

**Article in the News: Allianz**  
Minnesota Attorney General's Office  
Press Release  
January 9, 2007

Attorney General Swanson Files Suit Against Allianz Life For Selling Unsuitable Deferred Annuities to Senior Citizens  
Suit Alleges Agents Misled Seniors Regarding Lengthy Terms of Annuities, Hefty Surrender Penalties, and “Bonus” Payments.

Minnesota Attorney General Lori Swanson filed a lawsuit today against Allianz Life Insurance Company of North America for selling deferred annuities to senior citizens that were unsuitable for seniors’ financial needs. The suit also alleges that the insurance company did not adequately disclose that seniors could have their limited savings tied up for as long as 15 years, could not cash in their annuities early without paying hefty surrender penalties, and that payments advertised as “immediate” bonuses were not payable for up to 15 years.

“Allianz and its agents aggressively marketed deferred annuities to seniors without regard to the suitability of the sale and without disclosing that seniors’ limited savings could be tied up for years,” Swanson said. “It is wrong for a company to mislead seniors into tying up their retirement savings in unsuitable investments in order to generate commissions,” she said.

Swanson noted that the sale of unsuitable, long-term annuities to senior citizens using aggressive and deceptive sales tactics has recently drawn significant national attention. She said her office was reviewing other companies’ annuities sales practices for evidence of unsuitable sales and/or deceptive marketing.

Swanson said that Allianz agents often lured seniors to attend “estate planning” or “wealth management” seminars. She said the real purpose of the seminars was to sell Allianz annuities to the seniors who attended the seminars. Swanson said Allianz also lured seniors to purchase the annuities by offering “immediate” bonus payments of five to ten percent of the principal of the annuity. In fact, the lawsuit alleges that Allianz does not pay the “immediate” bonus for as long as 15 years.