

# Microinsurance Definition and Assessment Tool

v3.3

Getting to grips with the details

Allianz SE & GIZ  
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*developed in  
cooperation with* **giz**

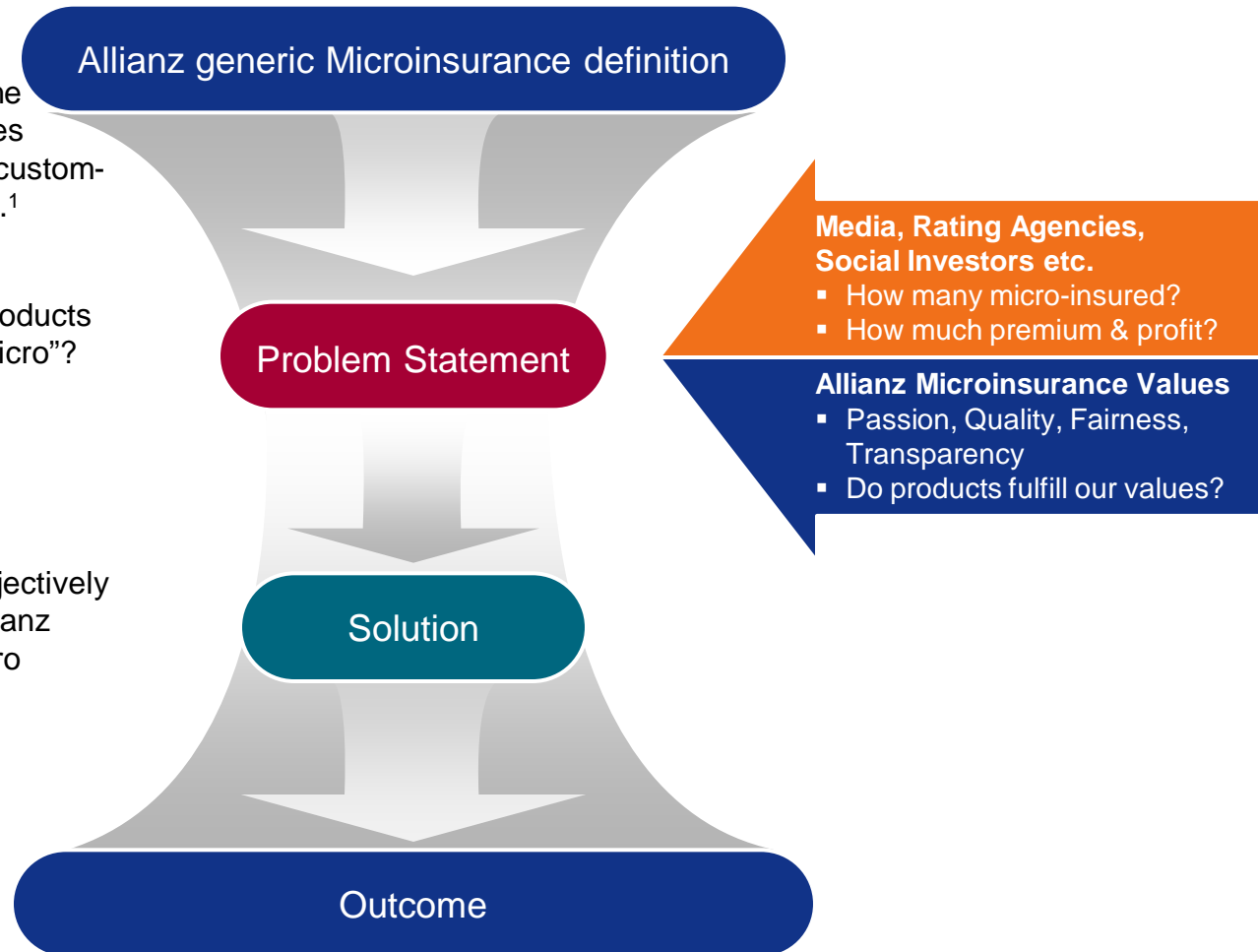
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# Problem statement

- Microinsurance offers protection against the risks in life, specifically for low-income people in developing countries and emerging markets, with customized products and processes.<sup>1</sup>
- Many simple low premium products  
Which products are really “micro”?  
How good are they?
- A methodology to quickly, objectively and transparently identify Allianz products as micro or not micro
- Easy, reliable, traceable and consistent reporting



1) The Allianz Group microinsurance definition may differ from local regulatory definitions.

