

# BREXIT UPDATE

## WHAT IMPACT DOES BREXIT HAVE ON ALLIANZ UK AND OUR BUSINESS?

This statement represents the views of Allianz Insurance plc only. Other Allianz entities will issue their own communications regarding Brexit and are not considered in this statement.

**The UK has now formally left the European Union's single market and customs union. From 1 January, new rules for businesses and citizens apply. This document considers the impact this has on Allianz Insurance plc and on our customers and business partners.**



### WHAT ARE THE LEGAL IMPLICATIONS FOR ALLIANZ INSURANCE PLC?

Prior to Brexit, Allianz Insurance plc was authorised under EU/EEA legislation to issue policies covering EU/EEA risks on a Freedom of Services (FOS) basis. However, following completion of the transition period this legislation no longer applies.

There will be no changes to Allianz Insurance plc's operation as an authorised insurer and legal entity in the UK after Brexit.

### WHAT WILL THE IMPACT BE ON ALLIANZ INSURANCE PLC'S UK CUSTOMERS?

Allianz will continue to honour all contractual commitments including the payment of valid claims on that same basis. At the end of the policy period, clients will be offered a locally admitted policy in the country of exposure, issued by a local Allianz office or Partner Insurer. We believe that this approach has a number of benefits to our clients, including access to local reinsurance pools, terrorism coverage, policies adhering to local legislation premium payment in the country of exposure and local claims management and payment.

There are two requirements to placing a locally admitted policy via the Allianz Multinational Network. Firstly, the client needs to register their company, a subsidiary company, or a legal branch in the country of exposure. Secondly, in most instances we require the use of a local partner broker for premium collection, document issuance, and local assistance. The oversight and customer contact for the placement will still be handled in the UK between the UK broker and the UK customer entity. Through our multinational network we benefit from having partner offices in all 30 EEA territories, 28 of which are Allianz subsidiary providers. Indeed, as part of the Allianz Group we are able to leverage our strong global network to continue to provide multinational solutions to the needs of our customers.

### WHAT IS ALLIANZ INSURANCE PLC DOING TO HELP CUSTOMERS WITH THEIR POST-BREXIT EU/EEA INSURANCE REQUIREMENTS/NEEDS?

We have been discussing the Allianz Multinational approach and post-Brexit solutions with our customers, and have been offering them locally issued policies providing compliant insurance solutions in a post-Brexit trading world. Meeting regulatory and legal standards and treating customers fairly in our insurance provisions are of the utmost importance.



## HOW WILL MULTINATIONAL SOLUTIONS AT ALLIANZ INSURANCE PLC BE AFFECTED?

Previously a customer could choose from different types of Allianz multinational solutions to cover their risks worldwide, including centrally controlled programmes made up of stand-alone local policies, local policies pooled by re-insurance, Difference in Conditions (DIC)/Difference in Limits (DIL) issued as master cover in the UK, or single European policies (FOS).

Allianz Insurance plc benefits from our established multinational network which will ensure that minimal operational change is required.

Allianz will administer a programme of insurance including: one UK policy and separate local overseas policies for the exposures in each territory in the EEA/EU. The FOS option is no longer available.

## ARE GREEN CARDS NOW REQUIRED?

From 1 January 2021, any customers who intend to drive their vehicles in EU/EEA countries will require a Green Card to provide evidence that they have the minimum compulsory insurance required by law to drive in the country they intend to visit. In this scenario, Allianz customers who intend to drive abroad will need to contact their insurance broker for further help.

We want to provide reassurance to our customers there will be no change to the cover we currently provide in our motor insurance policies and no additional premium for issuing a Green Card for driving in EU/EEA countries.

Customers driving abroad will need to obtain a Green Card before they travel and they must carry the Green Card with them. If a customer does not obtain a Green Card they will be breaking the law of the EU/EEA countries they are driving in. Not being able to provide proof of insurance could lead to the vehicle being seized, the driver being accused/charged with driving without insurance and they could be subject to a fine. The Green Card must be a physical document and cannot be on a smart phone or tablet.

Allianz is issuing Green Cards for customers driving in the EU and European Economic Area (EEA). We've created a simple [online](#) service for brokers to request a Green Card for their customers driving in the EEA.

Fleet and motor trade customers should contact their broker to request Green Cards.

## WHAT IS THE ALLIANZ INSURANCE PLC POSITION ON "BREXIT CLAUSES"?

A Brexit clause is a contractual provision which triggers a change in rights and obligations as a result of a defined Brexit-related event. Due to the global footprint of the Allianz multinational network there has been no need for Allianz Insurance plc to adopt Brexit clauses within its policies. Following Brexit, we are continuing to administer admitted insurance policies for customers with overseas risks, using the Allianz multinational network.

## WHAT IS A PART VII TRANSFER AND WHY IS ALLIANZ INSURANCE PLC NOT DOING A PART VII TRANSFER?

A Part VII is a legal transfer of insurance contracts from one legal entity to another and is enacted by obtaining a court order. Some insurers are using a Part VII transfer (of risk to an EU/EEA-based subsidiary) as part of their Brexit solution. Allianz Insurance plc, however, is already part of an established worldwide network of Allianz entities, including 28 subsidiaries in the EU. This network of legal entities will continue to be used to provide insurance solutions following Brexit and ensure that we are able to honour our commitments to our policyholders.

## HOW WILL ALLIANZ NOW HANDLE BUSINESS TRAVEL DISRUPTION AND MEDICAL EXPENSES CLAIMS?

### Medical Expenses

There is no claims impact for policyholders with Commercial Select, Embrace (both may include Director's holidays) or School Travel Insurance Policies. Our claims and telephone services are continuing as normal.

### Travel Disruption – cancellation, re-arrangement and delay

Our Commercial Select, Embrace (both may include Director's holidays) and School Policies are continuing to provide cover for any cause outside of the insured's control.