



Annual Press Conference
ARAG Group
Statement by Dr. Renko Dirksen
Düsseldorf, 21 May 2025

Good morning, ladies and gentlemen,

The ARAG Executive Board warmly welcomes you to the annual press conference of the ARAG Group for the 2024 financial year. We are pleased that you have accepted our invitation.

The year 2024 marks an important milestone for us. For the first time, we consolidated the business of the former DAS UK. This has resulted in the largest growth leap in our company's history. But even without the acquisition, the Group achieved robust organic growth. Our earnings performance developed better than we had forecasted in December. In short: we look back on a very successful financial year.

I. Business Performance in 2024:
Record Growth; Customers Seeking More Support

What are the key highlights of the year?

- Our premium income rose sharply by 17.5 percent
- Even excluding the UK acquisition, Group revenues increased by more than 10 percent
- Legal insurance showed dynamic growth of 16.7 percent
- Health insurance remained on a very high growth path at 17.4 percent
- A strong increase in customer numbers led to 1.5 million additional contracts; in Germany, we welcomed 125,000 new customers
- Earnings from ordinary business activities reached a new record
- Q1 2025 again saw a strong 12 percent rise in premium income

The ARAG Group posted a premium income of nearly **€2.8 billion, more than 17 percent increase.**

In Germany, we achieved €1.6 billion in income, up from €1.4 billion the previous year – a 13 percent rise driven by strong development in legal and health insurance.



Internationally, ARAG also performed very well: **premium income outside Germany amounted to €1.18 billion, up 24 percent.**

Looking at the Group's three business segments, the strong performance is evident across all areas:

- Our largest **group segment, legal insurance**, achieved robust growth of almost 17 percent, with premiums totaling **€1.65 billion**. This significant increase **strengthened our position as the world's leading legal insurer**. In Germany, **legal insurance** premiums reached €549 million – a 10 percent rise – giving us a 10.3 percent market share. For those who enjoy statistics: we remain number two in the German market.
- The **health insurance segment** continued its successful path in 2024. Premium income climbed further to **€749 million – over 17 percent growth**. This was largely driven by **modern full-cost tariffs**, with 99 percent of the increase coming from new business. Only 1 percent resulted from premium adjustments.
- Our restructuring in the UK also brought visible changes to the development of our **ARAG composite segment**. Like Spain, we operate an assistance business in the UK, assigned to the composite segment at Group level. This led to a premium increase of **21.5 percent to €388 million**.

The ARAG Group remained **profitable** in 2024. At the same time, we observed the **effects of social inflation**, which we explained in December. I will elaborate on this shortly.

What does this mean for our key figures? Due to higher claims expenses, **the underwriting result** declined to €96.1 million (previous year: €137.6 million). Legal insurance contributed the highest share of earnings with €75.7 million. To support the strong growth in customers, we invested accordingly and **increased our workforce by 21 percent to 6,150 employees**. The biggest increase came from our international units, which expanded by more than a third – partly due to the UK acquisition. The Group's **combined ratio** rose to 90.6 percent (previous year: 87.6 percent).

Positive market trends and additional gains from restructuring measures led to a **significant increase in investment income**, totaling **€161.5 million – up 33 percent** from the previous year.

After a strong rise in **earnings from ordinary business activities** in 2023, the ARAG Group achieved a further 3 percent increase in 2024, **reaching a new record of €141 million (up from €136.5 million)**. **2024 was a year of positive momentum for ARAG**. We grew significantly, offered more support to our customers, and invested in our growing team. The Group **completed the integration of UK operations and rebranded**



all former DAS companies under the ARAG umbrella. We now present ourselves as a unified ARAG brand in the UK.

With our modern product and service offering, the ARAG Group continues to meet the needs of today's consumers. Our strong **legal and health insurance services deliver where people need us most.** We deliver results. And by "we," the Executive Board means above all our dedicated employees who go the extra mile for our customers. We are grateful for their commitment and deeply appreciate their contribution.

II. Outlook

Just as strongly as 2024 ended, 2025 has begun. The Group posted a **very strong first quarter. Premium income rose by more than 12 percent to €898 million (Q1 2024: €800 million).**

- In **Germany**, we saw premium growth of over **12 percent**
- **ARAG health insurance** rose strongly again by **20 percent**
- **Legal insurance in Germany** also remained on track with over **6 percent** growth
- **International business contributed nearly 12 percent more** in premium income

As we reported in December, we are seeing the effects of **social inflation** – growing conflict readiness in society. Since the pandemic, customer **demand for protection has surged.** This has not improved – quite the opposite. New crises continue to emerge before previous ones are resolved. There are no more breathing spaces – and this changes people. They are increasingly seeking support in disputes with **employers, landlords, road users, retailers, etc., while also focusing on maintaining their health.**

People's focus is shifting from **passive wealth protection to building active personal resilience.** And this aligns perfectly with our offerings. **Legal insurance and health insurance offer more than protection—they build resilience.** Our growth figures are evidence of this trend. This development is also reflected in our service side: In Germany alone, **ARAG handled 745,000 legal insurance claims in 2024 – a 10 percent increase. Employment disputes rose by over 16 percent.** In Q1 2025 alone, the increase was 12 percent.

We are seeing harder conflicts. One example: a severely disabled customer was dismissed without the required approval from the integration office. His employer was a medium-sized family-owned business that was under pressure itself. We successfully challenged the dismissal and even secured additional compensation under the General Equal Treatment Act (AGG).

We also saw a noticeable increase in **tenancy-related cases – up 11 percent in 2024 and 20 percent in Q1 2025.**



There were no noticeable spikes due to excessive rent increases – legal caps like rent control apply here. However, the high legal costs when tenants contest increases are significant.

One real-life example: a customer opposed a €30 monthly rent hike. The court sided with the landlord, and our customer was ordered to pay €4,000 in legal fees – largely due to court-appointed experts whose fees range between €2,000 and €4,000. These costs are also covered. Without legal insurance, such costs are unaffordable for many tenants.

The world around us injects high dynamics into our business. Our positioning **as the world's leading legal insurer and modern health insurer underscores the strong relevance of our offering**. We see a great opportunity to convince customers of our capabilities.

A recent **international comparative study** commissioned by us shows just how great the demand for legal protection is. In seven countries (Germany, USA, UK, Netherlands, Spain, Italy, and Norway), respondents said they often avoided legal proceedings due to cost concerns and emotional burden. **Costs remain the main barrier to resolving legal issues.**

It is therefore regrettable that the **European Court of Justice** upheld the **German ban on capital investment in law firms**. A different ruling could have helped **break down Germany's rigid legal market barriers**. These restrictions – such as the **ban on external ownership and the lawyer monopoly** – also prevent **modern access to justice** for consumers. The **great potential of technological change in the legal sector – especially through AI** – cannot be realized in Germany under the current circumstances. As a result, **the anachronistic nature of the German legal market is becoming increasingly apparent**. Its legal foundations are **65 years old and bear little relation to the realities of a modern service-based society**. We remain hopeful that the new federal government will work to improve access to justice for all those seeking legal redress in today's service-oriented society.

Let us be clear: these are demanding times, and the challenges will continue. **ARAG is well prepared**. Thanks to the strategic course we have set over the past ten years, **we are now exactly where our customers need us to be**. We will continue to build on this advantage – with drive, a pioneering spirit, and confidence – as we enter the 90th year of our company's history.

Thank you for your attention. We look forward to your questions.