

Morgan Stanley 10th Annual European Financials Conference

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Three key messages for today

A

We have businesses with distinctive strengths and gearing to economic recovery, particularly in commercial and corporate insurance

B

We are stepping up investments to drive growth in markets where we have these distinctive strengths, while maximizing profitability in markets where we do not

C

Our strategy is also about improving profitability and growing operating earnings, without regard to market conditions

General Insurance is the biggest driver of operating profits and of the cash to fund the Group's dividend

Segment	Business Operating Profit 2013, USD billions
General Insurance	2.9
Global Life	1.3
Farmers	1.5
Others ¹	-1.0

**GI drives
~ 50%
of Group
BOP**

Segment	Net cash remittances 2013, USD billions
General Insurance	2.4
Global Life	0.6
Farmers	0.9
Others ¹	-1.0

**GI drives
~ 60%
of Net cash
remittances
to Group**

¹ Others refers to Non Core Businesses and Other Operating Businesses

How General Insurance will deliver the Group's strategy

Group's Strategy 2014-2016

1

Prioritizing investment in distinctive positions

What does it mean for General Insurance in 2014

- Strong, continued focus on GC's International Program business, and GC-CLP collaboration
- Leveraging predictive analytics in NAC
- Retail initiatives go live in two major markets

2

Managing other businesses for value

- Maximize extraction of value from profitable, smaller GI businesses
- Actively manage underperforming businesses to deliver desired level of returns, exiting if necessary

3

Growing our operating earnings

- Continue executing on portfolio management
- Focus upon reducing complexity and central costs
- GI-specific growth initiatives

Global Corporate's customer focus is a solid foundation for growth

Global Corporate

Growth¹

6%

For year ended
31 December 2013

Combined Ratio

92%

For year ended
31 December 2013

BOP ROE²

20%

For year ended
31 December 2013

- Zurich Global Corporate offers insurance and risk management services, including risk transfer and risk finance solutions, to large corporations and multinational companies
- > 24'000 customers which we are able to serve in 210 territories through our market-leading international network
- Reviewing customers' risks and supporting them through Risk Engineering insights and benchmarks
- Protecting customers' brand through Zurich's Multinational Insurance Application (MIA), by helping them through complex and changing regulatory environments
- Delivering innovative solutions for our corporate customers through joint composite go-to-market approach together with Zurich's Corporate Life and Pension (CLP) unit

¹ In local currency and on comparable basis

² Pre-tax and before any allocation of OOB costs, adjusted BOP ROE based on average IFRS Group equity (excl. unrealized capital gains/losses) allocated to the segment based on its share of Zurich risk based capital (RBC)

Focus on International Programs will contribute to delivering the strategy

Strong, continued focus on our International Program business

Group's Strategy 2014-2016

1 Prioritizing investment in distinctive positions

2 Managing other businesses for value

3 Growing our operating earnings



¹ The Risk Management Society, USA

We will leverage the strengths of our North America Commercial business

North America Commercial

Growth¹

6%

For year ended
31 December 2013

Combined Ratio

95%

For year ended
31 December 2013

BOP ROE²

19%

For year ended
31 December 2013

- Gross Written Premium of USD 10 billion
- Our Combined Ratio improved by 4.4 percentage points in 2013, and we are focusing on further improving specific portfolios
- In the United States, Zurich is the:
 - Biggest construction insurer
 - 4th largest commercial P&C insurance company³
 - Largest insurer of franchised auto dealers⁴
 - 3rd largest writer of surety³
 - 5th largest writer of commercial auto, general liability, and workers' compensation³

¹ In local currency and on comparable basis

² Pre-tax and before any allocation of OOB costs, adjusted BOP ROE based on average IFRS Group equity (excl. unrealized capital gains/losses) allocated to the segment based on its share of Zurich risk based capital (RBC)

³ SNL, Insurance Statutory Market Share Report for 2012

⁴ National Auto Dealer Association, NADA DATA 2013

Along with growth, NAC is focusing on improving operating earnings

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Workers Comp

Context: We have identified underperforming parts of our WC book, and continue to take corrective measures to further improve the portfolio

