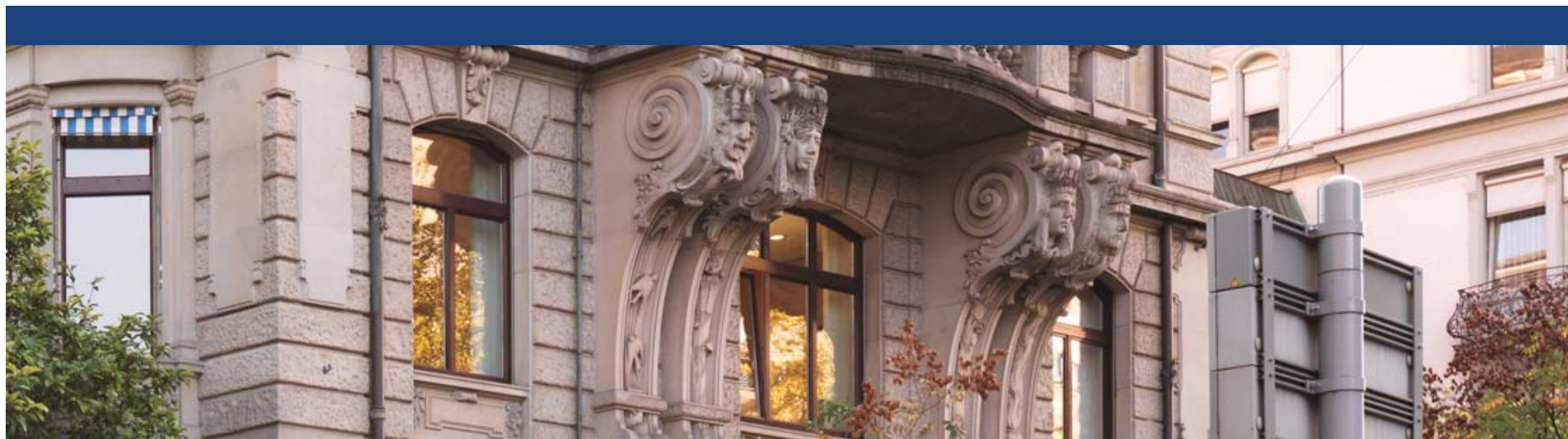


Investor Roadshows

February / March 2014



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, in the financial services industries in particular; (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 and management 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.

Persons requiring advice should consult an independent adviser.

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

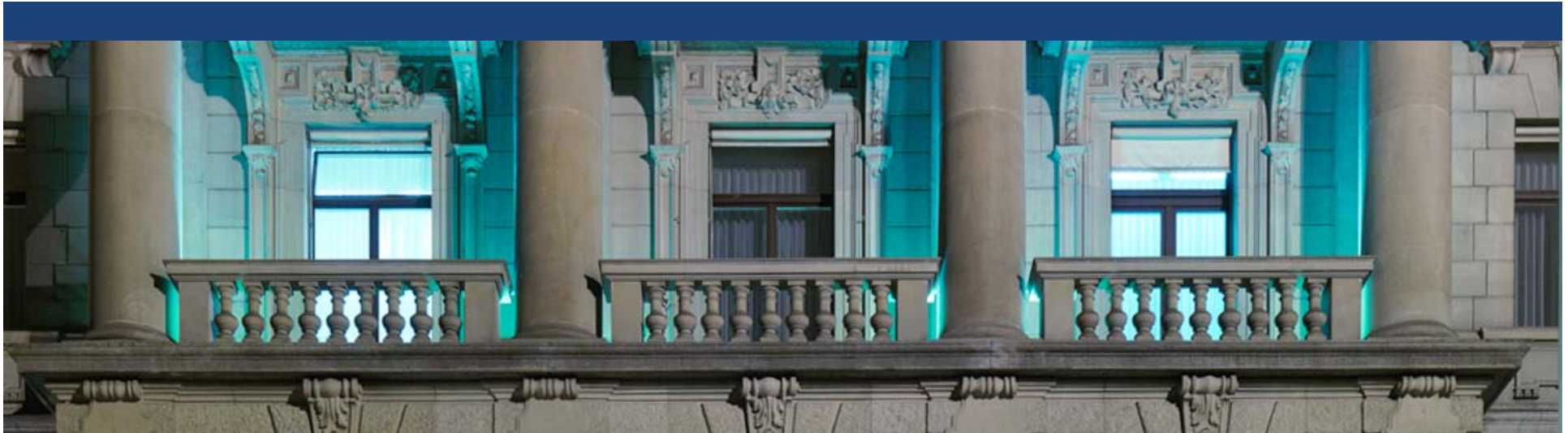
THIS COMMUNICATION DOES NOT CONTAIN AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES; SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR EXEMPTION FROM REGISTRATION, AND ANY PUBLIC OFFERING OF SECURITIES TO BE MADE IN THE UNITED STATES WILL BE MADE BY MEANS OF A PROSPECTUS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

Investor Roadshows February – March 2014



Topic	Slides
Key points	4 to 11
FY 2013 results	12 to 20
Strategy for 2014 – 2016	21 to 41
Farmers	42 to 53
Cash and capital	54 to 62
Appendix	63 to 91

Key points



KEY POINTS

Solid results underpin high cash returns



BOP	NIAS	NIAS ROE²	
USD 4.7bn	USD 4.0bn	12.0%	
For year ended 31 December 2013	For year ended 31 December 2013	For year ended 31 December 2013	
BOPAT ROE¹	Z-ECM³	Net cash remittances	
10.5%	120%	USD 2.9bn	
For year ended 31 December 2013	As of 30 September 2013	For year ended 31 December 2013	
			Dividend per share proposal⁴
			CHF 17
			to be paid in April 2014

¹ Business operating profit after tax return on equity, including unrealized gains and losses (11.6% excluding unrealized gains)

² Net income attributable to shareholders divided by average reported equity, including unrealized gains and losses in shareholders' equity

³ Zurich economic capital model, SST Ratio at 206% (as of July 1, 2013 calculated on the Group's internal model, which is subject to the review and approval of the Group's regulator, the Swiss Financial Market Supervisory Authority (FINMA))

⁴ Subject to approval at the Annual General Meeting in April 2014

Drivers of our 2013 performance



General Insurance

- Good growth in priority markets and continued rate increases
- Most of the portfolio is delivering hurdle returns
- Some areas not performing to expectations

Global Life

- Strong growth in protection business, mainly in Emerging Markets
- Higher risk margins, offset by build-out costs and lower investment margins

Farmers

- Challenging year for Farmers Exchanges¹ in terms of the top-line
- FMS margins resilient and with continued strong cash generation
- Big improvement in Farmers Re combined ratio

Non-operating items

- USD 0.7bn gain on sale of stake in New China Life
- USD 0.3bn restructuring and accounting charges in Q4

¹ Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides administrative and management services to the Farmers Exchanges and receives fees for its services.

Cornerstones of our strategy



Group Strategy

Key focus areas

1**Prioritizing investment
in distinctive positions**

- Corporate
- Commercial mid-market
- Select retail

2**Managing other
businesses for value**

- Extract value from Global Life back books
- Continue to capture value from profitable, smaller General Insurance markets
- Turnaround/exit non-performing businesses

3**Growing our operating
earnings**

- Efficiency
- Value extraction
- Investment risk return

KEY POINTS

Targets focused on delivering an attractive total return to investors



Zurich's targets for 2014 - 2016

Improving return on equity

BOPAT ROE target 12 - 14%¹

Maintaining a very strong capital position

Z-ECM ratio 100 - 120%

Generating high levels of free cash flow

Net cash remittances to Group² > USD 9bn

Plus Report cards providing proof points on execution of our strategy

¹ Excluding unrealized gains and losses

² Cumulative net cash remittances to Zurich Insurance Company Ltd, after deducting central costs, in 2014-2016

Key priorities for 2014



Group strategy		Key priorities for 2014
1	Prioritizing investment in distinctive positions	<ul style="list-style-type: none"> • Corporate: enhancing capabilities, including joint Global Corporate / CLP offering • Commercial: enhancing capabilities in NAC, leveraging predictive analytics • Select retail: driving pilot customer initiatives in three markets
2	Managing other businesses for value	<ul style="list-style-type: none"> • Optimize the value of our distribution model • Implement Life in-force management initiatives • Further turnaround/exit actions
3	Growing our operating earnings	<ul style="list-style-type: none"> • Complete work on reducing complexity and overhead burdens • Focus on improving profitability in lower-return GI portfolios • Implement investment management initiatives

Outlook for 2014



General Insurance

- Improved combined ratio¹
- Headwinds from low yields should be a much smaller issue than in 2013
- Non-tech expenses likely to be higher, and hedge fund gains lower

Global Life

- Growth in risk margin, slower decline in investment margin
- Continued strong performance from Zurich Santander
- Implement in-force management initiatives

Farmers

- Transitional year for Farmers Exchanges in terms of volumes
- Improved Farmers Re combined ratio, barring exceptional catastrophe losses

Other factors

- Focus on reducing complexity and overhead burdens
- Investment in priority markets
- Q1 pension gain estimated at USD 100m - USD 200m
- Remaining accounting and restructuring charges likely to be taken in H1

¹ Assuming large and catastrophe loss experience in line with 5 year averages.

Key messages



- Solid operating profit in all core businesses
- Good growth in priority GI and Life markets, Farmers continues transition
- Strong cash remittances and capital position underpin CHF 17 per share dividend proposal
- 2014 priorities driven by new strategy

FY 2013 results



Business operating profit by segment



in USD millions

	Q4-13	Q4-12 ¹ Change		2013	2012 ¹ Change	
General Insurance	736	27	nm	2,859	2,112	35%
Global Life	294	385	-24%	1,272	1,351	-6%
Farmers (incl. Farmers Re)	408	411	-1%	1,516	1,402	8%
Other Operating Businesses	-356	-260	-37%	-1,039	-910	-14%
Total BOP Operating business segments	1,081	563	92%	4,607	3,955	16%
Non-Core Businesses	32	10	nm	73	129	-44%
Total BOP	1,113	573	94%	4,680	4,084	15%

¹ Throughout this document, certain comparatives have been restated as set out in note 1 of the Consolidated financial statements.

Reconciliation from BOP to NIAS



in USD millions

	Q4-13	Q4-12 ¹ Change		2013	2012 ¹ Change	
Business Operating Profit	1,113	573	94%	4,680	4,084	15%
BOP attr. to Non-contr. int.	66	80	-18%	288	164	76%
Net capital gains/losses	578	947	-39%	1,143	1,278	-11%
Restructuring provisions ²	-212	-72	nm	-250	-211	19%
Other ³	-37	-45	-18%	-188	-38	nm
Profit before SH taxes	1,508	1,483	2%	5,674	5,277	8%
Shareholder taxes	-386	-430	-10%	-1,415	-1,302	9%
Non-controlling interests	-48	-65	-26%	-231	-89	nm
Net income attributable to shareholders	1,074	988	9%	4,028	3,887	4%

¹ Throughout this document, certain comparatives have been restated as set out in note 1 of the Consolidated financial statements.