# The tool: Can we call it micro? Good micro?

Product Name / Abbreviation		PA <sup>1</sup> & Dental	Life + Savings	Credit Life Plus	Life & PA <sup>1</sup>
Company		Allianz Coleseguros	Bajaj Allianz	Allianz Life	Allianz
Country		Colombia	India	Indonesia	Malaysia
A	Insurance principles applied	✓	✓	✓	✓
B	Developing country or emerging market	✓	✓	✓	✓
C	Great majority of insured people or assets from low-income segment	✓	✓	✓	✓
D	No government subsidies of more than 50%	✓	✓	✓	✗

4 x ✓ = micro

1	Significant contribution to risk management of end customers	+	+	+	
2	End-customer receives other tangible benefits (e.g. discounts, lottery etc.)	++	-	-	
3	End-customers involved in product development	-	-	+	
4	Voluntary opt-in (++) , voluntary opt-out (+) or mandatory (-)	++	++	-	
5	Customer education and feedback mechanisms in place	++	++	-	
6	Simple product specifications (e.g. pre-underwritten, few exclusions)	++	++	++	
7	Strong measures to ensure low transaction costs	++	++	++	
<b>Quality ranking (average of c1 – c7)</b>		<b>1.6</b>	<b>1.3</b>	<b>0.9</b>	<b>n.a.</b>

2.0 = best, 0.0 = lowest

- Criteria A – D are knock-out criteria
- Criteria 1 – 7 provide a quality ranking regarding compliance with Allianz microinsurance values, but are no indicator for actual business success
- See detailed guidelines in the following for explanations and examples for the various criteria

1) PA = Personal Accident

## Step-by-step user guide

<b>Step 1:</b> <b>Check K.O. criteria</b>	<ul style="list-style-type: none"> <li>Criteria A – D are “Yes/No” knock-out criteria</li> <li>A product must fulfill all these criteria to qualify as a microinsurance product</li> </ul>
<b>Step 2:</b> <b>Rank criteria 1-7</b>	<ul style="list-style-type: none"> <li>Rank criteria 1 – 7 with:            “-” = not present (value 0),            “+” = slightly present (value 1), or            “++” = highly present (value 2)</li> <li>Calculate the average of all values of criteria 1 – 7</li> <li>The higher the ranking, the better the quality of the product in light of the Allianz microinsurance values.</li> </ul> <p><b>However, high rankings are no guarantee for business success.</b></p>
<b>General Notes</b>	<ul style="list-style-type: none"> <li>Allianz insurance companies (including minority shareholdings) in eligible markets are kindly requested to use this tool to assess products that potentially reach the low-income market. For reporting the data of minority shareholdings we follow the control approach<sup>1</sup></li> <li>Please give a short rationale for the assessment, whatever the outcome (see template below)</li> <li>The default mode for this ranking is “as-intended”, not “as-is” (e.g. products may be designed as voluntary products, but actual marketing is done as a mandatory product)</li> <li>If products are sold through different channels, please focus only on those that reach low-income customers. Example: Motorcycle cover in Malaysia is sold through agents (high-income clients) and Malaysia Post (low-income). Only the latter should be considered</li> </ul>
<b>Note on Reinsurance</b>	<ul style="list-style-type: none"> <li>Allianz companies acting as reinsurers or participating in risk pooling schemes can be considered if they fulfill the following criteria:            (1) All 4 K.O. criteria, (2) Allianz participated in product development, (3) quota share of min. 20%, and (4) Allianz is not also first line insurer</li> <li>Data from such schemes will be separately disclosed in Allianz microinsurance reports</li> </ul>

1) Control Approach means that Allianz is reporting 100% of the data and not the percentage of the data according to the Allianz share.

