

[CONTAINS BUSINESS SECRETS]

## **SIMPLIFIED NOTIFICATION OF CONCENTRATION BETWEEN UNDERTAKINGS**

PURSUANT TO THE NORWEGIAN COMPETITION ACT SECTION 18 (1) AND  
THE FILING REGULATION SECTION 3 (1) NO. 3 LETTER (A) AND (B)

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Concerning the acquisition by

**ERGO International AG**

of sole control of

**Storebrand Helseforsikring AS**

5 October 2023

**Arntzen de Besche Advokatfirma AS**

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## CONTENTS

1	SUMMARY .....	3
2	CONTACT INFORMATION.....	4
3	REASON FOR SIMPLIFIED NOTIFICATION.....	4
4	THE CONCENTRATION.....	5
5	THE UNDERTAKINGS CONCERNED .....	6
6	THE RELEVANT MARKETS.....	10
7	EFFICIENCY GAINS.....	17
8	NOTIFICATION OF THIS CONCENTRATION TO OTHER AUTHORITIES.....	17
9	ANNUAL REPORT AND FINANCIAL STATEMENTS.....	17
10	CONFIDENTIALITY – BUSINESS SECRETS.....	17
11	CLOSING REMARKS.....	18

## 1 SUMMARY

This notification concerns the acquisition by ERGO International AG ("**ERGO**") of sole control over Storebrand Helseforsikring AS ("**Storebrand Helseforsikring**" or the "**Target**") from Storebrand ASA (the "**Seller**"), hereafter referred to as the "**Concentration**". ERGO and the Target will be referred to as the "**Parties**".

The Target is currently jointly owned by the Seller (50 %) and ERGO (50 %), a subsidiary of the Munich Re Group ("**Munich Re**") which in turn is a subsidiary of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München (the ultimate parent company of the Munich Re group).

ERGO Insurance Group is Munich Re's main primary insurance division. The Concentration concerns acquiring the remaining 50 % share in Target and involves a change from joint to sole control, cf. the Competition Act section 17 (1) b.

ERGO is one of the major insurance groups in Germany and Europe. The Group is represented in more than 25 countries worldwide, concentrating on core and growth markets in Europe and Asia. ERGO offers a comprehensive range of insurances, pensions, investments and services. In its home market of Germany, ERGO is one of the leading providers in the life, non-life and health segments with a comprehensive range of products.

The Storebrand Group is a financial group active in the Nordic market for long-term savings and insurance. The Storebrand Group offers pension, savings, insurance and banking products to individuals, businesses and public enterprises. The Target offers health insurance in corporate and retail markets in Norway and Sweden. The Target conducts its business through the head office in Norway and a branch office in Sweden.

The Concentration concerns the product segment for health insurance to private customers, business customers and public enterprises in Norway. The notifying party submits that competition for the provision of health insurance products and services takes place at the overall level of health insurance, since many insurers offer policies covering several risk areas and categories. The notifying party considers that the health insurance market in Norway should not be further segmented by customer type.

There are no horizontal overlaps (competing business) between ERGO/Munich Re and the Target in the relevant product market. ERGO is only active in the Norwegian market through its ownership in the Target.

Irrespective of the market definition(s) adopted, the Parties submit that the Concentration will not lead to a significant impediment to effective competition in Norway as explained in section 6 of the notification.

## 2 CONTACT INFORMATION

### 2.1 Notifying party (Buyer)

Name: ERGO International AG  
Corporate identity number: HRB 40871  
Business address: ERGO-Platz 1  
40198 Düsseldorf  
Germany

#### Representative

Name: Arntzen de Besche Advokatfirma AS  
Contact persons: Stein Ove Solberg / Paul Gunnar Hagelund  
Postal address: PO 2734 Solli, 0204 Oslo  
E-mail: [sos@adeb.no](mailto:sos@adeb.no) / [pgh@adeb.no](mailto:pgh@adeb.no)  
Phone: 98 29 45 89 / 91 52 96 03

We kindly ask that any contact with the notifying party concerning the Authority's assessment of the Concentration is done through Arntzen de Besche Advokatfirma AS.

### 2.2 Other undertakings concerned (Target)

Name: Storebrand Helseforsikring AS  
Organisation no: 980 126 196  
Business address: Professor Kohts vei 9, 1366 Lysaker  
Postal address: Professor Kohts vei 9, 1366 Lysaker

#### Representative

Name: Advokatfirmaet Thommessen  
Contact persons: Eivind J. Vesterkjær  
Postal address: PO 1484 Vika, 0116 Oslo, Norway  
E-mail: [eve@thommessen.no](mailto:eve@thommessen.no)  
Phone: 90 96 68 43

## 3 REASON FOR SIMPLIFIED NOTIFICATION

The Parties are not engaged in business activities in the same product and geographic market (horizontal overlap). Furthermore, the Parties' combined market share is below 30% in a product market which is upstream or downstream from a product market in which any other party to the concentration is engaged (vertical overlap). Therefore, the Concentration may be notified by way of a simplified notification even though the transaction exceeds the thresholds in Section 18 of the Norwegian Competition Act, cf. Section 3 (1) no. 3 of the Regulation on the Filing Obligation.

