

BNP Paribas Conference 2004

“Developing New Growth Models”

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Agenda

- Introduction and Overview
- Global Corporate Customers
- Europe Personal & Business Customers
- US Personal Customers

- Q & A

Introduction

We have delivered on our commitments

	Our commitments	What we delivered
Operational improvement	<ul style="list-style-type: none">• Additional earnings of USD 1bn in 2003 through expense reduction, improved pricing, underwriting and claims management	<ul style="list-style-type: none">• Exceeded USD 1bn target• Nearly doubled operating ROE and reduced combined ratio
Sharpen focus on core businesses and key markets	<ul style="list-style-type: none">• Exit non-core businesses and those that do not meet our internal hurdle rate	<ul style="list-style-type: none">• Divested businesses for net proceeds of more than USD 1.3bn
Release USD 5bn risk-based capital, strengthen balance sheet	<ul style="list-style-type: none">• Raising equity, issuing hybrid capital and changing the dividend policy• Exiting non-core activities• Re-balance investment portfolio	<ul style="list-style-type: none">• Exceeded target: successful rights issue and hybrid capital raising, nominal value reduction in 2003• More than USD 1bn risk based capital through divestments• Reduced equity exposure

Financial highlights FY 2003

in USD millions	2003	2002	Change
Total GWP and policy fees	48,919	41,423	18%
Business operating profit	2,265	1,175	93%
Net income	2,120	-3,362	nm
IFRS ROE	12.5%	0.6%	11.9 pts
Business operating profit ROE	9.3%	5.1%	4.2 pts
Combined ratio	97.9%	111.4%	13.5 pts
Embedded value operating return, after tax	10.5%	9.0%	1.5 pts

Financial highlights Q1 2004

in USD millions	Q1 2004	Q1 2003	Change
Gross written premiums and policy fees	14,307	13,493	6%
Business operating profit	942	779	21%
Net income	702	134	424%
ROE, annualized	16.2%	12.9% ¹	3.3 pts
Business operating profit ROE, annualized	14.8%	10.1% ¹	4.7 pts
General Insurance combined ratio	96.9%	98.1%	1.2 pts
Life new business profit margin	9.8%	6.3%	3.5 pts

¹ as of December 31, 2003

Essentials of our future direction

- Customer focus
- Global presence
- Value maximizing growth
- Performance culture and financial strength

