



DEFEND INSURANCE  
A FORTEGRA COMPANY

*Experience More...*



# DEFEND AT A GLANCE 2023/2024



DEFEND INSURANCE GROUP

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# Just Drive.

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# Foreword

Dear Ladies and Gentlemen, Dear Business Partners,

We are pleased to present our 2023/24 report, marking another year of successful strategic development. We are proud to reflect on a record-breaking year: the number of registered policies increased by 27%, reaching 183,761 policies in CEE, and the gross written premium (GWP) hit a new high of €104 million. Additionally, we handled 57,416 claims.

**DEFEND is stronger than ever before. Our focus on strategy, resilience and hard work have strengthened our position in the market.**

In retrospect, 2023 was an outstanding year for DEFEND. Our innovative portfolio of car insurance products and services, combined with our extensive partner network operating in nine countries have collectively propelled us to a record-breaking year. This phenomenal success would not have been possible without the continuous commitment and support of Fortegra, now the full owner of DEFEND, and the unwavering dedication of all our employees.

DEFEND is stronger than ever before. Every part of our business has grown significantly, and we continue to expand. We remain committed to investing in cutting-edge technology and visionary individuals who have the courage to drive our business forward in every aspect. Looking ahead, we anticipate continuous growth in 2024, projecting a steady 19% increase in the number of policies and a solid 14% rise in Gross Written Premium (GWP).

We are building a company for the future! Our strategic focus persists on expanding our services in the European market, enhancing operational efficiency, and fostering

a data-driven culture. We aim to attract and retain highly skilled talent with a growth mindset, ensuring that we are well-positioned to adapt to changing market conditions.

Our core premise is growth with a strong focus on exceptional customer, partner, and employee experience. As we work together to shape the future, I am confident that you will share my enthusiasm for the many opportunities that lie ahead.

I look forward to sharing our future successes with you.

Sincerely,



**Tomasz Oszczepalski**  
Executive Director



# 2023 in Numbers

## Group Split by Countries



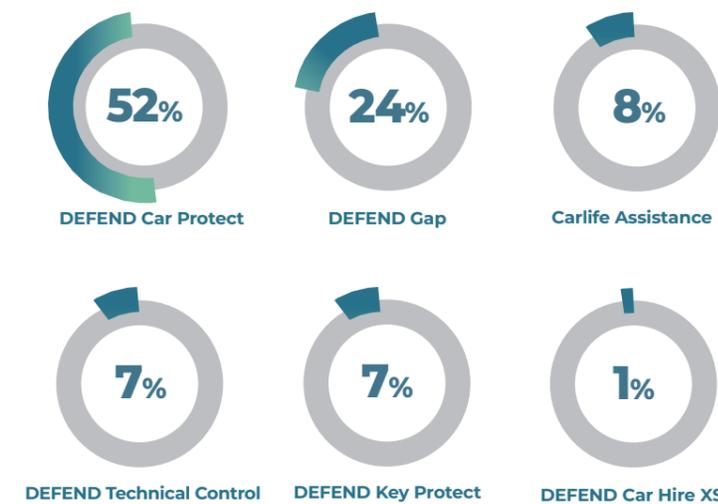
**183,761**

Policy Count (CEE)

**€104 mil.**

Gross Written Premium (CEE)

## Split by Products



**1 core product line INNOVATED**

Extended Warranty: Wider Coverage, Better Protection.

**1 new product LAUNCHED**

Rental Car Insurance: DEFEND Car Hire XS.

**2 successful expansions into NEW MARKETS**

We are now operating in Latvia and Estonia.

## DEFEND Employees



# Group Profile

We are dedicated to growing our partners' businesses and boosting their bottom lines while building customer loyalty through a comprehensive suite of insurance-related services. Our offerings include four levels of support and a specialized product division, ensuring a customized experience tailored to the unique needs of each partner and customer.

Creative. Consultative. Collaborative. Our business approach addresses the core needs of all our stakeholders, fostering confidence and delivering tangible results by being a true partner.

## Product Development



Thanks to our experience and deep automotive market knowledge, we are well positioned to be **one of the leaders and catalysts for innovations**. Our product development is about a systematic and **continuous quest** for new product opportunities that address a gap in the market, including updating our existing products based on changing market conditions or new customer behaviours **to stay ahead of our competitors**. Thanks to the **strong partnership with Fortegra**, we are also able to create customised solutions for our partners to provide them with **profitable, attainable and viable products**, that satisfy a real demand from their target market.

## Supply Chain Management



The key to our CEE operations is delivering our products through **two main sales channels** – direct sales and our partner network. Active in 9 countries, four of our operating companies are **licensed intermediaries**, allowing us to offer insurance online through our new platform, **defend-online.eu**. However, we primarily rely on **close** collaboration with partners like car dealers, brokers, and fleet or leasing management companies. We work alongside our partners to develop strategies and improve sales processes, supported by our structured management teams. **Our extensive support program** assists partners through all phases of product implementation, including ongoing support.

## Insurance Administration



One of our core **expertise is insurance administration** and all its back-office functions. We have administration centres in Kroměříž (CZ) and Katowice (PL) for the whole region, backed by the entire team in Prague (CZ), who provide **aligned services** including reporting, accounting and others. To fully support our efforts, our **core market advantage remains our own custom-made system iDEFEND**, which is a web-based system for online policy registration, administration and claims management. It provides a user-friendly and flexible interface, which can be tailored to consider the specific needs of an individual partner.

## Claims Handling



We prioritize earning customer trust and providing a positive experience, especially during the claim process. Our approach relies on key pillars to ensure satisfaction and success for all stakeholders — underwriters, administrators, partners, and clients. Our claims team manages the entire process, from registration to final payout, with over **50 multilingual employees** based in Prague, ensuring consistent service across the region. Collaborating closely with our **compliance team**, we uphold the principle of **„Treating Customers Fairly“** throughout. Additionally, **Quality Assurance Specialists** audit claims services to ensure fair outcomes for our customers.

# Our Strategy

Our strategy has driven the success and growth of DEFEND in recent years, taking advantage of our past and promising future. This strategy is based on seamless adaptation to a dynamic environment, that has roots in strong values and a stable long-term vision.

## The Key Pillars of Our Strategy



# Our Regions

By consistently delivering our high-quality products and services and staying on top of trends, we give our partners a significant opportunity to attract customers, build loyalty and increase profit in nine countries with seven offices across the CEE market – Czech Republic, Slovakia, Hungary, Poland, Romania and the Baltics.

## Czech Republic

The Czech Republic is special for the entire DEFEND INSURANCE GROUP, as the entire brand originates from the Czech Republic. Our **office in Prague is the main headquarters for the group**, where the management and most of our employees are located, while our **office in Kroměříž represents the administrative centre for the entire region**. The Czech operating company DEFEND INSURANCE s.r.o. has been **active in the insurance market since 2012**, when it became a Coverholder at Lloyd's. **Currently the main insurer is Fortegra Europe Insurance Company SE, with an A- (Excellent) rating from AM Best**. Fortegra established a Czech branch in late 2021, this enabled them to directly manage the day-to-day business with insurance agents in the Czech Republic.

