



DETERMINATION OF MERGER NOTIFICATION M/23/049 – AXA IRELAND/LAYA HEALTHCARE

Section 21 of the Competition Act 2002

Proposed acquisition by AXA Ireland Limited of sole control of Laya Healthcare Limited

Dated: 11 October 2023

Introduction

1. On 5 September 2023, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed acquisition whereby AXA Ireland Limited (“AXA Ireland”), a wholly owned subsidiary of AXA insurance PLC (UK), which is ultimately owned and controlled by AXA S.A. (together the “AXA Group”), would acquire the entire share capital and sole control of Laya Healthcare Limited, trading as *Laya* (“Laya” or the “Target”, and together with the AXA Group, the “Parties”) (the “Proposed Transaction”).

The Proposed Transaction

2. The Proposed Transaction is to be implemented by way of a share purchase agreement (the “SPA”) dated 2 August 2023 between Corebridge Financial, Inc. (the “Seller”), AXA Ireland and AXA S.A. Pursuant to the terms of the SPA, AXA Ireland will acquire the entire issued share capital and thus sole control of Laya from the Seller.

The Undertakings Involved

The Acquirer – AXA Ireland

3. AXA Ireland is a holding company incorporated in the State and part of the AXA Group. Its wholly owned subsidiary, AXA Insurance DAC, is a property and casualty insurer that provides a broad range of insurance products for both commercial and personal customers in the State. AXA Insurance DAC’s business in the State includes: (i) private motor insurance;



- (ii) commercial motor insurance; (iii) house insurance; (iv) small business insurance; and (v) farm insurance.¹ The AXA Group does not provide private health insurance in the State.
4. The AXA Group is a global insurance group active in Europe, Asia, the Middle East, Latin America and Africa in the following four business lines: (i) property and casualty insurance; (ii) life and savings insurance; (iii) health insurance; and (iv) asset management.
5. AXA Insurance PLC (UK) is a public limited company which is the operating subsidiary for the AXA Group's United Kingdom and Irish operations and the parent entity of AXA Ireland. AXA Partners Holding S.A. ("AXA Partners") is a wholly owned (direct) subsidiary of AXA S.A., the ultimate parent company of the AXA Group, and provides assistance services, travel insurance and credit protection, including small volumes of life cover.² AXA Partners has some corporate functions based in the State but primarily operates internationally.
6. For the financial year ending 31 December 2022, the AXA Group's worldwide turnover was €102.3 billion, of which €[...] was generated in the State.

The Target – Laya

7. Laya is a wholly owned subsidiary of the Seller, in which American International Group ("AIG") has a controlling shareholding of [...]%. Laya is a full-service managing general agent ("MGA")³ which primarily offers private health insurance in the State.⁴ Laya's private health insurance capacity is currently provided by Elips Versicherungen AG ("Elips").⁵ Laya also provides the following three ancillary products and services in the State: (i) health and wellness services; (ii) life insurance; and (iii) travel insurance.
8. For the financial year ending 31 December 2022, Laya's worldwide turnover was €[...], all of which was generated in the State.

Rationale for the Proposed Transaction

¹ In addition to AXA Insurance DAC, AXA Ireland also owns and controls the following subsidiaries: (i) GoGreen Works Limited; (ii) AXA Ireland Pension Trustees Limited; (iii) AXA Assistance Ireland Limited; and (iv) AXA Group Services Limited.

² The Parties state the following in the notification in relation to the AXA Group's activities in the provision of life insurance in the State: "AXA Partners maintains small volumes of life cover for certain credit protection products (e.g., consumer loans, credit cards, and mortgages) for a limited number of customers in the State. These products were distributed through AXA Partners' business-to-business clients (mainly banks). There is no cross-over in service offering between AXA Partners and Laya on the basis that AXA Partners operate a closed book of life insurance products. As a closed book, AXA Partners do not market products and do not accept new customers – as such, it no longer competes in any market for life insurance products and cannot be regarded as being 'active' in the State."

³ A MGA is a type of insurance agent/broker that, unlike traditional agents/brokers, is vested with underwriting authority from an insurer.

⁴ [...] % of the revenue generated by Laya in the State in 2022 was accounted for by the provision of private health insurance.

⁵ The Parties state the following in the notification: "[...]."