Market Segments

Corporate Center

USA

Europe

International

Life Insurance

Global Corporate Customers

US Personal Customers

Europe
Personal & Business
Customers

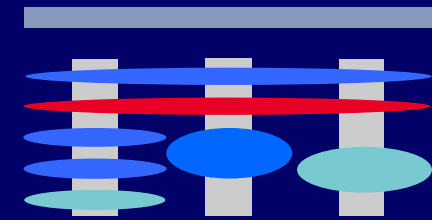
US Small Business

International
Businesses

US Other Commercial

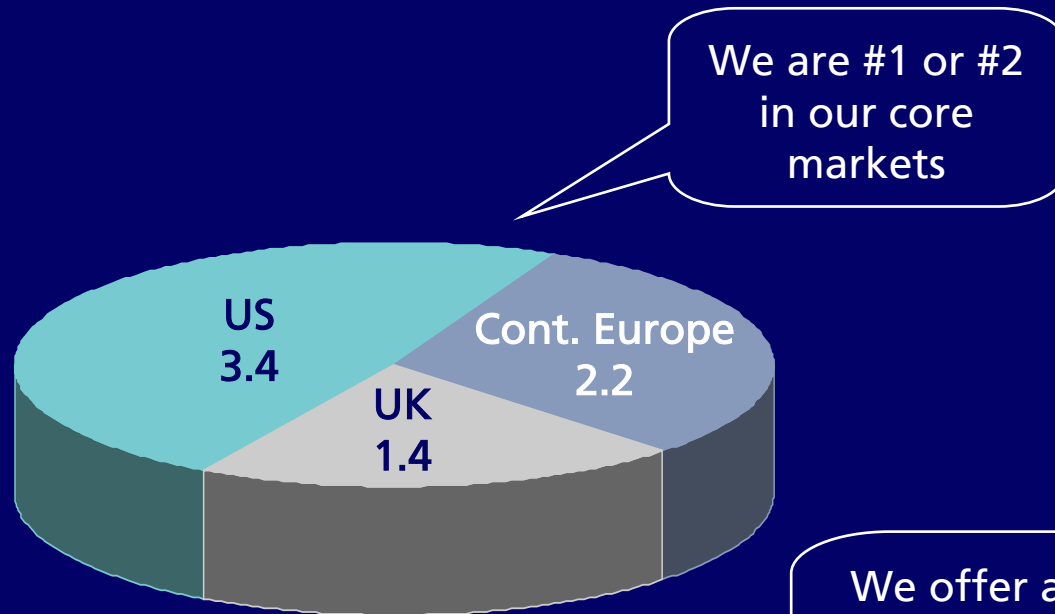
Global Corporate Customers

A leading competitor in our chosen markets

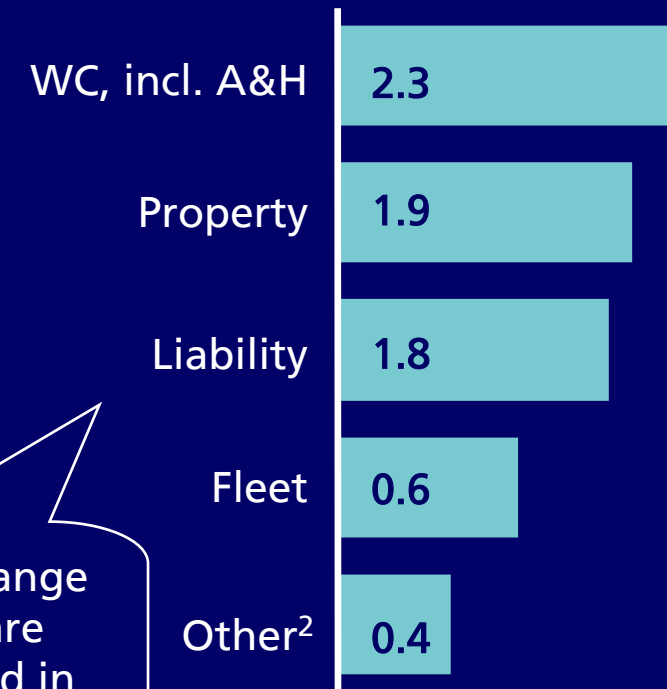


2003 GWP: USD 7 billion

Primary geographies served¹



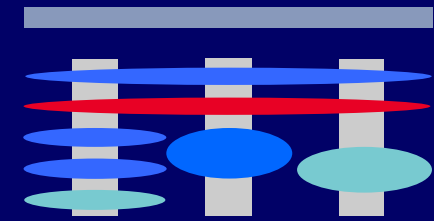
Primary products offered¹



¹In USD billions; all numbers are pro-forma for illustration purposes

²Includes non-standard liability coverage, mono-line captive programs

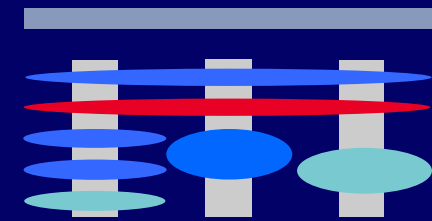
A unique value proposition



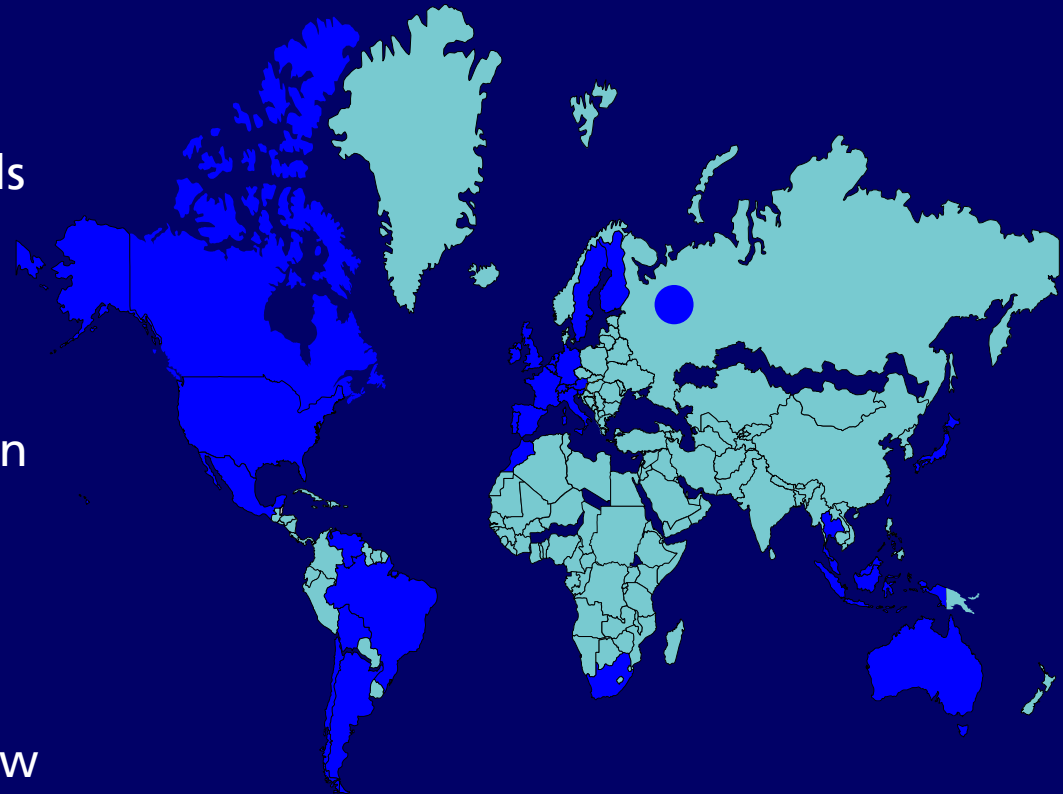
For customers and brokers we offer



- Long term commitment to this segment, backed by strength and stability
