



Determination No. M/03/015 of the Competition Authority, dated 8th July 2003, under Section 21 of the Competition Act, 2002

Notification No. M/03/015 – Acquisition by The Royal Bank of Scotland Group plc of Churchill Insurance Group plc

Introduction

1. On 13th June 2003 the Competition Authority, in accordance with Section 18 (1) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposal whereby The Royal Bank of Scotland Group plc (“RBS”) would purchase the entire issued share capital of Churchill Insurance Group plc (“Churchill”).

The Parties

2. Direct Line is a wholly-owned subsidiary of RBS, which also owns Ulster Bank. Direct Line, which it is proposed will be brought together with Churchill to form the insurance division of RBS, sells a small number of insurance products in Northern Ireland which include motor, home, travel, pet and creditor insurance. Its activities in the State are limited to home and travel insurance.
3. Churchill is a wholly-owned subsidiary of Winterthur (UK) Holdings Limited, a UK subsidiary of Winterthur Swiss Insurance company, the life and general insurance company which is headquartered in Switzerland and owned by Credit Suisse, a financial services group. Churchill’s activities in the State are not significant, consisting of special risks insurance business and the sale of travel insurance products of third parties.

Analysis

4. Regardless of whether or not insurance services constitute a broad product market or comprise a variety of more narrowly defined markets, the proposed transaction will not have a substantial impact on competition. There are a number of insurance providers on the Irish market and the parties’ combined market share on a wide or narrow market definition is less than [0 –5] %.

Determination

5. The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect.



Determination of the Competition Authority

For the Competition Authority

**Terry Calvani
Member of the Competition Authority
8th July 2003**