

## **The GVH authorised the merger of Netrisk and Biztosítás.hu**

**The Hungarian Competition Authority, the GVH established that the acquisition of control of Netrisk.hu Első Online Biztosítási Alkusz Kft. (hereinafter: Netrisk) over Biztosítás.hu Biztosítási Alkusz Kft. (hereinafter: Biztosítás.hu) would not significantly impede competition.**

The GVH received a notification of a concentration, according to which the insurance mediation company Netrisk intended to acquire direct and sole control over Biztosítás.hu, an undertaking involved in the same business activity. Given that the above-mentioned undertakings are the most important online market participants in the concerned market, the GVH investigated the possible harmful effects of the concentration on competition in a detailed (so-called full) investigation proceeding. The GVH simultaneously analysed the information submitted by the parties and invited a number of insurance companies, insurance mediation companies, professional organisations and undertakings providing information technology solutions specialised for insurance activities to provide their opinions in the proceeding.

The Hungarian Competition Authority began by examining the market of online insurance mediation and the expected impact of the acquisition on the market; moreover, it also took into consideration the competitive pressure exercised by traditional insurance mediation activity (in person and on the phone) and the online platforms of the insurers.

The GVH concluded that no harmful impacts were likely to arise from the concentration also on the narrower online market. The prices of insurances are set by insurers and brokers, which means that insurance mediation undertakings are unable to directly increase prices and an indirect increase of prices is unlikely to occur (neither resulting from the reduction of benefits or the introduction of additional fees on top of insurance fees). On the basis of the significant bargaining power of the insurance undertakings, the GVH considered it unlikely that the concentration established by the transaction would enable the undertakings to implement any cost increase also affecting the price of insurances.

Furthermore, the GVH established that there was unlikely to be a reduction in the quality of services provided by the undertakings as a result of the merger, given the fact that the merged undertakings would also be interested in the continuous development of the online platforms and in providing a wide range of insurance services following the concentration. As the case concerned digital services, the Hungarian Competition Authority also analysed the possible impact of the merging of the databases available to the undertakings. It was determined, however, that the merging of the undertakings would not have any substantial impact on data usability and, therefore, would not give the merged entity a competitive advantage over other insurance mediation undertakings and brokers.

The official registration number of the case: **VJ/12/2019.**

Budapest, 12 December 2019

Hungarian Competition Authority

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