9. The Parties state the following in the notification:

“The Proposed Transaction is complementary to the AXA Group’s commercial objective to partner with companies where there is a strong commercial and cultural fit and will enable Laya customers to benefit from AXA Group’s excellent customer service, including through enhanced digital services.”

Third Party Submissions

10. No third-party submissions were received.

Competitive Analysis

Horizontal Overlap

11. There is no horizontal overlap between the Parties in the provision of private health insurance as the AXA Group does not provide private health insurance.

12. There is a small horizontal overlap between the Parties in the State in the provision of the following two types of insurance: (a) life insurance,⁶ and (b) travel insurance.⁷

Market Definition

13. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this instance, it is not necessary for the Commission to define precise relevant product and geographic markets because the Commission’s conclusions on the likely competitive impact of the Proposed Transaction will be the same however those markets are defined. For the purpose of assessing whether the Proposed Transaction might result in a substantial lessening of competition, the Commission has analysed the impact of the Proposed Transaction in the potential product and geographic markets as outlined below.

Relevant Product Markets

⁶ As noted above, the Parties provide different types of life insurance in the State. While Laya currently provides open book life insurance products which are available to new customers, the AXA Group operates a closed book of life insurance products.

⁷ The Parties state the following in the notification in relation to their respective activities in the provision of travel insurance in the State: *“AXA Partners maintains small volumes of single-trip and multi-trip travel insurance for a limited number of customers in the State. These are sold to (and distributed by) AXA Partners’ business-to-business clients. There is no cross-over in service offering between AXA Partners and Laya on the basis that AXA Partners sells its travel cover to corporate clients only, whilst Laya’s travel offering is confined to individual customers.”*



The Provision of Life Insurance

14. As noted above, while the Parties provide life insurance in the State, AXA Partners operates a closed book of life insurance in contrast to Laya which only provides open book life insurance.
15. The Commission has considered the life insurance sector in a number of previous determinations. In its merger determination in *M/21/045 – ILHAWK/Ark Life*, where both of the parties were active in the provision of life insurance in the State but only one of the parties was active on a closed book basis, the Commission analysed the likely competitive impact of that transaction with reference to the broader relevant product market for the provision of all life insurance products.⁸
16. The European Commission considered the life insurance sector in the State in M.6883 – *Canada Life/Irish Life*⁹ as both parties were active in providing life insurance in the State. In its decision, the European Commission noted that in previous decisions relating to the life insurance sector, it considered segmenting the market according to the risk covered/service provided into (i) pure risk protection products, (ii) pension products and (iii) investment products. In its decision, the European Commission also noted that in previous decisions it considered segmenting the life insurance market according to the category of customers to which the products are addressed, namely between life insurance to individuals and to group customers.¹⁰ In its decision in M.6883 – *Canada Life/Irish Life*, the European Commission left the exact product market definition open and analysed the likely competitive impact of that transaction in the provision of all types of life insurance.
17. In light of the above and the fact that Laya does not currently provide closed book life insurance, the Commission has assessed the likely competitive impact of the Proposed Transaction in the wider potential product market for the provision of all types of life insurance.

The Provision of Travel Insurance

⁸ See paragraph 22 of the Commission's merger determination in *M/21/045 – ILHAWK/Ark Life* which is available at the following link: <https://www.ccpic.ie/business/wp-content/uploads/sites/3/2021/08/2022.01.11-M.21.045-DET-Public.pdf>

⁹ M.6883 *Canada Life/Irish Life*, the text of which is available at the following link:

https://ec.europa.eu/competition/mergers/cases/decisions/m6883_20130531_20310_3157339_EN.pdf

¹⁰ The European Commission in M.6883 – *Canada Life/Irish Life* referred to the decisions of M.4701 *Generali/PPF Insurance business* and M.6521 – *Talanx International Meiji Yasuda Life insurance/Warta*



18. In its merger decision in M.9056-*Generali CEE/AS*, the European Commission distinguished between a number of non-life insurance segments, including travel insurance.¹¹ The European Commission stated in its merger decision that:

*“This possible segmentation is based on the fact that the characteristics and purpose of travel insurance are distinct, and that there is typically no substitutability between different types of insurance from a customer’s perspective.”*¹²

19. The European Commission also stated in its merger decision that in the context of non-life insurance products (including travel), a further distinction could also be made between individual and group (i.e., corporate) customers.¹³ The European Commission left open the precise product market definition as that transaction did not give rise to a substantial lessening of competition.

