

Result for the customer 2016

Focus: Be bold.

Wear a tutu

(p. 14)

Slay a dragon

(p. 24)

Speak plainly

(p. 64)

Tame mountains

(p. 32)

Fill gaps

(p. 40)

Have babies

(p. 52)



Definition of courage:

*The ability to overcome
one's fear in a dangerous, risky
situation; fearlessness in
the face of a situation where one
could be afraid;*

*[fundamental] willingness to do
what one believes is right despite
an expected disadvantage*



**Whatever you
can do or dream of
doing – get started.
Boldness has
power, magic and
genius in it.**



Johann Wolfgang von Goethe

Overall customer satisfaction with Allianz

*This is how you rated us – overall.
A comparison with the values from the previous years.*





Franziska Heidt
27, product development specialist focusing on household and liability insurance in Munich, with Allianz since 2016

Our products should protect our customers in everyday life. For that reason, I feel it's important for us to develop dependable solutions that are relevant to our customers in their own lives. Clarity is also a key aspect of product development. Our challenge here is to formulate complex content, such as rate conditions, correctly while making it easy to understand.



Katja Bachmann
40, general agent in Merchweiler, with Allianz since 1999

Above all, I care about providing individualized, competent advice for my customers. For that reason, I stay in regular contact with them. This is the only way to keep policies up to date and meet my customers' needs.



Sarah Schmid
31, customer advisor at Allianz Private Krankenversicherungs AG in Munich, with Allianz since 2013

It's important to me to treat our customers as I would want to be treated myself. That's why I always offer as much support as I possibly can and explain the next steps or give information about other points of contact. And I prefer to do that by phone.



Max Benjamin Richter
26, claims service employee in Frankfurt, with Allianz since 2012

Our customers find themselves in situations that are often associated with uncertainties and emotions. This requires a great deal of sensitivity, empathy and expertise. So when I personally advise my customers, I aim to soothe their fears, support them as best I can and continually develop myself and my skills.



Cüneyt Dolasir
30, customer advisor in Hanover, with Allianz since 2008

My goal is to offer individualized solutions and turn customers into Allianz fans. It isn't always easy to reconcile different expectations, but a lot is possible as long as we talk with each other.

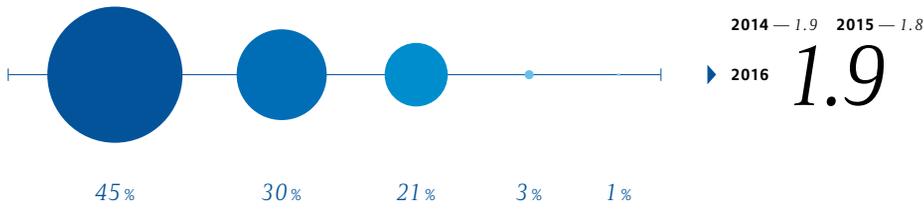


Michael Lerz
49, head of Social Media Division in Munich, with Allianz since 1997

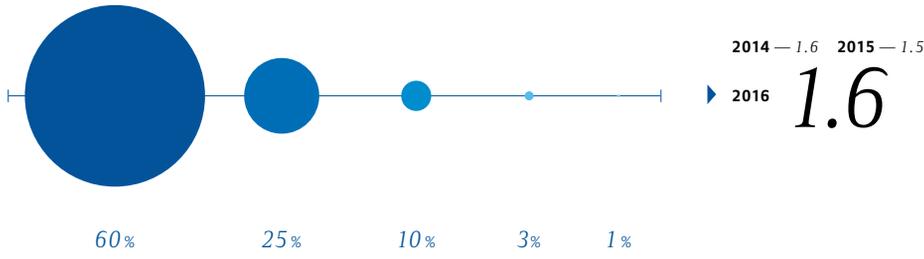
We communicate with our customers regularly through our Facebook presence and the "Allianz helps" online forum. For me, being customer-centric means that we handle the messages we receive there seriously. That means answering questions quickly, addressing the customer's pain points in our communication and actively pursuing opportunities for improvement.

Rating (Satisfaction in scores from 1 to 5)

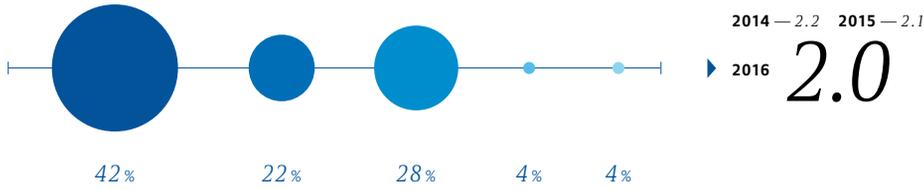
● completely satisfied ● very satisfied ● satisfied ● less satisfied ● dissatisfied



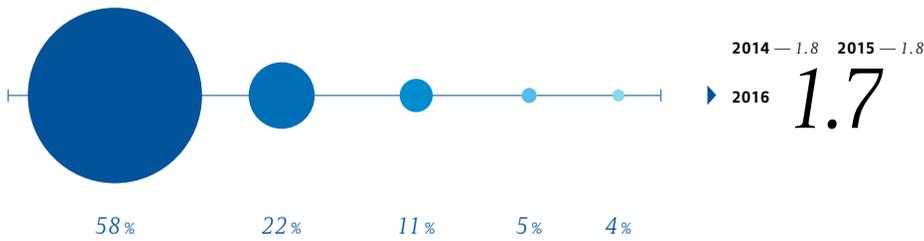
Products ●



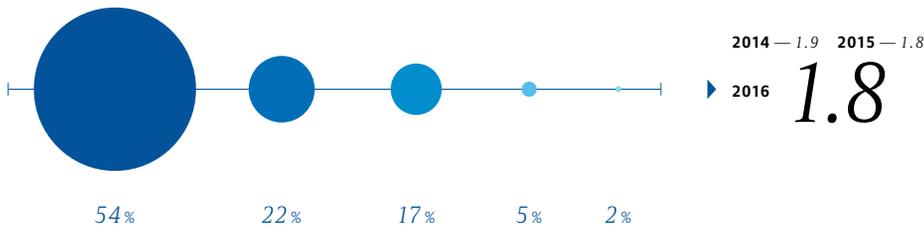
Advice ●



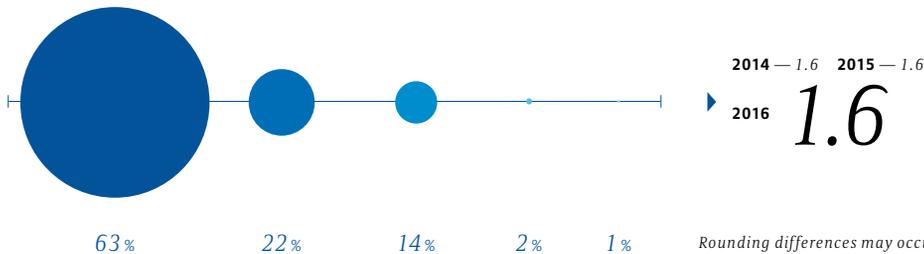
Service ●



Claims ●



Benefits ●



Communication ●

Customer satisfaction

This is how you rated us in the areas: Products, Advice, Service, Claims, Benefits and Communication.

Rounding differences may occur



EDITORIAL

Courage

 BERND HEINEMANN

 MARKUS BURKE

— Courage. The word sounds like an exceptional situation. Admiration resonates. But doesn't courage belong in our everyday lives? For me, the answer is clear: it does. It opens up the opportunity for us to take charge of our lives and do something special – to do our own thing. — And what does Allianz have to do with that? A great deal. Every situation in which we decide to be bold naturally entails the risk of failure. Something can simply go wrong. We are standing by your side as your insurer, so that it does not turn into a personal catastrophe. — You can read about how we do that in this issue of our customer report, for example, in the article on the construction site for the new Zugspitze cable car, an extraordinary project with risks that cannot be estimated based on statistics. It therefore requires courage from us as an insurer. Or in the story about the Kammergruber family from Simbach, who nearly lost everything they had in the early summer of 2016 when a usually small stream burst its banks. With his passion for helping people, our man on the scene, Gerhard Köck, embodies what sets Allianz apart: When you need protection and help, we are your reliable partner. — You appreciate that, as our

latest satisfaction survey shows. The assessment of Allianz Deutschland is at the same positive level as the previous year. — But for me, this is no reason to rest on our success. We want to be even better – for you, our customers. For that reason, we created the Chief Customer Officer (CCO) position this past year. The CCO is the voice of our customers at the heart of our company. We want to hear you loud and clear, understand you better, approach you and meet you in the middle. That is changing our company, and change always requires the courage to be open to new things and leave well-trodden paths behind. We would like to encourage you to do that as well, by taking on your risks and giving you freedom.

**Member of the Board of Management,
Allianz Deutschland AG**
— Market Management

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2016



Convinced and courageous
Environmental activists from Greenpeace entered the Brent Spar oil platform on 30 April 1995. With their photos, they raised public awareness about plans to sink the steel giant into the North Sea. Pressure from customers and the public at large grew to the point that owner Shell abandoned its plans and recycled the colossus on land. In 1998, countries bordering on the North Sea agreed upon a ban on sinking oil platforms. A victory for the courageous people of conviction from Greenpeace.

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Encouraging dialogue

Our customer report puts the focus on our customers. Your wishes, your concerns and needs – we dedicate this publication to your constructive feedback.

— A report for customers about what our customers think of us and our work. Around 100 pages, with almost 30 pages devoted to hard facts about customer satisfaction with Allianz. Prepared with objective data from TNS Infratest, a market research firm, collected in a survey of around 30,000 people. Unsparing, open to both praise and criticism alike. Tested according to the strict criteria of auditors from KPMG. Pretty bold, don't you think? — Since 2011, the Result for the customer report has been published annually. In this report, we prefer to tell stories about our customers and ourselves rather than overwhelm readers with all of the numbers from the Allianz satisfaction survey. This year, we chose to focus on courage. We want to find out about the different kinds of courage. Why? Because we want to encourage you to do things – such as opening up a dialogue with us. You can also find the customer report online – to learn more, visit: www.allianzdeutschland.de/kundenbericht



By the way ...

... the 2015 Allianz customer report won several well-known awards, including: Best Report at the BCM, Best of Content Marketing Awards, the largest annual competition for content-driven corporate communication in Europe; and Best Cover at the international Content Marketing Awards in the US.



“
Customer feedback is sometimes painful, but always good.”

Rolf Hansen
Founder of several companies, including simyo and amaysim

Your “Result for the customer”

Order your printed copy of the 2016 customer report by email free of charge, or email us your response to the customer report at kundenbericht@allianz.de. Find more about the topic “courage” at www.allianzdeutschland.de/kundenbericht

In focus: Be bold

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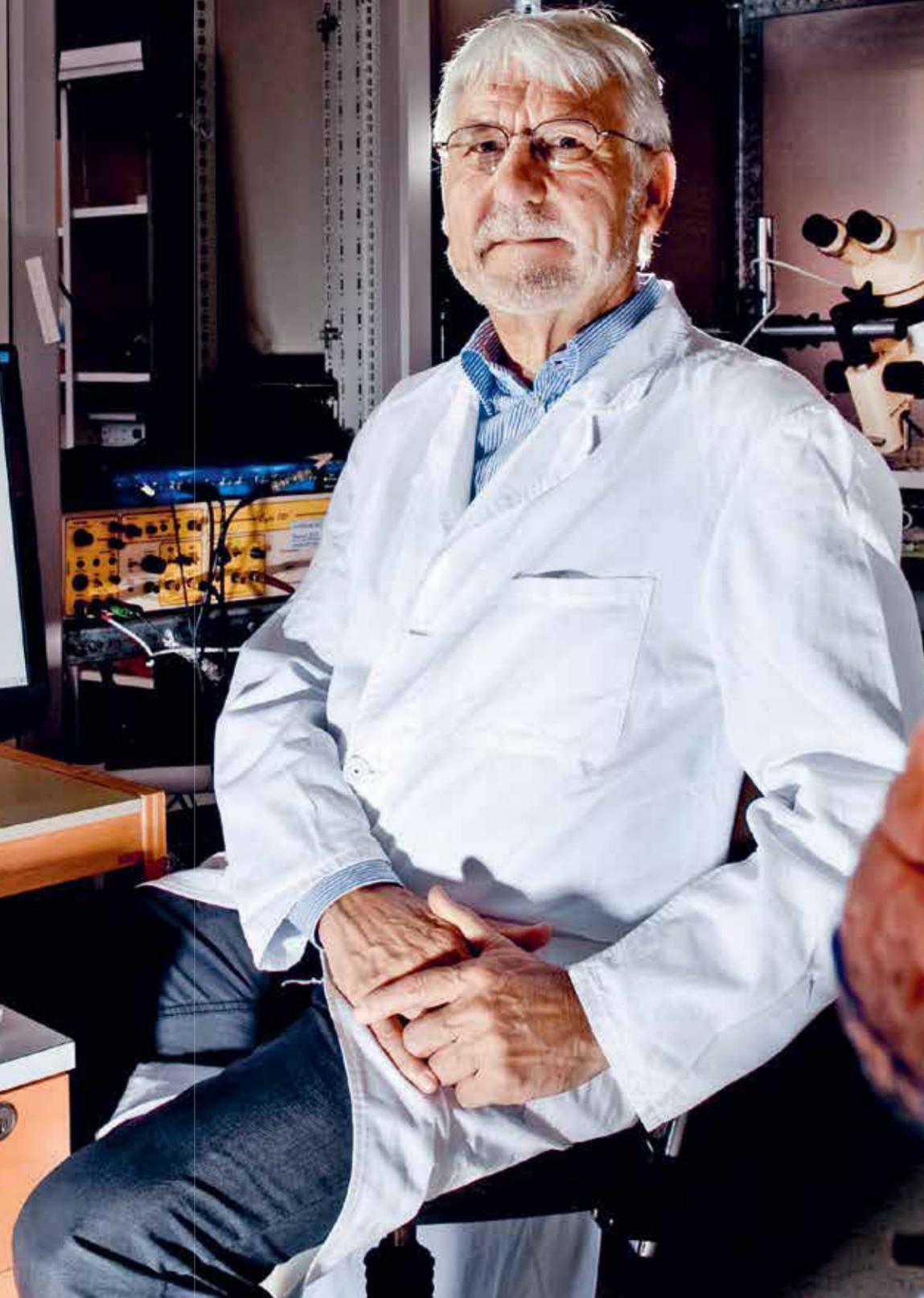
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High-wire act

The world's longest cable car is being built on Germany's highest peak. The project's insurer: Allianz.

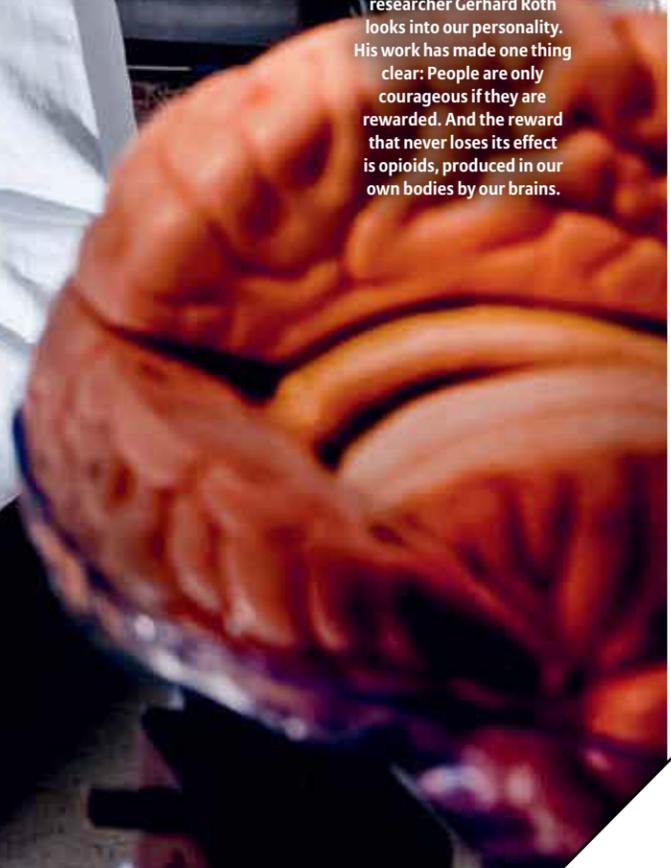
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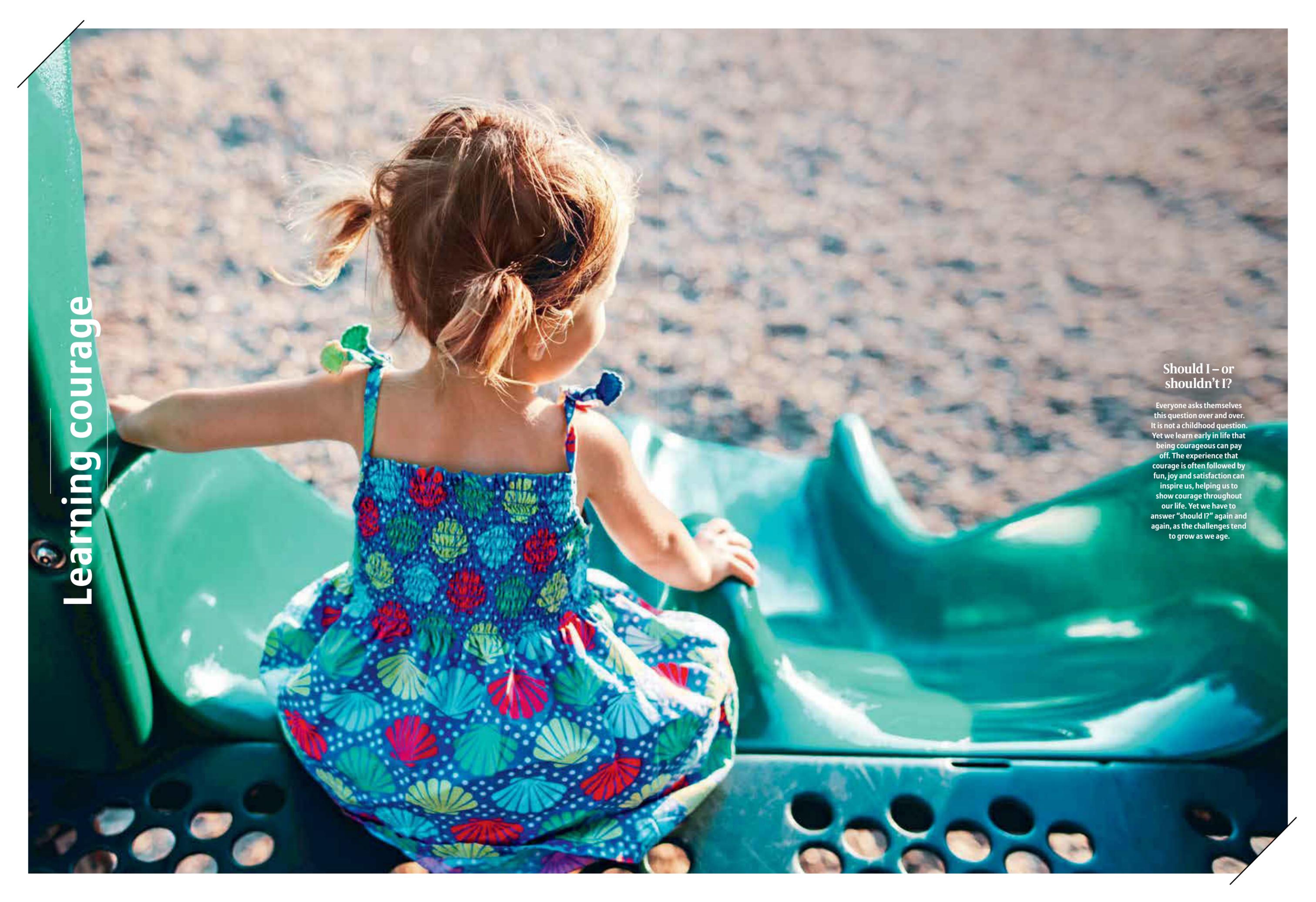
Finding courage



It's all in your head

"Take heart!" as the saying goes. It means "trust yourself, be courageous!" But whether or not we are courageous has less to do with our heart. Rather, it has much to do with processes inside our head. Our brain weighs up the danger against the reward. It ultimately decides for us, whether consciously or unconsciously. Brain researcher Gerhard Roth looks into our personality. His work has made one thing clear: People are only courageous if they are rewarded. And the reward that never loses its effect is opioids, produced in our own bodies by our brains.





Learning courage

Should I – or shouldn't I?

Everyone asks themselves this question over and over. It is not a childhood question. Yet we learn early in life that being courageous can pay off. The experience that courage is often followed by fun, joy and satisfaction can inspire us, helping us to show courage throughout our life. Yet we have to answer "should I?" again and again, as the challenges tend to grow as we age.

Securing courage

Calculated risk

When it comes to the world's longest and highest glass bridge, it isn't about estimating individual risk. Precise construction calculations were made to ensure that the spectacular structure in China's Zhangjiajie National Park is secure. The architects determined that up to 800 visitors at a time could be on the 430-meter-long walkway suspended 300 meters above the ground. But everyone must decide for themselves whether they have the courage to step out on the bridge.



Living with courage



For the love of life

Does it take courage to laugh at yourself? Even if there's a risk of being made fun of? American photographer Bob Carey is doing exactly that with his photos that show him – a stocky, hairy man in the middle of life – wearing nothing but a pink tutu. He wants to cheer up his wife, Linda, who is fighting cancer. With his pictures, he has meanwhile become the embodiment of encouragement around the world. We smile and laugh with him and about him – and take the sting out of sickness, at least for a moment. thetutuproject.com

Courage is the mother of wisdom

BERND HEINEMANN AND ALEXANDRA NENNSTIEL CLAUDIA MEITERT

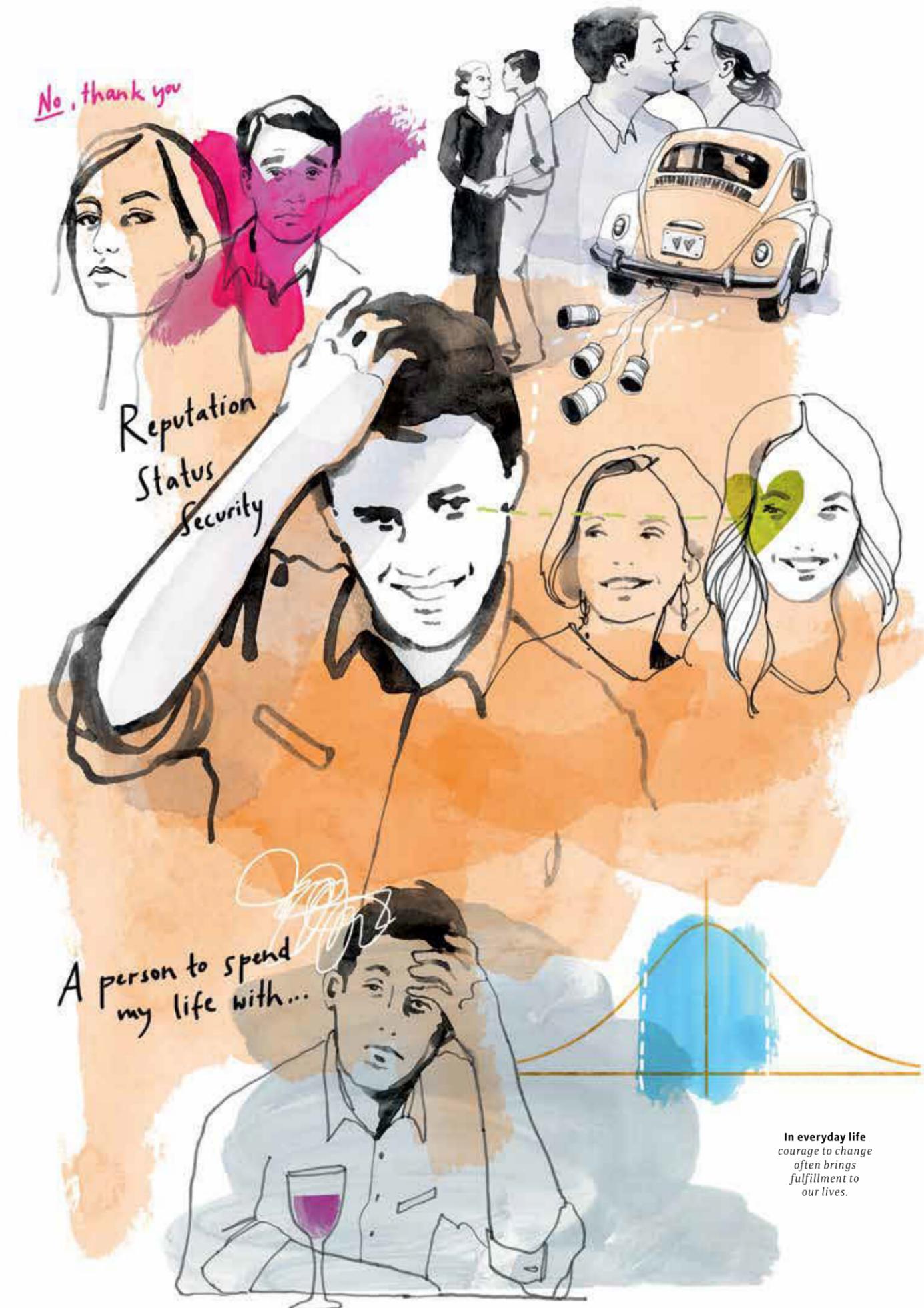
“Caution” is the mother of wisdom, as the saying goes. Yet sometimes we might have to rattle the cage, if life is supposed to offer exciting moments and opportunities for progress. And that takes courage.

— The six-year-old is standing on the 3-meter diving board, dark water below. Jump? Impossible. Climb back down? Her friends are already smirking. What takes more courage? Jumping, or not jumping? — A man falls from the sky, 39 kilometers up in the air, and the whole world is watching. Fearless? Or not courageous at all, considering all the training and millions that the sponsor (who gives you wings) has invested in technology and safety? — She has been waiting tables for years, now she’s taking the leap. Not into cold water, but into her own warm restaurant. In debt for years. Courageous? Absolutely. Certain that it will all work out? No. But happy nonetheless. — What is courage? The dictionary recognizes all types, from fainthearted to cocky, from zero to hero. Timid, bold, confident, suicidal, morose, valiant. One thing is clear: No pain, no gain – those who don’t dare, don’t win. It sounds great, but what do we really think about that? As an extreme example, Felix

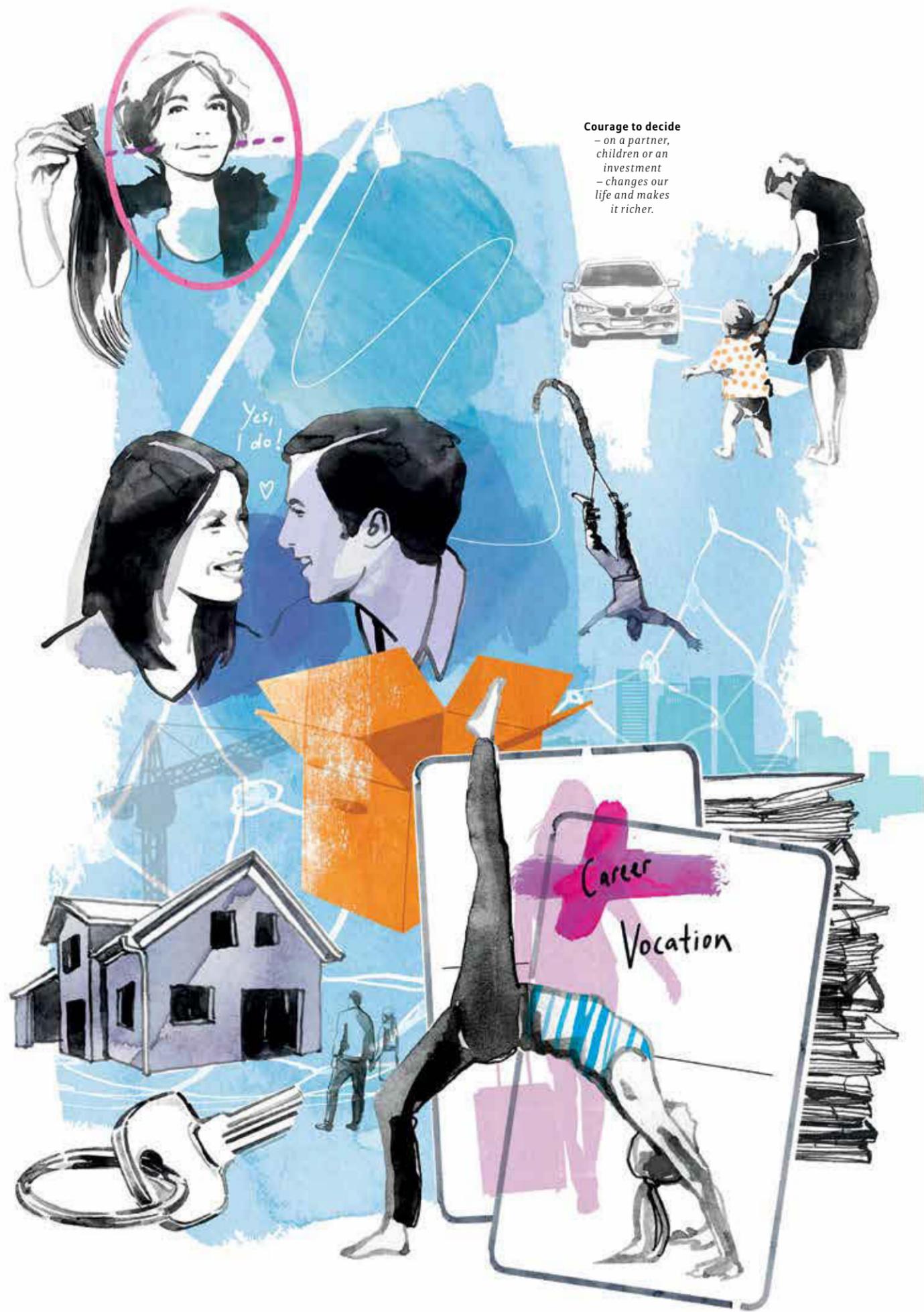
Baumgartner’s jump distracts us from the essentials: that courage is happening millions of times every day, especially in real life. Going from blonde to raven-black at the hairdresser, conducting a presentation in front of the class, applying for a sabbatical, participating in dance class, and – not to be underestimated – saying no. Or with something bigger, like changing jobs, buying a house, getting married. We all need courage. Gathering our courage is difficult because fear of failure always whispers in our ear, basically our psyche’s emergency handbrake. — How much do I dare to do? Most of the time, we all move within our comfort zones, our office chair, couch, exercise routine – and we usually don’t have a problem with it. But we all want to break out of our shell sometimes, and this is where the differences begin. How much risk would I like? Roller coaster? Maybe with a loop-the-loop? You can always go a little bit further. So maybe the 90-meter bungee jump after all? Whether comfortable or extreme, both follow the same logic – getting out of humdrum everyday life and the daily grind, out of the middle of the emotional road, and right into an adventure. In the long run, strawberry ice cream just isn’t great enough to release endorphins.

COURAGE CHANGES EVERYDAY LIFE

— Domesticated risks sell the illusion that we had the courage to do something. That’s certainly enough for a powerful adrenaline rush and epic photos in the family album. The real illusion is that we become a new person when we let the little adventurer in us out for a moment. »



In everyday life
courage to change
often brings
fulfillment to
our lives.



Courage to decide
 – on a partner,
 children or an
 investment
 – changes our
 life and makes
 it richer.

In fact, those seemingly unspectacular moments – moments in which we change our everyday lives for the long term – take far more effort. — And thus change our life. — Courage can give us much more than just a quick dose of happiness: When we use it as a turbo drive, we shape our biography in the best-case scenario because we only make headway at actual turning points with courageous decisions. Into a promising new life, but also into the unknown, the uncertain. Signing the loan agreement to pay for a townhouse that is in need of renovation. Turning two half-families into one blended, patchwork family. Retraining to become a yoga instructor. — Every step into truly new territory means releasing the emergency brake in our head, facing the unknown. Enduring the uncertainty, handling it, perhaps even enjoying it. Not knowing where you will be a year from now is heaven for one person, but hell for another. — Both are often closely related, something we learn from pioneers like Columbus. If they had failed, they'd have been called insane. If they win, they join the ranks of figures who shape world history. Not everyone can be Columbus, who, by the way, failed at discovering a sea route to India, but became a legend for discovering America. But every one of us can discover something new for ourselves, perhaps by studying abroad, taking a backpacking trip, or starting a new job. One thing is certain: A person who never takes that step will not experience anything. — It's a question of how far individuals venture forth and where their limits begin, stepping beyond them on the way to happiness. Without courage, there is no reward, no kick, no euphoria. And above all, nothing that will remain, that you will look back on and remember decades later. And courage means accepting that things often simply don't work out. That you may fail, feel regret, fall down or be unhappy. Because taking risks means precisely that – actually risking something. — But what would be the greater misfortune? Perhaps living a tepid life. Having always avoided everything, being firmly average. People who never create friction rarely face challenges; people who have never smashed a few plates also never dare to think outside the box. But, oh, this emergency brake! Although we understand the value of having a bird in our hand, we still look longingly at the two in the bush.

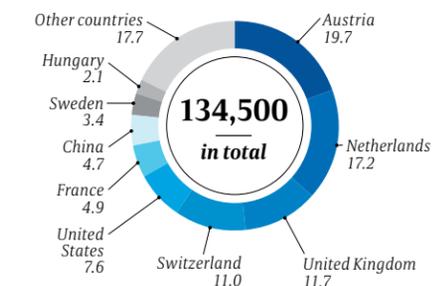
WE NEED AN ENCOURAGER

— Can courage be learned? Holding our mother's hand while crossing a busy street, knowing that she is at the edge of the pool during our first swim lesson – that helps us be courageous, makes it easier. Often it would be impossible without that. Children and circus artists need a safety net and padded floor, Felix Baumgartner needs it – we all do. The certainty that someone will catch us if we fall doesn't necessarily make steps into the unknown easy, but easier. It may also help us learn courage. — What role can insurance play here? Certainly not that of the naysayer. Keep your distance from everything! Don't jump! Stay home! That would be bad advice, simply because, according to scientific findings, a sheltered life on the couch is far more dangerous than a life of activity – beware of getting a fatty heart! — An insurance policy is the mother at the edge of the pool in the best sense, the safety net under the trapeze. It's there when you need it. It gives us the security of not grasping at nothing, it can encourage and console us. And it gives us wings for soaring to meet our challenges, both great and small.

They dare!

Journey into other cultures

134,500 Germans studied abroad in 2013.
 Not just for academic education, but also to learn about other countries and cultures.



Yes to life

400,115 couples

gathered their courage in 2015 and said "I do" – the highest number since the year 2000.

738,000 babies

opened their eyes on the world in Germany in 2015. This puts birthrates at 1.5 children per woman – a peak level reached for the first time in 33 years.

And: A growing number of fathers are taking time off for their offspring. In 2013, 32 percent of fathers of newborns received parental benefits. It was only 25.3 percent in 2010, and 20.8 percent in 2008.

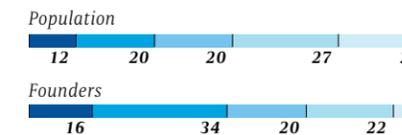
Source: Statistisches Bundesamt/Bundesministerium für Familie, Senioren, Frauen und Jugend

Entrepreneurial spirit

299,000 businesses were founded in Germany in 2015. What's noteworthy: The percentage of entrepreneurs aged 25 to 34 years who founded businesses is far greater than their percentage of the population.

2015 age groups, in percent

● Age 18–24 ● Age 25–34 ● Age 35–44
 ● Age 45–54 ● Age 55–64



Source: Bundesministerium für Wirtschaft und Energie

For people and peace

The White Helmets in Syria and their 2,900 volunteers have saved more than 60,000 people – and 141 of them have lost their own lives doing so. For their work, the White Helmets received the alternative Nobel Prize in 2016.

Source: White Helmets, nobelpeaceprize.whitehelmets.org/en

Broomstick instead of brakes

HAIM OMER AND CHRISTIAN THIELE

CLAUDIA MEITERT

Israeli psychologist Haim Omer explains how parents can encourage their children by not constantly protecting them.

