

Press

Allianz Deutschland AG: The Customer Comes First

Listening to clients, understanding their needs, and offering the right solutions – for Allianz, all this means doing more than just providing financial coverage for losses sustained. After an accident, in an illness or when there are legal problems, clients need more than just money. Their first concern is to fix the damage. And we want to help. Allianz Germany's new multi-line approach enables us to draw on our expertise in property, life and health insurance to develop innovative solutions together, and offer even better service for our customers.

Property insurance: Assistance to cover all contingencies

One example of our assistance concept is our **Unfall 60 Aktiv** accident insurance plan. It offers an extensive assistance package after an accident, with aid and care benefits at home. A representative Infratest survey showed that two-thirds of seniors want to remain at home as they age, if at all possible. But very few seniors can count on their children and grandchildren if they need help at home after something like an accident. Unfall 60 Aktiv is the right solution for these needs. Just under 300,000 customers have signed up for this product to date, and more than 98 percent of those who have already drawn on Unfall 60 Aktiv benefits have found them satisfactory.

We adapted our successful Unfall 60 Aktiv product concept in 2006 for a younger clientele. Since August, Allianz has offered **Unfall Aktiv**, with extensive benefits for families and singles. A particularly attractive feature for families is that if one parent is out of commission because of an accident, Allianz will organize child care and cover the cost.

The **Allianz Haus- und Wohnungsschutzbrief**, a kind of "roadside assistance package for the home," offers clients immediate help with problems like lost keys or defective installations. Since December 2006, this package has been available not only as a single product, but as a component in our Optimal homeowners' insurance plan – at an even better price. With over 100,000 policies sold, this product has been a great success.

Allianz has also offered a new legal insurance service since 2006: **round-the-clock legal advice**. Via a special service line, Allianz legal insurance clients whose coverage has been approved can get a free initial telephone consultation from independent attorneys on legal problems of all kinds. The Optimal rate plan for individuals even includes a no-charge initial phone consultation for legal problems that are not covered. This service has clearly hit the bull's eye with our clients: we've already provided fast assistance, with no red tape, for 94,000 of them – equivalent to more than 10,000 hours of legal counsel. Beginning this spring, we'll be offering the service for our corporate clients as well.

In the **motor business**, our diversified product and sales-channel strategy has been offering the right product for every customer need since 2005, with the Optimal, Kompakt and Allianz 24 rate plans. Allianz 24 focuses on serving the Internet-savvy customer segments that we can't reach with conventional Allianz services. Our strategy helped us increase the total number of vehicles covered from 8.89 million to 8.91 million in 2006. In this segment, our direct insurer performed even better than expected in fiscal 2006.

Changing regulatory contexts mean ever-changing risk situations for our corporate clients. One example is the **General Equal Treatment Act**, or AGG, which has been in effect since August 2006. German companies too must now allow for the possibility that employees or applicants may sue them for discrimination. Since October 2006, Allianz has been the first German insurer to offer an appropriate liability coverage concept. Benefits include not just legal coverage – in other words, for the costs of a defense, liability litigation, or averting groundless claims – but also satisfaction of damage claims that are upheld.

This year, Germany's **Environmental Damage Act**, based on the EU Environmental Directive of 2004, will take effect: anyone who poses a threat to biodiversity, pollutes water or contaminates soil can be held liable under the principles of public law even if that party has not caused the environmental harm through either misconduct or negligence. Allianz has been playing a major role in developing product solutions within the National Association of German Insurers, and will have a coverage concept available for corporate clients before the law goes into effect.

Life insurance: Protection for a long life

Our clientele has come to warmly accept the **Allianz RiesterRente**. This “Riester pension” product, which initially met with a certain degree of rejection, evolved in 2006 into a best-seller in our life insurance business. Some 266,000 new policies were sold last year – almost 40 percent of all new policies. At the end of 2006, the product numbered well over a million policies. Riester pensions have now become interesting to broad segments of the population, in part because of fine-tuning by legislation, but also thanks to intensive advice by the Allianz sales force.

After a rather slow start, another government-assisted retirement plan product, the Allianz **BasisRente**, performed well in 2006. The number of policies sold rose to 16,800, two and a half times the figure from 2005. The 2006 amendments of the laws to improve the tax-deductibility of contributions to BasisRente plans significantly boosted sales by year’s end. Year by year, self-employed people and independent professionals in particular, but also high-salary employees, can deduct an increasingly large share of their contributions to a BasisRente pension plan, as exceptional expenses.