The Concentration also concerns a transition from joint control to sole control in the same undertaking, which is subject to the simplified notification procedure, cf. Regulation on the Filing Obligation Section 3 (1) no. 2.

The Concentration does not raise competition concerns in any relevant market and is suitable for treatment under the simplified procedure.

## 4 THE CONCENTRATION

### 4.1 Overview of the proposed Concentration

Under the proposed Concentration, ERGO will acquire the remaining 50 % of the shares in the jointly owned Storebrand Helseforsikring from the Seller. Following the implementation of the Concentration, ERGO will directly own 100 % of the shares in Storebrand Helseforsikring and will exercise sole control over the Target business.

A Share Purchase Agreement (the “SPA”) was signed by ERGO and the Seller on 21 September 2023, which is included as Exhibit 1 below:

**Exhibit 1**      Share Purchase Agreement between ERGO and the Seller  
(confidential).

The Target will be solely controlled by ERGO, as the Seller will not retain any corporate governance rights in the Target that would vest it with (either sole or joint) control over the Target. [REDACTED]

### 4.2 Strategic and economic rationale for the Concentration

ERGO’s strategic aim is to continue growing profitably and to become one of the top primary insurers in Europe as regards return on equity (RoE).

ERGO would like to further enhance its presence on the Norwegian insurance market and safeguard the value that has been built up over more than 25 years in the distribution of health insurance by ERGO and Storebrand in Norway and Sweden. ERGO wants to continue to generate attractive revenues and income for the distribution of health insurance in the region. Companies in the Storebrand group shall continue to act as a distributor of health insurance products in Norway (and Sweden). [REDACTED]

[REDACTED] The Concentration would allow ERGO to manage and control the distribution of health insurance products in Norway from a first-hand perspective.

ERGO aims at further increasing its competitive strength by transferring technology-based solutions and enhancing cross-border synergies. ERGO will continue to rely on external and internal resources in generating innovative business ideas to further expand the business model along the entire insurance value chain and unlock growth potential in the digital world.

#### **4.3 Implementation timetable**

Closing is intended to occur during the first quarter of 2024 (for financial reporting reasons) and is conditional upon *inter alia* the Competition Authorities having cleared the Concentration, as set forth in the SPA. Until closing is completed, the Parties will act independently of each other and respect the standstill obligation.

### **5 THE UNDERTAKINGS CONCERNED**

#### **5.1 Munich Re/ERGO**

##### **5.1.1 Overview**

Munich Re is an international insurance company, which covers the entire value chain of reinsurance, primary insurance and insurance-ancillary risk solutions, and also offers asset management services.

The Munich Re group's three overall business divisions are (i) reinsurance, (ii) primary insurance, carried out in particular through Munich Re's wholly owned ERGO group, as well as (iii) asset management, carried out in particular through Munich Re's capital investment company MEAG. Munich Re is globally active and operates in all lines of the insurance business.

Munich Re's headquarters is located at: Königinstr. 107, 80802 Munich, Germany.

##### **5.1.2 Business areas**

###### **5.1.2.1 Munich Re**

Munich Re operates in all insurance lines of business, including in particular life, health and property-casualty business.

As a reinsurer, Munich Re writes business in direct collaboration with primary insurers, but also via third-parties, e.g. brokers. Munich Re also offers clients a wide range of customised insurance solutions and services.

Munich Re does business with over 4,000 corporate clients in more than 160 countries.

Munich Re's shares are listed on all German stock exchanges and on the Xetra electronic trading system. Munich Re is included in the DAX index at the Frankfurt Stock Exchange, the Euro Stoxx 50, and other indices.

Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München is the ultimate parent company of the Munich Re group. It is not controlled by any person or company. The largest shareholders of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München are BlackRock Inc. (with a shareholding of 7,01%) and The Goldman Sachs Group, Inc. (with a shareholding of 4,60%). Besides them, there are no other shareholders with a shareholding of 3% or more.<sup>1</sup>

Further information can be found at the following website: <https://www.munichre.com/en.html>

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<sup>1</sup> See [Notifications of Major Holdings | Munich Re](#)

### 5.1.2.2 ERGO

Via the ERGO business segments, Munich Re offers products in all main classes of insurance: life insurance, German health insurance, and in nearly all lines of property-casualty insurance, as well as travel insurance and legal protection insurance. These products are offered to private and corporate clients in combination with assistance, services and consultancy.

