



# The leading digital insurance company

DFV Deutsche Familienversicherung AG  
FRANKFURT/ MAIN | 12th of May 2020

# Agenda

- **Who we are**
- **What makes us different**
- **Numbers 2019**
- **Impact of COVID-19**
- **Where we want to go**

# Who we are


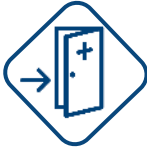


# The first digitized insurer and functioning InsurTech on the German market



# What makes us different

# Easy, understandable products

Our 16x-matrix health

	 DFV-DentalCare	 DFV-OutpatientCare	 DFV-InpatientCare	 DFV-LTC
★ Basis	50 % Refund on all dental treatment	<b>Precautionary consultations</b> Refund of vaccinations and social co-payment	<b>Diseases due to external influences</b> (eg. accident)	25% of the governments monthly care allowance
★★ Komfort	70 % Refund on all dental treatment	<b>Precautionary consultations</b> Refund of up to € 3.000 for particular illnesses	<b>Diseases due to external influences and serious illnesses</b>	50% of the governments monthly care allowance
★★★ Premium	90 % Refund on all dental treatment	<b>Precautionary consultations</b> Refund of up to € 6.000 for particular illnesses	<b>Health issues regardless of the cause</b>	75% of the governments monthly care allowance
★★★★ Exklusiv	100 % Refund on all dental treatment	<b>Precautionary consultations</b> Refund of up to € 12.000 for particular illnesses	<b>+ exclusive assistance services</b>	100% of the governments monthly care allowance

# Easy, understandable products

Our 16x-matrix p & c



DFV-household protection



DFV-liability protection



DFV-accident protection



DFV-traffic law protection

★ Basis	32.500 € sum insured 50m <sup>2</sup>	20 mio. € sum insured single, 300 € excesses	50.000 € in case of total disability 5.000 € immediate benefits	2 mio. € sum insured single, 300 € excesses
★★ Komfort	48.750 € sum insured 75m <sup>2</sup>	20 mio. € sum insured family, 300 € excesses	162.500 € in case of total disability 10.000 € immediate benefits	2 mio. € sum insured family, 300 € excesses
★★★ Premium	65.000 € sum insured 100m <sup>2</sup>	20 mio. € sum insured single, without excesses	337.500 € in case of total disability 15.000 € immediate benefits	2 mio. € sum insured single, without excesses
★★★★ Exklusiv	97.500 € sum insured 150m <sup>2</sup>	20 mio. € sum insured family, without excesses	600.000 € in case of total disability 20.000 € immediate benefits	2 mio. € sum insured family, without excesses



# Confirmation of leading product quality by Stiftung Warentest

We have also succeeded in maintaining our product quality in 2019 & 2020



## DFV-DeutschlandPflege Flex

Very good (1,6) Financial Test 02/20

**Winner**



## DFV-ZahnSchutz

Very good (0,5) Financial Test 05/19

**Winner**



## DFV-KrankenGeld

Good (1,7) Financial Test 06/18

**Winner**



## DFV-KlinikSchutz

Very good (0,7) Financial Test 12/18

**Winner**

In addition to **continuing our sales growth**, we also succeeded in 2019 in maintaining our exceptional position in **product innovation**, which we will continue in 2020.

The development of "**very good**" **digital products** is an expression of our efficiency and, with a **workforce of 122 employees**, not a matter of course.



# Java- and event-based core system

Easy, understandable products and smart processes need a powerful IT-system.  
Therefore we developed the “product module editor”.

