



FOR IMMEDIATE RELEASE

ALLIANZ OF AMERICA INCREASES EFFICIENCIES OF ITS TWO BUSINESS OPERATIONS THROUGH NEW OUTSOURCING AGREEMENT WITH IBM

NOVATO, CA and ARMONK, NY – (August 21, 2007) – Allianz of America (AZOA), parent of Fireman's Fund Insurance Company and Allianz Life Insurance Company of North America, has signed a \$330 million, 7-1/2 year outsourcing agreement with IBM (NYSE: IBM) that leverages the combined information technology (IT) infrastructure operations of both companies. This is a key step in increasing efficiencies in AZOA's two businesses and is projected to save them around 20 percent of their current annual IT infrastructure expenses.

This agreement represents a major step in AZOA's drive to achieve \$150 million in improved operational savings within the next three years. Key business benefits of the IBM arrangement for infrastructure services are flexible capacity and a scaleable platform that can support future growth.

"Our objective is to create competitive advantage through superior service delivery for our customers," said Oliver T. Bussmann, AZOA chief information officer. "By negotiating one contract for both entities we leverage scale much more effectively," he added.

"Allianz of America's commitment to its customers continues to drive its focus on advanced technologies and industry-leading services," said Bill Smith, IBM general manager, Financial Services Sector.

IBM will implement a single service management framework that includes: data center services, storage management, back-up and recovery, and system software support; desk-side services including email and desk-side support; print and finish; process management; security monitoring; and cross functional support.

Fireman's Fund had previously outsourced some of these functions to IBM. The new IBM agreement now also includes Allianz Life in addition to Fireman's Fund.

The agreement was signed in July 2007 and went into effect on August 1, 2007, and reflects about \$200 million of new business for IBM.

About Allianz of America

Allianz of America (AZOA), based in Novato, Calif., is the parent of Fireman's Fund Insurance Company and Allianz Life Insurance Company of North America. AZOA is a member of the Allianz Group (NYSE: AZ), one of the world's largest providers of insurance and financial services.

About IBM

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