

**BOSNA I HERCEGOVINA**  
*Konkurencijsko vijeće*



**БОСНА И ХЕРЦЕГОВИНА**  
*Конкуренијски савјет*

**BOSNIA AND HERZEGOVINA**  
*Council of Competition*

**DECISION**  
**on compatible concentration implemented between Sunce osiguranje and Bosna osiguranje**

**Sarajevo,**  
**December 2006**



**BOSNIA AND HERZEGOVINA**  
*Council of Competition*

Number: 01-04-26-015-8-II/06  
Sarajevo, 22 December 2006

Pursuant to Article 25, paragraph (1), item e), Article 42, paragraph (42), item d) and Article 43, paragraph (2), and in connection with Articles 12,14,15,16 and 18 of the Act on Competition («Official Gazette of BIH», No. 48/05) and Article 193, paragraph (2) of the Law on Administrative procedure («Official Gazette of BIH», No.29/02), upon submission of the Notification on intended concentration between the undertaking Bosna osiguranje d.d.Sarajevo, Azize Šaćirbegović 10, represented by its director Refik Duran and undertaking Sunce osiguranje d.d. Sarajevo, Azize Šaćirbegović 13, represented by its director Željko Pervan, entered under the registration No. 01-04-26-015-II/06 on 20.09.2006, the Council of Competition on its 38th session held on 22 December 2006 has adopted

**DECISION**

1. The concentration achieved in the insurance service market in the Federation of Bosnia and Herzegovina and Brčko District of Bosnia and Herzegovina as result of joining of the undertaking Sunce osiguranje d.d. Sarajevo Azize Šaćirbegović 13, and undertaking Bosna osiguranje d.d. Sarajevo, Azize Šaćirbegović 10, is assessed compatible.
2. This Decision on concentration is final and it shall be recorded at the Registry on concentrations.
3. This Decision shall be published in Official Gazette of BIH and in official gazettes of Entities and Brčko District.

**Exposition**

The undertaking Bosna osiguranje d.d. Sarajevo, Azize Šaćirbegović 10 (hereinafter: the Applicant /Bosna osiguranje) submitted to the Council of Competition a Notification of intended concentration (hereinafter: the Notification) which shall arise from the joining of undertaking Sunce osiguranje d.d.Sarajevo, Azize Šaćirbegović 13 (hereinafter: Sunce osiguranje) to undertaking Bosna osiguranje.

The notification is submitted in accordance with Article 16 of the Act on Competition on 20. September 2006.

As the total income in the insurance services market amounts 13.490.617,00 KM of the undertaking Bosna osiguranje and 13.182.353,00 KM of undertaking Sunce osiguranje in the year preceding the concentration, in 2005, the parties to the concentration were obliged to Notify the intended notification, pursuant to Article 14, paragraph (1), item b) of the Act on Competition.

With insight into the Notification, the Council of Competition ascertained that it was not complete in a sense of Article 30 and 31 of the Act on Competition, and therefore the Council of Competition asked in a form of written request the Applicant to complete it, in a sense of the said Article of the Act.

The undertaking Bosna osiguranje submitted the supplements to the Notification on 20 October 2006 and therefore the Council of Competition issued an Acknowledgement of receipt of the complete and adequate Notification on 08 November 2006, pursuant to Article 30, paragraph (3) of the Act on Competition

Upon analyzing the Notification and supplemented documentation, the Council of Competition ascertained the following facts:

The legal basis for the intended concentration is a Decision on intended re-organization (status change of the joining) of the undertaking Sunce osiguranje to Bosna osiguranje, adopted by the parties to the concentration on 12 September 2006.

The legal frame of the concentration is joining of one undertaking to another one, pursuant to Article 12 of the Act on Competition, that is to say, in the case concerned, the undertaking Sunce osiguranje is joined to undertaking Bosna osiguranje.

JADRANSKO OSIGURANJE d.d. Split, Republic of Croatia is majority shareholder of the undertaking Bosna osiguranje with 77, 47% of the shareholder's capital.

Sunce osiguranje d.d. Zagreb, Republic of Croatia is majority shareholder of the undertaking Sunce osiguranje with 75, 2 % of the shareholder's capital.

