

A customer-led transformation



Welcome to the 2018 Review

About us

Zurich Insurance Group (Zurich) is a leading multi-line insurer that serves its customers in global and local markets. With about 54,000 employees, it provides a wide range of property and casualty, and life insurance products and services in more than 210 countries and territories. Zurich's customers include individuals, small businesses, and mid-sized and large companies, as well as multinational corporations. The Group is headquartered in Zurich, Switzerland, where it was founded in 1872.



54,000

Employees

Our employees are one of our greatest strengths. Recognized as a leading global employer, we are proud of our diverse workforce and our ability to attract top talent.



>210

Countries and territories

Our business is balanced between Europe and North America, and we have a significant participation in growing regions and markets in both Latin America and Asia Pacific.



1872

History

We have experience in our industry going back almost 150 years. This gives us not only knowledge and expertise, but also allows us to look toward the future with confidence.

USD 4.6bn

Business operating profit¹

12.1%

Business operating profit after tax return on equity²

USD 51.6bn

Total revenues³

CHF 44.4bn

Market valuation as of December 31, 2018

AA-/stable

Standard & Poor's financial strength rating of Zurich Insurance Company Ltd as of December 31, 2018

USD 3.7bn

Net income attributable to shareholders

USD 3.8bn

Cash remittances⁴

USD 195bn

Investment portfolio⁵

Z-ECM 125%

Zurich Economic Capital Model (Z-ECM) ratio estimated as of December 31, 2018⁶

USD 3.8bn

Total amount of impact investments⁷

2.1 tons

CO₂e emissions per employee (tons per FTE)⁸

22%

Female participation in Leadership Team

>760,000

Number of customers interviewed through Zurich's NPS program⁹

¹ Business operating profit (BOP) indicates the underlying performance of the Group's business units by eliminating the impact of financial market volatility and other non-operational variables.

² Shareholders' equity used to determine ROE and BOPAT ROE is adjusted for net unrealized gains or losses on available-for-sale investments and cash flow hedges.

³ Total revenues excluding net investment result on unit-linked investments.

⁴ Cash remittances for full year 2018.

⁵ Market value of the investment portfolio (economic view).

⁶ The Z-ECM is an internal measure of capital adequacy and reflects midpoint estimates with an error margin of +/- 5 pts.

⁷ Impact investments in 2018 consisted of: green bonds (USD 2.68 billion), social and sustainability bonds (USD 425 million), and investments committed to private equity funds (USD 145 million, thereof 45 percent drawn down) and impact infrastructure private debt (USD 540 million).

⁸ Number shown as of 2017; 2018 data will be available in Q2 2019.

⁹ In 2018, Zurich interviewed over 760,000 customers (including Zurich Santander) in over 20 countries through its NPS (Net Promoter Score) program.

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Our cover:

Swiss business customer Felix Pfister, his wife Maya Pfister-Gerber, and cat Fiffille, at Pfister's gardening business in Zurich, with Zurich's Norberto Orbeti.



Our industry is in the midst of a profound transformation. Led by what customers need and expect, enabled by digital technologies, we are well positioned to adapt to these changes that will define our business not only today, but also tomorrow."

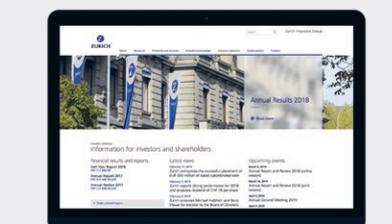
Mario Greco

Group Chief Executive Officer

Our 2018 reporting suite

The Annual Report provides comprehensive information on our business activities in 2018.

The Annual Review offers similar information in a shorter, more visual format. Both are available online and in print.



Message from our Chairman

On the path to success



We set the right priorities and we are now **starting to reap the benefits** of the course we have chosen.”

Michel M. Liès

Chairman of the Board of Directors

We are on a challenging but rewarding journey to become a truly customer-led insurer. Our aim to also be a leader in sustainability reinforces and builds on our strengths and expertise, and complements our strategy.



First impressions

The past year has been one of transformation – both for Zurich and for me personally. In these first months as Chairman, I have taken time to deepen my insight into this great company. Having been able to immerse, reflect and understand, I am pleased to report my confidence that Zurich's transformation is putting us on a good path to success. Zurich has the knowledge and expertise to achieve our aims. What truly sets us apart is our people, and the commitment they are demonstrating each day to driving the transformation. Our people will drive our success: from our diverse and experienced management team, a passionate and skilled workforce, to people just starting on their career paths. I have been privileged to witness this process in action – including through our Make the Difference program and country visits – and look forward to seeing many more examples in future.

Our strategy builds confidence

Our strategy to become one of the first customer-led insurers puts us on the right path. It reflects a clear understanding of today's fast-changing world, and identifies the right actions for us to take.

Technological empowerment has raised our customers' expectations. But if Zurich can help them enhance their lives and activities through our products and services, there is great potential to increase our value and relevance to all stakeholders. As our strategy takes hold, we are providing robust returns and strong investor confidence, meeting investors' expectations and delivering on our financial targets. We will propose to shareholders an increase in the dividend to CHF 19 per share, further demonstrating our strength following a set of strong and sustainable results in 2018.

Living up to our brand

For nearly 150 years, Zurich's brand has stood for technical excellence, an open and collaborative approach and both global and local expertise. Today, we are strengthening this identity by embracing the wider role that insurance and risk management can play in people's lives, in protecting companies and strengthening communities, and in addressing society's most pressing challenges. Risk, after all, is our expertise, and that understanding has never been in greater demand.

From transitioning to a new carbon-sensitive economy to adapting to a new digital workforce, the impact of macro-level forces on people, communities and the world will be immense, and Zurich understands that its core capabilities can have a positive impact in securing an inclusive and resilient future. We are proud of the efforts we have made to date, but even more excited about the possibilities we can envision.

Looking to the future

Going forward, our focus will be on implementing and executing our transformation. The Board has an important oversight role, ensuring that long-term thinking is embedded into the process. To facilitate this, I am ensuring that management benefits from the rich and diverse array of perspectives represented among my fellow Directors, and that we collectively understand both the challenges and opportunities that lie before us. Zurich's ambition is a bold one, but we have all the ingredients in place to succeed. I look forward to continuing to play my part and updating you again in due course.



Michel M. Liès
Chairman of the Board of Directors

Our business segments

Property & Casualty

Property and casualty insurance and services, risk insights.

USD 2.1 bn

Business operating profit

USD 33.5 bn

Gross written premiums and policy fees

Life

Protection, savings and investment solutions.

USD 1.6 bn

Business operating profit

USD 33.4 bn

Gross written premiums, policy fees and insurance deposits

Farmers

Management services related to property and casualty insurance.

USD 1.6 bn

Business operating profit

USD 3.2 bn

Management fees and other related revenues

Message from our Group CEO

Delivering on our commitments



After reshaping our business, Zurich is well-positioned to face this transformation from a **position of strength.**”

Mario Greco
Group Chief Executive Officer

A changing world demands focus and a clear understanding of how to create value. Zurich is delivering on both while transforming itself for a digital age.



Embracing a customer-led transformation

In a world undergoing such fundamental change, it is critical that organizations consciously choose their path, make clear commitments to how they will travel along that path, and then regularly examine their surroundings to ensure progress is being made. At Zurich, the path we have chosen is not to resist the digital revolution or to cling to old models. Instead, we are embracing a customer-led technology-enabled transformation that will redefine how we create value for our customers, shareholders, employees and society more broadly.

