

Half-year results 2021

## Deutsche Familienversicherung confirms all annual targets for 2021 after 24% growth in the first half-year

- Gross written premiums grow by 24% in the first half-year
- New business develops according to plan with premium volume of around EUR 14 million
- Net loss significantly reduced to EUR 0.7 million
- Successful market launch in Austria
- New cooperation with Volkswagen Bank GmbH, among others
- Product innovation "DFV-KombiSchutz" forms the basis for planned global product
- Founding of an IT joint venture with high-tech start-up STTech GmbH from Munich
- Positive development in the external review of the calculation basis of supplementary long-term care insurance
- All 2021 annual targets confirmed; new products and expansion of sales mix

**Frankfurt am Main, 12 August 2021** – DFV Deutsche Familienversicherung AG ("DFV", "Deutsche Familienversicherung"), the digital insurance company and a leading InsurTech in Europe, consistently continued its dynamic growth path in the second quarter of 2021. The company is hardly affected by the impact of the COVID 19 crisis due to its digital business model and confirms all annual targets for 2021.

***„We will realise a similarly strong new business in 2021 as last year and achieve all communicated targets. Seasonal fluctuations are normal and are not a cause for concern. The fact that we are growing by 24% despite the ongoing COVID 19 crisis shows that our digital business model works,“*** comments Stefan Knoll, CEO and founder of Deutsche Familienversicherung.

### Gross premiums written in property insurance rise by 63.7%

DFV continues to grow significantly faster than the market. Gross premiums written increased by 24.2% to EUR 66.7 million in the first half of 2021 (H1 2020: EUR 53.7 million). While premiums in supplementary health insurance increased by 21.3%, growth in non-life insurance was a pleasing

63.7% in the first half of 2021. This development is in line with the Group strategy, which provides for increasing diversification of DFV's product portfolio in order to give the company a broader base. Accordingly, the share of property insurance in premiums written increased further from 6.8% to 8.9% in the first half of 2021.

With a premium volume of EUR 13.7 million, new business developed as planned in the first six months of the 2021 financial year (H1 2020: EUR 15.4 million). In supplementary health insurance, the average premium per new contract rose once again from around EUR 345 to EUR 363. Through the continuous innovation and further development of its product portfolio, DFV meets the individual requirements of its customers and is thus able to increase the average premiums per contract. In addition, the still young animal insurance market offers the company enormous growth potential – even beyond Germany's borders.

### Significant reduction in net loss despite high growth investments

DFV continues to invest heavily in growth. At EUR 14.0 million, sales expenses were slightly lower than in the previous year (H1 2020: EUR 16.1 million). Irrespective of this, the consolidated result after taxes improved significantly to EUR -0.7 million in the first half of 2021 (H1 2020: EUR -4.1 million). The main drivers of this development were higher premium income and a significantly improved investment result of EUR 4.0 million. This was heavily burdened in the previous year due to Corona (H1 2020: EUR -1.9 million). Increased expenses for insurance benefits, including the build-up of loss reserves, had the opposite effect on the consolidated result. DFV recorded an increase in the loss ratio to 68.9% (H1 2020: 60.5%), in particular due to pandemic effects. The combined ratio, on the other hand, improved by 2.4 percentage points to 101.9%, as the costs for insurance operations increased only moderately despite the strong new business.

### Successful market launch in Austria and new combination product „DFV-KombiSchutz“ for the German market

On 30 June 2021, Deutsche Familienversicherung started selling animal health insurance in Austria ([www.dfv.at](http://www.dfv.at)). By entering another European market, DFV is internationalising its digital sales model as announced. The entry into the Austrian market is a test run for additional international expansion plans at low cost and risk. In order to make optimal use of the existing market potential in Austria already, the existing partnership with ProSiebenSat.1 Digital in Germany will be transferred to Austria from 1 September 2021 at the latest. The new animal health insurance of Deutsche Familienversicherung will then also be marketed on the TV and online channels of the broadcasting group in Austria, which have a wide reach. The marketing will take place, following the German model, under the brand "PETPROTECT" via the website [www.petprotect.at](http://www.petprotect.at).

The market launch of the new combination product, "DFV-KombiSchutz", also took place at the end of June. With this, DFV fulfilled another promise. The new "DFV-KombiSchutz" consists of accident, household/glass, private liability and traffic legal protection insurance. By bundling products, combined with a flat rate price, the digital insurer is responding to customer requests for further

simplification of the product range. In addition, the customer also has a choice of four product variants with "DFV-KombiSchutz" and continues the "all-in" logic of the DFV 16-product matrix. The ability to bundle products in combination with a flat premium rate forms the basis for the innovative GlobalProduct.