Interfaces



Contract creation

Documents



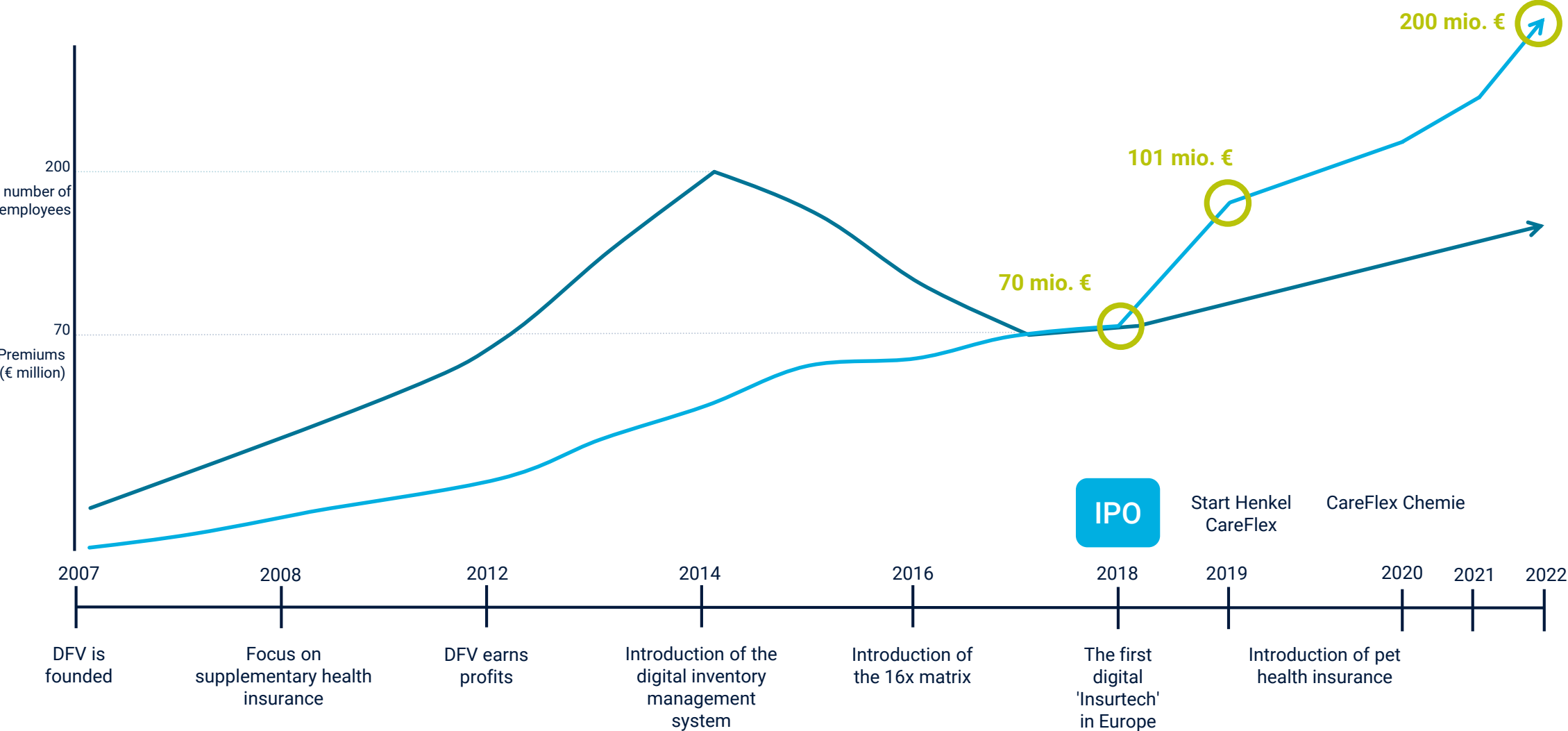
Claim service

	Module	Typ	Vorgabe	Status	Eingabe	Condition	VSKM	Rang
<input type="checkbox"/>	1 DFV-Spezifisch							1
<input checked="" type="checkbox"/>	2 ZUSZ	Zus	3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10
<input checked="" type="checkbox"/>	3 ZUS	Zus	2005	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12
<input checked="" type="checkbox"/>	4 ZUS	Test	2005-01	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13
<input checked="" type="checkbox"/>	5 ZUSZUSZUSZUSZ	Test		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14
<input checked="" type="checkbox"/>	6 ZUSZUSZUSZUSZ	Test	DFV-Zusatz	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	100
<input type="checkbox"/>	7 Versicherungsmittel							10
<input checked="" type="checkbox"/>	8 Versicherungsmittel	Zus	100	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1100
<input type="checkbox"/>	14 Versicherungsmittel							10010
<input type="checkbox"/>	17 Versicherungsmittel							10010
<input type="checkbox"/>	18 Versicherungsmittel							10010
<input checked="" type="checkbox"/>	42 Erbschaft	Ausweis	JA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1200

All our insurance products cover more than 1,500 input options so that the entire user interface, correspondence and policies handling is controlled centrally.

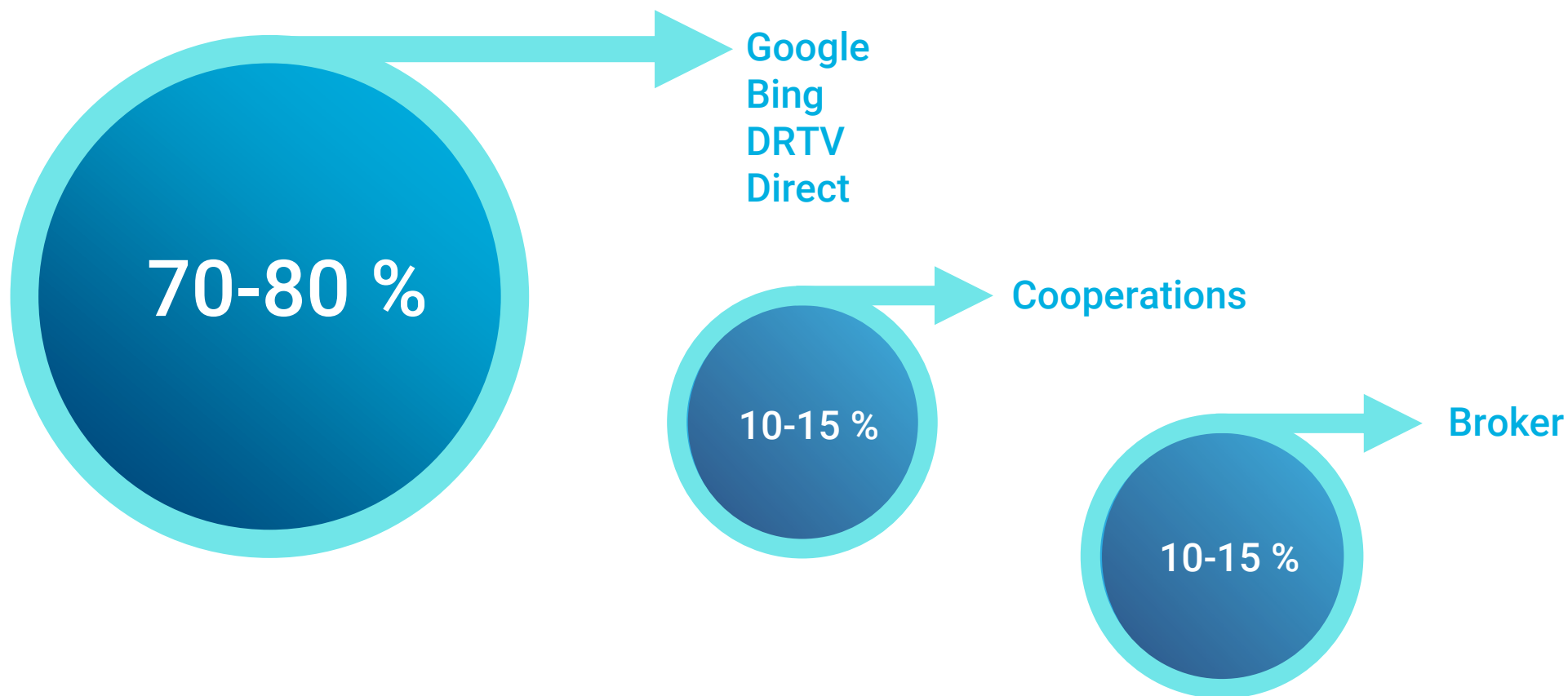
The core system was developed in-house and the source code belongs to DFV.