Positioned to succeed

After two years of reshaping our business, Zurich is well-positioned to face this transformation from a position of strength. Our business portfolio reflects a better mix of risks, while reducing volatility and expanding our customer base.

We exhibit more underwriting discipline and manage our cost base more efficiently. We are meeting or even exceeding our 2017 to 2019 financial targets, including profitability, capital strength and cash remittances. And we are delivering one of the top total shareholder returns in the insurance sector.

Together with these accomplishments we are also achieving profitable growth through targeted acquisitions that build on our geographic footprint and differentiate ourselves from peers. In Latin America these actions position us as the top composite insurer in Argentina, the biggest life insurer in Chile and the fourth-largest insurer in the region. In the Asia Pacific region, we are acquiring 80 percent of Adira, making us the largest foreign P&C insurer in Indonesia. And we essentially globalized the Cover-More travel assistance business – after acquiring it only two years ago – through a series of bolt-on acquisitions in Latin America and Europe that now make Zurich the second-largest player globally in this fast-growing market.

But our growth has not been limited to acquisitions. We also established a series of collaborations that expand our service offerings and gain us new ways to access customers, ranging from new mobility solutions through Bright Box to smart home services with Vodafone to cyber prevention capabilities with Cyence. In addition, we developed new offerings internally, including an insurance-on-demand device coverage for millennials in Spain and an innovative software-as-a-service tool for automobile dealers in the U.S. All of these represent ground-breaking new approaches to managing customers' risks, challenging traditional product concepts and distribution models.

Customers will define the path ahead

As the balance shifts in customers' favor, a critical part of the journey involves constantly measuring and improving customer satisfaction, with the aim being that our customers become our greatest promoters.

Timeline of 2018 events



Message from our Group CEO (continued)

We have started introducing customer satisfaction measures across the organization, as we are committed to learn from every interaction that our millions of customers have with us. Satisfied customers, after all, tend to be more loyal, and tend to have a longer and broader relationship with Zurich. Through our efforts, and by truly listening to customers, we are making changes and seeing net promoter scores improve. And to underscore how serious we are, we have also included 'NPS' metrics as a measure to determine leaders' incentive plans.

To accelerate this customer journey we are also creating global capabilities to support our local businesses. For example, Zurich Insurance Mobile Services is creating digital platforms that can be used in any market, while Zurich Customer Active Management provides analytical support to better interpret customer needs, preferences and expectations. Both represent areas where skills and scale can create impact, and both are already creating value across the Group.

Engaging employees

In the end, though, our transformation will be led by our people, who are increasingly demonstrating a renewed sense of purpose that is more agile, collaborative and entrepreneurial. You can read one way we are doing this through our Make the Difference campaign described here.

We are also listening more to our employees, using the 'employee' NPS, or 'ENPS' measure, to better understand employees' needs. And we are increasingly being recognized for our efforts to promote diversity across our organization, while providing opportunities for all our people to work to the best of their ability and develop their careers.

Having an impact on the world around us

The impact we are making goes beyond customers, shareholders and employees, though. We are also redoubling our efforts to share our expertise, spirit and energy with communities across the world. This commitment starts in Switzerland, where we provide about 4,600 people with fulfilling and rewarding careers, sponsor life-enriching programs like Vita Parcours, the music festival Lucerne Summer Festival and the Europa Institut, and educate children on computer coding and financial literacy.

We also support a range of charities that aim to improve the lives of many people and groups. Outside of Switzerland we extended the award-winning global Flood Resilience Alliance that has already enhanced resilience in 110 mostly low-income communities, expanded the Z Zurich Foundation local grants program to over 20 countries, and contributed extensively to the debates around the future of work, climate change, cyber security and other critical risk topics. We are proud of these and countless other efforts our people make to improve the lives of our neighbors, and are committed to doing even more in the years to come to promote an inclusive and resilient future.

Conclusion

Zurich embraces this customer-driven world. We have demonstrated our ability to improve our core business while creating new opportunities. We have positioned customer feedback as a key source of learning. We have energized our people around a clear purpose. And we have recognized the greater societal impact we can and must have to truly deliver sustainable value to all stakeholders. This is the path we have chosen, and it is one we believe will serve as our strength not just in today's insurance environment, but also in tomorrow's.



Mario Greco
Group Chief Executive Officer

For employees, by employees



“Customer expectations are changing quickly. As part of Make the Difference, we want to radically simplify the customer experience.”

Marina Cardoso

Customer Proposition and Services Manager
at Zurich Insurance Mobile Solutions



Breaking down bureaucracy

Simplifying our business is one of our strategy goals. To help us achieve it, in 2018 Zurich introduced ‘Make the Difference,’ a Group-wide initiative that challenges employees to come up with ways to make us more efficient, simpler and faster at driving necessary change.

By encouraging an entrepreneurial mindset, it lets those who know our business best – our people – work without barriers to challenge bureaucracy and break down silos.

Our diverse workforce has provided multiple perspectives, which helps us to reach workable solutions: no fewer than 16 nationalities were represented among the 22 employees leading just one cohort of Make the Difference.

Acting on ideas

Through Make the Difference, we have already introduced real changes to make Zurich more flexible, agile and faster. Acting on some of the over 400 recommendations employees submitted in 2018, we have significantly simplified internal processes, and are also making changes that include working to make the language we use in policies more customer-friendly.

Another example of a tangible success introduced through Make the Difference is a global platform to share ideas and solutions through the ‘Zurich Store.’

We are also addressing rapid changes in customers’ expectations. “As part of Make the Difference, we want to radically simplify the customer experience, making it quicker, easier and more intuitive,” says Marina Cardoso, Customer Proposition and Services Manager at Zurich Insurance Mobile Solutions.

Top:

Through Make the Difference, employees like Marina Cardoso are leading our transformation to become a simpler, more agile company.

Our strategy

Strategic overview

Our strategy positions Zurich for success over the long term. It builds on our unique footprint, solid financial position, balanced portfolio, trusted brand and the skills, strengths and expertise of our people.



We are **well on track** to fully achieve our 2017 to 2019 targets. We look ahead with great confidence to the next phase of our development.”

Mario Greco
Group Chief Executive Officer

Our purpose, values and strategy

Our purpose

Why

**To protect
you**

**To inspire
confidence**

**To help you reach
your full potential**

Our values

How

We are one team and value the diversity and potential of every individual.

We embrace new ideas to exceed our customers' expectations.

We deliver on our promises and stand up for what is right.

Our strategy

What

Focus on customers

Improve service quality and customer experience.

Simplify

More agile and responsive organization.

Innovate

Better products, services and customer care.

Financial targets

Long term targets

Our strategy to deliver long-term competitive advantage focuses on continuing to increase profitability and consolidating the Group's position as a leading global underwriter for property and casualty (P&C) and life insurance. The Group will expand customer relationships, simplify the business and significantly reduce costs.

At the operating level, Zurich will continue to reduce complexity and improve accountability. Zurich will enhance technical excellence and strengthen its go-to-market-approach for commercial customers. It will also seek to enhance its offerings to individuals by monitoring and aiming to increase customer satisfaction and retention.

The Farmers Exchanges¹ will continue to focus on improving customer satisfaction and retention rates.

