Welcome to DEVK. We invite you to discover the highlights, top-quality services and important figures from the 2010 business year.
The image concept
DEVK offers more than just a good price-performance ratio. For 125 years, it has understood what moves people. Clients experience this added value through personalised service and the great feeling of always having an expert partner at their side. The images in this brochure are intended as a light-hearted illustration of how DEVK supports its members, clients, partners and employees in all areas of life, whilst surprising them with unconventional solutions – reliable, solid and down to earth.

DEVK. Personal, economical, close at hand.
Contents

Foreword from the CEO  5
The 2010 financial year in figures  6
Close to our clients  7
Consistently highly rated  9
Sparda banks – friendly and fair  10
Monega – transparent fund products  11
Committed to protecting the environment  13
Partner for the transport market  14
Knowledge exchange with strong partners  15
Powerful advertising  17
Responsibility for society and staff  19
DEVK non-life insurance  20
DEVK life insurance  22
The organisation of DEVK  25
DEVK insurance organisation chart  26
The DEVK service network  27
For you, we stand together.
After all, we are a strong team – and have been for 125 years.

“One for all and all for one!” This is not only the motto of The Three Musketeers, but also the solidarity principle of DEVK. It has been a mutual insurance company since its foundation and therefore shows real team spirit.
Foreword from the CEO

The German insurance industry continued to grow in 2010. The 464 members of the General Insurance Association (GDV) increased their premium income by 4.3%. Life insurance (+6.0% incl. pension funds and pension plans) benefited once again from a strong rise in single premiums. Health insurance witnessed a substantial share of the growth, with an increase of 5.8%.

Non-life and accident insurance also recorded a slight recovery: with a premium growth of 0.7%, the total premium income in this segment rose to 55.1 billion euros (previous year: 54.7). A decisive factor here was the development of motor vehicle insurance, which recorded a slight increase in premiums for the first time in six years.

Strong sales results once again

For DEVK, too, 2010 was a successful business year. With approximately 1.8 million new business accounts, it achieved the second-best sales result in its history. This formed the basis for further policy portfolio growth (+3.6%) and a premium increase in the German primary insurance sector of 2.7%. With the exception of life insurance, for which DEVK intentionally limited the sale of short-dated annuity insurance with a single premium, the company was able to expand its market share once again.

DEVK celebrates its anniversary

Nevertheless, DEVK’s business achievements were not the only focus of attention in 2010. An extra-special event glistened on the horizon: in 2011, DEVK celebrates its 125th anniversary! In 1886, railway workers founded the ‘Burial funds for officials and employees in the districts of the Royal Railway Administration of Wroclaw’, which can be seen as the mother of today’s DEVK Lebensversicherungsverein a.G. The historical roots of DEVK and its development up to the present day are explained in the new anniversary book. This is being released parallel to the publication of the 2010 business results. Every copy includes a DVD with the DEVK anniversary film, which portrays the history of the company in images.

You can find out more about DEVK in this brochure. It provides an overview of the company’s core focuses during the past year. For more details, please consult the in-depth annual reports. If these documents are not enclosed, we are happy to send you copies on request. Enjoy!

The Management Board
The 2010 financial year in figures

<table>
<thead>
<tr>
<th></th>
<th>Business year 2010</th>
<th>Business year 2009</th>
<th>Changes in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DEVK total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portfolio risks/contracts</td>
<td>Unit (thousand)</td>
<td>13,396</td>
<td>12,924</td>
</tr>
<tr>
<td></td>
<td>in million €</td>
<td></td>
<td>+ 3.6</td>
</tr>
<tr>
<td>Premium total</td>
<td>2,421</td>
<td>2,390</td>
<td>+ 1.3</td>
</tr>
<tr>
<td>Capital assets</td>
<td>12,631</td>
<td>12,036</td>
<td>+ 4.9</td>
</tr>
<tr>
<td>Total no. of employees on 31.12</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of which: in-house sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Field sales</td>
<td>365</td>
<td>364</td>
<td>+ 0.3</td>
</tr>
<tr>
<td>Trainees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>DEVK life insurance</strong>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Redeemed new business based on premium</td>
<td>in million €</td>
<td>250</td>
<td>269</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portfolio based on sum insured</td>
<td>in million €</td>
<td>29,360</td>
<td>28,125</td>
</tr>
<tr>
<td>Premium income</td>
<td>826</td>
<td>824</td>
<td>+ 0.3</td>
</tr>
<tr>
<td>Capital assets</td>
<td>8,506</td>
<td>8,069</td>
<td>+ 5.4</td>
</tr>
<tr>
<td>Net interest return</td>
<td></td>
<td>4.54</td>
<td>4.64</td>
</tr>
<tr>
<td>Surplus ratio based on association formula</td>
<td>in %</td>
<td>11.07</td>
<td>11.95</td>
</tr>
<tr>
<td>Profit participation life insurance**</td>
<td>in million €</td>
<td>203</td>
<td>216</td>
</tr>
<tr>
<td>Paid benefits for life insurance**</td>
<td></td>
<td>661</td>
<td>680</td>
</tr>
<tr>
<td><strong>DEVK non-life and accident insurance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portfolio</td>
<td>Unit (thousand)</td>
<td>10,822</td>
<td>10,424</td>
</tr>
<tr>
<td>Premiums</td>
<td>in million €</td>
<td>1.501</td>
<td>1.462</td>
</tr>
<tr>
<td>Technical result</td>
<td></td>
<td>– 3</td>
<td>11</td>
</tr>
<tr>
<td>(based on change in equalisation provision)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance Group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit from normal business activity</td>
<td>130</td>
<td>149</td>
<td>– 13.0</td>
</tr>
<tr>
<td>Annual net profit</td>
<td>59</td>
<td>96</td>
<td>– 38.9</td>
</tr>
</tbody>
</table>