With 30,000 employees and sales representatives worldwide, ERGO Group AG offers customers a comprehensive spectrum of insurance. With gross written premiums amounting to €19.1bn ERGO Group generated about one third of the Munich Re Group's total gross written premiums in FY 2022.

Further information on ERGO can be found at the following website: <https://www.ergo.com/>

### 5.1.2.3 MEAG

MEAG MUNICH ERGO Asset Management GmbH manages Munich Re's investments worldwide and offers its expertise to private and institutional investors. MEAG handles all main asset classes. This includes interest-bearing securities, equities, real estate, renewable energies, and infrastructure.

Further information on MEAG can be found at the following website: [https://www.meag.com/index\\_en.html](https://www.meag.com/index_en.html)

### 5.1.3 Entities within the same corporate group

ERGO's German, international, direct and digital business are bundled under the umbrella of ERGO Group AG. ERGO serves some 39 million mostly retail customers in around 25 countries, with focus on Europe and Asia.

**ERGO Deutschland AG** concentrates on traditional insurance business in Germany.

**ERGO International AG** manages the Group's international business and is mainly responsible for monitoring, coordinating and managing ERGO's international activities.

The third pillar, **ERGO Digital Ventures AG**, is responsible for the Group's digital and direct activities, including online-only business (nexible).

### 5.1.4 Turnover figures and operating profits in Norway for last audited accounts

Turnover and operating profits 2022	Munich Re <sup>2</sup>
Turnover <sup>3</sup>	EUR [REDACTED]
Operating profits <sup>4</sup>	EUR [REDACTED]

Turnover and operating profits 2022	ERGO Group
Turnover	EUR [REDACTED]
Operating profits	EUR [REDACTED]

<sup>2</sup> The worldwide turnover (i.e. gross written premiums) of Munich Re group in 2022 were EUR [REDACTED]

<sup>3</sup> Turnover is calculated based on the Gross Written Premium (GWP).

<sup>4</sup> For completeness, Munich Re notes that in its accounting system certain parts of the operating profit are not broken down by country. Therefore, the Norway-specific operating profit figures in the present table and the tables that follow only partially reflect the accurate operating profit of the relevant groups/entities.

Turnover and operating profits 2022	ERGO International
Turnover	NOK <span style="background-color: black; color: black;">[REDACTED]</span>
Operating profits	EUR <span style="background-color: black; color: black;">[REDACTED]</span>

### 5.1.5 Trade Associations

ERGO is not a member of any trade associations in Norway.

## 5.2 Storebrand (the Seller)

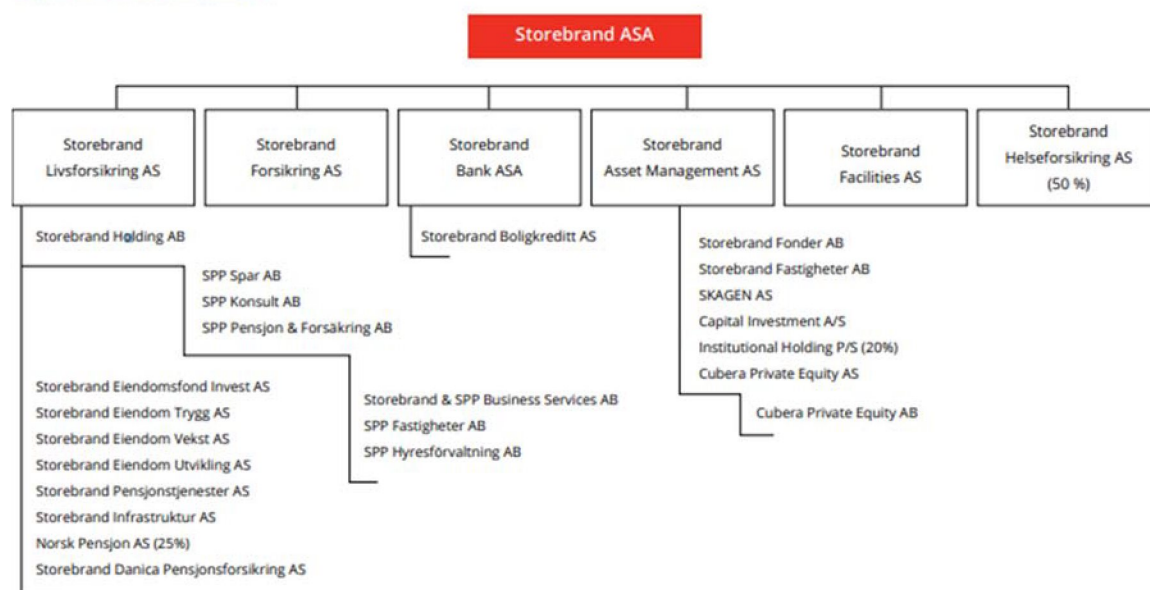
### 5.2.1 Overview

The Storebrand Group is a financial group active in the Nordic market for long-term savings and insurance. The Storebrand Group offer pension, savings, insurance and banking products to individuals, businesses, and public enterprises.