— Courage as a feeling is nothing that we can observe from the outside. We often don't experience courage as a strong emotion. Rather, we sense its absence – the fear that needs to be overcome. And I know plenty about fear, because I was a very, very anxious child. They took me to a psychiatrist by the time I was five years old. I suffered from terrible fears of supernatural monsters, ruffians, large places, and the deep end of the swimming pool. I overcame these fears. I became a good swimmer and I am no longer afraid of monsters. But more about that later. — There are presumably

two types of courage: For example, you have a person who does bold things and feels no fear while doing them. But is that even courage if you are blind to the dangers of your actions? I believe it takes more courage to overcome your fears, to do things that you weren't capable of doing before. — Generally speaking, children these days grow up less courageous than previous generations because modern parents give them fewer opportunities to develop this way. — Parents can do a great deal to foster their children's courage – but sometimes they have the opposite

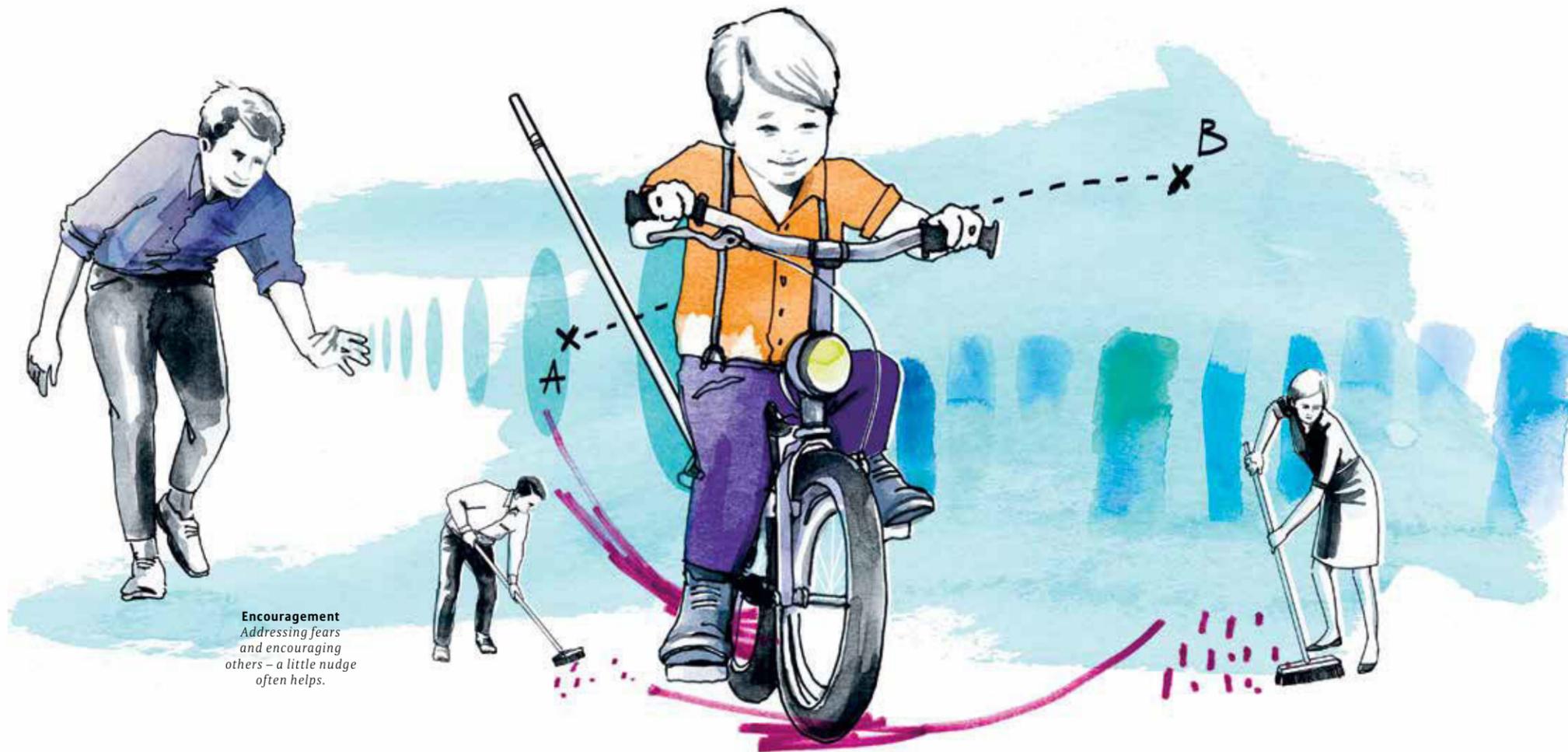
effect. Some parents tend to protect their children from everything. Protection here means that a child is not even exposed to a frightening situation. When parents constantly behave protectively – Jesper Juul calls them “curling parents” who sweep every obstacle in life out of their children's path, we refer to this more as accommodation – children are protected from dealing with their fear, so these fears remain and are perpetuated. For example, a child is afraid of sleeping alone, so he is allowed to sleep in his parents' bed. Or he is afraid of school and is permitted to stay home at every opportunity. These can develop into real anxiety disorders. — On the other hand, an absolutely demanding attitude would be just as problematic. Simply throwing a child that is afraid of swimming into the water is the approach that demanding parents would take – a rather drastic remedy. Parents often organize themselves into a dynamic where one is more protective and the other more demanding. In any case, both of these are very problematic. — It is often



Prof. Dr. phil. Haim Omer

was born in Brazil in 1949. He has done research at Harvard University and is a professor of clinical psychology at Tel Aviv University. He has conducted studies on the encouragement of children, parents and teachers and written many books, including “Ängstliche Kinder unterstützen” [English: Treating children with anxiety] (Vandenhoeck & Ruprecht, 2015).

better to be supportive than always just protective. So the child's mother and father could say: “You can't sleep in our bed. But we're willing to help you overcome your fear.” This way, they are standing by their child's side, but not taking away the challenge. — I recently saw a father who was teaching his child how to ride a bike. He had attached a broomstick to the bike's luggage rack. He ran alongside the child, holding onto the broomstick tightly. He let go of the broomstick more and more, for longer periods of time so the child got the feeling: “I can do it myself.” This is a great example of encouragement through support. — Telling a child, “you have nothing to fear,” is not support. It's OK for a child to be afraid. It can encourage children when parents say: “Remember this or that situation where you were afraid and you overcame it?” That enables a sort of positive prophecy to develop along the lines of: “You may very well be afraid in this situation, but there are many good past examples that show you will pass the test again this time.” That is support, that is real encouragement. Children need to gain experience in overcoming fears. It's the only way they will develop a sense of self-worth and courage. — I don't believe, for example, that Mahatma Gandhi and Martin Luther King were so bold right from the start. Or rather, I believe, that they learned how to be courageous. You cannot teach children courage, but you can encourage and support them. And hopefully, in the end, they will be able to overcome their fears without any encouragement – then they will be courageous people. — Oh, by the way, this is how I learned to swim if you're interested: We had two neighbors, Dona Olga and Dona Ide. Olga was unbelievably pretty and I think I was a little bit in love with her. Ide was considered a model of courage, being the granddaughter of Brazil's most famous bandit of his era. One day, both of them got into the swimming pool with me, at the deep end. Olga told me to jump from the side of the pool and swim to her – and I jumped. On the next go, courageous Ide caught me a half-meter further into the water. Then it was the lovely Olga again, yet another half a meter further. By the end of the day, I could swim and had overcome my fear of deep water. Perhaps that was the most courageous deed of my life ...



Encouragement
Addressing fears
and encouraging
others – a little nudge
often helps.

Payday

HILMAR POGANATZ

It all comes out in the wash – and the truth is revealed. Although a lot of people are talking about fear and threats, take a look at the facts and figures: Many things are better than we think.

More Life in us than we thought

Life expectancies reached record levels this year in Germany: Little boys entering the world now have a life expectancy of 78 years and two months. That's a full two years and three months more than the last calculation a decade ago. Newborn girls on average will reach 83 years and one month, still a year and six months more than the previous statistic. After an information campaign by German insurance companies, we are all living **"seven years longer"** on average than we thought we would.

Accurate weather forecasters

It is our absolute number one topic of concern: What's the weather going to be like? Fortunately, we know the answer today better than ever before. **Over 90 percent of the time, the German weather service now predicts the correct temperature for the following day. It was only 70 percent a mere 30 years ago.** Nevertheless, cursing at our weather forecasters is often a reflex when it rains unexpectedly, despite the fact that most people are fully aware of the inevitable inaccuracies of weather forecasts.

Trust is good

"Can most people be trusted?" A growing number of people in Germany are answering this question with "yes." For a long time, less than one third of those surveyed expressed trust in their fellow human beings. **The number has been rising since 2009, and is currently at 42 percent.** As such, although Germany falls behind the Northern Irish states and the Netherlands, it comes in ahead of southern countries like France, Italy and Spain.

Only as criminal as in the "good old days"

More than 6.3 million crimes per year – a superficial reading of the 2015 crime statistics can certainly be a cause for concern. Particularly the 4.1 percent increase in cases over the nearly 6.1 million in the previous year. But a closer look shows that criminal activity is subject to certain fluctuations. The absolute numbers are associated with the number of people living in Germany. **A better basis for comparison is therefore the statistical frequency of the number of crimes per 100,000 residents. This number was 7,797 in 2015 – a level similar to 10 years earlier (7,747).** Birger Antholz, a Hamburg-based criminologist, has compared data from crime statistics dating back to 1835 and sentencing statistics back to 1882. According to his findings, significantly fewer crimes are being committed now than in the peak year of 1993 (8,337), which represents a decline of 12.4 percent.

In addition, judges have had relatively consistent sentencing rates of around 1 percent over the last 136 years. **In the eyes of criminal judges, we are therefore no more criminal than back in 1882, when Kaiser Wilhelm I opened the Berlin city railway system.**

No X as a signature

The majority of adults worldwide no longer use an X for their signature: 84 percent of the global population can now read and write. 20 years ago, this number was nine percentage points lower. But the fact that there are fewer illiterate people is hardly common knowledge. Only 28 percent of Germans answered correctly when asked how many adults worldwide can read and write. This misconception is similarly widespread in other countries.

84%

Fighting disease

Wherever people are not vaccinated, there is illness. For example, measles in a kindergarten with parents who are skeptical of vaccines. Or in countries like Pakistan, Cameroon, Syria and Afghanistan. A growing number of children there are falling ill from poliomyelitis. The gruesome childhood paralysis, called polio for short, spreads wherever wars rage or radical preachers forbid vaccinations. Nevertheless, the world is on its way to eradicating polio. Despite regional and temporary setbacks, vaccination programs **have reduced the number of cases worldwide by more than 99 percent since 1988 – from an estimated 350,000 to only 74 cases in 2015.**

Open-minded attitudes make us happier

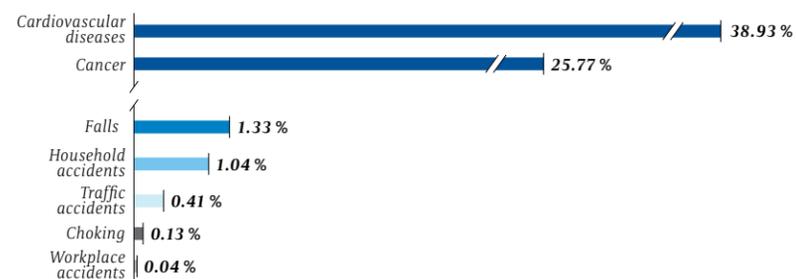
68% Tolerant people live more satisfied lives. Instead of rejecting things that are different and foreign, open-mindedness increases happiness. At least that's what the Deutsche Post 2016 Happiness Atlas tells us: 68 percent of tolerant and very tolerant people in Germany give top marks to their personal satisfaction with life, compared to only 16 percent among less tolerant people.

The unlikely case of an attack

The number of victims of terrorist attacks has increased worldwide in recent years. According to the University of Maryland's Global Terrorism Database, the years 2012 through 2015 have set a tragic record. However, the danger facing individuals is low – and on the decline. With a global population of 7.4 billion, your chances are 1 in 224,000. In Germany, the chances were 1 in 6,800,000 in 2016. Fear of dying from another cause would be far more justified: The chance of dying in a fall was 1 in 7,000 in 2014, and your annual risk of dying of cancer is around 1 in 360. So when you die, the cause will most likely be anything other than a terrorist act. Nevertheless, the fear of attacks has never been so high after the frightening events in Europe. After the attacks in Brussels in March 2016, 73 percent of those surveyed expressed their fear of terror attacks in the study, "Germans and their fears."

Causes of death and their frequency

In relation to the total number of 868,356 deaths in Germany in 2014 (excerpt)



Leaving extreme poverty behind

A growing number of people are managing to escape extreme poverty. According to the World Bank, in 2015 the percentage of people who have less than \$1.90 available per day and therefore cannot afford basic necessities **fell below the 10 percent level** to 702 million people for the first time. By contrast, around 50 percent of people believe that the number of those trapped in extreme poverty has doubled.

And money does bring happiness after all

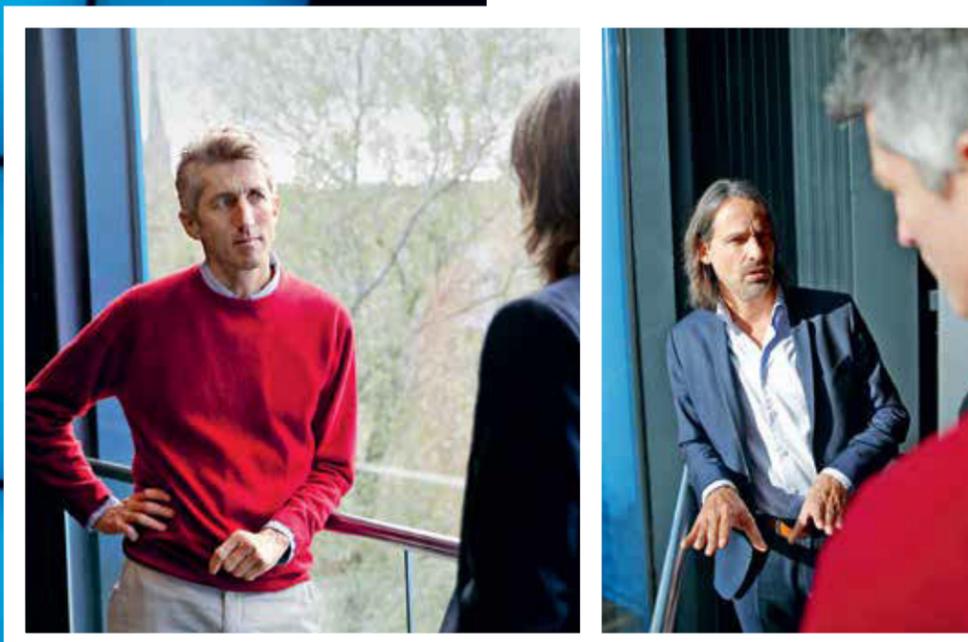
Money doesn't buy happiness? Studies on individual perceptions of happiness regularly show that there definitely are correlations between income levels and whether or not people are happy. However, people in Germany consistently believe that they are poorer than they really are. A study by the Institute for Economic Research (IW) shows that Germans believe the middle class is much smaller and the lower class much larger than is truly the case. This is despite the fact that the economy has done relatively well in recent years, which is reflected in findings from the UN's World Happiness Report: The gross domestic product per capita has grown by more than 7 percent since 2007. **During the same period, the happiness index of Germans increased from 6.4 to 7.0 out of 10 points.** Even if money alone does not make us happy, it does make life a lot easier.



Dragonlayer wanted

ALEXANDRA NENNSTIEL AND CHRISTIAN MERTEN

MARKUS BURKE



Physicist meets philosopher: Bernd Heinemann and Richard David Precht deep in conversation at the Deutsche Museum in Munich.

Richard David Precht, philosopher and publicist, talks with Bernd Heinemann, Member of the Board of Management, Allianz Deutschland AG, Market Management, about courage and change.

Question — *What does courage mean for you?*

Richard David Precht: Courage is a positive characteristic, but not exclusively positive. Courage and cleverness can conflict with each other. There are situations when, looking back, it was good to be bold. And there are other situations where it is better to show less courage and not to risk too much.

Bernd Heinemann: Courage and reward are closely intertwined for me. People can achieve something extraordinary when they are bold enough. So courage is always a little bit more than that which I can calculate. A gut feeling to a certain extent, beyond the limits of safety. That's where courage begins for me.

Question — *Can you give an example where you were particularly courageous?*

Heinemann: I've never actually felt extremely bold. But I was always in the front row for the moderately courageous things. With the childhood classics: riding a bike for the first time, going to the basement alone for the first time, jumping from the highest diving board for the first time. In my professional life, for example, it was speaking in front of large groups. Once you've done that a few times, you don't need courage for it anymore – now you have experience. That's how you expand your "courage horizons."

Precht: The boldest decision in my life was one that I didn't expect to be courageous. It was much more a lack of life experience: Looking back, studying three liberal arts subjects was not just courageous, it was foolhardy. I wouldn't recommend it to anyone. »



Thinking out loud!
Heinemann and Precht talk
about courage.

Question — What about courage in our society?

Precht: Our society strongly emphasizes the wrong conditioning with regard to courage and creativity. Our education system does not particularly promote showing courage. What we learn above all else is to meet expectations. And helicopter parenting – where parents constantly protect their children – creates a society that lives safely in the middle, just average.

Heinemann: We are especially courageous early in life and often take big risks – perhaps also because of a lack of experience with all the things that can go wrong. Over the years, this appetite for risk shrinks. You might say that people unlearn courage.

Question — Why do we accept this lack of courage?

Precht: We live in a society where people have more to lose financially, for example, than at any other time in human history.

Heinemann: That makes people risk-averse and life goes on in the safe, average zone. Conversely, there are also fewer exceptional achievements that move societies forward.

Question — Is fear of change something specifically German?

Precht: It is particularly pronounced in Germany because we have a lot to lose. Germans know exactly what they are against, especially against many changes. Therein lies the major problem of the digital revolution as well: It turns everything familiar upside down. People aren't sure how they could personally gain, but it's clear to them what they could lose.

Heinemann: If you look too much on the risk side, you're no longer confident enough to be courageous. You need to break out of this tendency to live your dreams.

Question — And how do we break out of this tendency?

Heinemann: I would definitely find it good if young people studied three liberal arts subjects, because something great can come of it. Talents and abilities need freedom to develop. We should encourage talented people, soccer players and artists alike, to take that freedom for themselves. Even if it doesn't all turn out to be a big success, there are people who try to do the extraordinary and enrich us all in the process. For those who have dared to aim high and experience setbacks, naturally we need to offer a safety net – in society as well as in business.

Precht: But how much courage can normal companies tolerate? People are only as bold as the boss allows. Courage is not a theoretical concept, we have to live it out. Courage needs to spread like wildfire. A courageous personality inspires other people to show courage as well. A total bore inspires no one to try something new, even if he says: Go ahead and be bold, be creative.

Heinemann: I'm afraid many companies are not very good at that. Perhaps the punishment for failure is too big. That forces employees to plan and calculate more precisely, to stay in a safe zone as expected, instead of trying out something extreme – even though this sometimes gets us the furthest ahead. People have to work on both, more courage for the opportunity for success and a better safety net for when we fail occasionally. For companies, that means not considering a project that doesn't work as a failure: It's just an unavoidable part of striving for success.

Precht: I also ask myself: What heroes does a society have? When you look at our society's heroic role models like Steve Jobs or Bill Gates, then we see a story today of an ever-growing success from the outside. They had the ability to recognize what the market needed. They held on tight to that realization, even through setbacks that were more or less short-term. Their success was not the reward for incalculable courage. These aren't traditional heroic stories like the adventures in the Middle Ages where a dragon suddenly pops up and the fair maiden gets rescued.

Heinemann: But at their heart, don't these great successes always require great courage to dare to be unconventional – regardless of the century we're living in? Yet, they often start out as one of these traditional "dragonslayer" stories: heading off into the great unknown – that's what occupies me about the topic of courage.

Question — Do you think about how we can get more of these dragonslayers again?

Heinemann: Insurance establishes the right foundation for that: It offers people who want to take a risk to achieve their goal the security in many areas that they need to succeed. We take away the »

Richard David Precht
is a philosopher and publicist. He works as a visiting lecturer in Lüneburg and Berlin. His general introduction to philosophy, "Who am I – and if yes, how many?" became a bestseller. Born in Solingen in 1964, he studied philosophy, art history and German studies in Cologne, Germany.

Bernd Heinemann
has served as a member of the Allianz Board of Management in charge of Marketing Management since 2010. He was born in Essen in 1966 and studied physics in Aachen, Germany and business in Cambridge, US. Before joining Allianz in 2007, he worked for the consulting firm McKinsey & Company.



individual risk for the dragonslayer. At least financially. More and more now, we are offering help that goes beyond covering the financial damages when something goes wrong. As such, we enable courage, so that people can leave that safe haven and risk something.

Precht: Are young people losing interest in insuring themselves precisely because they only find themselves in this safe zone?

Heinemann: I would say that the interest is shifting. These days, many of the little things that I would have insured in the past are now easy to replace inexpensively. Why should I still insure that, many ask themselves. I honestly have to say that contents insurance for smaller mishaps, for example, was much more important for my parents.

Precht: Sure, in the past people only bought furniture once in a lifetime. Now many things are easy to replace.

Heinemann: Exactly. We see fewer risks today for the small things. There are always major and existential risks, of course. In addition to their personal property, some people also value something very different: attitudes towards life like self-determination and freedom that they would like to insure. This attitude will likely get stronger in the coming generations.

Question — *But you said before that we have too much to lose. Don't we need insurance for that even more urgently?*

Heinemann: The question is: How do you avoid losing something? You can do that by changing your behavior ...

Precht: ... or with insurance.

Heinemann: In a world that is largely stable due to risk-averse behavior, I don't need to insure much. But insurance is clearly required for greater courage. That's the way I see it. And right when the world is transforming, when you can't simply keep going the same way, then you need courage to actively approach change. If we forget how to be bold, that's dramatic. That applies to society as well as businesses like ours. For example, digitalization brings enormous changes, approaching customers online for sales pitches, automating internal processes or creating entirely new products like those for cybercrime. We need courage to face change.

Precht: Exactly. Cars may already come with insurance, as, in the future, they may drive around by themselves and not belong to anyone.

Heinemann: If I'm going to deal with these kinds of new trends, I need people who are creative and think about modern solutions. Here, courage is the right and important thing for us. The insurance industry is currently experiencing upheaval, moving from being a purely financial hedger to enabling bold decisions, so our customers can live exactly the way they want to. Insurers need to take on the task of cushioning the downside, the failure – and encourage the "new." I see a growth area in that.

Precht: I've never thought about that, but it is a parallel to other developments. One good example: The Apple Watch offers many functions that we used to have to visit a doctor for. The data can be analyzed automatically and tell me something about the state of my health. I don't need a doctor for simple examinations. But most people don't go to the doctor because they're sick. They go because they want to see someone who cares about their life for ten minutes. This is the growing profession: life coach, the general practitioner that makes house calls again and acts as a medical life consultant.

Heinemann: It's worth pursuing these trends. We're working on it. You need to understand: What do we actually stand for? What we want to stand for is that we enable people to live their lives, with no ifs and buts.

Precht: That would be interesting: an industry that people associate with avoiding risk becomes a risk enabler. This kind of image change is a huge project.

Heinemann: Yes, it is.

Precht: In philosophy, you would say that the purpose of insurance is to cope with contingency. Since Leibniz, "contingency" is the term used for everything inaccessible, incalculable, random. But with what you just said, you want to enable contingency again.

Heinemann: And there's a good reason for that: The unpredictable will always exist. And opportunity, improvement, success and fulfillment all lie on the edge of contingency – both for us as well as for future dragonslayers! <<

Sure, I was a little afraid

JULIA TSCHOCHNER CLAUDIA MEITERT

Every one of us is an expert on courage, in things both big and small. Seven people who show courage in everyday life.

The stutterer

“Talking to people I don't know or about things I don't know anything about – it all takes courage for me. Because stuttering can't be cured. There are days where my stutter is barely noticeable, and those where each word is a challenge. In moments like these, speaking takes a lot of courage. But I find it exciting in some ways. I'm doing something that is difficult for me and I overcome my fear. If I manage it, I'm proud of myself.”

Florian Steyer
lives and works in Munich.
He has led the local stuttering self-help group for several years.

The child

“Courage is great. I think everyone is bold – some people more than others. That feeling you get when you've been courageous is the best. When I jumped from the highest diving board during the summer vacation, I asked myself first if I should really do it, and sure, I was a little bit afraid. But there were so many other people behind me, I didn't think about it for long and just jumped. It was great! I felt like a hero. You can't think about things for a long time if you want to be bold.”

Emma Neuner
11 years old



The psychologist

“Doing something that you are afraid of, either for yourself or others – that is courage. But it isn't a fixed personality trait. One example: A person is afraid of public speaking. He overcomes his fear and gives a presentation in front of a full auditorium. A while later, the same person witnesses an accident. He should be calling for help, but doesn't because he's afraid to do so. This example clearly shows that courage depends on the situation. For that reason, I can't say that someone is bold or not. But there are certainly aspects that promote courage. These include the environment, among other things. If a company allows its employees to make mistakes without punishing them, they will become more courageous. Moreover, courage expands leeway for decision-making. If I am bold and go against convention, I have more options to choose from.”

Dr. Mirjam Jenny
is the Head Scientist
at the Harding Center for Risk Literacy.

The entrepreneur

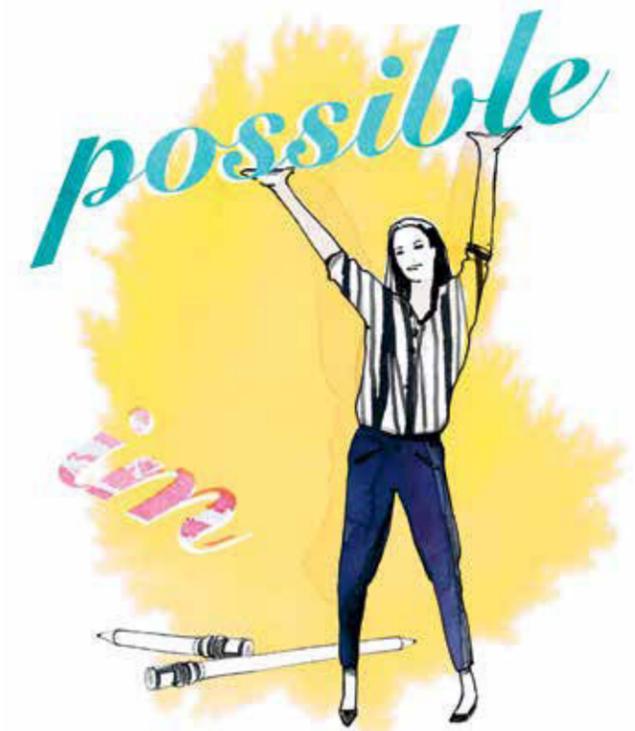
“Four years ago, I started a company together with a friend. We often heard from relatives, friends and acquaintances how bold that was early on. I never saw it that way. Quite the opposite – that step seemed necessary to me. We only have one life, and I decided that I wanted to get things done in this one life. Of course, I could have started thinking and imagining all kinds of nightmare scenarios, but I didn't do that. For me, courage also means simplifying things. Don't be afraid, be optimistic, leave your comfort zone and have a somewhat naive perspective on what's coming. But I wouldn't say that either you have courage or you don't. It isn't a fixed attribute of someone's character. Everyone has it in them. Some people just have more to overcome than others.”

Anna-Katharina Alex
started Outfittery with Julia Bösch in 2012 –
an assisted online shopping provider for men.
They now have almost 300 employees.

The crisis intervention assistant

“Being bold is something that not everyone can manage. Often because people have an aversion. For example, they can't stand the sight of blood, or simply don't have the courage. As a volunteer, I often see people who are so afraid of doing something wrong, that they would rather do nothing. So courage also has something to do with decisiveness. As operations director, I often make a decision within a few seconds. Whether it's right or not, I find out later, but I still had to make those decisions at that point. But the more often I had to do it, the more confidence I gained, and that gave me courage.”

Horst Henke
is a volunteer crisis intervention assistant
with the Bavarian Red Cross. In his professional life,
he is an official at a correctional facility.



The advertising professional

“Courage is doing something that you could fail at. It doesn't take courage to do predictable things. If I want to prove that I am smarter or stronger, I have to be the more courageous one. That also applies to the advertising industry. Truly brilliant advertisers develop the unexpected on topics where everyone thought that everything had already been said. I communicate this way of thinking to my students. Go beyond your limits, dare to try something – every day, on every campaign. To help them achieve that, I'm often hard on them and their ideas. The tears flow and some of them hate me for it. But a few of them developed campaigns unlike anything ever seen before.”

Hans-Peter Albrecht
is the Director of the US Design Academy in Munich.
It is Germany's most successful design school.

The plus-size model

“As soon as people can analyze and judge others, they do it. Positively and negatively. As a model, that's not always easy. But I have thick skin, in the truest sense of the word. That's why I never thought it was particularly bold to strut down the catwalk. When I applied to the first modeling agency four years ago, I took a calculated risk. But what did I really have to lose? The worst they could say was 'no.' And some of them did that. Others didn't, because they saw potential in me. They often say that I'm a role model for other plus-sized women. I don't see it that way. I don't want to encourage anyone to be heavy or thin. I just want people to have the courage to be the way they are and to free themselves from worrying about what others think about them.”

Christin Thomsen
has worked as a plus-size model for four years.

High-wire act

✍️ CHRISTIAN THIELE

📷 FRANK BAUER

The longest cable car in the world is being built on Germany's highest peak. The project's insurer: Allianz.

High above:
Summit Cross (right),
glacier lift and the
construction site for the
new Zugspitze cable car.

01 — On the left, Alpspitze. Behind that and a bit to the right, Großglockner, in Austria. A bit further on lies Marmolata, already in Italy. Then Piz Bernina in Switzerland. And finally, Germany's own Ammergau Alps: Daniel, Säuling, Kreuzspitze. Tourists visiting the Zugspitze are getting their money's worth today. You could actually add a surcharge for the flawless 360° panorama that Germany's highest mountain is offering. But many of them are not particularly interested in the neighboring mountains near and far. They're taking selfies with the construction crane. Staring spellbound at the men in helmets, and how they direct the concrete mixer from left to right. Standing astonished in front of the fence that separates the tourist platform from construction work. — Because they are building here, in the high Alpine terrain, at the furthest corner of Germany – at nearly 3,000 meters high, in the permafrost, with storms blowing at speeds of up to 330 kilometers per hour, where there are thunderstorms once or twice a week.

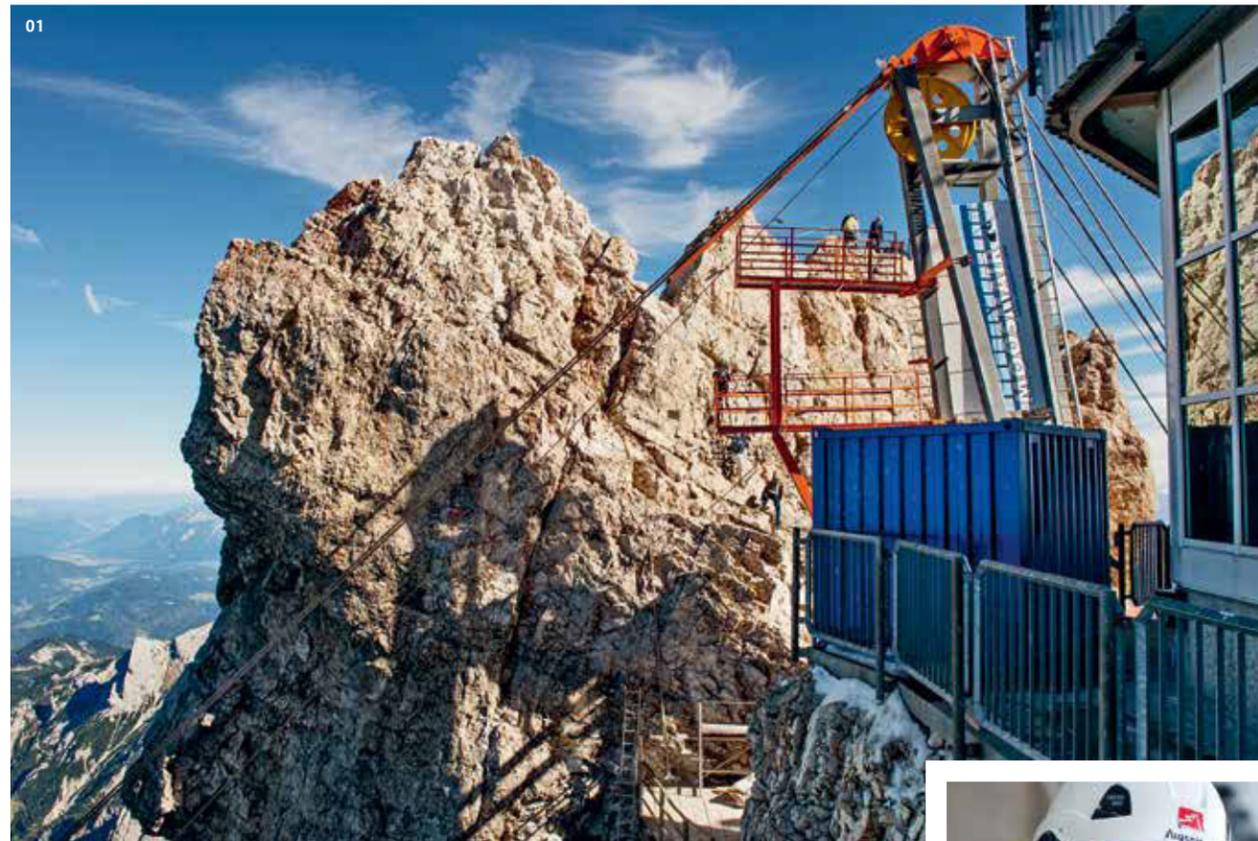
GERMANY'S HIGHEST CONSTRUCTION SITE

02 — The Bavarian Zugspitze Railway is modernizing its cable car. In the midst of the hustle and bustle, project manager Martin Hurm, a robust man, born in Lower Bavaria, answers the tourists' questions, talks on his mobile phone every few minutes and gets a quick update from the foreman on the laying of concrete for the two suspension cable towers. He explains to three experts from Allianz what is going on where and why, what needs to happen next and therefore what's going to happen. Why? Because Steffen Greiner and Hans-Jürgen Mader, both qualified engineers and claims experts with Allianz, along with Franz Scheich, senior underwriter for technical insurance at Allianz, are rather important for the construction of the new cable car. Allianz is insuring the construction site and these three experts are primarily responsible for the policy. — Formed 30 million years ago by folding in the earth's crust, ➤

01
Materials going up:
The goods cable lift for the construction site, with the peak in the background.

02
The head man:
Martin Hurm manages the construction site on the Zugspitze.

03
Don't go there!
One false step can cost a life – for tourists and construction workers alike.



“
**What we have here
 is no run-of-the-mill
 construction site.**
 ”

Martin Hurm
 Project Manager

**01
 Hoist!**
*A crane was installed
 especially for the
 construction – at nearly
 3,000 meters above
 sea level.*

**02
 Satisfied:**
*Allianz underwriter Franz
 Scheich and claims
 engineers Steffen Greiner
 and Hans-Jürgen Mader
 (left to right) after touring
 the construction site.*

**03
 Beautiful view:**
*The construction site for
 the Zugspitze cable car
 would win any panorama
 competition.*



supposedly guarded for centuries by a mythical eagle-like creature, summited for the first time in 1820 by a royal Bavarian surveyor: This is the peak of the Zugspitze. A craggy, nasty, suddenly crumbling rock massif, especially to the west – this attracts people. So the first railway up the Zugspitze was built in 1926 from the Tyrolean side. Then came the cogwheel train on the Bavarian side in 1928, followed by the cable car from Eibsee in 1962 that has carried tourists, skiers and, since 1998, countless researchers to the Schneefernerhaus on the highest peak in the Wetterstein Massif. The Eibsee cable car is now considered outdated, as it can only transport up to 260 people per hour. For that reason, the Bavarian Zugspitzbahn Bergbahn AG, a 100 percent subsidiary of the Garmisch-Partenkirchen municipal utilities, is now building a new cable car with more than twice the capacity and comfortable cabins with panoramic views. In addition to a single support and high-performance tramway technology, a new valley station

(999 meters above sea level) and a spectacular all-glass mountain station (at exactly 2943.75 meters above sea level) are being constructed. The new cable car system will cost €50 million and is scheduled to open on 21 December 2017. It's considered a record-setting cable car (see Facts). The experts from Allianz are examining construction progress today, something they do two or three times a year. "There are worse mandatory appointments," says Hans-Jürgen Mader, born in Kempten and a passionate skier and mountain climber, blinking and smiling into the sunlight.

EXPERIENCE COUNTS IN BUSINESS

— But why Allianz? Allianz was already the insurer back in 2003 for the construction of the new cable car up Garmisch's local mountain – which is actually called the Hausberg (English: home mountain). "That's how I knew the people, and knew that we

FACTS

THUNDER-STORMS

People and materials have to withstand quite a bit on the Zugspitze. The weather on Germany's highest mountain is more extreme than in other places.

Highest temperature:
17.9° (07.05.1957)

Lowest temperature:
-35.6° (02.14.1940)

Average foehn days/year:
50

Average thunderstorms/year:
60



**THE WORLD'S
 HIGHEST CABLE
 CAR TRAMWAY**

is scheduled to start operations in December 2017.

127 m

is the height of one cable support tower – the world record!

3,213 m

is the span distance – also a world record!

900 kW

is how much power the two motors in the new valley station have

7.2 cm

is how strong the four support cables will be

244 tons

is how much the transport conveyer for the support cables will weigh

FACTS

Mountaintop storm:
Climbers and tourists jockey
for position on Germany's
highest peak in good weather.



could work with them reliably," says underwriter Franz Scheich. "And that's why I indicated that we'd gladly be a part of the Zugspitze cable car construction project. There aren't all that many cable cars in Germany that need to be modernized – that's a really high-profile customer!" So, after a thorough evaluation by a consortium of insurers led by Allianz, the Bavarian Zugspitze cable car was insured for new construction and potential operational interruptions.