JADRANSKO OSIGURANJE d.d. Split and Sunce osiguranje d.d. Zagreb neither have majority ownership in the capital nor majority voting rights in other insurance associations operating in Bosnia and Herzegovina.

The parties to the concentration, the undertakings Bosna osiguranje and Sunce osiguranje deal and operate in the territory of the Federation of Bosnia and Herzegovina and Brčko District of Bosnia and Herzegovina, and therefore, the relevant market, in the course of assessment of the concentration concerned, is deemed the persons and property insurance services in the territory of the Federation of Bosnia and Herzegovina and Brčko District of Bosnia and Herzegovina.

Total income and market shares of the parties to the concentration and their market competitors, achieved in 2004 and 2005, in sense of Article 15, paragraph (1), item b) of the Act on Competition, in the relevant market:

Name of the association	2004.			2005.			Index 2005/2004
	Premium (in KM)	%	Rank	Premium (in KM)	%	Rank	
Sarajevo osiguranje	46.703.881,00	21,02	1	48.821.250,00	20,05	1	104,53
Croatia osiguranje	29.300.032,00	13,19	2	33.816.102,00	13,89	2	115,41
Triglav BiH osiguranje	18.497.791,00	8,32	4	22.370.768,00	9,19	3	120,94
Euroherc osiguranje	18.840.174,00	8,48	3	21.178.913,00	8,70	4	112,41
Raiffeisen BiH osiguranje	14.748.752,00	6,64	5	17.057.034,00	7,01	5	115,65
VGT osiguranje	12.391.513,00	5,58	7	14.494.902,00	5,95	6	116,97
Bosna osiguranje	13.931.364,00	6,27	6	13.490.617,00	5,54	7	96,84
Sunce BiH osiguranje	11.946.967,00	5,38	8	13.182.353,00	5,41	8	110,34
Lido	9.350.349,00	4,21	11	11.018.336,00	4,53	9	117,84
Grawe	10.124.662,00	4,55	9	10.993.399,00	4,52	10	108,58

Bosansko-Njemačko	9.238.500,00	4,16	12	10.131.369,00	4,16	11	109,66
Hercegovina osiguranje	9.446.175,00	4,25	10	8.547.103,00	3,52	12	90,48
Camelija	5.309.084,00	2,38	14	5.782.132,00	2,38	13	108,91
Zovko	6.106.942,00	2,75	13	5.485.343,00	2,25	14	89,82
Merkur BH	2.111.393,00	0,95	16	3.191.749,00	1,31	15	151,17
Helios	1.912.359,00	0,86	17	2.021.072,00	0,83	16	105,68
Una-Sana	2.261.973,00	1,01	15	1.860.000,00	0,76	17	82,23
TOTAL	222.221.911,00	100,00		243.442.442,00	100,00		109,55

The common market shares of the parties to the concentration in the relevant market, on the basis of the total income realized in 2005, was 26.672.970,00 KM, that was 10,95% of the market shares of all undertakings, competitors in the relevant market.

Besides the parties to the concentration, 13 undertakings- competitors operate in the relevant market, where Sarajevo osiguranje holds 20,5%, Croatia osiguranje holds 13,89%, Triglav BiH osiguranje holds 9,19% of the market shares, and it is reasonable to assume that intended concentration will not distort the existing market competition.

Having in mind all recognized facts, the Council of Competition ascertains that the intended concentration will not result in any negative effects in the relevant market and it decides as it is stated in enacted term of this Decision.

#### **Administration tariffs**

The undertaking Bosna osiguranje is obliged to pay administration tariff of 2.500,00 KM for the benefit of the Budget of Institutions of Bosnia and Herzegovina, in sense of the Regulation on administration taxes relating to the practices before the Council of Competition ("Official Gazette of BiH", No. 30/06).

#### **LEGAL REMEDY**

Unsatisfied party shall be entitled to bring an administrative dispute before the Court of Bosnia and Herzegovina within thirty days (30 days) from the date of acceptance of this Decision, i.e. from the date of its publication in the Official Gazette of BiH.

**President**

**Gordan Raspudić**