



Business Review for Analysts and Investors

Key Quotes by James J. Schiro

Chief Executive Officer

April 2, 2004

We aspire to become the leading global insurance group in our chosen general and life insurance markets, consistently delivering increasing value for our shareholders. We are mindful that only companies that deliver top tier results, that earn more than their cost of capital and create economic value in the long term are capable of providing rewarding opportunities for their employees and creating lasting valuable relationships for their customers, agents, and brokers.

We compete globally, particularly in our large corporate business, which benefits from our strong global brand.

Growth that maximizes value for our shareholders is an essential part of our strategy.

Our performance will be measured by our ability to deliver a 12% return on equity based on business operating profit after tax and not including realized gains. Financial strength and stability are essential to our ability to serve our customers. We are therefore determined to regain our AA rating based on the strength of our balance sheet and the quality and sustainability of our retained earnings.

Our model for driving the business is based on making an underwriting profit and reducing the impact of financial market fluctuations on our bottom line.

One year ago I said that we needed to find a new model for our life business. Today, a fundamental transformation is underway that will enable Zurich to benefit from a growing market.

Specifically, in the Global Corporate Customer Business, we will capitalize on our unique balanced transatlantic footprint and our extensive global network.

More and more of our businesses will be driven by a Group-wide approach with well-defined functional responsibilities at the Corporate Center. This will ensure the coordinated implementation of standards that are key to the profitability of our businesses. We are just at the beginning of establishing a performance-based culture grounded in common mindsets and behavior. My colleagues and I are convinced that only those organizations that are firmly based on a culture of shared values will be able to consistently reach their earnings targets, outperform the market over the cycle and be attractive places for talented people to work.

The next phase of our recovery is about driving execution for improved profitability in life insurance as well as growth and profitability in general insurance. This is not an exercise to reinvent the wheel, but to ensure that our performance continues to improve beyond the level achieved in 2003 and that we succeed in our primary task to create lasting value for our shareholders, our customers, and our employees.