# Development perspective of DFV AG



# Our multi-channel sales mix provides a solid foundation for our growth ambitions

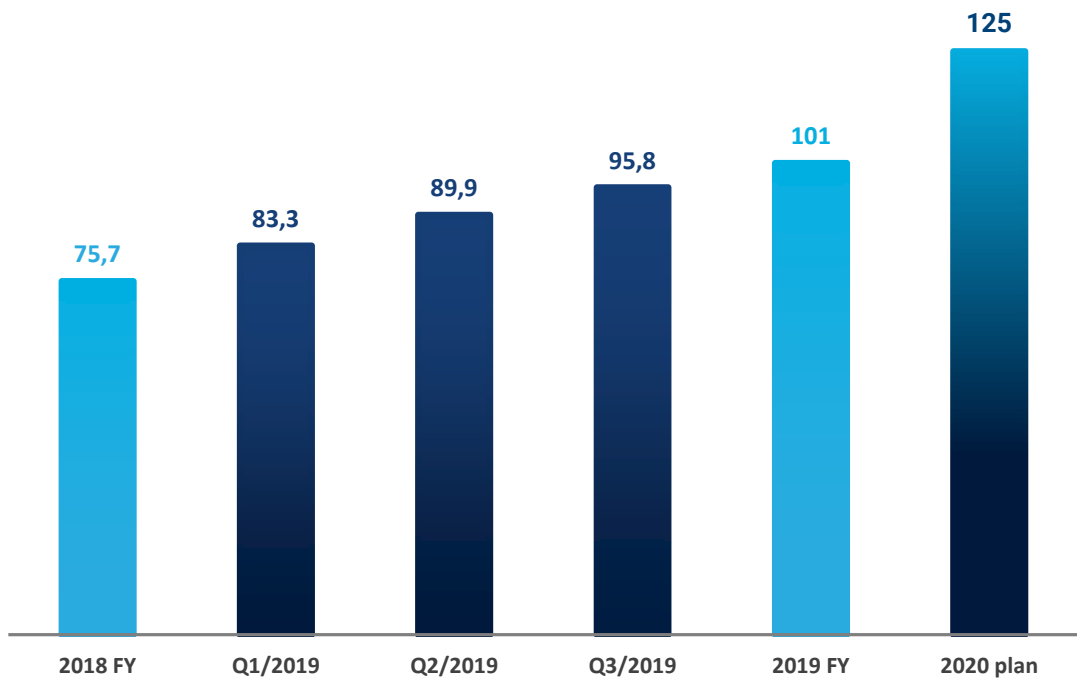
Through the increasing use of direct sales, Deutsche Familienversicherung is able to attract new customers at low, stable costs. **We spend up to 12 monthly premiums to win a new customer.**



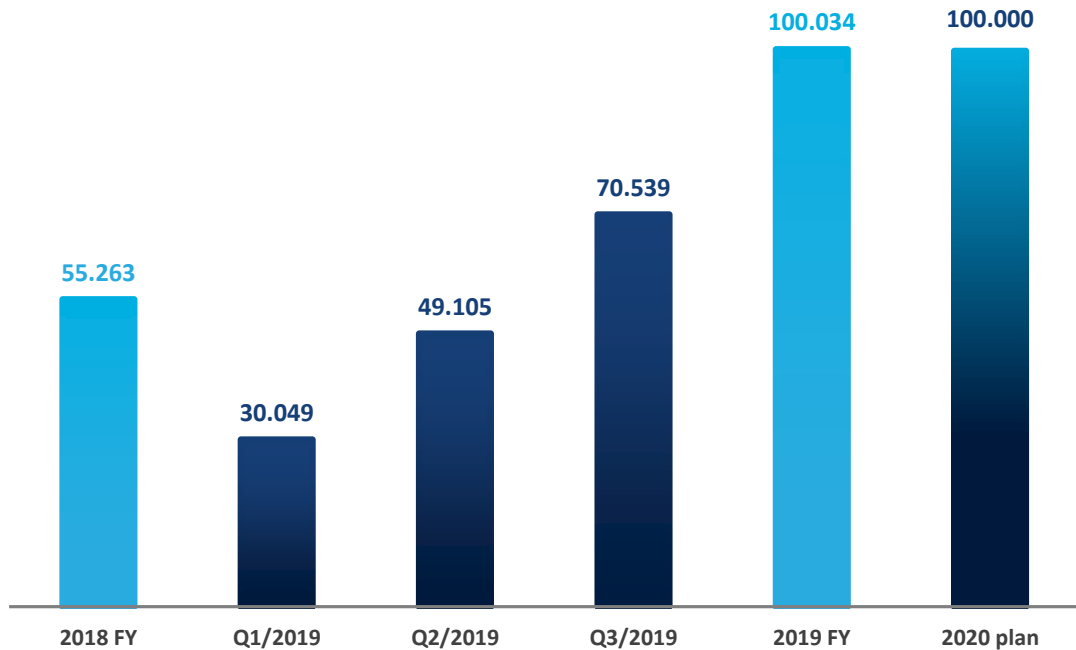
# Numbers 2019

# Fullfilling our targets – numbers 2019 and beyond

Premium volume in million of €

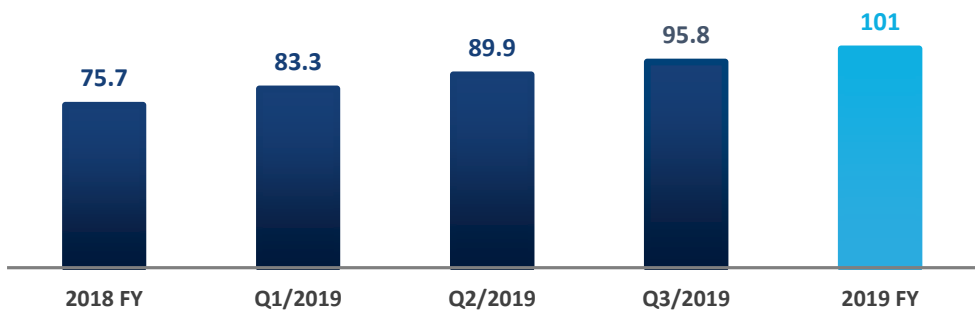


New business (contracts)