## Criteria explanation (1/4)

Criterion		Explanation	Example ✓	Example ✗
<b>A</b>	<b>Insurance principles applied</b>	<p>Knock-out criterion</p> <ul style="list-style-type: none"> <li>Basic insurance principles such as (1) law-of-large numbers must be applied (see annex for full list of principles)</li> <li>“Charity” products are not applicable</li> </ul>	<ul style="list-style-type: none"> <li>A savings product with a very small on-top life insurance component (e.g. to meet regulatory requirements) still passes under this criterion</li> </ul>	<ul style="list-style-type: none"> <li>A pure savings product with no risk element</li> <li>A “charity” product or a product that is given away for free (e.g. for marketing)</li> </ul>
<b>B</b>	<b>Developing country or emerging market</b>	<p>Knock-out criterion</p> <ul style="list-style-type: none"> <li>The country needs to be included (a) <a href="#">S&amp;P's list</a> of emerging markets and/or (b) in the <a href="#">World Bank list</a> of developing countries</li> <li>Countries of the European Union are not eligible (even if included in above lists)</li> </ul>	<ul style="list-style-type: none"> <li>Egypt</li> <li>India</li> <li>Malaysia</li> </ul>	<ul style="list-style-type: none"> <li>Estonia</li> <li>France</li> <li>South Korea</li> </ul>
<b>C</b>	<b>Great majority of insured people or assets from low-income segment</b>	<p>Knock-out criterion</p> <ul style="list-style-type: none"> <li>“<b>Great majority</b>”: approx. 80% of insured “</li> <li>“<b>low-income</b>”: 3 lowest income quintiles (C, D, E), i.e. the insured must be among the 60% of population with the lowest income</li> <li>Among the remaining 20% may well be <b>quite wealthy people</b> (often in credit life). That’s okay</li> <li>Please answer on an “as-to-our-best-current-knowledge” basis</li> <li>No need for surveys and academic efforts</li> <li>In case of property insurance, the asset owners are considered</li> </ul>	<p>Knock-out criterion</p> <ul style="list-style-type: none"> <li>“<b>Payung Keluarga</b>” <b>Credit Life Plus in Indonesia</b>: 98% of insured loans are below USD 500 which is a good proxy that the great majority of borrowers are indeed “low-income”</li> <li>However, 0.2% of loans insured with “Payung Keluarga” are between USD 5,000 and 20,000 and generate 14% of all premiums. That is okay</li> </ul>	<ul style="list-style-type: none"> <li>Low-premium Personal Accident insurance attached to credit cards (e.g. as “added value”)</li> <li>Credit cards are majority used by high income classes A and B</li> </ul>

## Criteria explanation (2/4)

Criterion		Explanation	Example ✓	Example ✗
D	<b>No government subsidies of more than 50%</b>	<p><b>Knock-out criterion</b></p> <ul style="list-style-type: none"> <li>Only subsidies by governments or related agencies are considered</li> <li>&gt;50% in subsidies would move a scheme too close to “social insurance”</li> <li>Group policy holders (e.g. banks, MFIs, employers) paying premium is OK</li> </ul>	<ul style="list-style-type: none"> <li>“<b>Payung Keluarga</b>” <b>Credit Life Plus in Indonesia</b>: Some banks and MFIs pay the premium at their own expense, and market the insurance cover as a “free added value” to their loans.</li> </ul>	<ul style="list-style-type: none"> <li>“<b>1AZAM Malaysia</b>”: In 2011, the Malaysian government paid the life insurance premium for 500,000 very poor citizens. This scheme does therefore not qualify as “micro”.</li> </ul>
1	<b>Significant contribution to risk management of end customers</b>	<ul style="list-style-type: none"> <li>Product must provide a significant risk management utility to the end customer.</li> <li>The only two components to look at here are <b>sums assured or savings/cash value balances</b> (e.g. in pension plans)</li> <li>Credit Life plans which only cover the outstanding loan balance are ranked “-” by default</li> </ul>	<ul style="list-style-type: none"> <li>Credit life insurance that provides extra-benefits (e.g. cash for funeral expenses)</li> <li>A micro-pension plan with a significant savings component and a small insurance cover still qualifies, especially if pre-maturity withdrawal or policy loans are possible</li> </ul>	<ul style="list-style-type: none"> <li>A credit life policy which only cancels the outstanding loan balance because the main beneficiary is the bank.</li> <li>Note: If a credit life portfolio is a mix of basic and enhanced credit life and data segregation is difficult, rank the entire portfolio with “+”</li> </ul>
2	<b>End-customer receives other tangible benefits (e.g. discounts, lottery etc.)</b>	<ul style="list-style-type: none"> <li>Additional benefits are clearly defined benefits beyond sums assured and savings/cash value balances</li> <li>E.g. discounts at pharmacies, free medical counseling, agricultural extension services or lottery tickets</li> <li>If the product scores “-” on criterion 1, then exceptionally large payouts can be ranked “+” if the payout to premium ratio is at least 500 to 1, and “++” if it is at least 1000 to 1, e.g. for earthquake or personal accident insurance</li> </ul>	<ul style="list-style-type: none"> <li>In Brazil, almost every life insurance comes with a lottery feature (to provide a “living benefit” for better marketing)</li> <li>“<b>Kartu Proteksiku</b>”, a personal accident product in Indonesia has an exceptionally high payout to premium ratio of USD 1,000 protection for each dollar of premium (however, the product is not marketed to low-income customers)</li> </ul>	<ul style="list-style-type: none"> <li>Personal Accident insurance products don’t provide exceptionally large payouts or other additional benefits</li> <li>E.g. <b>Mobile Personal Accident in Madagascar</b> has a payout to premium ratio of approx. 35 to 1 (on the other hand it allows for very flexible premium payment through mobile phones)</li> </ul>

