

## Deutsche Familienversicherung generates best new business since its foundation and expects 100,000 new contracts in 2019

- Record new business with 55,263 contracts and a volume of EUR 17.6 million – equivalent to growth of 29% and 90%, respectively
- Gross premiums written, adjusted for the effects of portfolio optimisation, up by 10.1% to EUR 68.5 million; portfolio premiums increase to EUR 75.7 million
- Underwriting result of EUR 0.71 million
- Solid solvency ratio of 469% following successful IPO in December 2018
- Entry into the animal health insurance market via ProSiebenSat1 Digital
- Dynamic growth planned for 2019: 100,000 new contracts and increase in portfolio premiums to EUR 100 million in tandem with further digitisation of the business

**Frankfurt/Main, 4 April 2019** – DFV Deutsche Familienversicherung AG (“DFV”, “Deutsche Familienversicherung”), a fast-growing insurtech company in leading position in Europe, has achieved very good operating results in the 2018 financial year. New business reached a record level: The number of new contracts rose by 29% to 55,263 and the corresponding premium volume by 90%, to reach EUR 17.6 million. Overall, gross premiums written, adjusted for the effects of portfolio optimisation, increased by 10.1% to EUR 68.5 million.

The successful IPO in December 2018 laid the foundations for significantly strengthening portfolio growth in 2019 and subsequent years. Its success story is based on the product innovations awarded top marks by Stiftung Warentest, especially in the field of health and supplementary nursing insurance, as well as the fully digital processes implemented. In the current financial year, DFV intends to exploit the high market potential in the field of digital insurance in Germany and conclude around 100,000 new contracts.

“We can look back on a highly successful financial year. Our sales success clearly shows the potential we have as a fully integrated insurtech company in Germany. We will continue to drive this growth forward in 2019 by means of targeted sales investments. In reaching the target of 100,000 new contracts in 2019, Deutsche Familienversicherung is

catching up with the 5 largest German insurance companies in new business in health insurance,” says Dr Stefan Knoll, CEO and founder of DFV.

### Increase in portfolio premiums by 19.6% in core business

In fiscal 2018, portfolio premiums in line with IFRS were up by 3.8% to EUR 75.7 million (previous year: EUR 72.9 million). Considering the effect of the termination of co-insurance in a building insurance portfolio as at 31 December 2017 and the significant reduction of the claim-intensive electronics insurance portfolio, the growth in portfolio premiums in the core business amounted to 19.6%. Adjusted for the effects of portfolio optimisation, gross premiums written rose by 10.1%, to EUR 68.5 million. The substantial increase in portfolio premiums is the result of strong new customer business, mainly driven by contracts concluded in the area of supplementary health insurance. Growth here was 41% in terms of the number of new contracts and 104% in terms of new premium volume. The portfolio in this product segment thus likewise increased significantly by 10% (number of policies) and 24% (premium volume), respectively.

The successful new business was accompanied by a significant increase in sales investments, which amounted to around EUR 15 million. EBIT declined accordingly, from EUR 2.1 million to -EUR 4.1 million. This figure also includes a negative one-off effect due to a write-down in the investment area as a result of the global slump in the investment market. Moreover, the results were impacted by the expenses incurred by the IPO. Taking these one-off effects totalling EUR 4.1 million into consideration, underwriting result amounted to EUR 0.71 million. DFV thus achieved an underwriting profit despite the growth and associated significant increase in selling expenses. The IFRS net loss for the 2018 financial year amounted to EUR 3.3 million.

The combined (claim-to-cost) ratio increased to approx. 98% in 2018 (previous year: 95.1%). The reason for this was the significant increase in selling expenses. The claims ratio remained at a very good level of around 39.5 per cent (previous year: 39 per cent).

As of 31 December 2018, the total insurance portfolio amounted to around 455 thousand contracts compared with around 464 thousand contracts in the previous year. The decline is due to the strategic optimisation of the portfolio in terms of risk and earnings aspects. The complete reduction of the building insurance portfolio and the significant decrease of the technical insurance (electronics) portfolio in the 2018 financial year comprised a total of around EUR 37 thousand contracts. Adjusted for this portfolio optimisation, the portfolio in the core business grew by around 7%.