HARD WORK IN THIN AIR

Two mountain climbers just embraced joyously at the cross on the summit. They came over the Jubiläumsgrat and now are standing at the construction fence, marveling at the Alpine workers doing constant heavy labor. A

01

Showcase project:
As a mountain climber
and Allgäu native, the
cable car construction
is close to claims
engineer Hans-Jürgen
Mader's heart.

02

Beautifully transparent:
The new Zugspitze
mountain station
(animation).

FACTS

What you (probably) don't know about the Zugspitze and its cable cars:

①

The Zugspitze Massif is primarily composed of limestone. It is about 30 million years old and weighs an estimated 198 billion tons.

②

The Zugspitze Spirit, mythical eagle-like creature, supposedly drove away anyone who set foot on the mountain to harvest the wondrous impatiens flowers. The magic worked until 1820. But then Josef Naus, the Royal Bavarian surveyor, dared to summit the mountain. He is now considered the first person to successfully reach the top.

③

Prinz Luitpold of Bavaria declined a petition to build a railway up the Zugspitze in 1899 because he saw "absolutely no need for transportation."

FACTS

The cross section shows the project's dimensions: The cable will be a total of 4,467 meters long.

Travel speed
10.6 m/s along the route

4 cables, each weighing
approx. 150 tons

Cable length
approx. 1,250 m

Support tower
127 m

Cable length
approx. 3,200 m

Zugspitze mountain station
(platform elevation)
2,943.75 m above sea level

Altitude difference of 1,945.25 m

Valley station in Eibsee (platform elevation) 998.50 m above sea level





“
If there
were never any
claims,
then people
wouldn't
need us as an
insurer.”

“
Franz Scheich
Allianz Underwriter

— How can an insurance company calculate the risk in building a cable car? You can use statistics to calculate how many drivers of a specific car brand make how many claims on average per year, which total a certain amount. But here, on a unique high-Alpine construction site? The schedule: feasible, but tight, as Mader says. How can you calculate that in euros and cents? “There are no standard processes for calculating risk here,” says Greiner. Soft factors supposedly played an important role in the calculations: Are the construction managers and companies experienced in what they do?

CAMERAS FOR CONSTRUCTION PROGRESS

— “On the other hand,” says Mader, “the Zugspitze is one of the best-developed and surveyed mountains anywhere. There have been rock drillings for decades that deliver all kinds of data.” As such, a relatively solid

data situation already existed when the three men advised the Bavarian Zugspitze Railway on the insurance policy. “What’s more, they kindly installed three cameras – that way we can keep a close eye on construction operations every day,” adds Scheich with a grin.

— Prepared to take risks, but not reckless. Bold, but not foolhardy. Courageous, but not cocky. That is how a company needs to proceed when insuring a major project. It’s the same way Allianz insured the construction of large power plants. And Allianz companies invest money entrusted to them by customers – safely and profitably – in wind parks in Germany, Finland, Austria and the USA, in running the parking meter system in Chicago and renewing the sewer system in the London Metropolitan area. “On the one hand, naturally we’re happy about every construction site we insure that has no claims, but we also learn from claims and near-claims, too!” says Greiner. “And if there were never any claims,” adds Scheich, “then people wouldn’t need us as an insurer.”

Courage for extraordinary projects

How do you insure the construction of a cable car or coal power plant? “There are no standard solutions,” says Franz Scheich.

As senior underwriter for technical insurance at Allianz, Scheich also set up the policy for Block 9 of the new coal power plant in Mannheim that went into operation in 2016 and the construction of the Mercedes Benz Museum in Stuttgart in 2006, one of the first large buildings surveyed via GPS. Allianz supports its customers in courageous projects by minimizing the economic risk with a construction policy or business interruption insurance as well as other insurance policies. To do so, the project must be reviewed from its technical and business aspects. “Usually, nothing can be generalized with the technical dimensions of such major projects – each one needs to be considered on an individual basis,” says Scheich. From a business perspective, Allianz needs to examine whether the premiums and insurance benefits are appealing to the customer – while covering the cost and still turning a profit for Allianz.



Golden Gate Bridge

The most famous bridge in the world – and it might not exist if it weren't for Allianz. Why? Because Allianz insured construction on the Golden Gate Bridge, which opened in 1937.



Spirit of St. Louis

Charles Lindbergh's first flight across the Atlantic in the Spirit of St. Louis in 1927, also insured by Allianz.



Gotthard Tunnel

Switzerland's Gotthard Tunnel was also built with insurance protection from Allianz.



Breeding horses

Expensive breeding horses that are sold at auction can be insured with Fall of Hammer insurance for transport and other damages.



Hollywood blockbusters

Film studios, musicians and singers also insure their risks: Hollywood blockbusters like Pirates of the Caribbean and Skyfall were insured by Allianz.

Allianz products and what they mean to you

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What's new with us

New products from Allianz make dental health and insuring occupational illnesses affordable, and take individual defensive driving into account.

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Surfers' paradise

Internet crime threatens businesses of all sizes everywhere. The Freddrich family of hoteliers on the island of Sylt are taking precautions with a cyber protection policy from Allianz.

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Help for those who are left behind

So that the loss of a loved one doesn't become a financial loss as well – term life insurance helps surviving family members.

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The changes in long-term care insurance bring improvements, but don't close insurance gaps.

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What's new with us

JULIA TSCHOCHNER CLAUDIA MEITERT

New products from Allianz make dental health and insuring occupational illnesses affordable, and take individual defensive driving into account.



Relax
when you're awaiting
the dentist's bill

①

The new dental rates

WHAT'S NEW?

— A sparkling smile is often the best calling card. That's why beautiful and healthy teeth are an expectation for most people these days – an expectation that should not become a luxury. Dental treatments can get expensive. Even relatively simple treatments, such as dental fillings, can cost several hundred euros – inlays, crowns and periodontal treatments are even more expensive. — And statutory health insurance only covers a small portion of these costs. For that reason, many patients worry about whether they can even afford recommended treatment. — Allianz private health insurance can now take care of our customer's concerns with new supplementary dental insurance plans, DentalPlus and DentalBest. These plans were designed as comprehensive total care and significantly reduce costs. The only differences lie in the percentage and maximum contributions that are reimbursed. The policies give patients the positive feeling of knowing that whatever happens, they don't need to compromise on their health or beauty – regardless of whether they need high-quality fillings, periodontal or root treatments, crowns, inlays, implants or professional dental cleanings.

HOW DO YOU BENEFIT?

— Cost savings are especially noticeable with dental prosthetics. For example, an implant can cost around €2,800. Of that amount, statutory health insurance pays €324 – and the patient needs to cover the remaining

With our new supplementary dental policies, customers can relax – even when they're expecting expensive bills.

For more information about DentalPlus and DentalBest:
www.allianz.de/gesundheits/zahnzusatzversicherung/

€2,476. With DentalBest supplementary dental insurance, the patient is only responsible for €280; with DentalPlus, €700. The new policies are also worthwhile for tooth and jaw corrections. DentalBest pays up to €3,000 for orthodontic treatment, and DentalPlus covers up to €2,000. The only condition: the treatment must happen before the patient's 21st birthday. — As the price shows, this high-quality and comprehensive protection does not have to be costly: Up to the 21st birthday, the premium for DentalPlus is €12.11 per month, and €15.56 for DentalBest. Anyone age 40 and under can purchase the Plus version for €14.68. The premium is €21.92 per month for the Best policy. After that, the monthly premiums increase every five years by €3 to €5 until the 61st birthday.

WHAT ELSE IS IMPORTANT?

— Those who want to compare the two policies and purchase the right one for themselves can do so online in three easy steps at www.allianz.de. Allianz also made both policies customer-friendly and only asks two questions in the risk assessment. First: Are you planning to undergo or currently undergoing dental or orthodontic treatment, or has such treatment been recommended? Second: How many teeth are you missing that have not been replaced yet? Those who would prefer personal advice can of course turn to an Allianz agent of their choice at any time. — Reimbursements are just as quick and easy as purchasing the policy. Simply download the Allianz Bills app from the Apple App Store or Google Play Store, take a photo of the receipts with your mobile phone, and send them to Allianz – done. ➤

②

KörperSchutzPolice

WHAT'S NEW?

— Nurses and caregivers, craftsmen and salespeople – they give their job their all, physically, and provide an important service to society. But the associated risks of losing physical or mental capabilities are high. What happens, for example, when a nurse can no longer lift his arm to give an injection, or when a painter can no longer lift her roller above her shoulder? In the worst-case scenario, their livelihood is on the line because their income depends on a healthy, functioning body. For those with physical professions, the KörperSchutzPolice (KSP) – a dread disease policy – from Allianz has offered customized, powerful and above all affordable protection since 2011. Last year the KSP was expanded and aligned even more with our customers' needs.

— The most important change for customers is the comprehensive protection through the KSP. For example, if a parcel delivery person can no longer lift and deliver a package weighing more than five kilograms, he receives a monthly pension with the KSP. This pension is also paid if the use of a hand – gripping and holding, lifting and carrying or writing – is impaired. The same applies for limitations in standing and sitting. — Also new: Customers can now choose whether they would like a lump sum payment in the amount of one or two years' worth of pensions in cases of severe illnesses, such as cancer. For an agreed-upon monthly pension of €1,500, that would be a lump sum of €18,000 or €36,000. If there is a physical or psychological limitation accompanied by a severe disease, both the agreed-upon lump sum as well as the monthly pension are paid.

— The insurance conditions were also "translated" into the everyday

Full physical exertion requires special protection.

For more information about the KörperSchutzPolice:
www.allianz.de/vorsorge/koerperschutzpolice/

professional activities of many people with physical jobs to precisely illustrate by target group when the KSP pays benefits.

HOW DO YOU BENEFIT?

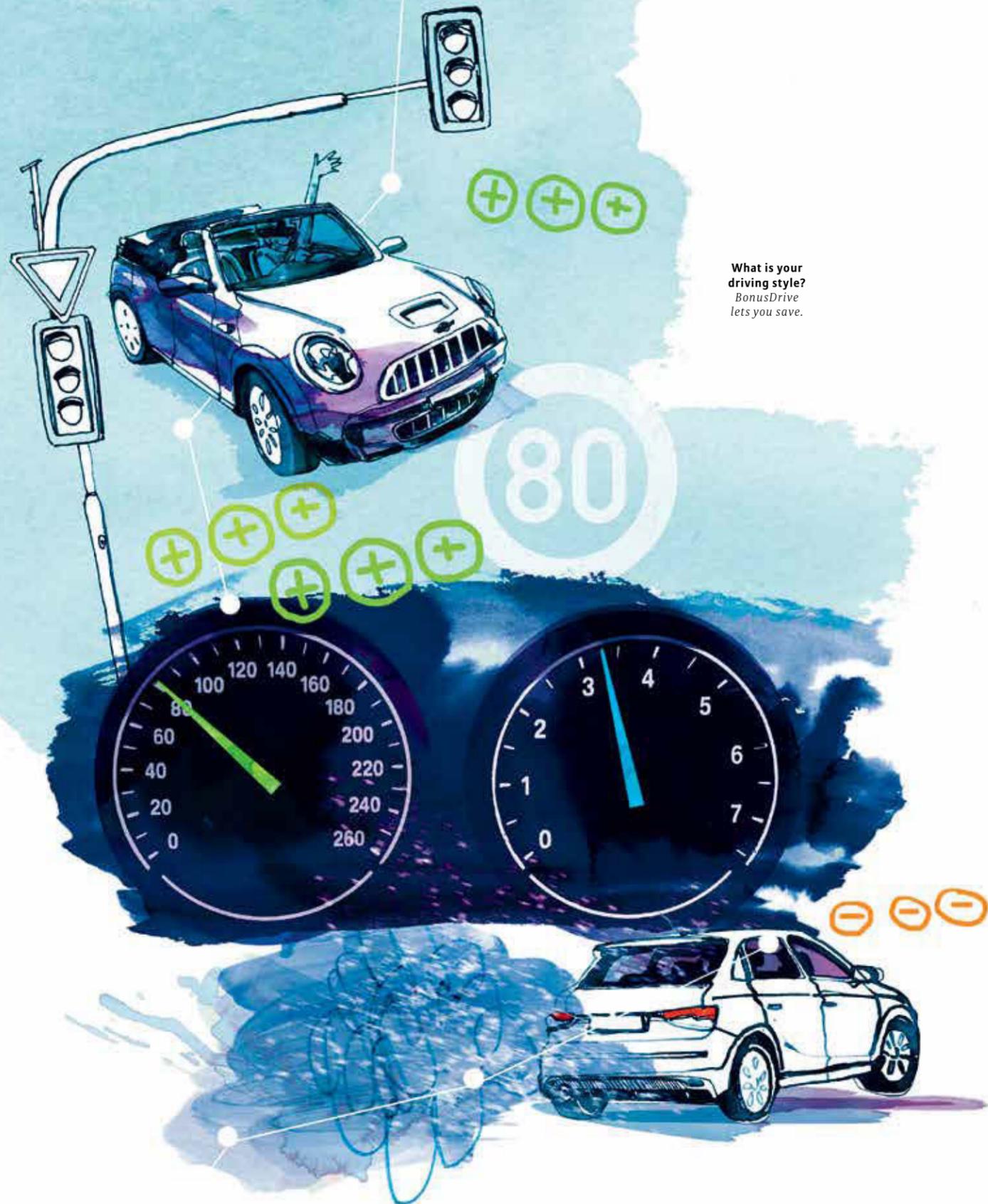
— Many people finance their apartment or house, vacation, and car with their wages. If that goes away, many seemingly common things are suddenly nearly unattainable. A good reason to secure your income and make provisions in case of an emergency. But the KSP does more than just help people keep the necessities. It gives customers the freedom to decide what they want to do with their life when their body refuses to cooperate – and it is not relevant whether they give up their previous profession or not. Likewise, the optional annual pension(s) enable the customer to take a break or undergo a better treatment to recover from a serious illness.

WHAT ELSE IS IMPORTANT?

— Customers between the ages of 15 and 54 can purchase the KSP. Certain exclusion clauses, for example a broken arm, are not a long-term obstacle. If the customer's state of health improves, it can be reviewed again after two years and then the policy will continue without the clause. — The protection provided by the KSP can be increased individually to align with the customer's life planning. In addition, he can purchase a long-term care component. If the customer needs long-term care during the period of insurance, the KSP pays out for the rest of his life. If the customer does not need long-term care, he can easily convert the long-term care component into a lifelong care policy before or at the policy end date without another risk assessment. »



Shaping your own life –
 the KörperSchutzPolice
 dread disease
 policy helps you do that.



What is your driving style? BonusDrive lets you save.

③ Auto insurance

WHAT'S NEW?

— People who drive defensively and carefully scarcely see that reflected in their auto insurance rate. The no-claims bonus is the only reduction they experience over the years. In contrast, drivers with few or no claim-free years usually pay the highest rates. Young drivers and beginners are impacted most heavily, because they usually have a lower income. Add to that: They are categorized based on statistics for their age group, which state that they cause 2.5 times more accidents than all other drivers. Their actual driving behavior doesn't play a role – and their costs for car insurance are accordingly high. Allianz now offers BonusDrive telematics insurance, a car policy for 18- to 28-year-olds, as well as parents and partners who are insuring a driver under age 29. Here, the rate is determined by individual driving behavior. Customers can influence insurance costs by how they drive. Driving only 10 days a month for at least 500 meters per ride is sufficient for the data to be captured and transmitted by the free BonusDrive app. Among other things, it analyzes how quickly drivers accelerate and brake, how fast they drive in curves, and whether they follow the speed limit. There are no extra fees for risky driving.

HOW DO YOU BENEFIT?

— The BonusDrive app gives customers an insight into their driving style and provides advice on how to improve it. This increases their risk awareness,

Auto insurance that rewards safe driving

More information about BonusDrive:
www.allianz.de/bonusdrive

which especially helps new drivers who often don't realize how risky their driving maneuvers are. In addition, a premium refund of up to 30 percent is available. There is also a 10 percent starting bonus when the first 100 kilometers of driving data are transmitted. You don't have to be a tech pro to use this policy: Just download the BonusDrive app from the Apple App Store or Google Play Store onto your smartphone and establish a connection to the supplied Bluetooth transmitter that you plug into your cigarette lighter.

WHAT ELSE IS IMPORTANT?

— To ensure that driving only in the insured vehicle is analyzed, you need to have a Bluetooth connection between the transmitter and the BonusDrive app. If several people use the insured car, each one needs to download the app to their smartphone. Up to 10 drivers are allowed. Their trips are compiled in the overall analysis and affect the rate discount. The app shows the assessment of each individual trip to ensure transparency. — Data protection is extremely important to Allianz. For that reason, an external service provider evaluates driving data that pertains to acceleration, braking and cornering behavior, speeds driven, as well as time and street type. They do not receive customers' personal, policy or claims data. The data is transmitted in a condensed form to Allianz, which does not know who drove where and when. The customer bonus at the end of the year is calculated from that information. Furthermore, Allianz does not provide the data to third parties and does not include it in claims processing. A test version is available to all. <<

Surfers' paradise

DIRK KUNDE LÉMRICH

Internet crime threatens businesses of all sizes everywhere. The Freddrich family of hoteliers on the island of Sylt are taking precautions with a cyber protection policy from Allianz – for themselves and their guests.

— Clear, sunny skies and a light wind from the southwest. Perfect weather for strolling on the beach in Westerland. The hotel guest closes the weather app on the tablet and places it back in its holder on the dresser. He takes his jacket off the hook and leaves Room 104 at the Sylter Blaumuschel Hotel. As he passes the reception desk, he nods a quick greeting to Bastian Freddrich, who is sitting behind the counter. — The hotel lobby is quiet, most of the guests are enjoying the nice weather at the beach, just 300 meters away. “I like to keep things simple,” says Freddrich with a glance at the tablet. For that reason, the flat computer serves as guest information portfolio, printed daily newspapers and TV programming. All 50 rooms at the hotel are equipped with one and have Internet access via a WiFi connection. — “Guests like to check when high tide is, or find restaurant recommendations for Sylt,” says the 34-year-old. The digital offer is rounded out with games and a video about Sylt. The guests’ favorite: information about the pool and sauna. Freddrich analyzes what guests are interested in and alters the tablets’ start page accordingly. He doesn’t see what his guests look up online. “The tablets don’t save login data, either,” emphasizes the hotelier, who runs the Blaumuschel together with his parents. Discretion is part of the job. — Data thieves cannot retrieve anything from the tablets, but, imagine that hackers would use the WiFi access to spy on guests’ surfing habits. Or that they would manipulate the hotel’s reservation system and redirect payment data from the EC and credit card reader. If that happens, the Freddrichs would be insured against financial consequences – the family purchased a cyber protection policy from Allianz. It covers data theft from outside and damages caused by hotel employees. Business interruptions due to a Distributed Denial of Service (DDoS) attack, for example, are also included. Here, attackers paralyze the server with massive volumes of inquiries that bring it to its knees. The cyber protection from Allianz is designed for mid-sized companies, both for production operations with machine control as well as for online retailers and hotels. »



01

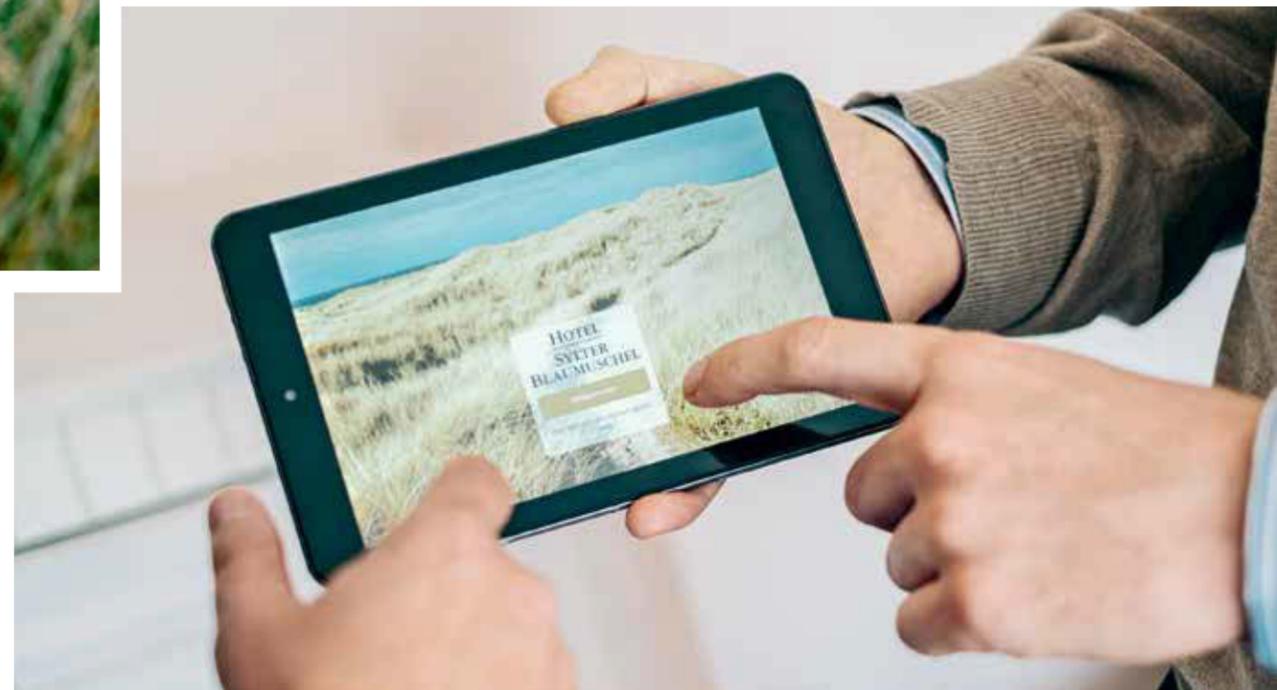
01 Surfing
no longer only means riding the waves on Sylt – it now also means spending time online.

02 Freddrich family business:
Father Rüdiger and son Bastian run two hotels and rent vacation apartments on Sylt.

03 Handy information source –
a tablet is part of the room service at the Blaumuschel Hotel.



02



03

“
Having functioning
IT is essential
to our survival.”

“
Rüdiger Freddrich
Hotelier on Sylt

— “Having functioning IT is essential to the survival of our hotel and apartment business,” says head manager Rüdiger Freddrich. Which guest is paying which price for which room? Which specifics do we need to observe and which additional charges need to be applied? Consequently, the 68-year-old is careful with data storage. His motto is “threefold.” Data from the hotel program is stored on two external storage media and in the cloud as well. “In addition, the hotel program is backed up daily to our IT service provider’s server. That way they can find potential errors and correct them without affecting daily operations,” says Freddrich.

— The WiFi access also has to be available 24/7 for guests. The junior boss just upgraded to a faster Internet connection at the Sylter Blaumuschel. To get a WiFi connection, guests just need to open a browser window and tap the “connect” button and they’re online. No room number, no name, no information about their stay.

TRAVELING GIANTS IN THE WIND

— While Bastian Freddrich wants to keep things as simple as possible and admits that he is not particularly tech savvy, his father is enthusiastic about computers. Rüdiger Freddrich used to write programs in MTX Basic back in the 1970s. These days, he takes care of the websites for the family business. In addition to the Sylter Blaumuschel



01



02



03

01
Dogs are welcome –
Hotelier Bastian Freddrich
is a dog lover himself.

02
Information
about the pool and sauna are
the things most commonly
looked up on the hotel tablets.

03
At the reception desk,
the tablet simplifies
answering every inquiry.

04
Well-advised on IT security:
Allianz agent Steffen Leist and
Hotelier Bastian Freddrich.



04

Hotel, the Freddrichs also run an apartment rental business on Sylt with 150 vacation rentals as well as the Christiansen Hotel in Tinnum. Steffen Leist stays at this hotel regularly when he is traveling to Sylt for business. The Allianz general agent has his office in Großhansdorf, north of Hamburg. — “I’ve been coming to Sylt regularly for the last 15 years,” says Leist. During that time, he has developed a business relationship with the Freddrich family. “People’s willingness to let you explain cyber protection to them and consider purchasing the right insurance protection has increased enormously,” Leist has observed with his customers. Headlines about data thefts from major companies like Yahoo and LinkedIn, Sony and Dropbox have opened the eyes of many business owners to the dangers. If data is deleted or manipulated, not only does it paralyze a company’s own operations, it impacts suppliers and customers as well. The result: contractual penalties, liability claims and loss of revenue. — Leist determines the Freddrichs’ risk profile using a questionnaire. The questions help those involved to recognize potential security gaps and implement targeted prevention. The insurance policy for the family business now covers the entire IT infrastructure for both hotels as well as the Internet access in the apartments. In addition, the company also owns an office in Westerland, directly across from the train station. The management is actually located in Tinnum, but this centrally located office makes it easier to

hand over keys to apartment tenants. It has proven its worth as a central contact point. Except for those coming from the airport or the ferry from Havneby in Denmark, most travelers arrive in Westerland by train. — “I look directly at the large lady’s backside,” says Freddrich senior with a grin. He’s referring to the green sculptures by artist Martin Wolke, “Reisende Riesen im Wind” [English: Traveling giants in the wind], which face into an imaginary storm out in front of the train station.

FROM HAMBURG TO SYLT

— Rüdiger Freddrich and his wife Jutta are originally from Hamburg. In the Hanseatic city, they ran drugstores, train station kiosks, a tobacco wholesaler and several souvenir shops out on the jetties. “We had our office at the harbor – not the right area for raising a child,” says Freddrich. Their son Bastian was born in 1982. At that time, disputes about the occupied houses on Hafensstraße started just a few meters from the jetties. “So the boy spent a lot of time with his grandparents on Sylt,” recalls his father. Then Jutta moved out to the island in 1985 and started renting out apartments. But having the family separated wasn’t a long-term solution. The Freddrichs quickly reached the decision to sell their businesses and completely relocate to Tinnum on Sylt.

— His parents’ new profession caught his interest. After finishing high school, Bastian completed his training for a hotelier apprenticeship. Then followed a job abroad, working at the Gleneagles Hotel, a five-star hotel in Scotland. He came back to Sylt, mixing cocktails for a season in Kampen. Then he moved to an island much further away, working at a hotel resort in the Philippines. He understood the trade, but his business background was lacking. He acquired that at the hotel management school in Garmisch-Partenkirchen. Then he returned to the island in northern Friesland as a trained hotel manager and joined his parents’ business. — In the meantime, the season on Sylt has grown beyond just the summer. It starts at Easter and guests keep coming until mid-Fall. “It gets longer every year,” says Rüdiger Freddrich. When he counts back, he comes up with 300 season days per year. The Christiansen Hotel is open year-round, because Freddrich’s focus here is on business travelers. — A guest comes to the reception desk and wants to know when the next car train leaves the island via the Hindenburg Dam. Freddrich shows him where to find the departure times on the tablet. The devices are practical and handy as well. They haven’t lost a single tablet yet. “The devices have a GPS chip and can be located. Users see this message as soon as they switch it on,” says the hotel manager with a wink. What guests often do take along is a drink from the refrigerator for their trip home. The first refill of the minibar is included in the room price. Yet another thing that Freddrich does to make things easier for himself and others. <<

CYBER PROTECTION FOR MID-SIZED BUSINESSES

Even mid-sized companies like the Freddrich family’s hotel business on Sylt need to have functioning IT. However, they cannot spend as much on IT security as large companies with many specialists. Allianz offers an insurance policy specifically for these customers that includes advice, service and financial insurance against cybercrime.

Help for those who are left behind

CHRISTIAN MERTEN

So that the loss of a loved one doesn't become a financial loss as well – term life insurance helps surviving family members.

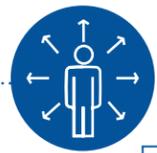
Human and financial loss

When a spouse or parent dies, the family's life comes to a halt. It's difficult to cope with the loss. It often takes a long time – during which the costs of life continue. Financial problems can result when the primary breadwinner passes away. Although statutory pension insurance pays pensions to widows, widowers, half and full orphans, they usually are not enough to maintain the lifestyle people are accustomed to. Consumer spending by single parents averaged €1,821 per month in 2014. Statutory pension insurance only covers a fraction of that with survivors' pensions. In 2015, the average widow/widower pension in former West Germany was €560 a month; the orphan pension was €166. For that reason, private pension plans are important.

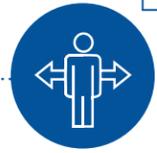
Securing the future of those left behind

Everyone decides for themselves how much courage they can muster and whether or not to take risks. But others often have to bear the consequences when a family's main breadwinner or the head of the company suddenly dies. They leave behind more than just survivors. There are ongoing financial obligations such as a mortgage, rent and other ongoing costs. Almost 870,000 people die each year in Germany, and 140,000 of those are of working age. The lives of many families come to a halt with the sudden

death of their primary earner. Everything revolves around the human loss, and the missing income makes planning for the future difficult, if not impossible. According to figures from the Federal Statistical Office, families spend €130,000 raising a child to its 18th birthday. If the child attends university in a different city, the Bavarian Consumer Services Office estimates the costs at €230,000. Purchasing term life insurance can put survivors' plans back on a stable foundation.



What insurance gaps?



Why term life insurance?

FACTS

+ 4.4 percent

Term life insurance is becoming increasingly important. In 2015, the insured balance in Germany rose by 4.4 percent to €628 billion. The number of policies grew by 1.2 percent. (Source: GDV)

FACTS



Whose provision?



Which provision?

Family

It affects 70,000 families in Germany every year: A parent dies suddenly. When one income is lost, economic hardship is a threat. The thought of leaving their family behind without sufficient financial security burdens many people. With a term life insurance policy, they can afford to make provisions for their loved ones.

Partner + Real estate

Financing for a condominium or house usually runs for decades. A period of time during which a lot can happen. Term life insurance can ensure stability so that a death does not jeopardize the mortgage. It's a key element in the provisions to secure real estate and family.

Entrepreneurs

Company owners bear responsibility for their employees, and therefore for the income of their families as well. Without prior provisions, the sudden death of the boss can freeze business operations. The company's financing loses an important part of its foundation. A solution for succession must be found very quickly. Having term life insurance for entrepreneurs can make it easier to retain jobs.

VARIATIONS OF TERM LIFE INSURANCE:

Term life insurance

Term life insurance offers protection for survivors. It pays the agreed-upon insurance amount in case of death. The term can generally be freely selected and premiums usually adjusted so that the benefit keeps up with inflation.

Supplementary benefit in case of an accident

There are no warning signs for accidents. They happen to us without any preparation. For that reason, an accidental death can be a particular hardship for those left behind. Some term life insurance policies pay an increased benefit in this case.

Protection while the customer is still alive

The requirements for a term life insurance policy can change – like life. For that reason, flexibility is essential. Therefore, some term life insurance can be adjusted shortly before the policy expires, for example, to cover a mortgage. Or the insurance can be converted into a retirement pension. Some policies allow payments while customers are still alive in cases of a slow-progressing fatal disease, so that their quality of life can be improved in their final months.

Starting life with courage

✍ GERLINDE DALDER

✍ CLAUDIA MEITERT

From a medical perspective, having children has never been safer. However, having children is still a decision fraught with many uncertainties. The Allianz KinderPolice child policy aims to make it at least financially more secure.

— One day, Elsa Zilch* decided she no longer had any good reasons not to be ready for a baby. She had finished her education, and her husband Bernd had a safe job. Both of them wanted a family. “We just needed a spark of courage to have a baby,” says the 26-year-old, adding: “You never know where life will take you.” Elsa’s father, Eugen, was able to reassure his daughter: “There have always been risks. What children need above all else are protection and security. And you can provide that!” The 58-year-old says with a wink, “Instead of giving my grandchild another stuffed animal as a birthday gift, I think a little financial head start makes more sense.”

CHILDREN’S LONG-TERM CARE PENSION PROVIDES SECURITY

— Like Elsa and Bernd, many parents hope that their child will develop well. At the same time, though, they’re aware of life’s risks. We hear and read about the statistics every day: Every 19 minutes a child under the age of 15 is injured in a traffic accident in Germany. Across Europe, around 15,000 children up to the age of 14 get cancer each year and many environmental toxins increase the risk for neural defects in the womb.

— When something happens, not only do families have to battle with the medical consequences, they have to cope with financial burdens, for example, due to increased nursing costs or temporary work limitations. But these particular costs are avoidable.

— For example, the Pau family from Stuttgart purchased a child policy from Allianz with the optional child long-term care pension shortly after the birth of their daughter, Sina. Thank goodness, because Sina de-

veloped a kidney tumor at age four. A year and a half followed with surgery, chemotherapy and rehabilitation, which brought the parents to their financial limits. “During this time, we received €1,500 a month from the child long-term care pension. Without that money, we would scarcely have survived the 18 months financially,” states Jana Pau today. If the disease becomes chronic or is a deep-seated developmental disability such as Asperger’s syndrome, the payments continue until retirement begins.

A LIFELONG PENSION CONCEPT

— But the Allianz KinderPolice child policy offers even more. It’s the starting point for a comprehensive lifelong pension concept. With the child long-term care pension option, it covers every phase of a person’s life (childhood, education, adulthood, career, retirement).

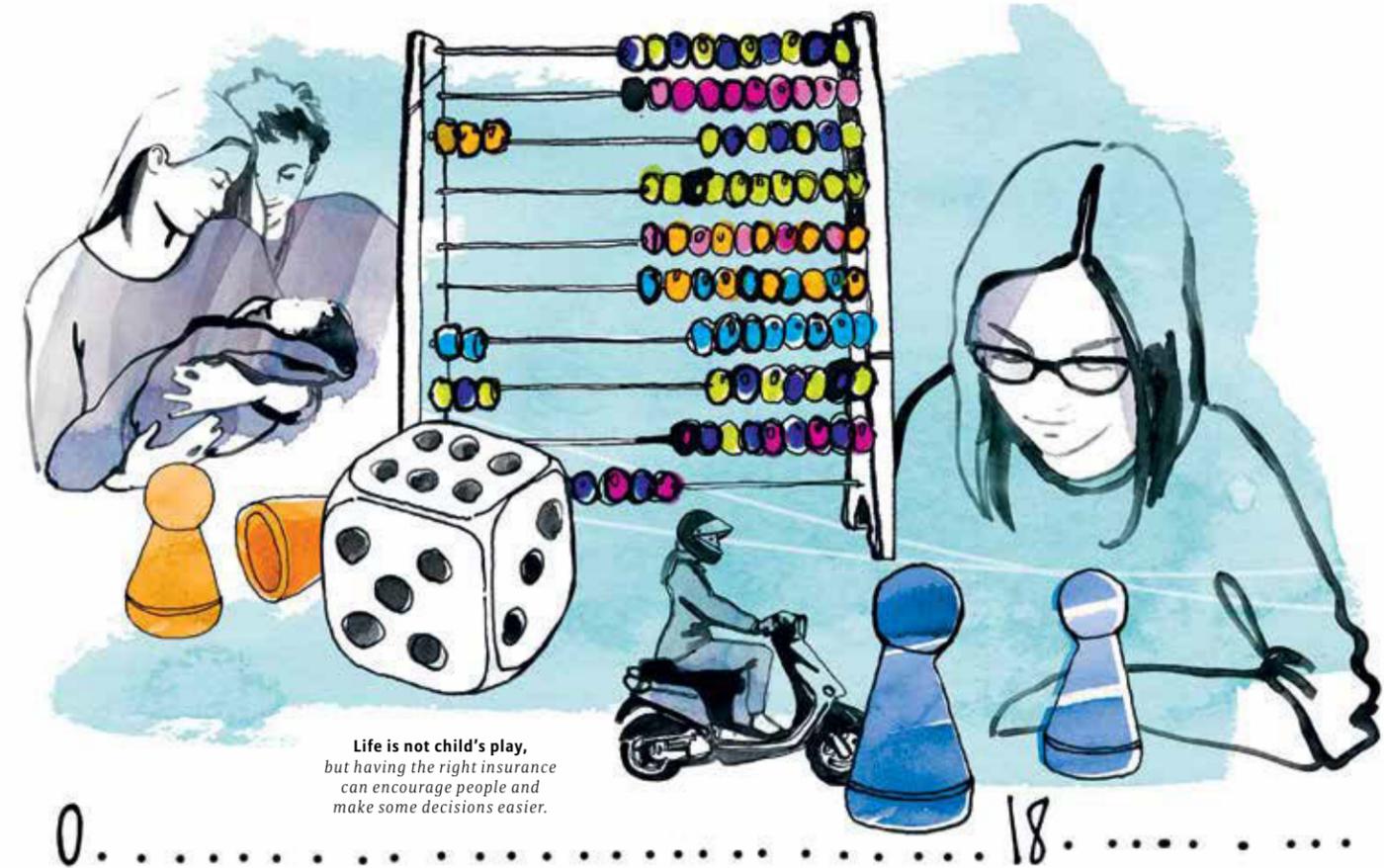
Small child, small premium

By starting early in a child’s life, the total benefit at retirement age is twice as high at half the monthly premium.

Sample calculation, Pension ¹		
Age at policy purchase:	1 year	30 years
Monthly premium:	approx. €63	approx. €113
Guaranteed capital:	€50,000	€50,000
Total benefit incl. participation features ² :	approx. €204,050 ²	approx. €100,862 ²

¹ Allianz Asset Concept Dynamic -IT2-, rate: RF1U.GD(100), annual asset growth 5%, age at retirement 67, valid 01/2017. Without child long-term care pension or other supplementary building blocks. Until starting age of 16, then PrivatRente InvestFlex.

² The participation features cannot be guaranteed. The profit participation ratios valid for 2017 were assumed for calculating the possible total benefit.