## Criteria explanation (3/4)

Criterion		Explanation	Example ✓	Example ✗
3	<b>End-customers involved in product development</b>	<ul style="list-style-type: none"> <li>End-customers had the opportunity to influence product development.</li> <li>This is as an indicator that products and processes have really been customized to meet end-customers needs</li> <li>For example through demand assessments (“+”), product testing with customers (“++”), or customer satisfaction surveys on prior product versions (“++”)</li> <li>Involvement must be systematic and documented. It cannot be purely anecdotal</li> </ul>	<ul style="list-style-type: none"> <li><b>“TAMADERA” micro-endowment Indonesia:</b> Over 300 potential customers were interviewed during market research, and close to 100 during product testing</li> </ul>	<ul style="list-style-type: none"> <li><b>Mobile Personal Accident in Madagascar:</b> Although sold to a majority of low-income customers, the target market was not consulted during product development</li> </ul>
4	<b>Voluntary opt-in (++) , voluntary opt-out (+) or mandatory (-)</b>	<ul style="list-style-type: none"> <li>Opt-in (“++”): Customers have to explicitly state: “I want to purchase this insurance”</li> <li>Opt-out (“+”): Customers have to explicitly state: “No, thanks, I don’t want to purchase this insurance” (untick-the-box)</li> <li>Mandatory (“-”): Products like compulsory credit life, including those where someone else (e.g. bank, employer) pays the bill</li> <li>Exception: Mandatory products where some features such as sums insured or coverage for other family members can be chosen by customers. These rank “+”</li> </ul>	<ul style="list-style-type: none"> <li><b>“SSS” life insurance with systematic savings, India,</b> is a voluntary opt-in product. Customers of partner MFIs are presented the product and only enroll if they like it.</li> <li>Travel insurance connected to online flight ticket purchases: This is a classic example of voluntary opt-out / untick-the-box insurance (although not necessarily catering to low-income people)</li> </ul>	<ul style="list-style-type: none"> <li>Most credit life insurance sold in the micro-space is compulsory, i.e. automatically connected to the loan, with premiums deducted upfront from the loan amount</li> <li>credit life customers can voluntarily choose on their loan application to also insure their spouse against an extra-premium, such product could be ranked with “+”.</li> </ul>