## Further strengthening of cooperation sales

In the first half of 2021, Deutsche Familienversicherung succeeded in realising a large number of cooperations with renowned partners in order to promote its own growth. The cooperation with Hamburger Sparkasse ("Haspa") relates to the sale of pet health insurance for dogs and cats. Germany's largest savings bank offers DFV insurance products to its private customers via [www.haspa.de](http://www.haspa.de) and is also promoted directly to customers in the bank's more than 100 branches. Already in the second half of 2020, "DFV-ZahnSchutz" and "DFV-TierkrankenSchutz" were advertised in the B2C Lidl Plus app as part of a pilot project. In 2021, DFV will expand the cooperation with Lidl. In six time windows of four weeks each, the supplementary dental, pet health and other DFV insurances will be marketed alternately in the Lidl Plus app under "Partner benefits". DFV-ZahnSchutz" is currently positioned on [www.lidl.de](http://www.lidl.de) in parallel to the Lidl Plus app offer.

In addition, the Frankfurt-based InsurTech can announce a number of new cooperation partners. Since mid-July, Volkswagen Bank GmbH has been offering its customers DFV's pet health insurance in cooperation with Jung, DMS Cie. & Pro GmbH. Further information on the product can be found on the website [www.vwfs.de](http://www.vwfs.de) under the heading "Provisions & Insurance".

Furthermore, an agreement was concluded with hagebau Versicherungsdienst, the in-house insurance broker of the hagebau group, on the sales of DFV supplementary health insurance for hagebau employees. In a further step, the cooperation is to be expanded to include pet health insurance from 2022.

Similarly, a cooperation agreement was concluded with Maxda Darlehensvermittlungs GmbH on the sale of pet health insurance for cats and dogs. The partner for loans and real estate financing has started to offer its customers the DFV TierkrankenSchutz product for dogs and cats through cross-selling.

***„The realisation of further sales partnerships shows the strength of our work in the cooperation business and our continued unabated attractiveness as an insurance partner across all sectors. In the medium to long term, cooperation sales will play a major role in the sales success of Deutsche Familienversicherung; we see great potential here“***, says Stephan Schinnenburg, Chief Sales Officer of Deutsche Familienversicherung.

## Founding of an IT joint venture with high-tech start-up STTech GmbH

Together with STTech GmbH, a high-tech start-up based in Munich that was founded in the vicinity of the Technical University of Munich, Deutsche Familienversicherung will set up a company to

develop and apply the latest technologies for the automation of claims and benefits. An important aspect of the cooperation is the development of new digital business areas, such as blockchain-based insurance products. STTech combines know-how in the areas of software, AI, architecture design and autonomous systems with specific expertise in order to productively take up the new challenges in the economic cycles and use them for its own benefit.

The Frankfurt-based InsurTech sees enormous and previously completely untapped market potential in these areas.

## Review of the calculation basis for supplementary long-term care insurance

At the end of last year, Deutsche Familienversicherung's long-term care insurance was the subject of discussions with the supervisory authority BaFin. As a result, BaFin instructed the company in January 2021 to appoint an expert or actuarial expert from a renowned auditing firm to examine the calculation of the actuarial interest rate at Deutsche Familienversicherung.

The thesis was that Deutsche Familienversicherung, as a relatively new company, could not be in a position to generate a so-called actuarial interest rate of 2%. In this respect, the question was whether Deutsche Familienversicherung had incorrectly determined the actuarial interest rate for long-term care tariffs in the past, one of the bases for calculating the tariff. In the meantime, the company has received the findings of the expert. These confirm that the method of calculating the actuarial interest rate at Deutsche Familienversicherung was appropriate – both for initial calculations and for determinations in the course of premium adjustments.

## Confirmation of annual targets, new products and expansion of the sales mix

For 2021, Deutsche Familienversicherung still plans to invest EUR 30 million in sales activities and thus generate new business of EUR 30 million or increase gross premiums written again by around 25 per cent.

DFV expects a consolidated pre-tax result of around EUR -4 million after EUR -10.6 million in the previous year.

In order to consolidate the known growth targets, DFV is working on the establishment of a life risk carrier to tap new market potential. With the same intention, the broker sales channel is to be expanded and a sales call centre set up.

***„We keep our promises. We have already realised the market entry in Austria and also introduced the new combination product. For the rest of the year, we will work on achieving the high growth rate of the previous year with an increase of 25 percent. In addition, we will broaden our product range, expand the individual sales channels and thus exploit previously untapped markets and potential,“*** comments Stefan Knoll, Chairman of the Board and founder of Deutsche Familienversicherung.

You can find the complete 2021 half-year report for download under the following [Link](#).

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## 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 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.

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