Specific options like a disability pension or life insurance for parents or grandparents ensure that the child is still protected even if something happens to them. With the child policy from Allianz, grandparents or other relatives can build long-term capital for their young ones and protect them from financial risks. The rule here: The sooner you start, the greater the opportunities for positive performance. — They can also benefit from this as young adults, like Christian Vollmer. His parents purchased an Allianz KinderPolice child policy when Christian was three years old. Since then, his parents have continued to pay premiums, and his grandparents added a certain amount on each birthday. A sizable amount of capital has piled up this way, which Christian uses for necessary purchases from time to time. “Last year, I financed getting my driver’s license with the children’s policy. At the moment, I’m thinking about buying a car,” reports the 19-year-old trained electrician, who converted the child long-term care pension into a disability insurance policy when he started his vocational training. Christian can increase the disability pension step-by-step depending on events, for example, if he continues his education, gets married, purchases real estate or starts his own business. He is also insured for

old age: He can choose to receive a lifelong pension as a benefit or a lump sum payment – these options can be combined. He can even insure his long-term care risk with a supplemental care option.

COURAGE WILL BE REWARDED

— Having children still needs to be considered properly these days, but the associated financial risks can be insured. Because the joys of having a baby are immense. Like for Elsa and Bernd, who now have their own little girl, Louisa: “Working up the courage to have a baby is worth it,” says Elsa. She adds: “We made our decision to have a child very deliberately.”

SECURE THROUGHOUT LIFE

Joy over the birth of a healthy child quickly outshines the consequences and risks for the newborn life. The Allianz KinderPolice child policy not only offers insurance against the financial hardships of long-term care needs, it provides flexibility for investments in a driver’s license or a home. It can be adapted to suit their path in life and supplemented to become a lifelong partner that encourages decision-making.

*The names of persons and places have been changed for reasons of data protection.

Strong long-term care

✍️ CHRISTIAN MERTEN AND ALEXANDRA KUSITZKY

The changes in long-term care insurance bring improvements, but don't close insurance gaps.

— There are now five care levels instead of the previous three levels. That's probably the most noticeable change in the long-term care insurance reform that took effect at the beginning of 2017. Its objective is to strengthen long-term care, and the levels of need for long-term care are now based on the person's abilities rather than their disabilities. Some forecasts predict

that up to half a million people could receive additional benefits. — The added costs need to be financed through higher premiums both for the statutory long-term care insurance, which finances its costs with a contribution-based system, as well as private long-term care insurance, which operates on the principle of capital cover. «



One out of two people will need long-term care

Allianz Board Member Dr. Birgit König explains what the new law strengthening long-term care will bring and what still needs to be done.

Dr. Birgit König

has been Chairperson of the Board at Allianz Private Krankenversicherungs-AG since 2012.

Question — *The new rules for the statutory long-term care insurance took effect on 1 January 2017. Are people insured enough now for their care needs with the new model?*

The Strengthening Long-Term Care Act II takes the special care needs of patients suffering from dementia into account much better than before. That really makes sense and means a real improvement in quality of life for these people. However, the insurance still provides a basic level of coverage overall. The true need is usually greater than what the statutory long-term care insurance can deliver.

Question — *What does that mean?*

Well, we all want to live inside our own four walls, even if we need long-term care. But at the same time, we don't want to be a burden on our family and children. This means that we need good support at home. In urban areas, we calculate the cost to be between €500 and €1500 per month for expenses people have to cover themselves, as statutory long-term care insurance does not. For that reason, purchasing long-term care insurance early on is recommended. The easiest

way is with supplementary long-term care insurance. Depending on when you purchase the policy, the premium can be as low as €15 per month.

Question — *What else do you need to pay attention to?*

Half of all men and three out of four women should expect to need long-term care at some point in their lives. You should definitely think about how you want to organize the care in your family before it's too late. And talk to your family members about it!

055 — 072

How we take care of you

055

056

By your side

In early June 2016, heavy flooding washed through lower Bavaria following the storm front Elvira: The city of Simbach was hit especially hard. Allianz agent Gerhard Köck helped with his whole heart and soul.

062

Thank you for your complaint

How the word "migration" can anger a customer – and what Allianz learned from it.

064

Like in the movies

With many projects and activities, Allianz works on improvements in service and customer focus – as if they were inspired by Hollywood.

066

The man who puts himself in the customer's shoes

Allianz customer Simone Schlosser interviews Dr. Olaf Tidelski, Chief Customer Officer (CCO).

068

Here we go!

Allianz is developing digital projects in small, powerful units.

072



01

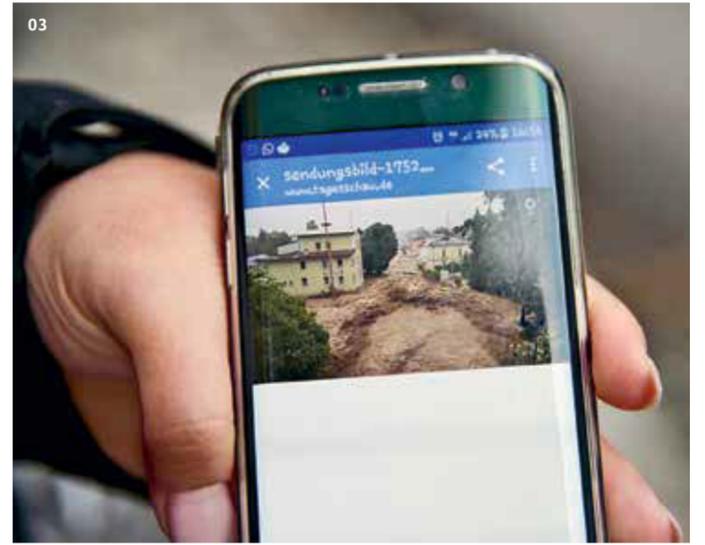
By your side

KATHARINA FUHRIN MARKUS BURKE

In early June 2016, heavy flooding washed through lower Bavaria following the depression Elvira. Simbach was hit especially hard and hundreds of people lost their homes. Together, the Kammergruber family and Allianz agent Gerhard Köck tackled the catastrophe.



02



01 The stench of oil and mud instead of coziness in Roman and Brigitte Kammergruber's former home.

02 Material piled up as high as the house was washed in by the flood.

03 On the Internet you can see how the floodwaters approached.

04 Where do we go from here? This question worried Brigitte and Roman Kammergruber – and others as well.



04

We had our first guardian angel on the drive home from school. I saw how the water was ripping everything away in the review mirror.

Brigitte Kammergruber, Simbach

They were able to save a glass table that they rescued out of a kitchen that no longer exists. Roman and Brigitte Kammergruber put it in the room that is now their home. 15 square meters in his parents' house instead of 180 square meters right on Simbach Creek, which rose up in a flood wave on 1 June and left little behind of their old life except for this totally scratched up table. The spring of 2016 brought wild stormy weather to all of Germany. Heavy rain, thunderstorms, mudslides, torrents, even tornadoes. Between June and the end of October 2016, Allianz paid out €294 million in storm damage claims to its affected customers. Extreme weather conditions are becoming increasingly common. A current study by the German Insurance Industry Association (GDV) indicates

that a 25-percent increase in claims can be expected by 2040. Severe weather is happening more often. And its consequences are becoming far more fierce – like in Simbach near Passau.

LIKE A PREMONITION

Gerhard Köck had a funny feeling when he went to his office in the heart of Simbach that Monday morning on 1 June. It had rained unusually hard all night long and was still going strong. Some basements were already underwater. A few kilometers away, Brigitte Kammergruber posted in her WhatsApp family group, asking who wanted to bail water. It was at 3 centimeters at that point. "We didn't even think of Simbach Creek as being the



01



02



03

June 2016 → October 2016

A great deal achieved – plenty more left to do

Cleaning up: The flood tore away everything that wasn't nailed down.
Securing: Railings gone – the bridges over Simbach Creek were partially destroyed as well.
Starting over: The record store in the pink building lost rare items. A fresh start is uncertain.



“Seeing people in the mud, their suffering – you're totally caught up in it emotionally.”

Gerhard Köck,
Allianz agent

cause,” she says. Groundwater, perhaps the Inn River – but not the 25-centimeter-deep babbling brook next to their house. When she and her father-in-law made no progress with their buckets, the fire department showed up with pumps. But the water kept rising, and the helpers left again. At 1 p.m. she picked up Bastian, her 11-year-old son, from school. Her five-year-old son Julian was already at her sister-in-law's house. She was on her way home when the situation became dramatic. — Even five months later, Brigitte still does not want to think about how lucky she was on that unlucky day. “We had our first guardian angel on the drive home from school. We had just crossed the bridge when I saw how the water was ripping everything away and just leaving a hole behind us in the rearview mirror.” The flood water also destroyed the timber yard next to it, picking up and washing away logs and boards that are now piled up in the creek bed. — Back at home, her father-in-law shouted that she needed to rescue her animals. Not only do the

Kammergrubers have a dog and a cat, they have several terrariums. Brigitte sent her son upstairs with the lizards and tried to lure their four snakes out of hiding. “I still wasn't really aware that the water would come in our house.” But it was coming. Fast. Very fast. “You cannot even imagine how fast.” And when she heard her son's voice nearby, who she thought was safe upstairs, “My heart stood still and my brain just froze.”

SOME MEMORIES ARE GONE

— She doesn't know how she got herself, her son and one of the four snakes upstairs to safety at the last second. She also doesn't know how long they were trapped up there until two police officers came and put a long board up to her window for her to slide down with the dog, cat, lizards, snake and fear of heights. — Gerhard Köck also just managed to pick up his son Kevin from school and drive home shortly before the Simbach »



04



05



06

- 01 and 02**
Half a year is not enough to take care of the damage caused by the flood.
- 03**
Allianz agent Köck helps a woman so she doesn't get stuck in the mud.
- 04**
Mobile phone and rubber waders are among Gerhard Köck's most important work equipment.
- 05**
Brigitte and Roman Kammergruber now look at Simbach through different eyes.
- 06**
Progress is visible, but the road to normality is still long.

FACTS

Catastrophic dangers: This is how the risk is distributed



Distribution of the addresses into risk classes in ZÜRS Geo 2016

*excluding islands in the North Sea and Baltic Sea

- **90.9% Risk class 1**
(rarer than 1 in 200 years)
- **7.4% Risk class 2**
(1 in 100-200 years)
- **1% Risk class 3**
(1 in 10-100 years)
- **0.7% Risk class 4**
(at least 1 in 10 years)

Source: www.gdv.de
German Insurance Industry Association (GDV)

Across Germany

For Allianz, closeness to customers also means having a visible presence through a good network of agents.

20.7 million customers are advised and served by Allianz Deutschland.

8,337 general & main agents are the point of contact and represent their customers' interests – in emergencies as well. Because for us, helping is part of the job.

FACTS



25 centimeters is the usual depth of Simbach Creek.

bridges were closed. The Köcks also live close to Simbach Creek, but up on a hill. Soon the family was trapped by the water, but safe. Köck had to watch from his window as the floodwaters swallowed the lower part of his neighbor's house. "We were in contact for a while with our mobile phones, but at some point the connection went down," reports Köck.

DAMAGE TO 5,000 HOUSEHOLDS

When the Simbach Dam broke along a length of 75 meters, the water in the city rose more than 5 ½ meters. Seven people died, 5,000 households were damaged – many of them completely destroyed. The next morning at 6 a.m., Gerhard Köck and his wife Kerstin packed up supplies in their backpacks and went into the flood zone to help their friends. "The day after, I was in the office," says Köck. The Allianz Board of Management and catastrophe claims adjusters from the region had gathered there. Experts from all over southern Germany followed. Instead of waiting for the first calls, Köck and his colleagues

went out in the street to talk to flood victims. "It felt like we were trapped in a disaster movie. Seeing the people in the mud, their suffering – you can't even comprehend it," says Köck. He personally knows many of Simbach's residents. "You're totally caught up in it emotionally." While his wife Kerstin focused on recording the claims, Gerhard Köck tried to get an overview. Where were people particularly affected? What did they need? "First of all, my job was to calm people down and give them moral support. In the background I looked to see what I could do to move things forward." So Köck advocated for having appraisers arrive on the second day and the first claim filers got their money three days later. "Word got around fast about that – especially among people who don't have their insurance with Allianz." The Kammergrubers knew that they were Allianz customers. But they didn't know their insurance status. After the evening of the catastrophe, once the water had retreated from their house and they were able to save the three other snakes, they stood the next morning looking in disbelief at the remains of their old home. "Then you



Kammergrubers and Köcks overcame the situation together.

just get to work and don't even grasp what is happening around you," Roman Kammergruber states. Barely anything survived the flood. His fishing equipment, the children's toys, mementos from parents who had passed away. All gone. "Every little Tupperware container you find is like a piece of gold." Lots of people wanted to help: friends, acquaintances, professionals from neighboring villages, total strangers. "We had 54 people in the house," Brigitte Kammergruber notes, still in disbelief. "But Gerhard and Kerstin were our angels. They literally pulled us out of the mud." Kerstin Köck brought the good news that afternoon: The Kammergrubers have natural disaster insurance, therefore the damage was covered. Incidentally, around 91 percent of the 21.3 million addresses in Germany categorized in the lowest risk class can be insured against natural disasters like the flood in Simbach. More good news for the Kammergrubers: As the house was only rented, they would be fully reimbursed for their household goods. You can still see the relief on Brigitte Kammergruber's face when she talks about it: "The whole time I kept thinking, what am I

going to be able to offer my children now? It took a load off my mind."

NATURAL DISASTER INSURANCE IN THE PACKAGE

A good 95 percent of Gerhard Köck's affected customers had natural disaster protection – a result of Allianz's comprehensive advice approach. "I've always been convinced that it's necessary in our region," he says. "For that reason, I always automatically offered natural disaster insurance as a full package." The Kammergrubers don't know how they can ever return the favor.

The money was in their account by the end of the week. The first things that they purchased were rubber boots and clothing. They wanted to save as much of it as possible to realize their dream of their own house. The Kammergrubers already have a property in Prienbach, 3 kilometers from Simbach. Everyday life is still not back to normal, not for the Köck family, either. Their baker, the butcher shop, their favorite Italian restaurant, all have closed down. Their work hours have doubled, too, because the sales business was down for four weeks. "But there's a silver lining," both say. They've made many new friendships. "And it was once again confirmed that I work for the right company," notes Gerhard, who sets high standards for himself as an agent with his own advice and service system. "The professionalism and network of specialists were impressive, and I was especially happy that we were able to help our customers so quickly." <<

LOCAL HELP

With its agents, Allianz Germany offers a tight network of local advisors. They know their customers, their needs and concerns – especially when a claim is carried out. They keep in contact and ensure fast processing – all included in the service.

One-stop service



Tradesmen Services

With home insurance, Allianz guarantees not only fast financial support in case of a claim.

To take the burden off customers for organizational issues, the Allianz Tradesmen Services can take over the entire claim repair on request. Employees determine the necessary work, hire the appropriate tradesmen, monitor the quality and take over settling the accounts. Simple damage is often repaired within three days. In acute emergencies, immediate measures can be implemented to keep damage to a minimum – with fire, water, glass and storm damage, for example. Customers also receive a warranty of up to six years on all work performed. This service also applies when you have caused damage yourself through negligence – up to the full coverage amount depending on the type of home insurance.

Thank you for your complaint

JULIA TSCHOCHNER

Nobody really likes complaints: Anyone who has a reason to complain is already annoyed – and the one who caused the complaint often doesn't want to hear about it. But criticism always offers an opportunity for improvement. Allianz takes advantage of it.

Sometimes it's the little things that trigger major anger. A single word, for example. That happened with one Allianz customer. When he asked his agent for an overview of his insurance policies, he noticed a comment in his auto policy, "Driver category: family auto policy migration." Because there was no additional explanation, he was very astonished. The initial suspicion: Allianz discriminates against people with immigrant backgrounds by making them pay higher premiums. This idea occurred to the customer right away, because his daughter's boyfriend, who also uses the car, has a migrant background. The customer refused to accept this discrimination, pursued the issue with Allianz and submitted a complaint.

BUT WHAT'S THE ORIGIN OF THIS COMMENT?

The word "migration" has Latin roots stemming from the word "migratio," which means "to move/change residence" or "to migrate." It can just as easily apply to people undergoing an IT transition process – depending on the context in which it is used. When insurance policies are transferred from one IT system to another at Allianz, it is referred to internally as a migration. Normally, customers never notice the transfer. They simply receive a new insurance policy number. And that was the case with this customer: The additional note "migration" was added to explain the new insurance policy number – like with every other policy with this rate. This rather technical annotation ensured inter-

nally that the transfer of policies runs smoothly and at the same time, that as many policies as possible can be transferred at once. At that point, Allianz knew nothing about the customer's son-in-law, who was also driving the car. It is also irrelevant. Only the ages of the youngest and oldest drivers are recorded for the family auto policy. No other data is saved. When Joachim Zäch, Head of Complaint Management at Allianz,

This ambiguousness never even occurred to us.

Joachim Zäch
Head of Allianz Complaint Management

learned about the incident, he was initially surprised at what the word choice had triggered in the customer. "This ambiguousness never even occurred to us," Zäch explains. While he and his colleagues know migration as a technical process and use the term as a matter of course, the customer felt discriminated against. Allianz learned from the issue: There are still differences in perception between Allianz and its customers. "We have to work on that," says Zäch. But when a complaint does happen, a phone call is often better. Sometimes the Allianz employee needs to overcome a bit of internal

resistance. He has to deal with an upset customer and does not know how they will respond. But on the other hand, the customer is also showing courage by complaining. "We need to recognize that as well," Zäch notes. After the case was analyzed, the employee processing the complaint called the customer and explained to him personally how it had occurred and apologized. At this point, Allianz could have considered the complaint closed. But customer feedback is valuable and offers an opportunity for improvement. It's an important part of everyday work and helps Allianz better understand its customers. Regardless of the subject matter. In the weeks after the case, the Complaint Management office launched a review of all customer letters. The word "migration" was deleted as a result. When customers receive a new policy number, they no longer see anything about migration. "It's usually irrelevant for customers if the number changes," Zäch explains. You shouldn't confuse them by explaining internal or technical processes. The important thing is to clearly explain changes and any consequences they may have for the customers.

COURAGE TO COMPLAIN – ALLIANZ COMPLAINT MANAGEMENT

Four years ago, Allianz consolidated the responsibility for its complaint management in the Central Complaints Department. The procedures for complaint processing are defined here. The Complaint Department also provides controlling tools. Once employees have analyzed a case, they work with the responsible department to come up with the best possible solution and improve processes as well as products.

Satisfaction with complaint-handling procedures

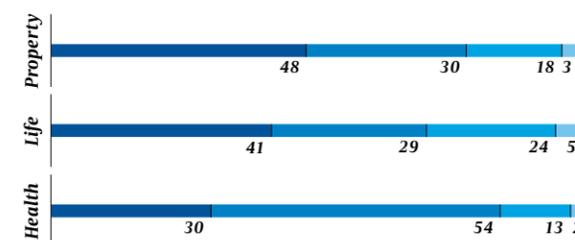
Even though complaints arise from angering a customer, most of them are very satisfied with its resolution (2016 – on a scale of 1 to 5)

	Speed	Respect	Commitment
Property – policy	1.7	1.7	1.9
Property – claims	1.8	1.9	2.1
Health	1.5	1.4	1.5
Life	1.7	1.6	1.8

Major causes of complaints

When customers complain, then most complaints were about comprehensibility and speed.

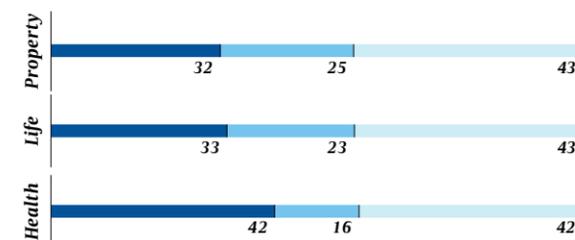
Comprehensibility Speed Expertise Commitment Respect Reliability (according to service parameters, in %)*



Complaint resolution

In the majority of cases, Allianz was able to completely or partially address the causes of the complaints.

Resolved Partially resolved Unfounded, no remedy available (resolution rates, in %)



How Allianz learns from complaints

You must be kidding!

Self-employed and tradespeople who have purchased a professional or business liability policy generally receive a standardized premium questionnaire from Allianz every year. This captures whether the previously insured risk has changed. The problem: The questions are not always adapted to suit the customers' industry. For example, hairdressers have been asked whether they own ponies or horses for their business. Many customers were irritated and shared that with Allianz. Allianz changed the form, which now asks whether the risks insured at the policy start date have changed – a good example of how Allianz learns from complaints and can improve.

* If no figure is shown for a service parameter, then it is 0%.

Like in the movies

ALEXANDRA NENNSTIEL

And what does Hollywood have to do with Allianz? Very little, you might think. But then you see a few of the projects that Allianz implemented in 2016 to improve service and customer focus. You might at least get the impression that there are movie titles that would apply to these improvements.

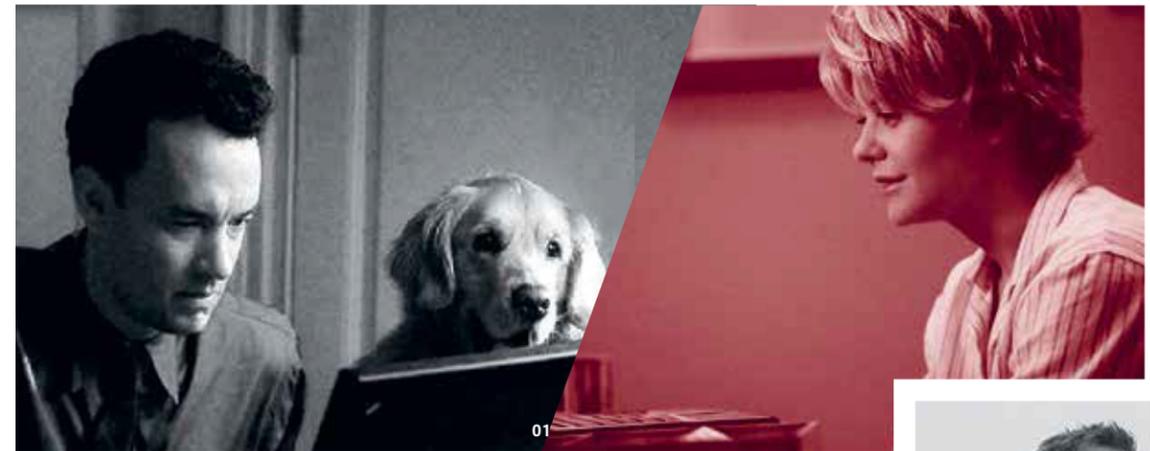
INSTEAD OF "LOST IN TRANSLATION" – UNDERSTANDABLE INSURANCE

Bill Murray and Scarlett Johansson are Lost in Translation as they wander through nighttime Tokyo in their movie with the same name. Some people also feel lost when it comes to letters from government agencies and insurance companies. Most of us get, more or less, regular mail from our insurance company. Some letters we understand, some we don't. Also, letters from an insurance company are rarely exciting. Naturally, customers need to be informed about rate adjustments or policy changes, customer data needs to be requested and updated, and then there are status notifications about life insurance. Exciting? Not really! Easy to understand? Rarely, unless you speak insurance lingo. But what happens when you receive a letter and don't understand it? Either you set it aside and forget about it, or you pick up the phone and ask. One thing is very clear: Insurance lingo isn't usually spoken on the phone when you're talking directly to a real person – many questions and concerns can be cleared up quickly. And this is where Allianz picks up with its motto, "Phone before letter." The idea behind it: Call customers first,

seek out that personal conversation instead of just automatically sending a letter. But when is a phone call better than a letter? A project team concentrated on this question in life insurance and other areas – and identified other topics that are particularly sensitive or complex. One example: A customer is behind on premium payments for his life insurance policy. That can happen. In the past, overdue notices were sent out first in these cases, then the policy was canceled – and the customer was left with no insurance. If the customer paid his premium between the two letters, they often crossed in the mail and the customer was confused. Neither situation is good. Now we call the customer in these situations. The employee can clarify directly why payments are late and work out a solution with the customer, such as issuing a temporary pay exemption. Just one example of how Allianz helps its customers so they aren't Lost in Translation.

"YOU'VE GOT MAIL" – NOW FROM YOUR INSURANCE COMPANY AS WELL

"You've got mail." 20 years ago, this message on the computer still triggered euphoria. In the romantic comedy You've Got Mail from 1998, it made Tom Hanks and Meg Ryan's hearts beat faster. They email back and forth for weeks. It starts out as a game of cat and mouse in the best Hollywood style. And of course they end up together after all – predictable, but nice nonetheless. Back then, digital communication was still new. These days, an email rarely causes heart palpitations, because we handle the majority of our communication that way. Online shopping, fund transfers with a banking app, e-birthday cards – it's all quick and uncomplicated. Especially now that most people use a smartphone. Since Fall 2016, Allianz also communicates primarily by email when it comes to policies. Now, you could of course ask: What's so special about that? The answer: Most issues related to insurance are subject to strict legal and regulatory requirements that have long made email communications impossible. Furthermore, it's important to us to protect our customers' data and communicate



01
"You've Got Mail":
 In this movie, Tom Hanks is waiting for his message. And if Meg Ryan were insured with Allianz, not only would she get emails from him, she'd receive them from her insurance company, too.

02
Instead of being "Lost in Translation"
 Allianz customers receive easy-to-understand help – for example, by phone.



A "Quantum of Solace"
 has nothing to do with explosives and secret organizations for Allianz customers – for them, it comes through personal contact on the phone.



with them in a secure way. The first step to secure digital communication with our customers is the "Meine Allianz" (My Allianz) customer portal. More than 1 million Allianz customers are already using this platform, primarily to manage their policies. The next step is to send the majority of insurance documents by email rather than by letter to all "Meine Allianz" users. Following the You've Got Mail principle, customers receive documents via email – quick, secure and convenient.

"QUANTUM OF SOLACE" – RIGHT ON THE PHONE

Don't we all long for personal contact? You can't expect a Quantum of Solace from an email – not even if you're James Bond. Many questions and problems are better discussed directly on the phone. It's annoying when you get put on hold – it feels like half an hour. Then at the end, your call gets dropped despite all your patience. Allianz recognized this problem and invested a great deal in phone accessibility in 2016. Our customers rightly expect that we can be reached by phone. But that alone is not enough. When our customers call, it's because they have a question or a problem. They want the issue to be resolved directly on the phone. We're working on it. We want to give our customers uncomplicated help on the phone and if possible, offer a solution immediately, during the conversation. That's why there is personalized

processing for many areas. Our employees take care of their customers and can be reached directly as their personal point of contact. For more than just a Quantum of Solace. <<

EASY TO ACHIEVE AND UNDERSTAND

Allianz reviews internal processes for simplicity, clarity and customer focus. At the same time, liability and legal security cannot be allowed to waver. With their service offensive in 2016, they achieved this balancing act successfully for a good portion of their communication:

- More than 1 million customers now use the "Meine Allianz" portal
- The majority of policy communication is handled by email without complications
- Phone availability was increased to 95%
- Average waiting time on the phone was reduced to 40 seconds
- Personalized processing through your contact partner
- Phone before letter, especially for difficult situations

The man who puts himself in the customer's shoes

HILMAR POGANATZ

MARKUS BURKE

Allianz customer Simone Schlosser interviews Olaf Tidelski, the Chief Customer Officer (CCO) at Allianz, in a Munich bike shop – because here is where the man who is the customer's voice at our company would prefer to be a customer himself.



01
Voice of the customer in an interview with a customer:
Olaf Tidelski speaks with Simone Schlosser.

02
Shaking hands in front of the bike shop:
Enthusiastic cyclist Olaf Tidelski feels as comfortable here as when he stands by the side of customers like Simone Schlosser.

Question — Simone Schlosser: Good morning, Mr. Tidelski! What does a CCO actually do? Are you the voice of the customer, so to speak?

Olaf Tidelski: Hello, Ms. Schlosser! Yes, some people call it that. But it's more than just a new position: It's about a major change at Allianz. Now customers are right at the heart of everything we do. Naturally we've put ourselves in our customers' shoes in the past, but having a CCO who consistently and exclusively looks at our processes and products from the customer's perspective – that's new.

Question — You yourself are a customer here at Griesbeck bike shop. What is your special relationship with this family-owned business?

Tidelski: Since I own several bikes, this is practically my second home. The owner really understands me and knows my needs. And even



though he only owns a small shop, he goes to trade shows every year to learn about the latest important innovations. That's how he stays on top of things for his customers, with a lot of passion. And of course, he has really good bikes. All in all, it's the perfect mixture for me as a customer and I want to establish this mixture more firmly at Allianz.

Question — What do you drive?

Tidelski: We got rid of our car, despite having kids. Since then, I have ridden my bike to work every day. I think it's interesting how not having a car has changed my customer behavior. Whenever I do need a car, I use a car-sharing app to find the closest one available. For me, digitalization is closely related to mobility and freedom. How customer behavior changes through digitalization interests me as CCO as well, of course.

Question — What role does digitalization play at Allianz today?

Tidelski: A very big one. It's one of the reasons we introduced a CCO. Customer behavior has changed very dramatically. Customer focus has always been important at Allianz. Back in 1918, as one of the first insurance companies, we recognized that people will soon be driving cars instead of carriages – and began offering one of the very first auto insurance policies. We're facing a similar transformation today – from analog to digital. Naturally, there are still many customers who value personal advising, but there are also plenty who do everything online. Or customers combine the two: They research online and then come to their personal advising session well-informed.

Question — So, will something change for me as a customer due to your newly created position?

Tidelski: I certainly hope so. As an insurer, we always tend to have a suitable rate at hand. We want to change that. Here's an example. I used to work in the health insurance area, where we just paid medical bills in the past. But we recognized that our customers also want to know how to stay fit and healthy, or how to find a good doctor and how to get an appointment there, or how to get a second opinion before a difficult surgical procedure. That's right at the heart of our customers' lives and goes far beyond what insurance used to mean.

Question — So your goal is to understand Allianz customers better?

Tidelski: Exactly. Through customer surveys in small groups or online communities, we often learn that customers don't always understand our communications. For that reason, I look at our letters like a customer would. We no longer just develop letters and services for our customers: We collaborate together with our customers. And we sometimes discover that it's better to communicate content or numbers as infographics, in images or short explanatory videos, or even in chats.



Dr. Olaf Tidelski (47) was named the very first CCO at Allianz Deutschland AG in July 2016. He holds a doctorate degree in economics and social sciences, and was previously with Allianz Private Krankensicherungs-AG. Dr. Tidelski lives in Munich with his wife and two children and rides his bike to work every day.



Simone Schlosser (30) advises international customers on tax issues. She is employed at one of the "big four" international accounting firms. Ms. Schlosser is a regular customer of Allianz with liability insurance and a supplemental dental policy.

Question — That's true, it often seems to me that you need to go to law school just to understand insurance policies. And most agents will tell you that they have the best product for every situation. I'd like it if an insurance company would talk about its weaknesses once in a while.

Tidelski: That's an important point in customer feedback. Customers are afraid of policy exclusions, of surprises. When we build new insurance policies, our strategy is: No surprises! We want new products without hidden exclusions and traps.

Question — That sounds good! But I have to ask myself whether creating a new position isn't associated with costs that you'll pass on to customers...

Tidelski: We're already seeing that creating my role and our new way of working with faster customer testing will save money in the end. For the company – and therefore for our customers as well – because we are throwing out bad ideas and we get to the right conclusions faster.

IN THE CUSTOMERS' INTERESTS

As Chief Customer Officer, Dr. Olaf Tidelski represents the customer's perspective within Allianz. He is responsible for innovative ideas and testing formats with customers that are essential for the introduction of new services and offerings.

Here we go!

PAUL-PHILIPP HANSKE ENNO KAPITZA

Culture in transition: Allianz continues to develop toward agile projects and faster communication.



— There are revolutions where everything crashes down, everything wavers – and no one knows what will come out in the end. And then there are those that approach softly, that don't even look like a dramatic change from the outside. Perhaps those revolutions deliver much deeper cuts.

— For example, take an auto claim that is generally harmless, but sometimes can be complicated to report and process. In the past, that meant gathering up and entering all kinds of information just to report the claim. At Allianz, the new online claim reporting for cars makes reporting claims even easier. It guides customers intuitively through reporting their claim with just a few clicks. Without paper and excessive bureaucracy – fast, easy and clear.

— Or take the Riester allowances. The name alone sounds like a bureaucratic process. 1.6 million Allianz customers have a Riester policy. As soon as the customer's life situation changes, their entitlement to government allowances changes as well. It used to be time-consuming to manage this insurance. Now people can handle it very easily online – with a link sent by mail or a QR code. Fast, easy and clear.

SHORT, FAST PATHS

— Those are just two of the many topics that teams in the Digital Factory at Allianz have worked on. This refers to the two Agile Training Centers (ATC) in Munich and Stuttgart as well as the Kaiser X Labs in Munich. In the Digital Factory, Allianz tests and practices

a small but sustainable cultural change: a radical focus on the customer combined with innovative development processes. — The customer mentality has radically changed in the last 10 years. Never before could consumers choose so easily between so many products and services. Economic bottlenecks were shattered, and there was a massive increase in offerings. If you travel to a different city, it's your choice: hotel or private, through Airbnb. If they need to travel to the airport, there are many mobility options to choose from. At the same time, processes that used to be complicated, such as international payments, have been radically simplified with services like PayPal. Many insurance policies are also easy to purchase online these days. Customers demand speed; bureaucratic processes are increasingly facing rejection. Customers want to communicate quickly and easily. And they want to be able to communicate their opinion – in other words, give feedback. From a customer's perspective, the last 10 years were fantastic: The selection grew in just about every industry, service improved, and processing times shrank. Startups like Airbnb, Uber, Zalando and Westwing and the investment companies behind them, like Rocket Internet, grew due to digitalization – because they realized early on what customers want and responded accordingly.

ONLY THE AGILE WILL KEEP UP

— If you consider the success of the biggest startups in recent years, it becomes clear that companies that satisfy customers fast and keep things uncomplicated succeed. And the best way to ensure that is to have the product development proceed the same way: fast and uncomplicated. There is a long-standing professional term for this: agile. Agile development means small, independent teams working together in iterations for short time intervals. A short, intensive research phase is followed by the first product development – such as programming an app. After it has been determined as functional, extensive yet fast

testing is done in small groups or with beta versions. The advantage: User feedback is fed into the permanent development. The result: ongoing product improvement, rapid and flexible alignments with the market that meet customer needs. — This agile type of product development has long since ceased to be the territory of flexible startups or digital flagships like Google and Amazon. Even traditional companies like Allianz need to adopt agile thinking and development. — This is happening in the Digital Factory. Here they focus on the users' perspective: What are their needs? How do they use a product, how do they navigate, how do they think, when do they recommend something to others? That is the approach at the Agile Training Centers in Munich and Stuttgart. And at Kaiser X Labs, where particularly favorable circumstances came together at its founding: The American design agency Teague closed its German subsidiary in Munich at the end of 2015. All at once there was an office available on Kaiserstraße and some highly qualified design experts. That was the starting signal for Kaiser X Labs, a 100 percent Allianz subsidiary, which is in search of ideal design. Anyone looking for chic furniture or a punchy



Startup unit
at Allianz Germany:
Jan Schminke,
Björn Frank,
Dr. Matthias Wilken
and Martin Langkau
(left to right) from
Kaiser X Labs.



Large, open office space
and transparency
with glass
walls set the
atmosphere
at the ATC in
Stuttgart.

layout is mistaken. In digital business, "design" means a development process. — Dr. Matthias Wilken is one of the Managing Directors at Kaiser X Labs. He explains: "The launch of Kaiser X Labs was fast-tracked. Within just a few weeks, we had gathered a team of user-experience experts, researchers, front-end developers and programmers. We speak English as our everyday language. It's not because we want to imitate Silicon Valley. It's just that our 17 employees come from 10 different countries." — Work methods in the Digital Factory are different from what people may be accustomed to. For example, there is an office stand up at 9:12 a.m. where all employees get together and discuss problems or current issues. The goal is to assemble small, powerful and, above all, mandated crews to work on products autonomously and in short time frames. — Projects start out with a financing round: Each project must be presented to the Management Board and internal sponsors at Allianz. KPIs – indicators that measure a product's success – are evaluated after 100 days. Then the decision is made on whether to move forward, and if so, how. Because any project can be stopped. More than a dozen topics are running in the Digital Factory at the moment, like online self-services and app developments. — Dr. Daniel Poelchau is

the Director of the Digital Factory and explains its approach: "First, a topic needs to be suitable for the Factory. It must be a clearly defined, straightforward field. The topic must be transferable from a strictly hierarchical structure to an agile one."

ENTREPRENEURIAL CULTURE

— Poelchau and Wilken are fully aware that they don't want to turn Allianz Deutschland AG into Google or Facebook. Currently, the development teams are still learning every day in the Agile Training Centers. It's also becoming clear that it isn't always easy to instill entrepreneurial culture in a large company. Poelchau explains: "You could compare the previous approach with a waterfall. Projects had several evolutionary steps and countless units were involved. That all happened sequentially, not iteratively. That explains why it often took so long before projects were completed." Wilken adds: "There are reasons for that, of course. We're dealing with highly complex topics in the insurance industry. It makes sense that a group of experts was called in." — It's clear what a radical break the transition to a lean startup method, to agile decision-making and development processes would represent. "Let alone the fact that fewer decision-makers are needed with this method. But that also means taking some responsibility off prior decision-makers," Wilken remarks. And Poelchau further adds: "The short development phases lead to constant product evaluation. And you have to accept that projects can be shut down again. We have to make that clear to those involved: Having a project canceled is not a career killer anymore. We also want to establish a productive culture of failure." »

AGILE ALLIANZ

The digital world enables and promotes working according to new principles: the radical focus on customer experience, lean structures, co-location (working together in one room), financing rounds, agile software development and with that the fast implementation and ongoing improvement of products – and last but not least, an infrastructure that can respond with flexibility to new technical requirements.