20. In M/15/005 – *AIG/Avondhu*,¹⁴ the Commission had reference to the European Commission’s previous decisions and analysed the likely competitive impact of that transaction in the potential market for the provision of travel insurance.¹⁵

21. For the purpose of assessing whether the Proposed Transaction might result in a substantial lessening of competition, the Commission has assessed the likely competitive impact of the Proposed Transaction in the potential product market for the provision of travel insurance.

Relevant Geographic Markets

The Provision of Life Insurance

22. In M/21/045 - *Ilhawk/Ark Life*, the Commission assessed the impact of that transaction in the provision of life insurance by reference to the potential geographic market of the State. In its merger decision in M.6883 – *Canada Life/Irish Life*, the European Commission stated that *“the geographic market for life insurance [is likely] to be national in scope due to the*

¹¹ The European Commission’s merger decision in M.9056-*Generali CEE/AS* is available at the following link:

https://ec.europa.eu/competition/mergers/cases/decisions/m9056_218_3.pdf

¹² M.9056-*Generali CEE/AS* at paragraph 11

¹³ M.9056- *Generali CEE/AS* at paragraph 11. The Commission in M.9056- *Generali CEE/AS* also referred to the previous decision of M.8257, *NN Group / Delta Lloyd* in this regard.

¹⁴ See: https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/05/M_15_005-AIG_Laya-Healthcare-Determination_0.pdf

¹⁵ M.9056- *Generali CEE/AS* at paragraph 13



following elements: (i) existence of national distribution channels (ii) different regulatory framework and fiscal regimes, (iii) different established brands.”¹⁶

23. For the purpose of assessing whether the Proposed Transaction might result in a substantial lessening of competition, the Commission has analysed the likely competitive impact of the Proposed Transaction in the potential market for the provision of life insurance in the State.

The Provision of Travel Insurance

24. In M/15/005 - *AIG/Avondhu*, the Commission assessed the impact of that transaction in the provision of travel insurance by reference to the potential geographic market of the State. In its merger decision in M.9056-*Generali CEE/AS*, the European Commission stated that “*the relevant [geographic] market for non-insurance products and its sub-segments is likely to be national in scope*”.

25. For the purpose of assessing whether the Proposed Transaction might result in a substantial lessening of competition, the Commission has analysed the likely competitive impact of the Proposed Transaction in the potential market for the provision of travel insurance in the State.

Competitive Assessment

The Provision of Life Insurance in the State

26. As noted above, while the Parties both provide life insurance in the State, AXA Partners is only active on a closed book basis in contrast to Laya which only provides open book life insurance.
27. The Parties state in the notification that Laya and the AXA Group had estimated shares of [0-5]% and [0-5]%, respectively, in the provision of life insurance in the State in 2020.¹⁷ Thus, following implementation of the Proposed Transaction, the AXA Group’s share in the provision of life insurance in the State will increase by [0-5] percentage points to approximately [0-5]%.

¹⁶ M.6883 *Canada Life/Irish Life* at paragraph 19.

¹⁷ The Parties’ estimates are based on data for 2020 provided in Insurance Ireland’s FactFile published in December 2022 which uses the traditional differentiation between life and non-life insurance markets.



28. There are a number of large life insurance providers currently active in the State including: Irish Life Assurance plc, Aviva Group Ireland plc, Zurich Insurance plc, New Ireland Assurance Company plc and Standard Life Assurance Limited. Following implementation of the Proposed Transaction, these life insurance providers will continue to act as a competitive constraint on the AXA Group in the State.
29. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the provision of life insurance in the State.

The Provision of Travel Insurance in the State

30. Both the AXA Group and, in particular, Laya have a minimal presence in the provision of travel insurance in the State. While the AXA Group generated turnover of €[...] in the provision of travel insurance in the State in 2022, Laya generated turnover of only €[...] million in the provision of travel insurance in the State during the same period.
31. The Parties provide travel insurance in the State to different types of customers. The Parties state the following in the notification: *“There is no cross-over in service offering between AXA Partners and Laya on the basis that AXA Partners sells its travel cover to corporate clients only, whilst Laya’s travel offering is confined to individual customers.”*
32. According to figures for 2020 contained in Insurance Ireland’s FactFile published in December 2022, the total gross written premiums (“GWP”) by its members in the travel insurance and personal accident sector in the State in 2020 amounted to €88 million.¹⁸ Based on this data and the Parties’ turnover figures in the provision of travel insurance in the State in 2020,¹⁹ the AXA Group and Laya had estimated shares of [0-5]% and [0-5]%, respectively, in the provision of travel insurance in the State in 2020.²⁰ Thus, following implementation of the Proposed Transaction, the AXA Group’s share in the provision of travel insurance in the State will increase by a negligible amount.