Actions:

- Delivered next generation predictive model
- Calibrated underwriters
- Executed on tiering

Early indicators:

- Maintained book size at ~USD 1.7bn
- Improved profitability by decreasing AY combined ratio by 3.8 % points in 2013
- Expect acceptable returns on new business by end of 2014

Specialty Auto

Context: We identified that Specialty Auto's profitability was beginning to deteriorate in spring of 2012

Actions:

- Terminated unprofitable relationships
- Delivered deeper risk insights
- Implemented more robust predictive models
- Executed on tiering

Early indicators:

- Shrunk book by > 20% in 2013
- We aim to improve policy year loss ratio in 2014

In EMEA, we will focus on our strong positions in key markets

EMEA

Growth¹

-2%

For year ended
31 December 2013

Combined Ratio

95%

For year ended
31 December 2013

BOP ROE²

22%

For year ended
31 December 2013

- EMEA represents a USD 13 billion book, which accounts for roughly one third of GI globally
- EMEA serves 11 million personal and 1.5 million commercial customers
- In most European countries where we operate, we are a top-10 general insurance player and we are investing in areas where we have the strongest positions
- EMEA also has some businesses where we are focusing on turnaround to deliver desired returns, and where we are prepared to exit, if needed (e.g. Zurich-branded UK aggregator)

¹ In local currency

² Pre-tax and before any allocation of OOB costs, adjusted BOP ROE based on average IFRS Group equity (excl. unrealized capital gains/losses) allocated to the segment based on its share of Zurich risk based capital (RBC), excludes Middle-East and Africa

Revised Retail go-to-market model is all about delivering on customer needs

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From 'pushing' products to understanding customers and delivering on their needs

1. Segment markets based on needs and behaviours
 - ✓ 5 priority markets in 2013-'14
 - ✓ Internal and external data analytics
 - ✓ ~32.000 in-depth customer interviews
2. Select most attractive customer segments
3. Adapt entire go-to-market model to meet target segment needs
4. Competitive and targeted brand investment

Pillars of revised Retail go-to-market model based on customer insights

- Seamless omni-channel experience
- Modular and innovative propositions
- Enhanced service levels

International Markets have strong growth, with a focus on improving profitability in specific areas

International Markets

Growth¹

13%

For year ended
31 December 2013

Combined Ratio

99%

For year ended
31 December 2013

BOP ROE²

8%

For year ended
31 December 2013

- IM is mostly made up of key emerging markets in Asia Pacific, and in Central and Latin America
- APAC GWP in 2013 was USD 2 billion, with a business operating profit of USD 287 million, representing a 23% increase over prior year
- In APAC, core sources of revenue growth and profit for next three years are Australia, Japan, Hong Kong and Malaysia
- Lat Am's contribution to the top-line was USD 3 billion
- In Lat Am, growth is not just in Brazil: Zurich Mexico grew more than twice as fast as the local market³
- In all emerging markets, continued focus on building up a solid foundation of technical excellence

¹ In local currency

² Pre-tax and before any allocation of OOB costs, adjusted BOP-ROE based on average IFRS Group equity (excl. unrealized capital gains/losses) allocated to the segment based on its share of Zurich risk based capital (RBC), includes Middle-East and Africa

³ EstadisticAMIS, based upon YOY growth rates of Zurich Mexico and local Mexican market in Q3 2013

Brazil: consolidating growth and optimizing portfolio profitability

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In Brazil, our current focus is on consolidating growth and optimizing the profitability of the portfolio, based on The Zurich Way of Underwriting excellence

- Incorporate our portfolio experience into better and more granular underwriting insights and risk pricing
- Build out a more effective claims-handling approach including vendor management, litigation management and fraud detection
- Implement our agency system platform to improve ease of doing business as well as portfolio controls

In conclusion: recap of today's three key messages

A

We have businesses with distinctive strengths and gearing to economic recovery, particularly in commercial and corporate insurance

B

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Our strategy is also about improving profitability and growing operating earnings, without regard to market conditions