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Zurich's emerging markets unit provides political risk insurance for carbon credit projects

Provides coverage for companies investing in programs to limit greenhouse gas emissions

Washington, D.C., February 20, 2008 – Zurich, a leader in political risk and trade credit insurance in emerging markets, today announced it is providing political risk insurance (PRI) for carbon credit projects. This is the first time Zurich has offered coverage for these types of “green” projects in emerging markets, reflecting the Group’s recently launched global climate initiative focusing on the myriad of risks associated with climate change.

Under the Kyoto protocol – an international treaty created to reduce greenhouse gas (GHG) emissions linked to global warming – certain types of projects are eligible for carbon credits based on the level of greenhouse gases reduced. The carbon credit market – currently estimated to be USD 60 billion – has doubled during the last two years. The protocol provides the means to monetize the environmental benefits of reducing GHGs and sell the emissions credits. Zurich’s policy helps to protect against risk of host government actions that might prevent an investor from receiving benefits associated with emission credits generated.

“Our involvement with carbon credit projects highlights the role of political risk coverage in helping make these projects more attractive to investors who are concerned about political risk and market volatility,” said Daniel Riordan, executive vice president and managing director for Zurich’s emerging markets unit. “As financial incentives for carbon projects become more common in the advent of emissions trading, we anticipate seeing more investments in emerging markets.”

Zurich is a market leader providing political risk and trade credit insurance on a global basis. More than 300 of the world's leading companies – including financial institutions, multinational corporations, investors, exporters and infrastructure developers – are supported from Zurich offices in Washington D.C., Barcelona, Frankfurt, Hong Kong, London, Paris, Sydney and Tokyo. All policies are backed by the financial strength of Zurich Financial Services Group with ratings of AA- from Standard & Poor's.

Zurich is a member of the Berne Union (BU) – an international union of credit and investment insurers – and often coinsures and reinsures with fellow BU members that are export credit agencies and multilateral institutions.

Zurich's recently launched climate initiative has a three-pillar approach. First, Zurich has established an internal Climate Office that is charged with driving an understanding of climate-related risks across its businesses and is fully embedded in Zurich's underwriting infrastructure. Second, Zurich has established a Climate Change Advisory Council that will directly report to Zurich's Group Management on strategic and operational issues associated with climate change. Third, as part of the climate initiative Zurich launched an applied research program with organizations and institutions to examine the critical economic, finance and policy issues associated with climate change. The main objective of Zurich's market-focused global climate change initiative is to understand the emerging weather, financial and regulatory risks associated with climate change and to develop products and services that allow customers to cope with these risks.

About Zurich Financial Services

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. In North America, Zurich (www.zurichna.com) is a leading commercial property-casualty insurance provider serving the global corporate, large corporate, middle market, small business, specialties and programs sectors.

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