



Marketing Financial Services Presentation

April 15, 2004

Introduction:

We have chosen a company called Medlife Insurance LTD. This company deals with financial services, within that with life insurance. It is part of a “network” of companies that sell life insurance and to be able to give a whole picture of the company’s activities we will introduce some of its partner companies as well. We will also give a brief description of the different kinds of services they provide to customers, such as life insurance for a whole family, life insurance for a single person or life insurance for the company employees.

Situation Analysis:

Grazer Wechselseitige and other international investors founded Medlife in the year 1994. Medlife started its business activities in 1995. It is set up as a Cypriot offshore company and offers life insurance products on US dollar basis.

Medlife is an insurance company full of traditions and experience. Because of its traditions, seriousness and experience, it provides reliability of all activities in life insurance and capital investments of Medlife. All sales are performed through the network of SI-Save Invest Ltd, (one of the biggest independent and international insurance broker companies in the world that offers and sells financial services, specializes in capital forming life insurance and disability insurance offered by its insurance partners), covering the former CIS and Baltic countries.

Insurance and investment programmes have been developed that help encompassing the risks of everyday life and at the same time allow the customer to achieve a profitable return of the money invested.

Contracts concluded between Medlife and its clients are subject to Austrian law which extensively protects the rights of Medlife’s clients. Due to the very strict rules and regulations of the Insurance Contract Act and the Consumer Protection Act. Grazer Wechselseitige Group in Austria, a well-known insurance company, provides fundamental insurance services like technical administration, funds investment, and reinsurance since 1828. These services are delivered following the same principles of security and profitability that do apply for Grazer Wechselseitige itself. Grazer Wechselseitige Versicherung AG is 100% financed on own capital and therefore does not require any investor’s ratings.

Some examples of the financial services that Medlife is selling:

Economic Insurance Plan

Economic Insurance Plan is the ideal package for those who seek comprehensive insurance coverage combined with an opportunity to invest capital in a profitable way.



G5S -Endowment Insurance with graduated death benefits and surplus participation.

The benefit to be paid in the case of death becomes payable if the insured person dies before the end of the insurance term. The sum to be paid on survival becomes payable at expiry of the contract, while the person is alive.

If the insured person dies before the end of the insurance term, the death benefit to be paid will amount to as many fractions of the capital sum as years of insurance have expired (including the one in which the event occurred) in relation to the agreed-upon premium payment period.

UTZ - Additional accidental death insurance

The amount insured becomes payable, if the insured person dies as a result of an accident within the agreed-upon coverage period.

UI - Additional accidental disability insurance

The amount insured becomes payable, if to the person insured as the result of an accident a minimum of 30 % permanent disability occurs. The grade of disability will be determined according to the disability percentage table shown in the General Insurance Conditions.

RZ1 - Additional risk insurance

The amount insured becomes payable, if the insured person dies within the agreed-upon coverage period.

- If the annual premium is less than USD 500, rate RZ1 cannot be included
- if the annual premium is USD 500 or more, RZ1 is worth USD 2,000
- if the annual premium is USD 800 or more, RZ1 is worth USD 3,000

Here is an example to be able to understand how the insurance works:

EXAMPLE	
Person insured:	Man, 30 years old
Term of contract:	15 years
Annual premium:	USD 1,000
Sum insured G5S:	USD 15,130
RZ1:	USD 3,000
UTZ:	USD 15,130
UI:	USD 15,130

The insured person dies as the result of an accident, beneficiary is his wife. 10 years of the contract have passed.



G5S incl.