- Long term relationships built on in-depth customer knowledge
- Distinctive expertise in selected industries
- Ease of doing business
- Meaningful capacity
- Broad portfolio of innovative products and services

Network distinctive services



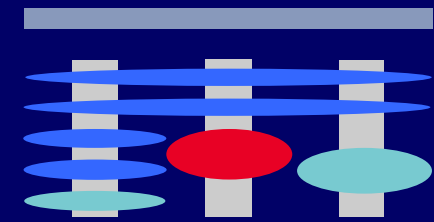
- Skilled underwriters - innovative solutions
- Superior and customized claims handling – 8,000 claims professionals world-wide
- Expert cash management across multi-national programs
- 800 Risk Engineering professionals in 32 local venues integrated in our network
- Global Strategic Relationship Management capabilities delivered through hubs in Zurich, London, New York



 Zurich presence
 Zurich partners

Europe Personal and Business Customers

Focus on growth for profit in key markets



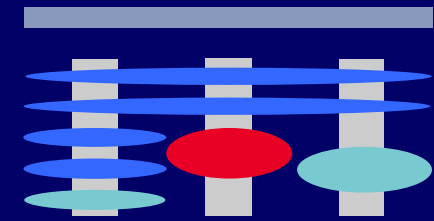
Zurich's European presence in Personal and Business Customer segment¹

