



THE PROPOSED ACQUISITION OF THE MEDICAL INSURANCE BUSINESS OF ALLIANZ INSURANCE COMPANY OF KENYA LIMITED BY JUBILEE HEALTH INSURANCE LIMITED.

1. The Competition Authority of Kenya has approved the acquisition of the medical insurance business of Allianz Insurance Company of Kenya Limited by Jubilee Health Insurance Limited unconditionally.
2. Jubilee Health Insurance Limited (Jubilee Health), the acquirer, is involved in the medical insurance business in Kenya and is wholly owned by Jubilee Holdings Limited which is listed at the Nairobi Securities Exchange and cross-listed in the Uganda and Tanzania stock markets. In Kenya, Jubilee Holdings controls Jubilee Health Insurance Limited, Jubilee Life Insurance Limited, and Jubilee Financial Services Limited.
3. Allianz Insurance Company Limited's medical insurance business, the target, forms part of business of Allianz Insurance Company of Kenya Limited. Allianz Insurance is incorporated in Kenya as a wholly-owned subsidiary of Allianz Africa Holding GmbH (Allianz Holding), which is in turn owned by Allianz SE, a listed entity on the Frankfurt Stock Exchange.



4. The target undertaking controls Jubilee Allianz General Insurance Limited (Jubilee Allianz) and Allianz Insurance Company of Kenya Limited. The target group is a general insurance undertaking ceding its medical insurance business (the target business).
5. The proposed transaction involves the acquisition of control of the medical insurance business of Allianz Insurance by Jubilee Health. The transaction therefore qualified as a merger within the meaning of Section 2 and 41 of the Competition Act No. 12 of 2010. **The post-merger shareholding will not change since the transaction involves the acquisition of the business, not share capital.**
6. The parties operate in the same line of business, medical insurance business. The parties' combined and relevant revenue for the preceding year was **over Sh1 billion** and this satisfies the criteria provided for in the Competition (General) Rules, 2019 for mandatory notification and full analysis.
7. The acquiring group is involved in the provision of medical insurance business as well as the target business. Therefore, for purposes of reviewing this transaction, the relevant market was determined as the market for **the provision of medical insurance**. The parties provide their services throughout the country and therefore the relevant geographical market is **national**.
8. The Insurance Regulatory Authority (IRA) has licenced twenty-seven (27) medical insurers in the market where the two undertakings operate. Market shares is calculated based on gross annual premiums. The IRA's data indicates that the acquirer and the target had a market share of 18.48% and 0.23% respectively as of December 2020. Their combined market share is 18.71%.



9. The target's market share is low and, therefore, post-merger the market structure and concentration will not significantly change to occasion competition concerns. Additionally, it is anticipated that the merged entity will face competition from the other market players controlling 81.29%.
10. Kenyan Alliance Insurance, Allianz Insurance Company, and Tausi Insurance Company have all entered the Kenyan insurance market in the past three (3) years, thereby demonstrating non-prohibitive barriers to entry in this sector. Premised on the foregoing, the proposed transaction is unlikely to give rise to competition concerns in the medical insurance market in Kenya.
11. During merger analysis, the Authority also considers the impact that a proposed transaction will have on public interest. The public interest concerns considerations include;
 - i. extent to which a proposed merger would impact employment opportunities;
 - ii. impact on competitiveness of small and medium enterprises (SMEs);
 - iii. impact on particular industries/sectors; and
 - iv. impact on the ability of national industries to compete in international markets.
12. As per the parties' submissions, this transaction will not negatively affect employment as the employees will remain in the company. It is also the Authority's view that the transaction will not inhibit access to international market access and or negatively impact on SME competitiveness. Therefore, if approved, the will not occasion negative public interest concerns.



13. Premised on the foregoing, the Competition Authority of Kenya approved the acquisition of Allianz Insurance Company Kenya Limited's medical insurance business by Jubilee Health Insurance Limited be unconditionally.