



Press release

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Federale Verzekering enters into agreement to acquire activities from BDM

Brussels, Antwerp - August 10, 2020 - The Belgian insurer Federale Verzekering has an agreement to take over the authorized underwriting activities * of BDM, with the exception of marine insurance. Specifically, it concerns the Property & Casualty insurance and policies for pleasure craft for risks located in Belgium. Federale Verzekering opts for BDM's technical insurance know-how, the interesting HNWI target group, and technical insurance for B2B as well as niche insurance products that are complementary to its own offer. The selling party is The Navigators Group, part of the American The Hartford. The employment will be maintained. BDM remains operationally independent. Nothing will change for the insurance brokers that BDM works with, nor for the end customers. The acquisition is scheduled for approval in the autumn. After this, the acquisition can be completed.

Diversification of insurance products and technical know-how

Federale Verzekering takes over the authorized underwriting activities of BDM in Property & Casualty (fire, accidents and all kinds of risks) and pleasure craft. The marine insurance of BDM (in Belgium and the Netherlands) is not part of the acquisition. This transaction is part of Federale Verzekering's further growth plans and broadens the distribution channels and the product mix. This acquisition will add approximately € 35 million in annual turnover to the turnover of Federale Verzekering.

Two years ago, Federale Verzekering also took over Optimco in Antwerp, which was the first takeover in 100 years.

Federale Verzekering is interested in the technical expertise of BDM. The policies offered by BDM concern technical B2B insurance - for example for machine breakdown and all risks electronics - in addition to a lot of niche insurance products - for mobile homes, luxury cars and pleasure boats - which are complementary to the own insurance products of Federale Verzekering. Furthermore, the so-called high-net-worth individuals (HNWI), or wealthy individuals, are an important target group for BDM.

BDM is committed to further, sustainable and profitable growth

BDM will continue to steer its own course, be able to further develop its own commercial approach and be operationally independent. BDM's headquarters will remain in Antwerp. The employment will be maintained. This is also necessary in the context of the growth plans. BDM grew by about 20% over the past four years, and that in a saturated (BOAR) market. BDM is committed to further, profitable growth, now with a Belgian, stable parent company.

As an authorized underwriter, BDM offers its insurance products through brokers. The risk carrier will from now on become Federale Verzekering. Until now, this risk was underwritten by ASCO (Assurances Continentales - Continentale Verzekeringen nv), an insurer in the same group to which BDM belonged. The activities of BDM that takes over Federale Verzekering are 80% B2B, with more technically oriented BOAR insurance. About 20% is B2C, with specialized niche insurance policies for expensive homes, luxury cars, old-timers, mobile homes, art and pleasure craft.

“We are very satisfied with our new parent company,” says Jos Gielen, CEO of BDM. “We think it is very positive that the decision-making power of our shareholder is in Belgium, and that we will be able to continue to steer our own course, with the support of Federale Verzekering”.

“BDM has specific insurance products in niche markets”, Tom Meeus, CEO of Federale Verzekering explains the takeover. “They have the technical knowledge to create tailor-made policies for niche markets, they are very welcome among brokers for their service and accessibility, and they are very complementary to our own activities. Thanks to this broader product mix, we can grow even faster. ”

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Organic and external growth for Federale Verzekering

Federale Verzekering aimed to achieve sales of more than € 500 million by the end of 2020. In 2019 alone, the cooperative insurer grew no less than 20.9%. Achieving sustainable growth remains the insurer's objective, partly through a healthy diversification of its activities. This acquisition is part of this. In June 2018, the Belgian insurer already acquired Optimco, a Flemish insurer that markets its own BOAR B2C insurance products.

* An authorized underwriter constitutes a separate statute within the insurance industry. It has its own insurance products and policies and uses an insurer to cover the underlying risk. An authorized underwriter can sell through various distribution channels. The authorized underwriter does all the work for an end customer, from drawing up the quotation with the price determination up to and including the

About Federal Insurance

Federal Insurance offers a full range of insurance and financial products for companies, the self-employed and individuals. Thanks to its special structure as a mutual and cooperative company, without external shareholders, its customers are central and Federal Insurance shares its profit with them **.

Federal Insurance was founded in 1911 by a group of contractors. The construction sector in Belgium is still one of its most important target groups. With a total BOAR market share of 1.4

percent and a total on the consolidated balance sheet of 4.4 billion euros (2019), Federal Insurance is in the top 15 of insurers in Belgium. The Federal Insurance group (incl. Optimco) employs a total of 734.1 people (on 31/12/2019) and realized a collection of € 521.1 million in 2019. Its commercial network - of more than 60 advisers, 39 offices, 5 regional offices and 2 Business Centers (Mons and Antwerp) - covering the whole country.

More info on www.federale.be

About BDM's authorized underwriting activities

BDM (once Bracht, Deckers & Mackelbert NV) is an authorized underwriter that offers tailor-made insurance solutions in Property & Casualty - including fire, accidents and other risks - and in pleasure boating and maritime transport. BDM works through the broker channel, and realizes its turnover for about 80% in Flanders and 20% in Brussels and Wallonia. BDM has its offices in Antwerp.

The Property & Casualty and pleasure craft activities are now taken over by Federale Verzekering.

Until now, BDM was part of The Navigators Group, a global specialist insurance company offering a wide range of customized insurance solutions for diverse, complex risks. The Navigators Group is in turn part of The Hartford, an American insurance company.

** The rebates and the rebates life evolve over time in function of the results and future prospects of the insurance company, its solvency, the economic situation and the state of the financial markets in relation to the commitments of the companies that are part of the insurance company. Federal Insurance Group, as described on www.federale.be. The granting of the rebates and the rebates life is not guaranteed in the future. The rebates and the rebounds vary by category and by type of product. The rules regarding their allocation are set out in the articles of association of the companies that are part of the Federal Insurance Group. The articles of association can be consulted at www.federale.be.