* Results without pension funds
** Sum from provision for premium refunds, direct credit and interest on accumulated bonuses.
*** Expenses for insurance claims and redemptions (excluding settlement expenses) and paid surplus balances.
Close to our clients

Throughout Germany, some 1,200 branches ensure that the distance to DEVK is as short as possible for all existing and potential clients. Around 2,250 full-time and 4,000 part-time agents are on hand to deal with the requests, concerns and needs of members and clients. Their efforts are well rewarded: with approximately 1.8 million accounts and over 673 million euros of new business premiums, DEVK achieved the second-best result in its history in 2010.

Satisfied clients and an excellent price-performance ratio
DEVK clients are extremely satisfied. This is confirmed by the KUBUS insurance market study carried out by MSR Consulting. Based on the opinions of clients, MSR Consulting awarded DEVK a rating of ‘outstanding’ in the categories of ‘Overall satisfaction’ and ‘Price-performance ratio’ for the sixth time running in 2010. Clients rated the company’s customer service as ‘good’. The study was based on a representative telephone customer survey, the results of which reveal the 26 best insurance companies on the German market. In terms of overall satisfaction, DEVK landed a place in the top four, whilst in the category of price-performance ratio it was even rated as one of the two best in the branch.

High demand for online business
DEVK remains true to its pledge of close client proximity through direct communication. In autumn 2010, the website www.devk.de was made even more user-friendly: a fresh design and more functions have contributed to the great demand for information and contracts in the area of e-business. The successful track record: almost four million visitors and more than 100,000 online applications. More than 60% of all contracts received online in 2010 were for motor vehicle insurance.

The fact that clients enjoy using the comprehensive online service at www.devk.de is proved by the 75,000 processed emails and over 12,500 contacts made through the page’s own chat function. DEVK sales partners have also achieved excellent online service with their own integrated web pages. Another factor in DEVK’s success that is growing in importance is direct sales. This area includes the creation of individual client letters with customised offers.

Successful collaboration with partners
DEVK has been offering its clients a comprehensive service portfolio – which even exceeds the boundaries of the company’s own core areas of expertise – for years. This is made possible by collaboration with strong partners. Through this cooperation, DEVK is able to access further sales channels. For instance, as Germany’s fifth-largest private motor vehicle insurer, DEVK has successfully worked with the ACV Automobil-Club for many years.
Everyone loves getting top marks.
Our life insurance has it all.

Independent experts continue to confirm that DEVK is one of the best life insurance companies in Germany.
You benefit from excellent yield return and maximum security, thus ensuring that even in old age, there's nothing to stop a change of scenery.
Consistently highly rated

Independent experts regularly praise DEVK’s products and services as being ‘outstanding’ and ‘excellent’. Here are a few examples of top ratings and awards in 2010:

**Stable life insurance**
In the stress test for life insurance carried out by MORGEN & MORGEN, DEVK passed with the top grade of ‘excellent’. This ‘simulated stress test’ reveals whether life insurance companies would still be able to fulfil their financial obligations in the event of another economic crisis. In addition, in the company rating exercise carried out by MORGEN & MORGEN in 2010, the DEVK life insurance association was awarded five stars and the top grade of ‘well above average’.

**Strong capital resources**
The international rating agency Standard & Poor’s also awarded DEVK the financial strength rating of ‘A+’ (very good) in 2010. Decisive factors in the result: the Group’s excellent financial endowment for the future, the strong competitive position of the Group and its good long-term business results.