Storebrand ASA is a public company listed on the Oslo Stock Exchange.

The legal structure of the Storebrand Group is included in the organizational chart below:

#### Legal structure (simplified)



### 5.2.2 Business areas

The Storebrand Group's business is divided into four operational areas with a clear division of commercial responsibility: Corporate market Norway, Corporate market Sweden (SPP), Asset management, and Retail market Norway.

<sup>5</sup> Aside from the Target (Storebrand Helseforsikring), ERGO International is not active in Norway.



In the Storebrand Group's financial reporting, the business is divided into four reporting segments: Savings, Insurance, Guaranteed pension, and Other. Within each reporting segment, products have comparable performance elements and comparable risks.

**Savings** (non-guaranteed) includes Defined Contribution in Norway and Sweden, Asset Management and Bank products to the retail market. Savings (non-guaranteed) consequently includes results from legal entities Storebrand Life Insurance, SPP, Storebrand Asset Management and Storebrand Bank.

**Insurance** consists of insurance, health Insurance and the majority of risk products written within life and pension in Norway (Storebrand Livsforsikring AS), with the exception of risk coverage bundled to the guaranteed life products. Storebrand insurance offers standard property and casualty insurance products, one-year risk products and health insurance in the Norwegian retail market and workers' compensation and group life insurance for the corporate market. Storebrand Helseforsikring's product offering guarantees care and treatment within 10 working days and expenses are covered within the applicable terms and conditions. The mobile app "Bli Frisk" is the preferred communication channel with customers. Claims registration and treatment booking are made by customer self-service solutions. Some services which are related to the health journey can be accessed or bought through the app.

**Guaranteed pension** includes long-term pension savings products that give customers a guaranteed rate of return. The business area covers guaranteed pensions in Norway and Sweden, paid-up policies and closed books of individual capital and pension insurance.

**Other** includes the results of Storebrand ASA (holding company), smaller subsidiaries and the company portfolios of Storebrand Life Insurance and SPP. In addition, the results associated with corporate lending by Storebrand Bank (in run off) and the activities at pension company BenCo Ltd are reported in this segment.

## 5.2.3 Entities within the same corporate group

### 5.2.3.1 Storebrand ASA

Storebrand ASA is a Nordic financial group, headquartered in Oslo, Norway. Storebrand ASA are one of the largest private asset managers in the Nordic region, with over NOK 1,000 billion invested in more than 5,000 companies around the world.

Further information can be found at the following website: <https://www.storebrand.no/>.

### 5.2.3.2 Storebrand Helseforsikring (the Target)

Storebrand Helseforsikring is 50 % owned by Storebrand ASA and 50 % owned by ERGO International AG. Storebrand Helseforsikring offers health insurance products and services in the corporate and retail markets in Norway and Sweden.

Its head office is located at Professor Kohts vei 9, Lysaker, Bærum. The company conducts its business through the head office in Norway and the branch in Sweden.

## 5.2.4 Turnover figures and operating profits in Norway for last audited accounts

Turnover and operating profits 2022	Storebrand ASA
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Turnover <sup>6</sup>	MNOK	
Operating profits <sup>7</sup>	MNOK	

Turnover and operating profits 2022	Storebrand Helseforsikring
Turnover	MNOK
Operating profits/loss	MNOK

### 5.2.5 Trade associations

Storebrand Helseforsikring is a member of Finans Norge, which is the trade and employers' association for the financial industry in Norway and represents 260 financial companies with 50,000 employees. Finans Norge is associated with Norway's largest employers' organisation; the NHO (The Confederation of Norwegian Enterprise).

## 6 THE RELEVANT MARKETS

### 6.1 Overview

The Parties consider that the relevant product market for the purposes of this notification should be defined as the overall market for the sale of health insurance products and services to private customers, business customers and public enterprises in Norway.

The exact market definition can, however, be left open, as the Concentration will not significantly impede effective competition nor affect the Parties competitors, customers or suppliers in the relevant markets irrespective of the market definition.