2017–2019 targets

BOPAT ROE ²	>12% and increasing
Z-ECM ³	100–120%
Net cash remittances ⁴	>USD 9.5bn (cumulative)
Net savings	USD 1.5bn by 2019 compared with 2015 baseline

¹ The Farmers Exchanges are owned by their policyholders. Farmers Group, Inc., a wholly owned subsidiary of Zurich Insurance Group, provides certain non-claims administrative, management, and ancillary services to the Farmers Exchanges as attorney-in-fact and receives fees for its services.

² Business operating profit (after-tax) return on shareholders' equity. Excludes unrealized gains and losses.

³ The Zurich Economic Capital Model (Z-ECM) is an internal measure of capital adequacy.

⁴ Cumulative net cash remittances to Zurich Insurance Company Ltd, after deducting central costs, over the 2017 to 2019 period.

Our strengths

A solid financial position

We have a solid financial position. That can reassure our customers that we will be there when they need us to handle their claims, our shareholders that we are financially stable, and our colleagues that we have a well-earned positive reputation as a business and an employer.

A balanced business

Our business is balanced between Europe and North America. The Latin American contribution is growing and the business in Asia Pacific is expanding. Our portfolio is healthy and balanced between Property & Casualty, and Life. Both are sustainable and profitable businesses. Farmers provides stable income. This diversification positions us well to weather economic and market volatility, and gives us a strong presence across customer segments and product lines.

A trusted brand, talented people

Our brand is strong and reinforces our reputation for being able to understand the risks our customers face and to structure offerings that meet their unique needs. Our global brand and reputation help us to continue to attract the most talented people in the industry.

Delivering on our strategy in 2018

Focus on customers

- ▶ We increased use of customer feedback through the 'transactional' net promoter score (TNPS) and achieved improvements in TNPS across all four business regions.
- ▶ We gained access to new customers through acquisitions in Latin America, Australia and Indonesia and expanded our Cover-More travel assistance platform globally.
- ▶ We added distribution agreements giving us access to nearly 30 million new potential customers.

Simplify

- ▶ We continued to streamline our business by consolidating data centers and decommissioning hundreds of IT and business applications.
- ▶ We launched a global program open to all employees, 'Make the Difference,' to simplify and improve how we work, receiving over 400 suggestions in the first year.
- ▶ We introduced our first Group-wide internal social media platform which gives employees across our businesses an easy way to share ideas and collaborate.

Innovate

- ▶ We set up a separate company, Zurich Insurance Mobile Solutions, to quickly develop and deploy digital platforms on a commercial scale.
- ▶ We established a new unit, Zurich Customer Active Management, to generate insights from the data we gather to allow us to better provide solutions to customers.
- ▶ We entered agreements with established and startup technology companies to develop new customer solutions.

Our business model

Creating sustainable value

The resources we use



Financial

Our investors provide the financial capital that sustains our business.



Intellectual

Our expertise, including in risk management and investment, contributes to our success.



Human

Our approximately 54,000 employees include some of the most talented people in the insurance industry.



Social and relationship

We maintain strong social ties and relationships with customers, intermediaries, regulators, policymakers and others, locally and globally.



Natural

In our daily business we use natural resources as part of doing business. We conserve them and use them wisely.

What we do

Our **employees** are helping our retail and commercial **customers** to understand and protect themselves from risk.

Protection, savings and investments

Life ▶

Property & Casualty ▶

Insurance, services and risk insights



Manage claims

In 2018, we paid out more than USD 22 billion in claims.

To ensure that we provide a positive experience to customers who do business with us, we are systematically listening to customers through our Net Promoter Score (NPS) system, not only as part of our claims process but throughout all customer touchpoints.

Serve customers and distribute through multiple channels

Our products and solutions are available to customers with a focus on great customer service, through many channels: directly, or indirectly via brokers, through employee benefits consultants, and in cooperation with third parties including banks, travel providers, retailers, rental agreements and car dealerships.



Underwrite and manage risk

Insuring and managing risk is central to what we do. Understanding, measuring and modeling risks helps us to price risk fairly and offer competitive premiums to customers, who also look to us to provide expertise aimed at mitigating risks.



Invest and deliver returns

Our income includes returns from invested premiums, policy fees and deposits. Our success as a business is important to those who depend on us to reliably pay claims, as well as investors who look to us to deliver savings returns and operate our business responsibly.



Manage reserves

Our Group-wide policy, the 'Zurich Way of Reserving,' with well-defined and prudent standards, is the basis for how we calculate insurance liabilities. Our reserving process is supported by strong governance, including extensive internal and external reviews.

How our stakeholders benefit



We create value for our customers

by helping them understand and protect themselves from risk.



Read more about how we create value for our customers on pages 12–19.



We create value for our employees

by aiming to give each the opportunity to work to their full potential.



Read more about how we create value for our employees on pages 20–21.



We create value for communities and society

including by mitigating risk and sharing knowledge and expertise.



Read more about how we create value for communities and society on pages 22–25.



We create value for our investors

by paying an attractive and sustainable dividend and maintaining a strong balance sheet.



Read more about how we create value for our investors on pages 26–27.

Creating value for our customers

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The most important
thing you can do is
listen to your customers."

Felix Pfister

Owner of a Swiss gardening business and long-time Zurich customer

At Zurich, we try to see every business and every customer as an individual. And we are getting better at listening to customers to understand their individual needs.



**Far left and inset:**

Business owner and Zurich customer Felix Pfister, and wife Maya Pfister-Gerber.

Left:

The Pfisters grow over 30 different types of apples on a family farm.

Below:

Maya Pfister-Gerber, Zurich's Norberto Orbeti, and Felix Pfister.

Always transforming

Zurich is listening to customers. In 2018 we expanded our system to measure customer satisfaction and gather feedback using the net promoter score to over 20 countries, or 90 percent of our business, generating over 760,000 individual customer responses. Over 50,000 of those customers also received a so-called 'close-the-loop' call, often from Zurich's senior management, to better understand and act on feedback.

We're helping a Swiss business owner to focus on what matters

Over 30 years ago, Swiss business owner Felix Pfister became a Zurich customer. He is still one today. We are proud that customers rely on us, including businesses ranging from big corporations to small ones. The gardening business Felix set up in 1983 has depended on us for insurance, and we've been there to provide support over the years. "The most important thing you can do is listen to your customers," he says.

We also help our customers focus on what's important to them. For Felix Pfister, that includes a family-run farm north of Zurich in the Canton of Thurgau. The farm, 'Seehalde,' with its traditional fruit orchards, has been in his wife Maya Pfister-Gerber's family for generations. Produce includes over 30 different types of apples – a clear vote in favor of biodiversity. "We are thinking for future generations," Felix Pfister says. With Zurich to protect his business, he and his wife are able to pursue their passions.

**View the film online:**

www.zurich.com/en/knowledge/articles/2018/12/real-customers-real-lives-swiss-gardeners-who-grow-happiness



Insurance is like gardening. You need to take time to develop it, and consider the future."

Creating value for our customers (continued)



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We're finding
new ways to protect
against old risks."

Gary Howe
Zurich fire protection engineer

In 2018 the National Trust in the UK allowed Zurich to install the first-ever fire safety sprinklers in one of its historic properties. The challenge was to bring engineering expertise, know-how and safety to a site requiring maximum sensitivity.





Far left:
Gary Howe on site
at the historic mill at
Quarry Bank.

Left:
Phyllis Bayley of the
National Trust with
Gary Howe.

Bottom:
National Trust historic
site, Quarry Bank,
near Manchester.