**Excellent motor vehicle insurance**
For the 11th time running, branch service provider map-report awarded DEVK car insurance the highest grade, ‘mmm’, for its many years of excellent services. A total of seven categories from the areas of balance, service and contract were assessed. In addition to this, in its 11/2010 edition, the magazine Finanztest evaluated car insurance policies and declared that DEVK’s particularly economical K-Aktiv tariff was better than the market average.

**Good personal liability insurance**
In its 4/2010 edition, the magazine Finanztest assessed offers of personal liability insurance. The DEVK personal liability tariff Komfort Plus narrowly missed out on the grade ‘very good’ (1.5 and better) and was awarded the quality grade ‘good’ (1.6) for its user-friendly contract conditions.

**Highly satisfied clients**
In 2010, the independent and neutral review body TÜV Saarland once again awarded DEVK the ‘TÜV Service tested’ certificate. For its particularly high customer satisfaction and outstanding service, DEVK received the result ‘good’. 
Sparda banks – friendly and fair

Like DEVK, the Sparda banks are also part of a Deutsche Bahn company welfare scheme. Both institutions have been collaborating successfully for decades. In 2000, the introduction of the Sparda insurance service heralded the beginning of even closer cooperation in order to offer clients insurance and banking products from a single source. The advantages: attractive conditions, close proximity and straightforward processing.

When the cooperative relations commenced, 40 DEVK employees began as bank advisors. Today, with over 200 bank advisors across Germany, more than half of all Sparda branches have a DEVK contact person for the area of insurance. Around four million Sparda customers also receive product information on their account statements.

Fruitful cooperation

Many customers value close proximity to their bank advisor. Sales figures prove that such convenient customer service is also worth it for the cooperative partners DEVK and Sparda: in 2010, over 190,000 new contracts with more than 180 million euros of premium income were acquired through sales in Sparda banks. The most popular policies were for retirement funds and motor vehicle insurance.

The pension fund for Sparda customers

One of the most popular products in 2010 was the SpardaFlexiRente, which was offered by the Sparda banks in collaboration with their partners DEVK, Monega and Union Investment. The pension fund was a resounding success amongst customers, who took advantage of the economical deposit fees either to make long-term monthly contributions to their pension or as an intelligent way to make a larger, one-off investment. Those who claim the pension fund after their 60th birthday and a 12-year investment period do not need to pay flat-rate withholding tax.
Monega – transparent fund products

Alongside the classic insurance business, DEVK also focuses on the area of investment. As a financial alternative to life insurance and pension funds, DEVK recommends investment funds, which it offers in collaboration with its partner Monega Kapitalanlagegesellschaft mbH. Monega is a subsidiary of the DEVK insurance group, the Sparda banks and the Sal. Oppenheim bank. Since its foundation in 1999, Monega has been dedicated to the successful management of investment funds, both for private investors and institutional clients.

The concept: market-oriented returns, low costs
The range of funds stretches from index-tracking stock and bond funds to innovative strategy concepts. The decision to opt for index-tracking funds meets the needs of investors for an optimal price-performance ratio. The funds managers orientate themselves with indices such as DAX, EuroStoxx50 or strict financial and mathematical rules. Hedging strategies based on fixed regulations ensure investors can still sleep peacefully despite turbulent market conditions.

The perfect investment opportunity for everyone
Monega offers a suitable investment opportunity for every type of investor. Meanwhile, clients have their money freely available – regardless of whether they acquire fund shares through a saving plan, as a single investment or whether a monthly annuity is to be paid from the sum. In addition to this, with a fund, the investor has the safety of a bankruptcy-protected security fund. The deposit fee is also unbeatably economical: 17.40 euros fixed rate per year, regardless of how many funds are managed or how high the investment sum is.

Despite the consequences of the financial crisis on the stock markets, the investment company Monega can look back on a successful business year in 2010. By the end of the year, Monega had managed a total of 5.4 billion euros. The DEVK consultants also played a pivotal role in the sale of funds. The Monega products are the perfect building block for offering clients expert and comprehensive advice on investment. In addition to this, Monega continues to successfully manage part of DEVK’s own investments.
Alternative travel rocks!
DEVK is committed to the environment and sustainability.

Changing is worth it for a greener future. This is why DEVK has been committed to environmental protection for years. With the ÖkoGlobe environmental award and the eco saving tariff, which enables drivers of low-emission vehicles to save up to 40% on their car insurance premiums, for example.
Committed to protecting the environment

With consideration for future generations, DEVK aims to promote the use of sustainable resources. The topic of the environment is a core focus for DEVK. For years, the company has supported sustainable projects and responsible mobility. As the fifth-largest car insurer in Germany, DEVK once again got together with ACV Automobil-Club Verkehr in 2010 to award the fourth ÖkoGlobe, the first international environmental award for the mobility industry. The awards ceremony was organised by DEVK in collaboration with the University of Duisburg-Essen’s ÖkoGlobe Institute.