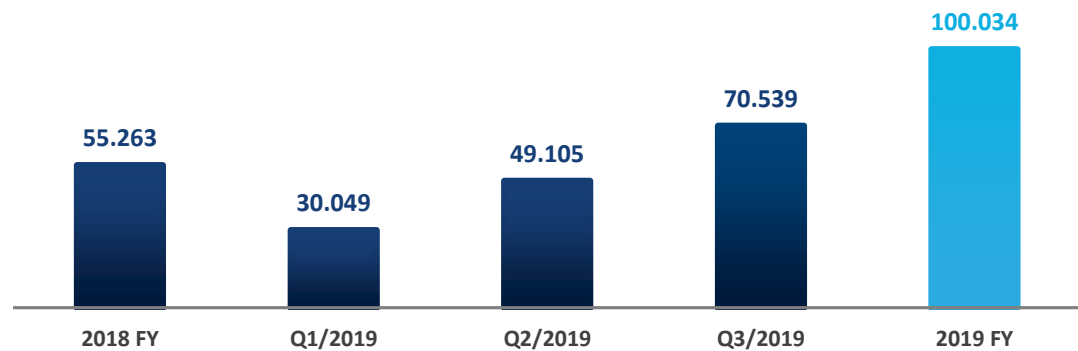


# Key financial figures 2019

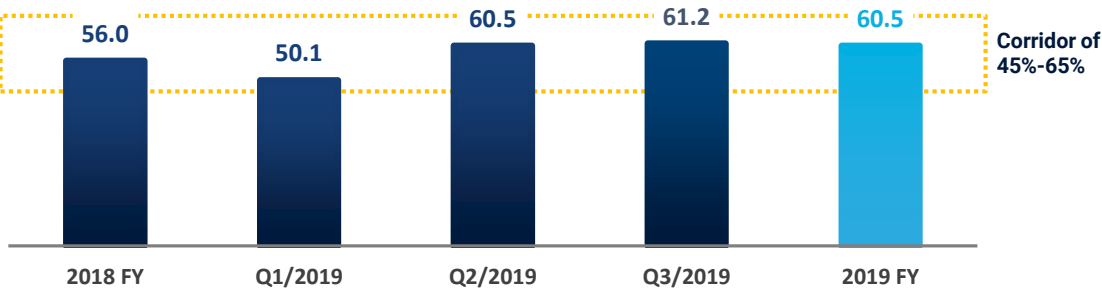
Premium volume in million of €



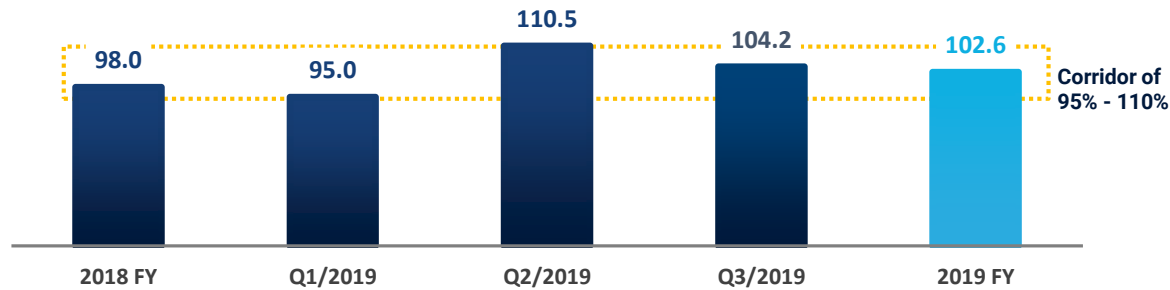
New business (contracts)



