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## Vienna Insurance Group and ARAG Group:

### Joint development of new legal protection markets

- **Discussions on cooperation in decisive phase**
- **Joint business model for Austria to be devised**
- **Partnership for development of CEE markets**

**Vienna Insurance Group (VIG)** and **ARAG Allgemeine Rechtsschutz-Versicherungs-AG** have signed a letter of intent regarding cooperation in the legal protection business, with the objective of developing a joint business model for the Austrian market as well as for those CEE countries in which Vienna Insurance Group is represented. It is expected that the discussions will be concluded by summer 2009.

*"This announcement regarding the signing of a letter of intent underscores the cordial and trusting atmosphere in which both companies are discussing this issue",* emphasise the two CEOs of the respective groups, **Günter Geyer (VIG)** and **Paul-Otto Faßbender (ARAG)**.

**Vienna Insurance Group** and **ARAG** have agreed in principle that **ARAG Österreich** will be developed into the leading provider of legal protection insurance in Austria. For this purpose, VIG will enter into a **joint venture** with ARAG in Austria, whereby Vienna Insurance Group's entire legal protection business in-force will be integrated into the joint company ARAG Österreich.

**Günter Geyer** sums up the advantages of the partnership as follows: *"This will create a new market leader in this business line for Austria - a company with strong product know-how and an excellent sales network."*

At the same time, the new **ARAG Österreich** will form the basis for the development of legal protection products for dynamic CEE markets. *"For us the Vienna Insurance Group is the ideal partner for positioning the relatively new subject of legal protection in this region",* elaborates **Paul-Otto Faßbender** on the advantage of this cooperation for ARAG, *"since it recognised the development opportunities of these markets already at an early stage and possesses excellent know-how for the development and management of the CEE region."*

Vienna Insurance Group's Austrian legal protection business in-force, which is to be integrated into the new ARAG Österreich, is over EUR 40 million. As a result, the new ARAG Österreich will manage total premium volumes of approximately EUR 84 million and become Austria's leader in legal protection insurance. Along with the successive development of new CEE markets, the premium goal envisioned for these insurance products could rise to over EUR 500 million.

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The two groups ideally complement each other. Based on the new business model, **ARAG** will gain additional growth impulses as part of the sustained globalisation of the group. ARAG possesses decades of experience in developing and successfully implementing business models for different international insurance markets. **Vienna Insurance Group** stands for sound knowledge of central and eastern European markets and the successful development of insurance companies in this region.

CEOs **Paul-Otto Faßbender** and **Günter Geyer** are convinced that both groups have the necessary competence, financial strength and reputation to add considerable value for consumers in this region.

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