ÖkoGlobe – an internationally renowned environmental award
Performance artist HA Schult initiated ÖkoGlobe in 2007. For the first environmental award, he distinguished mobility concepts in accordance with ecological criteria. DEVK sees the awards as an appeal to both the automotive industry and the world of politics to unite the topics of climate protection, sustainability and energy-saving innovation with financial requirements. Since its foundation, ÖkoGlobe has become a well-established and respected institution. With over 100 innovations from car manufacturers, suppliers and mobility service providers, 2010 witnessed a record number of participants. The range of environmentally friendly trends was extremely diverse: at the forefront, innovative electro and hybrid drives and electric-powered vehicles were unveiled. Several high-profile guest speakers also attended, including the Federal Minister for the Environment, Nature Conservation and Nuclear Safety, Dr Norbert Röttgen, who is also the patron of ÖkoGlobe.

An independent jury of scientists, artists, mobility experts and service providers decided the prizewinners. The jury speaker was Professor Ferdinand Dudenhöffer from the University of Duisburg-Essen, head of the ÖkoGlobe Institute and proven expert in the automobile industry.

Drive ecologically and save
As an insurance company, DEVK recognises its special duty. In 2007 the company was the first in the branch to introduce an eco saving tariff, which promotes environmental awareness, for motor vehicle insurance. The eco saving tariff is available to anyone who owns a low-emission vehicle with fewer than 120 grams of CO₂ emissions per kilometre, does not drive more than 15,000 kilometres per year and uses a yearly bus and train pass (JobTicket or BahnCard). Drivers who fulfil the criteria of the eco saving tariff can save up to 40% on their motor vehicle insurance – with a minimum saving of 20%!

DEVK embraces climate-friendly travel
ÖkoGlobe and the eco saving tariff are just two examples of the company’s commitment to sustainability. Within the framework of the bahn.corporate Umwelt-Plus offer from Deutsche Bahn, all DEVK business trips in 2010 were made using renewable energy sources and were thus completely free from CO₂ emissions. The electricity required for the train journeys involved came from a German waterworks. Compared to the average electricity mix used by Deutsche Bahn, this initiative enabled DEVK to avoid the emission of 143,082 kilograms of CO₂ – which corresponds to the annual emissions of 1,109 fridges.
**Partner for the transport market**

The use of electric-powered hybrid vehicles and electric cars for the transport of people and goods offers great potential for reducing the level of vehicle-related CO₂ emissions, thus making a significant contribution to climate protection. The Forum for Transport and Logistics – a collaborative initiative between DEVK and the Verbands Deutscher Verkehrsunternehmen e.V. (Association of German Transport Companies – VDV) – accompanies this process through the promotion of research projects, seminars and publications.

**EVG, the new union of transport workers**

At the end of 2010, TRANSNET and GDBA merged to form the Eisenbahn- und Verkehrsgewerkschaft (Railway and Transport Union – EVG). This step is truly unique in the history of German unions, since it is the first time that unions from the separate DGB and dbb organisations have united to form a new organisation, with some 240,000 members. DEVK offers EVG union members special discounts, thus establishing successful cooperation with TRANSNET and GDBA.

**Cooperation for health**

As regards the health of their clients, DEVK and BAHN-BKK have maintained a special partnership for years. The results of this cooperation include exclusive supplementary health insurance at discounted rates, designed to meet the requirements of employees and companies in the transport sector. Under the slogan ‘We are here – over 600 times in Germany with the DEVK premium partners’, BAHN-BKK has consolidated a nationwide network of cooperative partners with DEVK field sales since 2008 – and more are set to join soon. For DEVK consultants, being a premium partner of BAHN-BKK is a sign of quality: as a mediator between clients and BAHN-BKK, they offer an additional service.

**Deutsche Bahn trainees against hatred and violence**

Based on its acute sense of social responsibility, Deutsche Bahn established the project ‘Deutsche Bahn Trainees Against Hatred and Violence’ in 2000. Since then, more than 7,200 trainees have taken part in the annual competition. In 2010, DEVK trainees also participated in the competition. As part of the ‘Giving special people special gifts’ campaign, the trainees organised a Christmas party for children with learning difficulties from the Zülpich-Bürvenich therapeutic rehabilitation centre, where they handed over a cheque for 1,111 euros.