### 6.2 Health insurance market in Norway

#### 6.2.1 The Parties' assessment on the definition of the relevant markets

A relevant product market comprises all those products and/or services which are regarded as substitutable by the consumers by reason of the products' characteristics, their prices and their intended use.

As a rule, substitutability of certain groups of goods/services is analysed from a consumer perspective i.e., the question is whether customers for the product in question can switch readily to a similar product in response to a small but permanent price increase (demand-side substitutability). However, substitutability is analysed from a supplier point of view when suppliers can readily switch production to the relevant products and sell them on the relevant market (supply-side substitutability).

In previous decisions, the Commission has distinguished between three broad categories of insurance products: (i) life insurance, (ii) non-life insurance and (iii) reinsurance.<sup>8</sup> Life insurance is

<sup>6</sup> Turnover is based on the Gross Written Premium in Norway.

<sup>7</sup> Operating profits is based on results of technical accounting.

<sup>8</sup> Case M.8617 – Allianz / LV General Insurance Businesses, para. 8; Case M.9796 – Uniq/Axa (Insurance, Asset Management and Pensions – Czechia, Poland and Slovakia), para. 7; Case M.9531 – Assicurazioni Generali/Seguradoras Unidas/AdvanceCare, para. 9; Case M.7478 – Aviva/Friends Life/Telenet, para 12; Case M.6883 – Canada Life/Irish Life, para. 9.

a type of insurance that pays a death benefit to the beneficiary. Non-life insurance, on the other hand, is an insurance policy that covers risks other than death. Reinsurance, or insurance for insurers, transfers risk to another company to reduce the likelihood of large payouts for a claim.

The Commission's precedents typically consider a distinction between the following non-life insurance segments: (i) accident and sickness, (ii) motor vehicle, (iii) property, (iv) liability, (v) marine, aviation and transport (MAT), (vi) credit and suretyship, and (vii) travel insurance.

The Commission has also considered the definition of a downstream market for insurance distribution, upstream markets for asset management and pensions' administration, and considered assistance services as distinct from the provision of non-life insurance products.<sup>9</sup>

The Commission has also considered that, from a demand side perspective, the characteristics and purpose of the different types of insurance are distinct, and that there is typically no substitutability between different types of insurance from a customer perspective. However, the Commission also observed that from a supply-side perspective that there exists a degree of substitutability between various types of non-life insurance products, since the conditions for the supply of non-life insurance for certain types of risks are quite similar and most large non-life insurers are active in several types of risk coverage.<sup>10</sup>

Both accident and sickness insurance, which is referred to in previous Commission decisions under non-life insurance, and health insurance, as described in the present transaction, fits within the same classification for the purpose of defining the relevant market relevant for this Concentration.

The Concentration concerns the product segment for the sale of health insurance to private customers, business customers and public enterprises in Norway. The notifying party submits that competition for the provision of health insurance products and services takes place at the overall level of health insurance, since many insurers offer policies covering several risk areas and categories. Similarly, insurance companies that provide health insurance to individual customers are also able to provide health insurance to group customers (and vice versa) without significant investments. The production and marketing of health insurance products is a specialised activity from a supply side perspective. From a demand side perspective, no other insurance product is an effective substitute for health insurance because the latter provides a distinct type of insurance cover. Accordingly, health insurance does not compete with other types of non-life insurance in Norway because it is not substitutable at least from a demand side perspective.

The principal purpose of health insurance is to provide cover for the actual cost of medical services, and therefore provide indemnity cover in respect of actual charges for medical services, as well as to give customers (prioritised) access to such services.

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<sup>9</sup> Case M.9796 – Uniq/Axa (Insurance, Asset Management and Pensions – Czechia, Poland and Slovakia), para. 7. Case M.8257 – NN Group/Delta Lloyd, paras. 108-115

<sup>10</sup> Case M.9432 – Allianz Holdings/Legal and General Insurance, para. 8. Case M.8257 – NN Group/Delta Lloyd, paras. 72. and 305.

The narrowest possible relevant markets affected by the Concentration is the market for sale of health insurance to different customers groups, namely to (i) private customers, (ii) businesses and (iii) public enterprises.<sup>11</sup>

The notifying party submits that it would be inappropriate to further segment the health insurance market by customer type (i.e. consumer versus corporate), as supply-side substitutability exists: (i) the same competitor set offers services to all customer types, and (ii) insurers rely on the same resources (e.g. IT systems and personnel) in order to service all customer types. Further, the market conditions in Norway are such that a differentiation by customer type is not relevant because the regulatory regime means that every health insurance product is available for purchase by any customer (consumer or corporate), regardless of whether that product was designed for or targeted at a particular customer type.