¹⁸ Insurance Ireland groups personal accident and travel insurance together as one specific class of insurance. The Parties state the following in the notification in relation to the GWP figure of €88 million: *“This GWP figure is based on data collected from members of Insurance Ireland, and excludes many travel insurance underwriters who are not members of Insurance Ireland. Therefore, the Parties submit, based on best estimates, that the total size of the travel insurance market in the State is more likely to be in the range of €150 million in GWP value.”*

¹⁹ The AXA Group generated turnover of €[...] in the provision of travel insurance in the State in 2020, while Laya generated turnover of €[...] in the provision of travel insurance in the State during the same period.

²⁰ Given that the Insurance Ireland GWP figure of €88 million for 2020 is based on data collected from members of Insurance Ireland only and therefore excludes travel insurance underwriters active in the State who are not members of Insurance Ireland, the actual shares of the Parties in the provision of travel insurance in the State in 2020 are likely to be even smaller.



33. There are a number of large travel insurance providers currently active in the State including: Chubb Ireland Limited, AIG Europe Limited, MAPFRE Asistencia Compania Internacional de Seguros y Reaseguros S.A., FBD Holdings plc, Aviva Group Ireland plc, RSA Insurance Ireland Designated Activity Company and Allianz plc. In addition, two of the largest banks in the State, Allied Irish Banks plc and Bank of Ireland Group plc, also provide travel insurance in the State and two Irish airlines, Aer Lingus Limited and Ryanair Holdings plc, provide travel insurance as part of their online booking facilities. Furthermore, the grocery retailer Supervalu, part of the Musgrave Group, also provides travel insurance in the State. Following implementation of the Proposed Transaction, these travel insurance providers will continue to act as a competitive constraint on the AXA Group in the State.
34. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the provision of travel insurance in the State.

Vertical Relationship

35. The Parties state in the notification that there is no vertical relationship between the Parties in the State. The Commission has not identified any existing vertical relationship between the Parties in the State. On this basis, the Commission considers that the Proposed Transaction does not raise any vertical competition concerns in the State.

Conclusion on competitive analysis

36. In light of the above, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

37. The Parties state in the notification that Clause 10 of the SPA contains certain ancillary restraints in relation to the Proposed Transaction. The Parties submit that these restrictions are directly related and necessary to the Proposed Transaction.
38. The Commission notes that Clause 10.1 of the SPA imposes non-compete obligations on the Seller for a maximum duration of [...] from the date of closing of the Proposed Transaction. The duration of the restrictions contained in Clause 10.1 of the SPA do not exceed the



maximum duration acceptable to the Commission.²¹ The Commission considers the non-compete obligations contained in Clause 10.1 of the SPA to be directly related to and necessary for the implementation of the Proposed Transaction insofar as they relate to the State.

39. The Commission notes that Clause 10.2 of the SPA limits the Seller's ability to solicit certain senior employees for a maximum duration of [...] from the date of closing of the Proposed Transaction. The duration of the restrictions contained in Clause 10.2 of the SPA do not exceed the maximum duration acceptable to the Commission.²² The Commission considers the non-solicitation obligations contained in Clause 10.2 of the SPA to be directly related to and necessary for the implementation of the Proposed Transaction insofar as they relate to the State.

²¹ In this respect, the Commission follows the approach adopted by the European Commission in paragraphs 20 and 26 of its Notice on restrictions directly related and necessary to concentrations (2005) OJ C56/03 (the "European Commission Notice"). For more information, see [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN).

²² In this respect, the Commission follows the approach adopted by the European Commission in paragraphs 20 and 26 of its Notice on restrictions directly related and necessary to concentrations (2005) OJ C56/03 (the "European Commission Notice"). For more information, see [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN).



Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition whereby AXA Ireland Limited, a wholly owned subsidiary of AXA Insurance PLC (UK), would acquire the entire share capital and sole control of Laya Healthcare Limited, will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

Úna Butler

Member

Competition and Consumer Protection Commission