provides management services related to personal injury claims and to the determination of injured persons' subsequent incapacity levels)[52] upstream, to insurance companies downstream providing workers' compensation, motor, personal accident, and life insurance downstream. Of these, the vertical link between AdvanceCare's activities upstream and the combined entities' activities in workers' compensation insurance downstream, where the Parties' combined market share is over 30% (although only by a small margin, see Section 5.2.1 above) give rise to an affected vertical market.

5.3.1. The Notifying Party's views

(57) The Notifying Party submits that, with a marginal market share ([0-5]%) and […] turnover (EUR […] in 2022) AdvanceCare is a small player in the market for personal injury claims management services. Moreover, there is no actual vertical link because AdvanceCare […] to Generali, as Generali […] these services. The Parties submit that internal provision of the relevant insurance and personal injury

50 The Parties' combined market shares in the property insurance market and the ODP insurance market are 18.1% in both of these markets.

51 Form CO, paragraphs 235 and 236.

52 This activity consists, notably, of integrating all the information and process flow management for a given claim on a management platform, allowing for that information to be shared in a coordinated fashion between AdvanceCare, the insurer and the healthcare providers. AdvanceCare also determines percentage levels for permanent and temporary incapacities and the injured person has access to the AdvanceCare designated network of healthcare providers.

claims management services by insurers poses a significant competitive constraint on the operations of AdvanceCare.[53]

(58) The Transaction is therefore unlikely to result in any anticompetitive vertical effects.

5.3.2. Commission's assessment

(59) In response to the market investigation, no competitors or customers voiced concerns relating to AdvanceCare's provision of personal injury claims management services or that the Transaction might impact the supply of these services.

(60) Moreover, AdvanceCare only has a small market share of [0-5]% and is subject to significant competition in the market for personal injury claims management services for workers' compensation insurance from Fidelidade, ([20-30]% market share), Trust ([10-20]% market share), Allianz ([5-10]% market share), and Lusitânia ([5-10]% market share).

(61) In terms of input foreclosure, it is unlikely that AdvanceCare would be able to foreclose the Parties' downstream rivals from accessing personal insurance management services post-Transaction, given its limited market position and that customers could easily switch to an alternative supplier, including in-house suppliers. Furthermore, AdvanceCare would not have an increased incentive to engage in input foreclosure, as the combined entity's share in the downstream market for workers' compensation insurance will only be increasing by an increment of 3.2% from Liberty Seguros and will remain moderate at 30.9%.[54]

(62) In terms of customer foreclosure, given the small increment in the upstream market for personal injury claims management services and that the combined market share in the downstream market for workers' compensation insurance is only slightly above 30% (30.9%), the combined entity would not have the ability to foreclosure its upstream rivals by restricting their rivals' access to a significant customer base.[55] Furthermore, the combined entity would not have the incentive to foreclosure these rivals, as its main competitors, Fidelidade, Ageas and Allianz, currently operate vertically integrated businesses, effectively creating their own customer base for personal injury claims management services that would not be affected by the Transaction.

(63) In light of the above considerations, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market as a result of either input or customer foreclosure on the markets for personal injury claims management services (upstream) and workers' compensation insurance (downstream) in Portugal.

53 Form CO, paragraph 323.
54 Non-Horizontal Merger Guidelines, recital 43.
55 Non-Horizontal Merger Guidelines, recital 70.

6. CONCLUSION

(64) 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
Executive Vice-President