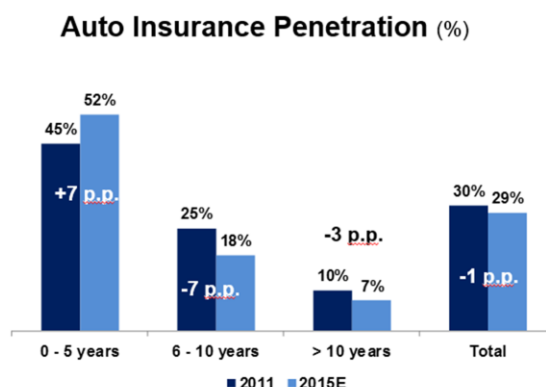


Porto Seguro Investor News (37) – Popular Insurance Products

Dear Analysts,

Since the end of 2016, the Insurance Regulatory Agency (Supep) has approved the Auto Popular Insurance, which permit the insurers to use refurbished and non-original parts for fixing the cars.

The idea is to foster the auto insurance industry, focusing on the ~70% clients that do not have insurance.



The big difference between the popular and the traditional is the price, which can be 30% to 40% lower. However, coverage, indemnity, third party collisions and roadside assistances are limited. The popular insurance covers collision, theft with an indemnity value around 80% to 90% of Fipe table while the traditional insurance pays 100% to 110%.

Currently, there are only two companies offering this product: Tokio Marine and Azul Seguros.

In addition, Porto Seguro has also developed other savings products, which feature a partial coverage and lower prices (Porto Seguro Monitoramento + Seguro, Azul Leve and Itaú Roubo).

Below the quotation from Bidu Broker using Tokio Marine insurer. Also, Quatro Rodas Maganize has published an article about the auto popular insurance development (<http://quattrorodas.abril.com.br/auto-servico/seguo-popular-ate-40-mais-barato-mas-com-cobertura-menor>)

Auto Insurance Quotation from Bidu Broker *

Car Model	YOUNG PROFILE ¹		REGULAR PROFILE ²		
	Traditional Insurance	Popular Insurance	Traditional Insurance	Popular Insurance	var.
Gol 1.0 2011	R\$ 5.142	R\$ 3.118	R\$ 3.345	R\$ 2.385	-29%
Celta 1.0 2011	R\$ 3.601	R\$ 2.551	R\$ 2.611	R\$ 2.030	-22%
Ka 1.0 2011	R\$ 3.228	R\$ 2.263	R\$ 2.356	R\$ 1.817	-23%
Clio 1.0 2011	R\$ 3.243	R\$ 2.645	R\$ 2.464	R\$ 2.108	-14%

* *Data Collected from Tokio Marine Company*

¹*Young Profile: man, 23 years old, single, live in São Paulo City*

²*Regular Profile: man, 35 years old, married, live in São Paulo City*