- Key markets
- Other markets



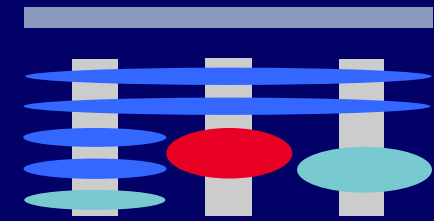
¹There is a market presence in the Corporate segment in Nordic, France, Benelux and our Pan-European network

Performance and growth opportunities



Priority	1. Performance	2. Growth
Goals	Top-tier technical performance <ul style="list-style-type: none">• In all markets• Across the cycle	Growth for profit <ul style="list-style-type: none">• Transform agent & broker channels• Excel as a multi-channel player
Operational imperatives	Operational excellence Through excellence in segmentation, underwriting, pricing and claims handling while containing costs	Distribution transformation Leverage distribution and increase volume and profits

Competitive advantage in operations




Build on motor as innovation platform for personal customers

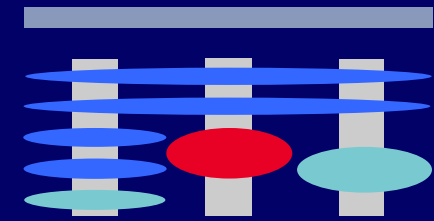
- Very profitable segment
- Strong innovation history
 - Worksite marketing
 - Significant direct market share
 - Sophisticated pricing
 - Help point
 - Small fleets' motor products

Expand as a leading player in standardized commercial business

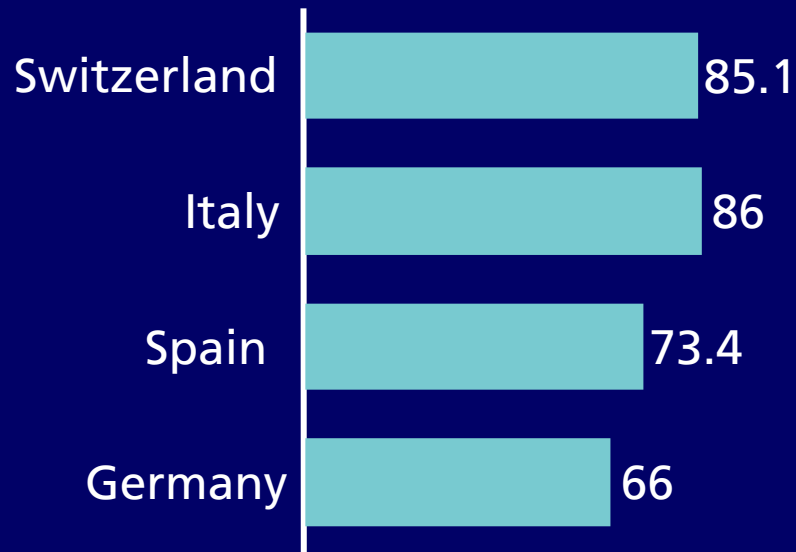
- Rules-based underwriting expertise
- Agent segmentation strategy
- Online quoting and binding for intermediaries
- Small commercial affinity strategy

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- Exploit pockets of excellence
 - Improve and replicate promising solutions
 - Set standards for execution and monitor governance centrally

Competitive advantage in distribution



2002 agent channel share (in %) in key Continental Europe markets

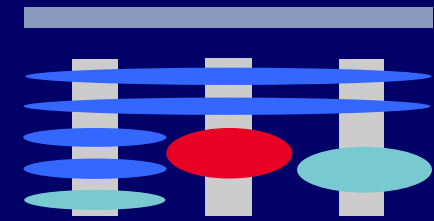


Agents drive profitability due to:

- Long term contracts
- High retention rates
- Relationship-driven approach

Agents as a key element of
Zurich's multi-channel strategy

Key value drivers for profitable growth



Operational excellence

- Underwriting excellence
- Claims excellence

Distribution transformation

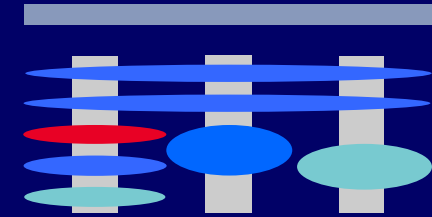
- Leverage agents value
- Manage brokers for profit
- Expand multi channel approach

Europe consolidation

- Align processes, procedures and set standards
- Drive implementation and execution

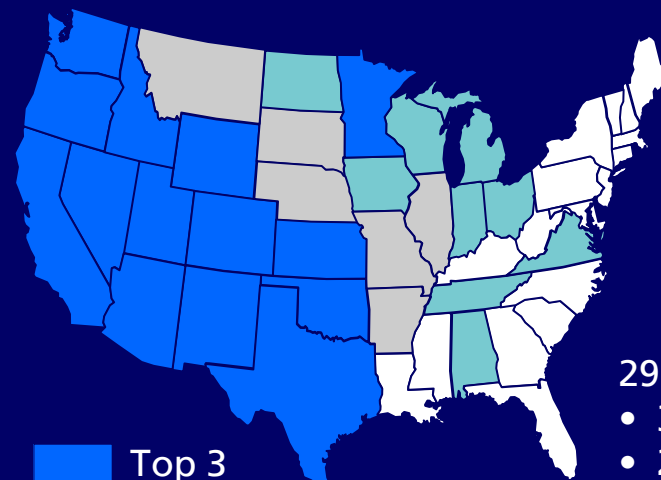
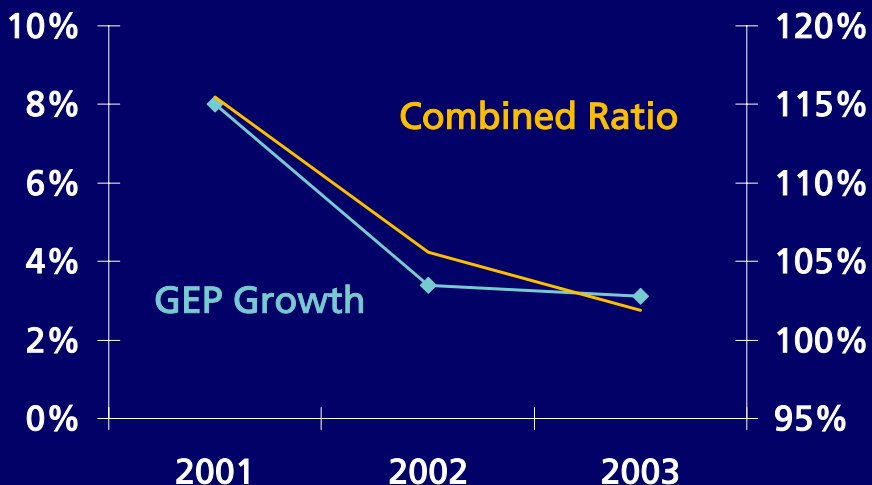
US Personal Customers

Farmers Exchanges overview



in USD millions

	GWP ¹	NEP ¹	Share ²	Rank ²
Auto	7,625	7,599	5.3%	#4
Property	3,444	3,234	6.8%	#3
Personal Specialty	1,087	951	13.9%	#1
Total Personal lines	12,156	11,784	6.0%	#3
Commercial	1,031	922	2.9%	#9
Total (incl. other)	13,833	13,294	3.6%	#3



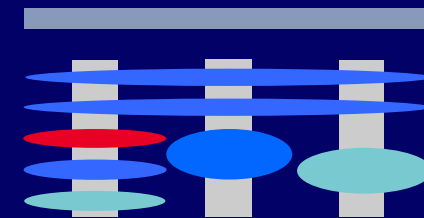
- 29 Core states
- 3rd largest Auto
 - 2nd largest Home
 - Largest Specialty