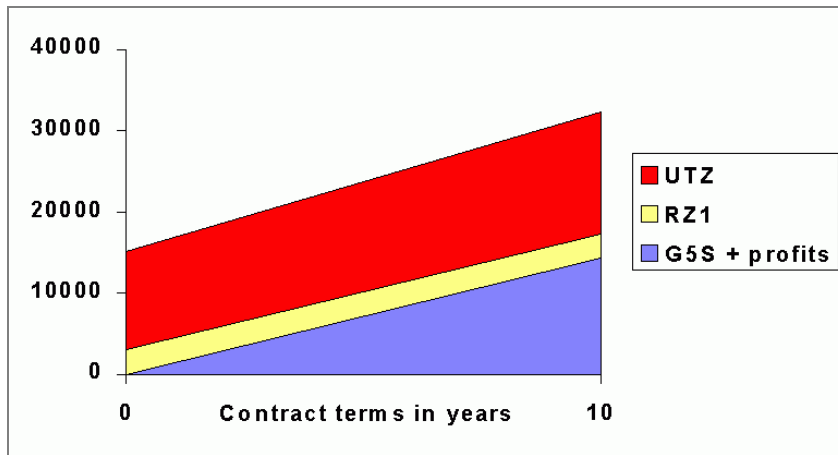
bonus: USD 12,554

RZ1: USD 3,000

UTZ: USD 15,130

Sum payable: USD 30,684

If the insured person dies after 10 years of insurance as the result of an accident, the sum payable to the beneficiary amounts to about **USD 30,684**.



Family Insurance Plan

FIP is the ideal package for those who seek comprehensive insurance coverage for themselves and their child, combined with an opportunity to invest capital in a profitable way. This package basically equals the EIP programme, but provides on top of that protection for your child with the term insurance rate R1C.

G5S -Endowment Insurance with graduated death benefits and surplus participation

The benefit to be paid in the case of death becomes payable if the policyholder dies before the end of the insurance term. The sum to be paid on survival becomes payable at expiry of the contract, while the policyholder is alive.

If the policyholder dies before the end of the insurance term, the death benefit to be paid will amount to as many fractions of the capital sum as years of insurance have expired in relation to the agreed-upon premium payment period.

UTZ - Additional accidental death insurance

The amount insured becomes payable, if the policyholder dies as a result of an accident within the agreed-upon coverage period.



UI - Additional accidental disability insurance

The amount insured becomes payable, if to the policyholder as the result of an accident a minimum of 30 % permanent disability occurs. The grade of disability will be determined according to the disability percentage table shown in the General Insurance Conditions.

RZ1 - Additional risk insurance

The amount insured becomes payable, if the policyholder dies within the agreed-upon coverage period.

- If the annual premium is less than USD 500, rate RZ1 cannot be included
- if the annual premium is USD 500 or more, RZ1 is worth USD 2,000
- if the annual premium is USD 800 or more, RZ1 is worth USD 3,000

R1C- Additional risk insurance for your child

If the second person insured (child) dies within the agreed-upon insurance period, funeral expenses and other actual expenses related to the death of this person will be reimbursed up to an amount that equals the sum insured under RZ1. In this case, the contract will remain upright without the additional rate R1C.

Here is an other example to be able to understand how the insurance works in this case:

EXAMPLE	
Person insured	man 30 years old, child 3 years old
Term of contract	15 years
Annual premium	USD 1,000
Sum insured G5S	USD 14,787
UTZ	USD 14,787
UI	USD 14,787
RZ1	USD 3,000
R1C (child)	USD 3,000

The first insured person dies after an accident, beneficiary is his wife. 10 years of the contract have passed.

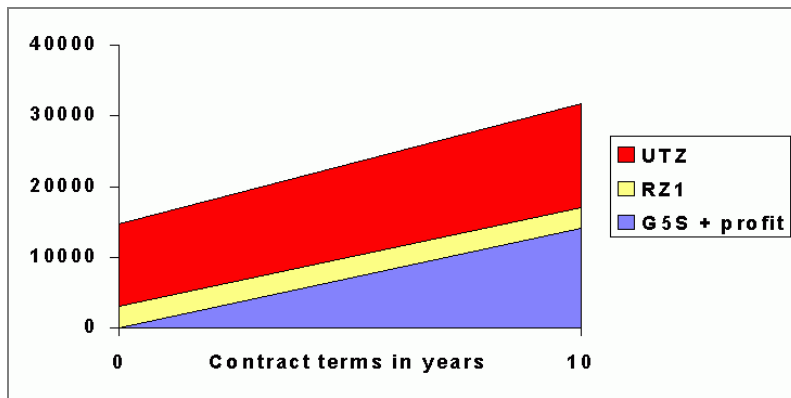
G5S incl. bonus: USD 12,270

RZ1: USD 3,000

UTZ: USD 14,787



If the insured person dies after 10 years of insurance as the result of an accident, the sum payable to the beneficiary amounts to about **USD 30,057**.