## Slovakia

Business operations in Slovakia are represented by DEFEND INSURANCE s.r.o., it has **one office located in Bratislava and this is where the sales team is based**. The focus is on extended warranties and GAP insurance. The company was established in 2012 when it became a Coverholder at Lloyd's. **Currently the main insurer is Fortegra Europe Insurance Company SE**.

## Hungary

**Hungary has an office in Budapest and serves as a headquarters for the sales team**. It is represented by DEFEND INSURANCE Kft., which was established as a tied agent in 2020 in order to accommodate **the permanent establishment of our insurer, Fortegra Europe Insurance Company SE**. The car insurance market there is under-developed and **this means plentiful opportunities for DEFEND, especially in the warranty sector**.

## Poland

**Poland has two offices – one in Warsaw and the other in Katowice**. Warsaw serves as the head office for the sales team, while Katowice is the main administrative center for Poland. DEFEND INSURANCE Sp. z o.o. **was established in 2015** after the acquisition of a local insurance administrator and obtained the status of Coverholder at Lloyd's. Together with Fortegra Europe Insurance Company SE, they are currently our two main insurers in Poland.

## Baltics

**In 2022, we expanded into the Baltics, and Lithuania was the first market**. We see great potential and opportunity for further growth in this region with its advanced economies and low competition. **We have chosen the local agent, Mango Insurance, as a strategic exclusive partner** to enter the Baltics automotive market. In 2023 we have expanded our cooperation to Latvia and Estonia and our Baltic partners and clients can enjoy our key product line of extended warranties for new and used cars, and GAP insurance.

## Romania

**At the beginning of 2023**, we entered Romania **through our Polish insurance agent, DEFEND INSURANCE Sp. z o.o., and opened an office in Bucharest where the sales team is based**. In the Romanian market, we currently offer extended warranties and GAP insurance and are looking forward to obtaining a license for DEFEND INSURANCE AGENT DE ASIGURARE SRL, our Romanian company.

## United Kingdom

In the UK we are responsible only for the **administration and claims handling** for our partners, we do not cover the supply chain management. Therefore, all our services can be provided by the UK department who are based in Prague. We provide **services for a major British client, GardX**, which is a rapidly growing company. We have also undertaken services for Fortegra and other local clients. Apart from administration and claims handling, we have also **developed custom-made policy administration systems** for our partners, similar to our core system iDEFEND. These are based on our long-term experience and are proving to be an essential tool in enhancing our partners and their businesses.



# Management Team

**A highly skilled and motivated management team is an invaluable asset to any business. Exceptional abilities of our management play a pivotal role in driving the overall success of DEFEND INSURANCE. They act as trusted advisors, understanding the unique needs and goals of our partners, and providing tailored solutions that address their specific challenges. With their deep product knowledge and industry expertise, our management team offers valuable insights and guidance, helping our partners achieve outstanding business results in the automotive industry.**

**Kateřina Písařiková**  
Executive Director

Kateřina has more than 10 years' experience in marketing, project management and business development. She joined DEFEND in 2015 and currently oversees the Group's operations and implements growth opportunities.



**Miroslava Izáková**  
Executive Director

Miroslava has more than 20 years' experience in finance and reporting in insurance companies. She joined DEFEND in 2016 and currently supervises financial position for all Group's companies across the region.



**Tomasz Oszczepalski**  
Executive Director

Tomasz has more than 15 years' experience in car insurance, customer care and sales. He joined DEFEND in 2016 and currently is responsible for strategy, sales and marketing in CEE region. He also leads Polish sales team.



**Gabriela Motežíková**  
Country Manager CZ

Gabriela has more than 15 years' experience in sales and key account management. She joined DEFEND in 2013 and is responsible for sales of DIG & DSG products in Czech Republic and leading the sales team.



**Oliver Kiss**  
Country Manager SK

Oliver has over 20 years' experience in sales, business development and asset financing. He joined DEFEND in 2019 and currently is responsible for strategy and sales in Slovakia and leads the country sales team.



**Emília Nagy**  
Country Manager HU

Emília has over 15 years' experience in key account management and asset financing. She joined DEFEND in 2017 and she is currently responsible for strategy and sales in Hungary and leads the country sales team.



**Florian Nedelcu**  
Country Manager RO

Florian has almost 20 years' experience in insurance and sales. He joined DEFEND in 2022 and currently is responsible for strategy and sales in Romania.



**Anton Timofejev**  
Country Manager Baltics



Anton has nearly 20 years of experience in insurance, sales, and business development. He is the CEO and Co-Founder of Mango Insurance, our strategic partner in the Baltic states. He is responsible for strategy and sales in Lithuania, Latvia, and Estonia, and leads the local sales teams.



# DEFEND Certainty

We at DEFEND are committed to the satisfaction and security of our clients and partners above everything. Therefore, our topmost priority is to partner with the most respected A-rated insurance companies that possess formidable financial positions.

We focus on **providing niche insurance cover for the automotive market** which allows us to be focused and specific with our products so **we can deliver the maximum benefit to our clients**. Our underwriters fully endorse our philosophy and enable us to develop innovative, flexible and customer responsive programmes that have been the hallmark of DEFEND's success over the last years.

We cooperate with **Fortegra Europe** (based in Malta with two branches in the Czech Republic and Hungary) and **Newline (Lloyd's Syndicate)**. With extensive underwriting expertise and a comprehensive understanding of business and the automotive industry, they can **help us design and quickly implement new solutions** that best suit our strategic and development needs and drive more innovation, something DEFEND is known for.

At the same time, **it is essential for us to maintain the right balance between creativity and discipline, to ensure appropriate risk management and long-term financial stability for our insurers**. An ultimate testimony of the qualities and reliability of our insurer is the AM Best Financial Strength Rating of A- (Excellent) of Fortegra Europe, and A (Excellent) of Lloyd's Syndicate – Newline.



More than 59 million active contracts worldwide!

Fortegra Europe Insurance Company "FEIC" is the EU-based subsidiary of Fortegra, a global specialty insurer founded in the U.S. over 45 years ago. FEIC can proudly claim an AM Best Financial Strength Rating of A-, and is licensed to sell in various EU and EEA countries.



Insurance companies are expected to be there when you need them most, with the financial stability to meet all their current and future financial commitments, such as paying out on valid claims.

A- rated insurance company Fortegra Europe provides proven security you need from an insurer for the long haul thanks to substantial financial reserves and proper risk management.

## Vertically Integrated

- Underwriting
- Administration
- Compliance
- Legal
- Finance
- Marketing
- Training

**\$2.7B**  
GROSS WRITTEN PREMIUM\*

**1.1M+**  
CLAIMS PROCESSED ANNUALLY\*



\*2023 company wide

# Employee Experience

DEFEND is committed to fostering inclusivity and championing diverse talent. With over 140 dedicated employees throughout Europe, our team is the beating heart of our success story. We could not accomplish our mission without them, which is why we prioritize their opinions, development, and overall well-being.

**Diversity isn't just a buzzword; it's the cornerstone of our success.**



**Women hold 54% of our management positions.**

It's a testament to our commitment to equality and empowerment.

Diversity fuels our innovation. We thrive on the rich tapestry of backgrounds and perspectives within our ranks. It's this melting pot of ideas that propels us forward, ensuring we stay ahead of the curve in a rapidly evolving world.

But it's not just about the numbers. We're invested in creating an **environment where everyone can thrive**. From **fostering a positive company culture to providing opportunities for personal and professional growth**, we're dedicated to nurturing talent at every level.