² Includes impairments

³ USD 37m in restructuring charges in Q4 2013 are included within 'other'.

General Insurance – Key performance indicators



in USD millions	Q4-13	Q4-12	Change	2013	2012	Change
GWP and policy fees	8,256	8,301	-1%	36,438	35,610	2% ¹
Rate change ²	4.2%	4.3%	-0.1pts	3.7%	3.8%	-0.1pts
Loss ratio	68.6%	75.5%	6.8pts	68.3%	70.3%	2.0pts
Expense ratio	27.4%	28.7%	1.3pts	27.2%	28.0%	0.8pts
Combined ratio	96.0%	104.2%	8.1pts	95.5%	98.4%	2.9pts
Business operating profit	736	27	nm	2,859	2,112	35%

¹ Equivalent to 3% in local currency

² For details, please refer to specific notes on slide 16 with the “Rate Change Monitor”

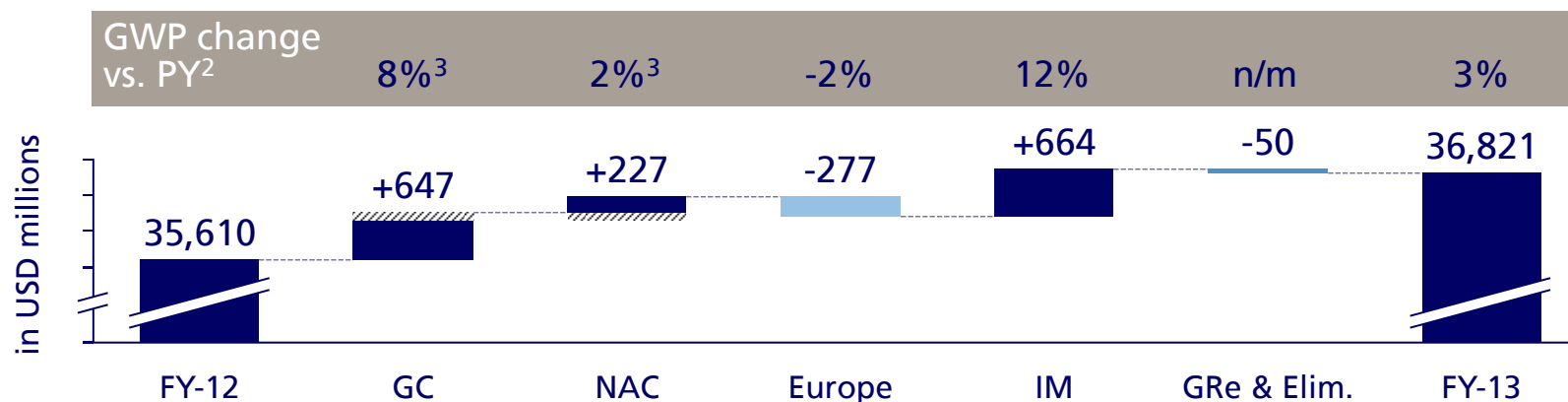
General Insurance – Rate Change Monitor¹ and GWP performance



Rate Change Monitor¹

	FY-13					Discrete Q4-13				
	GC	NAC	Europe	Int'l Markets	Total GI	GC	NAC	Europe	Int'l Markets	Total GI
Personal Lines	n/a	n/a	3%	4%	3%	n/a	n/a	2%	5%	3%
Commercial Lines	4%	5%	3%	3%	4%	5%	4%	3%	3%	5%

Gross Written Premiums, translated at constant FX rates

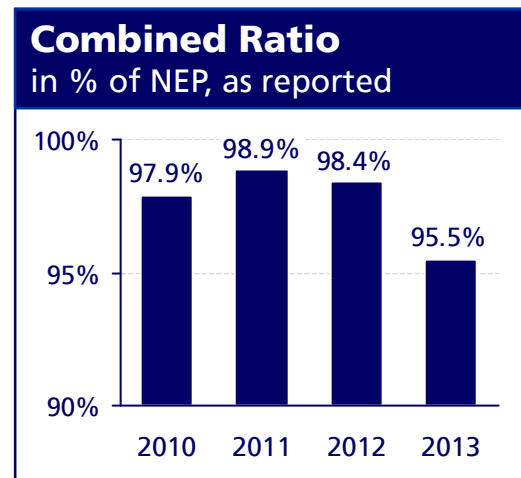


¹ The Zurich Rate Change Monitor expresses the GWP development due to premium rate change as a percentage of the renewed portfolio against a comparable prior period. In this slide, the periods shown for 2013 are compared with the same periods of 2012.

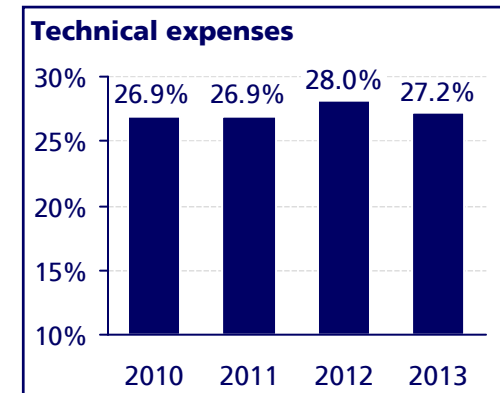
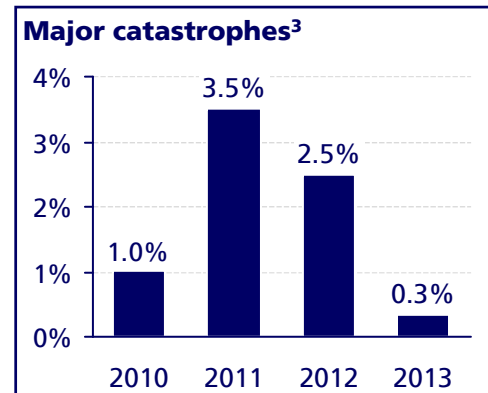
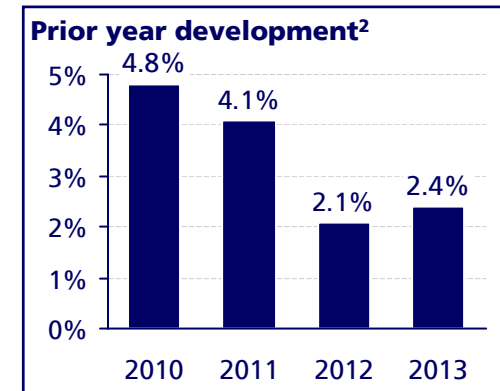
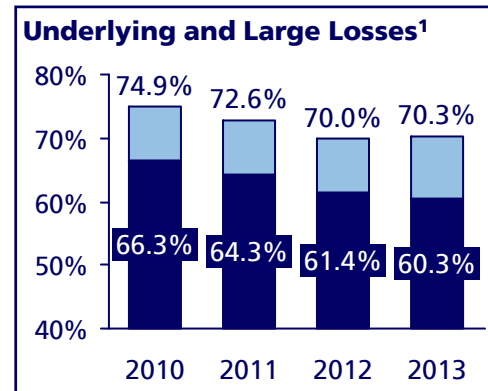
² GWP change in 2013 over prior year, in local currency

³ Apart of the discontinuation of a large fronting contract, growth impacted by net business transfers from NAC to GC. Comparable growth is 6% for GC and 6% for NAC.

General Insurance – Combined ratio trends



Large LR Underlying LR



¹ Includes individual large losses, other catastrophes/weather related losses (not included in major catastrophes) and for 2011 the aggregate catastrophe recovery of 0.6%

² Prior year development ratio includes impact of prior year premiums

³ Major catastrophes (potential USD 100m or larger)

Global Life – Key performance indicators



in USD millions

for the years ended December 31

	2013	2012	Change	Change in LC ¹
GWP and policy fees (incl. insurance deposits)	27,095	30,259	-10%	-10%
Net inflows to Assets under Mgmt.	-2,694	1,431	nm	nm
Annual Premium Equivalent (APE) ²	4,418	4,767	-7%	-6%
New business margin, after tax	28.3%	22.8%	5.5pts	5.5pts
New business value, after tax ²	1,251	1,085	15%	17%
Business operating profit	1,272	1,351	-6%	-4%

¹ Local currency

² NBV and APE are calculated before the effect of non-controlling interests. Non-controlling interests added USD 190 million and USD 135 million to NBV in 2013 and 2012 respectively, and USD 487 million and USD 426 million to APE in 2013 and 2012 respectively.

Farmers – Key performance indicators



in USD millions	Q4-13	Q4-12	Change	2013	2012	Change
Farmers Management Services						
Management fees and other related revenues	697	712	-2.0%	2,810	2,846	-1.3%
Managed gross earned premium margin ¹	7.1%	7.3%	-0.2pts	7.2%	7.3%	-0.1pts
Business operating profit	340	369	-7.8%	1,390	1,428	-2.6%
Farmers Re²						
Gross written premiums ³	951	980	-2.9%	4,045	4,361	-7.3%
Combined ratio	96.7%	99.3%	-2.6pts	100.2%	103.7%	-3.5pts
Catastrophe impact ⁴	1.6%	3.6%	-2.0pts	5.6%	5.9%	-0.3pts
Business operating profit	68	42	63%	125	-26	nm

¹ Margin on gross earned premiums of the Farmers Exchanges. Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides administrative and management services to the Farmers Exchanges and receives fees for its services.

² Farmers Re business includes all reinsurance assumed from the Farmers Exchanges by the Group (i.e. Farmers Reinsurance Company and Zurich Insurance Company Ltd).

³ Effective December 31, 2012, the All Lines quota share reinsurance treaty participation rate with the Farmers Exchanges was reduced to 18.5% from 20%, and effective December 31, 2013, was reduced further from 18.5% to 18.0%. In addition, effective January 1, 2013, the Auto Physical Damage quota share reinsurance treaty was reduced from USD 1bn to USD 925m, per calendar year, and effective January 1, 2014, was reduced further from USD 925m to USD 900m.

⁴ As defined by the All Lines quota share reinsurance treaty.