---

*Together with the Association of German Transport Companies, DEVK founded the Forum for Transport and Logistics in 2008.*
Knowledge exchange with strong partners

In times of globalisation, a professional appearance on the international stage has become increasingly important for DEVK. After all, the consolidation of networks and the exchange of ideas with like-minded insurers can be immensely beneficial for business. In order to establish open dialogue without competitive thinking, European insurance companies founded the Euresa alliance in 1990. Its member companies are all mutual insurance associations.

European network
Euresa currently has five full members. Alongside DEVK, which has been an active Euresa member since 2005, these are the French companies Macif and Maif, the Italian Unipol Gruppo Finanzario and the Belgian company P&V. With a further eight associated members and a partner member, Euresa represents nine member states of the European Union, as well as Morocco, thus forming a strong group: together, the member companies in the association have more than 27 million insured clients, 40,000 employees and record premium volumes of around 24 billion euros. Friedrich W. Gieseler, Chairman of DEVK, was voted president of Euresa EEIG in 2010.

DEVK as host of the 2010 Innovation Forum
DEVK invited some 130 Euresa member representatives to the three-day 2010 Innovation Forum in Cologne. The insurance experts discussed topics such as vehicles, the environment, social matters, sales and claims. In addition to presentations on new developments in the insurance sector, the participants were able to exchange knowledge in a series of workshops, including one on ‘Technological developments – vehicles of the future’ that dealt with electric mobility and vehicle manufacturer strategies from the perspectives of a range of countries and companies.

International relations
Since 2010, DEVK has maintained close contact with ICMIF, the International Cooperative and Mutual Insurance Federation. As a global network, this organisation complements the work of DEVK in Euresa, and particularly reinsurance business benefits from membership. With headquarters in England, the federation has 210 full members, and 1,500 mutual insurance associations are indirect members. One third of the member companies come from Europe, with a further third based in North or South America and approximately 20% in Asia and Oceania.

euresa

15 European mutual insurance associations have come together within the Euresa alliance.
As the fifth-largest car insurer in Germany, DEVK offers rapid roadside assistance wherever you are, and your personal contact person ensures non-bureaucratic claims settlement. This means you can always drive on the safe side – for the same attractive premiums as always.

In the event of an accident, it’s difficult to stay calm. DEVK motor vehicle insurance is on hand to assist you.
The 25-second car advert was broadcast on both public and private television channels – at prime times.

Powerful advertising

In keeping with previous years, DEVK was once again present on radio and television with adverts in 2010. The company characterised its adverts with the typical DEVK wink. With its innovative campaigns, the company regularly achieves record values for brand awareness, advertising recall and empathy. Particular recognition value is presented by the brand triad ‘DEVK. Personal, economical, close at hand,’ coupled with the familiar DEVK sound logo.

Green means changing now!
During the vehicle offensive of autumn 2010, all lights were green at DEVK: in the nationally broadcast TV advert, a friendly driver waits in the turning lane at a red light. To his side the light turns to green, and grimacing, wild-looking people drive past. The message: green means changing now! To DEVK, naturally.

At the beginning of the TV campaign, DEVK clinched an especially prominent advertising space: the company placed a vehicle advert on the front page of the printed issue of the Bild newspaper. The advert premiere could also be seen on the Bild.de home page. In addition to this, the autumn vehicle campaign was accompanied by a series of humorous radio adverts.

Dazzling appearance: DEVK sponsors the German Radio Awards
The red carpet was rolled out for radio and the best radio broadcasters for the very first time in Hamburg in 2010. As the event’s main sponsor, DEVK was present at the glamorous premiere of the German Radio Awards. Amongst a range of other stars, Phil Collins, Lena, Silbermond and Ich + Ich appeared at the gala. Speeches were given by Hans-Dietrich Genscher and Stefan Aust, among others. The event was broadcast live on several radio stations and later on NDR television. In the run-up to the event, the awards ceremony had been advertised on the radio with reference to the main sponsor, DEVK.

Exclusive insurance partner of Bayer Leverkusen FC
Since the 2009/2010 football season, DEVK has been the exclusive insurance partner of Bayer Leverkusen FC, insuring the stadium, vehicle fleet and more. DEVK is also represented by touchline advertising and its own advert on the stadium TV. In addition to this, it provides the employees of the team’s parent Group, Bayer, with corporate insurance.

Since 2009, DEVK has been the premium partner of Bayer Leverkusen FC.
The BayArena features the company’s logo and a TV premium board.
Deep-rooted traditions should be upheld. For 125 years, DEVK has placed great value on personal contact and obliging service. Members, clients, partners and staff are welcome at any time.

