

Annual Press Conference
ARAG Group
Statement by Dr. Renko Dirksen
Düsseldorf, 20 May 2026

Good morning, ladies and gentlemen,

On behalf of the ARAG Management Board, I would like to extend a warm welcome to all of you. We are very pleased that you have accepted our invitation.

Today, we will review the key figures of the ARAG Group for the 2025 financial year.

ARAG delivered a confident performance last year. The Group once again achieved substantial growth and further improved its results. Our growth target of **€3 billion in premium income has already been exceeded**. This milestone was reached five years earlier than planned.

I. **Business performance:**

You have a report of more than 180 pages in front of you. So what are the key takeaways?

- **Group gross premiums written** increased by **13.2 percent**
- **Legal insurance** grew by **11.5 percent**
- **Health insurance** once again recorded strong growth of **18.4 percent**.
- The combined ratio improved to **89.4 percent**
- **Profit/loss from ordinary activities** increased by **6 percent**
- In the **first quarter of 2026**, we recorded premium growth of **10 percent** at **Group level**

In 2025, the ARAG Group generated gross premiums written of **€3.16 billion**, an increase of more than **€340 million**.

The financial year was successful for ARAG both domestically and internationally. In **Germany, premium income reached €1.75 billion**, an increase of 13 percent compared to the previous year. Growth was once again driven by legal and health insurance. 67 percent of new business in Germany represents “genuine growth” and is therefore not attributable to premium adjustments.

In our internal comparison between domestic and international business, the gap was narrower than usual this time. Outside Germany, premium income rose to **€1.41 billion**, an increase of 13.5 percent compared to 2024.

All three segments of ARAG developed successfully and each contributed to the Group's growth:

- The largest segment, **legal insurance**, remained on its growth path. Premium income increased by **11.5 percent**. **Total premium volume reached €1.82 billion**, compared to **€1.65 billion** in the previous year. Of this, almost exactly **€600 million** came from **Germany**, an increase of **9.2 percent**. Our market share in Germany was just under 11 percent. For those of you who are interested in the figures: with these results, **ARAG maintains its position as the world's leading legal insurer**. In Germany, we are number two in the market.
- The demand for **health insurance** remained high in 2025. Premium income came to **€886.3 million**, an increase of 18.4 percent. Our full-coverage products continue to meet demand and support this development.
- The **composite segment** also developed well. Premium income reached **€430 million**, compared to €388 million in the previous year, an increase of 10.9 percent.

A confident performance also means that the ARAG Group continued to increase its earnings overall. After a decline in 2024, **the underwriting result improved again, reaching €105 million compared to €96 million in the previous year**. Here, **legal insurance recorded an underwriting profit of €58 million**. **Health insurance came to €37 million**.

Gains and losses on investments were slightly lower, at **€157 million** compared to €161.5 million in the previous year. This was mainly due to simply lower returns and smaller disposal gains in the key asset classes.

Overall, the ARAG Group once again increased its profit/loss from ordinary activities. We achieved a result of **nearly €150 million, compared to €141 million** in 2024, an increase of 6 percent.

At the same time, the ARAG family continued to grow. By the **end of 2025, we employed 6,500 people**, nearly 6 percent more than in the previous year. This increase was necessary to support our growing business. We expect that the current workforce will enable us to support future growth effectively. Accordingly, we plan for workforce growth to be significantly more moderate.

The 2025 financial year was a year of exceptional performance and sustainable growth. It reflects the strength of our business model, our customer focus and the high level of commitment shown by our employees worldwide. The Management Board is proud to work with such a team.

II. Outlook

Let us take a look at the **first quarter of 2026**. Here, ARAG also shows a good level of momentum. Group gross premiums written increased by **10 percent to €956 million** (previous year: €868 million).

- In Germany, we recorded an increase of 9 percent
- International business reported an increase in premiums of 11 percent
- Health insurance achieved growth of 15 percent
- Legal insurance in Germany reached growth of 12.2 percent

For 2026, we again expect **demand for legal and health insurance to remain solid to strong**. With our focus on these two insurance segments, we are positioned exactly where people need us. The reasons for this lie in the crisis developments of recent years. We are seeing an increased need for protection among people. They are looking for ways to strengthen their personal resilience. **Legal insurance in particular is a product through which people are seen and heard**. It enables people to engage on equal footing – equal footing that is currently needed especially in relation to employers and landlords. Also in 2025, it was clearly visible in which areas our customers made use of our support.

Our case numbers in **employment law increased by 11.1 percent**. Looking at the period from **2021 to 2025, claims incurred in this area rose by 63 percent**. These figures are no longer a marginal phenomenon, but a clear signal. The persistently weak economy is having an increasing impact across the board. All income groups are now affected – from lower incomes to high earners. This trend continued in the first quarter of 2026. Employment-law cases increased by a further **12.2 percent** compared to the previous year.