Farmers Exchanges¹ – Key performance indicators



in USD millions	Q4-13	Q4-12	Change	2013	2012	Change
Gross written premiums, excl. SoT impact ²	4,367	4,533	-3.7%	18,643	19,009	-1.9%
Net underwriting result ³	302	-38	nm	-59	-1,062	94.4%
Expense ratio ³	33.9%	33.0%	-0.9pts	33.1%	32.9%	-0.2pts
Loss ratio ³	61.5%	69.4%	7.9pts	67.4%	72.5%	5.2pts
Combined ratio, excl. Fogel/SoT impact ³	95.4%	102.4%	7.0pts	100.5%	105.4%	4.9pts
Combined ratio, as reported ⁴	95.4%	104.5%	9.1pts	100.5%	104.4%	3.9pts
Catastrophe impact	1.8%	3.1%	1.3pts	6.0%	6.1%	0.1pts
Surplus ratio ^{5,6}				36.6%	33.3%	3.3pts

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 administrative and management services to the Farmers Exchanges and receives fees for its services.

² Q4-12 and FY-12 exclude the return of USD 74m GWP as a result of the anticipated settlement of a lawsuit with the State of Texas (SoT).

³ Before quota share treaties with Farmers Reinsurance Company, Zurich Insurance Company Ltd, and a third counterpart and excludes the impact of the Fogel settlement and the anticipated settlement of a lawsuit with the State of Texas (SoT).

⁴ Per the terms of the Fogel settlement, unclaimed funds totaling USD 275m were paid to the Farmers Exchanges.

⁵ 2013 surplus figures are estimated.

⁶ Excludes surplus of Farmers Reinsurance Company.

Strategy 2014 – 2016



Building on our strengths as we move into a new phase



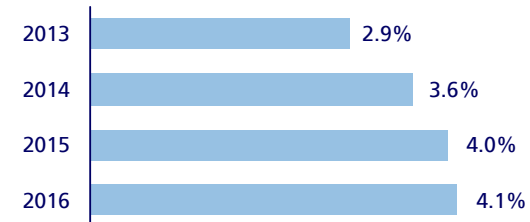
- Disciplined investment and focused underwriting have helped us outperform the sector since the credit crisis began
- We set ambitious targets for 2010 - 2013, some of which we are unlikely to achieve
- Defensive attraction will not be enough in a world more focused on opportunities

Zurich Share Performance (in USD)



2013 Target	Status
Combined ratio	✗
Growth in NBV	✓
Farmers growth	✗
Cost reduction	✓
BOPAT ROE	✗

World GDP forecast (IMF)



What we will continue, change and improve



What will we continue to do

Underwriting focus and investment discipline will remain unchanged

What's new

Prioritizing investment in distinctive positions and managing other businesses for value

What will we do better

Improving operating profitability and growing our operating earnings

Customer needs are changing...



- **Corporate** customers and intermediaries are beginning to request combined life and general insurance solutions in some market segments
- **Commercial mid-market** decisions are shifting from relationship-driven to more data-driven
- **Retail** customers are increasingly using digital and mobile channels to engage with insurers on their own terms

World ranking by revenue¹, 2012

Employee Benefits

General Insurance

Broker 1

1

2

Broker 2

2

1

Broker 3

3

3

Broker 4

4

4

Global peers and brokers

- Arms race for analytics and data
- Data analytics communicated as key strategic theme
- Significant investments to build capabilities to harness data

Results from 2013 survey²

Online customers

32%

Multi-channel customers

58%

¹ Source: 150 top brokers directory of Business Insurance, brokers depicted are MMC, Aon, Willis and AJ Gallagher

² Source: Zurich Global consumer survey with 12'249 respondents across 13 countries

...creating opportunities we will capitalize on



Opportunities

Corporate

- Globalization and interconnectedness of risk drive need of global capabilities
- Composite offerings become a differentiating factor

Our advantage, as a global and composite insurer

- *Uniquely positioned as a corporate insurer with global reach and composite proposition*
- *Balance sheet strength and diversification benefits*

Commercial mid-market

- Increasing advantage from data analytics
- Skilled players with depth of capabilities and resources are favored

- *Strong position in key markets (i.e. US and UK)*
- *Ability to leverage talent and know-how across the Group*

Retail

- Segmentation of customers further based on attitudes, values, needs, service orientation and price sensitivities

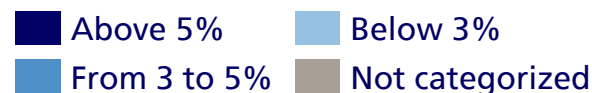
- *Initiatives launched in select markets where we can build at-scale positions as an international, premium-branded insurer*

We are strong in Corporate and Commercial...work to do in Retail



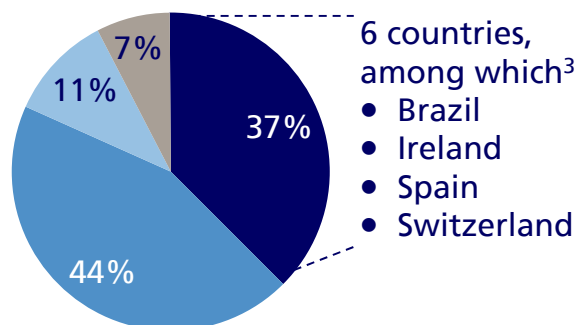
Breakdown of Zurich's GWP (2011) by market share per country

Zurich's market share (2011)¹



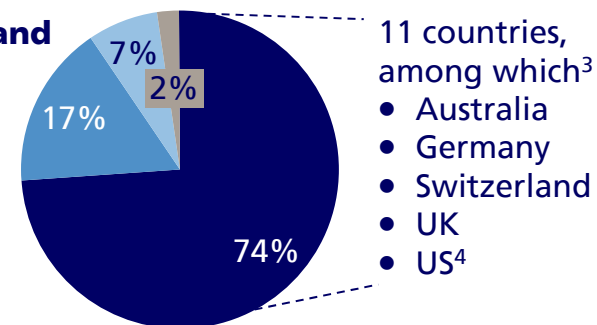
Life-Total

100%=
USD 30.3bn



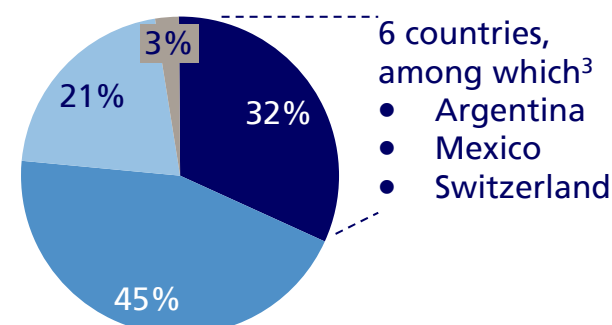
GI-Corporate and Commercial mid-market²

100%=
USD 24.9bn



GI-Retail²

100%=
USD 10.4bn



¹ Excluding Farmers Exchanges. Zurich Santander and Zurich Insurance Malaysia Berhad (ZIMB) market shares based on preliminary 2012

² GI Corporate and Commercial mid-market refers to overall commercial business and Retail to personal lines only

³ Countries accounting for at least 3% of Zurich's GWP in the segment

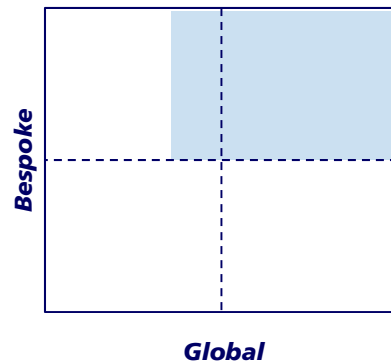
⁴ Market share calculated for US Commercial, excluding GC portion, assuming mid-market is 66% of the overall US Commercial market

Source: Axco, MarketStance, McKinsey 'Global Insurance Pools', Zurich's internal data and estimates

Prioritizing investment in distinctive positions

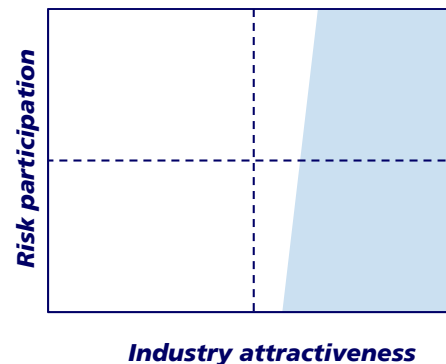
Target customer segments

Corporate



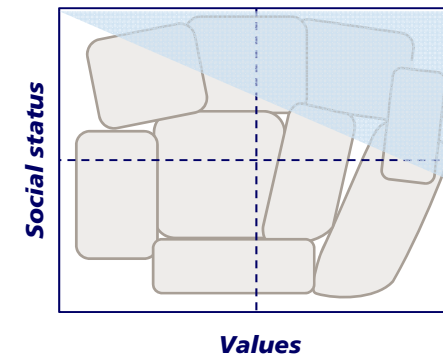
- Increase cross sell and commonality
- Align footprint
- Integrate offerings

Commercial mid-market



- Promote predictive analytics
- Simplify operational landscape
- Improve broker value proposition

Retail (select markets)

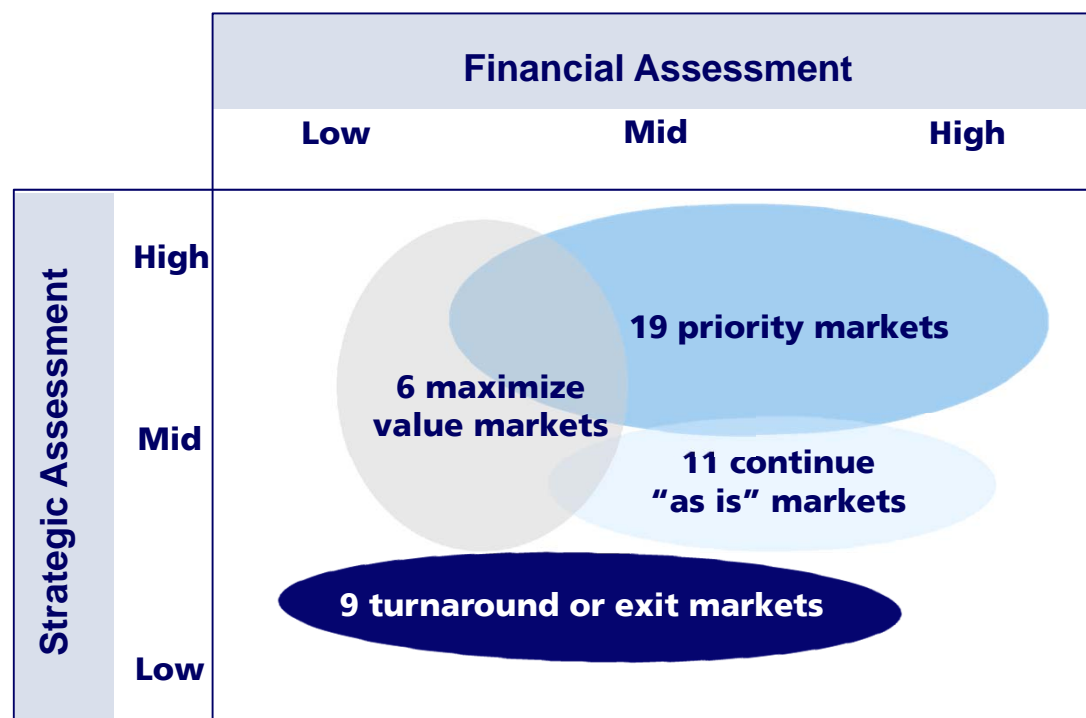


- Increase product-density
- Improve customer experience
- Foster Omni-channel service model