Claims Ratio in %

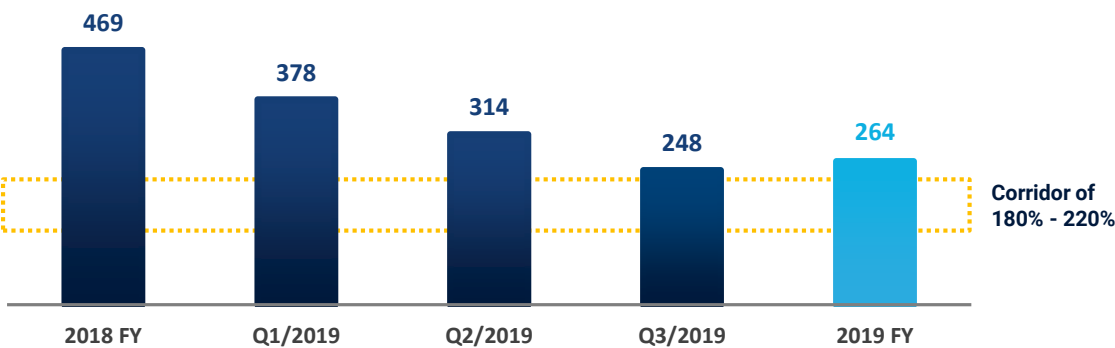


Combined Ratio in %

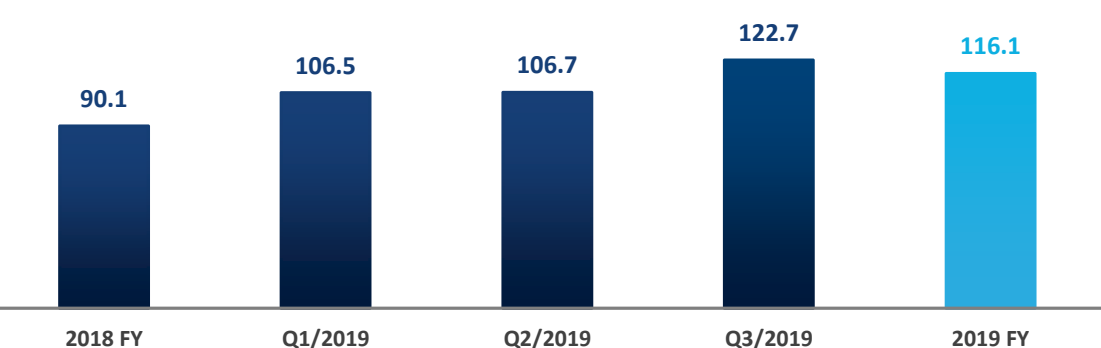


# Key financial figures 2019

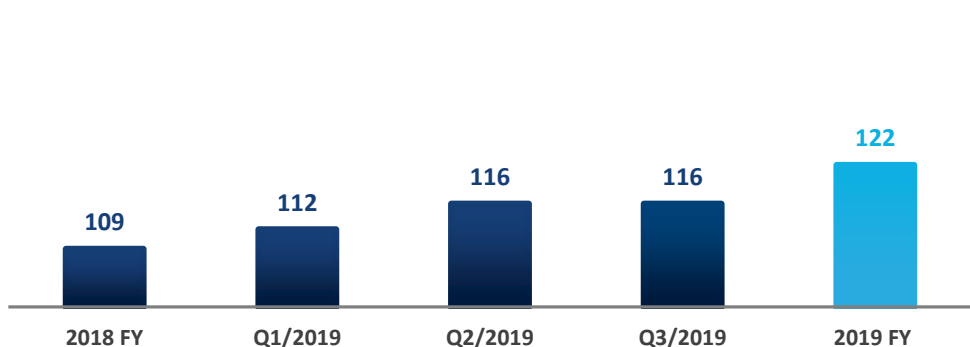
Solvency Ratio in %



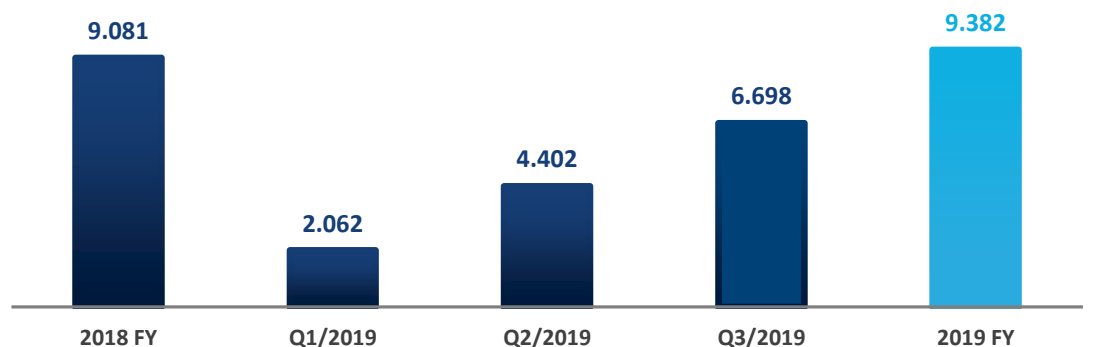
Financial investments in million of €



Number of employees

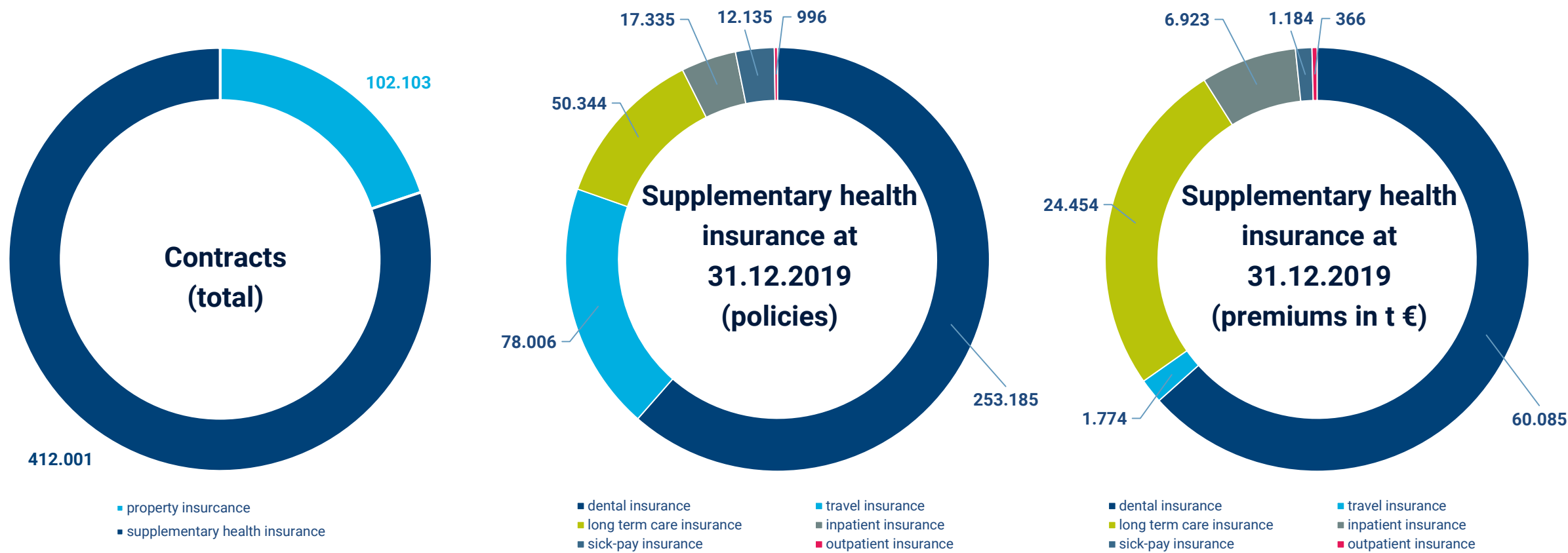


Cumulated salaries in t of €

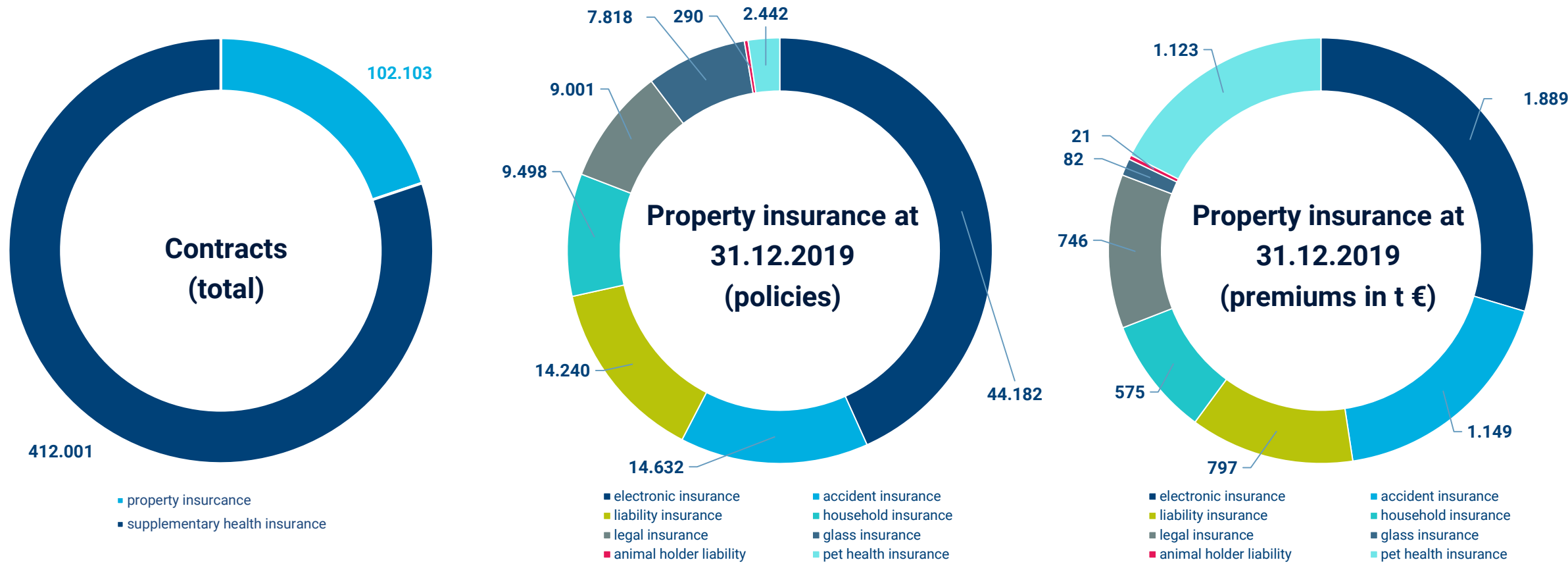




# Key financial figures 2019 – Supplementary health insurance



# Key financial figures 2019 – Property insurance



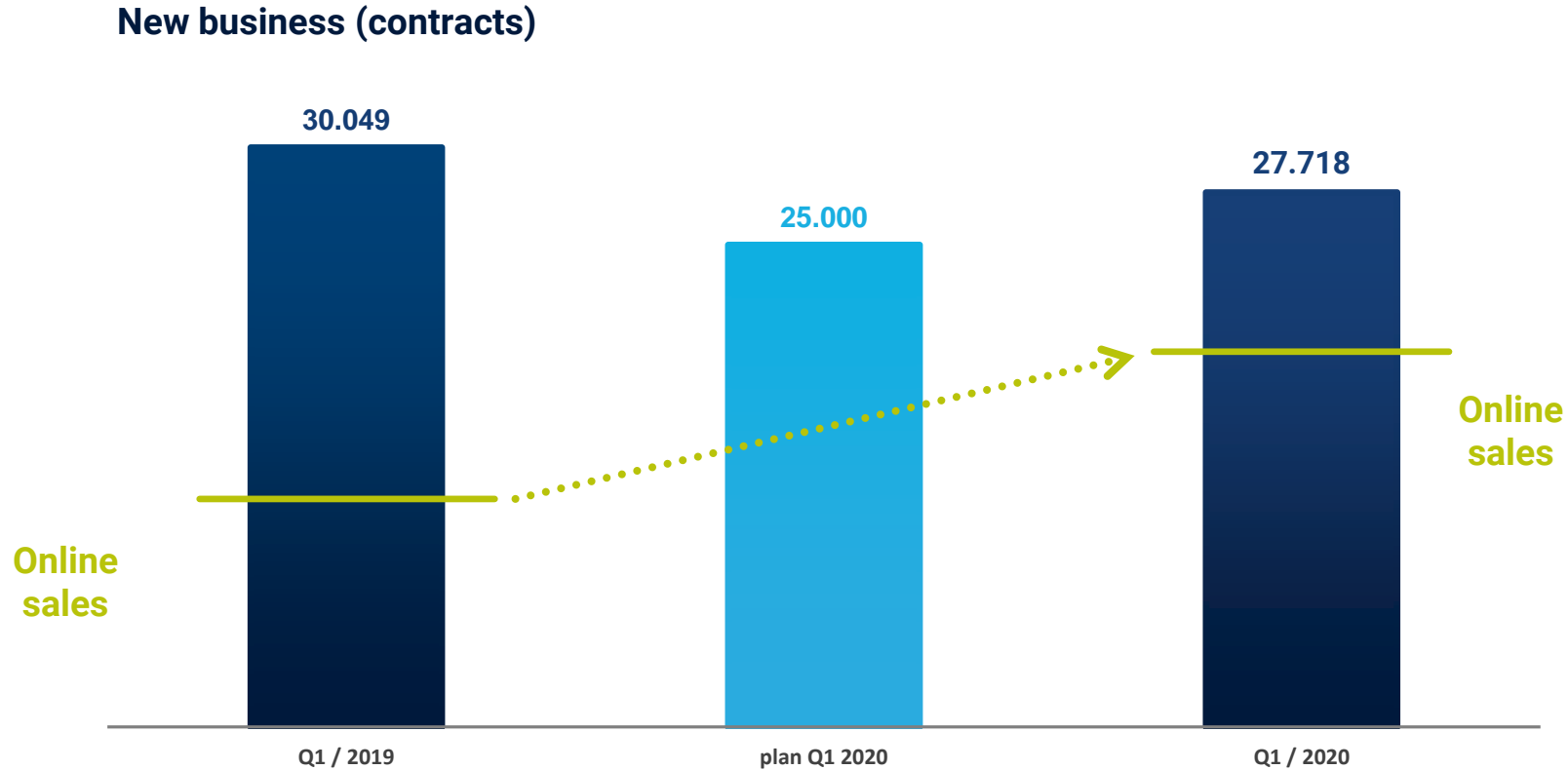
# Impact of COVID-19

# The Corona Pandemic affects Deutsche Familienversicherung in five areas:



# Corona and sales

Stability even without Henkel new business



Increase in online sales by **+ 27 %** compared to Q1 2019.

# Corona and operations

- In 2019, all employees were equipped with **a new generation of devices**. This also included notebooks and mobile VPN connection options.
- **The whole value chain** at Deutsche Familienversicherung **can be carried out from the so-called home office without restriction** (exception: physical work, such as opening incoming paper mail).
- 80 % of the employees use the home office option. At present, **there is no noticeable reduction in productivity**.



# Corona and claim settlement

- Despite the higher premium volume in relation to the 2019 financial year, **a decline in claims**, particularly in supplementary dental insurance, can be observed.
- Other types of insurance are unremarkable.