Group Economic Insurance Plan

GEIP is the ideal package for companies to take out comprehensive insurance for their employees and at the same time, invest their capital in a profitable way.

GEIP is an insurance package especially for companies to insure their employees. The conditions are the same as for EIP. The package includes rate with surplus participation and additional rates to cover accidental death and accidental disability. It also provides a fixed amount of extra payment in the case of death. GEIP is intended for policyholders that take out insurance for a group of minimum 10 people. As a unique feature in comparison to all other programmes, it provides the possibility to change the person insured within the term of insurance.

Here is an example to this case as well:

Example	
Person insured	man 40
Term of contract	15 years
Annual premium	USD 1,000
Sum insured (G5S)	USD 14,667
UTZ	USD 14,667
UI	USD 14,667
RZ1	USD 3,000

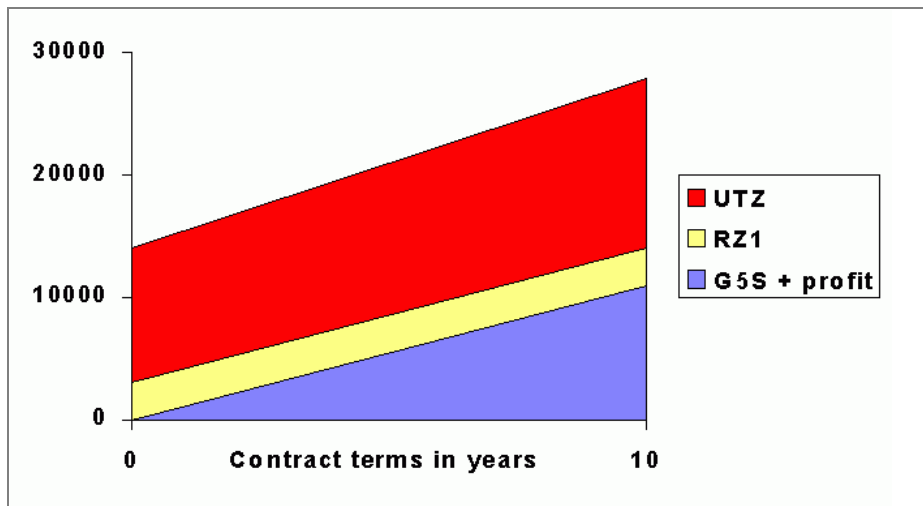
The insured person dies after an accident, beneficiary is his wife. 10 years of insurance have



passed.

G5S incl. bonus: USD 12,183
RZ1: USD 3,000
UTZ: USD 14,677
Sum payable: USD 29,860

If the insured person dies after 10 years of insurance as the result of an accident, the sum payable to the beneficiary amounts to about **USD 29,860**.



E11 - Single Premium Endowment Insurance with surplus participations

The amount insured plus bonus become payable at expiry of the contract. If the person insured dies before the end of contract, the premium paid, plus any profits that have accumulated so far, will be paid out to the beneficiary.

There is only one premium payment at the beginning of the contract.

We recommend this product to those who seek insurance coverage and a way to make a profitable single premium investment.

Here is an other example:

Example	
Person insured:	man 30
Term of contract:	15 years
Single premium	USD 7,011
Sum insured (E11):	USD 10,000



The contract expires after 15 years, the person insured is alive at this date.

E11 USD 10,000
+ bonus: USD 4,805

Sum payable: USD 14,805

G5S - Endowment Insurance with graduated death benefits and surplus participation

The amount to be paid in the case of death increases gradually every year and reaches the full sum insured in the last year before the contract ends. This will also be the amount that to be paid out together with the bonus at expiry of the contract. Insurance premiums are paid once every year (renewal premiums).

This tariff is ideal for those who want to gain maximum profits from regular annual payments.

G5S - Endowment Insurance with graduated death benefits and surplus participation

The benefit to be paid in the case of death becomes payable if the policyholder dies before the end of the insurance term. The sum to be paid on survival becomes payable at expiry of the contract, while the policyholder is alive.