Results from Global Portfolio Review



Number of business units, by GPR¹ grouping



Priority markets

- Markets with critical market share and high returns
- Markets with high profitable growth potential

Manage for value

- Maximize value: screen well on RBRM², less so on BOPAT ROE
- Continue as is: solid performers, but not key strategic assets
- Turnaround or exit: low strategic priorities, weaker financial performance

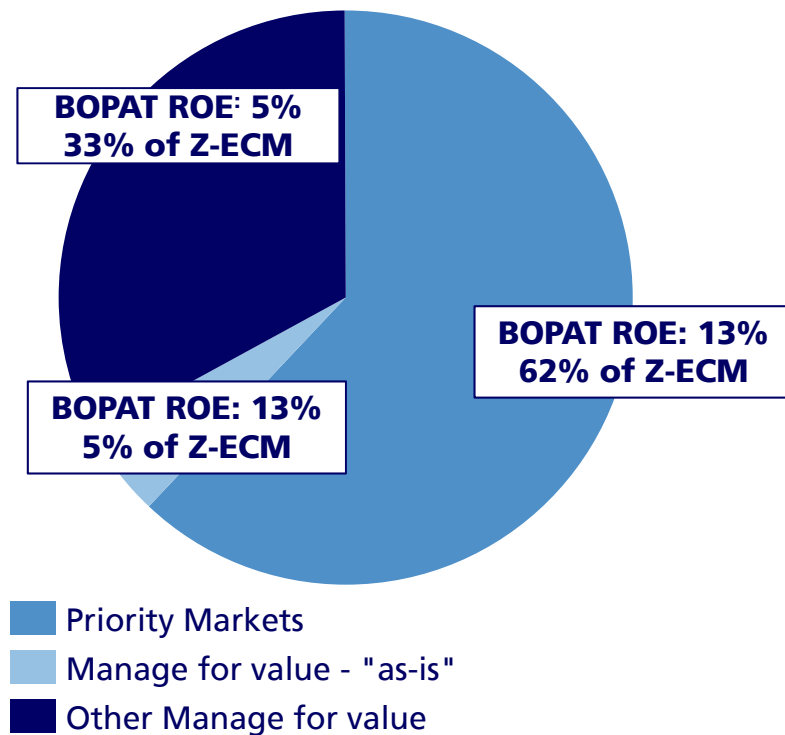
¹ Global Portfolio Review

² Risk based return measure

Managing other businesses for value



Group Portfolio Review



- Two thirds of our capital is allocated to priority markets and manage for value "as-is" markets
- One third of our capital is allocated to our other manage for value businesses
 - We will maximize the value in certain key life back books
 - We will turnaround or exit non performing businesses

BOPAT ROE based on 2010-2012 averages
Z-ECM for Zurich Economic Capital Model, based on 2012 data

Growing our operating earnings



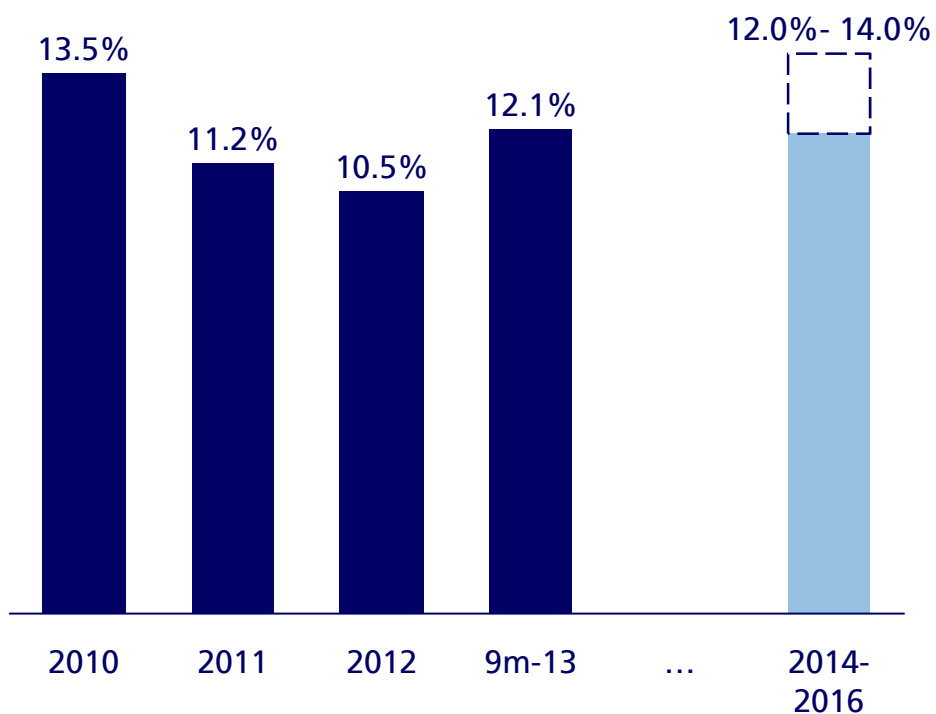
	Key objectives
General Insurance	<ul style="list-style-type: none">• Investing selectively in growth in priority markets• Improved combined ratio, more than offsetting lower investment income
Global Life	<ul style="list-style-type: none">• Growth in technical margins exceeding decline in the investment margin• Expense efficiencies, more focused investment
Farmers	<ul style="list-style-type: none">• Higher quality and less volatile earnings• Strengthening of Farmers Exchanges balance sheet allowing a reduction of quota share reinsurance

...new strategic direction likely to lead to some restructuring and other charges over the next 12 months, estimated at USD 400m - USD 600m

BOPAT ROE is our key target



BOPAT ROE based on Shareholders Equity excluding Unrealized Gains and Losses



© Zurich Insurance Company Ltd

Description

- We will measure our BOPAT ROE based on Shareholder Equity excluding Unrealized gains and Losses
- Operating improvement initiatives more than offset headwind from continued decline in investment income
- BOPAT ROE target includes cost of targeted investments in priority markets that are expected to have a positive impact on BOP within 3 to 4 years

Report card – to be used at a group level and by each segment



Focus		Update
1	Investments in priority markets	<ul style="list-style-type: none"> • Key strategic developments and initiatives • Customer proof points and metrics • Growth in market share and margin
2	Managing for value	<ul style="list-style-type: none"> • Tangible proof points on managing these businesses to rigorous hurdles • Examples of portfolio actions
3	Growing operating earnings	<ul style="list-style-type: none"> • Segment initiatives • Margin development • Expense management initiatives • Investment performance

Cornerstones of our strategy



Group Strategy		What does it mean for Global Life
1	Prioritizing investment in distinctive positions	<ul style="list-style-type: none"> Focusing on two global businesses – Bank Distribution and Corporate Life & Pension – and Targeted Local Opportunities
2	Managing other businesses for value	<ul style="list-style-type: none"> Building global capabilities for In-force Management and turnaround / exiting businesses where appropriate
3	Growing our operating earnings	<ul style="list-style-type: none"> Continuing strong cash remittance and focus on products with shorter paybacks

Focus on a select number of growth opportunities



Serving the needs of our customers

Regions	Global Capabilities			Targeted Local Opportunities, e.g.
	Bank Distribution	Corporate Life & Pensions	In-force Management	
Europe	✓	✓	✓	UK IFA
North America		✓	✓	US IFA
Latin America	✓	✓		Brazil Mexico
Asia-Pacific Middle East	✓	✓		Indonesia Malaysia
	Growth			Growth

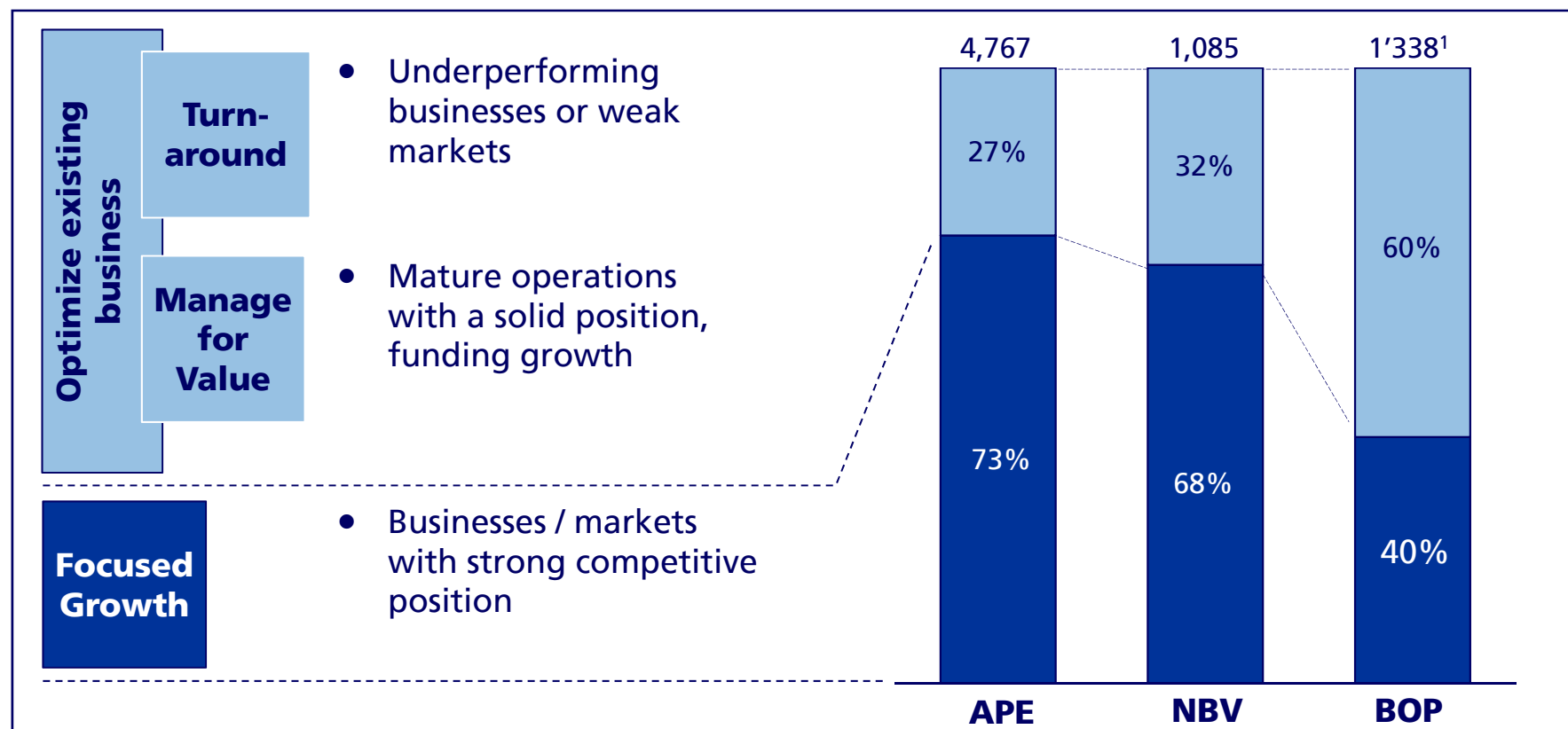
Committed to our people, our shareholders, and the communities in which we operate