## Streamlining HR: New HR System and Higher Efficiency

As part of our ongoing commitment to enhance the employee experience, we have introduced **Sloneek, our new cutting-edge Human Resources Information System** which help us to streamline and digitalize HR processes and improve efficiency. From employee records to holiday management, asset tracking to company announcements including a mobile app, Sloneek enables **user friendly data management and employee self-service**.

In our journey of growth, adaptability, motivation, and responsiveness remain our guiding principles, not only towards our clients and partners but also towards our new team members. Recently, we've intensified our **focus on the pre-onboarding process**. Our new colleagues can look forward not only to **comprehensive induction training**, with a collection of supporting materials, but also a newsletter series offering essential insights about DEFEND and ensuring a warm welcome even before their official start date.

Exciting developments are on the horizon, including the launch of a new version of our **internal newsletter** in Q3 2024. Coupled with the ongoing enhancement of our **DEFEND Intranet**, this will serve as a vital platform for disseminating crucial information across the company. Additionally, our commitment to nurturing a vibrant workplace culture continues, with internal initiatives like **Cyber Security Week** highlighting important topics and fostering the personal and professional development of our team members.

## Thriving Together: Enhancing Employee Well-Being

At DEFEND, our employees' voice matters. We conduct **regular anonymous satisfaction surveys**, gathering invaluable feedback for improvement. In response, we've introduced a **variety of new benefits** aimed at boosting health, happiness, and work-life balance. With offerings like **30 vacation days, personal leave, the Multisport card, cafeteria system, meal voucher allowance, and many more**, we empower our team to thrive both at work and in personal life.

# Partner Experience

At DEFEND, we pride ourselves on being more than just a supplier – we're a dedicated business partner. Our mission is to seamlessly connect our team with our partners', creating a collaboration that consistently delivers outstanding results. Together, we achieve business success and elevate customer satisfaction to new heights.

By consistently delivering high-quality products and services, we empower our partners to build lasting customer loyalty and boost profitability.

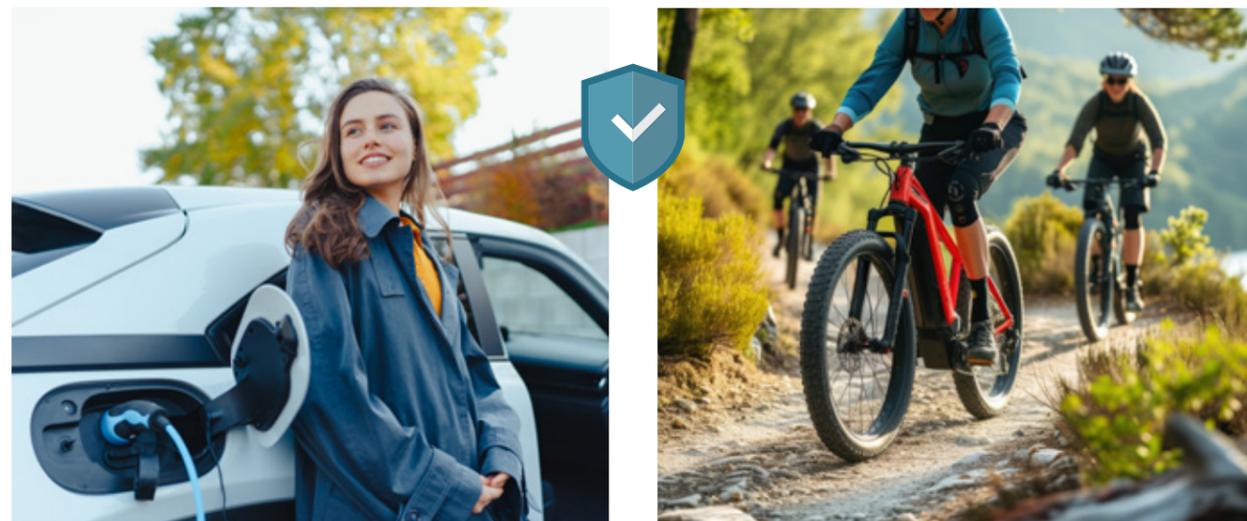
Our strategy centers on **partnership and personalized service** for both customers and partners. We are committed to being a **reliable partner**, offering **first-class products and services that exceed expectations**. We are proud to collaborate with leading automotive players across Europe who trust us. With nearly 4,000 partners—including **car dealers, brokers, and fleet and leasing companies** – we ensure convenient access to our products for all our customers.

## Enhancing Revenue with F&I Expertise

The automotive industry has faced numerous challenges in recent years, including supply chain disruptions leading to a shortage of new cars, rising energy prices, overall inflation, and geopolitical instability. Concurrently, customers have become more demanding, and competition has intensified, making complementary products and services, such as insurance, increasingly vital for our partners.

At DEFEND, **we are constantly innovating and enhancing our products to meet the evolving needs of our partners** and their clients, helping them **reach new target markets**. Our DEFEND Car Protect extended warranties now offer even **better coverage and broader protection**. We've added more covered components and, in line with the trend of lengthening factory warranties, increased the vehicle age at entry to up to 5 years for the DIAMOND and CRYSTAL programmes.

We were among the first in the market to introduce **extended warranties for electric cars**. With the growing popularity of various types of **hybrid vehicles**, we have also added **hybrid powertrain component coverage** to our warranties. Additionally, we are launching **a unique warranty for small electric vehicles**, including the increasingly popular electric bikes and scooters.



## Roadmap to Sales Superiority

At the core of fostering prosperous partnerships lies **our commitment to comprehensive training**. We firmly believe that cultivating a deep understanding of our products, sales techniques, and compliance policies is **fundamental to achieving sales success**. Our experienced Key Account Managers provide **regular on-site and online trainings** for partners, and we also organize **webinars** on key sales topics. In collaboration with Grant Cardone University, we've created the **DEFEND LEARNING ACADEMY**, an e-learning platform offering customized video training and certification.

In addition to product knowledge, we provide **a comprehensive suite of marketing materials** to support our partners. From traditional **point-of-sale materials** like roll-ups, banners, leaflets, and brochures to engaging **product videos** and **online tools**, we ensure effective advertising throughout the customer journey. Each material **can be customized with the partner's branding**, enhancing customer acceptance and allowing partners to differentiate themselves from competitors with their unique brand presentation.



## Easy Policy Management & Reporting

Transparency and development are central to our long-term strategy. Partners have **continuous access to comprehensive reports**, including policy and claim data, loss ratios, and earnings statements. Our recently upgraded core administration system, **iDEFEND**, **simplifies the sales process** and enhances partner support. Additionally, we will launch a new customer portal connected to this system to further enhance customer satisfaction.

## Thrill of the Race: Formula 1 with Fortegra

We build our partnerships on a **close relationships with our partners and continuous support** of our local Key Account Managers and we like to meet them also informally. In 2023, in cooperation with Fortegra Europe, we prepared an **exclusive event for our key partners – an exciting weekend at the Formula 1 races in Hungary**. But we also organised other events for our regional partners, such as a day at the MAX CARS polygon with driving practice in risky situations or the traditional event of our Hungarian colleagues at Balaton.



