

Zurich announces USD 275 million impairment on Sigma's notice of default

Zurich Financial Services
Mythenquai 2
8022 Zurich
Switzerland
www.zurich.com
SIX Swiss Exchange/
SIX Europe: ZURN
Valor: 001107539

Group Media Relations
phone +41 44 625 21 00
fax +41 44 625 26 41
media@zurich.com

Investor Relations
phone +41 44 625 22 99
fax +41 44 625 36 18
investor.relations@zurich.com

Zurich, October 2, 2008 – Zurich Financial Services Group (Zurich) announced today an impairment of about USD 275 million after policyholder allocation and before tax as a result of Sigma Finance Corporation's (Sigma) notice of default.

Sigma is a limited purpose finance company and has announced on October 1, 2008 that it will cease trading and is expecting the appointment of a receiver as a result of financial-market turmoil.

As Zurich's Chief Investment Officer Martin Senn remarked, "The write-down of our Sigma exposure, while reflecting the severity of the current market disruptions, should be seen in the context of our well-diversified portfolio of Group investments of nearly USD 200 billion. Given the extraordinary circumstances, we have not only taken a conservative view but are proactively disclosing impairments related to exposures in defaulting companies. We remain confident that our disciplined approach continues to put us in a good position to weather the current financial-market crisis."

In terms of exposure to other recently defaulting financial services firms, Zurich also announces that the write-down on Washington Mutual's debt instruments will be approximately USD 45 million after policyholder allocation and before tax.

In regards to Zurich's previously disclosed Lehman Brothers exposure, the impairment amounts to about USD 295 million after policyholder allocation and before tax.

The total of these write-downs represents approximately 0.3% of total Group investments. These amounts form part of the impairment charge to

be taken in the nine months results 2008, which are due to be released on November 13, 2008.

Zurich Financial Services Group (Zurich) is an insurance-based financial services provider with a global network of subsidiaries and offices in North America and Europe as well as in Asia Pacific, Latin America and other markets. Founded in 1872, the Group is headquartered in Zurich, Switzerland. It employs approximately 60,000 people serving customers in more than 170 countries.

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