Focus on selected growth, while managing for value, and turnaround



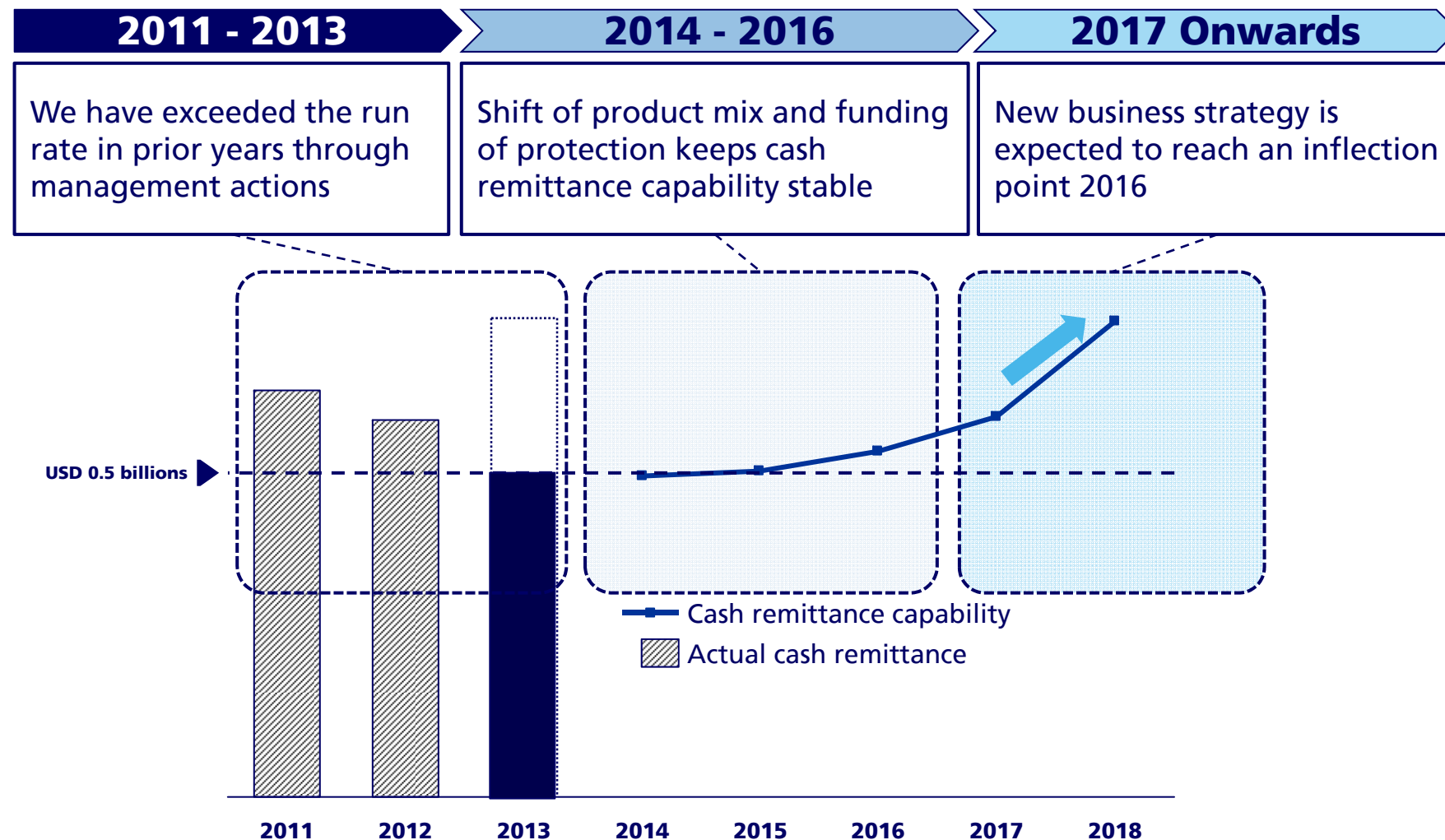
Business Classification

Key Performance Indicators by business classifications, 2012, USD m



¹ Split before allocation of GL global management team expenses

The actions we take should positively impact cash remittance



Key messages



Group Strategy

1

Prioritizing investment in distinctive positions

What does it mean for General Insurance

- Investing in growth in markets where we enjoy clear competitive advantages, while focusing on customer value, data and analytics

2

Managing other businesses for value

- Managing other businesses to achieve hurdle BOPAT ROEs, and turnaround or exit non-performing businesses

3

Growing our operating earnings

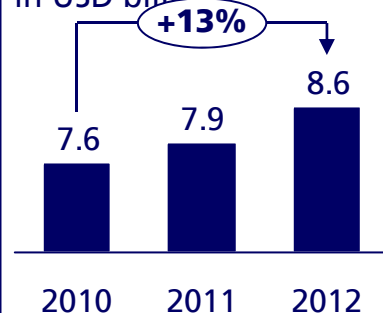
- Growing profits, while further strengthening our foundation of technical excellence

Global Corporate's success is based on customer focus

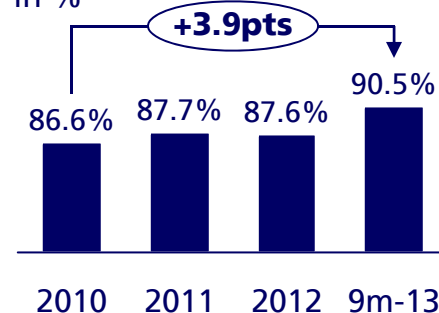


Tangible results...

Gross written premium
in USD billions



Customer retention
in %



What if App



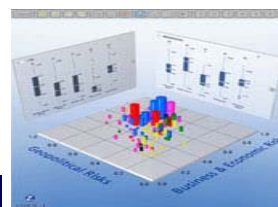
Over 1750 users
Industry first

MIA App



Over 2000 users
Industry standard

Risk Room



Over 1800 users
Industry first

...driven by global capabilities

- **Largest international network** with 206 territories and 3'000 people
- **Risk Engineering Insights & Benchmark** enhancing our customers' risk management
- **Multinational Insurance Application (MIA)** helping customers through complex and changing regulatory environments
- **Zurich Risk Room** helping companies make risk-aware decisions across borders
- **Customer First Culture** – composite approach, e.g. Corporate life and pensions

Leveraging predictive analytics is key to North America Commercial's sustainable success



Ambition

"...to consistently deliver distinctive risk insights, through a compelling value proposition to our customers and brokers, delivered through a simple Zurich Way of doing business"

Avenues of action

- Improved consistency and technical execution through enhanced transparency
- Build predictive models and risk selection pricing tools to use data to deliver unique underwriting insights on the front-line

Accomplishments

- Technical Price calibration
- PATH (Pricing Activity Tracking Hub) tool rolled out
- Second generation Workers Compensation model – better insights and implementation

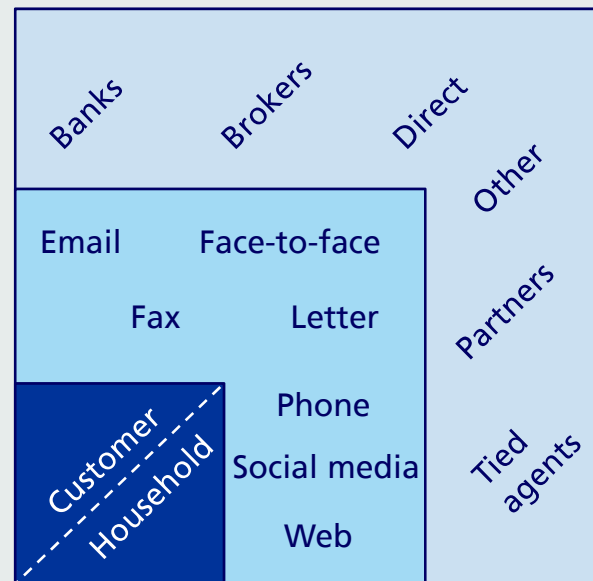
We will respond to customer needs in chosen retail markets



Extensive research towards deeper understanding of needs and behaviours of retail customers

Redefinition of our go-to-market strategy to deliver superior value to our target customer sub-segments

Omni-channel integrated approach



- Higher service levels at key "moments of truth"
- + • Innovative and modular propositions
- Significant investment in brand

Active Portfolio Management – manage to hurdle ROE, or turnaround, exiting if needed



Strategic management of portfolio

- Evaluation of our business, based on past-performance and our view of prospects, led us to divide our portfolio into two categories

Invest in focus markets¹

Invest

- Businesses where we have a competitive advantage, or which have longer-term strategic value
- We will make investments in these markets¹ to grow

Manage for value the remaining markets¹

Manage to hurdle BOPAT ROE

- Profitable, relatively smaller business
- We remain committed to these markets¹, and will continue to capture value from these businesses

Turnaround or exit

- Businesses that are low performers, not meeting our targets, requiring definitive action plans
- We will take deliberate measures to turnaround these businesses, divesting and exiting where appropriate

¹ Markets, in this context, need not always refer to whole countries



Farmers strategy



Farmers strategy



Cornerstones of Farmers strategy

PRIORITIZING INVESTMENT IN DISTINCTIVE POSITIONS

- Focus on targeting value conscious customers
- Improve the customer experience
- Drive eastern expansion
- Focus on a single consumer facing brand