We are pleased to help a customer preserve the past for future generations

Built in 1784, Quarry Bank in Styal, Cheshire, UK, is an amazing historical treasure that includes one of the best-preserved textile mills of the Industrial Revolution. But old mills can be notorious fire hazards. To protect the site, Zurich needed to find a way to respect the property's historical integrity while making it safe and accessible to all of the over 200,000 people who visit it each year.

We are proud to have worked with the National Trust to install the first-ever modern fire safety sprinklers in one of their historic properties, while helping to maintain the historical integrity of the site. Zurich's solutions at the mill included not only helping to install the sprinklers, but even seeing to it that the color of the pipes matched with walls, ceilings and other spaces where they were placed. We also found somewhere to hide a massive modern diesel-powered engine to feed water to the sprinklers, concealing it in an old coal shed.



More information online:
[www.zurich.com/en/knowledge/
articles/2018/11/safeguarding-the-trust](http://www.zurich.com/en/knowledge/articles/2018/11/safeguarding-the-trust)

Always transforming

Zurich was founded in 1872 as the reinsurance arm of the Insurance Association of the Swiss Marine Insurance Company. At the outset, Zurich insured cargo for the country's growing Swiss textile industry. Today we still play a vital role in helping society and our customers to protect against risk.



Testing is incredibly important when installing fire safety sprinklers. Properly installed and maintained, sprinklers can save lives, property, mitigate business interruption and even protect the environment by reducing air pollution from smoke and contamination from water used to douse a fire."

Creating value for our customers (continued)

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This platform has
helped us to **enhance**
the buying experience."

Tom Henschel

Finance Director, Manly Honda, Santa Rosa, California

Zurich aims to make it easier for U.S. dealerships to help their customers protect their new vehicle by taking some of the stress out of choosing the right protection products.



Left:
Tom Henschel, Finance
Director Manly Honda.

Right:
Tom Henschel and
Dennis Gingrich, Regional
Finance Executive,
Zurich North America.

Bottom:
Manly Honda in Santa
Rosa, California.



Always transforming

Zurich is one of the largest insurance providers for franchised auto dealers in the U.S. and one of the top suppliers of F&I products and services. Zurich opened its first U.S. office in 1913, already seeing potential for growth when Henry Ford introduced assembly lines that put cars within reach of ordinary Americans. Zurich's history of insuring U.S. car dealerships goes back almost as far: Universal Underwriters, one of the oldest and largest dealer insurers in the U.S., began insuring car dealerships in 1922. That company was acquired by Zurich in 1982.

“We truly feel that this platform will help us be the first in our area to achieve a 90-minute start-to-finish sales process.”



More information online:
www.zurichna.com

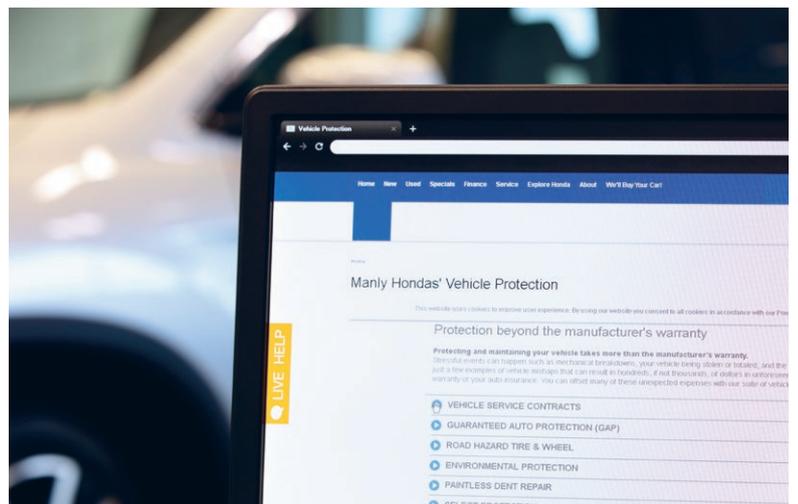
A simpler way for car buyers to choose optional protection

Manly Honda was the first Honda dealership in the Continental U.S. The business today averages sales of approximately 500 vehicles per month. The dealership first introduced Zurich's Finance & Insurance (F&I) Online program to customers in 2017. It has helped improve both customer service and F&I product sales for the dealership.

“We at Manly Honda feel that with Zurich's F&I Online program integrated into our website, consumers remain on our website to educate themselves on the products so they can make a well-informed decision at time of purchase. They come prepared knowing what they are considering for their purchase using credible information,” according to Tom Henschel, Manly Honda's Finance Director in Santa Rosa.

A simpler way to select F&I

F&I refers to a range of protection products available to people buying vehicles at a dealership. F&I products can provide customers with peace of mind, and potential savings against costly repairs. Customers may select coverage if, for example, they're worried about mechanical breakdown, tire damage, door 'dings' or losing vehicle keys. Choosing the right options is time-consuming. To help the dealerships provide better service to their customers choosing F&I options, Zurich North America launched an online program available through dealership websites, helping to educate customers about the different products available. Testifying to the value of this approach, more than 500 of our auto dealership customers, or approximately 30 percent, have integrated Zurich's F&I Online into their websites.



Creating value for our customers (continued)



Above:
Yamini Bhat, co-founder of Vymo, one of eight finalists, Zurich Innovation World Championship.

Right:
Ron Glzman, founder and CEO of Chisel AI, gold winner, Zurich Innovation World Championship (ZIWC).

Bottom right:
ZIWC trophies.

Innovations that matter to customers

We want to make sure we help to protect and simplify customers' lives. To do this more effectively, we are developing networks supported by communication platforms, data links, sensors and connected appliances to better address key areas of customer needs.

Cyber risk and protection

In 2018 we opened a center to monitor cyber threats and provide crisis management, and launched an updated global cyber insurance policy to protect against breaches in data security and privacy. As an emerging risk, we believe cyber needs to be well understood. By offering commercial customers risk prevention and mitigation services, we can complement our insurance offerings.

We continue to raise awareness of cyber risks through studies like our annual Information Security and Cyber Risk Management survey. We also support public and private efforts to address the risks of cyber crime, including through the World Economic Forum.

Smart homes and buildings

We are working with leading technology companies, service providers and startups to provide new solutions that allow customers to stay connected with their homes and properties, and with Zurich. By combining insurance, technology and services, our customers can monitor their homes and mitigate risks in real-time.

Seeking the best and the brightest ideas

In 2018 we launched the Zurich Innovation World Championship, a contest aimed at startups. The winning ideas, in areas vital for our industry, will be shared with our customers. The company that won gold, Chisel AI, has developed a natural language artificial intelligence processing tool for the insurance industry that can vastly speed up information handling, potentially allowing us to serve customers faster, more efficiently and with greater accuracy.

Smart devices can respond to emergencies and alert help if needed, while insurance cover and risk expertise add another dimension of protection, aiming to make customers' homes and properties safer and more convenient.

WellCare

We want to help people live healthier lives, and if necessary, make it easier for them to manage chronic conditions. We are engaging with both our corporate customers through employee benefit solutions, and individuals, using innovative technology that allows users to track activities, learn more about health, access specialized services to manage stress, and understand how lifestyle choices affect well-being.

Our goal is to provide educational support, precise data on daily activities, coaching on nutrition, physical fitness and mental health, and even rewarding people for their efforts.

Mobility

We are supporting drivers and commuters, making vehicles safer, and developing solutions that enable and are compatible with new and innovative forms of transportation, including ride-sharing and mobility on demand. By connecting drivers, vehicles and other aspects of the mobility spectrum, we can develop new networks to support good driving behavior and personalize the services we provide.



