

News Release

November 10, 2022

Ad hoc announcement pursuant to Art. 53 of the Listing Rules

Continued top-line growth and strong solvency position

- **Property & Casualty (P&C) gross written premiums up 8%, with growth of 13% on a like-for-like¹ basis**
- **Hurricane Ian net impact estimated at USD 550 million on a pre-tax basis**
- **Life new business annual premium equivalent up 2% on a like-for-like¹ basis, with margin at an attractive level of 26.5%**
- **Farmers Exchanges² gross written premiums grew by 11%, benefiting from the inclusion of the acquired MetLife business and stronger pricing**
- **Continued delivery on customer-focused strategy, with approximately 1.1 million net new retail customers added since the beginning of the year³**
- **Capital position very strong with Swiss Solvency Test ratio estimated at 252%⁴ as of September 30, 2022**

“The Group continues to be on track to exceed its strategic and financial targets for the 2020-2022 cycle,” said Group Chief Financial Officer George Quinn. “We saw robust premium increases across the Group, most notably in our North American Property & Casualty business, where rate increases drove double-digit top-line growth. We expect margin trends in our commercial insurance business to be positive into 2023. The Life business continues to experience positive operating trends which are offset by the effects of the strong U.S. dollar and weaker financial markets. Farmers is demonstrating strong, rate-driven growth. Our capital position is excellent and the strong delivery through this strategic cycle positions us well as we look forward to setting out our plans for the next three-year cycle at our upcoming Investor Day.”

Property & Casualty premiums grew strongly in the first nine months, with rate increases in commercial insurance continuing to drive an expansion in margins. Growth was especially strong in North America, with gross written premiums up by 14%, boosted by the Group’s leading crop insurance franchise and rate increases of 8%. The retail business grew 13% on a like-for-like basis¹, driven by strong growth across all regions.

In Life, new business volumes grew by 2% on a like-for-like basis¹, while new business value was 11% lower, driven by a combination of modelling and assumption updates and higher interest rates.

Gross written premiums at the Farmers Exchanges² were up 11%, benefiting from the inclusion of the acquired MetLife business and increased pricing.

Zurich's focused execution of customer strategy helped it add approximately 1.1 million retail customers since the beginning of the year.³

Zurich will provide an update on its strategic objectives and targets for the period 2023-2025 at its Investor Day on November 16, 2022, in Zurich, Switzerland. The presentations will be available on the Group's website on the day of the event with a real-time webcast beginning at 10:30 a.m. CET. For details, see www.zurich.com.

Key figures

in USD millions, for the nine months ended September 30, unless otherwise stated	2022	2021	Change ⁵ in USD	Change ^{1,5} like-for-like
P&C gross written premiums (GWP)	33,495	31,152	8%	13%
Life annual premium equivalent (APE)	2,596	2,753	(6%)	2%
Farmers Exchanges ² GWP	20,212	18,225	11%	n.a.
SST ^{4,6}	252%	212%	40ppt	n.a.

Commentary

Property & Casualty

in USD millions, for the nine months ended September 30, unless otherwise stated	Gross written premiums (GWP)				Rate change, in %	
	2022	2021	Change ⁵ in USD	Change ^{1,5} like-for-like	2022	Expected trend
Property & Casualty	33,495	31,152	8%	13%	6%	Moderating
Europe, Middle East and Africa	14,054	14,041	0%	10%	5%	Stable
North America	16,236	14,279	14%	14%	8%	Moderating
Asia Pacific	2,642	2,406	10%	19%	3%	Moderating
Latin America	2,014	1,804	12%	22%	6%	Increasing

Gross written premiums in Property & Casualty for the first nine months rose 13% compared with the previous year on a like-for-like¹ basis, adjusting for currency movements. They rose 8% in U.S. dollar terms, reflecting the strengthening of the U.S. dollar against major currencies.

Higher premium rates, driven by commercial insurance, supported growth. The Group expects commercial insurance rates to remain above loss cost trends into 2023. Within retail, the Group expects pricing to reflect inflation trends at renewal in 2023.