Considering all the above, the notifying party considers that the health insurance market in Norway should not be further segmented by customer type.

With regard to the reinsurance market, in which Munich Re generates Norwegian turnover inter alia through an agreement with Storebrand Helseforsikring<sup>12</sup>, the notifying party submits – in line with case law of international competition authorities – that the reinsurance market is a worldwide market that is not broken down by type of risk/line of business. However, even if the reinsurance market was to be broken down by country and based on the different product offerings within life and non-life segments, the narrowest hypothetically conceivable markets would be the market for reinsurance of health policies in Norway.

Still, the exact definition of the relevant product market for the sale of health insurance can be left open as the Concentration will not significantly impede effective competition in the relevant markets irrespective of the exact market definition.

#### **6.2.2 The Parties' assessment of the relevant geographical market**

A relevant geographic market comprises the area in which the undertakings concerned are involved in the supply and demand of products or services and in which the conditions of competition are sufficiently homogeneous, and which can be distinguished from neighbouring areas because the conditions of competition are appreciably different in those areas.

Regarding the geographic scope of the market relevant to the Concentration for purposes of this Notification, the notifying party considers that the relevant geographic market is defined as at least national in scope.

The notifying party submits that the market for the sale of health insurance is national and limited to Norway for the purposes of this notification. As mentioned above, the conditions of competition in the market for health insurance is homogeneous in Norway.

Health insurance is sold to customers located across the different regions in Norway and the Parties are not aware of any significant deviations with regards to pricing and conditions between the

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<sup>11</sup> For example, see Case M.8257 – NN Group/Delta Lloyd.

<sup>12</sup> Through this reinsurance agreement, Munich Re grants reinsurance to the Target for the health insurance policies the Target writes on the primary health insurance market (see in more detail in section 6.2.5. below).

different geographical areas. There is also substantial competition from other European countries and entries from market players located in other countries.

The Commission has previously considered the insurance market to be at least national, ultimately leaving the question open whether it is EEA-wide or national in scope.<sup>13</sup> The ultimate market definition was left open, but the Commission focused its further competitive assessment mainly on national markets, with the exception (i) of large commercial risks, such as the insurance of aerospace risks, which is most likely to be at least EEA-wide in scope and, (ii) with respect to marine, aviation and transport (MAT) insurance, which are likely to be wider than national for large/multinational corporate customers and large risks respectively.<sup>14</sup>

The Commission has therefore recognised the national nature of insurance distribution channels. Further arguments in favour of the national scope of the market in the case at hand are the existence of a national regulatory framework and national central authority for the health insurance.

In any event, the exact geographic market definition can be left as the Concentration would not raise any competition law concerns under any plausible geographic market definition.

### **6.2.3 Description of the market structure**

#### **6.2.3.1 Healthcare market and health insurance**

In Norway, the national government is responsible for hospital and specialist healthcare services, which are organised through four regional health authorities (RHAs) which are in charge of hospital and pharmacy trusts in their region. Municipalities are responsible for primary care and public healthcare, including services such as general practitioners (GPs), maternity and child health centres, school health services and immunisation centres, in addition to long-term care and social services.

One of the main challenges in Norway is long waiting times for assessment and treatment in the specialist health service, and hospitals in particular. Health insurance is not a replacement for public healthcare, but a supplement that gives customers more options. For example, health insurance can ensure that you can see a medical specialist and undergo surgery in the private healthcare system within a given time limit.

Examples of what health insurance covers include treatments such as CT or MRI. It may include examinations by specialists such as neurologists or orthopaedists, and appointments with a psychologist, physiotherapist or chiropractor. Health insurance can also cover expensive medication. A referral on medical indication is usually sent by a GP in the public sector before a patient contacts the health insurance company if they are informed of a long waiting time. The insurance companies have their own support services that ensures that the customer is referred for assessment and treatment by specialists.

The health insurance provider usually requests some health information when entering into agreements on health or personal insurance. The information provided in the health declaration when applying for insurance is used as a basis for the company's health assessment. Correct information about the customer's state of health at the time of application is necessary to determine the correct price and terms for the insurance. Most of the information is obtained directly through

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<sup>13</sup> See Case M.9796 – Uniqa/Axa (Insurance, Asset Management and Pensions – Czechia, Poland and Slovakia), para. 10.

<sup>14</sup> See cases M.4284 – AXA/Winterthur & M.5010 – Berkshire Hathaway/Munich RE/GAUM.

the health declaration, but in some cases, it is also necessary to obtain supplementary information from a doctor, social security office or other therapists, as authorised by the customer.