# Corona and Human Resources

- The largest recruitment campaign of Deutsche Familienversicherung **COD** has reached its peak with **more than 3,600 applications** despite the Corona Pandemic.
- Deutsche Familienversicherung will recruit all the necessary positions and, incidentally, will close the recruitment via COD for 2020.

# Corona and share price management

The overall negative economic development caused by COVID-19 is so far only having a marginal effect on DFV AG



## Key figures:

- Market Cap:  
~ € 240 mio.
- Average trading volume 2020:  
**16,197 shares / day**
- Average share value 2019:  
**€ 11,31**
- Average share value 2020:  
**€ 18,16**



Source: bloomberg.com, accessed on 11 May

**Where we want to go**

# Our goals



- ✓ **New unit: 1.000.000 customers**
- ✓ **Premium volume: € 200 million**

# The years 2020 and 2021 are defined by Care Flex

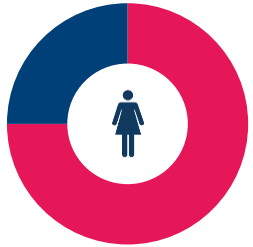
$$\begin{array}{ccccc} \sim 500.000 & + & 70 \text{ Mio. €} & = & \underline{100 \%} \\ \text{new customers} & & \text{premium volume} & & \text{company's growth} \end{array}$$

# Care situation in Germany

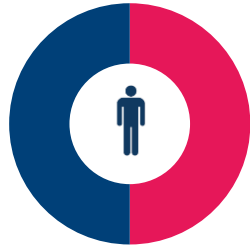
Care in Germany is a private matter

In **every family** there is a **long-term care case**.

50% **men** and 75% **women** are in need of care.



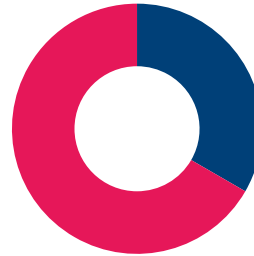
Women: 75%



Men: 50%

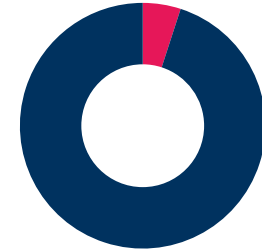
The state covers only **1/3 of the costs**.

2.000 € is the pension **gap** that **everyone** has **to cover** for their own inpatient contribution.