If the policyholder dies before the end of the insurance term, the death benefit to be paid will amount to as many fractions of the capital sum as years of insurance have expired (including the one in which the event occurred) in relation to the agreed-upon premium payment period.

Pay Account.

Pay account is a policy account on which you receive interest for a credit balance

To open a pay account you do not even have to do anything, since it happens automatically when the average credit balance on your policy account exceeds the amount of USD 500. The interest rate amounts to 3 % per year. To transfer money to the pay account just uses the same accounting details as for your renewal premium. You are allowed to pay into your Pay-Account twice the amount of all premiums in addition to those premiums, which have already fallen due.

Example 1: You have concluded an insurance contract with a policy period of 15 years. At the beginning of the contract period you may pay at once the amount of 30 premiums.

Example 2: If the term of your insurance policy is 15 years, and you have been paying your premiums for 5 years, you may after expiry of those 5 years pay into your Pay-Account still an additional amount of maximum 30 premiums.

There are no special costs for the pay account you just have to pay the usual bank charges for the money transfer there are no costs for opening, maintaining or closing the account and you don't have to pay any taxes for the interest benefits received. Every year before the annual due date of your insurance contract, you will automatically receive a full account statement by mail together with your renewal premium invoice. As long as you have



a credit balance on your account, the due premiums will be taken from there and you don't have to do a separate payment. Once per year, you can receive back the credit balance on your account in full or partial. Every year on December 31st you receive interest on the account. One better thing in pay account is that if you pay all your premiums in advance, the profit will almost double.

Trust Option

With the Trust Option, the beneficiary of the contract can keep the benefit payment at termination of the contract under the custody of Medlife Insurance and have the money being paid out later.

This option is available for all tariffs of Medlife Insurance, however it is specifically recommended for minor beneficiaries.

Choosing Trust Option can be done at any time. You can write "Trust Option" and the desired date into the "beneficiary" field of the application form or in case of a benefit payment the beneficiary will write "Trust Option" and the desired date onto the receipt form. In every case, you need to provide the name of the entitled person with its date of birth, and the date of final payment.

There will be interest paid out as if it was a Pay Account and the same interest rates do apply. There will be no costs charged for opening, administration and termination of the Trust Option

At the agreed date, we will send a receipt form to the entitled person and ask for a bank account for the money transfer. Upon written request, we can also allow partial or full withdrawal before the planned expiration date. Only the entitled person has access to the money, but this person can nominate somebody else instead. If the Trust Option has been defined as non-revocable, no preliminary withdrawal and no change of the entitled person is possible.

Policy Loan

A policy loan puts the policyholder in the position to withdraw a maximum of 80% of his surrender value, without cancellation of the contract.

The insurance coverage shall continue, if the premiums due and the interest will be paid regularly. The policyholder is entitled to take a policy loan, but the minimum policy loan amount is USD 3000. One criteria is that by the date of application for a policy loan the contract must have been valid for at least three years. The interest rate for the policy loan amounts to 11% annually, to be paid in advance. Medlife will not charge any additional fees for granting a policy loan. Renewal premiums already debited to the policy will be balanced with the policy loan automatically when granting the loan. Further premium payments will have to be made separately. As long as the interest and the due premiums are paid on time,



the contract will remain upright with full insurance coverage. In case of non-payment of due premiums, we will surrender the contract the contract will be cancelled and the remaining amount transmitted to the policyholder.

SWOT Analysis

This is an analysis in which the company has a look at internal factors as well as external factors that influence the marketing of the company. The internal factors include analysis of the strengths and weaknesses of the company, while the external factors include an analysis on the opportunities and threats of the market the company is in.

Strengths:

Its strength is in its partners and in many years' experience in selling life insurance products. If they trust their strengths, they can be successful all over the world. Medlife is interested in long-term partnerships with its clients and insurance partners. They strongly believe in the efficiency and effectiveness of close personal relationships. They trust their partners as well as their clients!

The guarantee of payment to the clients is the most important concept for Medlife Insurance Company. They make their customers look forward into a safer future. What they are offering is future financial security. Absolute reliability is their maximum in order to guarantee the security, which is of first priority to their clients. But security and reliability are also the preconditions for long-term, reliable relationships between Medlife Ltd. and its partners. Cooperation and partnership are the keys to Medlife's success!