"Personal insurance" is the generic term for various insurance products that aim to help an individual in the event of illness, injury and other unforeseen events. Within personal insurance, there are two main categories - those that mainly provide financial support and those that provide access to treatment. Health or treatment insurance does not involve any financial compensation for customers. This type of insurance cover medically necessary assessments and treatment in the specialist health service in the private sector if the waiting time in the public sector exceeds the insurance company's guarantee period. Generally, the insurance areas reflect the areas of the public healthcare system with the longest waiting times and the most patients in the queue.

The number of people in Norway with treatment insurance has increased steadily in recent years and at the end of 2022 is around 748,000.<sup>15</sup> The number of insured children and people with critical illness insurance is 651,000 and 525,000 respectively.

Most people who have private health insurance have it through their employer, but an increasing number of private customers are buying their own health insurance. According to figures from Finance Norway, more than 79,000 Norwegians had purchased their own health insurance by the end of 2022. In 2020, the figure was around 65,000. These figures apply to all insurance companies in Norway.

Employers invest in health insurance to prevent and reduce sickness absence and the high costs associated with it. The public healthcare system in Norway is generally well-equipped for acute and life-threatening conditions. For less serious illnesses, there can be a long wait for help from the public sector. Many people are therefore forced to go on sick leave pending assessment and treatment, while receiving public support in the form of sick pay during this time.

#### 6.2.4 Competitors, suppliers, and customers – Storebrand Helseforsikring<sup>16</sup>

Competitors			Market share % <sup>17</sup>	
1.				
2.				
3.				
4.				
5.				
Customers			Share of sales % <sup>18</sup>	
1.				
2.				
3.				
4.				
5.				

<sup>15</sup> For more information: <https://www.finansnorge.no/tema/statistikk-og-analyse/forsikring/helseforsikring/>

<sup>16</sup> ERGO is only active in the Norwegian market through its ownership in Storebrand Helseforsikring. Therefore, it is not meaningful to differentiate between ERGO/Storebrand competitors, customers and suppliers.

<sup>17</sup> Market share is calculated based on premiums.

<sup>18</sup> Share of sales based on share of annual premium.



Suppliers			Share of supply % <sup>19</sup>	
1.				
2.				
3.				
4.				
5.				

### 6.2.5 Description of market effects of the Concentration

In line with the market definitions set out above, there is no horizontal overlap between the activities of ERGO and Storebrand Helseforsikring in the market for provision of health insurance to consumer and business customers in Norway. The Concentration concerns the health insurance market in Norway and relates to the acquisition of sole control by ERGO of an established player in the Norwegian insurance market which pre-transaction is jointly controlled with the Seller. The market share of the Target on the market for health insurance in Norway is currently approximately % based on annual premium.

Taking into account the specificities of the Norwegian health insurance market, Storebrand Helseforsikring's market share, and the presence of several strong players in this market (some of whom have larger market shares than the Target), no competition concerns arise.

The notifying party submits that the structure and competitive landscape of the Norwegian health insurance market will remain unaffected by the change from joint to sole control in Storebrand Helseforsikring.

There is no merger of current separate offerings in the Norwegian health insurance market, meaning that the market will not consolidate competing undertakings, but rather strengthen the product offering of Storebrand Helseforsikring long-term and introduce innovative insurance products to Norwegian customers.

The Target will continue to be a moderately sized competitor to The largest competitor and market leader will The Target will continue to face competition from and as well as a number of smaller effective competitors for health insurance in Norway. Several new players have entered the market as well as small competitors who have increased their market share in the last years.

The notifying party further argues that the overall market for health insurance in Norway should not be further segmented due to the high degree of supply-side substitutability between the different types of products within the health insurance sector. In particular, the notifying party notes that the main health insurance competitors are active across all segments of health insurance. Therefore, Storebrand Helseforsikring will continue to be constrained by a sufficient number of competitors across all segments of health insurance.

Moreover, as these competitors are major insurance groups, they are well placed to expand and constrain Storebrand Helseforsikring across all product segments. The competition is strong, insurers can flexibly change their product portfolio in line with their business and these companies are therefore able to sell insurance products in all types. In general, life and non-life insurers with significant activity have the ability to expand to different insurance classes and it is possible for one

<sup>19</sup> Suppliers defined as medical network suppliers of health services.

insurer to expand its range of products offered by including products addressing different client segments. Major players cover all insurance risk.

The market is characterised by many market participants offering a wide range of insurance products. Customers are influenced by experienced customer service when contracts are renewed. The larger the contract, the more important the price becomes. Brand loyalty and product differentiation is not seen as a decisive differentiator, whereas the relationship with the broker or agent/distributor is considered more important. Large customer groups have been able to negotiate better prices for identical conditions, which demonstrates that customers have a strong purchasing power when assessing the different suppliers and can easily switch suppliers upon a small increase in price. The main reason for switching is cost and secondly, improved levels of cover. Price and cover comparison websites also makes the health insurance (and overall insurance) market more transparent for customers.