2.000 € from private funds

Only **5% of the Germans** have a long-term care insurance.



ca. 2.25 mio. people\*

\*Range of 20-60 years old people in Germany.

# As a result of the collective bargaining on November 21, 2019, the IG BCE and the BAVC agreed on the following, among others:

- » In the pharmaceutical and chemical industries, a total of **580,000 people** are given the opportunity to take out **employer-financed supplementary long-term-care insurance**. Of these, 400,000 employees are directly covered by the collective agreement. In the case of 180,000 non-pay-scale employees, the individual employer decides.
- » A total of **1,900 companies are covered by the collective agreement**.



# The history of CareFlex

... an example of strategic corporate planning ...



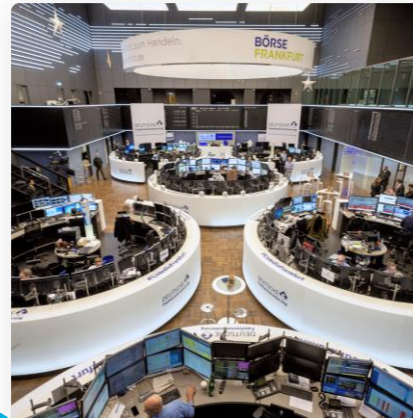
**Since 2012**

Focus on  
supplementary long-  
term-care



**First presentation in  
04/2018**

Digitization of DFV



**IPO as InsurTech**

IPO on 04.12.2018



**Implementation  
Henkel**

January 2019



**CareFlex**

November 2019

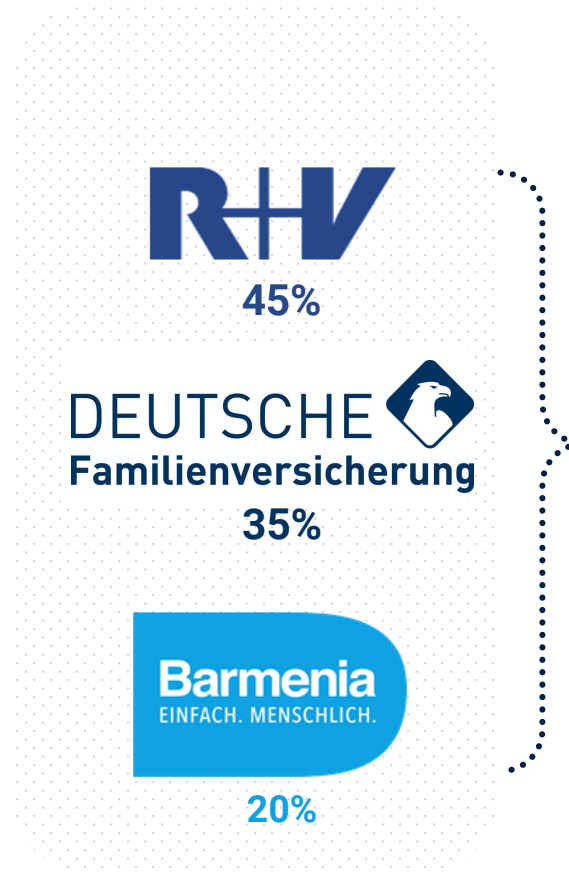
# What does CareFlex mean?

First industry solution in company health insurance:

First consortium to implement a nationwide employer-financed supplementary long-term-care



■ DFV ■ R+V ■ Barmenia



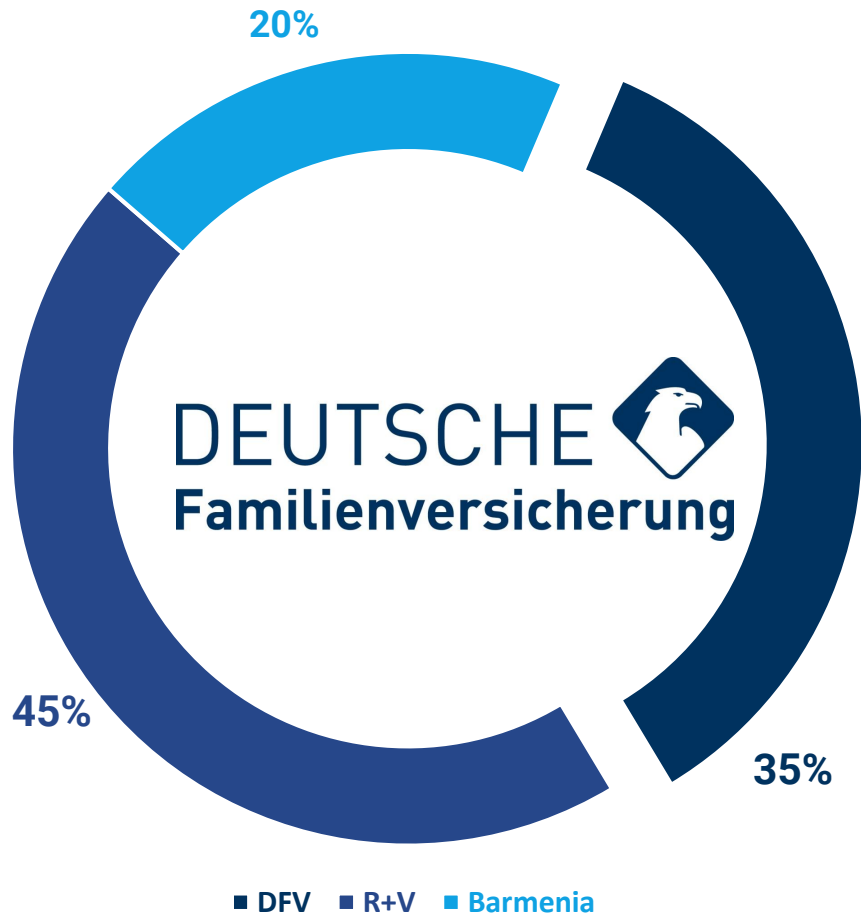
» financial stability

» risk assumption

» excellent service

# Implementation CareFlex

Responsibilities of Deutsche Familienversicherung



- » product management
- » contract & customer management
- » support of implementation

# What does CareFlex mean for us?

**+ € 70 mio**

## **increase of premiums**

After a successful planned premium volume growth of another € 25 million in 2020, CareFlex Chemie is expected to increase the premium volume by another € 70 million. This will result in a total premium volume of €200 million in 2021.

**+500.000**

## **customers**

From almost 514,000 customers in 2019 and about 600,000 customers in 2020, CareFlex Chemie is expected to attract up to 500,000 new customers in 2021. In total, over 1 million customers will be insured with DFV.