¹GWP, NEP based on 2003 numbers

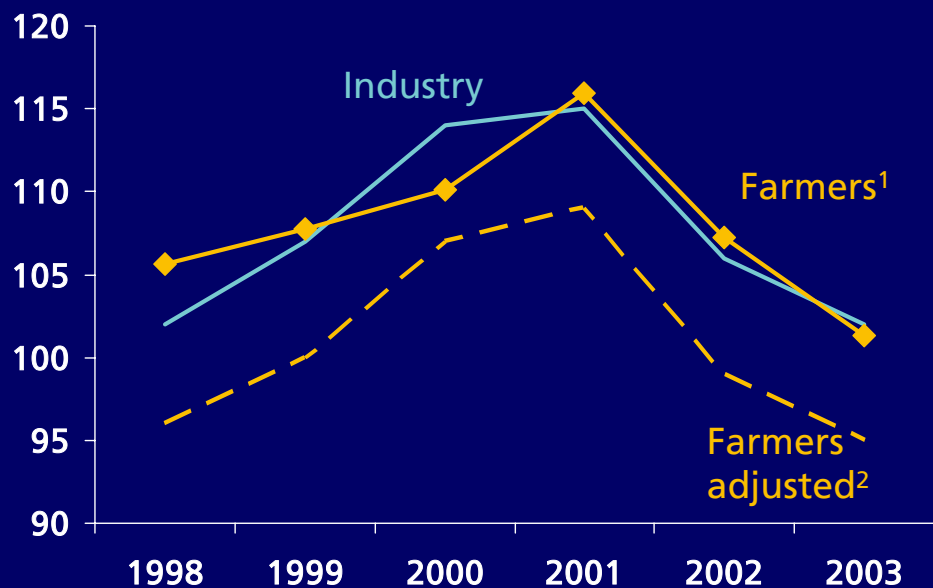
²Source: 2002 AM Best & NFO Mob. Home

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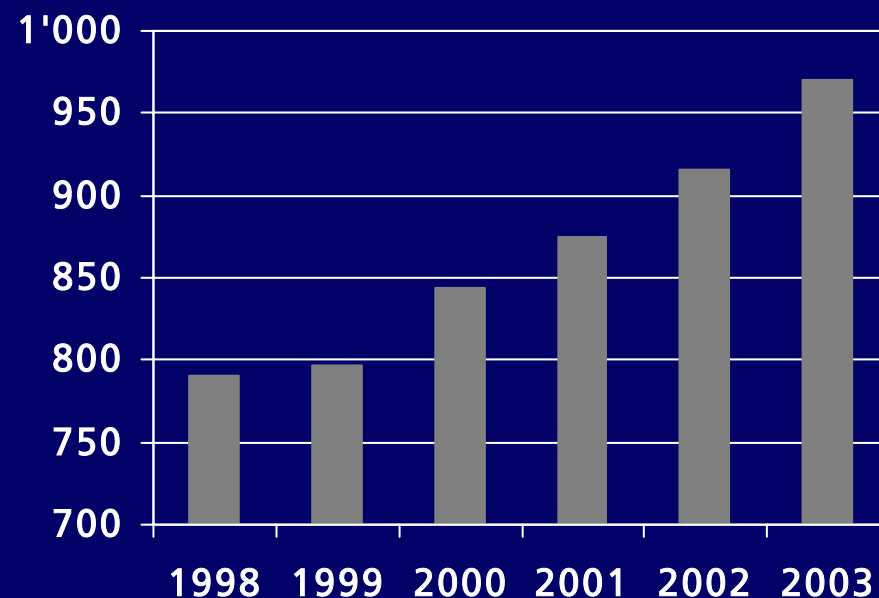
Performance and structure



Farmers Exchanges¹ Combined ratio vs. Industry



Farmers Management Services Operating income (in USD millions)