MANAGING FOR VALUE

- Restore profitability of underperforming businesses
- Reposition 21st Century Direct

GROWING OPERATING EARNINGS

- Further improve Farmers Exchanges and Farmers Management Services expense structures
- Reduce Farmers Exchanges reliance on Quota Share support

Foundation for Farmers consumer strategy – Customer segmentation



Targeting demand via Confident Planners

	Segment	% of Households	Auto&Home Spend (USD billions)	Auto&Home Spend (%)	Consumer Life Time Value (USD billions)	Consumer Life Time Value (%)
Value	Confident Planners	17%	69	28%	746	32%
	Relationship Seekers	15%	32	13%	404	17%
	Loyal Outsourcers	14%	56	15%	290	13%
Price	Do-it-Myselfers	24%	56	23%	363	16%
	Confident Bargain Hunters	14%	62	13%	396	17%
	Avoiders	15%	19	8%	118	5%

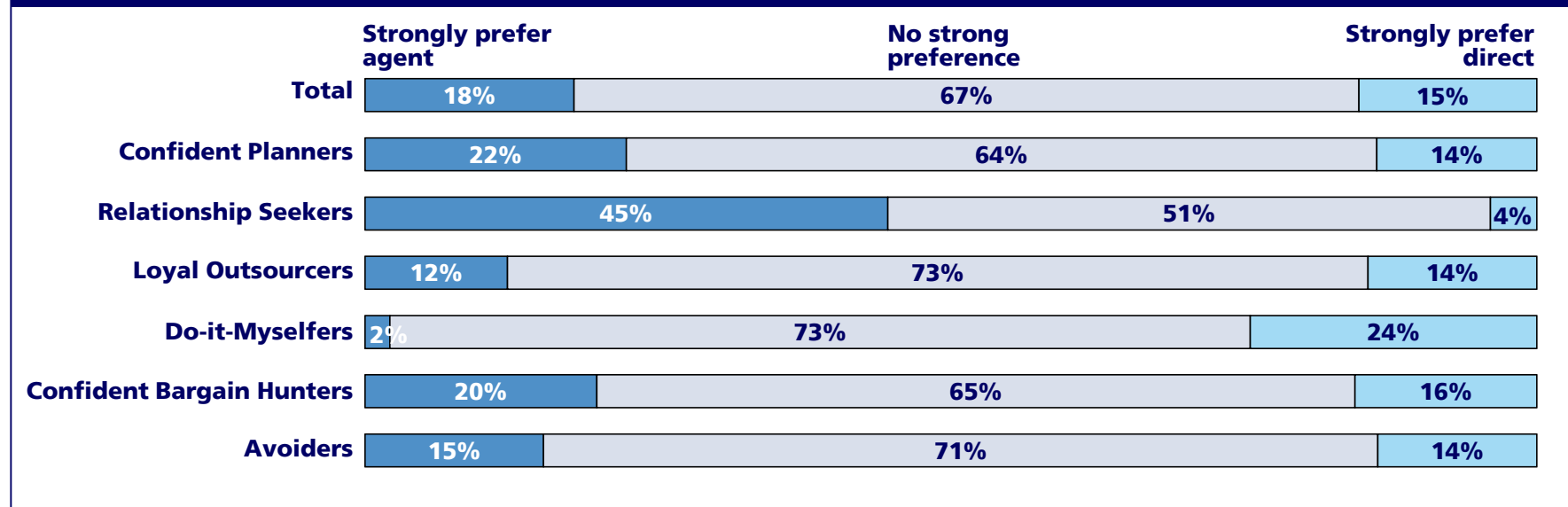
- There is a clear delineation between value and price conscious consumers
- Both mega segments equal approximately 50% of the market, while value conscious represent approximately 60% of the insurance spend
- Farmers assets best match up with customers focused on value, and specifically the confident planner

Source: FDS Demand Landscape (2012); TCG Analysis

Foundation for Farmers consumer strategy – Omni-channel approach



Channel preferences by segment



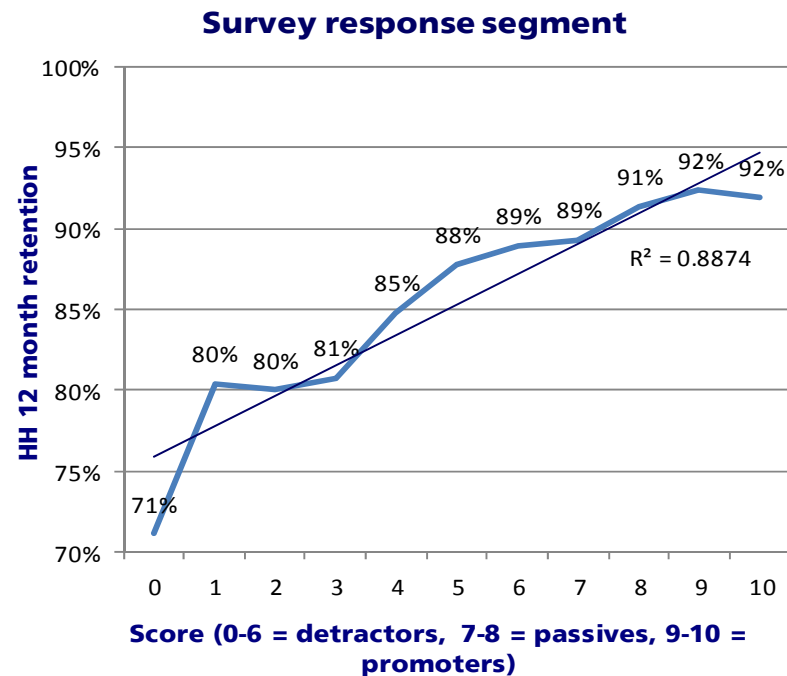
- Consumers have no strong channel preference and demand integrated web, after hours calls, and agent capabilities for selling and service
- Farmers adopts omni-channel approach building on its large Exclusive Agents network

Source: FDS Demand Landscape (2012); TCG Analysis

Improving customer experience critical to strategy – large growth lever



Household retention by Net Promoter Score

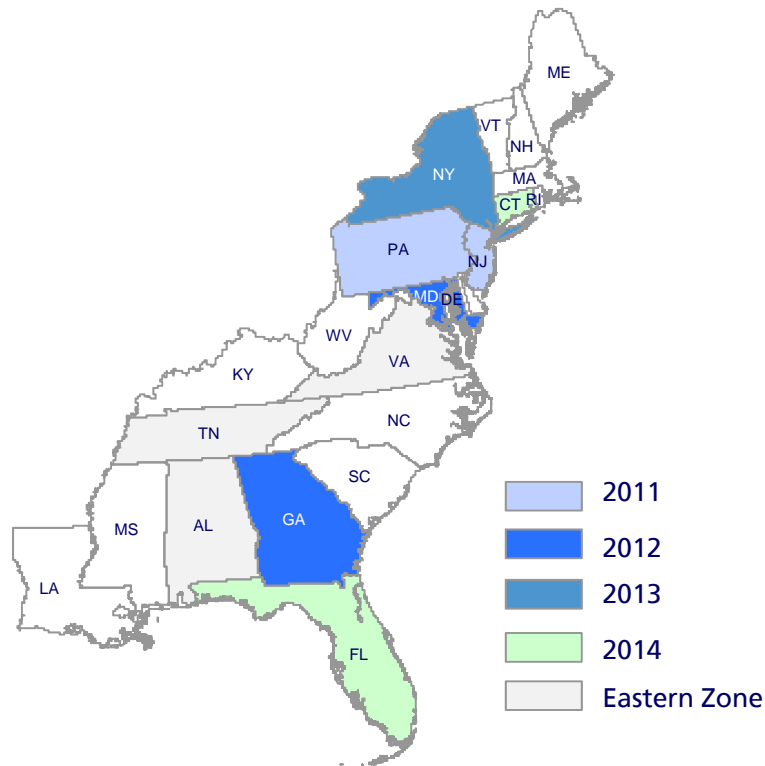


- Focus on improving the customer experience at Farmers as measured by Net Promoter Score (NPS)
- This is critical to retaining Confident Planners, but it is also a large growth lever as it's a way to improve retention. This is a large growth opportunity as Farmers lags key competitors.
- NPS is highly correlated to retention. Price is a major component of NPS as the amount you pay colors your perception of value.
- Farmers has identified and will focus on five NPS strategic drivers:
 - Rate stability
 - Customer communication
 - Website satisfaction
 - Agent behavior
 - Claims satisfaction

Eastern Expansion



Current Eastern Expansion



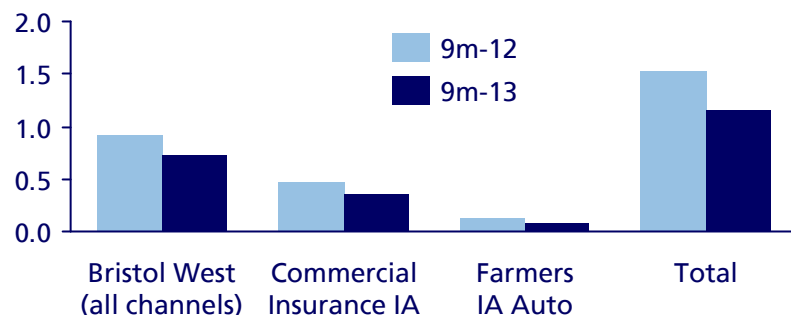
- Currently in 5 Eastern states with Farmers Agents (PA, NJ, GA, MD & NY)
- Strong results to date in our Eastern Expansion efforts
 - 479 agents and 398 additional licensed producers in these states¹
 - Topped USD 100m GWP in three years
- Expanding six additional states over next three years
 - Plan to rollout Connecticut and, in a controlled manner, Florida in 2014
 - Followed by two additional states in each year 2015 and 2016