## Criteria explanation (4/4)

Criterion		Explanation	Example ✓	Example ✗
5	<b>Customer education and feedback mechanisms in place</b>	<ul style="list-style-type: none"> <li>▪ Brochures, systematic sales talk and other measures to help customers understand the product and – for voluntary products – ensure an informed purchasing decision</li> <li>• Hotlines and other ways for the customer to access Allianz in case of questions and grievances after coverage starts</li> <li>• Systematic customer feedback surveys</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>“SSS” life insurance with systematic savings, India</b>, has an Allianz hotline printed on every brochure and policy document. And a systematic “Value for the Customer” education initiative has been put in place.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Most micro credit life products come with little to no information material and do not provide a direct access possibility to the insurance company</li> </ul>
6	<b>Simple product specifications (e.g. pre-underwritten, few exclusions)</b>	<ul style="list-style-type: none"> <li>▪ E.g. short and easy to understand policy wording</li> <li>▪ Few or no exclusions</li> <li>▪ Simple underwriting or even pre-underwritten / guaranteed acceptance</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>“Payung Keluarga” Credit Life Plus in Indonesia</b> was launched with no exclusions at all except for an age limit. Later, suicide and insurance related crime were added to comply with <i>takaful/sharia</i> regulation</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Motorcycle insurance, Malaysia</b> is sold to low-income households through Malaysia Post, but the policy wording is lengthy and the same as for other distribution channels, e.g. tied agents.</li> </ul>
7	<b>Strong measures to ensure low transaction costs</b>	<ul style="list-style-type: none"> <li>▪ E.g. piggy-backing distribution through 3rd party networks such as MFIs or churches</li> <li>▪ Piggy-backing products by connecting insurance to other services such as credits or savings, airtime or fertilizer purchases</li> <li>▪ Outsourcing of processes to (lower-cost) 3rd parties, e.g. data entry handled by MFIs or collection through e-money</li> <li>▪ Adapted salary and commission schemes, e.g. if own tied “micro” agents are used</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>“Payung Keluarga” Credit Life Plus in Indonesia</b>: Distribution and product are fully tied to micro credits. Also large parts of operations are outsourced to the distribution partners (banks, MFIs), which even handle claim underwriting and claim settlement on behalf of Allianz.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cold calling by insurance agents or telemarketers</li> </ul>

## Case Study 1: Colombia

<b>Product name</b> (generic or marketing name)	<ul style="list-style-type: none"> <li>Personal Accident Plus Dental</li> </ul>
<b>Product type</b> (e.g. credit life, endowment, motorcycle)	<ul style="list-style-type: none"> <li>Enhanced Personal Accident</li> </ul>
<b>Company name</b>	<ul style="list-style-type: none"> <li>Allianz Colombia</li> </ul>
<b>Country</b>	<ul style="list-style-type: none"> <li>Colombia</li> </ul>
<b>Distribution partner type</b> (e.g. MFIs, banks, coops, retailers)	<ul style="list-style-type: none"> <li>Food and consumer good companies (as master policy holders)</li> </ul>
<b>Launch date</b> (and stop date if any)	<ul style="list-style-type: none"> <li>1 Feb 2011</li> </ul>
<b>1-sentence product description</b>	<ul style="list-style-type: none"> <li>Personal accident cover for small shop owners + dental assistance for shop owner and 3 dependants</li> </ul>
<b>Group or individual product</b>	<ul style="list-style-type: none"> <li>Group</li> </ul>
<b>Voluntary opt-in, opt-out or compulsory</b>	<ul style="list-style-type: none"> <li>Voluntary opt-in</li> </ul>
<b>Covered risks &amp; benefits / sum insured</b>	<ul style="list-style-type: none"> <li>Accidental Death: COP 3mn (~ USD 1,700), payable as an education grant for the children of the insured</li> <li>Dental Assistance: Cashless payment (@ market rates) for emergency treatment arising from 6 dental conditions, e.g. caries, infections or pulpitis</li> </ul>
<b>Premium range</b> (min, max)	<ul style="list-style-type: none"> <li>Premiums paid by group policy holder (the food &amp; consumer good companies)</li> </ul>
<b>Avg. premium / year</b> (annualize if necessary)	<ul style="list-style-type: none"> <li>n.a.</li> </ul>
<b>Other comments</b>	<ul style="list-style-type: none"> <li>Dental assistance is only available at one large network of dental clinics</li> <li>For eligibility, shop owners need to fulfill certain criteria set by the companies</li> </ul>

You can find a complete list of Allianz microinsurance products [here](#).