Weakness:

The weak point of Medlife is that it takes a huge risk in selling its products or programs in the countries where the standard of life/living and the continuance or length of life is much lesser and smaller than in the countries of western Europe. The risk is very big since it is very big and international company.

Opportunities:

Equality of opportunities is one of their basic principles. They consider constant changes and the taking of opportunities as fundamental prerequisites of economic enterprises. Through management by corporation and active, open communication they try to use the potential of their advisers and insurance partners in order to increase their flexibility and adaptability.

Medlife offers life insurance contracts for 10 or 15 years. It constantly searches for new market place to sell insurance services. They base their right to exist on the fact that they



are able to fulfill people's needs for security. Therefore, all their actions conform to the customer's wants. Their services are specially designed to meet the requirements of a well-defined group of customers and vary according to the different regions. Each customer is personally advised, selling is never anonymous. Their offers and services are exclusive since it is not their primary aim to have many but to have satisfied customers.

Threats:

Medlife Ltd. focuses more on the eastern markets because the culture of insurance is much lower than on the western markets. The competition is much higher in Western Europe than in Eastern. Therefore there is not much competition for them in the countries they perform business.

STP (Segmentation, Targeting, Positioning) strategy:

Segmentation:

People who “consume” Medlife’s product are specified. Specific groups of people think of insurance. Young people do not think of the future, but older people get the more they think about it. For this reason first of all we will look at the segmentation by “Demographic variables.” The person has to be over 25 years of age and can be male or female. He or she does not have to have a family yet, but has to have an income level and a job from which he/ she is able to pay the monthly payments for the insurance. The person does not have to be religious, but if he/ she is then that’s better and can be of any nationality. It is a fact that the better educated a person is the more they think ahead in life, so the person should be well educated. The perfect candidate for this segment is male or female between the age of 30 and 50, with an income level of at least 2.400.000 HUF/ year. He or she is highly educated and can be of any nationality.

Targeting:

“Targeting is an acceptance that competing in the entire market against superior competitors is not clever and a realisation that identifying and concentrating on the segments you can serve best is clever.” The insurance Medlife offers is marketed by product specialisation method. Only specific type of people is marketed, meaning that people under the age of 25 are not worth targeting, because there are only few people among them who are interested in this kind of insurance’s. Medlife therefore targets people who are willing to decide about these kinds of methods already, and not everyone they can find.

Positioning:

“Positioning is the creation of a valued place for our product in the mind of the customer.” Medlife’s product is marketed to satisfy all the customers’ needs. It is a product that offers “safety” from accidents, offers safety for the family if the “leader” of the family dies, and gives a good profit over all for investing the money in a safe way. Medlife has good



prices compared to other insurance companies, but the same safety and profitability as any other company.

Objective settings:

Together with the company's insurance partners the company is forming a team which is joining hands on the way to success. They are well aware that within a team no member can succeed at the expense of the other. They know that they can achieve more by joining forces in a common effort. Therefore, all team-members identify with the team and see it as an indivisible whole.

We live in a world full of possibilities. Medlife Ltd. is aware of its strengths and is willing to face the challenge of doing entrepreneurial business. They are active and they take the chances offered by a changing environment. They need changes in order to develop further. Their growth in both revenues and size has led to a stronger position in the market. Therefore their concept for the future is to analyze all strengths and weaknesses in order to exploit these as best as they can.

Conclusion:

In this report we gave a brief description of what Medlife Insurance Ltd. is all about. Medlife Ltd. works with many different kinds of insurance programs, we focused our attention on life insurance and gave few examples of what it offers to satisfy its customers, their needs, and attract more of them with its offers. Together with its partners it is trying to achieve best possible results with satisfying customer's needs. At the moment it focuses more on the Eastern Europe, on countries like Croatia, Slovakia, Ukraine, Serbia, Bulgaria, Hungary, Romania, and Bosnia. In their plans for close future they are going to target Western Europe, even though the competition is high they are going to introduce their services in order to insure people's, children's, and families' from different tragic life circumstances. For many years people dedicate their lives to Medlife Ltd., and not even once any individual, or family regretted it! So hurry up and insure yourself because Medlife is a Good Life!