¹ As of November 15, 2013

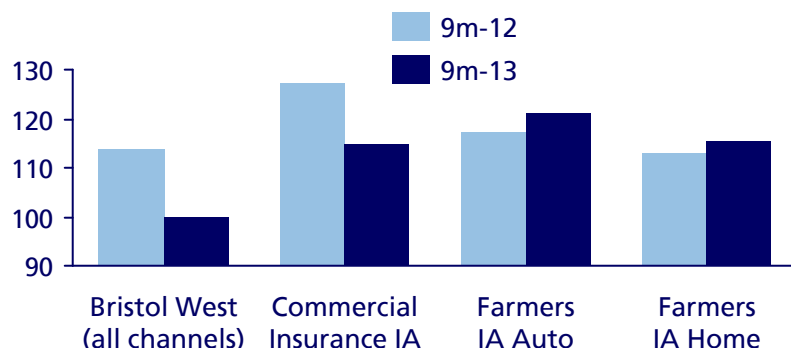
Repositioning to improve profitability



Managing for value: GWP in USD billions



Managing for value: combined ratio in %

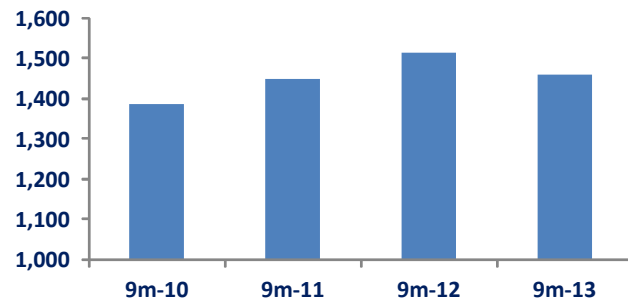


- Over the last two years profitability challenges have been more than weather. Significant repositioning of the non-core Farmers book has created a decline of USD 350m comparing 2013 to 2012:
 - Re-established Bristol West as a niche non-standard auto writer
 - Discontinuing Farmers branded independent agent business
 - Significant rate and underwriting actions to improve profitability of the Business Insurance independent agent channel

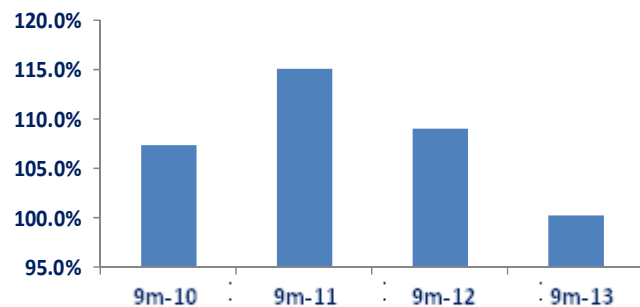
Repositioning 21st Century Direct



21st Century Direct Gross Written Premium, in USD millions



21st Century Direct Combined Ratio in %

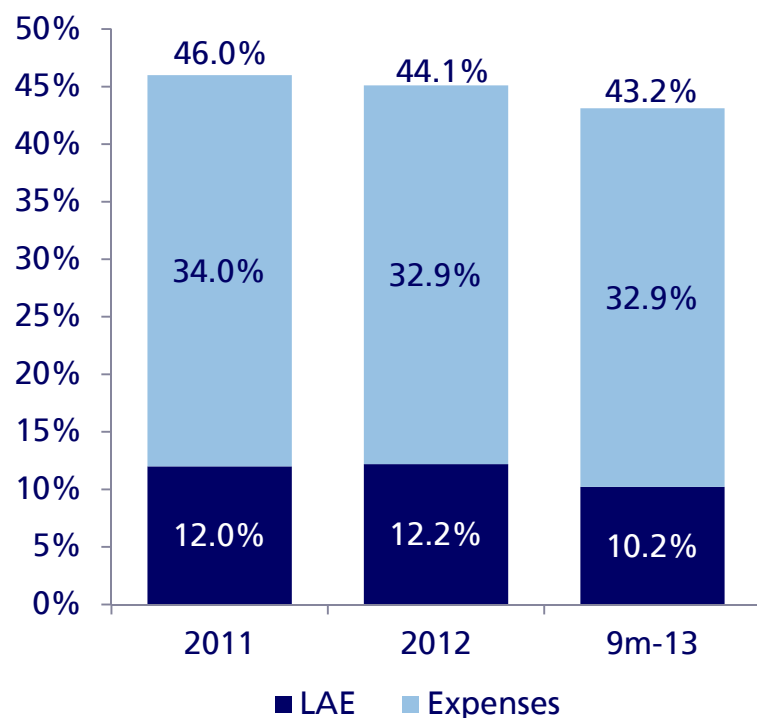


- Farmers repositions 21st Century Direct for several reasons:
 - Proprietary consumer research shows there is no direct market, but rather segments that use all channels
 - A significant consideration hill is to be climbed with the Farmers' brand. It's too expensive to build consideration for two brands aimed at different segments
 - It's expensive to grow direct given the significant first year cost investment
- 21st Century Direct provides a great platform for Farmers to build out our omni-channel approach.

Progress has been made in improving expense structure



LAE and expense ratio improvement^{1,2}



- Farmers Exchanges reduced expenses by 3 points since 2011, while at the same time investing in Eastern Expansion, distribution and customer experience initiatives
 - Focused on efficient claims handling with better use of technology
 - Scaled back two brand advertising
- Efforts continue to achieve similar improvement over the next three years adjusted for continued investments in Eastern Expansion
- Expense savings efforts encompass Farmers Management Services and the Farmers Exchanges

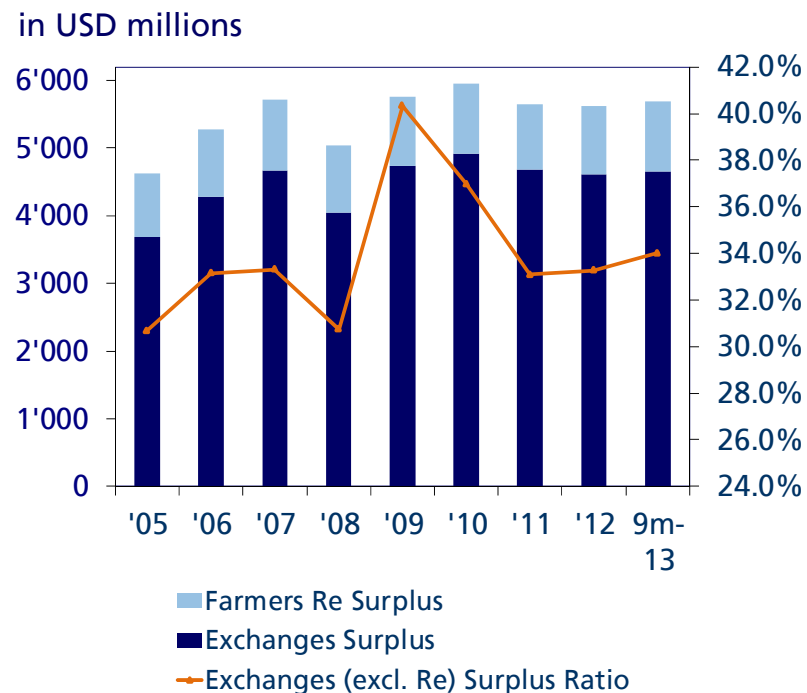
¹ Before quota share treaties with Farmers Reinsurance Company, Zurich Insurance Company Ltd, and a third counterparty.

² Expenses include management fees of Farmers Management Services, LAE = Loss adjustment expenses

Strengthening Farmers Exchanges capital will lead to reduced reliance on reinsurance



Farmers Exchanges surplus ratio



- Historically, and in accordance with NAIC² guidelines Farmers Exchanges surplus has been presented including Farmers Reinsurance Company¹.
- In a day-to-day operating context, the Exchanges' Capital is managed and regulated on a stand alone basis.
- Capital management framework:
 - Stand alone Surplus Ratio of 33% - 36% in the near term
 - Exchanges NAIC RBC² of 325% - 350%
- Quota share reinsurance is an expensive form of capital support for Farmers Exchanges and through Farmer Re add volatility to the Farmers segment results.
- Farmers' goal is to significantly reduce reliance on quota share reinsurance.

¹ Farmers Reinsurance Company is a wholly owned subsidiary of Farmers Group, Inc., not owned by the Farmers Exchanges

² NAIC: National Association of Insurance Commissioners; RBC: Risk-based Capital

Key messages



- Farmers is building on its strengths to compete in a rapidly changing market
- Go-to-market strategy is focused on targeting value conscious customers
- Growth opportunity remains in the East and Farmers is gaining traction
- Focus is on improving Farmers Exchanges' balance sheet

Farmers relationship to Zurich



What is “Farmers”?

- Farmers is a brand name beneficially owned by the Farmers Exchanges.
- The “Farmers Exchanges” are 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 wholly owned subsidiaries of Zurich Insurance Group Ltd. They form part of the “Farmers” reporting segment in Zurich financial statements with the exception of the life operations. Neither Farmers Group, Inc., nor Zurich has any ownership interest in the Farmers Exchanges.

Relationships Among the Farmers Exchanges, Farmers Group, Inc. and Zurich

- 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 administrative and management services to the Farmers Exchanges for a fee.
- Zurich owns Farmers Group, Inc. but does not manage the Farmers Exchanges, and there is no reporting by Farmers Exchange officers, management or personnel to Zurich.

Farmers Exchanges Strategy

- The Boards of Governors of the Farmers Exchanges approve or ratify Farmers Exchanges financial plans and strategies, rate activity, investment strategies and mergers and acquisitions, among other things.
- References to financial information about the Farmers Exchanges is proprietary to the Farmers Exchanges, but is provided with the consent of the Farmers Exchanges to support an understanding of the performance of Farmers Group, Inc. and Farmers Reinsurance Company.

Cash and capital



Key messages



- Strong financial position
- Capital flexibility and buffers to absorb volatility
- Operating free capital generation is improving
- Remit > USD 9bn in net cash to the holding company in 2014 - 2016, after central costs, while investing to grow the business

We will continue to pay a sustainable and attractive dividend

Three key factors underpin our dividend



Balance sheet security

- Z-ECM² ratio at 120%¹, SST³ at 206%¹
- Significant capital buffers absorb volatility
- Unrewarded investment risk is minimized

Cash and capital flexibility

- Flexible capital structure enables a high proportion of free capital generated to be remitted to the group
- Policy of pooling risk and capital centrally facilitates efficient capital deployment

Free capital generation

- Delivered over 20% of market cap in cash remittance to the center over the last 3 years
- Operating free capital generation on track to improve in line with earnings in 2013

¹ As of 1 October 2013

² Z-ECM = Internal Economic Capital Model

³ Swiss Solvency Test

We have a very strong balance sheet...