Kindness and warmth from door to door. We are always there for our clients.
Responsibility for society and staff

As part of the Deutsche Bahn company welfare scheme, DEVK has always placed great importance on social commitment. For example, in 2010 the company donated money to the victims of the devastating earthquake in Haiti. Another fundraising campaign was carried out for the flood catastrophe in Pakistan. Overall, some 150,000 euros were raised for the ‘Deutschland Hilft’ charity. Of this, nearly 60,000 euros were donated by DEVK employees.

Support for volunteers
DEVK wants to thank and reward everyone who uses their strengths to help others. As part of this pledge, since 2009, active members of the volunteer fire department and the German Federal Agency for Technical Relief (Bundesanstalt Technisches Hilfswerks) have received discounts on all types of insurance. As the number one insurance partner in North Rhine-Westphalia, DEVK has offered volunteers especially economical premiums since 2010. In order to receive such discounts, clients are required to present their volunteering card, which is given by local authorities to citizens who carry out at least five hours of volunteering work weekly or 250 hours annually.

Children are close to our heart
The fate of children in Germany and all over the world is something that DEVK and its employees take to heart. 2010 saw DEVK participating for the 16th time as the main sponsor of the central event for World Children’s Day in Cologne. Through such initiatives, and together with UNICEF, the company helps to raise awareness of the plight of many young people. In addition, DEVK once again supported the charity horse-racing day at the Köln-Weidenpesch track, which raised money for the Cologne Child Protection Agency (Kinderschutzbund Köln). The races and accompanying programme of events raised funds of 50,000 euros. For years, DEVK has also been active as a partner of Herzenssache, the children’s charity initiated by Südwestrundfunk (SWR) radio, Saarländischem Rundfunk (SR) radio and the Sparda banks.

Outstanding career opportunities
These are just some examples of a wide range of further smaller activities, sometimes regional and local, through which DEVK upholds its social responsibility.

Last but not least, the insurer is committed to the welfare of its employees. As part of this, the company offers them excellent opportunities for personal development and promotion. This is confirmed by the high career rating from Assekurata. Last year the Cologne-based rating agency assessed the career opportunities offered by DEVK sales partners for the fourth time. Overall, DEVK was once again awarded the grade ‘A+’ (very good), following on from the excellent results obtained the year before. Moreover, the social commitment of the company has been recognised several times by the Evangelical Church in Germany (EKD) with the workplace seal ‘ARBEIT PLUS’ for excellent employment policies.
DEVK non-life insurance

Provisional figures indicate that non-life and casualty insurance premiums grew by 0.7% in Germany in 2010. Motor insurance was among the contributors to this growth, showing a slight rise in premiums for the first time in six years.

At 3.1%, claims expenses outstripped premiums, a result chiefly due to higher insurance payouts on motor vehicle and household insurance policies. According to preliminary calculations, the combined ratio – the relationship between claims for damages and expenses and premium income – increased to 98% (2009: 95.6%). In light of this, insurance business in the area of non-life and accident insurance was profitable in 2010, despite failing to reach the technical result of the preceding year.

General conditions for DEVK companies

In 2010, an upturn in economic activity was recorded worldwide. Despite the eurozone crisis this had positive repercussions for Germany, particularly on the capital markets. On the bond markets, risk premiums on corporate bonds have narrowed further, while interest rates on government bonds and bank paper have recovered after previously hitting record lows. Due to the negative performance of Italy and Spain in connection with the eurozone crisis, the European share index EuroStoxx50 suffered, falling 5.5% to a year’s end figure of 2,804.6 points. In sharp contrast, the German DAX index rose 16.1% during the course of the year to reach 6,914.2 by 31 December.

These market conditions also generally governed the situation for companies belonging to DEVK non-life insurance. These are the primary insurers operating in Germany, DEVK Sach- und HUK-Versicherungsverein a.G., DEVK Allgemeine Versicherungs-Aktiengesellschaft, DEVK Rechtsschutz-Versicherungs-Aktiengesellschaft and the German Assistance Versicherung Aktiengesellschaft. They are joined by the Nimes-based French insurer SADA Assurances S.A., the DEVK Rückversicherungs- und Beteiligungs-Aktiengesellschaft and the Switzerland-based Echo Rückversicherungs-Aktiengesellschaft.

Acquisition of greater market shares

As regards non-life and accident insurance, the premium income of the DEVK Group increased by 2.6%; adjusted for one-off items during the previous year, the growth even rises to 6%. Here, the high growth in policies and premium adjustments in motor vehicle insurance have had a positive effect. This has enabled DEVK to expand its market position in the non-life/accident insurance sector.
Technical expenses have also risen. This has largely been caused by insurance claim expenses. As a result, the technical result net of reinsurance decreased to –3 million euros from 11 million euros the previous year. However, improvements have been seen in the net capital investment income. Lower investment income was more than compensated for by a lower depreciation charge.