# Customer Experience

At DEFEND, we take our responsibility to our customers seriously because we understand the vital role insurance plays in their lives. We are dedicated to constantly seeking the best security solutions, cutting-edge products, and enhanced customer experiences. Our commitment to excellence results in greater satisfaction and unwavering loyalty from our valued customers.

Accessible. User-friendly. Fair. Boosting customer satisfaction in all circumstances.

Our primary goal is to provide reassurance and give our customers the certainty that their financial needs will be met, no matter what happens in the world. We take pride in our commitment to investing in new technologies, which have become essential to our success in all circumstances. Our iDEFEND system allows for 100% digital policy completion, and we continually enhance its features to boost customer satisfaction. In 2023, we linked iDEFEND with the advanced **customer service software, Daktela**. This integration, with its complex ticketing system, **centralizes all customer communications**, offering significant benefits in quality assurance, efficiency, compliance, and overall improvement of customer service.

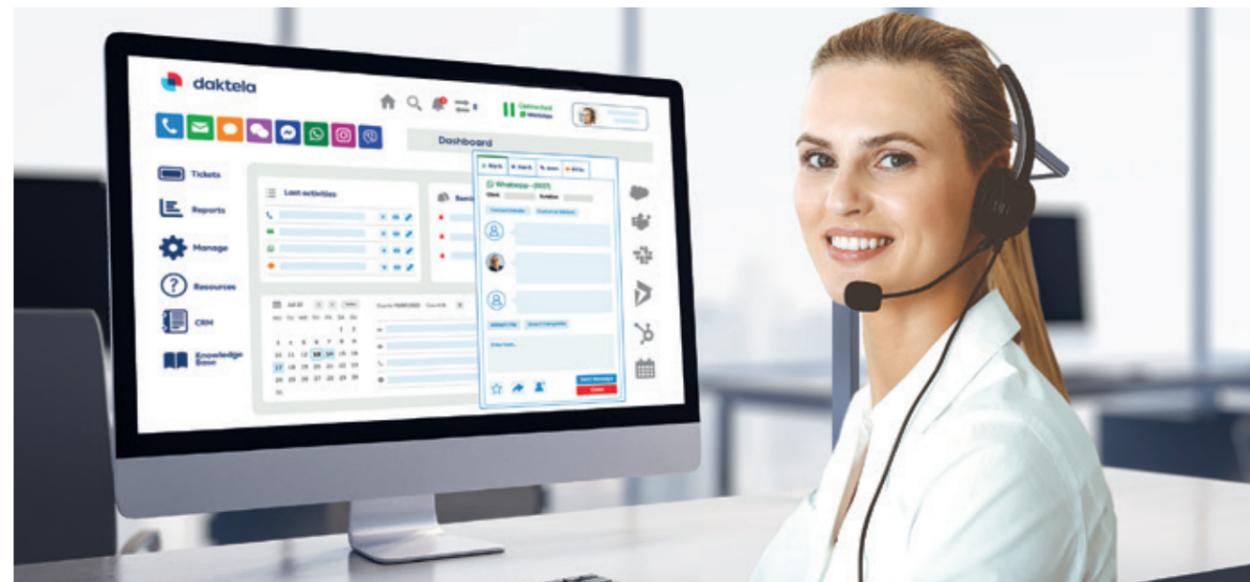
100% digital policy conclusion process through iDEFEND

Quality Assurance Process to audit customer care and claims services

New customer portal to handle all policy related requests including claims online

We have also further streamlined the process of handling car hire excess claims managed by our UK team. Our new **FNOL (First Notification Of Loss) landing pages** for easier claim registration have significantly enhanced our efficiency, leading to even greater customer satisfaction.

We will continue with the new **customer claims portal** that will be launched later in 2024. This innovative platform will enable clients to **manage all claims-related requests online**, significantly **enhancing the customer journey**. By offering a seamless and user-friendly experience, the portal will also provide various upsell opportunities, boosting customer loyalty. Additionally, the automation of many processes will increase our efficiency, allowing us to handle requests more swiftly and transparently, ensuring our customers always have the best possible experience.



Already today, our clients can easily arrange selected DEFEND insurance policies through **our B2C online portal, defend-online.eu**. This makes our products more accessible than ever, allowing clients to **purchase coverage with just a few clicks** from the comfort of their own homes.

Our customers' experience with our brand is paramount to us. That's why we closely monitor the quality of our services through an internal quality assurance procedure. A dedicated team of Quality Assurance Specialists audits customer care and claims services to **ensure fair outcomes for our clients**. This includes **comprehensive training on Treating Customers Fairly** for both our employees and partners, as we fully embrace principles-based regulatory approach.



Commitment to the financial security of our clients with an immediate response to their needs...

Apart from the customer experience and satisfaction, we at DEFEND are above all, committed to the security of our clients. That's why **partnering with A-rated insurers with strong financial positions is our top priority**. We are proud to offer products underwritten by Fortegra Europe Insurance Company, one of the most respected insurance companies, which has been awarded a financial strength rating of A- (Excellent) by AM Best.



Together with their expertise, we will continue to stay ahead of the curve in embracing innovation as we are **constantly working on enhancing our offer** to deliver even more tailored solutions. The Value for Money and overall adequacy of our product for the client's needs are the most important elements for us. **To provide our clients with excellent value**, we have further improved, for example, the coverage of our extended warranties in 2023. Newly added covered parts and increased eligibility criteria follow current trends in the automotive market and position us as a market leader.

## Cultivating a Customer-Centric Company Culture

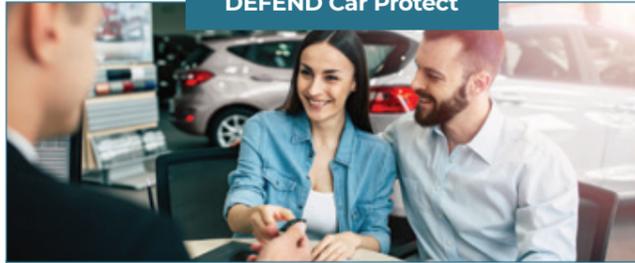
All the aforementioned steps underscore our unwavering dedication to delivering exceptional customer experiences, driving us to continually push boundaries and exceed expectations. Through cultivating a positive company culture and **empowering our employees to prioritize customer satisfaction in every aspect of their work**, we aim to solidify our position as a trusted partner in our customers' lives. Our commitment ensures that anyone who chooses to invest in our brand can rely on our steadfast **guarantee of peace of mind and unwavering support**.



# Our Products

## Generic Car and Bike Insurance

### DEFEND Car Protect



An **extended warranty** that covers mechanical, electronic and electrical breakdowns caused by failure of the covered components. Our programmes have reached a level of excellence with unparalleled eligibility criteria and claims limits at competitive rates.

### DEFEND Gap



DEFEND Gap **protects drivers against financial loss** from a reduction in vehicle value as a result of total loss or theft. It can provide coverage up to the vehicle purchase price, or early settlement amount of a finance or lease agreement, depending on the coverage.

### DEFEND Technical Control



DEFEND Technical Control covers the cost of the repairs or replacement of any covered parts that have caused the **vehicle to fail the road worthiness test**. Parts must be listed on the failed MOT report.