Well advised –
Gerd Hallermann (left) is happy to recommend his Allianz agent Marcus Sill (right) to others.



“
**With my feedback,
I was pleased to notice
that it involved answering
three questions only.**

”
Gerd Hallermann
Entrepreneur and Allianz customer

DIGITAL REALITY

— Just how deep-seated this cultural change is and how Allianz is embracing the new standards of digital business can be seen in other areas as well. For example, there’s an opportunity for customers to communicate easily with their agent via WhatsApp – and less often on paper. Since summer 2015, Allianz agencies can be evaluated through an online rating system. Around 100 agencies across Germany were selected for the pilot project group. There, they discussed how agency work can be aligned with the digital reality. Topics included being easier to find online, easier appointment scheduling and reviews, of course. eKomi is the solution currently in use. Marcus Sill, Allianz agency owner in Bochum, explains: “Everyone knows that users let themselves be guided most by other users’ ratings. Our system offers an important advantage: Customers have to be invited first. That prevents a massive controversy with uninvolved participants. Apart from that, we ask people to openly evaluate the advising session – both sides benefit from the transparency.”

A SMALL REVOLUTION

— Gerd Hallermann is one of those who evaluated Sill. Hallermann runs a company in Bochum that conducts construction assessments – and has several policies with Allianz. Manager liability, for example. “If I, as the managing director, make bad decisions, and the partners sue for damages, this protection takes effect. That’s extremely important for me,” he explains. He was recently invited to evaluate his agent, Sill. Hallermann is often asked to review services online. “We’re all familiar

with it by now,” he says. “You’re constantly supposed to provide some kind of rating. With my feedback, I noticed that it was finished after three questions.” Nevertheless, he’s very happy to provide it. “With Mr. Sill, I really appreciate his openness. Once I put a policy from another insurance company in front of him and he said: ‘I can’t offer you that for a lower price.’ It was the best way for him to gain my trust. That’s why I like to recommend him to others. It’s great that I can do that so quickly and easily online.” — And once again we see that transparency and speed, the fundamentals of the digital world, can be implemented on several levels. On one hand, the new agent evaluation itself is the perfect example for these new standards. On the other, the implementation decision was quick and transparent as well. Sill explains: “We in the pilot group agreed that this tool is meaningful for us. Then we made our recommendation and the Management Board said yes. This decision process would’ve taken much longer in the past. That in itself is a small revolution.” <<

This is how you rated us

073



074

Our goal: to delight our customers!

Our customers are very satisfied with our service. They showed that again in 2016 with a top rating. But we want to improve even more – we want enthusiastic customers!



079

Background information and details

Allianz openly presents customer evaluations, along with further data and facts, in its report “Result for the customer 2016.”



092

Complaints report

The key figures on complaints and their concentration, as well as the biggest causes of complaints in 2016.



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Systematic customer focus

Our approach for achieving a systematic customer focus.



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Assurance opinion

The audit report for 2016.



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Ch. 4

OUR GOAL: TO DELIGHT OUR CUSTOMERS!

In 2016, our customers have again given us excellent ratings in the area of satisfaction. No reason to sit back and relax, though! We want our customers to be not just satisfied, but enthusiastic.

PETRA BRÜCKLMAYER



Norbert Schäfle
Head of Customer
Experience Department

Anton Birnbaum*, an insurance agent in Hagen, is sitting in his car when his phone suddenly rings: The caller is Carl Demacher, a local businessman with an enterprise close to the agency. Demacher is so upset that he can hardly speak. The big warehouse has burned down—a huge loss. And not only that, but the next delivery will arrive in two days: 50 tons of animal feed. Where can it go now? For agent Birnbaum, this is two-hour matter, handled entirely over the phone from his car. Not only is the acceptance of the claim

sorted out, but an available warehouse is located and a lease contract pre-negotiated. After that, the return call to the distraught businessman Demacher, reporting the complete resolution of the claim and a special surprise: the pre-arranged warehouse for the coming shipment. Demacher is overwhelmed. And Birnbaum has not just made a customer enthusiastic. Now, the businessman's recommendations to friends and business partners result in new customers for the successful agent year after year.

*The names of persons and places have been changed for reasons of data protection.

“Our customers' satisfaction is our highest goal. It is the underlying reason for recommendations to others, which in turn are crucial for the further development of Allianz.”

A special case. It is also quite typical, as it clearly shows that extraordinary effort on behalf of our customers results in extraordinary customer satisfaction. Those who are satisfied are loyal and will bring in new business through word of mouth and active recommendations to others.

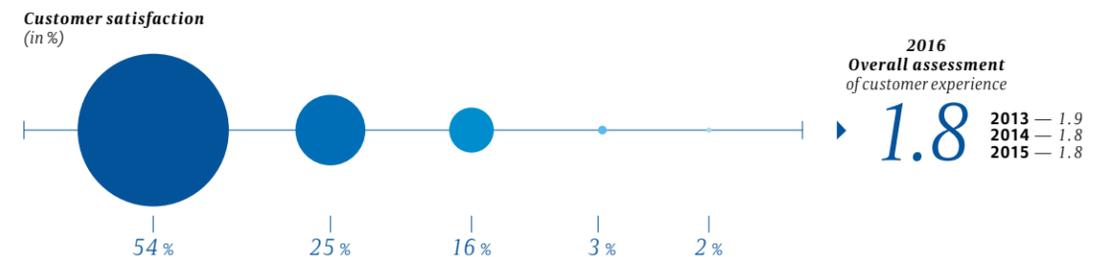
CUSTOMER SATISFACTION, THE BEST MEASURE OF CUSTOMER FOCUS: EXCELLENT FIGURES AGAIN IN 2016

Doing extraordinary things for our customers. Satisfying you, our customers. That's what drives us every day. The results of this report show that you have honored our 2016 campaign. The overall grade for Allianz continues to be at the high level of 1.8. In the important areas of Service and Claims we made further progress and were assessed even higher than in the prior year. So we are now achieving the top rating, with a “one” preceding the decimal point in five of six areas: Products, Advice, Claims, Benefits and Communication (see the inside flap of the title page). Customer satisfaction is our best measure of

focus on customers. It reflects the extent to which our services correspond to customer expectations. Satisfied customers are crucial, especially because our business model is designed for the long term and for generating trust. All in all, our customers are “completely satisfied” or “very satisfied” only if they rate each individual experience with us in that way. Often just a minor slip-up among many positive experiences is enough to cloud the overall impression. So the combination of individual impressions is decisive for the customer's evaluation. For us, this means: We need to be vigilant about perfection in the details. And in every single contact. Regardless of whether the issue is the settlement of a large claim, as in the case of the businessman Demacher, or whether the customer has “merely” contacted us because he has a question about his contract. We do not want, and cannot permit ourselves, to leave the satisfaction of our customers to chance. For years, we have been continually working on improving customer experiences. For example, we have set up a big program that minutely examines every single process and looks at it from the customer's point of view: Is it all simple enough? Is every step truly important for the

Figure 1.1 — Customers' overall satisfaction with Allianz
(Customers with actual experience dealing with our processes)

● completely satisfied ● very satisfied ● satisfied ● less satisfied ● dissatisfied (score ranges from 1 to 5)



customer? Or can we skip individual steps and address the customer's concerns more quickly? Do customers understand us, or are we using incomprehensible insurance lingo when we are talking with them? — In recent years we have also systematically and intensively worked on making customer focus a fundamental part of our corporate culture. For example, we have established executive board committees with the goal of promoting customer focus at the highest level of the company (see Section 4.3). We have revised our product development process in order to orient our products even more closely to the needs of our customers (see Section 4.4). We have strengthened the need-based approach to advice in our agencies (see Section 2.2.3). And in the past year we have created the new position of Chief Customer Officer, who is supposed to serve as the voice of our customers within the company (see p. 66 f.).

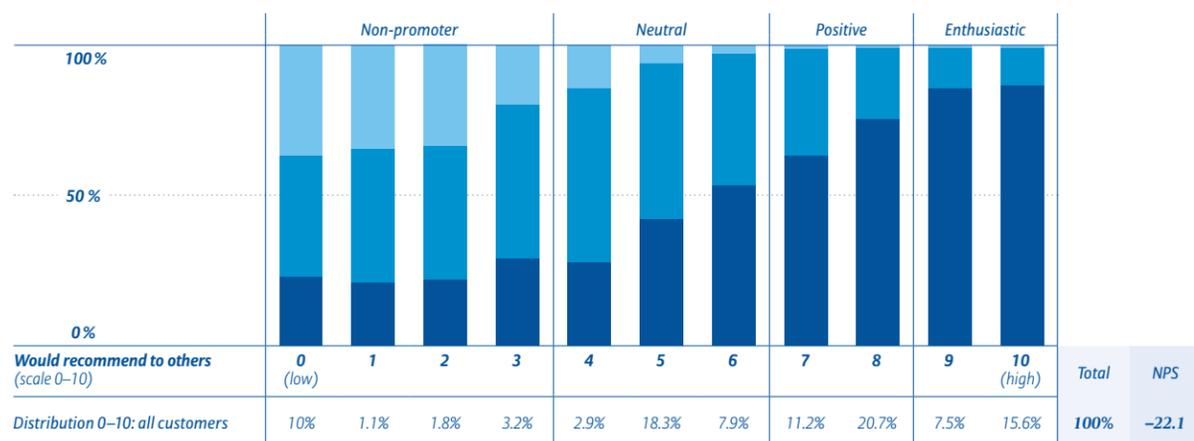
WILLINGNESS TO RECOMMEND US TO OTHERS AS AN INTERNAL MEASUREMENT FOR GUIDING THE FOCUS ON CUSTOMERS

— In addition to customer satisfaction, we are using willingness to recommend us to others (the "Net Promoter Score" or "NPS") as an internal index for guiding the focus on customers and as an indicator of growth. — The Net Promoter Score is linked to business success even more closely than customer

Figure 1.2 — Willingness to recommend us to others is based on customer satisfaction

Allianz continually measures the general population's level of customer satisfaction and recommendations to others. In this activity, customers of Allianz and competitors are surveyed totally without regard to whether they have had recent contact with their insurance company. This figure shows the evaluation of Allianz customers.

● completely & very satisfied / score of 1–2 ● satisfied / score of 3 ● less satisfied & dissatisfied / score of 4–5 (Customer satisfaction 2016; quantity of ratings, in %)



FACTS

Willingness to recommend us to others (Net Promoter Score)

In industry jargon, customers' willingness to recommend us to others is called the "Net Promoter Score" ("NPS"). It is measured on a scale of 0 (recommendation to others not probable) to 10 (recommendation to others extremely probable). The NPS is calculated as the difference between the percentage of customers who state a 9- or 10-level willingness to recommend to others (the "promoters" of whom it is assumed that they will actively recommend to others) and the percentage of customers who state a 0- to 6-level willingness to recommend (the "Detractors"). Customers who state a 7- or 8-level willingness to recommend to others are called "Neutrals."

FACTS

satisfaction. Figure 1.2 shows the results of a broad, ongoing survey of customers regarding their satisfaction and willingness to recommend us to others. Customers were surveyed regardless of whether they had recently had contact with Allianz. — It is becoming clear that willingness to recommend us to others is based on customer satisfaction: Only satisfied customers recommend us to others. Dissatisfied customers do not. But even among satisfied customers, some do not recommend us to others. One reason

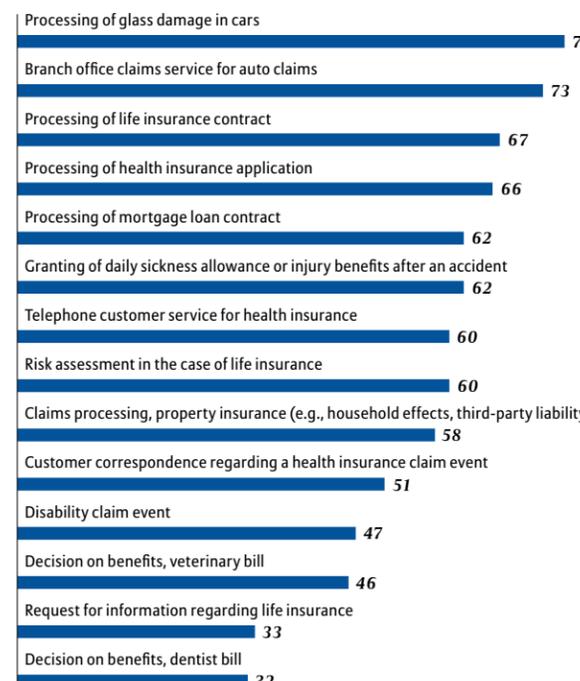
might be that some people do not make recommendations to others in general. Alternatively, however, a customer may not be recommending us to others because he or she has not had any actual experience with us for a long time. And this, precisely, is the dilemma for an insurance company: Fortunately, only a few customers experience the core benefit of the insurance product, the benefit in the event of a claim. Therefore, the number of contact experiences is often small. And the further in the past a contact took place, the more faded the memory of it becomes. In that case, recommending us to others does not come easy.

REGULAR CONTACT WITH CUSTOMERS PAYS OFF: A HIGH NET PROMOTER SCORE AFTER CONCRETE EXPERIENCES

— A completely different picture emerges in the case of customers who have had an actual experience with us. We measure our customers' satisfaction and willingness to recommend us to others with respect to over 50 customer contact points, starting from a simple

Figure 1.3 — Willingness to recommend to others in regard to selected points of contact

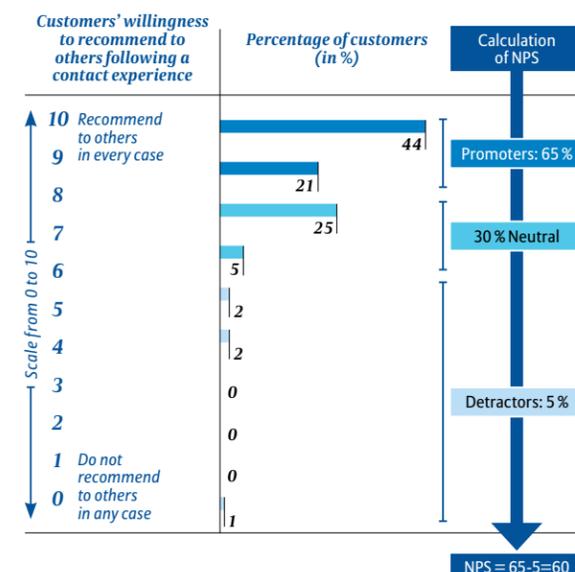
Every year, in over 200,000 customer interviews, Allianz measures its customers' satisfaction and willingness to recommend it to others, based on specific experiences. Data is collected in regard to over 50 points of contact. The graphic shows a representative selection of them.



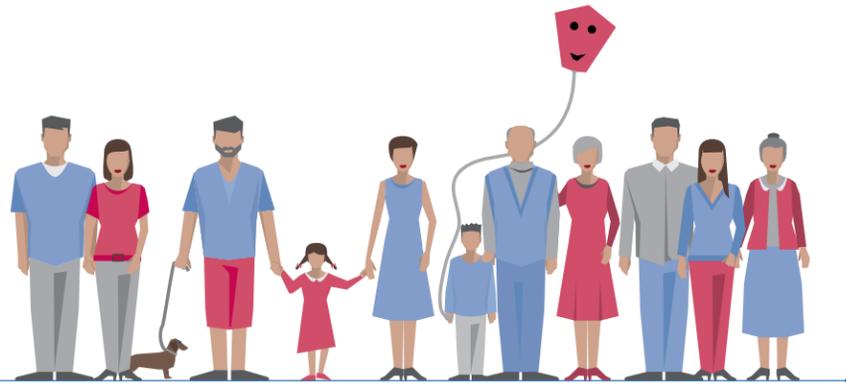
questionnaire regarding contract details on the submission and processing of a doctor bill, and ranging to complex issues such as benefits after the occurrence of a disability. — In 2016, we achieved a Net Promoter Score of +50 points, as the average of all contact points. That means that among customers who have had concrete contact with Allianz, the number of customers who are willing to actively recommend us is 50 percent higher than the number of customers who are only slightly willing to recommend us. An impressive figure! Figure 1.3 shows a representative selection of Net Promoter Scores for individual points of contact. Figure 1.4 shows a detailed example of how the NPS is calculated.

Figure 1.4 — Example of how the NPS is calculated

As an example, the graphic shows the calculation of the NPS for the contact point, "Telephone customer service, health insurance."



— Knowing that, however, we are not leaning back now and relaxing. Instead, these results motivate us to become even better. Our goal is to surprise every single one of our customers in a positive way. We would like to serve you so perfectly that you are not just satisfied, but also enthusiastic. We want you to tell your friends and acquaintances about this experience and actively recommend us to them. — This is what we are working on, and will continue to work on, day after day in our contact with you. In addition, we would also like to show you that we can do far more for you than just settle your claims. That we are your partner in many areas of life and make it possible for you to make courageous decisions and take risks.

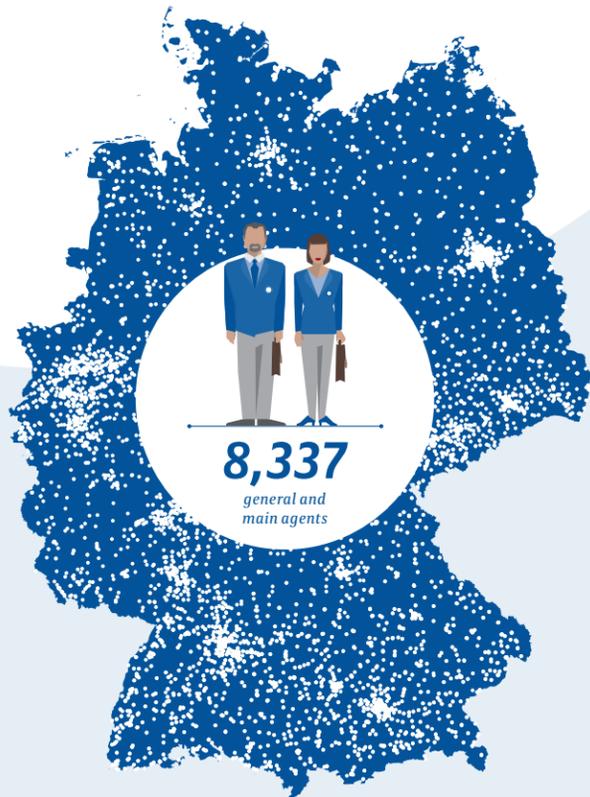


20.7 million
Allianz Deutschland customers



95%

of customers live within 10 km of their nearest Allianz agent



8,337
general and main agents



more than **11,000** brokers and independent sales partners



bank partners Commerzbank, Volks- and Raiffeisenbanken Bayern/ Baden-Württemberg in more than 1,500 branches



5,959 field staff, including 196 trainees



76 Employees at Münchener und Magdeburger Agrarversicherung AG



28,878
Allianz Deutschland employees



2,323 employees of OLB Group, including 168 trainees



20,520 office staff, including 810 trainees

BACKGROUND INFORMATION AND DETAILS

Every year in “Result for the customer,” we publish how satisfied our customers were with us. In addition to the specific rating in the areas of products, advice, service, claims, benefits and communication, we present additional customer-related facts and figures.



Overall rating in 2016

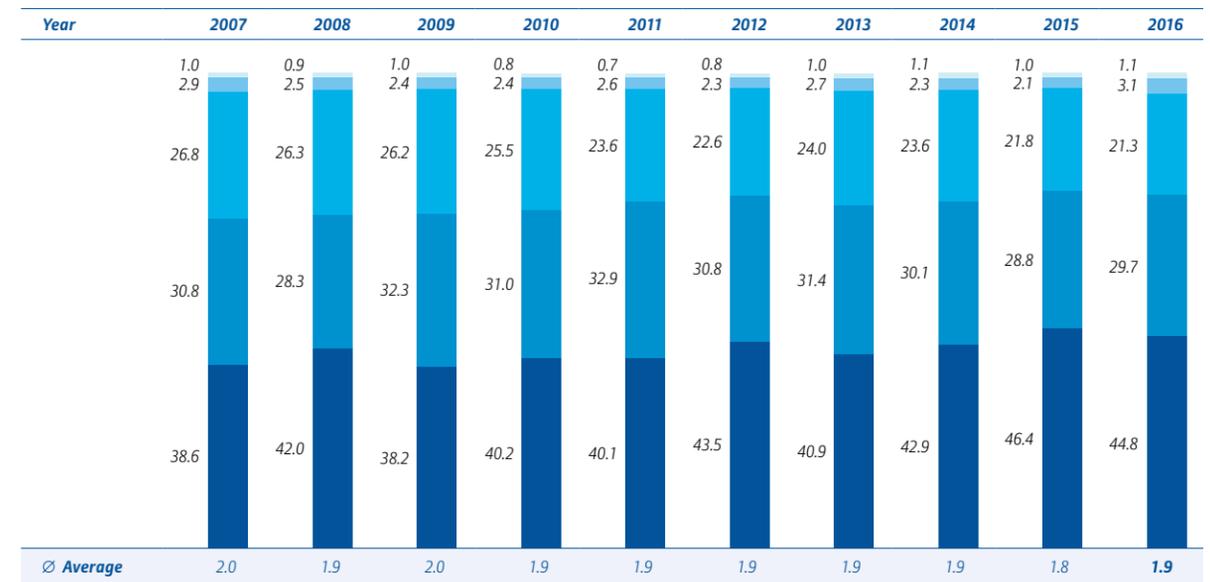
1.9

2015 — 1.8 · 2014 — 1.9

2.1 — Products

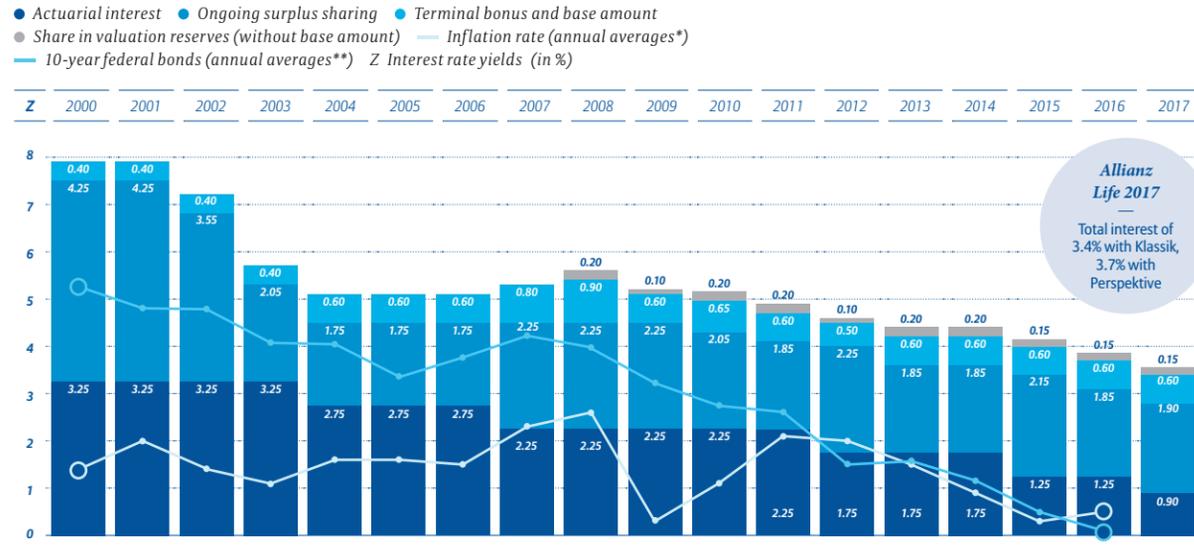
In 2016, almost half of all customers gave us the top rating for products, “completely satisfied.” We would like to raise this percentage even higher. The established product development process, in which the customer’s perspective is of central importance, will play a big role in this effort.

● completely satisfied ● very satisfied ● satisfied ● less satisfied ● dissatisfied (score ranges from 1 - 5, in %)



2.1.1 — Allianz Lebensversicherungs AG: Guarantees and opportunities for profit as competitive factors

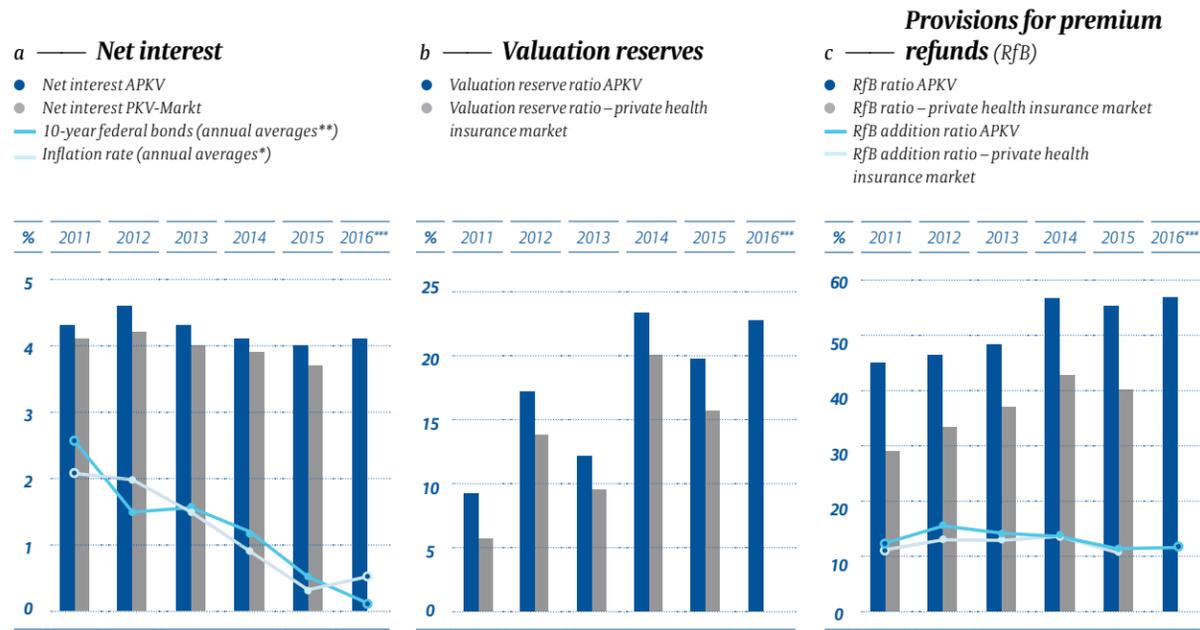
In a long-term low-interest environment/capital market environment, the overall rate of return*** has remained relatively stable and at a high level – significantly above the capital market interest and inflation rates. With the new Perspektive products, instead of a guaranteed minimum interest rate, customers have a chance for an overall rate of return that is currently 0.3 percentage points higher.



* Source: Statistisches Bundesamt ** Source: Bundesbank, WX3950 *** Graph refers to the Klassik pension plan concept

2.1.2 — Allianz Private Krankenversicherungs-AG (APKV): Financial strength as a competitive factor

High net interest rates and a high valuation reserve ratio are indicators of a company's successful capital investment strategy. APKV's net interest rate lies significantly above the returns of 10-year federal bonds and the inflation rate. APKV's valuation reserve ratio has been clearly above the market average for years. An above-average "provision for premium refunds" (German acronym: RfB) allows APKV to pay out high premium refunds and to stabilize premiums as customers get older. High RfB distributions will also make funds available for premium-reducing measures and premium refunds.



* Source: Statistisches Bundesamt ** Source: Bundesbank, WX3950

*** The 2016 Allianz private health insurance figures are preliminary figures. The private health insurance market figures for 2016 will not be published by the German Insurance Association until mid-2017.

2.1.3 — Selected corporate and product ratings (as of 31 December 2016*)

Life	Health	Property
<p>— COMPANY RATINGS —</p> <p>Excellent IVFP – Institut für Vorsorge und Finanzplanung, Life insurance rating, company quality</p> <p>5 stars Morgen & MorgenLife insurance company rating</p> <p>Excellent Morgen & Morgen, stress test</p> <p>AA Standard & Poor's, Financial Security</p> <p>— PRODUCT RATINGS —</p> <p>PrivatRente Perspektive FFF, Franke und Bornberg</p> <p>PrivatRente KomfortDynamik Excellent, IVFP – Institut für Vorsorge und Finanzplanung</p> <p>RiesterRente InvestFlex FFF, Franke und Bornberg</p> <p>RiesterRente IndexSelect Excellent, IVFP – Institut für Vorsorge und Finanzplanung</p> <p>BasisRente Perspektive FFF, Franke und Bornberg</p> <p>BasisRente InvestFlex FFF, Franke und Bornberg</p> <p>Additional disability insurance FFF, Franke und Bornberg 5 stars, Morgen & Morgen</p> <p>Term life insurance 1st place (DLVAG) and 2nd place (Allianz), Focus-Money 5 stars (DLVAG and Allianz), Morgen & Morgen</p> <p>PflegePoliceFlexi 5 stars, Morgen & Morgen Excellent, IVFP – Institut für Vorsorge und Finanzplanung</p> <p>KörperSchutzPolice FFF, Franke und Bornberg Excellent, IVFP – Institut für Vorsorge und Finanzplanung</p>	<p>— COMPANY RATINGS —</p> <p>Best private health insurance – Award for the year 2016 Focus-Money</p> <p>AAA, Testsieger Deutsches Finanz-Service Institut, Company quality</p> <p>5 stars Morgen & Morgen, Financial stability</p> <p>Very good Assekurata, Company quality</p> <p>Best health services Focus-Money and DFSI</p> <p>— PRODUCT RATINGS —</p> <p>AktiMed Tarife Very good, Assekurata</p> <p>AktiMed Plus 90 P/AktiMed Wechsel Option Test winner, Focus-Money FFF, Franke und Bornberg</p> <p>AktiMed Plus 100/AktiMed WechselOption FFF, Franke und Bornberg</p> <p>AktiMed Best 90 FFF, Franke und Bornberg</p> <p>Ärzte Plus 100/Ärzte Best 100 Very good, Assekurata</p> <p>PflegetagelgeldBest, PflegeBahr und Kombi-Police Triple winner, Focus-Money</p> <p>PflegetagelgeldBest + Pflegetagelgeld Erhöhung ambulant + Pflege Einmalauszahlung Very good, Assekurata Excellent, IVFP – Institut für Vorsorge und Finanzplanung</p> <p>Betriebliche Krankenversicherung Excellent, IVFP – Institut für Vorsorge und Finanzplanung</p> <p>Auslandsreisekrankenversicherung Familie R33 Best travel health insurance, Focus-Money and DFSI</p> <p>DentalBest Very good, Finanztest Very good, Assekurata</p>	<p>— COMPANY RATINGS —</p> <p>AA Standard & Poor's, Financial Security</p> <p>— PRODUCT RATINGS —</p> <p>Mein Auto Top Paket Very good, TÜV-Saarland</p> <p>Mein Auto Komfort Paket Very good, TÜV-Saarland</p> <p>Mein Auto digital+ Good, TÜV-Saarland</p> <p>Bonus Drive KFZ-Telematiktarife, Best standard rates for electronic data transmission, Focus-Money</p> <p>Flexible accident insurance Good, Finanztest</p> <p>Hausrat SicherheitPlus Very good, TÜV-Saarland</p> <p>Wohngebäude SicherheitPlus GebäudePlus, HaushaltstechnikPlus, RohrbruchPlus FFF, Franke und Bornberg</p> <p>Allianz "Privat-, Berufs-, Verkehrsrechtsschutz Best" Very good, TÜV Saarland</p> <p>Rechtsschutz Fairest legal expenses insurer, Focus-Money Very good, Service Value GmbH</p>

*The selection of company and product ratings was finalized as of 31 December 2016. Additional explanations and notes regarding the validity of individual ratings are presented in the Sources and Comments section.



2.2 — Advice

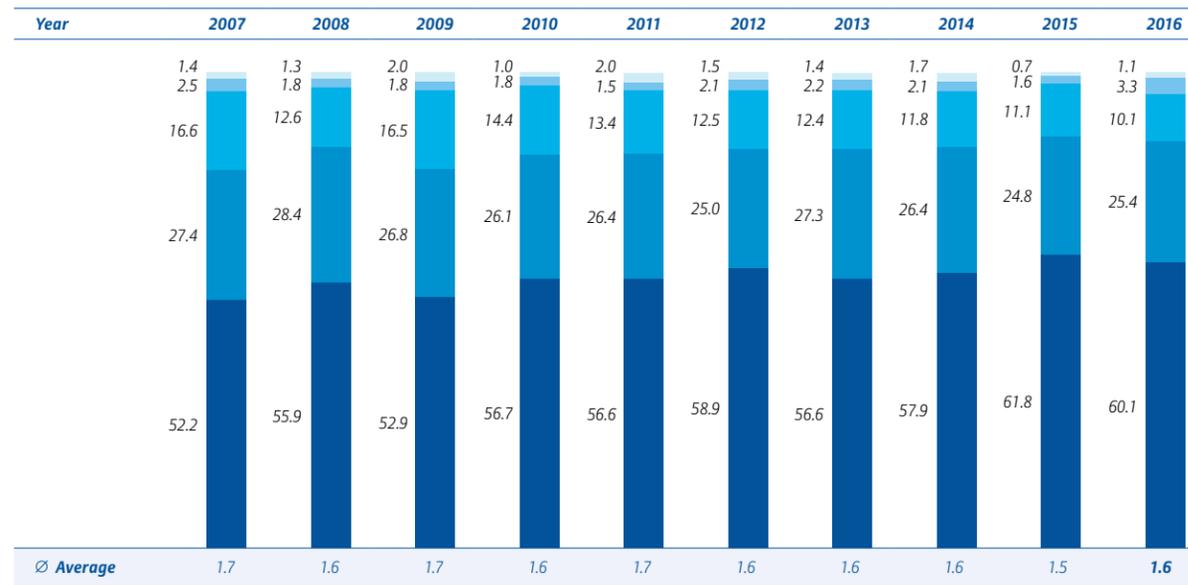
In the area of Advice, over 60 percent of our customers gave us the highest grade in 2016. This strong advisory performance is based on our advice process, which is oriented towards customers and their needs, on training through our Allianz Field Sales Academy, and on our AMIS agency management and information system.

Overall rating in 2016

1.6

2015 — 1.5 · 2014 — 1.6

● completely satisfied ● very satisfied ● satisfied ● less satisfied ● dissatisfied (score ranges from 1 to 5, in %)



2.2.1 — Mystery shopping

We regularly use "mystery shopping" to test the quality of agencies' advice. In this process, test customers visit agencies with standardized requests and check adherence to defined quality criteria, such as whether the agent explains the advantages and disadvantages of the products in detail. Every agent who is visited receives a personal report on the results. In 2016, the focus was on products for private security, retirement arrangements and supplementary health insurance.

● Private security ● Supplementary health insurance ● Retirement arrangements



2.2.2 — Code of Practice for Quality in Sales

The German Insurance Association (GDV) reformed the Code of Practice for the sale of insurance products to private customers in 2013. The Code now places a greater focus on the highest quality in advice, sales and service. The overview shows how Allianz implemented the requirements in the GDV Code. The suitability and effectiveness of measures taken were confirmed in 2016 by auditing firm PwC.

01

Clear and comprehensible insurance products

The comprehensibility of Allianz products and all documents is continually checked by quality assurance. Allianz agents are trained to provide comprehensive information materials and to explain the products in such a manner that customers can understand them. This creates transparency and trust.

03

Adhering to compliance guidelines

In 2011, Allianz published an in-house code of practice for its agents as well as brokers. Allianz also monitors compliance with these provisions pertaining to anti-corruption and anti-bribery measures, as well as data privacy violations and anti-competitive behavior.

05

Advising the customer after the contract is signed

Allianz agents shall continue to advise their customers after an insurance contract has been signed, such as in the case of claims or benefits. This lets the agents know if a policy needs to be changed based on the customer's contract or new circumstances.

07

Specific credentials of agents, brokers, and advisors

Allianz agents and brokers who work with Allianz are required to notify customers when first meeting them about their status as intermediaries. Agents carry an official Allianz business card for identification purposes.

09

Additional compensation received from insurance brokers

Sales-related agreements between Allianz and independent brokers are negotiated in such a way that customers are not disadvantaged. Undue influence is thus avoided.

11

Binding nature of the Code of Practice and evaluations

Allianz is committed to complying with the Code of Practice and also imposes it on its sales partners. Every two years, an independent audit company reviews whether the rules are indeed being followed. In doing so, it differentiates between an adequacy check and an effectiveness check. In 2016, both checks were conducted by the auditing company PwC. Its findings confirmed that our provisions and regulations are suitable, appropriate and effective.

02

The focus is on customers' needs

An Allianz agent will identify, analyze, and assess a customer's needs. To do that, agents have access to the latest analysis, consulting, and rate calculation tools of the Pro3 system. Providing sound advice is also part of our sales management.

04

Consulting documents upon signing a contract

Every time Allianz agents sign an agreement, they document the content of the consultation meeting. The detailed report contains all key components of the consulting service, making it transparent and verifiable. The binding content gives the customer the right level of assurance.