In Europe, Middle East and Africa (EMEA), gross written premiums increased 10% on a like-for-like¹ basis. Growth was driven by a strong performance across the region, most notably in the UK, Switzerland and Germany. Premium rates increased 9% in commercial insurance and 3% in retail insurance.

North America grew 14% on a like-for-like¹ basis compared with the previous year, with crop insurance contributing almost 40% of the growth. North America's strong performance continues to benefit from rate increases, which have been developing better than expected since the beginning of the year and which remain above loss cost trends.

In Asia Pacific, gross written premiums increased 19% on a like-for-like¹ basis compared with the previous year. Higher retail sales and a rebounding travel insurance business in Australia drove strong growth across the region.

In Latin America, gross written premiums increased 22% on a like-for-like¹ basis, benefiting from strong growth in both retail and commercial insurance across the region.

The third quarter saw elevated natural catastrophe losses driven mainly by Hurricane Ian making landfall in the U.S for which, based on current estimates, the Group has recognized a net impact of USD 550 million on a pre-tax basis. Given this, the Group's catastrophe loss ratio for the first nine months of 2022 is estimated to be about 2 percentage points above long-term trends. The higher frequency and severity of natural catastrophe events in recent years underlines the importance of the steps the Group is taking to actively manage its exposure to these events.

Life

in USD millions, for the nine months ended September 30, unless otherwise stated	Annual premium equivalent (APE)				New business value (NBV)			
	2022	2021	Change ⁵ in USD	Change ^{1,5} like-for-like	2022	2021	Change ⁵ in USD	Change ^{1,5} like-for-like
Life	2,596	2,753	(6%)	2%	595	717	(17%)	(11%)
Europe, Middle East and Africa	1,580	1,764	(10%)	1%	443	508	(13%)	(5%)
North America	83	68	22%	22%	9	15	(41%)	(41%)
Asia Pacific	143	149	(4%)	4%	37	73	(49%)	(45%)
Latin America	790	773	2%	4%	106	121	(13%)	(11%)

In the first nine months, Life new business annual premium equivalent (APE) increased 2% on a like-for-like¹ basis, adjusting for currency movements, acquisitions and disposals. Growth was driven by higher sales in capital-efficient savings and protection products. In U.S. dollar terms, APE decreased 6% compared with the prior-year period, with growth in local currencies more than offset by U.S. dollar appreciation against major currencies.

In EMEA, APE increased 1% on a like-for-like¹ basis, compared with the same period in 2021. This was primarily driven by growth in corporate pensions in Switzerland and unit-linked business in Germany, which more than offset a reduction of low margin individual savings in Spain.

In North America, APE grew 22% on a like-for-like¹ basis compared with the same period in 2021, driven by corporate protection products.

In Asia Pacific, APE increased 4% on a like-for-like¹ basis compared to the previous year, as growth in Hong Kong, Indonesia and Australia was only partially offset by lower sales in Malaysia and Japan.

APE in Latin America increased 4% on a like-for-like¹ basis driven by growth in protection, partially offset by a slowdown in unit-linked sales.

New business margin remained attractive at 26.5% in the first nine months, down from 30.4% in the previous year. The lower margin reflects the impact of modelling and assumption updates, as well as adverse economic variances mainly related to higher discount rates. This resulted in new business value of USD 595 million, 11% below prior year on a like-for-like¹ basis.

Farmers

in USD millions, for the nine months ended September 30, unless otherwise stated	2022	2021	Change ⁵ in USD
Farmers Exchanges²			
Gross written premiums (GWP)	20,212	18,225	11%
Gross earned premiums (GEP)	19,195	17,400	10%
Surplus ratio ⁶	34.7%	40.8%	(6.1 pts)

The Farmers Exchanges², which are owned by their policyholders, reported an increase of 11% in gross written premiums for the first nine months of the year. Growth was driven by the inclusion of the acquired MetLife business for the full nine months, higher volumes of commercial rideshare business and rate increases across lines of business. Gross earned premiums, which lag written premiums, increased by 10% during the same period.

