

Half Year Results Reporting 2004

Key Quotes by James J. Schiro

Chief Executive Officer

August 19, 2004

I am pleased that our strong recovery continues with the sixth consecutive profitable quarter. It is based on sound underwriting, financial discipline and our sharp business focus.

We enter the second phase of Zurich's recovery, building on our renewed performance culture and committed to creating shareholder value and strengthening our balance sheet.

The consistent delivery of solid results gives us confidence that we can continue to operate from a position of renewed financial strength.

Our focus remains on making an underwriting profit over the cycle. We selectively withdrew from markets where prices no longer seem to meet our hurdle rates and our goal to deliver an underwriting profit.

Zurich has positioned itself to leverage its global capacity in order to continue to benefit from its well-balanced portfolio in attractive markets.

The actions we have taken to improve the performance in Life Insurance are beginning to show results. But more work remains to be done to ensure that this segment meets the Group's internal hurdle rate.

While we continue to see good prices in most lines of business, the pace of rate increases has slowed to the single digits. We are not prepared to defend market share by chasing prices down below a technically sound level. On the contrary, we consistently aim for underwriting profitability over growth in the best interest of our customers and shareholders.

We are enthusiastic about our long-term growth opportunities, which will come from our clear focus on our chosen Life and General Insurance segments. To these segments we will apply our competitive advantage based on global scale, unique distribution skills and customer relationship management.

Our bottom line is also impacted by our ability to harness further productivity gains following the success of last year's profit improvement program. Our change program towards a culture of sustained profitability is becoming firmly entrenched.