Our **Allianz IndexPolice**, a retirement insurance plan with a one-time contribution, was the first time we placed a combined retirement plan and guarantee certificate on the market. In addition to a guaranteed minimum benefit payment, it also offers the opportunity for additional returns if stocks perform well. This allows us to close the gap between the capital market and the insurance industry, while at the same time offering an appropriate product for clients who are attuned to both capital preservation and returns. In April some 8,000 clients bought the IndexPolice, spending a total of more than EUR 200 million. The second tranche, sold in October, sparked interest among more than 4,300 clients, who subscribed for a total of EUR 120 million. In view of these successes, further tranches of the Allianz IndexPolice are planned for 2007.

Since July 2006, our new funeral expenses assistance product, **Allianz Bestattungsvorsorge**, has particularly been addressing the needs of clients over the age of 55. It covers funeral expenses for the deceased up to the agreed amount of capital, together with extensive service and counseling benefits for the insured while they’re still alive, as well as support for survivors – for example, in arranging the funeral itself or dealing with official formalities. Last year – the first in which it was available – Allianz Bestattungsvorsorge became well established, with 10,600 policies sold.

Disability coverage plus daily sick pay: Many insured individuals who take out disability insurance and daily sick pay insurance assume that when things get really serious they will always be entitled to at least one of these two benefits. But if a health insurer cuts off daily sick pay benefits because of disability, but the life insurer also decides there is no disability, a policyholder can be left in the lurch.

Allianz has recognized that its clients are exposed to this risk, and has now filled the potential coverage gap – unlike many of our competitors. For all new clients since September 2006, if they have daily sick pay insurance with Allianz when their disability arises, then subject to certain conditions we will make sure that sick pay benefits and benefits under an Allianz disability policy are not both denied simultaneously.

Private health insurance: Health management plus quality

We've set up a number of programs for our clients, so as to make sure that every client can get the best possible, medically most sensible therapy in the event of illness – while at the same time counteracting rising costs with properly focused treatment, custom-tailored to the individual's own condition. All these programs have the aim of improving the quality of care for our insured, improving quality of life and service, slowing the rise in expenses for benefits, and assuming structural responsibility for the health care system.

For more than six years now, our private health insurance has been offering its Health Navigator, or **GesundheitsLotse>>®**. This is an extensive set of programs and services to support clients when they fall ill or have emergencies. For example, they can call us on the **Health Line** to get information about prescribed medications, therapies, or medical tips about vacation travel. The service has proved to be popular: we handle an average of about 800 calls a month. About 90 percent of the callers would recommend the service to others; 35 percent are repeat callers.

Our **Diabetes Program** supports diabetics with a quarterly newsletter and telephone advice. Its aim is to teach patients to deal awarely with their diabetes. A study of participants' quality of life showed that a disease management program can not only improve quality of life but, most significantly, reduce the fear of secondary disease.

Our **Patient Support Advocates** are a special service under the general Health Navigator framework. They serve as contact people for insured individuals with serious illnesses or injuries. They coordinate treatment steps to make sure they proceed smoothly. Through a large number of cooperative arrangements with hospitals in orthopedics, cardiology and oncology, we make sure our clients get the best possible care.

In acknowledgement of the extremely positive response this service has enjoyed, starting in 2007 there will be seven instead of the previous four Patient Support Advocates to help our clients. Since the program began, the Patient Support Advocates have provided assistance in 3,300 cases, lasting an average of 54 days each. The oldest patient was 96 years old, and the youngest was eight months.

Besides improving quality of service for our clients, saving on costs is an equally important goal of the program. These savings are achieved solely by optimizing processes and making sure the various sectors interface properly. The Patient Support Advocates are there to make sure that the right treatment is delivered at the right place and the right time, and with the best possible quality. The savings come to EUR 900 per case.

Supplemental insurance was a significant growth field in 2006, thanks to a vigorously expanding market. German citizens are becoming increasingly aware of gaps in their coverage – and increasingly willing to obtain private coverage. As was particularly obvious in the case of long-term care: in 2006 we sold nearly five times as many **long-term care policies** as we did the year before. One reason for this development was certainly the time-limited availability of the product for insured individuals up to age 70. But in general, the issue of long-term care is also relevant for the generation age 50 and above – after all, it's their parents who are often directly or indirectly affected.

Outlook for 2007: Multi-line solutions for our clients

Allianz Deutschland AG will continue to develop its customer-oriented products and offer new services in 2007. We'll launch our line of products for the generation age 55 and over with customized, multi-line solutions for Allianz clients in the second half of their lives, to fit their individual living situations and needs. We'll interlink products from property, life and health insurance to fit needs. Starting in April, grandparents will be able to provide meaningful coverage for their grandchildren with the EnkelPolice, which offers immediate insurance coverage in the event of illness, if long-term care is needed, or after an accident. At the same time, it puts away seed capital for the child's future education or even retirement. This summer we'll be offering the Schutzbrief 55plus – another "roadside assistance package," this time with extensive aid and care benefits for seniors who want to be cared for professionally at home after an accident or illness, or if they apply for one of the long-term care levels defined by law.

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