06

Taking into account the customer's interests in regard to solicitation and coverage adjustments

If an existing insurance policy is terminated prematurely and replaced by a new contract, this can have an adverse effect on life and health insurance. In such cases, Allianz agents make customers aware of the issue and document it in their records.

08

The value of a highly qualified broker

Agents and brokers prove they have passed their initial training by means of an examination given by the IHK (Chamber of Commerce and Industry). The new "Gut beraten" continuing education initiative ensures, through a point system, that these individuals also receive additional professional training on a regular basis.

10

Note regarding the Ombudsman system

Allianz ensures that it responds fully, correctly, and in a timely manner to every complaint as part of the complaint management process. Agents may refer to the impartial Versicherungsombudsmann (insurance Ombudsman) who can make decisions about complaints involving up to €10,000 without taking the matter to court.

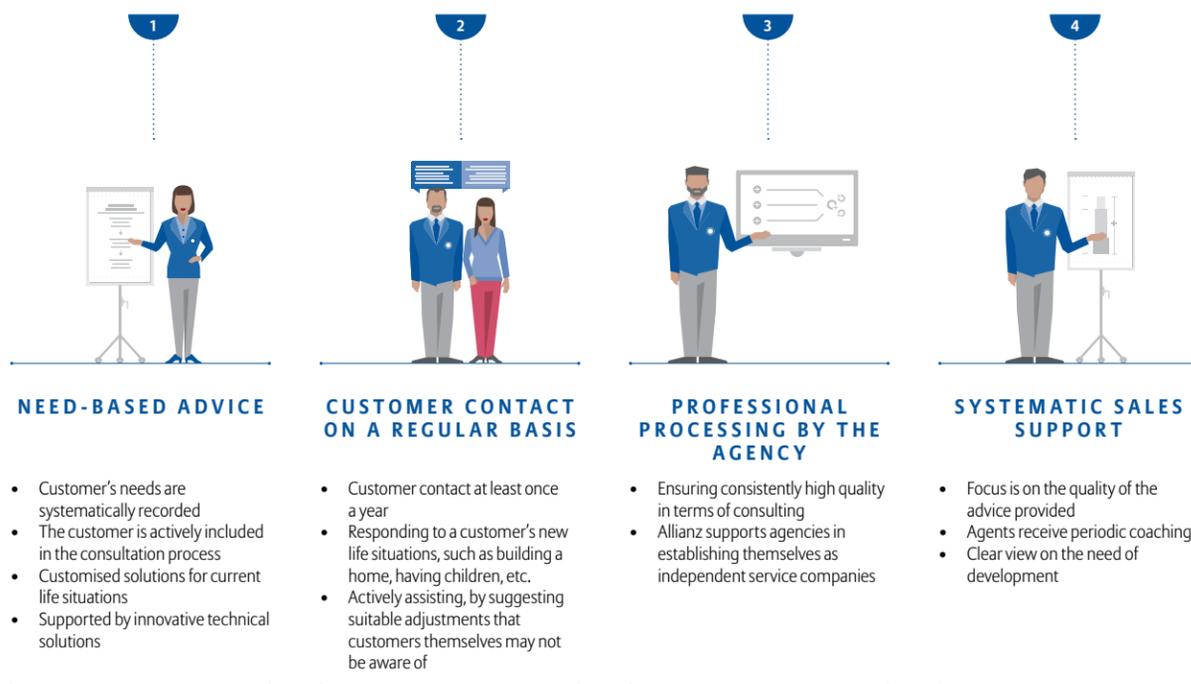


To see PwC's complete audit report, please go to:
http://www.gdv.de/wp-content/uploads/2016/10/Allianz-Beratungs-und-Vertriebs-AG_Pruefungsbericht_Verhaltenskodex_Vertrieb-n.pdf

2.2.3 — Need-based advice: an overview

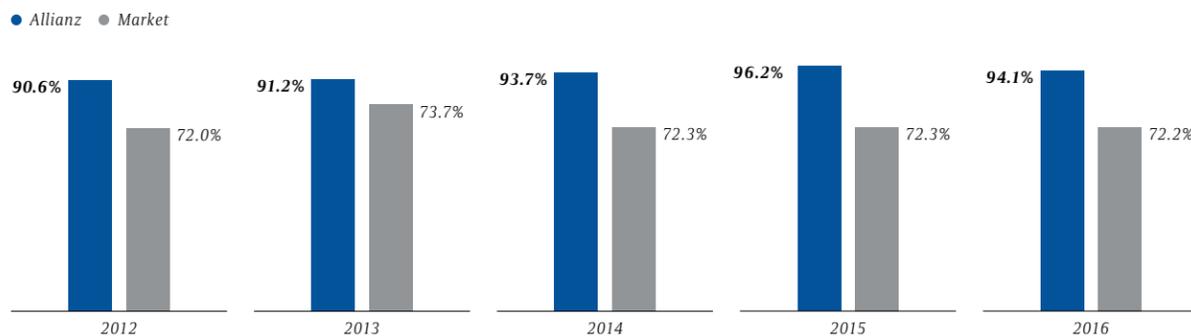
The increased demand for advice and our corporate goal of customer focus are taken into account in our need-based, holistic sales model Pro3. The 3 in the name stands for the partner-type collaboration between the contracting parties (the customers and Allianz) and the agents, who are the connecting links between the parties.

Those who consistently follow this sales model are in full compliance with the code of conduct specified in the Sales Code of the GDV (German Insurance Association). This sales model also takes into account current and upcoming amendments to customer-focused regulatory requirements (for example, the EU's Insurance Distribution Directive, "IDD"). In the areas of advice and sales, our agents are supported by training programs and coaching. This makes us pioneers in terms of implementing the insurance industry's continuous education initiative. In addition, thanks to customer-friendly call times, our agents are able to have most of their administrative tasks centrally processed over the Internet, through the customer service office in Halle, which serves as Allianz's sales support. Pro3 promotes good partnerships between customers, Allianz and agents. It is based on four factors:



2.2.4 — Training: pass rate (IHK) in relation to the market

All new insurance agents must demonstrate their proficiency by taking a comprehensive examination given by the IHK (Chamber of Commerce and Industry) for qualification as an "IHK-certified insurance agent." Prospective Allianz agents do very well. The clear difference in the pass rates compared to the market impressively demonstrates the quality of Allianz's field staff training.



2.3 — Service

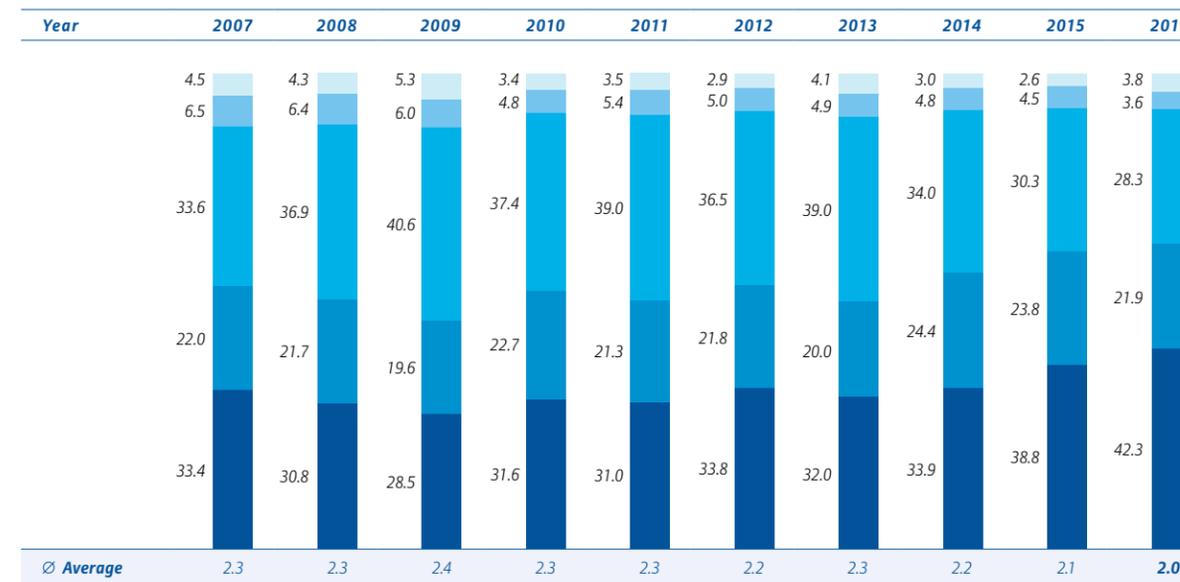
The quality of our customer service is reflected in the customer ratings for "service." The positive trend in customer ratings continued in 2016: Our average customer rating continued to improve, to 2.0, and in addition there was a significant increase in the percentage of customers who gave service a top rating. In addition to continuing well-established approaches such as the Allianz service program "ASP plus" and the Allianz Office Staff Academy, we are currently optimizing our customer service processes.

Overall rating in 2016

2.0

2015 — 2.1 · 2014 — 2.2

● completely satisfied ● very satisfied ● satisfied ● less satisfied ● dissatisfied (score ranges from 1 to 5, in %)



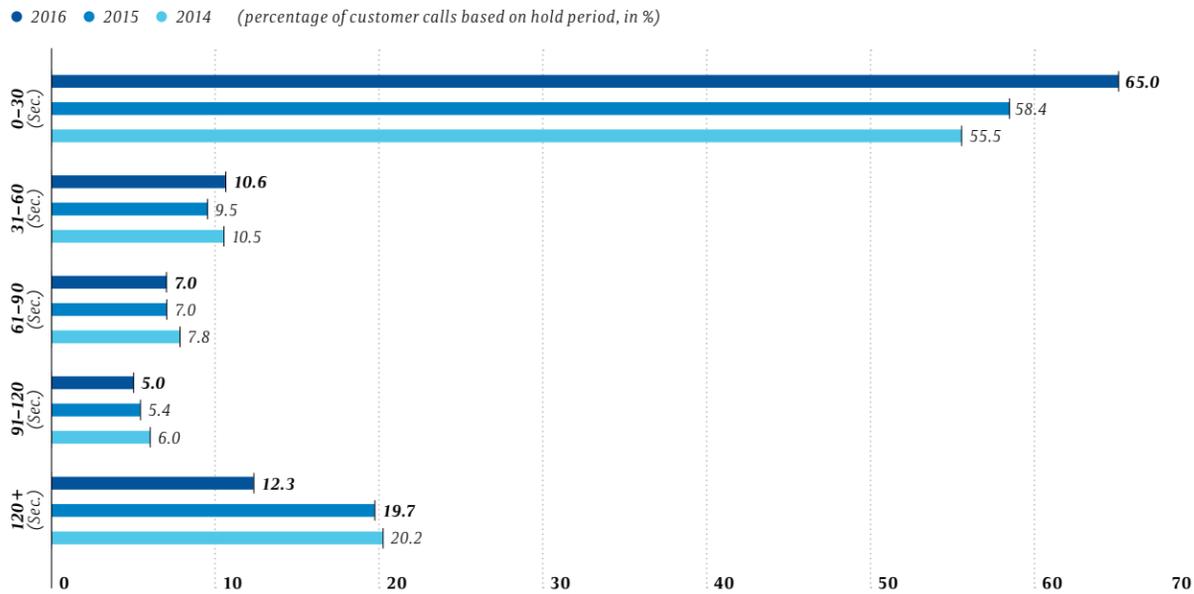
2.3.1 — The elements that make up "ASP plus"

With the ASP plus program Allianz is continually improving the customer focus of our employees. The goal is a corporate culture that focuses more strongly on the customer and goes beyond the usual and expected focus on service. Various training programs and events not only strengthen aspects of good service, such as technical expertise, speed, reliability and clarity, but also encourage a respectful attitude, appearance, and commitment to the customer. This firmly anchors customer focus as a guiding principle in the company.



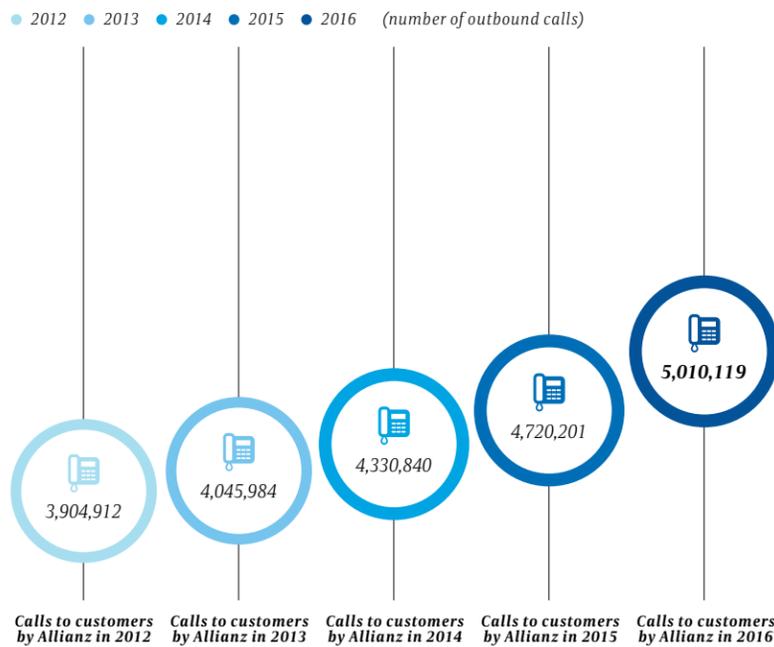
2.3.2 — Time on hold on the phone

In comparison to the previous year, time on hold has improved further. 93.5 percent of customers are reaching Allianz directly. In the years to come, we intend to further improve accessibility and time on hold through a number of measures.

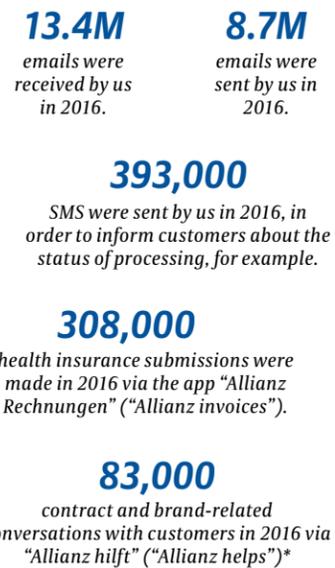


2.3.3 — Simple resolution of pending issues

Good service also means making the interaction with us as easy as possible for the customer. This includes prioritizing direct interaction with the customer. That way, brief questions that come up in connection with a statement of benefits or the processing of an application can be resolved more quickly and easily over the telephone than in writing – a protracted, time-consuming mode of communication. We not only save the customer time, but we can also prevent misunderstandings and resolve ambiguities in a timely manner. As shown by the steadily rising number of telephone calls that Allianz makes to customers, our employees are reaching for the phone ever more frequently when unresolved points need to be clarified or complicated matters need to be explained. For example, we call over 85 percent of our customers who report their occupational disability, in order to clear up potential issues early on.



DIGITAL COMMUNICATION ON THE RISE



* Facebook, Twitter, YouTube, Google+, Instagram and forum.allianz.de. Specific customer inquiries were answered within 16 minutes on average.

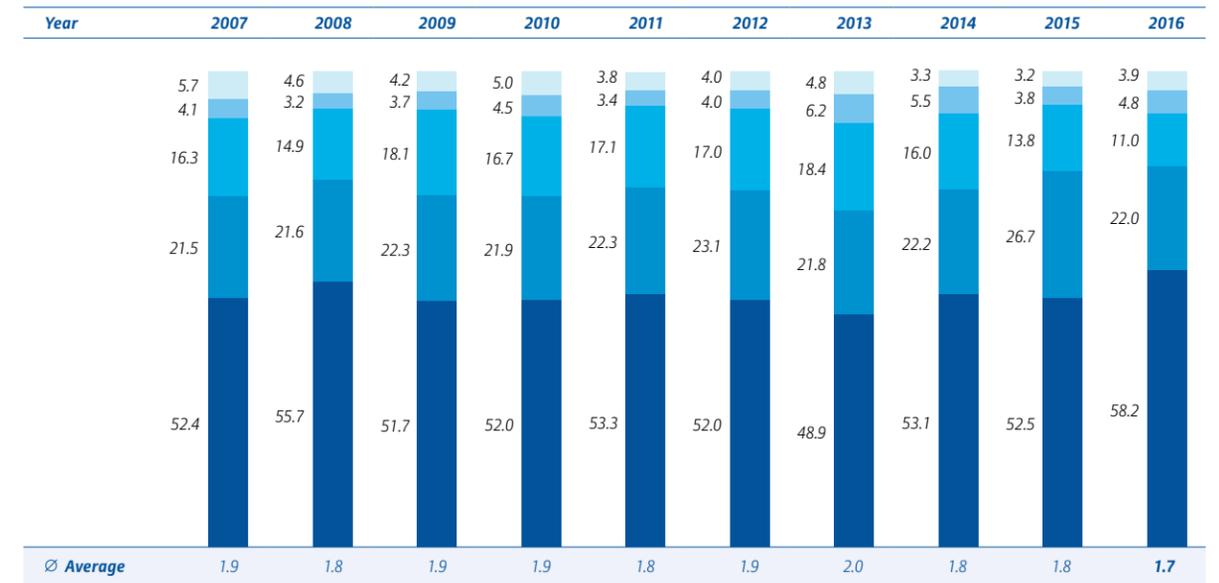


2.4 — Claims

In regard to claims processing in property insurance, the positive trend in customer satisfaction continued in 2016: We succeeded in improving our overall rating from 1.8 to 1.7, and more than four out of five customers were "completely satisfied" or "very satisfied" with the servicing of claims. Through new initiatives, we intend to serve our customers in this area even better in the future.



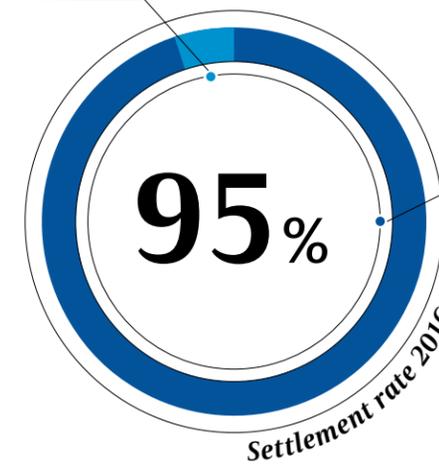
● completely satisfied ● very satisfied ● satisfied ● less satisfied ● dissatisfied (score ranges from 1 to 5, in %)



2.4.1 — Incurred losses in the reporting year

€4.88 billion in incurred losses in the 2016 reporting year

5 percent of the claims are rejected due to attempted fraud, or lack of coverage and liability; this figure is equivalent to about 117,000* claims.



95 percent of the claims are settled; this figure is equivalent to about 2,231,000 claims. A look at the facts shows that claim settlements at Allianz normally run smoothly. It is also in our interest to promptly finalize claims. Ultimately, satisfied customers are the best form of advertisement.

* Estimated value. Based on 2.348 million reported claims in 2016 (excluding automotive industry insurance services).

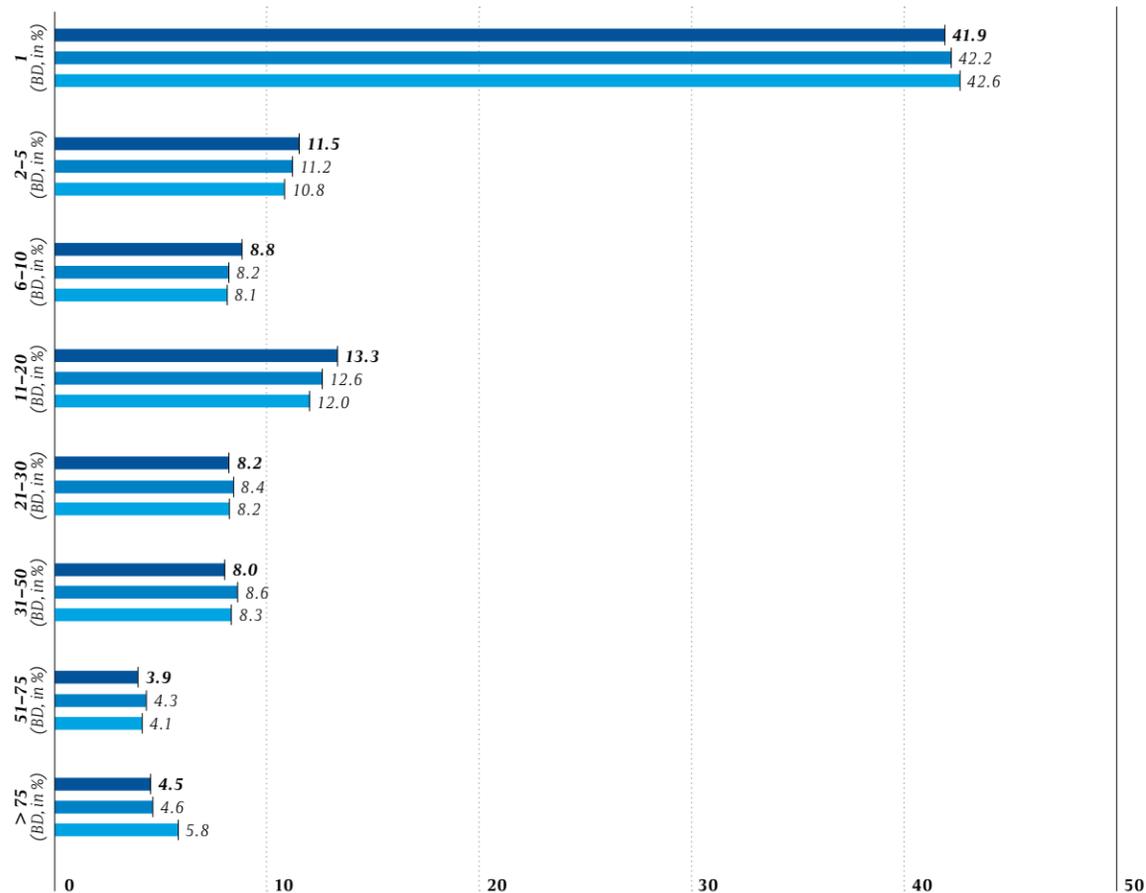
2.4.2 — Time required from creation of claim file to first payment

This is our customers' biggest concern in a claim situation. For that reason, we measure the duration from the claim file creation date to the first payment made to the customer. As the distribution shows, we settle many claims very quickly. However, sometimes it can take a long time. There are claims where one must abide by certain deadlines according to the conditions (e.g., auto theft) or that are very time-consuming (e.g., water damage followed by a long drying time).

Average time 2016 (2015/2014)

Comprehensive auto 5 days (5 days/4 days), property 3 days (3 days/3 days)

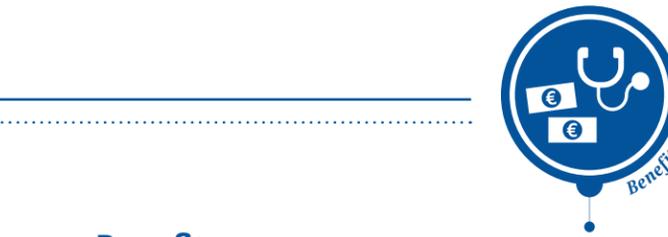
● 2016 ● 2015 ● 2014 (business days [BD], in %)



2.4.3 — Service guarantee for comprehensive auto insurance (settled in five days)

We settle damage claims within five business days, once our automobile damage service has all information necessary for settlement. That's the promise we make to our customers. And we keep this promise in almost all cases, as impressively proven by the 99 percent of damage cases that are settled within five days.

99%

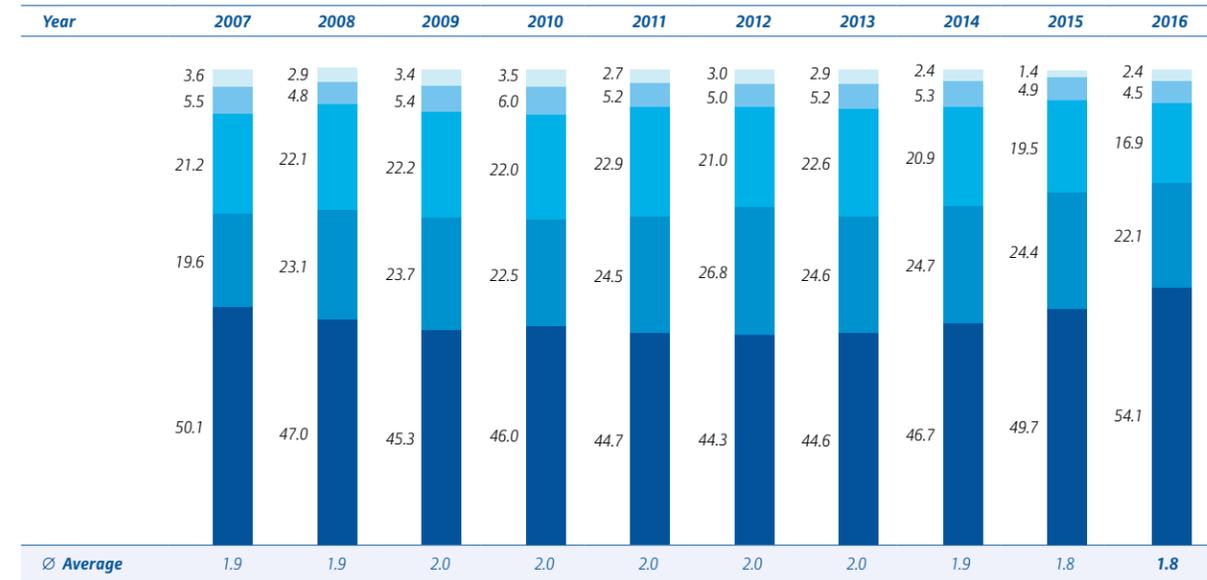


Overall rating in 2016
1.8
2015 — 1.8 · 2014 — 1.9

2.5 — Benefits

In the area of benefits, which includes life and health insurance processes, the percentage of customers who give us the highest rating has continued to make great strides: Over half of our customers are "completely satisfied" with Allianz. The main basis for this latest progress is our continual improvement.

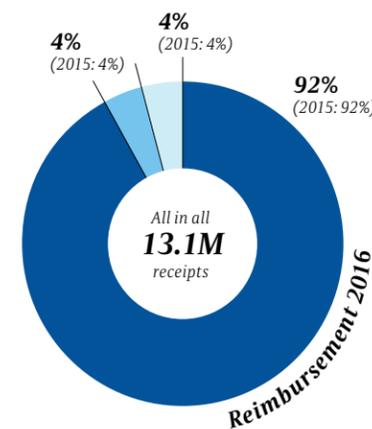
● completely satisfied ● very satisfied ● satisfied ● less satisfied ● dissatisfied (score ranges from 1 to 5, in %)



2.5.1 — Reimbursement rate for health insurance claims

We reimburse, without deductions, 92 percent of submitted receipts. In about four percent of cases, there is a deduction or the submitted claims are not insured due to respective contractual agreements. The calculations are based on receipts submitted for full health insurance and supplementary health insurance in 2016.

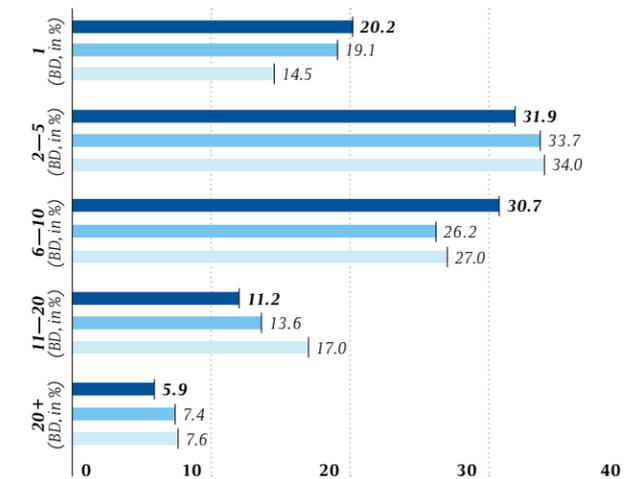
● Receipts with no deduction ● Receipts with deduction ● Receipts with uninsured claims (percentage of submitted receipts)



2.5.2 — Speed of reimbursement regarding health insurance

In particular, the portion of costs reimbursed within one day has risen further, while the portion of reimbursements that take longer than 10 days has declined considerably.

● 2016 ● 2015 ● 2014 (business days [BD], in %)





2.6 — Communication

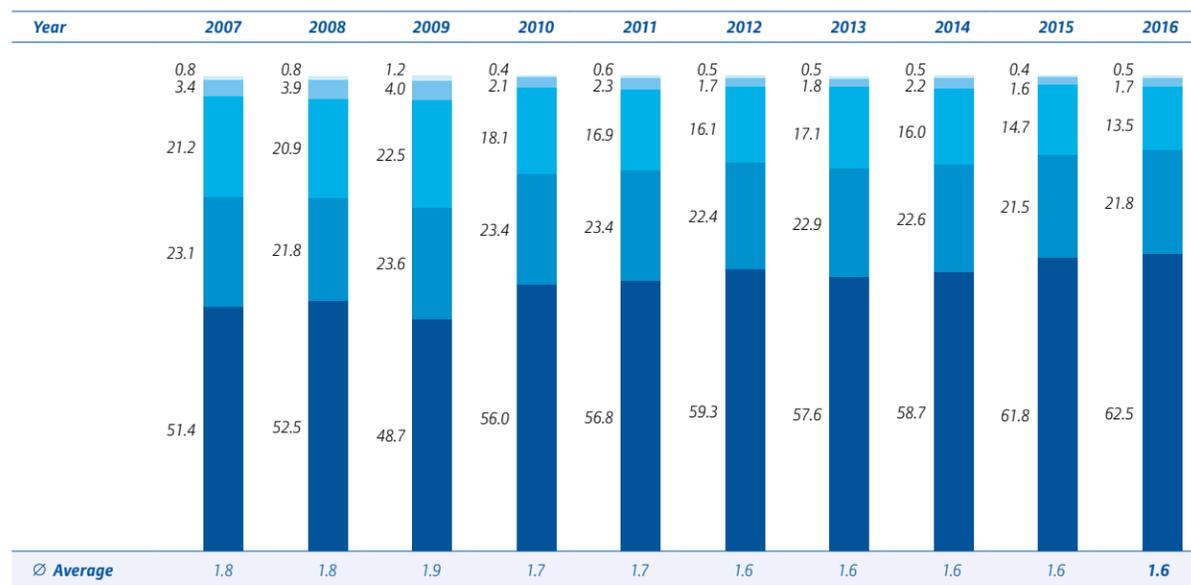
In 2016, we continued to increase the percentage of customers who are "completely satisfied" with their communication with Allianz (in letters and emails, for example) to over 60%. We keep up with our customers changing needs by increasing the use of digital communication channels.

Overall rating in 2016

1.6

2015 — 1.6 · 2014 — 1.6

● completely satisfied ● very satisfied ● satisfied ● less satisfied ● dissatisfied (score ranges from 1 to 5, in %)



2.6.1 — Comprehensibility of the top 10 letters according to the Hohenheim index

In 2016, the comprehensibility of our letters, as measured by the Hohenheim comprehensibility index ("HIX"), was at a high level, as in 2015. Because the top 10 letters investigated change every year, there are minor fluctuations over the years. In all three lines of business we achieved a high degree of comprehensibility, with 13.5 or more points. This is the result of the intensive continuous collaboration of authors, specialists, lawyers and our service employees. We are steadily expanding this collaboration for digital media as well.

(Scale 0–20, 0 = incomprehensible, 20 = very comprehensible – for example, scientific dissertations are on the lower end of the scale, and children's books on the upper end.)



2.6.2 — Online communication

1.0M
customers use
"Meine Allianz"

98.4%
of the agents (more than
7,600 individuals)
have their own home page

31.3%
of all agencies offer
an online advice link on
their homepage.

3,300
agents have their own
Facebook page

1.4M
people receive
the Allianz
email newsletter

2.7 — Principles and values*

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
2.7.1 — Speed										
1 — completely satisfied (%)	69.5	72.2	69.1	70.0	71.2	73.4	72.1	72.6	73.8	74.5
2 — very satisfied (%)	17.6	15.1	17.0	16.0	15.9	15.0	14.8	15.8	15.4	14.9
3 — satisfied (%)	8.9	8.6	9.1	9.0	8.5	7.3	8.7	8.1	7.2	7.4
4 — less satisfied (%)	2.5	2.4	2.8	3.0	2.5	2.4	2.6	2.1	2.2	2.0
5 — dissatisfied (%)	1.4	1.7	2.0	2.0	2.0	2.0	1.8	1.4	1.3	1.2
Average	1.5	1.5	1.5	1.5	1.5	1.4	1.5	1.4	1.4	1.4

2.7.2 — Competence

1 — completely satisfied (%)	67.6	73.0	68.2	69.7	72.5	73.4	74.1	73.0	76.3	72.2
2 — very satisfied (%)	19.8	16.7	19.4	18.9	16.5	15.7	15.3	16.5	14.7	17.0
3 — satisfied (%)	9.6	7.8	9.5	8.1	8.0	7.4	7.8	7.4	6.9	8.1
4 — less satisfied (%)	1.9	1.7	1.7	2.4	2.1	2.4	1.8	1.5	1.5	1.9
5 — dissatisfied (%)	1.2	0.8	1.1	0.8	0.9	1.1	1.0	1.6	0.7	0.8
Average	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.4

2.7.3 — Commitment

1 — completely satisfied (%)	68.5	71.9	69.0	71.0	72.3	74.5	72.3	73.1	76.1	74.3
2 — very satisfied (%)	18.5	16.2	17.4	16.0	15.1	14.1	14.8	16.0	14.9	15.4
3 — satisfied (%)	8.2	8.1	9.1	8.4	8.3	7.7	8.5	6.8	6.7	7.1
4 — less satisfied (%)	2.9	2.2	2.5	3.0	2.6	2.4	2.3	2.1	1.4	1.6
5 — dissatisfied (%)	1.9	1.5	2.0	1.6	1.6	1.4	2.1	2.0	1.1	1.5
Average	1.5	1.5	1.5	1.5	1.5	1.4	1.5	1.4	1.4	1.4

2.7.4 — Fairness**

1 — completely satisfied (%)	*	*	*	*	20.0	51.3	48.2	51.9	54.3	52.5
2 — very satisfied (%)	*	*	*	*	59.0	24.7	25.6	24.2	23.2	25.5
3 — satisfied (%)	*	*	*	*	**	18.9	20.6	18.5	17.8	17.4
4 — less satisfied (%)	*	*	*	*	16.0	3.3	3.4	3.5	3.2	3.1
5 — dissatisfied (%)	*	*	*	*	5.0	1.9	2.1	1.8	1.6	1.5
Average	*	*	*	*	2.3	1.8	1.9	1.8	1.7	1.8

2.7.5 — Transparency

1 — completely satisfied (%)	63.4	66.5	63.3	66.5	67.7	70.6	70.1	69.5	72.4	70.8
2 — very satisfied (%)	20.9	18.2	19.4	19.6	19.0	17.7	17.3	17.7	16.5	17.5
3 — satisfied (%)	12.8	12.5	14.1	11.5	10.7	9.3	10.2	10.6	9.2	9.6
4 — less satisfied (%)	2.0	2.0	2.2	1.6	1.7	1.6	1.7	1.4	1.3	1.4
5 — dissatisfied (%)	0.9	0.9	1.0	0.9	0.9	0.8	0.8	0.8	0.7	0.8
Average	1.6	1.6	1.6	1.5	1.5	1.4	1.5	1.5	1.4	1.4

* The 2016 customer report is the last report in which we will be publishing customer ratings of our principles and values. The reason for this is that customer opinions about principles and values can no longer be collected because of changes in the logic of the Net Promoter Score survey of the general population.
** The value for fairness was measured by an external study in 2011; in-house measurement was first conducted in 2012.

COMPLAINTS REPORT

Because we see complaints as an opportunity to make improvements, we are thorough in dealing with dissatisfied customers. The graphs depict complaint-related trends and facts pertaining to complaint handling.



3.1 — Complaints sent to BaFin and the Ombudsman

Both BaFin (Federal Financial Supervisory Authority) as well as the neutral insurance Ombudsman allow for formal complaint procedures. On an individual basis, BaFin can issue formal notices or generally perform supervisory audits. The Ombudsman reviews actual decisions made by the insurance company within the scope of an arbitration process. Its decisions are binding for the insurance company.

3.1.1 — Number of complaints

In 2016, Allianz companies experienced a positive trend in regard to complaints filed with the German Federal Financial Supervisory Authority (BaFin) and the German Ombudsman. Submissions to BaFin decreased by 26% overall. The total number of Ombudsman complaints decreased by 8%.



