A new Life business model for Zurich Switzerland

Media conference
March 15, 2006
Geneva
Certain statements in this document are forward-looking statements, including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives. Forward-looking statements include statements regarding our strategic direction, targeted profit improvement, return on equity targets, expense reductions, pricing conditions, dividend policy and underwriting claims improvements. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and Zurich Financial Services’ plans and objectives to differ materially from those expressed or implied in the forward looking statements (or from past results). Factors such as (i) general economic conditions and competitive factors, particularly in our core markets; (ii) performance of financial markets; (iii) levels of interest rates and currency exchange rates; (iv) frequency, severity and development of insured claims events; (v) mortality and morbidity experience; (vi) policy renewal and lapse rates; (vii) changes in laws and regulations and in the policies of regulators may have a direct bearing on Zurich Financial Services’ results of operations and on whether Zurich Financial Services will achieve its targets. Zurich Financial Services undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

This communication is directed only at persons who (i) have professional experience in matters relating to investments or (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (as amended) or to whom it may otherwise lawfully be communicated (all such persons together being referred to as relevant persons). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

It should be noted that past performance is not a guide to future performance. Persons requiring advice should consult an independent adviser.
| Agenda                                           |
|--------|----------------------------------|
| **Introduction**                               | Tilman Hengevoss                  |
| **Presentation of the new model**              | Lukas Weber                       |
| **Implementation of the new model**            | Joe Bättig                        |
| **Summary and conclusion**                     | Lukas Weber                       |
| **Questions and answers**                      | **Moderator:**                    |
|                                                  | Tilman Hengevoss                  |
A new Life business model for Zurich Switzerland

Lukas Weber
Chairman of the Board of Directors of Genevoise
Chief Executive Officer of Zurich Switzerland’s Life Insurance division
Member of Zurich’s Executive Committee of the Global Life business
Zurich’s global strategy for Life Insurance

Focus
- Focus on profitable markets and those of an interesting scale
- Exit from 11 countries
- Focus on a selection of products
- New business models in the UK, in D and CH

Profitability
- The Zurich Way as method for achieving operational excellence
- Cost reductions due to shared services
- Introduction of products better aligned to changed financial market conditions

Growth
- Leader in certain niche markets
- Focus on distribution
- Distinct products
- High level of service quality
Measures taken in Switzerland

**Focus**
- Off-balancing of the group life business (occupational pension benefits) to the independent Vita foundation
- Standardization of tariffs

**Profitability**
- Switch to fee-based income
- Significant cost reductions by in-shoring Zurich Germany platform

**Growth**
- Sales excellence program
- New unit-linked products
- New pension product in personal life as of April 1
Favorable business trend over the last four years

NBM in %

GWP in bn USD

2002 2003 2004 2005

New Business Profit Margin

Gross Written Premium

© Zurich
Zurich has trumps to play…

Real added value

- Confidence that inspires the market leader
- A top level offer from a single source
- Strong customer focus
- Appealing and performing
- Multi-channel strategy

Growth
Even better exploitation of Zurich’s strong points in Life Insurance

**Life optimization scheme**

- An integrated platform
- Genevoise combined with Zurich
- “One brand”
- Exploit the dynamics of Zurich’s international brand campaign

**New Life business model**
Implementation of the new model

Joe Baettig

Chief Executive Officer of Genevoise
Growth in Life Insurance

Growth from a position of strength

A single brand

Aim at market leadership

Increased strength and presence in the life insurance market

Be perceived as point of reference in the market
Be more effective…

Make better use of our knowledge and abilities

- Identify our employees’ skills
- Exchange knowledge
- Ensure professional development

Optimize the IT environment and adapt it to the future
... and continue to improve our profitability

Exploit the Group’s global competence

Benefit from global solutions

Synergies from a unified Zurich

Capitalize on economies of scale
Meet individual customer expectations (Personal Life)

- Strengthen our product range
- Offer innovative solutions
- Become the reference in the market
- Profit from the potential of defined market segments
Meet the expectations of corporate customers (Corporate Life)

**Unbundling**
- Strict separation of risk financing, saving and policy administration
- Successful introduction of the independent Vita Foundation

**Complete solutions**
- Complementary Life product (Life insurance for managers)
- Expert advice due to the combined forces of Genevoise and Zurich

**Innovative solutions**
- Customized investment choices
Organization of the Life sector in Switzerland – efficient and customer oriented

- Specialized Life distribution (Network of former Genevoise branches)
- Life/Non-Life distribution
- Distribution via brokers, banks, etc.

- Personal Life
  - Technical support
- Corporate Life
  - Technical support
- Broker support
- Wholesale support

- Personal Life Production
  - Product development
  - Customer service
  - Management platform
- Corporate Life Production
  - Product development
  - Customer service
  - Management platform
- Investment products
  - Investment funds

- General services
  - IT, logistics, legal, communications, HR, etc.
Why combine the two units?
A positive impact on our customers

- Transfer to Zurich the know-how of Genevoise in the life segment
- Strengthen Zurich’s position as a Life Insurer
- Mobilize all resources and Life know-how to become more efficient and cut costs
- Increase our share of the life insurance market in Switzerland

Win situation for our customers

- Offer of integrated services from Genevoise and Zurich
- Specialized and complementary organization of Zurich’s current network
- Obvious benefits for customers
Why combine the two units?
A positive impact on the Group

- Approximately 150 positions foreseen to be cut over 5 years
- A process to be mainly achieved through natural fluctuation and alternatives within the Group
- Restructuring costs: CHF 50 million

- Development of a Customer Service Center in French-speaking Switzerland
- Replacement of IT systems and migration to Zurich’s systems
- General services: continue current rationalization process

Earnings improvement after completion of project: CHF 40 million per annum
Next steps

- Analysis Concept
- Information
  - Media conference
  - Inform employees
- Consultation
  - Employees
- Decision
  - Management
  - Boards of Directors
  - Genevoise
- Approval process
  - Supervisory authorities
- Preparation for implementation
- Implementation
- Provisional deadlines
  Subject to approval

- Q1 06
- Q2 06
- Q3 06
- Q4 06
- 2007
Summary

We have achieved important goals

- Emphasis on products and services
- Return to profitability in our Life business
- Creation of a platform as basis for sustained growth

To be achieved: the Life optimization program

- Increase profitability and make it sustainable
- Zurich’s presence in French-speaking Switzerland strengthened by the Service Center for French-speaking customers together with the distribution network
- Growth from a position of strength
- Combining forces offers advantages for customers, employees and shareholders of the Group