# Case Study 1: Colombia

Product:	Personal Accident Plus Dental	Ranking <sup>2</sup>	Rationale / Comments
A	Insurance principles applied	✓	Fully applied
B	Developing country or emerging market	✓	Colombia is an emerging market according to S&P and a developing country according to World Bank
C	Great majority of insured people or assets from low-income segment	✓	Insured small shop owners are mostly from strata 2 ( <i>low-middle class</i> ) of the 6-step Colombian socioeconomic stratification.
D	No government subsidies of more than 50%	✓	No government subsidies
1	Significant contribution to risk management of end customers	+	Personal accident for a relatively safe occupation such as shop keeper does not address a significant risk. But the dental assistance is highly utilized
2	End-customer receives other tangible benefits (e.g. discounts, lottery etc.)	++	The associated network of dental clinics gives up to 50% discounts on dental procedures not covered the policy
3	End-customers involved in product development	-	No
4	Voluntary opt-in (++) voluntary opt-out (+) or compulsory (-)	++	The product is voluntary in the sense that shop owners can decide whether they want to fulfill the companies criteria for eligibility
5	Customer education and feedback mechanisms in place	++	A 24/7 dental hotline is available. All enrolled receive an insurance card with the key policy conditions
6	Simple product specifications (e.g. pre-underwritten, few exclusions)	++	Automatic acceptance. No age limit. Documentation requirements for dental assistance are minimal (normal for accidental deaths)
7	Strong measures to ensure low transaction costs	++	Distribution is outsourced to the field staff of the companies. Dental claims are outsourced to 3rd party provider. Collection occurs as bulk payment
<b>Overall ranking<sup>3</sup></b>		<b>1.6</b>	

1) For knock-out criteria A-D: ✓ or ✗; for criteria 1 – 7: “-” (0), “+” (1) or “++” (2)

2) Average of criteria 1 – 7. Minimum 0.0, maximum 2.0.

Note: A high ranking is only an indicator for compliance with Allianz' microinsurance values, not an indicator for actual business success

## Case Study 2: Malaysia

<b>Product name</b> (generic or marketing name)	<ul style="list-style-type: none"> <li>1AZAM plan (AZAM = Akhiri Zaman Miskin, i.e. <i>the End of the Poverty Era</i>)</li> </ul>
<b>Product type</b> (e.g. credit life, endowment, motorcycle)	<ul style="list-style-type: none"> <li>Group Life &amp; Group Personal Accident</li> </ul>
<b>Company name</b>	<ul style="list-style-type: none"> <li>Allianz Life Insurance &amp; Allianz General Insurance (bundled)</li> </ul>
<b>Country</b>	<ul style="list-style-type: none"> <li>Malaysia</li> </ul>
<b>Distribution partner type</b> (e.g. MFIs, banks, coops, retailers)	<ul style="list-style-type: none"> <li>National Welfare Foundation Malaysia (Government agency)</li> </ul>
<b>Launch date</b> (and stop date if any)	<ul style="list-style-type: none"> <li>Launch: 1-Jan-2011; End: 31-Dec-2011 (after government subsidies stopped)</li> </ul>
<b>1-sentence product description</b>	<ul style="list-style-type: none"> <li>Government sponsored life insurance program for 100,000 households classified as very poor by the government.</li> </ul>
<b>Group or individual product</b>	<ul style="list-style-type: none"> <li>Group insurance</li> </ul>
<b>Voluntary opt-in, opt-out or compulsory</b>	<ul style="list-style-type: none"> <li>Automatic enrollment by the National Welfare Foundation Malaysia</li> </ul>
<b>Covered risks &amp; benefits / sum insured</b>	<ul style="list-style-type: none"> <li>Natural death: Insured MYR 15,000; spouse 1,000; child 500</li> <li>Accidental death: Insured MYR 25,000; spouse 11,000; child 5,500</li> </ul>
<b>Premium range</b> (min, max)	<ul style="list-style-type: none"> <li>MYR 120 flat for insured, spouse and 2 children</li> </ul>
<b>Avg. premium / year</b> (annualize if necessary)	<ul style="list-style-type: none"> <li>MYR 120</li> <li>Premium paid by the National Welfare Foundation Malaysia</li> </ul>
<b>Other comments</b>	<ul style="list-style-type: none"> <li>Natural death cover is provided by Allianz Life Insurance</li> <li>Accidental death cover is provided by Allianz General Insurance</li> </ul>

You can find a complete list of Allianz microinsurance products [here](#).