**Satisfactory annual profit**

Based on the technical and non-technical result, the DEVK insurance Group recorded a profit from ordinary activities of 130 million euros (previous year: 149 million euros). The extraordinary result reflects the application of the new accounting provisions of the German Act on Modernisation of Accounting Regulations (BilMoG). As a one-off transitional effect, net expenses of 21 million euros were incurred for increasing pension and retirement provisions. After tax, an annual net profit of 59 million euros was recorded (previous year: 96 million euros). In light of the extraordinary costs caused by the BilMoG, the annual profit is at a satisfactory level.
The German life insurance sector recorded a premium increase of 7.1% in 2010. If pension funds and plans are included, the growth was 6.0%. This increase was driven by the strong rise in single premiums (+33.9%). Nevertheless, new business with regular premiums experienced a slight decrease (−2.7%). The total premiums paid in new business increased by 4.8%. In terms of number (−1.0%) and regular premiums (−0.5%), the policy portfolio decreased. The equity markets developed favourably in 2010. Over the course of the year, the German DAX index rose by 16.1%, recording 6,914.2 points at the end of the year.

Next, the business development of the DEVK life insurance companies will be outlined. In a narrow sense, these are DEVK Lebensversicherungsverein a.G. and DEVK Allgemeine Lebensversicherungs-Aktiengesellschaft. If we consider life insurance in a broader sense, DEVK Pensionsfonds-Aktiengesellschaft should also be included.

### Above-average new business with regular premiums

The sale of short-dated annuity insurance with a single premium (as bank substitute products) was deliberately limited by DEVK in 2010. Accordingly, although new business with single premiums was not followed on from the previous year, a rise in new business with regular premiums was achieved. The policy portfolio development was equally positive: in terms of sum insured, the DEVK life insurance portfolio experienced above-average growth with a 4.4% increase to 29.4 billion euros (sector +2.2%).

### Pensionsfonds-AG

In its eighth full business year, DEVK Pensionfonds-AG achieved satisfactory results. Premium income was calculated at 48.6 million euros, compared to 64.8 million the year before. The portfolio increased from approximately 116,000 claimants to over 119,000. As in the previous year, the recently formed company achieved a small annual profit, which has been used to consolidate the legal reserves. DEVK Pensionfonds-AG offers premium-related pension plans with minimum contributions. In particular, the company manages the occupational pension funds of Deutsche Bahn AG.
Premiums at same level as last year

Despite low levels of new business with single premiums, the premium income of both DEVK life insurance entities experienced a slight increase (+0.3 %). Together with the premium income from DEVK Pensionsfonds-AG, however, a decrease of 1.6 % was recorded.

Proof of the high satisfaction of DEVK customers can be taken from the policy cancellation rate. At 4.31 %, this is significantly lower than last year’s figure (5.07 %). Moreover, it is well below the average figure recorded for the entire sector, which has decreased slightly (5.44 % compared to 6.17 % last year). Benefits paid to policyholders amounted to 661 million euros (680 million euros the previous year). The benefits paid included paid surplus balances and expenses for insurance claims and redemptions.

Solid profit shares

The positive development on capital markets has also had a favourable effect on the DEVK life insurance entities. At 4.54 % (previous year: 4.64 %), the net interest return was above average for the market.

Even in financially turbulent times, DEVK has proven itself to be a reliable partner. The income declaration for 2011 was only slightly adjusted. The interest rate for capital and pension insurance is 4.1 % with the DEVK life insurance association and DEVK Lebensversicherungs-AG. In this respect, both life insurance companies are well above the sector average.
A strong team all along the track.
DEVK has been committed to the rail sector for 125 years.

DEVK can look back on an exceptionally successful history. As part of the Deutsche Bahn company welfare scheme, it will continue to offer employees in the transport market attractive services at particularly economical prices well into the future.
DEVK is 125 years old. It was founded in 1886 as a self-help institution for rail workers under the name of ‘Sterbekasse der Beamten und Arbeiter im Bezirke der Königlichen Eisenbahndirektion zu Breslau’ (‘Burial funds for officials and employees in the districts of the Royal Railway Administration of Wroclaw’). Since then, DEVK has developed into a modern, high-quality insurance Group.

Open to the general market
A significant milestone in the history of the company was the admission of private clients in the 1970s. With this, the foundations for further growth were laid. Today, some four million customers with 13.4 million exposures across all sectors rely on DEVK. Based on the number of contracts, DEVK is Germany’s fourth-largest contents insurer and the country’s fifth-largest for vehicle and liability insurance.