### DEFEND Car Hire XS



DEFEND Car Hire XS is an insurance created to provide protection for single-trip or annual multi-trip **car rentals**. It covers the car hire insurance excess that the customer is responsible for paying towards repair costs if the rental vehicle suffers any externally caused covered damage such as bumps or scratches.

### DEFEND Bike Protect



An **extended warranty for motorcycles** that covers mechanical, electronic and electrical breakdowns caused by failure of the covered components. With a wide range of optional parameters, clients can tailor the warranty completely to their needs. We have programmes for both new and used motorcycles.

## Truck Insurance

### DEFEND Truck Protect



**Extended warranty for trucks** that covers mechanical, electronic and electrical breakdown of vehicles caused by failure of covered components. It covers claims all around Europe excluding Russia with full cover of parts and labour during the whole insurance period.

### DEFEND Truck Gap



DEFEND Truck Gap, **protects drivers against financial loss** from a reduction in vehicle value as a result of total damage or theft. It can provide coverage up to the vehicle purchase price, or early settlement amount of a finance or lease agreement depending on the coverage.

## Special (Branded) Products

### Carlifé Garance



Carlifé Garance is an exceptional **extended warranty programme** that covers mechanical, electronic and electrical breakdowns caused by failure of the covered components. This warranty has been designed specifically for the customers of the AAA AUTO network.

### Carlifé Assistance



Carlifé Assistance is an **assistance service**, that protects vehicles when they are unable to drive due to an accident, breakdown or because of driver error. The program has been designed specifically for the customers of AAA AUTO Slovakia to provide them additional security.

### DEFEND Key Secure



DEFEND Key Secure and DEFEND Key Secure+ are insurance products that protect **car keys** in the event of loss, theft or even if they're locked inside the car. The + variant also protects home keys, registration plates and even vehicle documentation. Sold exclusively in AAA AUTO.

### DEFEND Secure



DEFEND Secure is a supplementary insurance that can be arranged for cars that are equipped with vehicle **guarding and monitoring system**. DEFEND Secure is sold exclusively through AAA. It provides the maximum protection against theft and will cover the financial loss of theft if the vehicle cannot be retrieved.

## DEFEND SOLUTIONS

### DEFEND SpinCar



DEFEND SpinCar is a unique **merchandising tool** which takes dealerships to the next level with state of the art vehicle presentation. It enables a 360° interactive presentation of both the interior and exterior of the vehicle from the comfort of home.

### GardX VPS



The GardX Vehicle Protection System **protects the exterior of the vehicle** whilst retaining that glossy showroom shine, wash after wash. It also provides protection for the vehicle's fabric and/or leather interior from spillages and staining.

# Development & Innovations

In today's rapidly evolving world, successful businesses must be agile and adaptable. That's why we continuously refine our portfolio, streamline processes, and advance our technological capabilities. Our unwavering commitment to flexibility and innovation positions us as a leader and catalyst in driving progress and shaping the future.

Our enduring success is driven by creativity, innovation, and our rapid response to shifting market dynamics.

## System Development

Technological development is at the heart of our long-term strategy and success. With our skilled team and advanced technology, we provide secure, accurate, and efficient policy administration through our custom online system, iDEFEND. Its flexible interface easily adapts to partners' needs and enables us to scale our business, whether introducing new products, innovating existing ones, or expanding into new European markets. We launched a new version of iDEFEND in 2022 and continue to enhance it for an even better partner and customer experience.



In 2023, we integrated with Daktela's customer service software, centralizing all customer communication and significantly increasing service efficiency. We also launched automated reminders to notify partners and clients of any missing elements, such as signatures, documents, or payments, preventing policy certification delays. Additionally, our new complaints module has streamlined daily complaints handling, providing deeper insights into trends and root causes, further enhancing our ability to effectively address and resolve customer issues.

## Product Development

Our continuous product development and efficient launch processes remain our competitive advantage. Recently, we have further enhanced our core product line of extended warranties, DEFEND Car Protect, to offer superior coverage and broader protection. We've expanded the list of covered components and, keeping pace with the trend of longer factory warranties, increased the vehicle age at entry to up to 5 years for the DIAMOND and CRYSTAL programmes.

We were pioneers in the market, introducing extended warranties for electric vehicles. With the growing popularity of hybrid vehicles, we have also added hybrid powertrain component coverage to our warranties. Additionally, we are launching a unique warranty for small electric vehicles, DEFEND Bike Protect e-POWER, covering the increasingly popular electric bikes and scooters.



## Online Sales and Customer Portal

Buying our insurance has never been easier! Our online direct sales platform, defend-online.eu, allows customers to purchase insurance anytime, anywhere. They can conveniently arrange GAP insurance for used cars with DEFEND Gap D2C or MOT insurance with DEFEND Technical Control from the comfort of their home. In 2023, we expanded our portfolio with DEFEND Car Hire XS, offering excess insurance for rental cars. With the best coverage on the market and lower prices than rental companies, our clients can rent cars worry-free and fully enjoy their vacations or business trips.



In Q2/2024, our online sales portfolio in Czechia included, already mentioned DEFEND Bike Protect e-POWER. To continue exceeding customer expectations, we will also launch a new company website with a revamped design and a customer portal for easier claims handling and self-service.

## SOX Compliance

Now fully owned by the American insurance company Fortegra Financial Corporation, we adhere to SOX compliance requirements. Its implementation throughout 2023/2024, helps us to further enhance data security, mitigates operational risks, and prevents both intentional and unintentional errors. As a result, we achieve more transparent and responsible business conduct.

### What is SOX?

SOX compliance refers to adherence to the Sarbanes-Oxley Act of 2002, a U.S. federal law enacted to protect investors from fraudulent financial reporting by corporations. These are the five key areas of SOX compliance:



**Financial Transparency:**  
Rigorous financial reporting.



**Internal Controls:**  
Robust internal controls over financial reporting.



**Audit Oversight:**  
Independent audit committees oversee financial reporting.



**Annual Audits:**  
External auditors review internal controls annually.



**Whistleblower Protection:**  
Safeguards for those reporting fraud.

## Employee Development

We are empowering our employees to drive better performance, craft their jobs and reach their personal and professional goals. To elevate this commitment, we have a Learning & Development Manager dedicated to providing professional training and coaching. Additionally, we plan to launch a new L&D platform in Q3 2024, offering personalized learning paths.