To meet all the Zurich Innovation World Championship finalists
Visit www.zurich.com/ziwc





“ We are transforming how we serve customers by building solutions around the services they truly need to make their lives easier and simpler.”

Gian Paolo Meloncelli

Head of Business Development and New Ventures

Working with our own employees and with other companies including startups and established enterprises, we aim to provide solutions and services that will help us to strengthen customer relationships.

Always transforming

In 2018 we established an independent company, Zurich Insurance Mobile Solutions, to deploy innovative solutions on a commercial scale. We are also acquiring expertise by collaborating with start-ups and large tech companies, allowing us to rethink propositions, services and customer interactions. Data we gather is also relevant to our business, and we are constantly seeking to improve the technology we use to analyze it, starting with introduction of data punchcard machines in 1930. In 2018 we set up Zurich Customer Active Management to more quickly analyze customer data, helping us increase customer engagement and loyalty through personalized advice and services.



Creating value for our employees

//
I found in Zurich
something different –
an option to do
something real and
be innovative.”

Kevin Kipfer
Artificial intelligence expert

Zurich's employees are proving that we can move quickly, even as a global company, to simplify how we work. To drive change now and in the future, we're seeking new talent in unconventional places. And we are pleased when motivated individuals with a sense of purpose choose Zurich, helping us to achieve a truly customer-led transformation.

Right:
Kevin Kipfer, artificial
intelligence expert.

Far right, top:
Cecilia Parnell,
speaking at a Make
the Difference event.

Far right, center:
Mélina Carnal,
recruiting consultant.



Applying tech solutions to real life

Some computer science graduates dream of working at a big tech company. But Kevin Kipfer was attracted to Zurich by the opportunity to make changes that really help people. "I found in Zurich something different – an option to do something real and be innovative," he says. One of his projects before joining Zurich was for an airport, building computer models that can think like humans to predict weather. At Zurich, he works as an artificial intelligence expert. His skills are helping us to speed up our responses to messages from customers, allowing us to deal with claims and other issues much faster (in seconds, as opposed to hours or even days) – and with a high degree of accuracy.



Hiring talent to build tomorrow's solutions today

We are keen to recruit talent and raise awareness of opportunities in insurance. One way we do this is by supporting so-called 'hackathons,' contests that draw young, innovative programmers to compete in solving specific problems under tight deadlines – often from start to finish over one weekend. These events also provide opportunities to spot new talent. "Our future employees may be at these events," says Méline Carnal, a Zurich recruiting consultant in Switzerland, who often speaks to potential new recruits, including those attending hackathons.

How employees are making a real difference across Zurich

"Zurich's 'Make the Difference' campaign marks a turning point in our culture," according to Cecilia Parnell, Strategic Specialist at Zurich North America. She is part of a team implementing this global initiative launched in 2018, which invites employees across Zurich to submit ideas to improve how we work. Of the over 400 proposals received so far, ideas already being adopted include those that benefit customers, such as streamlining our processes, transforming our approach to performance management, and introducing simpler language in policies. Through Make the Difference, Zurich also launched an online 'Zurich Store' that encourages employees to share ideas and new customer solutions across businesses and regions.

Always transforming

We benefit from local expertise, cultural awareness and different perspectives provided by the many different nationalities represented in our workforce of about 54,000 employees. A balanced workforce reflects the diversity of our customers. We want to give every employee the opportunity to work to his or her full potential. We have been certified by EDGE, the leading global assessment methodology and business certification standard for gender equality, since 2015. Stonewall, Europe's largest lesbian, gay, bi and trans (LGBT) charity, included us as the first insurer in its Top Global Employers list in 2018.

 **More information online:**
Visit <https://careers.zurich.com/>

Creating value for communities and society

Far right:

Hannah Tyrrell, Irish rugby player and Tackle Your Feelings ambassador.

Right:

Tackle Your Feelings ambassadors Hannah Tyrrell, Jack McGrath, and Shane Jennings.

Below:

Jack McGrath, Irish rugby player and Tackle Your Feelings ambassador.



Always transforming

As insurers, we play an increasingly important role in supporting society. One way we help to address issues affecting communities is through programs for which the Z Zurich Foundation (ZZF) provides support. Zurich offices can apply to the ZZF for funding for such programs. Throughout 2018 we provided financial support to over 20 of these, including to empower young people, especially where unemployment is high, and disaster resilience. We also support health and well-being through programs like Tackle Your Feelings.



More information online:

www.zurich.com/zzfoundation



"I hope Tackle Your Feelings will encourage more people to open up and seek help when they feel under pressure."

Jack McGrath

Leinster and Ireland rugby player, and ambassador for Tackle Your Feelings



//
If I can help people
express their feelings
without fear of judgment,
then I've done the job."

Hannah Tyrrell

Member of Ireland's Rugby World Cup Sevens squad 2018, and ambassador for Tackle Your Feelings

Rugby Players Ireland is helping communities to open up about mental well-being through Tackle Your Feelings, which addresses issues that are not always easy to talk about. Zurich is proud to support these efforts.

**Getting tough on stigmas
surrounding mental health**

Ireland's Tackle Your Feelings campaign is led by Rugby Players Ireland: its vision is for a society where emotional vulnerability is viewed as a strength. The goal is to help people open up about problems and concerns that might affect their mental and emotional well-being. The message resonates especially with those for whom rugby players, as sports heroes, might seem anything but vulnerable. It is a particularly poignant message in Ireland, which has one of the highest youth suicide rates in Europe, particularly among young men.

Zurich has supported Tackle Your Feelings over three years to 2018.

In late 2018 Zurich launched a similar program called Mindfit in Australia, where the success of Tackle Your Feelings is being replicated in a collaboration between Zurich Australia, the Australian Football League Players' Association (AFLPA) and the Australian Football League Coaches' Association (AFLCA). Mindfit will also focus on supporting mental health in local communities.



More information about Tackle Your Feelings
www.tackleyourfeelings.com/ambassadors/



View the film online:
Visit www.vimeo.com/256742909
www.tackleyourfeelings.com/ambassadors



Creating value for communities and society (continued)

//
With our flood resilience work, we are helping to prevent disasters, and protect and keep communities together. //

Gary Shaughnessy

Chair of the Board of Trustees, Z Zurich Foundation

Floods affect more people globally than any other type of natural hazard and cause some of the largest economic, social and humanitarian losses.



Always transforming

The Z Zurich Foundation (ZZF) provides financial support and promotes charitable activities, while putting Zurich's expertise to work in the service of society. The ZZF, formerly the 'Jubilee Foundation,' addresses global challenges affecting humanity. That includes its work to increase flood resilience through our Flood Resilience Alliance launched in 2013. It also encourages and enables long-term community programs, inspiring employees to create tangible change where it is needed most.



Read the ZZF Annual Report:
www.zurich.com/zfoundation

An award-winning approach to community flood resilience

Floods affect more people globally than any other type of natural hazard and cause some of the largest economic, social and humanitarian losses. In keeping with our goal of addressing the risks of climate change, in 2013 we established the Zurich Flood Resilience Alliance, together with the Z Zurich Foundation. The flood resilience program, which was recognized by the UN Framework Convention on Climate change with a prestigious 'Lighthouse' award, was extended for another five years in 2018. We already know that every USD 1 invested in prevention saves on average USD 5 in future losses. With that in mind, in the second five-year phase of the program, members of the alliance will focus on supporting a goal of generating USD 1 billion in additional funding for flood resilience.

