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Press Release

Fireman's Fund Insurance Company Launches New Coverage for Video Game Industry

NOVATO, Calif., (June 13, 2007) – Fireman's Fund Insurance Company today announced the release of its new insurance coverage for the video game development industry. Expanding on its existing coverage for film production, Fireman's Fund® has tailored the new policy to meet the rapidly growing demands of developers and publishers in video game production.

For more than 80 years, Fireman's Fund has insured some of the biggest and most successful productions in the entertainment industry, including *The Lord of the Rings*, *Pirates of the Caribbean* and *Spiderman 3*. That experience is now available for the gaming industry, but with added enhancements to meet the specific needs of the industry.

The average cost of developing game software in the early 1990s was \$40,000; now it's up to \$10 million per game. As the demand for more innovative, challenging, and buzz-worthy video games increases, so does the cost of producing the games. With the price tag on developing game software rising, developers and publishers need to make sure they are carrying the right coverage so they are not at risk to loss. Through International Film Guarantors (IFG), a Fireman's Fund subsidiary, the company is also able to provide completion bonds.

"Right now, most video game producers are improperly insured as business software developers—a far cry from the realities and risks involved in creating software for entertainment," said Joe Finnegan, vice president of Entertainment at Fireman's Fund. "We realized that this industry carried risks not unlike those found in film and television production, where we already have a long track record."

With each new technological advancement, such as three-dimensional graphics, artificial intelligence, and enhanced voice and sound effects, the probability of loss increases. Game producers also face similar risks to that of the film industry, especially if the game is tied to the release of a major film. A developer might hire the lead actor of the film in order to film the

motion-capturing components of the video game. If that actor were to be injured (on or off the set) and unable to work for several weeks, the developer would still have the expenses of the crew, equipment, and facility rental.

Fireman's Fund provides insurance solutions that enable developers, designers and producers to create the ultimate gaming experience without the extra risk of potential loss.

Fireman's Fund Insurance Company is a premier property and casualty insurance company providing personal, commercial and specialty insurance products nationwide. Fireman's Fund is a member of the Allianz Group (NYSE: AZ), one of the world's largest providers of property and casualty insurance and other financial services. For additional information, visit www.firemansfund.com.

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