**+ € 41 mio**

## **increase in financial investments**

Financial investments will continue to rise. Starting from € 122.5 million in 2019, investments are estimated to increase by € 41 million to a total of € 163.5 million in 2021.

**For this we have to invest in 2020, which explains the increased planned loss in 2020.**

# Thank you very much for your attention!

Any questions?

## Our next IR dates:

<b>14/05</b>	Q1 Report 2020
<b>20/05</b>	Annual General Meeting
<b>18/06</b>	Quirin Champions Conference
<b>13/08</b>	Q2 Report 2020

# Appendix

# Targets 2020 and beyond

## Loss due to unfavourable ratio of premium volume to new business investment

The ratio of existing premiums to new business investment in the case of the Deutsche Familienversicherung is just 2 : 1. This is in comparison to established competitors, some of whom have insurance portfolios of many hundreds of millions.

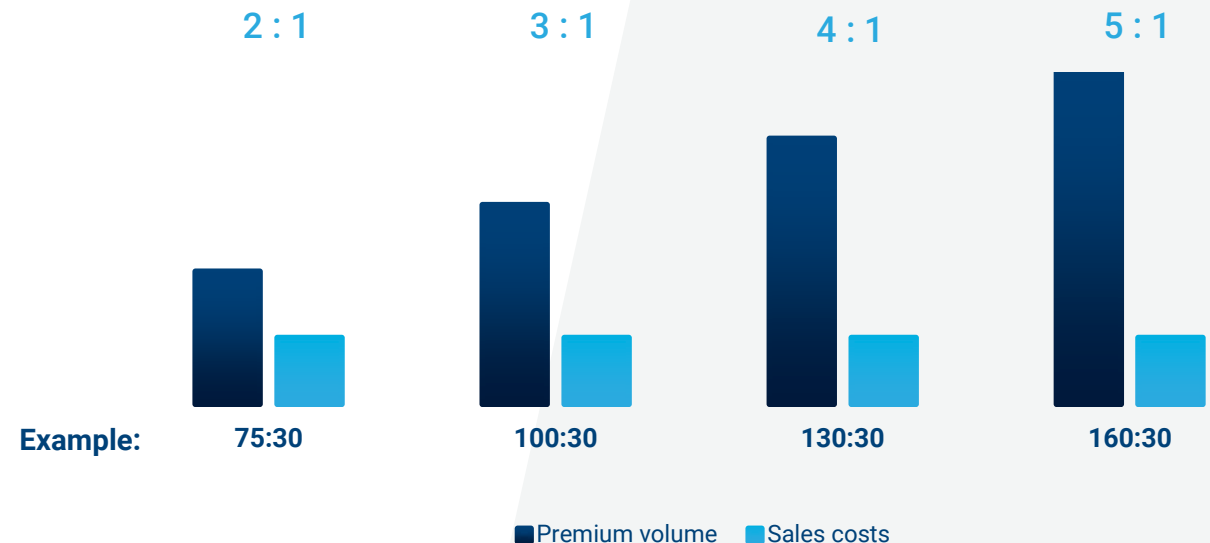
The new business planning of Deutsche Familienversicherung will lead to a gradual improvement of the ratio with a linear sales target.

### Reaching the profit zone

From a ratio of 4 : 1 an insurance company may be expected to make a profit.



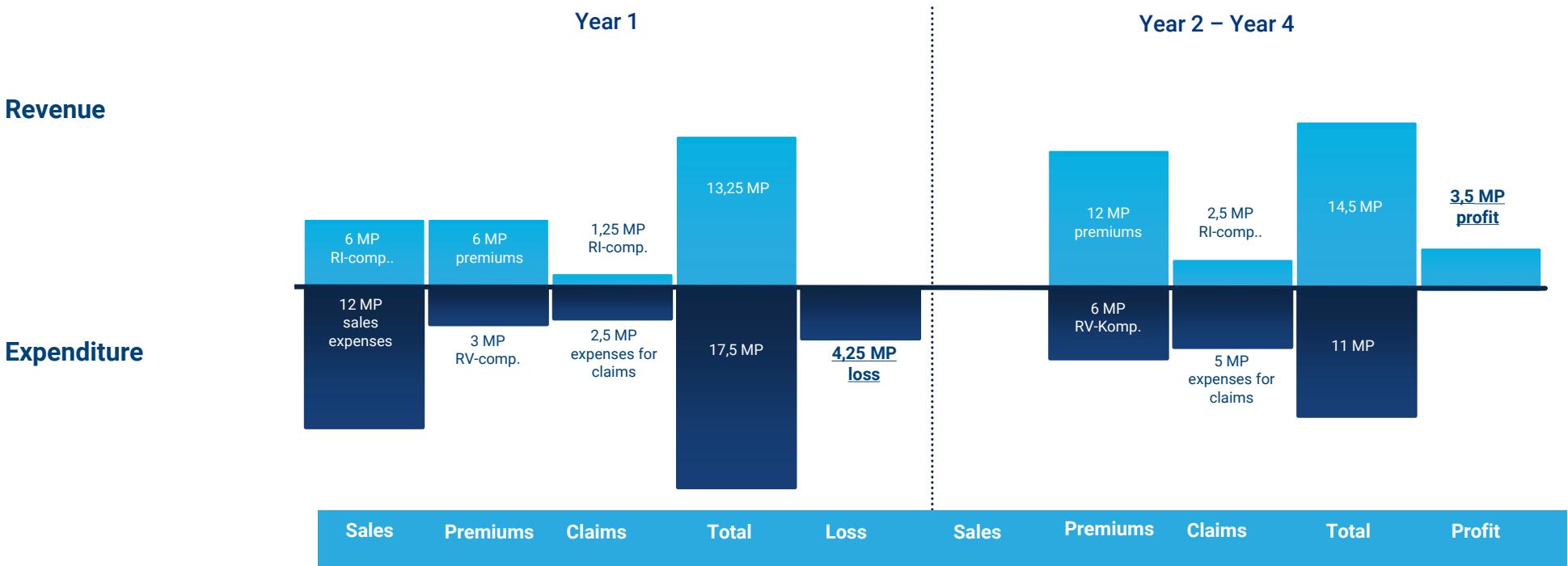
Premium volume to distribution costs (planning)





# Reinsurance concept of Deutsche Familienversicherung

## Pre-financing of sales



With the successful IPO, Deutsche Familienversicherung now has sufficient financial resources at its disposal to gradually dispense with this form of co-financing sales. Deutsche Familienversicherung will therefore review its reinsurance portfolio as of 31 December 2019 in order to terminate the reinsurance portion for the purpose of pre-financing new business if necessary.

Ø Average customer retention: 8.5 years

DEUTSCHE   
**Familienversicherung**