Modern, with a real sense of tradition
Of course, the company has always adapted to new market conditions. Nevertheless, a series of fundamental principles have remained an inherent part of DEVK. These include the legal status of the two parent companies as a mutual insurance association, and in particular the pledge to offer cost-effective insurance with fair conditions.

Members receive premium refunds
This means: DEVK members are simultaneously shareholders. This has many advantages. On the one hand, DEVK does not have to consider third-party investors. On the other hand, members can even benefit from refunds of any premiums that were not required. DEVK also upheld this tradition in 2010, and refunded members of the Sach- und HUK-Versicherungsverein with 25% of the contents insurance premium if the contract had been in place for at least one year with no claims in 2009.

The parent companies and their subsidiaries
Under the umbrella of the two parent associations, specialised entities work in various insurance areas to ensure flexibility, client orientation and efficiency. A holding company is responsible for the coordination and strategic management of the individual entities. The organisational structure of DEVK is shown in detail in the image on the following page.
Thick-framed fields signify national insurance companies and pension funds
The DEVK service network

**DEVK regional addresses**

10785 Berlin, Schöneberger Ufer 89  
Tel.: +49 (0)30 254 870, Fax: +49 (0)30 254 872 00

01069 Dresden, Budapester Strasse 31  
Tel.: +49 (0)351 469 90, Fax: +49 (0)351 469 9130

99084 Erfurt, Juri-Gagarin-Ring 149  
Tel.: +49 (0)361 676 10, Fax: +49 (0)361 676 1400

45128 Essen, Rüttenscheider Strasse 41  
Tel.: +49 (0)201 724 30, Fax: +49 (0)201 724 3200

60327 Frankfurt am Main, Güterplatz 8  
Tel.: +49 (0)69 753 030, Fax: +49 (0)69 7530 3130

22767 Hamburg, Ehrenbergstrasse 41–45  
Tel.: +49 (0)40 381 030, Fax: +49 (0)40 3810 3200

30161 Hanover, Hamburger Allee 20–22  
Tel.: +49 (0)511 339 90, Fax: +49 (0)511 339 9200

76137 Karlsruhe, Nebeniusstrasse 30–32  
Tel.: +49 (0)721 355 20, Fax: +49 (0)721 355 2200

34117 Kassel, Grüner Weg 2 A  
Tel.: +49 (0)561 720 50, Fax: +49 (0)561 720 5200

50668 Cologne, Riehler Strasse 3 (at Ebertplatz)  
Tel.: +49 (0)221 757 0, Fax: +49 (0)221 757 3200

55116 Mainz, Gärtnergasse 11–15  
Tel.: +49 (0)6131 2430, Fax: +49 (0)6131 243 196

80335 Munich, Hirtenstrasse 24  
Tel.: +49 (0)89 557 100, Fax: +49 (0)89 5571 0400

48143 Münster, Von-Steuben-Strasse 14  
Tel.: +49 (0)251 590 30, Fax: +49 (0)251 590 3190

90443 Nuremberg, Essenweinstrasse 4–6  
Tel.: +49 (0)911 236 50, Fax: +49 (0)911 236 5200

93055 Regensburg, Richard-Wagner-Strasse 5  
Tel.: +49 (0)941 796 080, Fax: +49 (0)941 7960 8200

66111 Saarbrücken, Trierer Strasse 16–20  
Tel.: +49 (0)681 400 60, Fax: +49 (0)681 400 6200

19053 Schwerin, Wismarsche Strasse 164  
Tel.: +49 (0)385 557 70, Fax: +49 (0)385 557 7200

70190 Stuttgart, Neckarstrasse 146  
Tel.: +49 (0)711 666 80, Fax: +49 (0)711 666 8300

42103 Wuppertal, Friedrich-Engels-Allee 20  
Tel.: +49 (0)202 493 20, Fax: +49 (0)202 493 2200

**DEVK Central Office, Cologne, Germany**

Riehler Strasse 190  
50735 Cologne, Germany

Customer service: +49 (0)180 2757 757  
(6 cents per call from German landlines;  
maximum 42 cents per minute from mobile networks)  
Fax: +49 (0)221 757 2200

Email: info@devk.de  
Website: www.devk.de

**Imprint:**  
DEVK Versicherungen  
Marketing and Communication  
Riehler Strasse 190  
50735 Cologne, Germany

**Concept and design:**  
wirDesign Berlin Braunschweig

**Photography:**  
daams.naber  
photografie/flashfotos, Cologne, Germany

Page: 4, 8, 12, 16, 18, 24