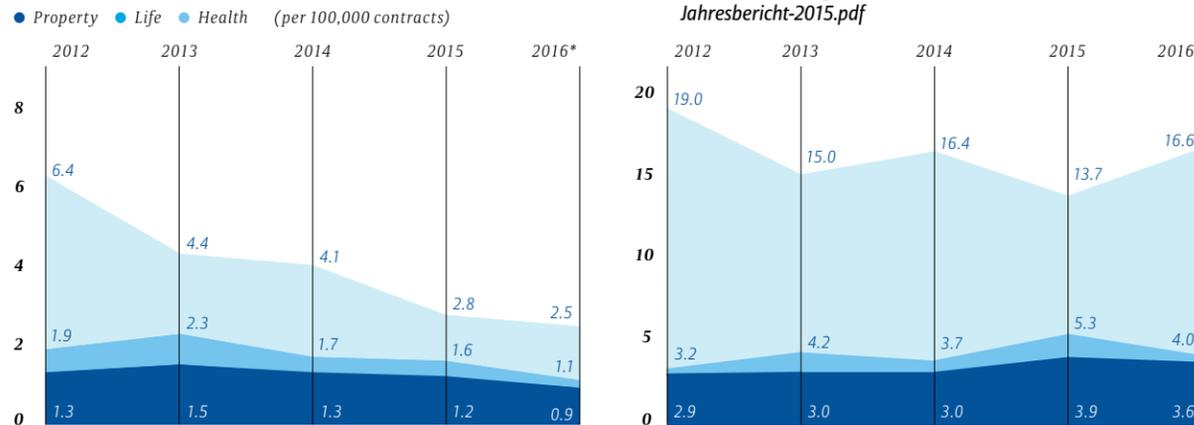
3.1.2 — Comparative rates of complaints

BaFin
Every year, the insurance supervisory authority publishes detailed, company-specific complaint statistics. To find out more, please go to:

» https://www.bafin.de/SharedDocs/Downloads/DE/Statistik/Beschwerde/dl_st_2015_beschwerde.html

Ombudsman
The insurance Ombudsman and the Ombudsman for private health insurance also report on trends regarding complaints filed with them. To find out more, please go to:

» www.pkv-ombudsmann.de/taetigkeitsbericht/
» www.versicherungombudsmann.de/Ressourcen/PDF/Jahresbericht-2015.pdf

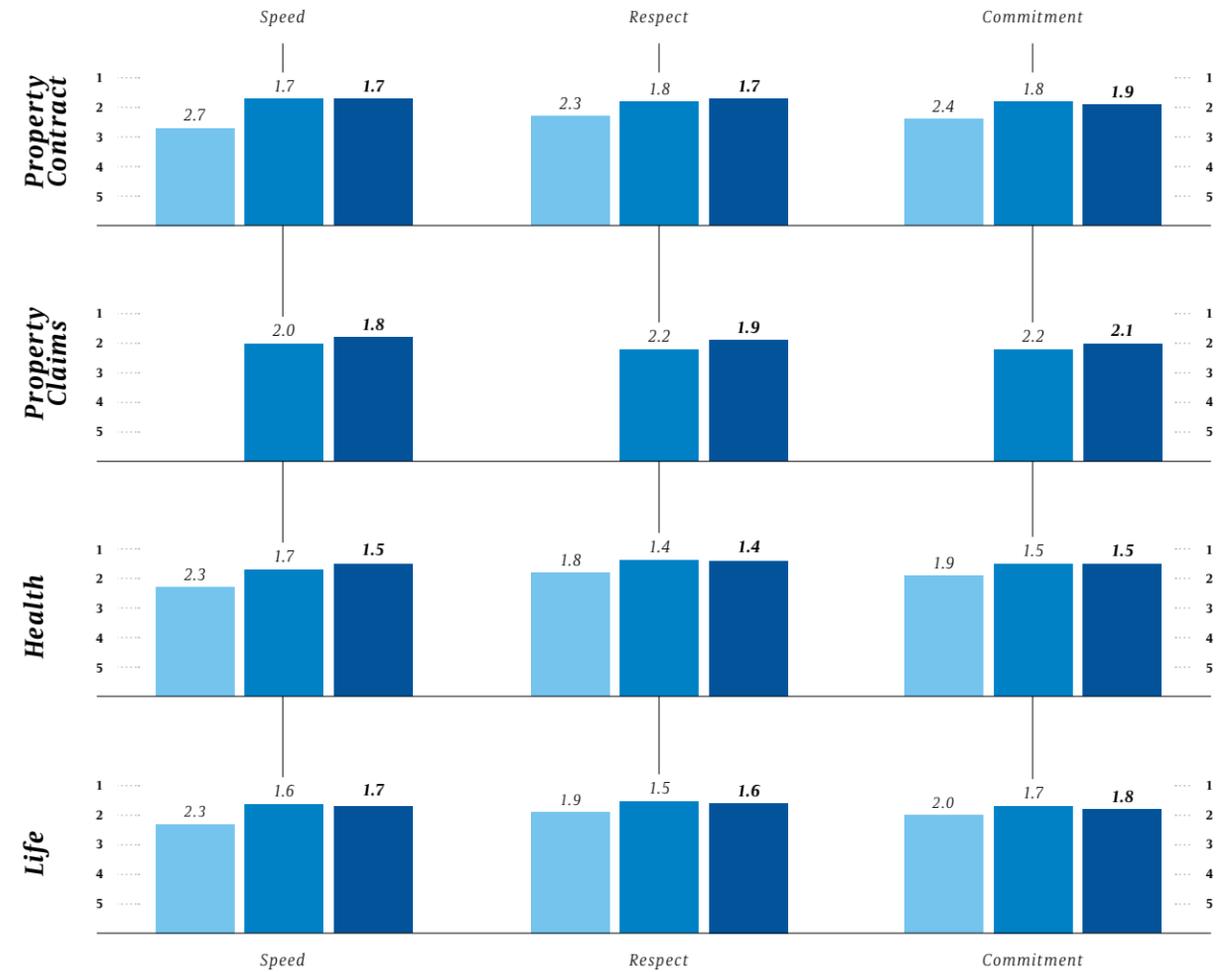


*Source: internal count, since official BaFin statistics will not be published until May 2017

3.2 — Satisfaction with complaint-handling procedures

The previous year's positive trend continued most notably in property damage claims and health insurance. All in all, our customers were more satisfied with the processing of their complaints. They noticed that the complaints process was quicker, more respectful and more committed. Since 2015, subdividing the investigation of satisfaction regarding the complaints process in property insurance makes it possible for subtle differences in the areas of contract processing and claims processing to be considered.

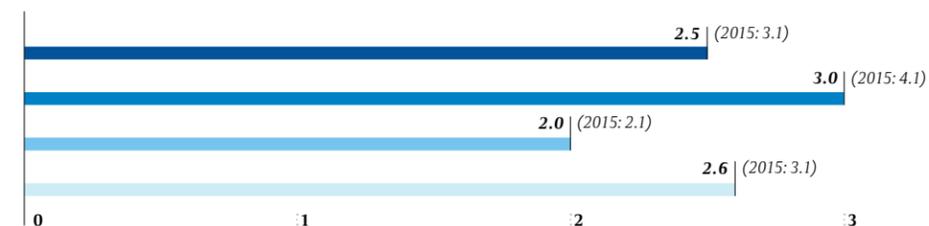
● 2014 ● 2015 ● 2016 (Score ranges from 1 to 5)



3.3 — Average complaint-processing time

Our goal is to respond to every complaint within five working days. We were able to meet this goal in over 90 percent of cases. A consistently positive trend was observed in those areas.

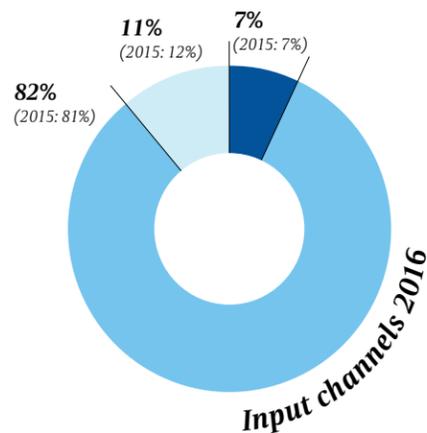
● Property ● Life ● Health ● In total (time in business days)



3.4 — Input channels

In 2016, 80 percent of complaints were communicated by telephone. This medium's advantage is that questions can be cleared up directly in the conversation.

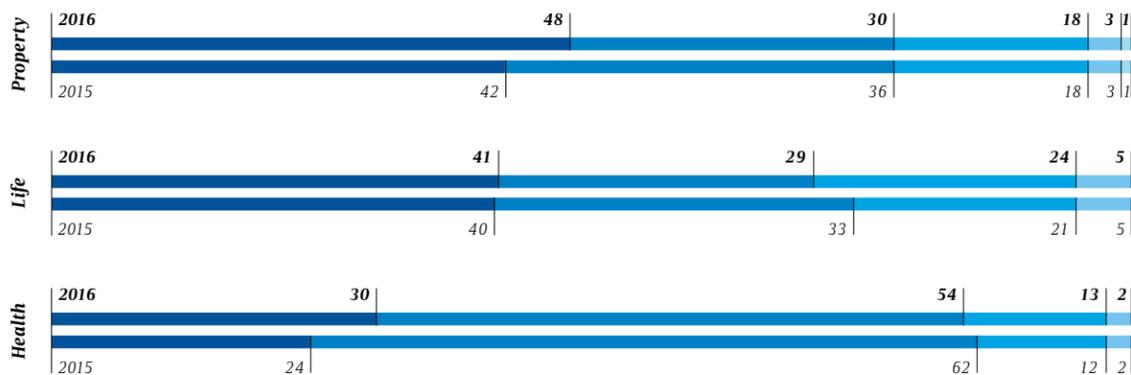
● Post ● Telephone ● Email (in %)



3.5 — Major causes of complaints

In all divisions, most complaints were about comprehensibility and speed. Thanks to our efforts to improve accessibility and process claims more quickly, the portion of complaints about speed was 17% lower than in the prior year. The overall number of complaints declined by 7%.

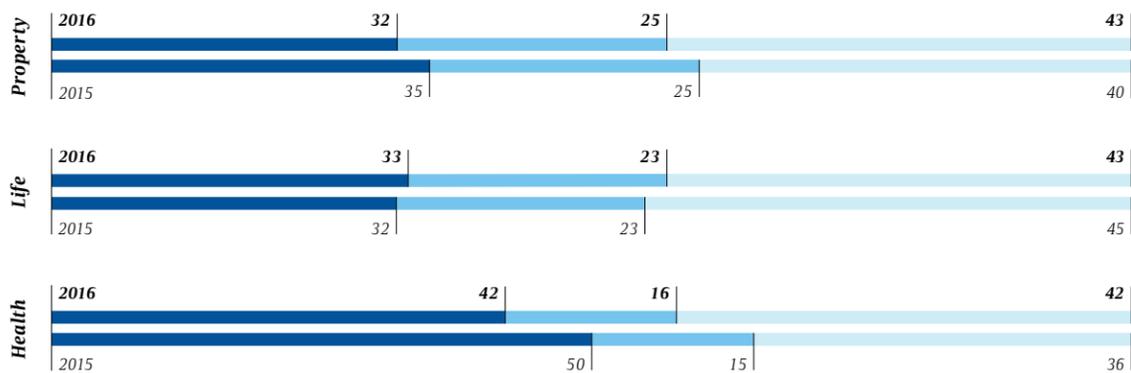
● Comprehensibility ● Speed ● Expertise ● Commitment ● Respect ● Reliability (according to service parameters, in %)*



3.6 — Complaint resolution

We were able to fully or partially address the causes of the complaints in a large number of cases. Particularly in cases of complaints about comprehensibility and processing time we were able to find a remedy.

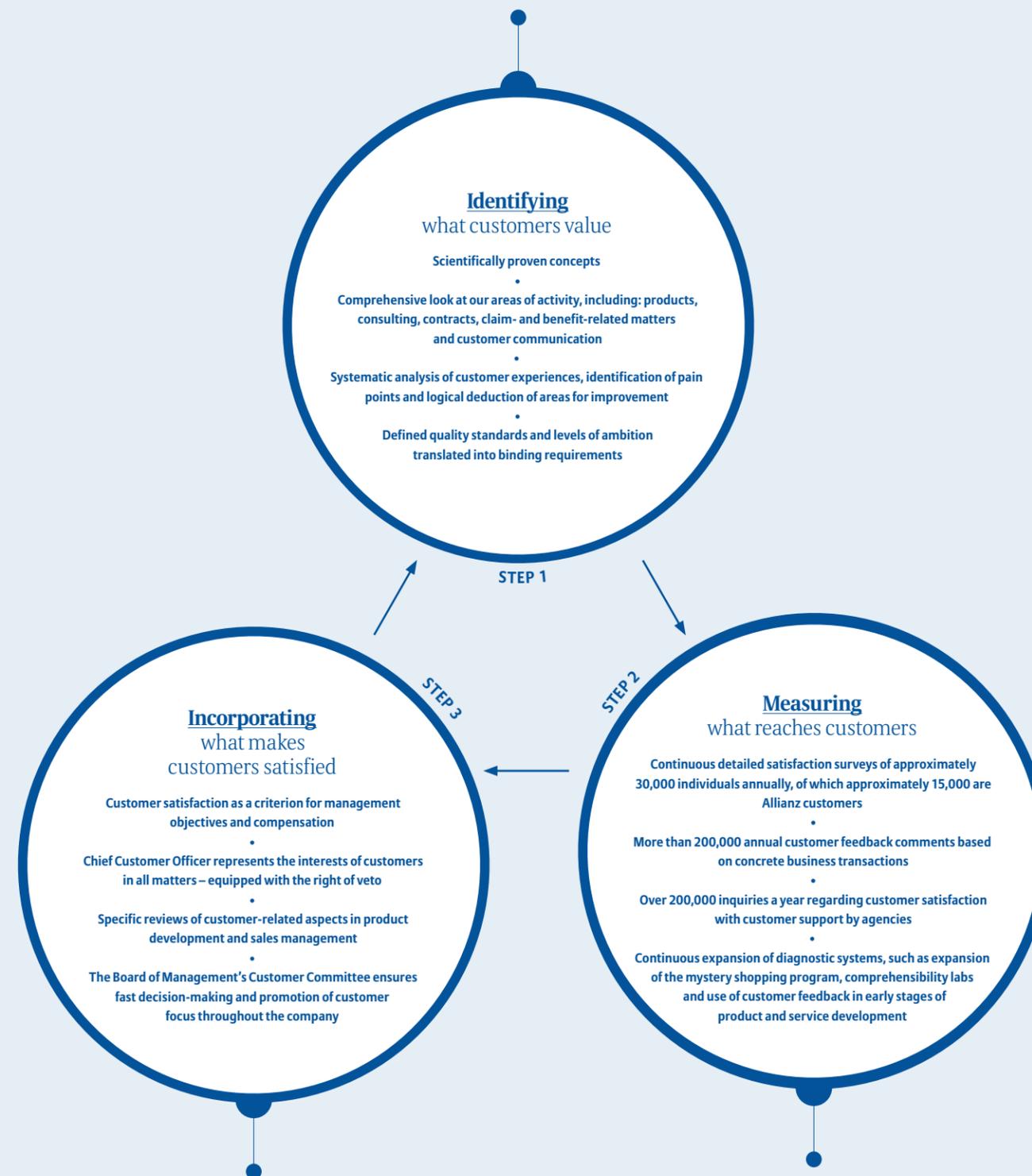
● Resolved ● Partially resolved ● Unfounded, no remedy available (resolution rates, in %)



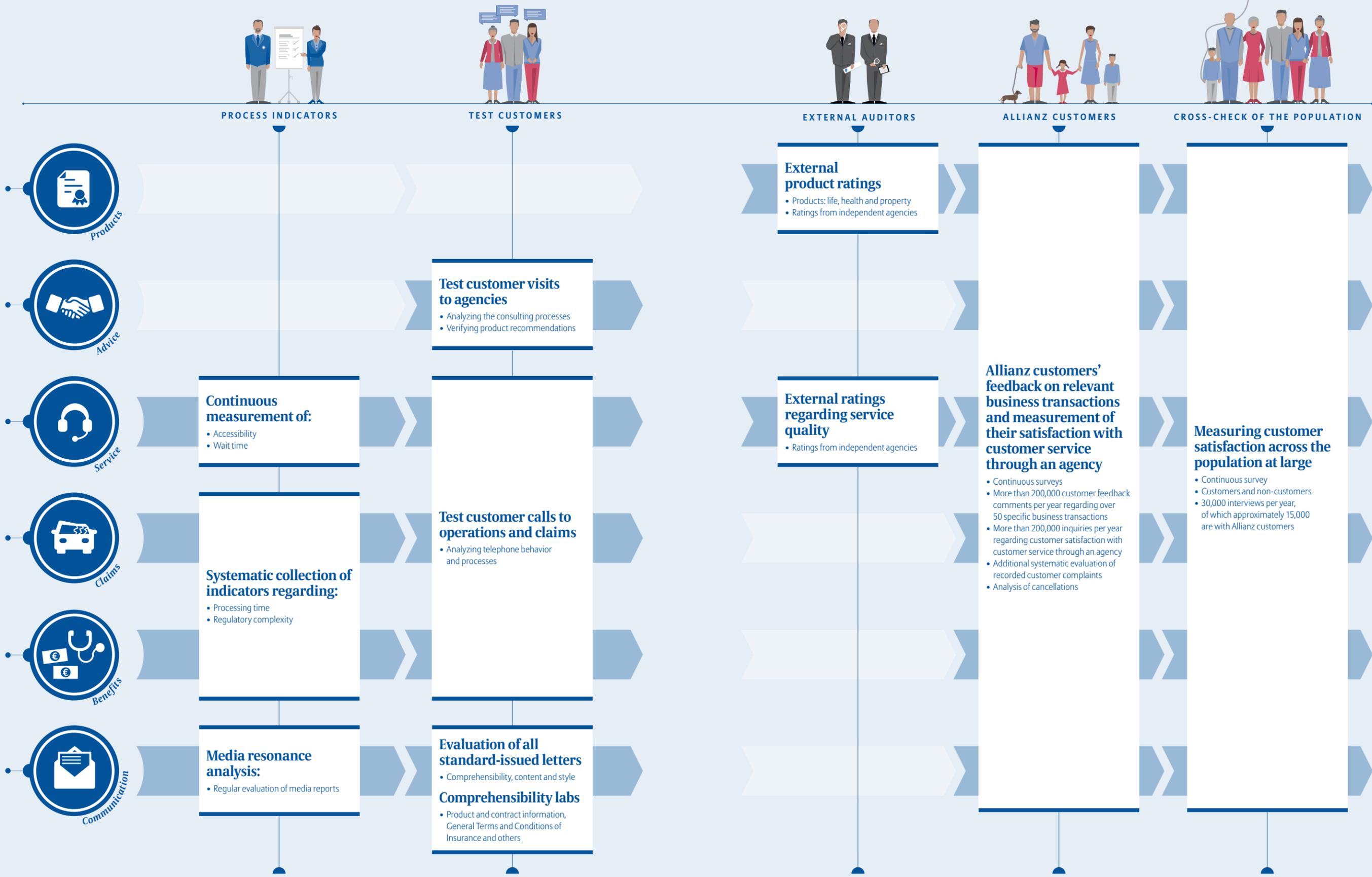
* If no figure is shown for a service parameter, then it is 0%.

SYSTEMATIC CUSTOMER FOCUS

4.1 — Our approach for achieving a systematic customer focus



4.2 — Our measuring system for systematic customer focus



4.3 — Board committees for a systematic customer focus



4.3.1 Customer Committee

The Board of Management's Customer Committee is responsible for improving customer service across Allianz Deutschland AG divisions.

All product providers, persons representing Claims, Operations, Sales, Human Resources, and the Chief Customer Officer (CCO) regularly meet under the chairmanship of Market Management.

The CCO manages the customer satisfaction programs for all divisions, as well as all centrally directed initiatives (such as "Betrieb 2020") that have the goal of increasing the customer focus of Allianz Deutschland. He checks the progress of measures taken, prioritizes measures, and orders new programs as circumstances require. He is also responsible for the continual development and review of tools for measuring customer satisfaction.

4.3.3 Digital Committee

The Board of Management's Digital Committee supervises the continual development of Allianz Deutschland AG's digital solutions.

All product providers, Market Management, Finance, Sales, Company Organization and IT regularly meet under the chairmanship of Operations.

The Digital Committee supervises and makes decisions regarding the development, optimization and introduction of digital user interfaces, digital applications and tools, and new IT architecture. At the same time, it makes sure that the digital customer interfaces are simple, user-friendly and oriented to the customers' needs.

4.3.2 Market Committee

The Board's Market Committee coordinates basic and interdepartmental issues pertaining to market presence as well as the products and services offered.

All product providers, all Sales departments, the Company Organization, and Market Management are represented in this committee.

The Market Committee meets every two months and monitors the current status of product developments and innovation processes. Customer interests, including transparency and fairness, are integrated in the product development process as mandatory criteria which are reviewed by Market Management.

4.3.4 Sales Committee

The Board of Management's Sales Committee manages the new business development and customer development of Allianz Deutschland AG.

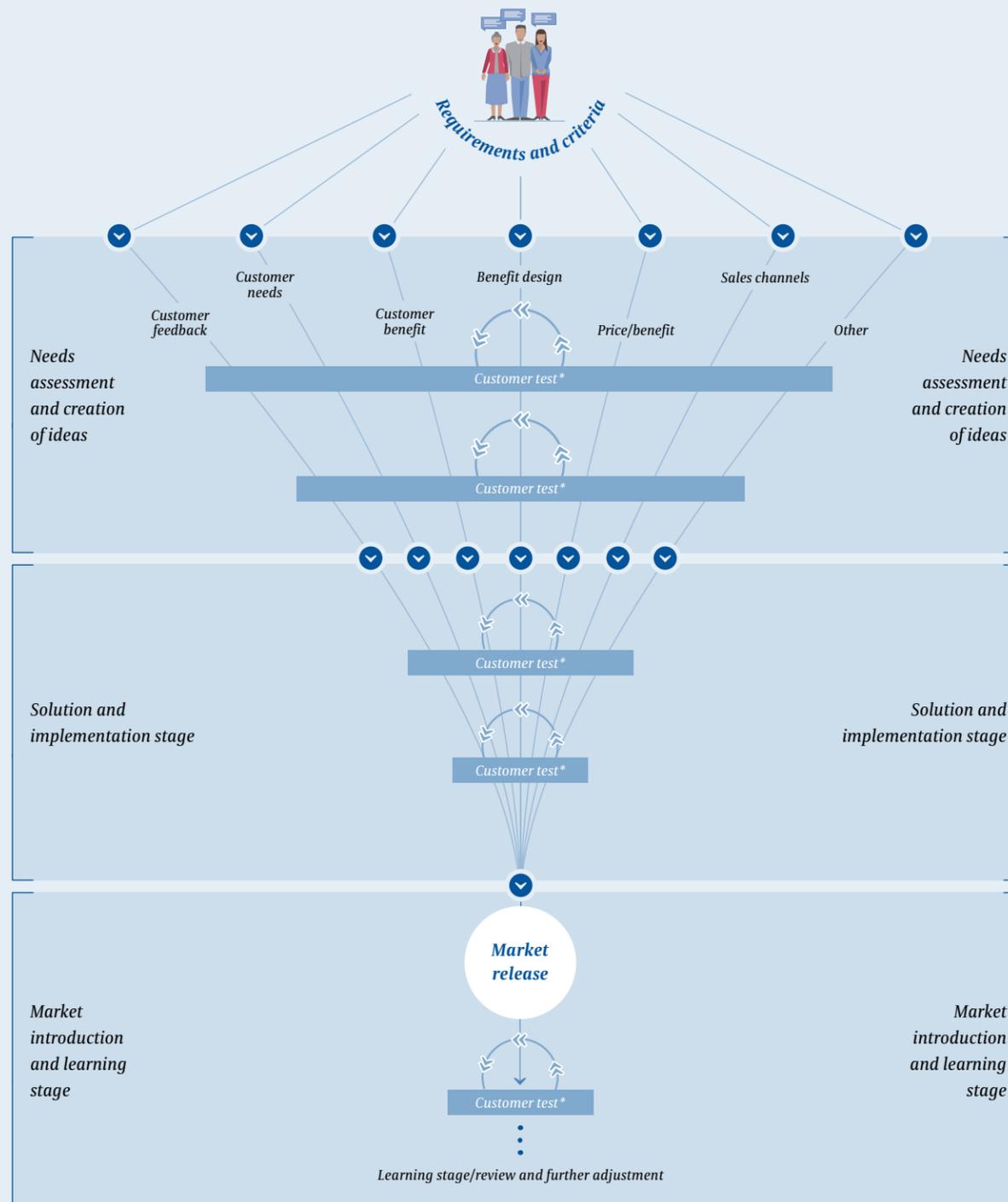
The regional sales departments, Brokerage Sales, Bank and Specialized Sales, Digital Sales, Market Management, Global Automotive, and Allianz Pension Partners regularly meet under the chairmanship of Sales.

The Sales Committee ensures the best possible offer for products and an optimal cooperation of sales channels; establishes, with product providers, comprehensive focus areas for sales; and coordinates sales requirements for the products and services that are offered.

4.4 — Product development process

Product development at Allianz follows a clearly defined process in which all involved corporate functions are systematically included at an early stage. We are firmly committed to developing sustainable products with maximum customer focus. In addition, key customer satisfaction criteria such as the cost-benefit ratio, fairness, comprehensibility and transparency have been firmly anchored.

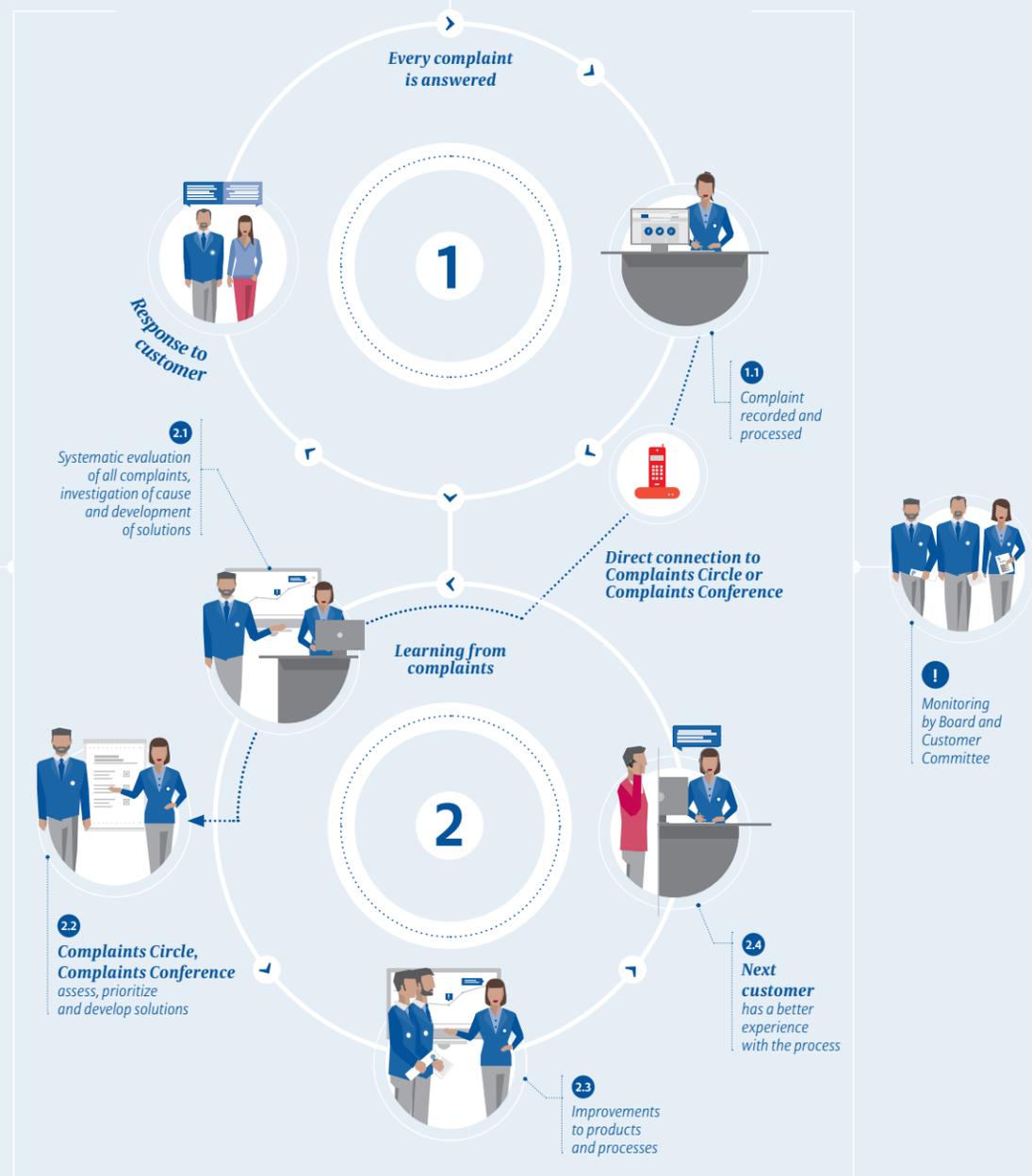
In 2016, the Allianz Deutschland AG product development process was extensively revised. Among other things, we were aiming for a stronger strategic orientation, earlier involvement of customers through systematic customer tests, and an even greater focus on product innovations. In the future, our sales partners, particularly local agencies, banks and brokers, and internal service personnel will make an even greater contribution to our practice-oriented product development, giving us the benefit of their experience from the very beginning. Product ideas and concepts are tested on potential customers at various stages. The lessons learned are fed back into the process and in that way make it possible to develop products with the greatest benefit for the customer.



* The customer test results are fed back into the process. If a customer test produces negative results, then adjustments must be made and, if necessary, new tests must be conducted.

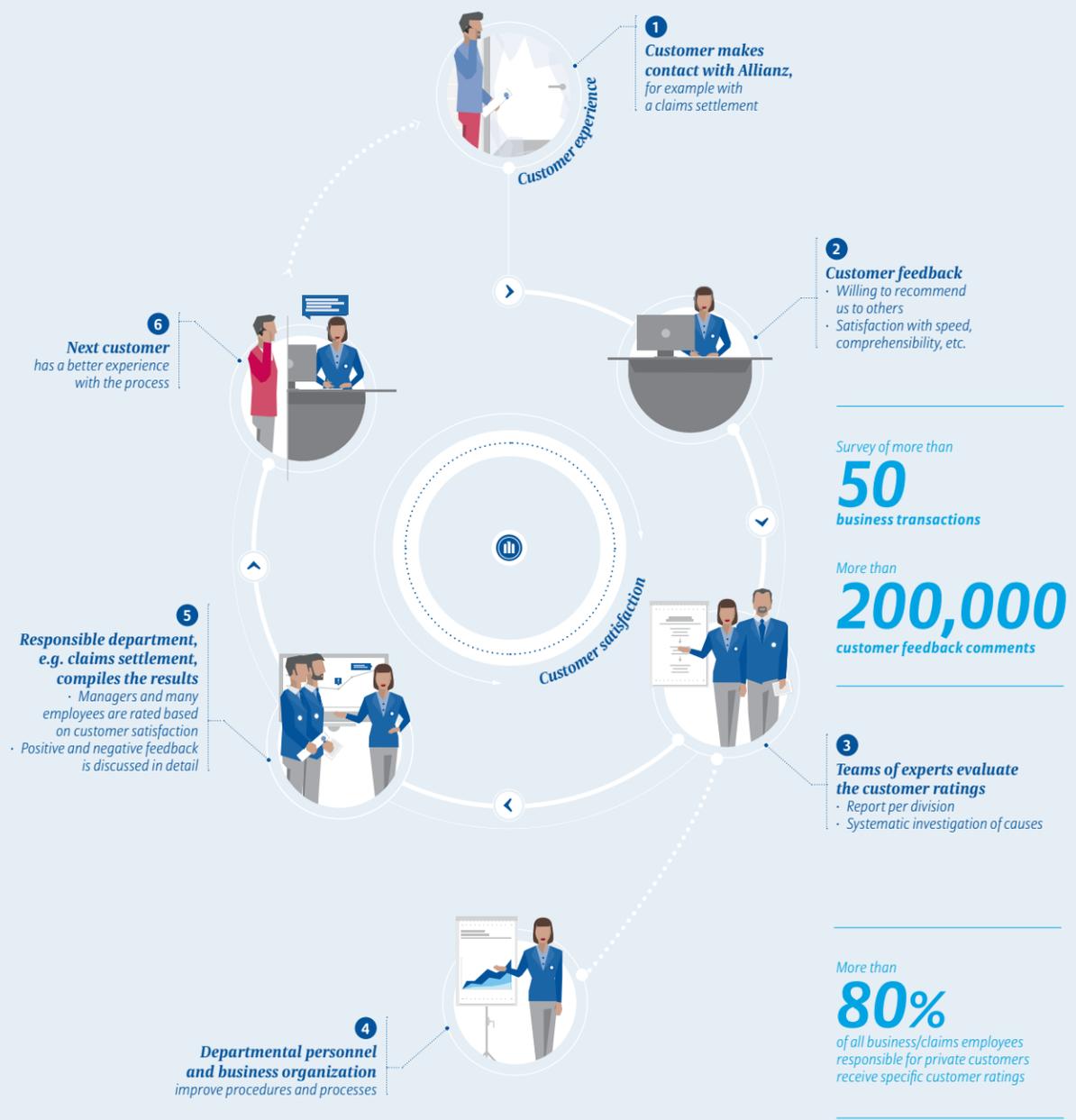
4.5 — An organization willing to learn

Nobody is happy about complaints, but Allianz sees them as a valuable source of knowledge that it can exploit in a rigorous and systematic manner in order to become better and better.



4.6 — Continuous customer feedback

Impressing customers is one of Allianz's strategic objectives. To achieve this goal, customer feedback is at the core of the systematic improvement process. On a regular basis, Allianz measures how satisfied customers were with the service they received. This customer feedback is systematically evaluated and the findings are used to incorporate improvements in the company over the long term. On a regular basis, managers and employees meet to discuss customer feedback and then develop measures to enhance service. In addition, our management, company-wide, is directly measured by the customer feedback.



SOURCES AND COMMENTS

When referring to persons in general, we have used the masculine form in this document for reasons of readability. However, all persons are always spoken to in the spirit of equal treatment.

Back cover:

The definition of “courage” comes from <http://www.duden.de/rechtschreibung/Mut>

I. Customer satisfaction

Unless mentioned otherwise, the primary source for all customer satisfaction values is the “Allianz Customer Satisfaction Survey” conducted by TNS Infratest continuously since 2006. It allows Allianz to survey approximately 30,000 people annually, of which half are Allianz customers. Unless specified otherwise, the customer satisfaction ratings are measured on a five-point scale: 1) completely satisfied, 2) very satisfied, 3) satisfied, 4) less satisfied, and 5) dissatisfied.

Customer assessments Overall result

Assessment (1.8) corresponds to the weighted average value of the scores for the areas of activity. The weighting of the areas of activity (products, advice, service, claims, benefits, and communication) is calculated from statistical regression analyses. Their validity was confirmed by the Institute for Market-Based Management at the Ludwig Maximilian University Munich. The weighting refers to the relative explanatory strength of the respective area of activity for customer satisfaction. The areas of activity are incorporated into the overall result with the following weighting: Products 22 percent, Advice 26 percent, Service 13 percent, Claims 14 percent, Benefits 13 percent, Communication 12 percent. The overall opinion (2.1) corresponds to the surveyed overall customer satisfaction, based on the question of “How satisfied are you overall with your insurance provided by Allianz?” without differentiating according to experiences. The group averages are depicted on a percentage basis for the respective share of the customer satisfaction value.

• Products

Level of agreement with the statement “Allianz provides first-class insurance products and solutions” based on a five-point scale: 1) Strongly agree, 2) Agree somewhat, 3) Agree in some respects, 4) Disagree somewhat, 5) Strongly disagree. To ensure consistent interpretation, the most commonly applied satisfaction scale was used for the presentation.

• Advice

Response to the question: “How satisfied were you with your agent on the occasion of your last contact?”

• Service

Contact-weighted average value of satisfaction questions after telephone contact and written contact with Allianz office staff: “How satisfied

were you with the last telephone contact with Allianz office staff?” and “How satisfied are you with the last written contact with Allianz office staff?”

• Claims

Reply to the question: “How satisfied are you overall with the last claims settlement?”

• Benefits

Reply to the question: “How satisfied are you overall with the last benefits settlement?”

• Communication

Level of agreement with the statement “Allianz letters and documents are worded in an understandable way” based on a five-point scale: 1) Strongly agree, 2) Agree somewhat, 3) Agree in some respects, 4) Disagree somewhat, 5) Strongly disagree. To ensure consistent interpretation, the most commonly applied satisfaction scale was used for the presentation.

Customers' Rating – Principles & Values

To ensure consistent interpretation, the most commonly used satisfaction scale was applied for the presentation. The score awarded to the values is the average of the customer feedback on the following bulleted statements based on a five-point scale. 1) Strongly agree, 2) Agree somewhat, 3) Agree in some respects, 4) Disagree somewhat, 5) Strongly disagree. Variations from 100 percent are caused by rounding.

• Competence

The agents' knowledge is so thorough that they can also answer special insurance-related questions. Employees from the Claims/Benefits Department can answer special questions regarding the respective case. I can count on the information provided by the agent.

• Transparency

The agent explains difficult circumstances in an understandable way. The claim/record/submission forms were understandable and easy to complete. The office staff explain complex circumstances in relation to the insurance in an understandable manner. The policy and policy documents explain in an understandable way what is and is not insured. Allianz letters and documents are worded in an understandable manner.

• Commitment

The agent deals with my concerns in a committed manner. The staff in the Claims/Benefits Department deal with my concerns in a committed manner. The consultant deals with my concerns in a committed manner. The agent takes time and listens. I am able to rely on information from the agent in relation to the insurance. The office staff took time and made an effort to understand my concerns. The office staff explain difficult circumstances in an understandable manner. I am able to rely on

information from the Claims/Benefits Department.