Around a quarter of a million people living in 110 communities in nine countries have already benefited from the Alliance's work. We will continue to introduce and support community programs that demonstrate the value of building resilience. We will also work to extend successful programs to other communities, while advocating for additional investment in resilience from both public and private funders.



Helping to find sustainable solutions to flooding in Western Nepal

Buddhu Tharu lives near the Budhi Kulo River in western Nepal. Today he is able to support his family by farming land he received from a government grant program. But things weren't always so easy. When the monsoon rains came, even a slight rise in the river used to force people in his village to flee. As the river rose, it would wash away cropland. After floodwaters receded, Tharu and his family and their neighbors would struggle to survive. But Buddhu Tharu and others in his community are nothing if not hardy and resourceful. Working with the Practical Action organization through Zurich's Flood Resilience Alliance, as part of a broader program to address risks, they built a structure along the river banks to keep the village safer. Their so-called 'bio-dike' made of natural materials also reduced eroding in the fields and now helps to keep the village safer during floods. Working with Practical Action allows Buddhu Tharu and others in his village to stabilize their lives and keep their community together.



More information online:
Visit www.zurich.com/en/sustainability/flood-resilience

Farmers Insurance¹ helps disaster recovery efforts in Houston after Hurricane Harvey

Underscoring its commitment to support communities affected by disasters, Farmers is helping transform lives and communities in Houston following Hurricane Harvey in 2017. Through its work with the non-profit group SBP (formerly the St. Bernard Project), in 2018 Farmers sent hundreds of employees to Houston with a goal of welcoming home 100 displaced families. Through these efforts, Farmers is not only changing lives through its claims response, but also through its volunteer efforts.

¹ Farmers Group, Inc. provides certain non-claims administrative, management, and ancillary services to the Farmers Exchanges as its attorney-in-fact. The Farmers Exchanges are owned by their policyholders. Directly or through their subsidiaries, the Farmers Exchanges offer home and car insurance, commercial insurance and financial services throughout the U.S.



Left:
Buddhu Tharu in Western Nepal, where flood resilience work is helping to change lives.

Above:
Floods in Piura, Peru, where we work with Practical Action to increase flood resilience.

Our investors

Creating sustainable value for shareholders

Zurich has a highly cash-generative business model and is focused on paying an attractive and growing dividend, while managing the group balance sheet in a consistent and conservative manner.

Our proposition to investors

- ▶ A balanced and diverse global business
- ▶ Industry-leading capital levels
- ▶ Consistent and conservatively managed balance sheet
- ▶ Consistent growth with scope to enhance returns through capital re-deployment

Zurich is a leading global insurer, serving individuals, small businesses, and mid-sized and large companies, as well as multinational corporations. Zurich has significant market share in North America and Europe, a leading position in Latin America and a growing presence in Asia Pacific. With about 54,000 employees, Zurich provides a wide range of property and casualty, and life insurance products and services in more than 210 countries and territories. It also provides administration, management, and ancillary services to the Farmers Exchanges,¹ a leading personal lines insurer in the U.S.

Zurich is rated in the 'AA' range by three internationally recognized rating agencies. The estimated Zurich Economic Capital Model (Z-ECM) ratio stands at a very strong 125 percent² (calibrated to AA). Zurich's financial flexibility is strong, with a conservative 'Aa'-level leverage as defined by Moody's.

The Group's consistent and conservatively managed balance sheet is based on disciplined risk management and producing stable cash flows. A key element of the capital management strategy is to maximize capital fungibility by pooling risk, capital and liquidity centrally as much as possible. Zurich's investment portfolio is generally conservative with an asset allocation comprising mainly publicly traded fixed income securities, with moderate investments in other asset classes.

The Group is committed to a dividend payout of around 75 percent of net earnings, subject to a floor of the prior year dividend level, with dividend increases subject to sustainable earnings growth.

On track to achieve financial targets

During the Investor Day in November 2018 the Group provided a number of examples of how the Group is delivering against the Group's stated financial targets.

For details, please refer to the financial review section of the Annual Report, and the Investor Day 2018 presentation.

 **Further details are available online**
www.zurich.com/en/investor-relations/presentations

Corporate governance and sustainability

The balanced business profile of Zurich is also supported by best practice corporate governance. Its Board is independent and remarkably diverse in terms of gender and skills. Its remuneration principles align pay to performance and are an important element of the Group's risk management framework.

Zurich pro-actively addresses environmental, social and governance (ESG) factors as part of day-to-day business activity. This includes responsible investment, corporate responsibility in business transactions, minimizing its carbon footprint and helping the communities in which it operates. Zurich's strong ESG track record is illustrated by a 'AA' rating from MSCI and our Bronze Class distinction in the Dow Jones Sustainability Indices (DJSI).

 **Further details are available online**
www.zurich.com/en/sustainability

Provision of financial information

Zurich's annual financial results are published in printed and electronic form. Detailed information for the Group and the key segments are published for the half and full year. For first and third quarters, the Group provides highlights for the quarter and qualitative comments on trading and market trends. Zurich's management hosts an investors' and analysts' call each quarter.

 **Quarterly updates and current publication dates can be found online**
www.zurich.com/en/investor-relations/results-and-reports



Dialogue with investors

Zurich engages regularly with its shareholders and proxy advisers to understand investors' perspectives, exchange views about the Group's strategy, financial performance, corporate governance and compensation and other matters of importance to the Group or its shareholders. Investor Relations is responsible for overseeing this communication.

¹ The Farmers Exchanges are owned by their policyholders. Farmers Group, Inc., a wholly owned subsidiary of Zurich Insurance Group, provides certain non-claims administrative, management, and ancillary services to the Farmers Exchanges as attorney-in-fact and receives fees for its services.

² Reflects midpoint estimates as of December 31, 2018 with an error margin of +/- 5 pts.

Zurich's shares

The shares are listed on the SIX Swiss Exchange and traded on the SIX Swiss Exchange Blue Chip Segment; ticker symbol: ZURN; the Swiss security number (Valorenummer) is 1107539. Trading in Zurich Insurance Group Ltd shares on the blue chip segment is conducted in Swiss francs.

Zurich has a level 1 American Depositary Receipt (ZURVY) program, which is traded over-the-counter on OTCQX. For further information on shareholders or capital structure, see the corporate governance report.