## Case Study 2: Malaysia

Product:	1AZAM plan	Ranking <sup>2</sup>	Rationale / Comments
A	Insurance principles applied	✓	Applied
B	Developing country or emerging market	✓	Malaysia is an emerging market according to S&P and a developing country according to World Bank
C	Great majority of insured people or assets from low-income segment	✓	Yes, 100% of insured are “very poor” according to government definition
D	No government subsidies of more than 50%	✗	Premium 100% subsidized by Malaysian government in 2011. <b>Knock-Out.</b> Discontinued because government support discontinued in 2012
1	Significant contribution to risk management of end customers		
2	End-customer receives other tangible benefits (e.g. discounts, lottery etc.)		
3	End-customers involved in product development		
4	Voluntary opt-in (++), voluntary opt-out (+) or compulsory (-)		
5	Customer education and feedback mechanisms in place		
6	Simple product specifications (e.g. pre-underwritten, few exclusions)		
7	Strong measures to ensure low transaction costs		
<b>Overall ranking<sup>3</sup></b>		not micro	<b>Note: Product is not considered micro due to failure on criterion D</b>

1) For knock-out criteria A-D: ✓ or ✗; for criteria 1 – 7: “-” (0), “+” (1) or “++” (2)

2) Average of criteria 1 – 7. Minimum 0.0, maximum 2.0.

Note: A high ranking is only an indicator for compliance with Allianz' microinsurance values, not an indicator for actual business success

## Do-it-yourself template (1/2): Product Info

<b>Product name</b> (generic or marketing name)	
<b>Product type</b> (e.g. credit life, endowment, motorcycle)	
<b>Company name</b>	
<b>Country</b>	
<b>Distribution partner type</b> (e.g. MFIs, banks, coops, retailers)	
<b>Launch date</b> (and stop date if any)	
<b>1-sentence product description</b>	
<b>Group or individual product</b>	
<b>Voluntary opt-in, opt-out or compulsory</b>	
<b>Covered risks &amp; benefits / sum insured</b>	
<b>Premium range</b> (min, max)	
<b>Avg. premium / year</b> (annualize if necessary)	
<b>Other comments</b>	

You can find a complete list of Allianz microinsurance products [here](#).

## Do-it-yourself template (2/2): Actual Ranking

Product:	[product name]	Ranking <sup>2</sup>	Rationale / Comments
A	Insurance principles applied	✓	
B	Developing country or emerging market	✓	
C	Great majority of insured people or assets from low-income segment	✓	
D	No government subsidies of more than 50%	✗	
1	Significant contribution to risk management of end customers	+	
2	End-customer receives other tangible benefits (e.g. discounts, lottery etc.)	++	
3	End-customers involved in product development	-	
4	Voluntary opt-in (++) voluntary opt-out (+) or compulsory (-)		
5	Customer education and feedback mechanisms in place		
6	Simple product specifications (e.g. pre-underwritten, few exclusions)		
7	Strong measures to ensure low transaction costs		
<b>Overall ranking<sup>3</sup></b>		<b>0.0</b>	

1) For knock-out criteria A-D: ✓ or ✗; for criteria 1 – 7: “-” (0), “+” (1) or “++” (2)

2) Average of criteria 1 – 7. Minimum 0.0, maximum 2.0.

Note: A high ranking is only an indicator for compliance with Allianz' microinsurance values, not an indicator for actual business success

## Annex: The 7 Basic Insurance Principles

- 1 Loss must occur by chance, i.e. it must be an unexpected and random event
- 2 The loss must be definite in terms of timing and amount
- 3 Existence of significant insurable interest
- 4 The rate of loss must be predictable
- 5 The loss must not be catastrophic to the insurer
- 6 “Large” number of “similar” risks (law-of-large-numbers)
- 7 Premiums must be proportionate to the likelihood and cost of the risk involved



# Disclaimer

These assessments are, as always, subject to the disclaimer provided below.

## Cautionary Note Regarding Forward-Looking Statements

The statements contained herein may include 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 that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in the Allianz Group's core business and core markets, (ii) performance of financial markets, including emerging markets, and including market volatility, liquidity and credit events (iii) the frequency and severity of insured loss events, including from natural catastrophes and including the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency

levels, (vi) the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (ix) changing levels of competition, (x) changes in laws and regulations, including monetary convergence and the European Monetary Union, (xi) changes in the policies of central banks and/ or foreign governments, (xii) the impact of acquisitions, including related integration issues, (xiii) reorganization measures, and (xiv) 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. The company assumes no obligation to update any forward-looking statement.

### No duty to update

The company assumes no obligation to update any information contained herein.