• Speed

The agent reacts quickly if I have a question or concern. Staff in the Claims/Benefits Department process my concern quickly. The office staff process my concern quickly.

• Fairness

The insurance company fosters customer relations based on partnership and fairness. Different method used prior to 2012: the survey was based on a four-point scale with the response options “Completely correct”, “Somewhat correct”, “Somewhat incorrect”, “Completely incorrect.” (Source: Service Value; Benchmark study in relation to the competition: Sustainable customer focus in insurance; survey year 2011.) For comparability purposes, this translates as scores 1, 2, 4, and 5.

II. Further details in the individual chapters

Ch. 1 – In focus: Be bold

- **p. 16–19: Courage is the mother of wisdom**
Statistics on German students studying abroad come from: Statistisches Bundesamt (ed.): Deutsche Studierende im Ausland, Statistischer Überblick 2003–2013. Wiesbaden 2015, p. 47; statistics on marriages come from the website of the Statistisches Bundesamt. Can be accessed at: <https://www.genesis.destatis.de/genesis/online/link/tabelleErgebnis/12611-0001>. / Statistics on birth rates come from: Statistisches Bundesamt (ed.): Geburtenziffer 2015 – Erstmals seit 33 Jahren bei 1,50 Kindern je Frau. Pressemitteilung vom 17. Oktober 2016 (373/16). / Statistics on parental allowance come from: Statistisches Bundesamt (ed.): Familienreport 2014. Wiesbaden 2015, Fig. 47. Statistics on foundations of businesses come from: Bundesministerium für Wirtschaft und Energie (ed.): Unternehmensgründungen und Gründergeist in Deutschland. Zahlen und Fakten. Berlin 2016, p. 4 and p. 12. / Source regarding white helmets from the White Helmets website. Can be accessed at: nobelpeaceprize.whitehelmets.org/en.
- **p. 22–23: Payday**
Source for “More life in us than we thought”: the German Insurance Association's campaign. Can be accessed at: <http://www.7jahrelaenger.de/>; source for “Only as criminal as in ‘the good old days’”: Antholz, Birger: Kriminalitätsentwicklung 1835/82 bis 2014 im Hell- und Dunkelfeld. In: Monatsschrift für Kriminologie und Strafrechtsreform 97(2). Munich 2014, pp. 115–130. / Source for “Accurate weather forecasters”: Deutscher Wetterdienst (ed.): Wie gut sind Wettervorhersagen? Qualitätsprüfung beim DWD.

Offenbach 2009. / Source for “Trust is good”: Ortiz-Ospina, Esteban; Roser, Mark: Trust. Online publication, 2016. Can be accessed at: <https://ourworldindata.org/trust>. / Source for “No X as a signature”: Gapminder (ed.): The Ignorance Survey – Germany. Online publication, 2014, p. 6. Can be downloaded as PDF file from: <https://www.gapminder.org/news/ignorance-survey-in-germany-2014/>. / Source for “Fighting disease”: the website of the World Health Organization. See: <http://www.who.int/mediacentre/factsheets/fs114/en/>. Source for “Leaving extreme poverty behind,” Gapminder (ed.): The Ignorance Survey – United States. Online publication, 2013, p. 11. Can be downloaded as a PDF file from: <http://www.gapminder.org/GapminderMedia/wp-uploads/Results-from-the-Ignorance-Survey-in-the-US.pdf>. / Source for “Open-minded attitudes make us happier”: Deutsche Post (ed.): Glücksatlas 2016. / Source for “The unlikely case of an attack”: death statistics: Bundesministerium des Innern (ed.): Anschlag auf den Weihnachtsmarkt am Berliner Breitscheidplatz, press release on 12/20/2016. The probability of dying as the result of a terrorist attack in Germany is based on the entire population, as stated by the Statistisches Bundesamt on 12/31/2015, www.destatis.de. Statistisches Bundesamt (ed.): Gesundheit – Todesursachen in Deutschland 2014. Wiesbaden 2016, p. 1 and p. 6. / Source for “And money does bring happiness after all”: Niehues, Judith: Subjektive Ungleichheitswahrnehmung und Umverteilungspräferenzen – ein internationaler Vergleich. In: IV-Trends 41(2). Cologne, 2014. Helliwell, John; Layard, Richard; Sachs, Jeffrey: World Happiness Report 2016 – Volume 1. New York, 2016.

- **p. 32–38: High-wire act.**
See Bayerische Zugspitzbahn Bergbahn AG (Hg.): Neue Seilbahn zur Zugspitze. Press release of 7/7/2015. / Deutscher Wetterdienst (ed.): Vor Ort – Bergwetterwarte Zugspitze. Can be accessed at: http://www.dwd.de/SharedDocs/broschueren/DE/presse/standorte/ww_zugspitze_pdf.pdf?__blob=publicationFile&v=4.

Ch. 2 – Allianz products and what they mean to you

- **p. 50–51: Help for those who are left behind**
Statistics on consumption expenditures of single parents come from Statistisches Bundesamt (ed.): Statistisches Jahrbuch 2016. Wiesbaden 2016, p. 169. / Statistics on widows' and orphans' pensions comes from: Deutsche Rentenversicherung (ed.): Rentenversicherung in Zahlen 2016. Berlin 2016, p. 35. / Death statistics come from: Statistisches Bundesamt (ed.): Gesundheit – Todesursachen in Deutschland 2014. Wiesbaden 2016, p. 1 and p. 6. / Statistics on consumer spending on children come from: Statistisches Bundesamt (ed.): Konsumausgaben von Familien für Kinder. Wiesbaden 2014, p. 6. / Statistics on term life insurance come from Gesamtverband der Deutschen Versicherungswirtschaft (ed.): Die deutsche Lebensversicherung in Zahlen 2016. Berlin 2016, p. 14.
- **p. 52–53: Starting life with courage**
Statistics on accidents and illnesses in children come from: Statistisches Bundesamt

(ed.): Verkehrsunfälle. Kinderunfälle im Straßenverkehr. Wiesbaden 2016; and from Gilles, Vasall u.a.: Challenges for Children and Adolescents with Cancer in Europe. The SIOP-Europe Agenda. In: Pediatric Blood & Cancer 61(9). Online publication, 2014, p. 1.

Ch. 3 – How we take care of you

- **p. 56–61: By your side**
Statistics on weather damage come from: Gesamtverband der Deutschen Versicherungswirtschaft (ed.): Auswirkungen des Klimawandels auf die Schadenssituation in der deutschen Versicherungswirtschaft. Berlin 2011. / Statistics on ZÜRS zones (electronically determined flood zones) come from the website of the German Insurance Association. Can be accessed at: <http://www.gdv.de/2016/05/geo-informationssystem-zu-ersuers-geo-zonierungssystem-fuer-ueberschwemmungsrisiko-und-einschaetzung-von-umwelttrisiken/>

Ch. 4 – This is how you rated us

Our goal: to delight our customers!

- 1.1 Overall rating of Allianz Deutschland AG (customers' satisfaction with a specific process experience) comes from: Sources and Comments I. Customer satisfaction.
- 1.2 Willingness to recommend us to others is based on customer satisfaction: Satisfaction and recommendation to others: “Allianz satisfaction survey,” TNS Infratest.
- 1.3 Willingness to recommend to others based on selected contact points: Internal survey regarding over 50 contact points (graphic shows representative selection), annually more than 200,000 instances of customer feedback per year.
- 1.4 Example of how the Net Promoter Score is calculated: Description of customer feedback on the contact point, “Telephone customer service in health insurance” comes from an internal survey.
- **p. 78: Allianz Deutschland in figures**
Infographic of an internal evaluation: number of private Allianz customers, including bank customers: a private customer is a person who has a contract with Allianz that it negotiated on its own or had negotiated on its behalf, and that is premium-related. Percentage of customers with agents within a radius of 10 km: Calculation based on figures from 11/30/2016.

Background information and details

2.1 Products

Evaluation and ratings by customers: see Sources and comments, I. Customer satisfaction.

The graphic “Allianz Lebensversicherungs AG: Rates of return for life insurance” is no longer shown in this year's Customer Report. The reason for this is that the traditional life insurance products are no longer the first choice product from the customers' point of view.

In regard to insurance policies of Allianz Leben [Allianz Life Insurance] with an actual payment at maturity on 12/31/2015, the yield on premiums paid were as follows: 12-Year term: 2.78%; 20-year term: 3.54%; 30-year term: 4.17%.

2.1.3 Selected corporate and product ratings

Below are the sources of the ratings and tests cited, including the number of ratings and test results that are the same as, or better than, those of Allianz.

Legend Company ratings:

Assekurata: ++: Excellent, A+: Very good, A: Good, A–: Generally good, B+: Fully satisfactory, B: Satisfactory, B–: Still satisfactory, C+: Weak, C: Very weak, C–: Extremely weak, D: Inadequate.

Deutsches Finanz-Service Institut (DFSI): AAA: Very good, AA+: Very good, AA: Good, A+: Good, A: Satisfactory, BBB+: Satisfactory, BBB: Adequate, BB: Adequate, B: Inadequate, C: Inadequate.

Institut für Vorsorge und Finanzplanung (IVFP): 5 stars: Excellent, 4 stars: Very good, 3 stars: Good.

Franke & Bornberg: FFF: excellent, FF+: very good, FF: good, FF–: satisfactory, F+: still satisfactory, F: adequate, F–: weak, F–: inadequate.

Morgen & Morgen rating: 5 stars: Excellent, 4 stars: Very good, 3 stars: Average, 2 stars: Weak, 1 star: Very weak.

Morgen & Morgen stress test: 3 points: Excellent, 2 points: Very good, 1 point: Passed, 0 points: Critical.

Standard & Poor's: AAA: Highest credit rating & little risk of default, AA: High credit rating and only slightly higher risk, other rating levels available at www.spratings.com – Understanding Ratings

Company ratings – Life insurance: Allianz Lebensversicherungs AG

Institut für Vorsorge und Finanzplanung, “LV-Rating Unternehmensqualität” (11/2016)
Excellent (1.0) – 71 companies examined, one of which had the highest rating (1.0); associated seal valid until 11/1/2017.

Morgen & Morgen “M&M rating LV-Unternehmen” (10/2016)

5 stars – Financial years 2011 to 2015 – 67 companies were rated; of these, seven other companies received the top rating of 5 stars; associated seal valid until 10/20/2017. Details at: https://www.morgenundmorgen.com/downloadcenter/RATINGS/mmm_rating_lv-unternehmen.pdf

Morgen & Morgen “M&M stress test” (10/2016)

Excellent – 51 companies examined; of these, 32 other companies had the highest rating “excellent.” Associated seal valid until 9/30/2017. Details at: [https://www.morgenundmorgen.com/ratings/unternehmensratings/mmm-belastungstest/Standard&Poor's“FinancialSecurity”\(10/2016\)](https://www.morgenundmorgen.com/ratings/unternehmensratings/mmm-belastungstest/Standard&Poor's“FinancialSecurity”(10/2016))

AA – no cut-off date but uses a dynamic rating that is continually updated; details at: www.standardandpoors.com (free registration; login necessary in order to access additional information about the rating procedure and results).

Company ratings – Health insurance: Allianz Private Krankenversicherungs-AG

Focus-Money, issue

from 21. 12. 2016 (Magazine 52/2016)

“Best Private Health Insurance – prize for the year 2016 – In cooperation with Franke und Bornberg;

all full-coverage auto insurers in the test; associated seal valid until 12/31/2017.

Deutsches Finanz-Service Institut “PKV Qualitätsrating” (10/2016)
AAA, test winner – company quality, excellent (1.0) – 1st place among 30 companies rated; associated seal valid until 10/24/2017. Details at: <http://www.dfsi-institut.de/rating/43/unternehmensqualitaet-der-privaten-krankenversicherer-2016-17>

Morgen & Morgen “M&M Rating KV-Unternehmen” (09/2016)
5 stars = excellent financial stability – financial years 2011 to 2015 – 31 companies were rated, with three other companies receiving the top rating of 5 stars; associated seal valid until 9/14/2017. Details at: https://www.morgenundmorgen.com/downloadcenter/RATINGS/mm_rating_kv-unternehmen_2016.pdf

Assekurata “APKV Unternehmensqualität” (01/2016)

A+, very good = company quality, associated certificate valid until January 26, 2017; Details at: <http://www.assekurata.de/ratings/rating/allianz-private-krankenversicherungs-ag-2839/>
Focus-Money und DFSI “APKV-Service, Gesundheitservices” (Test 41/2016)
Outstanding, “best health services” – 2 other Unternehmen received the top rating of “outstanding”; associated certificate valid until October 13, 2017.

Company ratings – Property insurance:

Allianz Versicherungs AG

Standard & Poor’s “Financial Security” (07/2007)

AA, excellent – no cut-off date but uses a dynamic rating that is continually updated; details at: www.standardandpoors.com (free registration; login necessary in order to access additional information about the rating procedure and results).

Product ratings Allianz: Life

PrivatRente Perspektive

Franke und Bornberg (12/2016): FFF, excellent – no cut-off date but uses a dynamic rating that is continually updated; details at: www.franke-bornberg.de/ratings.

PrivatRente KomfortDynamik

Institut für Vorsorge und Finanzplanung (07/2016): Excellent (1.3), associated certificate valid until the end of July 2016.

RiesterRente InvestFlex

Franke und Bornberg (12/2016): FFF, excellent – no cut-off date but uses a dynamic rating that is continually updated; details at: <http://www.franke-bornberg.de/ratings/>

RiesterRente IndexSelect

Institut für Vorsorge und Finanzplanung (04/2016): Excellent (1.1) – associated certificate valid until the end of April 2017.

BasisRente Perspektive

Franke und Bornberg (12/2016): FFF, excellent – no cut-off date but uses a dynamic rating that is continually updated; details at: www.franke-bornberg.de/ratings.

BasisRente InvestFlex

Franke und Bornberg (12/2016): FFF, excellent – no cut-off date but uses a dynamic rating that is continually updated; details at: www.franke-bornberg.de/ratings.

Additional disability insurance

Franke und Bornberg (12/2016): for all BU rates FFF, excellent – no cut-off date but uses a dynamic rating that is continually updated; associated certificate valid until new results are available – except if there are product changes. Details at: www.franke-bornberg.de/ratings/

Morgen & Morgen “M&M Rating Berufsunfähigkeit” (04/2016): 5 stars for all BU Plus rates – 74 rated companies, of which 51 received 5 stars in the overall score; associated certificate valid up to and including April 15, 2017.

Term life insurance

Focus-Money, edition of 5/4/2016, (Volume 19/2016); Rating 1 (outstanding: DLVAG) and Rating 2 (very good: Allianz) – associated seal valid until 5/4/2017. Morgen & Morgen “M&M Term Insurance Rating” (01/2017): 5 stars for Allianz term life insurance L0; 5 stars for DLVAG term life insurance L0(DL).

PflegePolice Flexi:

Morgen & Morgen “M&M Rating PflegeRente” (08/2016): 5 stars for “PflegePolice Flexi” – 56 rated companies, of which 24 received 5 stars in the overall score; associated certificate valid up to and including August 14, 2017. Details at: https://www.morgenundmorgen.com/downloadcenter/RATINGS/m_m_rating_pflegerente_01-2016.pdf
Institut für Vorsorge und Finanzplanung (12/2015): Excellent (1.3) – associated certificate valid up to and including December 31, 2017. Details at: <http://www.ivfp.de/rating/rating/biometrie/>

KörperschutzPolice:

Franke und Bornberg, “MultiRisk-Lebensversicherung” (12/2016): FFF, excellent; details at: <http://www.franke-bornberg.de/ratings/>
Institut für Vorsorge und Finanzplanung (05/2015): Excellent (1.3), associated certificate valid until new results are available.

Product ratings Allianz: Health

AktiMed Tarife

Assekurata (01/2016): AktiMed 90 – very good (1.5); Assekurata (09/2016): AktiMed Best 90 – very good (1.2); AktiMed Best 5 – very good (1.2); AktiMed Plus 100 – very good (1.3); AktiMed Plus 70 P – very good (1.4); AktiMed Plus 90 – very good (1.3); AktiMed Plus 90 P – very good (1.4) associated certificate valid up to and including September 14, 2018; Details at: <http://www.assekurata.de/tarifanalysen/krankheitskostenvollversicherung/>

AktiMed Plus 90 P/AktiMed WechselOption

Focus-Money, issue dated 9/21/2016 (Volume 39/2016): outstanding, test winner – rating in cooperation with Franke und Bornberg; associated seal valid until 9/2/2017.

Franke und Bornberg (04/2016): FFF, excellent – no cut-off date but uses a dynamic rating that is continually updated; Details at: <http://www.franke-bornberg.de/ratings/>

AktiMed Plus 100/AktiMed WechselOption

Franke und Bornberg (04/2016): FFF, excellent – no cut-off date but uses a dynamic rating that is continually updated; Details at: <http://www.franke-bornberg.de/ratings/>

AktiMed Best 90

Franke und Bornberg (04/2016): FFF, excellent – no cut-off date but uses a dynamic rating that is continually updated; Details at: <http://www.franke-bornberg.de/ratings/>

Ärzte Plus 100/Ärzte Best 100

Assekurata “Ärzte Best 100” (09/2016): very good (1.3) – associated certificate valid up to and

including September 14, 2018; Details at: <http://www.assekurata.de/tarifanalysen/krankheitskostenvollversicherung/Assekurata>

“Ärzte Plus 100” (09/2016): very good (1.4) – associated certificate valid up to and including September 14, 2018; Details at: <http://www.assekurata.de/tarifanalysen/krankheitskostenvollversicherung/>

PflegeTagegeldBest, PflegeBahr und Kombi-Police

Focus-Money, issues dated 7/27/2016 (Volume 31/2016), 8/10/2016 (Volume 33/2016), 8/24/2016 (Volume 35/2016): Triple winner – “best supportive care policy”; “best rate terms” (Pflege Bahr); “best combined care policy”; “best rate terms” (Kombination); “best daily cash allowance”; “best rate terms” (PflegeTagegeldBest).

PflegeTagegeldBest (+ PflegeTagegeld Erhöhung ambulant + Pflege Einmalanzahlung)

Assekurata (01/2015): very good (1.1) – associated certificate valid up to and including January 15, 2017; Details at: <http://www.assekurata.de/tarifanalysen/pflegetagegeldversicherung/Institut-für-Vorsorge-und-Finanzplanung> (02/2016): 5 stars, excellent – associated certificate valid up to and including February 14, 2017.

Betriebliche Krankenversicherung

Institut für Vorsorge und Finanzplanung (09/2016): 5 star, excellent – associated certificate valid up to and including October 01, 2018

Auslandsreisekrankenversicherung (Familie R33)

Focus-Money and DFSI, issue dated 6/1/2016 (Volume 23/2016): “Best health insurance for international trips” – associated certificate valid up to and including June 1, 2017.

Dental Best

Finanztest (issue of 11/2016): very good (1.1) – 209 rated fee scales, 65 other fee scales with the top rating “very good.” Details at: <https://www.test.de/Zahnzusatzversicherung-im-Test-4730314-0/>
Assekurata (07/2016): very good (1.2) – associated certificate valid up to and including 04.07.2018; Details at: <http://www.assekurata.de/tarifanalysen/zusatzversicherung/>

Product ratings Allianz: Property insurance

MeinAuto Top-Paket

TÜV-Saarland (10/2016): Nr. 2878, very good – associated certificate valid up to and including September 30, 2018; Details at: <http://zertifikatsabfrage.tuev-saar.net/de/zertifikat/id-a6db4ed04f1621a119799fd3d7545d3d>

MeinAuto Komfort-Paket

TÜV-Saarland (10/2016): No. 2876, very good – associated certificate valid up to and including September 30, 2018; Details at: <http://zertifikatsabfrage.tuev-saar.net/de/zertifikat/id-12a1d073d5ed3fa12169c67c4e2ce415>

MeinAuto digital+

TÜV-Saarland (10/2016): No. 2877, good (1.8) – associated certificate valid up to and including September 30, 2018; Details at: <http://zertifikatsabfrage.tuev-saar.net/de/zertifikat/id-f076073b2082f8741a9cd07b789c77a0>

Bonus Drive (Kfz-Telematiktarife)

Focus-Money, issue dated 11/2/2016 (Volume 45/2016): “Best standard rate for electronic data transmission” – 6 rates evaluated; associated certificate valid up through November 2, 2017.

Dynamische Unfallversicherung

Finanztest, edition of 10/2015; good (2.5) – 124 private accident insurance policies tested. Details at: www.test.de/Private-Unfallversicherung-Die-besten-Policen-4910731-0/

SicherheitPlus (Hausratversicherung)

TÜV-Saarland (09/2016): No. 2342, very good – associated certificate valid up to and including August 31, 2018; Details at: <http://zertifikatsabfrage.tuev-saar.net/de/zertifikat/id-2321994d85d661d792223f647000c65f>

SicherheitPlus (GebäudePlus, HaustechnikPlus, RohrbruchBest)

Franke und Bornberg “Top protection category” (03/2016): FFF, outstanding – no rating on a reference date, but instead a continually updated dynamic rating; Details at: <http://www.franke-bornberg.de/ratings/>

Privat-, Berufs-, Verkehrsrechtsschutz Best

TÜV-Saarland (04/2015): No. 2441; very good – associated certificate valid up to and including March 31, 2017; Details at: <http://zertifikatsabfrage.tuev-saar.net/de/zertifikat/id-7a68443f5c80d181c42967cd71612af1>

Rechtsschutz (Legal expense insurance)

Focus-Money “Rechtsschutz – Gesamtrating,” Issue dated 9/7/2016 (Volume 37/2016): fairest legal expense insurer, very good – 25 companies rated, of which 5 others received the highest rating “very good”; associated certificate valid up to and including September 7, 2017.
Service Value GmbH “Rechtsschutz – Gesamtrating” (03/2016): very good – 20 companies rated, of which five others received the highest rating “very good”; associated certificate valid up to and including March 31, 2017; Details at: <http://www.servicevalue.de/studien-tests/themenschwerpunkte/versicherer/studie/serviceatlas-rechtsschutzversicherer-2016/>

2.2 Advice

Evaluation and ratings by customers: see Sources and comments, I. Customer satisfaction.

2.2.1 Mystery-shopping visits: internal evaluation.

2.2.2 Basis: Code of Practice for Insurance Distribution. See also: www.gdv.de/2015/04/verhaltenskodex-fuer-den-vertrieb/

2.2.4 Training: IHK pass rates 2012 to 2014: Berufsbildungswerk der Deutschen Versicherungswirtschaft (BWW) e. V.; Annual reports 2015/2016; IHK pass rates 2015: Berufsbildungswerk der Deutschen Versicherungswirtschaft (BWW) e. V.; Allianz rate: internal evaluation by the Allianz Field Staff Academy.

2.3 Service

Evaluation and ratings by customers: see Sources and comments, I. Customer satisfaction.

2.3.2 Put on hold on the phone: internal analysis 2014 to 2016; only customer service calls that were picked up within the maximum wait time were counted.

2.3.3 Simple resolution of pending issues: Telephone calls to customers by Allianz 2012–2015: internal analysis; digital communication on the rise: internal analysis. Reporting basis for “Allianz hilft” was changed.

2.4 Claims

Evaluation and ratings by customers: see Sources and comments, I. Customer satisfaction.

2.4.1 Incurred losses in the reporting year: €4.88 billion. Basis: 2.348 million claims in 2016 in property and casualty insurance (not including insurance services for the automotive sector), internal evaluation.

2.4.2 Time required from creating claim file to first payment: internal evaluation of comprehensive property and auto claims of private customers, whereby the first payment was made in 2016 (2015, 2014). In consequence of an improved score, the numbers for 2014 and 2015 were slightly changed in order to maintain consistency.

2.4.3 Service guarantee for comprehensive auto insurance: the service guarantee is subject to the following requirements being met: comprehensive claim settled after submitting all documents within five work days; claim filed using AMIS or a direct call, payment made to the policy holder (no transfers/ payment instructions). The promise also applies equally to private and corporate customers. Taken into consideration were approximately 229,779 relevant comprehensive auto claims from the ABS Schaden system. Internal evaluation.

2.5 Benefits

Evaluation and ratings by customers: see Sources and comments, I. Customer satisfaction.

2.5.1 Reimbursement rate for health insurance claims: internal evaluation.

2.5.2 Speed of reimbursement regarding health insurance: internal evaluation.

2.6 Communication

Evaluation and ratings by customers: see Sources and comments, I. Customer satisfaction.

2.6.1 Comprehensibility of the top 10 letters according to the Hohenheim index: computer-aided measurement of the 10 most important letters per category (Property/Life/Health) based on the Hohenheim index (0 = incomprehensible, 20 = very comprehensible): internal evaluation.

2.6.2 Online communication: internal evaluation Agencies with their own homepage: Perspective changed to agency level (previously, agent’s level). Figures as of 11/30/2016. Recipients of the Allianz email newsletter: Groups of addressees were cleaned up.

2.7 Principles and values

Evaluation and ratings by customers: see Sources and comments, I. Customer satisfaction.

Because of a change in the survey methodology, customer ratings for competence, transparency, commitment, speed and fairness were published for the last time in Customer Report 2016.

3. Complaints report

We used the figures available to us from our inventory management system as a basis for the internal rating. Evaluation cut-off date: 12/28/2016

3.1.1/Number and frequency of complaints to BaFin
3.1.2 and the Ombudsman: Federal Financial Supervisory Authority (BaFin): For 2012 to 2015, we used the official figures of BaFin statistics, available at www.bafin.de. For 2016, we used the numbers from our internal count, as the official figures of BaFin statistics will not be published until May 2017. Figures may

differ slightly compared to official BaFin statistics due to different limits, such as dates; Ombudsman: contains only permissible complaints, i.e., compliance with the Ombudsman’s rules of procedure; industry figures are available at www.versicherungsombudsmann.de.

3.2 Satisfaction with complaint-handling procedures: agreement with the statement “Allianz responded quickly to my complaint” (speed), “I feel that Allianz took my complaint seriously” (respect), and “I had the feeling that someone personally took care of my concern” (commitment) on a five-point scale: 1) Strongly agree, 2) Agree somewhat, 3) Agree in some respects, 4) Disagree somewhat, 5) Strongly disagree. Internal evaluation.

3.3/ Average complaint-processing time: based on all complaints settled in 2016. Internal evaluation. Information in terms of working days.

3.4/ Input channels and major causes of

3.5/ complaints and complaint resolution:

3.6 internal evaluation; based on all complaints recorded in 2016.

4. Systematic customer focus

4.1 Our approach for achieving a systematic customer focus. Number of surveyed individuals: TNS Infratest and internal surveys.

4.2 Our measuring system for systematic customer focus: number of interviews, interview partners, and business transactions: TNS Infratest and internal surveys.

4.6 How satisfied are you with Allianz?

Information from customer feedback: internal evaluation of process-related customer satisfaction.

Totals deviating from 100 percent may occur due to rounding.

Reservation in relation to future predictions

Where we make projections or express expectations, or make statements relating to the future, such statements may concern both known and unknown risks and uncertainties. As a result, the actual results and developments may differ significantly from the expectations and assumptions made. For other reasons not listed here, variations may arise as a result of changes to the general economic situation and the competition, in particular in core Allianz business fields and markets, as a result of acquisitions and the subsequent integration of companies, and also through restructuring. Variations may also arise owing to the extent and frequency of claims (for example, following natural disasters), the increase in claim costs, cancellation rates, death and sickness rates/trends, and in the field of banking and investments, through default by borrowers and other debtors. Developments in the financial markets (such as market fluctuations and loan defaults) and in exchange rates, and also national and international statutory changes, in particular in relation to tax provisions, may also have an effect. Terrorist attacks and their consequences may increase the likelihood and extent of such variations. The company accepts no liability for keeping such statements in relation to the future up to date.

KPMG ON “RESULT FOR THE CUSTOMER 2016”

The KPMG auditing firm performs the “Result for the customer” audit every year. Allianz is committed to the report’s professional nature and meeting its obligation to provide accurate information.

In a letter of instruction dated 22 December 2016, we were tasked to perform a business audit of the 2016 results for the customers of Allianz Deutschland AG (“Result for the customer”) to ascertain with sufficient certainty whether:

- *the information disclosed in “Result for the customer 2016” on the cover pages as well as pages 75-77, 79, 82, 85, 87 and 89-91 matches the actual business increase in Allianz-specific results of the representative customer survey conducted by TNS Infratest in 2016, containing 35,268 appraisals, and whether the overall score thus results from the satisfaction ratings obtained.*
- *the areas of activity, namely Products, Advice, Claims, Benefits, Service and Communication, illustrated and evaluated in the “Result for the customer 2016” correspond to the internally established customer-focus structure.*
- *the information disclosed in “Result for the customer 2016” on pages 78-94 are in agreement with evaluations by complaint management and the customers’ internal evaluations.*

Responsibility of legal agents

The Board of Management of Allianz Deutschland AG is responsible for preparing “Result for the customer 2016” and establishing the criteria.

Responsibility of the auditor

Our mission is to perform a business audit, and based on that, to provide a sufficiently reliable assessment of whether the aforementioned audited areas can be rated as positive. We conducted our business audit according to the International Standard on Assurance Engagements 3000 (“Assurance Engagements Other Than Audits or Reviews of Historical Financial Information”) (ISAE 3000)) as a “Reasonable Assurance Engagement.” Accordingly, the audit is to be planned and executed in such a manner that we can confirm with sufficient reliability after conducting a critical appraisal that the statements made in “Result for the customer 2016” are relevant in regard to the aspects mentioned above. An audit of the aforementioned areas of “Result for the customer 2016” consists of performing audit procedures

to obtain audit-based evidence so that an assessment of the statements in “Result for the customer” can be made in regard to the aforementioned areas. The audit procedures are selected at the auditor’s discretion. In conducting the audit of the aforementioned sections of the “Result for the customer 2016”, we carried out the following audit procedures among others:

- Comparison of the values provided in the mentioned pages of the customer survey with the results of the performed customer survey.
- Examination of the documentation and task procedures pertaining to the customer focus program.
- Comparison of the figures listed on the mentioned pages in “Complaint report” and “Background information and details” against the evaluations generated by complaint management and the customer’s internal evaluations.

The accuracy and completeness of the customer satisfaction and customer benefit data are subject to inherent limitations that stem from how the data was collected and compiled. Our Assurance Report should therefore be read in connection with the procedures used regarding the customer survey and satisfaction metrics. In addition, the statements contained in “Result for the customer 2016” were made in the past and are subject to the unavoidable risk that the portrayal of customer focus conveyed according to the established criteria cannot be extrapolated to the future due to changed circumstances.

Assessment

Based upon the findings of the aforementioned audit procedures that were carried out, and taking into account the aforementioned specifics of the audit’s subject matter, we have come to the following conclusions:

- The figures published in “Result for the customer 2016” on the cover pages as well as pages 75-77, 79, 82, 85, 87 and 89-91 match the results of the customer survey conducted by TNS Intratec from 27 January to 19 November 2016. The overall score is calculated from the total satisfaction ratings for the individual areas of activity. Each of these aspects is evaluated on a five-point scale by customers who have had experiences with a given area. It contains the following comments: completely satisfied, very satisfied, satisfied, less satisfied, and dissatisfied. The points of the overall score are calculated from the average value of the respective points on the scale pertaining to the detailed questions mentioned. The overall score itself corresponds to the mean value of the scale.
- The areas of activity described and evaluated in “Result for the customer 2016” correspond to the internally established structure of the customer focus program.
- The data published in “Result for the customer 2016” on pages 73, and 76-90 matches the evaluations made by complaint management and the customer’s internal evaluations.

Munich, 20 January 2017

Dr. Frank Pfaffenzeller
Auditor

Rainer Pfaffenzeller
Auditor

We place customers at the center of everything we do

— The Board of Management Allianz Deutschland AG



— Dr. Manfred Knof



— Dr. Wolfgang Brezina



— Dr. Markus Faulhaber



— Bernd Heinemann



— Burkhard Keese



— Dr. Birgit König



— Dr. Rudolf Kubat



— Joachim Müller

— Masthead

Editor / content: Norbert Schäfle, Head of Customer Insights & Experience, Allianz Deutschland AG, Email: kundenbericht@allianz.de — Allianz Deutschland AG, Königinstraße 28, 80802 Munich

Project management: Alexandra Nennstiel (Lead), Petra Brücklmayer & Johann Bauer (Chapter 4)

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Proofreading: Caroline Evans, Asa Tomash **Senior managing editors:** Michaela Wurstbauer (Lead), Tobias Jelen, Susan Sablowski

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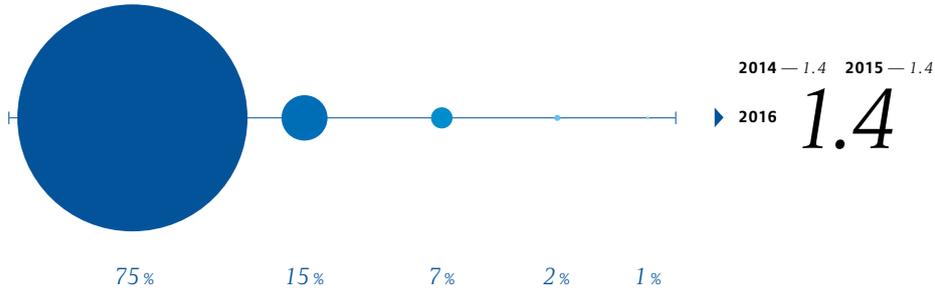
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Rating (Satisfaction in scores from 1 to 5)

● completely satisfied ● very satisfied ● satisfied ● less satisfied ● dissatisfied

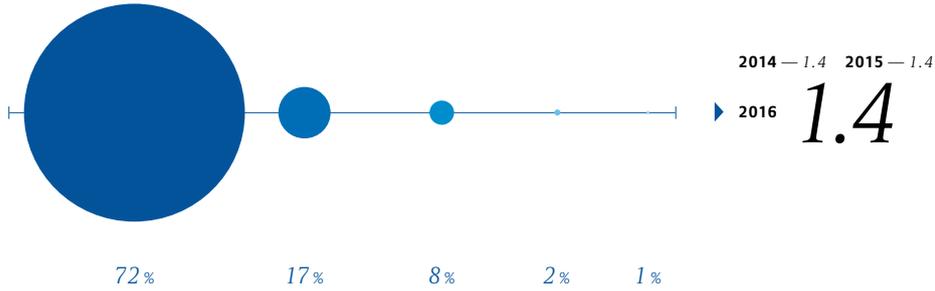
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Speed



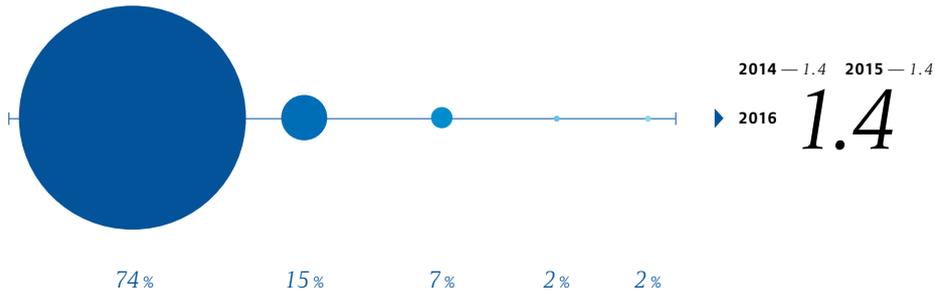
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Expertise



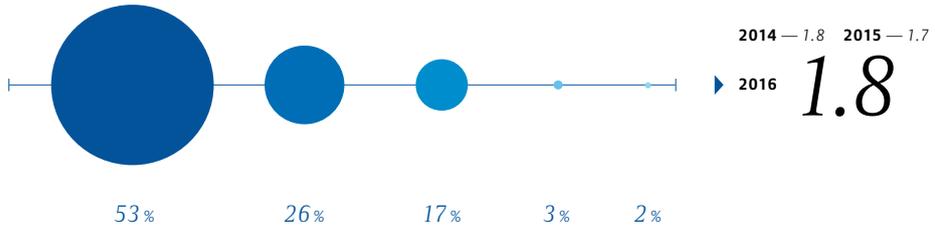
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Commitment



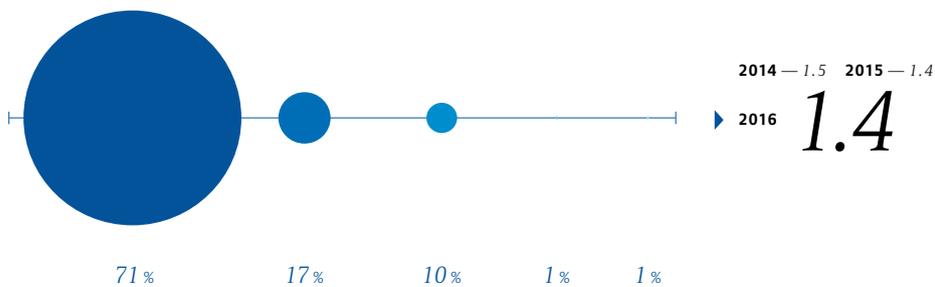
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Fairness



— Page 91

Transparency



Customer satisfaction

This is how you rated us according to the criteria: Transparency, Fairness, Commitment, Expertise and Speed.

Speed

Expertise

Commitment

Fairness

Transparency

Rounding differences may occur

* We will be publishing the customer satisfaction survey of our principles and values in the customer report for the last time in 2016. The reason is that customer opinions on the principles and values will no longer be surveyed due to changes in the NPS survey logic.

