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Annual General Meeting 2002

Speech by James Schiro

Chief Operating Officer – Group Finance and Chief Executive Officer Designate

May 16, 2002

Ladies and Gentlemen,

Dear Shareholders,

When I joined Zurich on March 1, I did not expect that I would be addressing you today as the new Chief Executive Officer. But I am very honored that the Board of Directors has entrusted me with the challenges of running your company from tomorrow. I will work hard to gain your trust and respect. And I look forward to discussing with you at next year's meeting the results of my efforts.

This is an exciting time to have joined your company. Zurich has a very rich history. I am well aware what this company means to you shareholders, to the town of Zurich and to the Swiss economy. But I also look forward with great anticipation. This is an exciting time for our industry. Rolf Hüppi has done a tremendous job in positioning your company in the three most important markets of the world. Rolf has many achievements to his credit. But foremost, he has developed the potential and talent in our employees to maintain Zurich's position among the leading financial services companies. We are all in his debt. I am proud and honored to be entrusted with his succession.

As a brief glance at our Annual Report will confirm, my colleagues at all levels and I are facing a number of challenges. You cannot expect me to come up with quick fixes. But I promise to do what I have always done in such situations. I will take stock and assess strengths and weaknesses before making any recommendations. In doing so, it will be important to tackle the issues with a fresh mind and not to exclude any options.

In particular, we shall look at our whole range of businesses. We want to make sure that the right people are deployed at the right place within the organizational structure that leverages their talent. We will review our cost base, as well as our underwriting processes. We shall ensure that our internal and external reporting is timely and accurate, while continuing to adhere to high and professional levels of transparency. In light of recent times of claims inflation, we will also need to address reserve levels. And finally, we will have to make sure that capital adequacy is maintained. We must ensure that we can fully participate in the upturn in the current insurance cycle and that our capital is in line with the anticipated rapid premium growth, as well as our desired ratings level.

Many of our challenges require rigorous and, at times, tedious implementation. However, one challenge will require more than mere managerial mechanics. We need to regain credibility in the market and become once again known for delivering our promises. Zurich deserves it. The people who work for your company deserve it. And you, the owners of this great company deserve it.

The road ahead will not be easy. We might take comfort from the fact that the current strong industry cycle provides profitable growth opportunities. At the same time, still fragile financial markets remind us every day that the years of seemingly easy gains are a thing of the past. We need to earn our income primarily with sound underwriting and pricing strategies. At the same time, we must recognize that low returns on our invested assets are likely to be with us for some time to come.

Nevertheless, we will strive to create value in the interest of all our stakeholders and that Zurich will defend its place as one of the world's leading and most respected financial services companies. I am committed to this. And I am also confident that my colleagues and fellow employees will support me in this endeavor.

Thank you very much.