The health insurance market is also fairly open to cross border service providers and newcomers/mavericks in accordance with the low barriers to entry, evidenced by market players such as Euro Accident. The penetration of health insurance players is relatively low in Norway and there is considerable room for growth and competition in the market.

Product-specialized insurance companies are rare and play a niche role with regards to competitive restraints. Small market players can operate efficiently and scale quickly.

Therefore, there will remain enough competitive pressure in the Norwegian health insurance market and in each of its potential customer segments after the Concentration. The Concentration will not significantly impede effective competition and will not affect the Parties competitors, customers or suppliers with regard to the health insurance market. The Concentration is unlikely to bring any significant change to the current structure of the market and will not have an impact on the competitive landscape of the relevant market, irrespective of the market definition.

Taking into account all the factors mentioned above, such as the market for health insurance being highly competitive with low concentration and low barriers to entry with strong customer purchasing power, and the fact that the Parties are not competitors and that Storebrand Helseforsikring has a market share well below 30 % after the Concentration, the Concentration will not be able to restrict competition.

As mentioned above in section 6.2.1 regarding the definition of the relevant markets, Munich Re has a vertical relationship to the Target in that Munich Re provides reinsurance for the health insurance policies written by the Target based on a so-called excess of loss ("XoL") reinsurance treaty agreement between Munich Re and the Target. Under that agreement, Munich Re covers part of the losses the Target incurs out of its health policies, if these losses exceed a certain threshold.

Besides the reinsurance treaty agreement with the Target, Munich Re doesn't have any other reinsurance agreements or revenues with regard to reinsurance of health insurance policies in Norway.

#### **6.2.6 Description of barriers to entry**

Generally, the barriers to enter the market concerned, i.e., the distribution of health insurance, are low, as they do not depend on significant investments or know-how. However, insurance companies have to hold capital in relation to their risk profiles to guarantee that they have sufficient financial resources to withstand financial difficulties and have to comply with capital requirements.



Insurers providing one type of health insurance in Norway are generally capable of entering and competing to provide other types of insurance in that country.

The Parties' do not consider there to be any other significant barriers to entry relevant to the Concentration.

## **7 EFFICIENCY GAINS**

Considering that the Concentration will not lead to a significant impediment to effective competition, the Parties do not consider it necessary to elaborate on efficiency gains generated by the Concentration for the Competition Authority to consider.

## **8 NOTIFICATION OF THIS CONCENTRATION TO OTHER AUTHORITIES**

The Concentration will also be notified to the competition authority in Sweden (*Konkurrensverket*).

Furthermore, the Concentration will be notified to the Financial Supervisory Authority of Norway (*Finanstilsynet*).

## **9 ANNUAL REPORT AND FINANCIAL STATEMENTS**

Annual reports with financial statements for the Parties are included in Exhibit 2 to Exhibit 5 below:

<b>Exhibit 2</b>	Munich Re annual report for 2022
<b>Exhibit 3</b>	ERGO International AG annual report for 2022
<b>Exhibit 4</b>	Storebrand ASA annual report for 2022
<b>Exhibit 5</b>	Årsrapport Storebrand Helseforsikring AS for 2022

## **10 CONFIDENTIALITY – BUSINESS SECRETS**

This notification contains information which must be kept confidential for competition reasons. The information must be treated strictly in confidence and not disclosed in any way, cf. the Norwegian Public Administration Act Section 13 first paragraph no. 2.

The public version of the notification is enclosed, together with the grounds for information which is sought to be kept confidential under the Norwegian Competition Act Section 18b.

<b>Exhibit 6</b>	Draft public version of the notification
<b>Exhibit 7</b>	Justification of business secrets (confidentiality)

## 11 CLOSING REMARKS

Should there be any questions to this notification, we kindly ask the Authority to contact the undersigned.

We also kindly ask to be informed if the Authority receives any requests for access to this notification.

Yours sincerely,



Stein Ove Solberg  
Arntzen de Besche Advokatfirma AS

## **LIST OF EXHIBITS**

Exhibit 1	Share Purchase Agreement (confidential)
Exhibit 2	Munich Reinsurance Company annual report for 2022
Exhibit 3	ERGO International AG annual report for 2022
Exhibit 4	Storebrand ASA annual report for 2022
Exhibit 5	Storebrand Helseforsikring AS annual report for 2022
Exhibit 6	Draft public version of the notification
Exhibit 7	Justification of business secrets (confidentiality)