

Deutsche Familienversicherung is a reinsurer, grows faster and reduces loss

- Entry into reinsurance business; volume of around € 35-40 million assumed
- Gross premiums written in primary insurance increase by 22 % in the first nine months of 2021
- Adjusted annual targets 2021: Significant reduction of the planned loss before taxes to around EUR -2 million (previously: around EUR -4 million)

Frankfurt am Main, 11 November 2021 – DFV Deutsche Familienversicherung AG ("DFV", "Deutsche Familienversicherung"), the digital insurance company and a leading InsurTech in Europe, continues to grow.

Entry into reinsurance

As announced, the company has assumed liability as reinsurer of the CareFlex Chemie (Group) consortium. Primary insurance shares of Barmenia Krankenversicherung AG, Wuppertal, with a volume of around €35-40 million will be taken over by DFV by way of a reinsurance agreement with retroactive effect from 1 June 2021. The growth of Deutsche Familienversicherung, which is already around 20 percent in the core primary insurance business in 2021, will thus accelerate once again. The active reinsurance business will increase DFV's premium income by an additional €20 million in 2021. From 2022 onwards, premium income of around €35-40 million per year can be expected from the reinsurance contract.

22% Growth in primary insurance

In addition, despite the ongoing COVID 19 pandemic, the company recorded an increase of around 12.5% in existing premiums in primary insurance to over EUR 140 million in the first nine months of the 2021 financial year (9M 2021: EUR 125 million). Gross written premiums in primary insurance increased by 21.8% to EUR 101.7 million in the first nine months of 2021 (9M 2020: EUR 83.5 million). While premiums in supplementary health insurance increased by 19.4%, growth in property insurance was a pleasing 52.9%. This development is in line with the Group strategy, which provides for increasing diversification of DFV's product portfolio in order to broaden the company's base.

DFV is continuously developing its product portfolio, which is reflected, among other things, in an increase in the value added per contract. In supplementary health insurance, the average premium in the portfolio rose from around EUR 250 (9M 2020) to EUR 279 and in property insurance from around EUR 94 (9M 2020) to EUR 115.

"Despite the ongoing COVID 19 pandemic, DFV's business development is pleasing. We are a reinsurer again for the first time since 2012, have launched new products on the market, have won several Stiftung Warentest tests and have expanded into another European country," comments Dr. Stefan Knoll, CEO and founder of Deutsche Familienversicherung

Increase in profitability

Consolidated net income after taxes improved significantly to EUR -1.1 million in the first nine months of 2021 (9M 2020: EUR -4.7 million). The slightly positive consolidated net income before taxes of EUR 0.1 million (9M 2020: EUR -6.9 million) represents an important step towards the targeted profitability. The main drivers for this are a strongly improved investment result of EUR 8.5 million (9M 2020: EUR -1.2 million), the initiated implementation of measures to reduce operating expenses (opex) and lower distribution expenses. Professional investment management and measures introduced to increase cost discipline have proven to be relevant profitability drivers in 2021.

DFV recorded an increase in the claims ratio to 71.8% in the first nine months of 2021 (FY 2020: 63.0%). However, the company confirms the long-term target corridor of up to 70%. The combined ratio improved by 3 percentage points to 103.0% (9M 2020: 106.0%), as operating costs increased only moderately despite the strong new business.

DFV-HaftpflichtSchutz rated "very good" in all categories

DFV's insurance products once again achieved top marks. In its current test 10/2021, Stiftung Warentest awarded the insurtech company's tariff a quality rating of "very good" (0.6) for both "basic cover and sum insured" and "extended cover". This places the company in the top 3 of 363 liability insurance policies tested by Stiftung Warentest Finanztest.

DFV has also been able to demonstrate the outstanding quality of its products in the past with numerous awards in various categories. In 2021, it has already received numerous seals of approval - including for its supplementary dental insurance. In April, the DFV-ZahnSchutz tariff was also rated "very good" (0.5) by Stiftung Warentest and thus emerged as the test winner.

Successful internationalisation and expansion of the sales network

Both the roll-out of the business model in Austria with the sale of animal health insurance and the market launch of the new combination product "DFV-KombiSchutz" got off to a successful start at the end of June.

In addition, in the first nine months of 2021, Deutsche Familienversicherung succeeded in concluding a large number of cooperation agreements with renowned partners in order to accelerate its own growth. These include banks and companies with an impressive sales reach, e.g. Hamburger Sparkasse, Lidl and Volkswagen Bank GmbH.

Outlook 2021: Significantly reduced loss

In DFV's sales activities in the core business of primary insurance, a new cooperation, which was expected to start in the fourth quarter of 2021, has been postponed until 2022. New primary insurance business for 2021 is now forecast at around EUR 24 million. Overall, Deutsche Familienversicherung expects the pre-tax consolidated loss 2021 in 2021, which was planned at €4 million, to be significantly lower, estimated at around €2 million.

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About DFV Deutsche Familienversicherung AG

DFV Deutsche Familienversicherung AG (ISIN DE000A2NBVD5) is a fast-growing InsurTech company. As a digital insurance company, DFV covers the entire value chain with its own products. The company's goal is to offer insurance products that people really need and understand immediately ("Simple. Sensible."). DFV offers its customers multiple award-winning supplementary health insurance (dental, health, supplementary long-term care insurance) as well as accident and property insurance. Based on the state-of-the-art and scalable IT system developed in-house, the company is setting new standards in the insurance industry with digital product designs throughout as well as the option of taking out policies via digital voice assistants.

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