Further details are available online
www.zurich.com/en/investor-relations/our-shares/registered-share-data

Financial calendar

Annual General Meeting 2019

April 3, 2019

Ex-dividend date

April 5, 2019

Dividend payable from

April 9, 2019

Update for the three months ended March 31, 2019

May 9, 2019

Half year results 2019

August 8, 2019

Update for the nine months ended September 30, 2019

November 7, 2019

Investor Day

November 14, 2019

Note: all dates subject to change



Further details are available online
www.zurich.com/en/investor-relations/calendar

Proposed total dividend per share for 2018

CHF 19.00¹

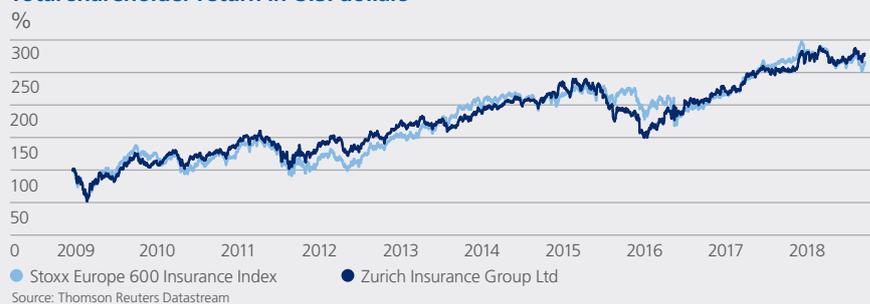
(CHF 18.00 for 2017)



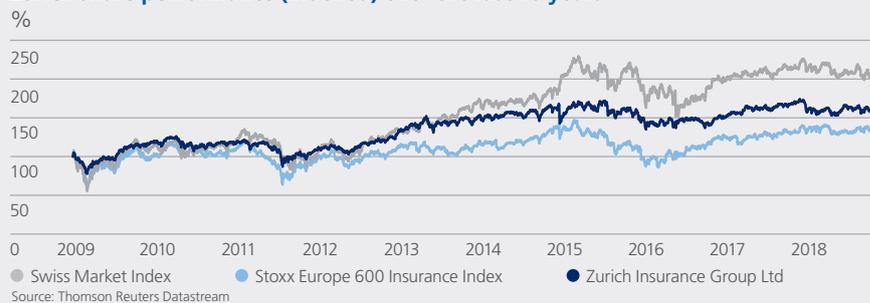
Find out more about dividends
www.zurich.com/en/investor-relations/our-shares/dividends

Dividend a key part of total shareholder return (TSR)

Total shareholder return in U.S. dollars



Zurich share performance (indexed) over the last 10 years



Share data (CHF)

As of December 31

	2018	2017
Dividend per share	19.00¹	18.00
Share price at end of period	293.10	296.60
Price period high	320.00	306.00
Price period low	284.10	262.20
Market capitalization (CHF millions)	44,360	44,670

¹ Proposed total dividend, subject to approval by shareholders at the Annual General Meeting; expected payment date as from April 9, 2019. Gross dividend, subject to 35 percent Swiss withholding tax.

Message from our Group Chief Financial Officer

Well positioned for the next phase



The results position the Group to deliver fully on the targets for the 2017 to 2019 plan period, with **progress across all areas** of the business both from a financial, as well as from a strategic perspective.”

George Quinn
Group Chief Financial Officer



2017–2019 financial targets

Target: >12.0%

BOPAT ROE¹

12.1%

FY 2018

Target range: 100–120%

Estimated Z-ECM ratio²

125%

FY 2018

Target: >USD 9.5bn

Cumulative cash remittances

USD 7.5 bn

As of FY 2018

Target: USD 1.5bn

Cumulative net expense savings

USD 1.1 bn

As of FY 2018

¹ Business operating profit after tax return on equity, excluding unrealized gains and losses.

² Full year 2018 Z-ECM reflects midpoint estimate with an error margin of +/-5 percentage points.

Full year 2018 results show strong performance in a challenging market and claims environment, with the business operating profit (BOP) up 20 percent. BOPAT ROE was 12.1 percent for the year.

Executing on key strategic priorities

2018 saw the Group continue to make strong progress on key strategic priorities. The Group further strengthened its positioning in the fast developing regions of Southeast Asia and Latin America, as well as the rapidly growing global travel and assistance segment, through a number of targeted acquisitions.

On track to meet our 2017–2019 financial targets

The Group continued to build on the positive performance of 2017, making further progress in terms of profitability across the businesses, while remaining on track to meet the financial targets set out in November 2016.

As part of this, the Group achieved a further USD 400 million of cost savings over the course of 2018, with cumulative net savings of approximately USD 1.1 billion achieved to date, and with further savings expected to be delivered over the course of 2019.

A strong capital position and focus on cash generation

During the year, management continued to improve the Group's focus and optimize the use of capital. The Group's internal economic capital model (Z-ECM) remained very strong at an estimated 125 percent,² and above the target range.

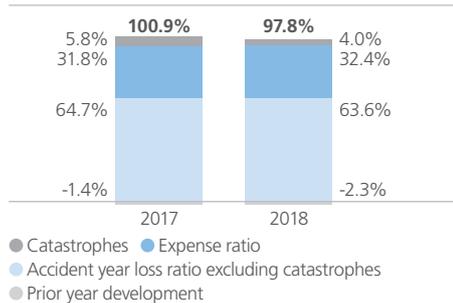
Conversion of earnings into distributable cash was strong with USD 3.8 billion of cash remittances over the year.

In line with the stated dividend policy, the board proposed a 6 percent increase in the dividend to CHF 19 per share.

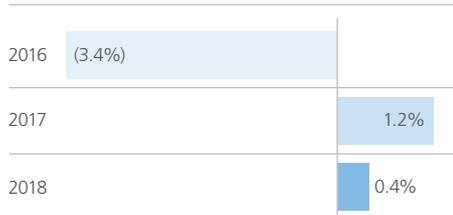
Continued strong performance across all businesses

Property & Casualty (P&C)

Combined ratio (%)

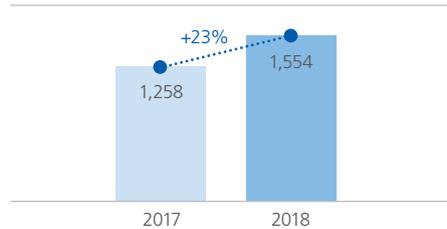


Like-for-like GWP growth (%)⁴

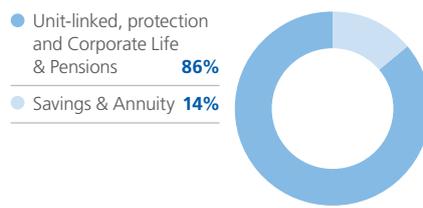


Life

BOP growth (USDm)

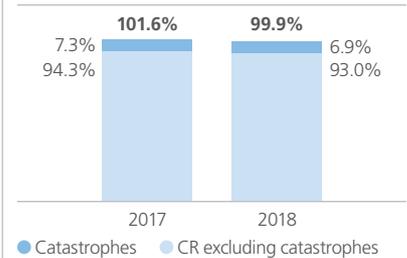


2018 APE share of non-traditional products (%)

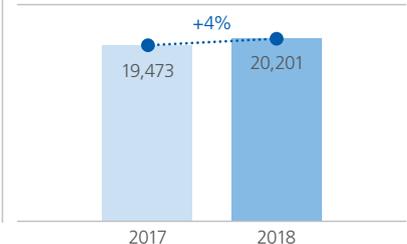


Farmers Exchanges³

Combined ratio (CR) (%)



GWP growth (USDm)⁵



³ Provided for informational purposes only. Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides certain non-claims administrative, management, and ancillary services to the Farmers Exchanges as its attorney-in-fact and receives fees for its services.

⁴ In local currency and adjusted for closed acquisitions and disposals.

⁵ Continuing operations only, excludes discontinued operations (21st Century outside of California and Hawaii, Business Insurance Independent Agents, and other businesses).

Message from our Group Chief Financial Officer (continued)

Progress made across all businesses

Property & Casualty results demonstrate further strong progress with a business operating profit up 35 percent in another year of elevated natural catastrophe events and with a negative headwind from mark-to-market effects on assets held at fair value. The top line remained stable on a like-for-like basis. The accident year combined ratio excluding catastrophes reduced by a further 0.4 percentage points driven by an improved underwriting performance.

The strength of the Group's reserves was clearly demonstrated, with prior year reserve development of 2.3 percent in line with the upper end of the indicated 1–2 percent range.