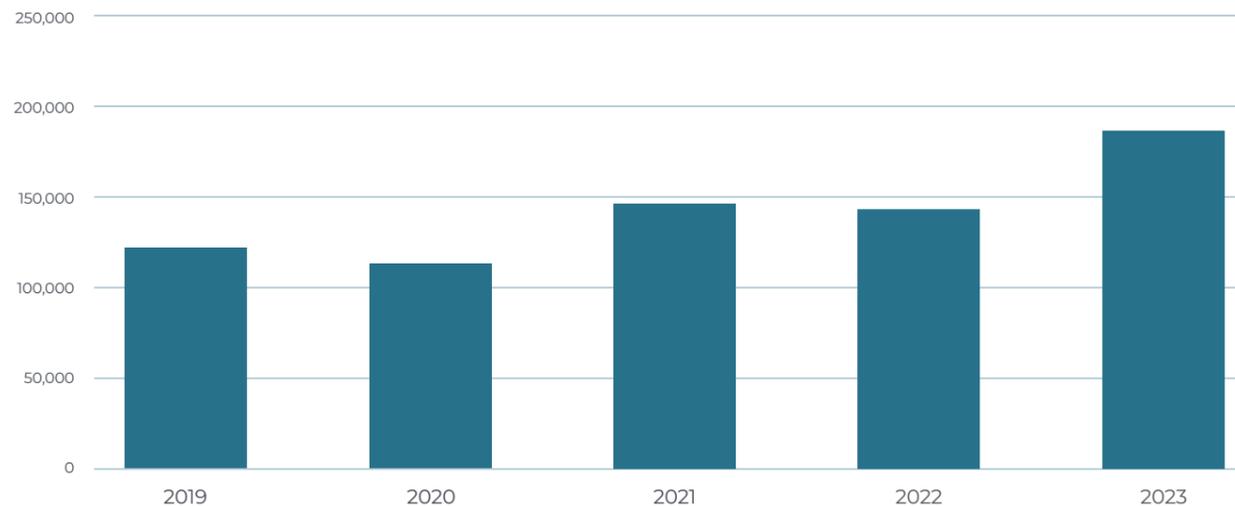


# Results 2023

In 2023, our efforts culminated in the registration of an impressive 183,761 policies, boasting a formidable value of €104 million in Gross Written Premiums (GWP). This success was complemented by the adept handling of 57,416 claims, a testament to our commitment to service excellence. Our steadfast success story is intricately woven with our ability to adapt to dynamic environments. We continuously push boundaries, introducing innovative products that redefine industry standards. Moreover, our unwavering focus on tailored customer support and strategic investments in our people and systems have fortified our foundation, enabling us to expand rapidly and achieve record results.

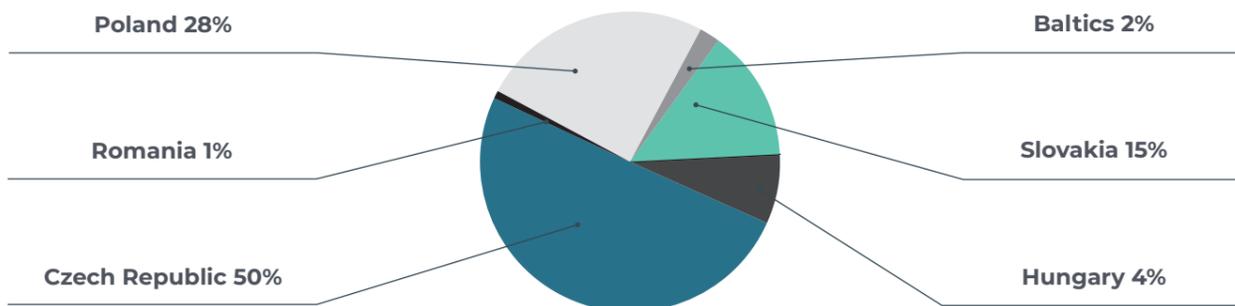
The car insurance market in 2023, as in the previous year, was significantly affected by inflation and high-interest rates. These factors were reflected in the availability of new and used cars for end customers, as well as a significant increase in the price of spare parts and workshop labour. On the positive side, the number of new and used vehicles on the European market has stabilized, although it remains below pre-Covid figures.

Policy Count CEE

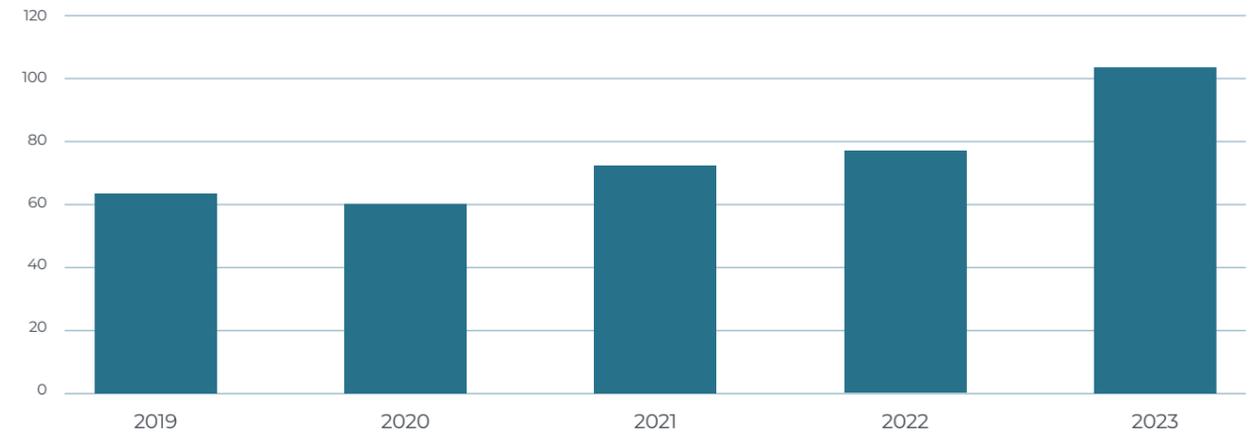


Data without Key Assistance policies.

Split by CEE Countries 2023



Sum of GWP in CEE (million of €)



Data without Key Assistance policies.

Nevertheless, DEFEND INSURANCE GROUP **continues to enjoy its trajectory of continuous growth**. In 2023, DEFEND delivered outstanding results by acquiring new partners and clients, expanding into new markets, and managing expenses effectively. Collectively, we achieved record-breaking numbers, with a **27% growth in the number of policies and a remarkable 34% increase in gross written premium across the CEE region**.

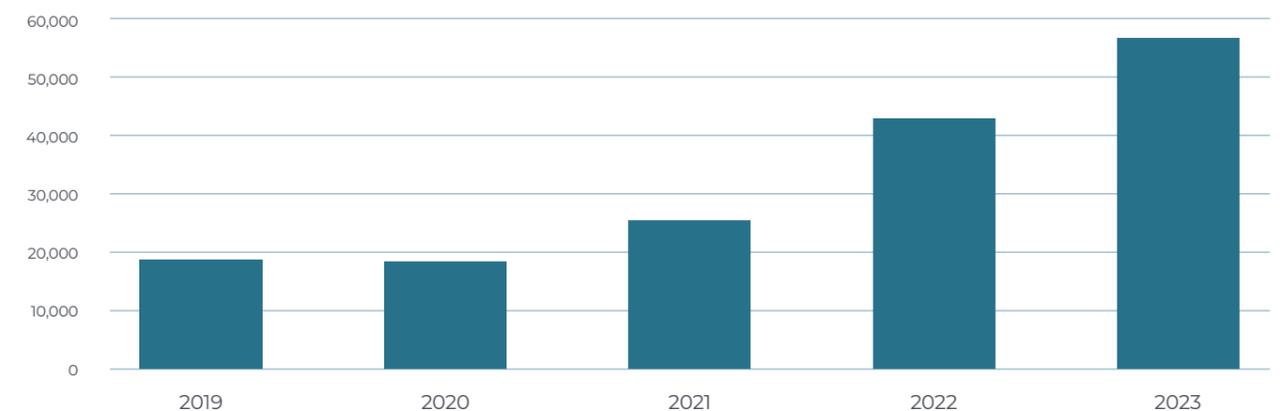
**We had a record year, with a 27% growth in the number of policies and 34% increase in GWP.**

Czech Republic, Poland and Slovakia achieved a record result in a number of policies. In **Czechia** we grew **by 18%** to a fantastic **92,236 policies**. **Poland** achieved an outstanding growth by **38%** with **51,803 policies** and **Slovakia** grew by **24%** to **27,728 policies**. In **Hungary**, we recorded an **11%** growth to **7,595 policies**.

