

Press

Allianz to sell Fireman's Fund personal insurance business to ACE, completing future positioning for its P&C business in US

- Allianz progresses final element of US property & casualty business reconfiguration
- Integration of Fireman's Fund commercial lines into AGCS creates focus on commercial P&C insurance under Allianz brand
- New run-off carrier, San Francisco Re, to manage legacy Fireman's Fund business

Allianz SE and ACE Limited today announced a definitive agreement by which Allianz Group is to sell the Fireman's Fund personal lines insurance business in the United States, focused on high net worth customers, to ACE for USD 365 million by means of renewal rights arrangement*. The move follows the decision by Allianz earlier in 2014 to reposition its property & casualty (P&C) insurance business in the US by integrating the Fireman's Fund Insurance Company (FFIC) commercial business into Allianz Global Corporate & Specialty (AGCS), the global industrial insurer of Allianz Group.

This sale allows Allianz to focus on building its commercial P&C business across North America under the Allianz brand, creating a business with combined revenues that are expected to total over USD 3 billion, based on gross premiums written in 2013. The new leadership team for this combined FFIC/AGCS business was announced on December 12, with AGCS Board Member Art Moosmann becoming CEO & President of both AGCS North America (AGCS NA)** and FFIC beginning January 1, 2015.

The FFIC commercial business will be integrated into AGCS NA, with all active product lines moving to AGCS. This ensures continuity of service for existing commercial policyholders and agents, while also presenting one brand and team to customers across all segments of the US P&C market. AGCS will also seek to build on the FFIC product range globally, targeting opportunities to use FFIC's specialist knowledge of entertainment and mid-corporate insurance in international markets.

In parallel, subject to legal and regulatory approval, it is the intention to ultimately separate and consolidate the legacy business of FFIC, including legacy asbestos and environment exposures, legacy worker's compensation, and legacy construction defect liabilities, into a stand-alone company, San Francisco Re.

The Fireman's Fund personal insurance business will be integrated into ACE's existing high net worth personal lines business. In 2013, Fireman's Fund had USD 891 million in personal insurance gross premiums written. The sale includes the renewal rights,

reinsurance of existing liabilities, and access to an extensive network of 1,100 agents and brokers. The transaction, which is subject to legal and regulatory approval, is expected to be completed in the second quarter of 2015.

“These latest moves will complete the picture of the reconfiguration of our property & casualty insurance business in the United States with a strong footprint in commercial insurance,” said Axel Theis, incoming Member of the Board of Management of Allianz SE. “The sale of the Fireman’s Fund personal insurance business will give it a larger scale and ensure its continuity for brokers and policyholders. ACE is a highly respected global insurer with a vision to grow this business, capitalizing on its strength and strong reputation in the market. With this transaction Allianz will also gain capital efficiencies by releasing capital allocated to the personal insurance risks. In addition, we will use the proceeds to finance the restructuring of the Fireman’s Fund commercial P&C business. Taken with the creation of the new run-off carrier San Francisco Re, these measures enable Allianz to focus its energies even more strongly on successfully integrating the Fireman’s Fund commercial business into AGCS.”

The reconfiguration of its P&C business in the United States represents another step in the long history of Allianz in the country. Allianz has been providing financial services through its affiliated companies in the United States since 1896. Today, it offers world-class service in the US through its P&C carriers, Allianz Life, the credit insurer Euler Hermes, its strong asset management companies PIMCO and Allianz Global Investors and its thriving assistance business. At the end of 2013, in the United States the Allianz Group employed some 9,000 people and generated a total of some USD 21 billion in revenues.

Munich/Novato, December 18, 2014,

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**All subject to legal and regulatory approval*

***Legal names of AGCS NA companies: Allianz Global Risks US Insurance Company, Allianz Underwriters Insurance Company and AGCS Marine Insurance Company.*

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Fireman’s Fund Insurance Company

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About Allianz

Together with its customers and sales partners, Allianz is one of the strongest financial communities. Over 83 million private and corporate customers insured by Allianz rely on its knowledge, global reach, capital strength and solidity to help them make the most of financial opportunities and to avoid and safeguard themselves against risks.

In 2013, around 148,000 employees in over 70 countries achieved total revenues of 110.8 billion euros and an operating profit of 10.1 billion euros. Benefits for our customers reached 93.0 billion euros.

This business success with insurance, asset management and assistance services is based increasingly on customer demand for crisis-proof financial solutions for an aging society and the challenges of climate change. Transparency and integrity are key components of sustainable corporate governance at Allianz SE.

About Allianz Global Corporate & Specialty

Allianz Global Corporate & Specialty (AGCS) is the Allianz Group's dedicated carrier for corporate and specialty insurance business. AGCS provides insurance and risk consultancy across the whole spectrum of specialty, alternative risk transfer and corporate business: Marine, Aviation (incl. Space), Energy, Engineering, Financial Lines (incl. D&O), Liability and Property insurance, as well as International Insurance Programs.

Worldwide, AGCS operates in 28 countries with own units and in more than 160 countries through the Allianz Group network and partners. It employs more than 3,500 people and provides insurance solutions to more than half of the Fortune Global 500 companies, writing a total of 5 billion euros gross premium worldwide annually (2013). AGCS is rated AA by Standard & Poor's (Nov 2013) and A+ by A.M. Best (July 2014). For more information please visit www.agcs.allianz.com or follow us on Twitter @AGCS_Insurance

About Fireman's Fund Insurance Company

As a premier property and casualty insurance company, Fireman's Fund has protected the future for its customers for more than 150 years. With innovative products backed by superior claims and risk management solutions, Fireman's Fund is a leader in high net worth, entertainment, and commercial insurance. Fireman's Fund is a member of the Allianz Group — one of the world's largest insurance providers — and has a strong financial foundation. For additional information, visit www.firemansfund.com.

Cautionary Note Regarding Forward-Looking Statements

The statements contained herein may include prospects, statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such forward-looking statements.

Such deviations may arise due to, without limitation, (i) changes of the general economic conditions and competitive situation, particularly in the Allianz Group's core business and core markets, (ii) performance of financial markets (particularly market volatility, liquidity and credit events), (iii) frequency and severity of insured loss events, including from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the euro/US-dollar exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions, including related integration issues, and reorganization measures, and (xi) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

No duty to update

The company assumes no obligation to update any information or forward-looking statement contained herein, save for any information required to be disclosed by law.