In 2019, the Group expects to deliver further improvement in underwriting results as the benefits of portfolio shifts, higher rates in North America and lower expenses continue to earn through.

The Group's Life business delivered an excellent performance, with growth across all regions reflecting the success of the Group's strategy of focusing on protection and unit-linked business. Overall, Life's business operating profit increased 23 percent in the year, driven by continued portfolio growth and further cost improvement. The quality and resilience of the Life performance remains high, with earnings driven largely by loadings and fees and technical margins.

The Farmers Exchanges,¹ which are owned by their policyholders, showed continued progress in both customer metrics and underwriting performance over the year, resulting in gross written premiums growth from continuing operations of 3.7 percent and a 1.7 percentage points reduction in the overall combined ratio to 99.9 percent. Growth was also supported by the continued successful expansion of the Farmers Exchanges into the eastern U.S. and growth in the commercial rideshare. Growth in the Farmers Exchanges continued to drive growth at Farmers Management Services, while Farmers Life showed a strong new business value increase.



George Quinn
Group Chief Financial Officer

¹ Provided for informational purposes only. Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides certain non-claims administrative, management, and ancillary services to the Farmers Exchanges as its attorney-in-fact and receives fees for its services.

Performance overview

Financial highlights

in USD millions, for the years ended December 31, unless otherwise stated

	2018	2017	Change ¹
Business operating profit	4,566	3,803	20%
Net income attributable to shareholders	3,716	3,004	24%
P&C business operating profit	2,085	1,546	35%
P&C gross written premiums and policy fees	33,505	33,024	1%
P&C combined ratio	97.8%	100.9%	3.1 pts
Life business operating profit	1,554	1,258	23%
Life gross written premiums, policy fees and insurance deposit	33,448	33,242	1%
Life new business annual premium equivalent (APE) ²	4,639	4,868	(5%)
Life new business margin, after tax (as % of APE) ²	24.1%	23.3%	0.8 pts
Life new business value, after tax ²	981	999	(2%)
Farmers business operating profit	1,643	1,691	(3%)
Farmers Management Services management fees and other related revenues ³	3,204	2,892	11%
Farmers Management Services managed gross earned premium margin	7.0%	7.0%	–
Farmers Re gross written premiums and policy fees	194	995	(81%)
Farmers Life new business annual premium equivalent (APE) ²	84	91	(7%)
Average Group investments ⁴	190,235	189,723	–
Net investment result on Group investments ⁴	6,288	7,249	(13%)
Net investment return on Group investments ^{4,5}	3.3%	3.8%	(0.5 pts)
Total return on Group investments ^{4,5}	0.6%	4.1%	(3.4 pts)
Shareholders' equity ⁶	30,189	32,993	(8%)
Z-ECM ⁷	125%	132%	(7.0 pts)
Return on common shareholders' equity (ROE) ⁸	13.1%	10.9%	2.1 pts
Business operating profit (after tax) return on common shareholders' equity (BOPAT ROE) ⁸	12.1%	9.2%	2.8 pts

¹ Parentheses around numbers represent an adverse variance.² Details of the principles for calculating new business are included in the embedded value report in the annual results 2018. New business value and new business margin are calculated after the effect of non-controlling interests, whereas APE is presented before non-controlling interests.³ An adjustment made related to the adoption of IFRS 15 'Revenue from Contracts with Customers' resulted in a USD 289 million increase to revenues and a USD 287 million increase to expenses.⁴ Including investment cash.⁵ Calculated on average Group investments.⁶ 2017 balance includes adjustment for effect of adoption of IFRS 15 'Revenue from Contracts with Customers'.⁷ Ratio as of December 31, 2018 reflects midpoint estimate with an error margin of +/- 5 pts.⁸ Shareholders' equity used to determine ROE and BOPAT ROE is adjusted for net unrealized gains/(losses) on available-for-sale investments and cash flow hedges.

More information

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For more information please contact the appropriate office below, or visit our website at www.zurich.com

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Financial calendar

See page 27 of this report or website:
www.zurich.com/en/investor-relations/calendar

Our 2018 reports



Annual Review 2018

The Annual Review provides information about our strategy and business activities. It includes examples of how we are delivering on our strategy, related in narratives and through imagery. It is available in English and German.



Annual Report 2018

The Annual Report provides information about our strategy and business activities, governance and executive bodies, remuneration and financial and non-financial performance. It is available in English and German, with the financial statements in English only.

Both the Annual Review and Annual Report are available online and in print.

Disclaimer and cautionary statement

Certain statements in this document are forward-looking statements, including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives of Zurich Insurance Group Ltd or the Zurich Insurance Group (the Group). Forward-looking statements include statements regarding the Group's targeted profit, return on equity targets, expenses, pricing conditions, dividend policy and underwriting and claims results, as well as statements regarding the Group's understanding of general economic, financial and insurance market conditions and expected developments. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and plans and objectives of Zurich Insurance Group Ltd or the Group to differ materially from those expressed or implied in the forward-looking statements (or from past results). Factors such as (i) general economic conditions and competitive factors, particularly in key markets; (ii) the risk of a global economic downturn; (iii) performance of financial markets; (iv) levels of interest rates and currency exchange rates; (v) frequency, severity and development of insured claims events; (vi) mortality and morbidity experience; (vii) policy renewal and lapse rates; and (viii) changes in laws and regulations and in the policies of regulators may have a direct bearing on the results of operations of Zurich Insurance Group Ltd and its Group and on whether the targets will be achieved. Zurich Insurance Group Ltd undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

All references to 'Farmers Exchanges' mean Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange and their subsidiaries and affiliates. The three Exchanges are California domiciled interinsurance exchanges owned by their policyholders with governance oversight by their Boards of Governors. Farmers Group, Inc. and its subsidiaries are appointed as the attorneys-in-fact for the Farmers Exchanges and in that capacity provide certain non-claims administrative, management, and ancillary services to the Farmers Exchanges. Neither Farmers Group, Inc., nor its parent companies, Zurich Insurance Company Ltd and Zurich Insurance Group Ltd, have any ownership interest in the Farmers Exchanges. Financial information about the Farmers Exchanges is proprietary to the Farmers Exchanges, but is provided to support an understanding of the performance of Farmers Group, Inc. and Farmers Reinsurance Company.

It should be noted that past performance is not a guide to future performance.

Please also note that interim results are not necessarily indicative of full year results.

Persons requiring advice should consult an independent advisor.

This communication does not constitute an offer or an invitation for the sale or purchase of securities in any jurisdiction.

THIS COMMUNICATION DOES NOT CONTAIN AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES; SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR EXEMPTION FROM REGISTRATION, AND ANY PUBLIC OFFERING OF SECURITIES TO BE MADE IN THE UNITED STATES WILL BE MADE BY MEANS OF A PROSPECTUS THAT MAY BE OBTAINED FROM THE ISSUER AND THAT WILL CONTAIN DETAILED INFORMATION ABOUT THE COMPANY AND MANAGEMENT, AS WELL AS FINANCIAL STATEMENTS.

The Annual Review is published in English and German. In the event of inconsistencies in the German translation, the English original version shall prevail.

Our reporting consists of the Annual Report, which is divided into the Group overview, the governance, the risk review and the financial review, and which contains the annual financial statements (Holding Company) and the consolidated financial statements. With regard to content, the management report as per the Articles of Association consists of the aforementioned reports excluding the remuneration report.

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