



COMPETITION TRIBUNAL
REPUBLIC OF SOUTH AFRICA

Case No.: LM150Jan25

In the matter between:

Old Mutual Life Assurance Company (South Africa)
Limited

Primary Acquiring Firm

And

Guardrisk Life Ltd, rights and obligations pertaining
to life insurance annuity policy number 400001
issued for the benefit of eligible employees of
Murray and Roberts Ltd

Primary Target Firm

Panel:	I Valodia (Presiding Member) A Ndoni (Tribunal Member) G Budlender (Tribunal Member)
Heard on:	04 March 2025
Decided on:	04 March 2025
Reasons Issued on:	17 March 2025

REASONS FOR DECISION

Introduction

- [1] On 04 March 2025, the Competition Tribunal (“Tribunal”) unconditionally approved the large merger in which Old Mutual Life Assurance Company (“OMLACSA”) intends to acquire from, Guardrisk Life Limited (“Guardrisk”), the rights and obligations pertaining to a life insurance annuity policy (with policy number 400001) (“the Transfer Policy”) issued by Guardrisk for the benefit of certain eligible employees of Murray and Roberts Limited (*qua* policyholder).

Parties and activities

- [2] The primary acquiring firm is OMLACSA, a licensed life insurer authorised to provide various insurance products. OMLACSA is wholly owned by Old Mutual Emerging Markets Limited, which is ultimately owned by Old Mutual Limited (collectively referred to as the “Acquiring Group”).
- [3] The primary target firm is the Transfer Policy held by Guardrisk. Guardrisk is ultimately controlled by Momentum Metropolitan Holdings Limited (“MMH”).

Transaction

- [4] The policyholder, Murray and Roberts owes post-retirement medical aid (“PRMA”) benefits to certain of its employees and their beneficiaries (“the Eligible Employees”). In terms of this arrangement, Murray and Roberts will pay a certain amount of medical scheme contributions to the Murray and Roberts Medical Scheme (“the Scheme”) for the Eligible Employees.¹
- [5] On 11 December 2003, Murray and Roberts concluded a post-retirement medical aid (“PRMA”) Annuity Policy with Guardrisk, to fund Murray and Roberts’ liability towards the Eligible Employees by paying their medical aid contributions, after they retire.
- [6] Murray and Roberts has instructed Guardrisk to transfer the PRMA Annuity Policy to OMLACSA. Accordingly, Guardrisk, Murray and Roberts and OMLCSA will enter into a Transfer Agreement in terms of section 50 of the Insurance Act,² in terms of which Guardrisk will cede all its rights, title and interest in and to the Transfer Policy and delegate all liabilities in respect thereof to OMLACSA. Post-merger, OMLACSA will replace Guardrisk as the insurer of the Transfer Policy.

¹ The benefits will accrue only in respect of those employees that commenced their employment with Murray and Roberts prior to 1 July 1996 and those who reached retirement age while in Murray and Roberts’ employ.

² Act No 18 of 2017.

Competition assessment

- [7] The Commission considered the activities of the merging parties and found that there exists an overlap in the broad market for the provision of long-term insurance products/services. In this respect, Guardrisk and OMLACSA are both licenced life insurers and participate in risk and investment type long-term insurance business, as well as individual and group business. Further, the Transfer Policy pertains to life insurance annuity business which is offered to a group.
- [8] As such, the Commission assessed the impact of the proposed transaction on, (i) the broad market for the provision of long-term insurance products and services; and (ii) the narrow market for the provision of PRMA products/services.

Broad Market for the provision of long-term insurance products/services

- [9] The merging parties submitted that post-merger, the Acquiring Group will have an estimated market share of [REDACTED]%, with a [REDACTED]% accretion.
- [10] Relying on market share estimates obtained from the Prudential Authority (2023), the Commission found that the Acquiring Group has an estimated market share of [REDACTED]% and Guardrisk (issuer of the Transfer Policy as a company) has an estimated market share of [REDACTED]%. Further, that post-merger, the merged entity will have an estimated market share of [REDACTED]%, with an accretion of less than [REDACTED]%.

Narrow national market for the provision of PRMA products and services

- [11] Relying on market share estimates obtained from the Prudential Authority (2023), the Commission found that the Acquiring Group has an estimated market share of [REDACTED]% and Guardrisk (issuer of the Transfer Policy as a company) has an estimated market share of [REDACTED]%, with the Transfer Policy accounting for [REDACTED]% of Guardrisk's total assets and liabilities.

- [12] The merging parties estimated that post-merger the Acquiring Group have an estimated market share of [REDACTED]% with an accretion of [REDACTED]%.

Conclusion on competition assessment

- [13] In assessing whether the proposed transaction will substantially prevent or lessen competition in the relevant markets The Commission argued that post-merger the merged entity's market shares in each market, are less than 35%. In addition, both the merger parties and the Commission submitted that the merged entity will continue to face competition in each market from other players such as Sanlam, MMH and the Liberty Group. We concur with the views of the Commission.

Public interest assessment

Employment

- [14] The merger parties submitted that the proposed merger will not have any detrimental effects on employment. Both employee representatives of OMLACSA and Guardrisk confirmed that the employees were notified of the proposed transaction and no concerns were raised.
- [15] The Commission accepted the merger parties' submissions and concluded that the proposed transaction is unlikely to raise any employment concerns. We concur.

Promotion of a greater spread of ownership by HDPs and workers in firms in the market

- [16] The Acquiring Group has 44.57% (using voting rights) of its shareholding held by HDPs. MMH (the ultimate controller of Guardrisk) has 38.13% (using voting rights) of its shareholding held by HDPs.
- [17] No other public interest issues arise from the proposed transaction.

[18] No third party expressed any public interest concerns about the proposed transaction.

Conclusion

[19] For the reasons set out above, we are satisfied that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market. Furthermore, the proposed transaction raises no public interest concerns.

[20] We therefore approve the proposed transaction without conditions.

Signed by: Imraan Valodia
Signed at: 2025-03-17 16:48:33 +02:00
Reason: Witnessing Imraan Valodia



Presiding Member
Prof. Imraan Valodia

17 March 2025

Date

Ms. Andiswa Ndoni and Adv. Geoff Budlender SC concurring.

Tribunal Case Managers:

Karabo Orekeng

For the Merger Parties:

Susan Meyer and Robin Henney of Cliffe Dekker
Hofmeyr

For the Commission:

Billy Mabatamela and Grashum Mutizwa