

Companies wishing to achieve a European scope need to build distribution networks.

As in banking, acquiring existing companies is preferable to the cost and time required to build new networks. The large European companies are rushing to secure strong positions in the key EC markets. Union des Assurances de Paris (UAP) is helping La Royale Belge, the second largest Belgian insurer, to expand through acquisitions in Northern Europe and Scandinavia. UAP is already very active in the Netherlands, and has acquired 32 per cent of Victoire in France, which in turn controls Colonia and is associated with Baltica. UAP is associated with Indosuez and has cross-participations with Banque Nationale de Paris. Allianz of the Federal Republic of Germany has

taken over La Protectrice of France. Allianz is also integrating its Canadian arms in London-based Cornhill Insurance, which operates in Canada through four insurance companies. Allianz also owns the RAS group of Milan, which owns Adriatic Insurance of Canada and Canadian Home Assurance Co. Starting January 1, 1991, a new company will hold all the Canadian units.

There is also a far-reaching trend towards diversifying the distribution channels of insurance products through other financial institutions. In France, some 40 per cent of life insurance products are now distributed by large banks. A similar trend is developing in the U.K., and in the Federal Republic of Germany banking and insurance markets are now more permeable to each other.