DFV's solvency ratio rose to 496% at the end of the 2018 financial year (31/12/2017: 214%).

## Advances in digitisation and customer experience

In fiscal 2018, the DFV continued to digitise processes and improve the customer experience. In addition to the online payment methods via Paypal and AmazonPay, digital assistants via Amazon Echo and the DFV-ChatBot are available to customers. Customer service also runs in digital mode via the DFV app and the DFV customer portal. DFV uses artificial intelligence for online claims settlement. This guarantees settlement of any claim within 48 hours.

## Intensification of ProSiebenSat.1 Digital cooperation with new product

Since mid-April 2018, DFV has been successfully cooperating with ProSiebenSat.1 Digital. Under the MAXCARE brand, ProSiebenSat.1 Digital promotes health insurance products of DFV on the TV and online channels of the group with high coverage. From May 2019, DFV will bring animal health insurance on the market. Responsible for marketing is ProSiebenSat.1 Digital, which has developed a high-performance 360 degree marketing concept specifically for the new cooperation.

The market for animal health insurance in Germany is still in its infancy and is experiencing a rapid increase in demand. About 9.2 million dogs and 13.7 million cats live in Germany. No more than 17% of all dog owners and 6% of all cat owners have taken out animal health insurance. With its new product, DFV is therefore entering a promising market segment. In doing so, DFV is consistently implementing its growth strategy and demonstrating the high scalability of its business across various product lines. Being a fully digital insurance company, DFV can adapt its product range quickly and flexibly to the needs of the market as they unfold.

## Outlook: Dynamic growth and further digitisation planned

DFV plans to expand its new business significantly in 2019. The proceeds of the IPO are earmarked to finance growth. Growth drivers are the online business, new products (e.g. animal health insurance) and cooperative ventures (e.g. with Henkel).

Digitisation is to be further advanced by optimising the automation of claims processing. In addition, the insurtech is developing its IT system from a linear system landscape to a cloud-based Neural System Analogy (CNS). The aim is to create a fully digitised and integrated system for overall portfolio management that can also be licensed to other insurers and partners.

With new business expected to amount to around 100,000 contracts, existing premiums are planned to rise to around EUR 100 million in 2019 and gross premiums to grow by around 20%. This includes the further optimisation of the existing portfolio through the planned run-off of the technical insurance (electronics) division. In addition to the current core business of supplementary health insurance, the property insurance segment is to be significantly expanded. DFV already began to renew and digitise existing property insurance policies in 2018.

Earnings in 2019 will be influenced by high growth investments for the further expansion of the contract portfolio, expenditure on further digitisation and the further development and expansion of new distribution channels. Distribution costs alone are expected to double to around EUR 30 million in 2019. DFV therefore expects a pre-tax loss of between EUR 9 million and EUR 11 million. Despite further dynamic growth, the breakeven point is expected to be reached in 2021.

“We’ve made a very good start to the new year. As of the end of March 2019, we already had 30% of the planned 100,000 new contracts on our books. Our declared goal beyond 2019 is to achieve an annual new business volume of around 100,000 contracts and thus continue our successful digital growth course in the medium term,” says Dr Stefan Knoll.

## About DFV Deutsche Familienversicherung AG

DFV Deutsche Familienversicherung AG (ISIN DE000A0KPM74) is a fast-growing insurtech company. As a digital insurance company, DFV covers the entire value chain with its own products. The aim of the company is to offer insurance products that people really need and understand immediately (“Simple & Sensible”). DFV offers its customers award-winning supplementary health insurance (dental, health and long-term care insurance) as well as accident and property insurance policies. Based on its ultra-modern and scalable IT system developed in-house, the company is setting new standards in the insurance industry with consistently digital product designs and the option of taking out policies via digital language assistants.

[www.deutsche-familienversicherung.de](http://www.deutsche-familienversicherung.de)

## Press & Investor Relations Contact

Lutz Kiesewetter

Head of Corporate Communications & Investor Relations

Tel.: +49 69 74 30 46 396

E-mail: [Lutz.Kiesewetter@deutsche-familienversicherung.de](mailto:Lutz.Kiesewetter@deutsche-familienversicherung.de)