

Zurich provides preliminary update on third quarter 2015

Zurich, September 21, 2015 – Zurich Insurance Group (Zurich) provides a preliminary update on expected results for the third quarter 2015.

Zurich announces that it currently estimates aggregate losses of approximately USD 275 million related to the series of explosions at a container storage station in the Port of Tianjin in China in mid-August 2015. While this represents Zurich's current best estimate of the cost for the above event, the nature of many of the losses and the extended remediation period to complete repairs means that uncertainty as to the final cost remains. The estimate is net of reinsurance and before tax. A further update will be provided with the Group's third quarter results, which are due to be released on November 5, 2015.

In addition to claims relating to the Tianjin port explosions, Zurich now expects that weaker than expected profitability in the General Insurance business in the first half of 2015 will continue in the third quarter.

Specifically, large losses excluding those associated with the Tianjin explosion will be at levels similar to the results for the first half 2015. Further, recently completed reserve reviews indicate a likely negative impact of around USD 300 million in the third quarter in relation to current and prior year liabilities for U.S. auto liability and certain other lines of business.

Given the deterioration in profitability in certain parts of the General Insurance business, and following his appointment as General Insurance CEO, Kristof Terryn is conducting an in-depth review of the business.

While it is not possible at this stage to provide a precise view on the outcome of this review, given claims relating to the Tianjin port explosions and the outcomes of the



recent reserve reviews, it is currently expected that the General Insurance business will report an operating loss of around USD 200 million for the third quarter. The Global Life and Farmers businesses are expected to perform in line with expectations. A further update on the outcome of the General Insurance review will be provided on November 5, 2015 with the third quarter results.

Zurich remains committed to achieving its financial targets for 2014 to 2016, i.e. a business operating profit after tax return on equity of between 12% and 14%, solvency as measured by the Group's internal capital model, the Z-ECM ratio, of between 100% and 120%, and net cash remittances to the Group after all central costs in excess of USD 9 billion over the three years. In addition, Zurich's priorities for the use of USD 3 billion of excess capital remain unchanged.

In light of the above recent deterioration in the trading performance in the Group's General Insurance business, Zurich announced this morning that it has terminated its discussions in connection with a possible offer for RSA. The Group's focus instead will be on taking the necessary actions to deliver on the required performance of the General Insurance business.

Zurich Insurance Group (Zurich) is a leading multi-line insurer that serves its customers in global and local markets. With more than 55,000 employees, it provides a wide range of general insurance and life insurance products and services. Zurich's customers include individuals, small businesses, and mid-sized and large companies, including multinational corporations, in more than 170 countries. The Group is headquartered in Zurich, Switzerland, where it was founded in 1872. The holding company, Zurich Insurance Group Ltd (ZURN), is listed on the SIX Swiss Exchange and has a level I American Depositary Receipt (ZURVY) program, which is traded over-the-counter on OTCQX. Further information about Zurich is available at www.zurich.com.



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