The Farmers Exchanges² surplus ratio fell to 34.7%, driven by the higher Farmers Exchanges² premium base on which it is calculated. A further contributor to the decline was a decrease in the ending surplus, due to a net underwriting loss during the period as well as unrealized capital losses from unfavorable movements in financial markets.

in USD millions, for the nine months ended September 30, unless otherwise stated	2022	2021	Change ⁵ in USD
Farmers			
Farmers Management Services management fees and other related revenues	3,353	3,108	8%
Farmers Life annual premium equivalent (APE)	57	58	(2%)
Farmers Life new business value (NBV)	45	85	(46%)

Farmers Management Services (FMS) management fees and other related revenues were in-line with the development of gross earned premiums at the Farmers Exchanges.²

Farmers Life new business APE was 2% below the prior-year period. New business value declined by 46% to USD 45 million, driven by lower sales volumes, the impact of higher discount rates and a shift in business mix to lower-margin products.

Capital position

As of September 30, 2022, Zurich's Swiss Solvency Test (SST) ratio is estimated at 252%⁴ and remains well in excess of the Group's target for an SST ratio of 160% or above. This compares to 262% as of June 20, 2022, with the reduction reflecting the full allowance for the CHF 1.8 billion share buyback announced in August, the unwinding of macro hedges put in place in the first quarter, the completion of the acquisition of the Deutsche Bank Financial Advisors business in Italy, as well as the impact of Hurricane Ian, partially offset by favorable market movements. Net debt issuance in the third quarter added 1 percentage point to the SST ratio, also including the recent repurchase of EUR 500 million of dated subordinated debt.

¹ Like-for-like comparisons represent the change in local currencies and are adjusted for the announced sale of the Italian life and pensions back book to GamaLife expected to be completed in the fourth quarter of 2022 subject to regulatory approval.

² 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 services and ancillary services to the Farmers Exchanges as its attorney-in-fact and receives fees for its services.

³ Based on 9 retail markets: Australia, Brazil, Germany, Japan, Italy, Santander JV, Spain, Switzerland, and UK.

⁴ Estimated Swiss Solvency Test (SST) ratio, calculated based on the Group's internal model approved by the Swiss Financial Market Supervisory Authority FINMA.

⁵ Parentheses around numbers represent an adverse variance.

⁶ Ratios as of September 30, 2022, and December 31, 2021, respectively.

Further information**Q&A session for media**

There will be a conference call Q&A session for media starting at 08:30 CET. Media may dial in using the details provided below. The call will be held in English. Please dial in approximately 10 minutes prior to the start of the conference call.

Switzerland	+41 58 310 50 00
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U.S.	+1 631 570 5613

Q&A session for analysts and investors

There will be a conference call Q&A session for analysts and investors starting at 13:00 CET. Media may listen in. A podcast of this Q&A session will be available from 17:00 CET.

Participants who wish to attend the Live Q&A session will need to register ahead of the call under this link ([Zurich Q&A call registration](#)) and follow the on screen instructions. Following registration, you will receive details of the call, together with your personal access details (PIN) for the event by email. At the time of the event, you will need to choose the dial in number and call it, enter the passcode of the event (9459805#) and your personalized pin followed by the # sign.

Zurich Insurance Group (Zurich) is a leading multi-line insurer serving people and businesses in more than 210 countries and territories. Founded 150 years ago, Zurich is transforming insurance. In addition to providing insurance protection, Zurich is increasingly offering prevention services such as those that promote wellbeing and enhance climate resilience.

Reflecting its purpose to 'create a brighter future together', Zurich aspires to be one of the most responsible and impactful businesses in the world. It is targeting net-zero emissions by 2050 and has the highest-possible ESG rating from MSCI. In 2020, Zurich launched the Zurich Forest project to support reforestation and biodiversity restoration in Brazil.

The Group has about 56,000 employees and is headquartered in Zurich, Switzerland. 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 is available at www.zurich.com.

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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 three Exchanges and in that capacity provide certain non-claims services 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 adviser.

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