Thanks to technological developments in previous years, we have been able to expand rapidly into new markets, entering Romania, Latvia, and Estonia in 2023. **Both the Baltic region and Romania** achieved great results and **are profitable within one year of launch**. In **Baltics**, we recorded **3,583 policies** and in **Romania** **816 policies**.

We observed a significant surge in claims in 2023, compared to 2022, where we processed 15,797 more claims which was an impressive **28% increase**. Thanks to the ongoing digitalization, process automation and expansion of our Claims teams, we were well prepared for the growing volume of claims and maintained all industry service standards. We processed **13,780 claims in the CEE region** and **43,636 in the UK and Western Europe** which is **altogether a remarkable 57,416 claims**.

Claims Count CEE & UK



# Forecast 2024 & Beyond

With a strong foothold, deep expertise, a growing portfolio, and solid relationships with all stakeholders, we are perfectly positioned to capitalize on future opportunities and reinforce our leadership as the top specialty insurance and automotive solutions provider in the CEE region.

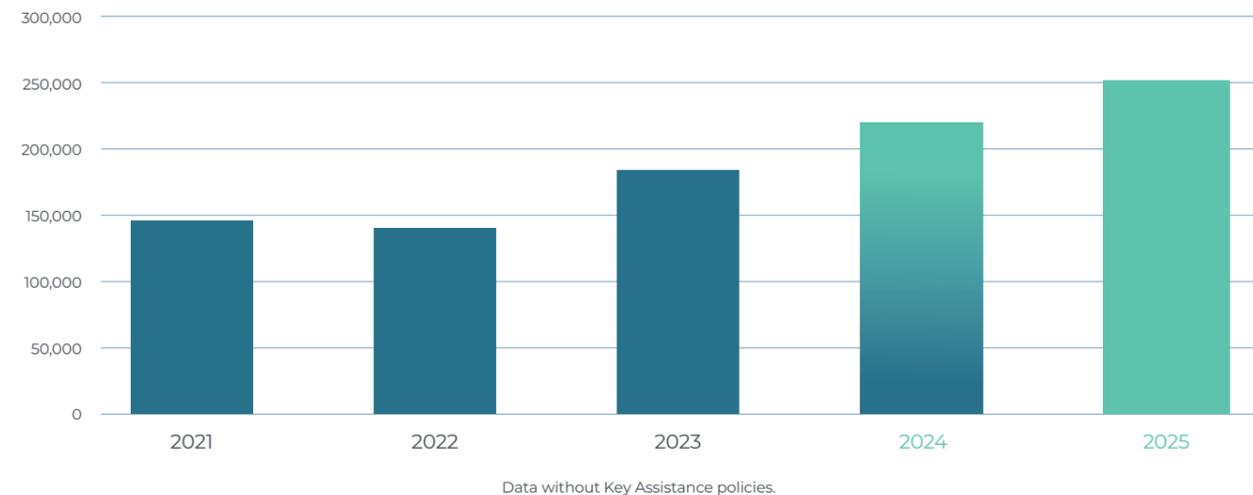
We are well positioned to continue our growth...

Inflation and high interest rates persist in 2024, but mid-year results indicate that DEFEND INSURANCE GROUP and our partners are poised for another year of growth. We observe positive trends in the automotive market, with rising new car sales and strong demand for used cars. Although increasing regulation of our products by European regulators presents challenges, it also offers significant opportunities.

As the CEE region embraces renewed optimism and favorable market conditions, DEFEND's strategic expansion efforts, in partnership with Fortegra, are well-positioned to capitalize on burgeoning opportunities both within Central and Eastern Europe and beyond. Additionally, new distribution channels, innovative insurance programs with ongoing development of insurance products for the ever-growing electric vehicle market, and technological advancements present tremendous growth potential.

As a group, we plan to achieve a steady **19% growth**, reaching **219,300 policies** sold in the CEE region in 2024. The **GWP** should increase by solid **14%** to **€118.3 million**.

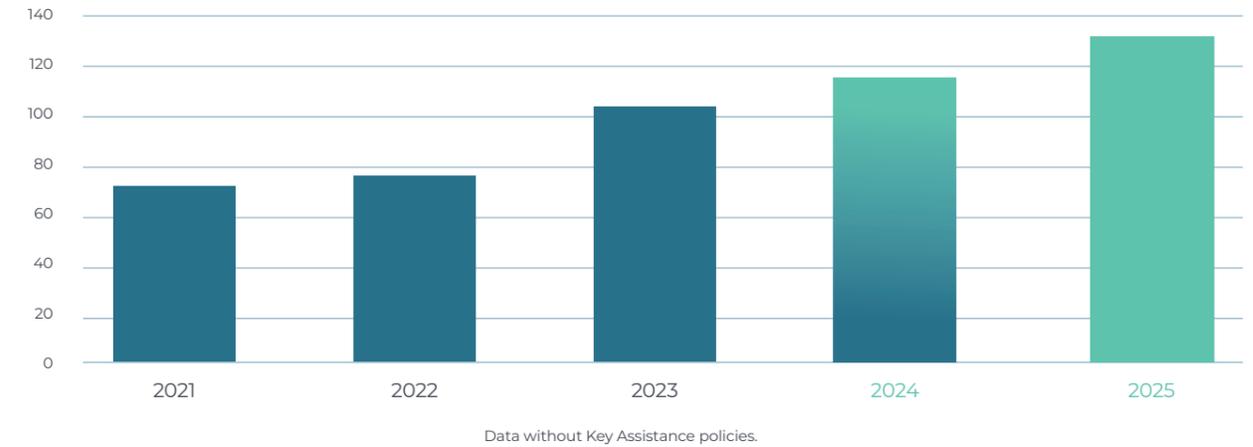
Policy Count CEE



DEFEND's established presence in the **Czech Republic**, our leading market, has set the stage for another successful year in 2024. With a robust network of used car dealers and a growing partnership with new car dealers and brokers, our Czech operations are flourishing. Our main focus is on expanding GAP insurance, and collaborating with leasing companies which offers significant potential. Looking forward to another record-breaking year, we project overall sector growth of **11%**, leading to an impressive total of **102,019 policies**.

**Poland's** well-established used vehicle market, combined with a booming new car market and a steady influx of high-quality used vehicles from Germany, creates fertile ground for growth. Our collaboration with new car dealers and brokers has already yielded significant success, and we anticipate continued expansion. By leveraging Unilink's broker network and further developing partnerships with DBK Group, Millennium Leasing, and the car wash network Mooveno, we aim to secure **64,543 policies**, reflecting a remarkable **25%** growth.

Sum of GWP in CEE (million of €)



**Slovakia's** steady growth over the past two years, marked by stable GAP policy sales, paves the way for further advancements. By extending our cooperation with KIA, Emil Frey, and SENTIA, we plan to achieve an **8%** growth by the end of the year, reaching a total of **29,964 policies**.