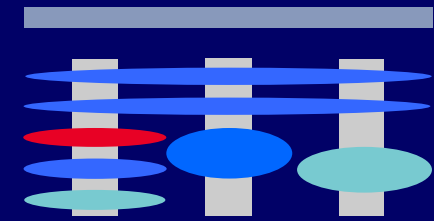


¹Managed but not owned by ZFS

²Farmers adjusted includes a reduction for annual FMS pre-tax profit

Source: A.M. Best, Company

Transforming the business



Underwriting & Pricing

- Reallocate Capital
 - Exited Med Mal
 - Grew Specialty
 - Reduced exposure in unprofitable segments
 - Texas HO reduction
- Segmentation
 - Risk Scoring
 - GUS
- Rate increases
- Walk-away Pricing

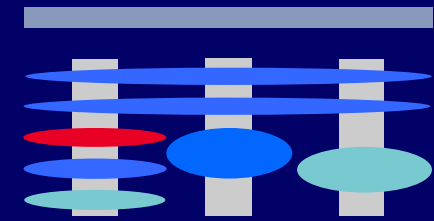
Claims

- Help Point
- Senior Claims Team
- Re-engineered process
- CRN

Agency Development

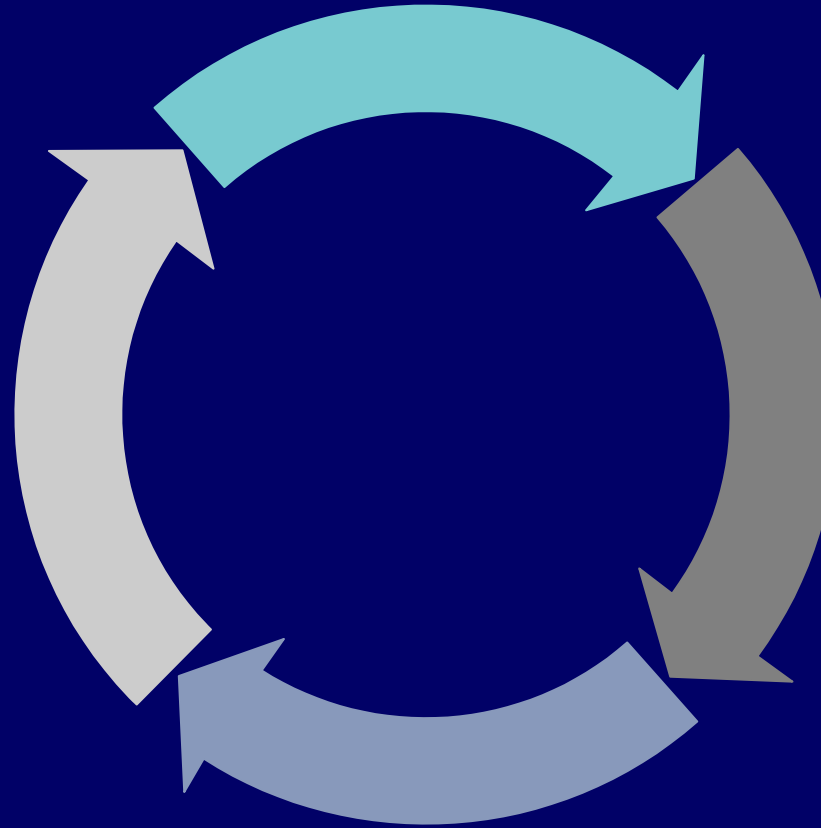
- University of Farmers
- DARG
- State by state focus
- Higher standards (6-63 licenses)

Summary



Continue improvement program
to strengthen surplus by USD 1 billion

Sustainable model
to provide reliable
and consistent
earnings growth
and superior ROEs



Drive premium
growth by growing
and improving

- Exclusive agents
- Independent agents
- Customer retention

Management company earnings
can continue to grow

Q & A