We do not hide behind statistics. The cases we handle do not leave us unaffected. After 25 years with his employer, one of our customers – a steelworker and father of three – was dismissed due to a poor order situation. Given his long tenure, this came as a complete surprise to the entire family. They were still paying off

their home and suddenly found themselves in a situation that threatened their livelihood. The customer contacted us directly and immediately received confirmation of cost coverage and a lawyer recommendation. In court, the employer had to withdraw the dismissal in full. The judge ruled it socially unjustified; the alleged lack of orders proved to be a pretext. This meant the case was won in full. The threat to the family's livelihood was removed. The customer incurred costs of €2,300, which we covered.

The strongest increases in **claims incurred in 2025 were seen in tenancy law**. Here, we recorded more than 15 percent more cases. Between **2021 and 2025** alone, claims incurred relating to tenancy issues rose by more than **74 percent**. High service-charge bills, rent increases and terminations due to rent arrears are shaping the picture. At the same time, there is a growing willingness to take action against landlords even over smaller amounts. In other words: **the financial leeway of private households** has shrunk to such an extent that people are starting to fight for every euro. In the **first quarter** of 2026, tenancy-law cases rose by **3.1 percent** and therefore not as strongly. However, they remained at the very high level of the previous year.

Another case from practice: Following a change of landlord, a family of five was confronted with a rent increase of more than 40 percent. In addition, the landlord demanded a service-charge back payment of €4,700. For the parents – the father an employed carpenter, the mother working in a mini-job – these amounts were not affordable. The family was at risk of losing their home. We granted cost coverage and recommended a lawyer. It turned out that the rent increase had been set 30 percent too high. The increase could be successfully challenged out of court. The service-charge back payment, however, ended up in court. The housing company filed a claim for payment. In court, the expert found that the service-charge calculation had been prepared using faulty measuring devices. That resolved the matter. The family incurred costs of €7,500, which were fully covered under our insurance.

The importance of the topics “work” and “housing” is also reflected in the fact that all other types of cases remain relatively unremarkable. Our customers **are focusing on their basic needs, which are currently under pressure**. This shows their pragmatism, especially in times of crisis.

People want to solve their **problems quickly and easily. What they do not want is to discuss legal matters**. No one contacts us because they would like to go to court. Our customers therefore expect us to help quickly and provide direct guidance. However,

we are not allowed to do this and we consider this to be unfair. The **German lawyer monopoly leads to every situation becoming a legal case.** You are familiar with our criticism of this regulation. It is based on case law that is 65 years old. As a result, it has **lost touch with the realities of a modern service-based society.**

Our neighboring countries show how it can be done. In **the United Kingdom, we handle 80 percent of our cases** through our own law firm. **Only 14 percent of these** ultimately have to be resolved in court. All other cases are resolved out of court or after the first hearing. A similar situation applies in the Netherlands. Further examples from our international practice would go beyond the scope here. **What they all have in common is that our customers are looking for the fastest and most straightforward way to resolve their matters via their legal insurer.**

You are familiar with our objective of enabling legal advice by legal insurers in Germany as well. Especially for simple, **low-threshold legal questions**, we can provide fast and convenient support. In these cases, it is becoming increasingly difficult for lawyers to operate economically. This growing gap in access to legal services can be addressed by legal insurers. More complex proceedings would remain with the legal profession, where higher earnings are possible.

Our high out-of-court resolution rates in other European legal systems show that we could also **make an important contribution to easing the burden on courts in Germany.** Likewise, we would be able to reduce pressure on courts in mass proceedings at an early stage. These are issues that directly affect all consumers in Germany. They should **have the same options for resolving legal matters as are already common outside Germany.** This disadvantage resulting from an anachronistic monopoly must come to an end.

Independently of this carefully maintained anachronism in the German legal market, **artificial intelligence will fundamentally change this market.** We see this as a key lever to provide real benefits to our customers. Insurance is particularly well suited for the use of AI: structured, predictive processes that are repeated millions of times. This applies even more to legal insurance. Our business largely consists of **processing texts: reading submissions, understanding and developing solutions from them.** This requires resources and, above all, time. AI can perform such tasks much faster. This will significantly relieve our specialists and create capacity for even higher-quality customer interaction. ARAG has aligned its AI strategy accordingly. We are focusing on the **use of AI in legal insurance claims management** – both nationally and internationally.

As you can see: economic success is not a reason for ARAG to slow down. We look to the future with confidence. Our robust business model, our innovative strength, our strong market position and our excellent team form the basis for continued successful development. Our ambition remains unchanged: we perform and we deliver for our customers.