In **Hungary**, the extended warranties sector offers an excellent opportunity for expansion due to limited competition. Strengthening partnerships with key broker networks such as Netrisk, CLB, and PBA Insura, will further enhance our growth prospects. Our goal is to achieve a **36%** growth by the end of the year, reaching **10,343 policies**.

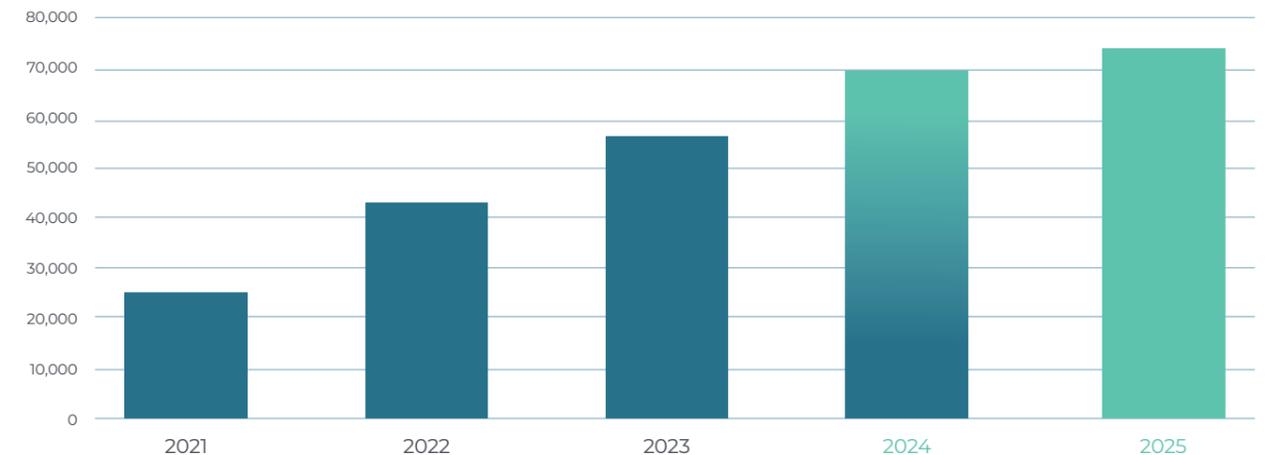
In the **Baltics**, our goal is to reach **8,910 policies** in 2024. Notably, we see immense potential in the underdeveloped GAP insurance sector throughout the region and launch of MOT and Truck insurance.

In **Romania**, we've strategically established four regional bases to ensure smooth operations nationwide. Currently, our main emphasis is on warranty and GAP insurance, with planned new product launches scheduled for the second half of the year. Through this strategic approach, we aim to close out 2024 with **3,521 policies**, a remarkable increase of more than threefold compared to 2023.

Together with increasing sales volumes, we also expect the number of **claims** to grow to almost **70,000**.

With the right expertise, a growing portfolio, and strong relationships with all stakeholders, we are well-positioned to capitalize on future opportunities. This will enable us to maintain and strengthen our position as the leading specialty insurance and automotive solutions provider and claims adjuster in the CEE region.

Claims Count CEE & UK



# Information

## DEFEND INSURANCE GROUP companies:

### Headquarters:

#### DEFEND INSURANCE HOLDING s.r.o.

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## Disclaimer and cautionary statement

The report contains forward looking statement which reflect management's current views and estimates.

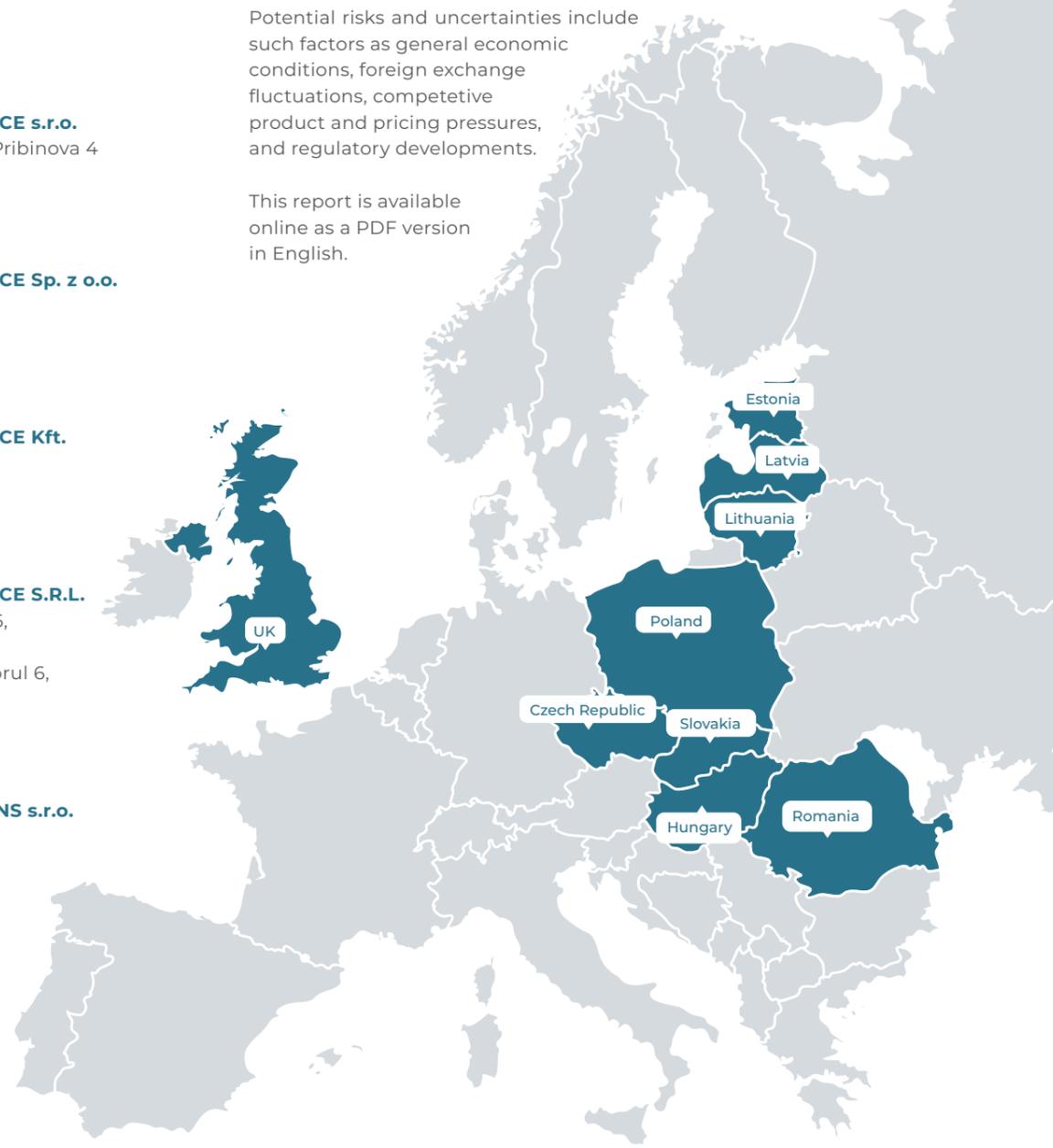
The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements.

Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures, and regulatory developments.

This report is available online as a PDF version in English.



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