Z-ECM ¹ Ratio	SST ² Ratio	Solvency I
120%	206%	261%
As of 1 October 2013	As of 1 July 2013	As of 30 September 2013
Moody's financial leverage	Moody's earnings coverage	Financial strength rating
25%	8x	AA range
As of 31 December 2012	As of 31 December 2012	As of 7 February 2014

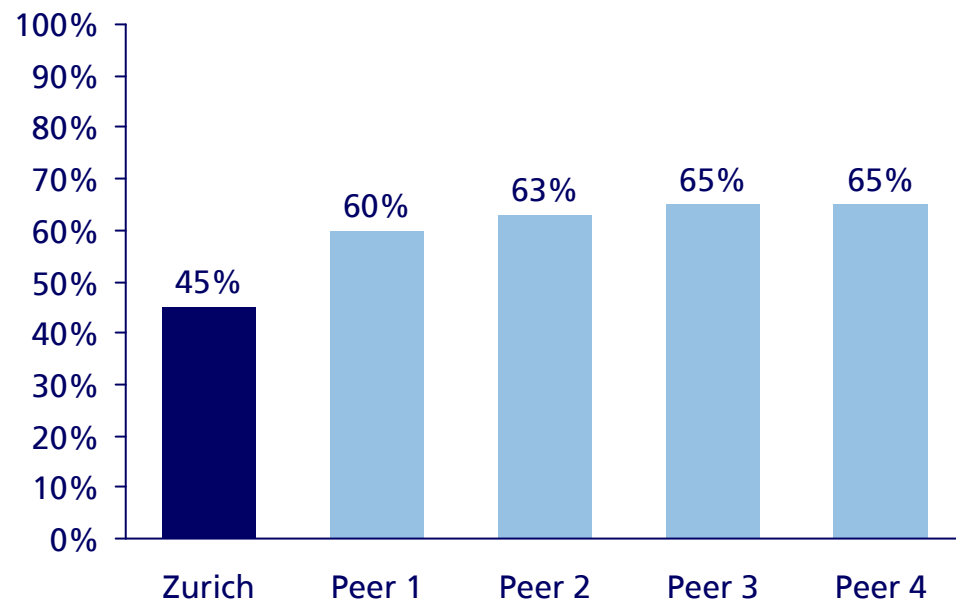
¹ Z-ECM = Internal Economic Capital Model

² Swiss Solvency Test

...with low capital volatility coming from investment risks compared to peers...



Investment Risk Capital¹ as percentage of Total Risk Capital
Adjusted to 99.95% confidence level²



Key observation

- ALM/Market risk contribution to total Z-ECM is estimated to be lower than at selected peers³

Primary factors

- Focus on insurance risk over investment risk
- Managing assets relative to liabilities on a risk adjusted basis
- Relatively small duration gap with both Global Life and GI assets slightly long relative to liabilities

¹ Asset Liability Matching and Investment Credit Risk Based Capital, including diversification, relative to total Risk Capital; Risk Capital is diversified within Risk types

² Zurich's own calculation and estimation based on Company Reports combined with internal data analysis

³ Global Peers includes a sample of 4 large global peers

...and an efficient capital structure



Strategy

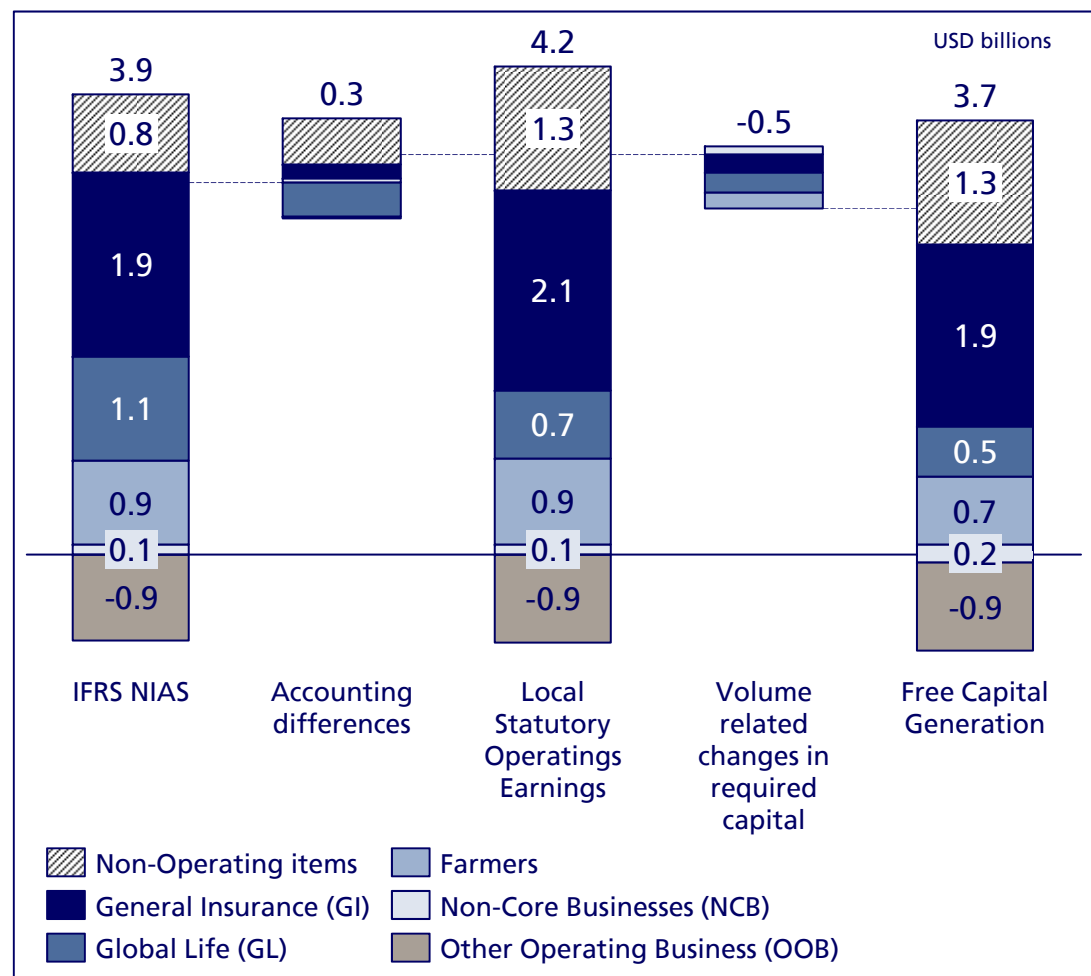
Manage local subsidiaries to the regulatory minimum plus an adequate buffer for short term volatility

Pool capital and risk as centrally as possible

Key aspects

- Active capital management to minimise timing friction between free capital generation and up streaming to group
 - Capital targets set and monitored centrally
 - Focus on intra-year dividends
-
- One key European GI balance sheet
 - One key U.S. GI balance sheet
 - Use of internal reinsurance
 - Significant liquidity asset buffer held centrally

Net Income to Free Capital Generation (2012)



Key Differences

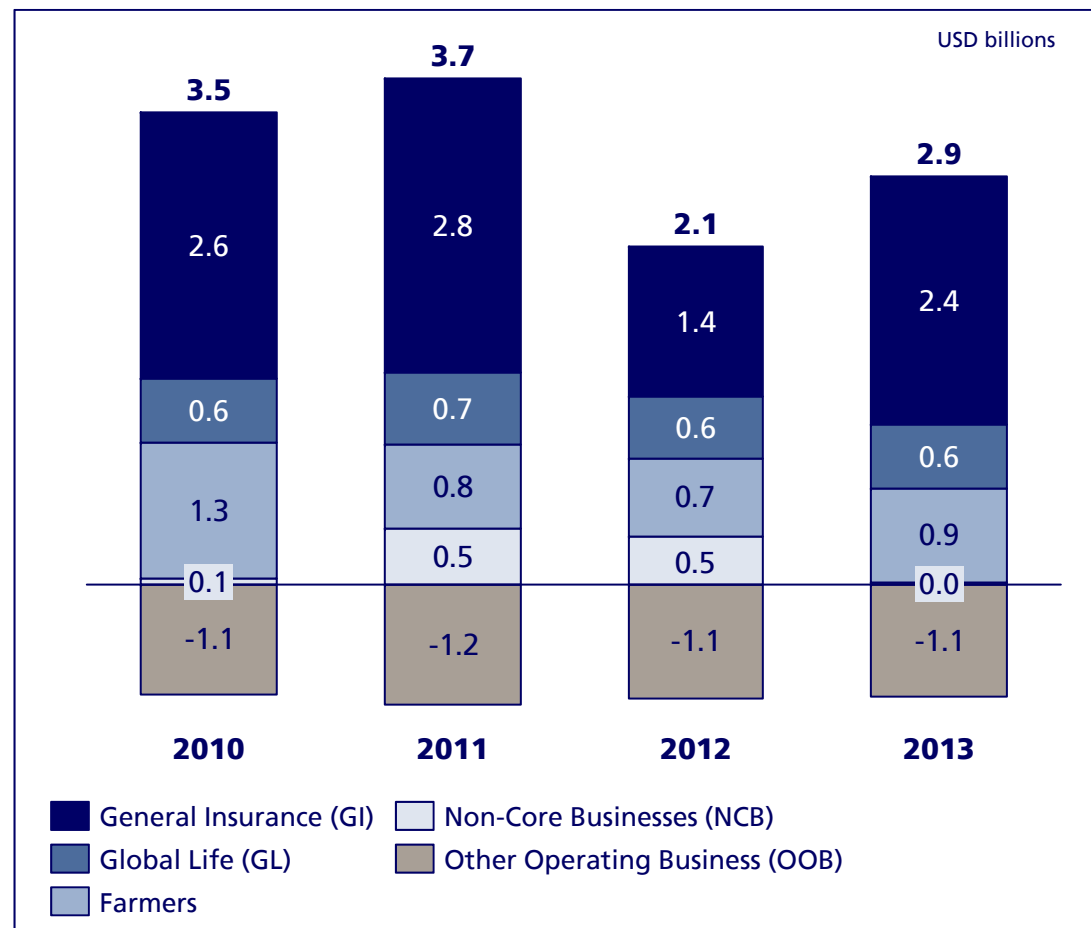
IFRS to local statutory

- GI: Mainly tax loss carry forward in U.S. GI otherwise relatively similar to IFRS
- GL: Mainly intangibles deferred in IFRS
- Farmers, NCB & OOB: similar to IFRS

Capital requirements

- GI & GL capital increases in line with volume growth
- Farmers driven by increase in the quota share in 2012
- NCB capital release following the run-off of reserves

Very strong track record of remitting cash to group



Key messages

- 2010 and 2011 benefitted from ZNA¹ surplus note repayments
- 2012 impacted by one-off regulatory capital restrictions in the U.S. and Europe GI, and Germany GI reserve strengthening
- Central liquidity buffers increased in all years presented
- Picture excludes large positive one off capital projects

Growing free capital generation underpins new remittance target



Levers		Key aspects
Profitability	➤	<ul style="list-style-type: none"> • BOPAT ROE 12 - 14% • Grow operating profits
Growth	➤	<ul style="list-style-type: none"> • Allocate capital efficiently to products and balance sheets
Capital investment	➤	<ul style="list-style-type: none"> • Prioritise investments • Stop investing in non-performing business
Acquisition costs	➤	<ul style="list-style-type: none"> • Manage business mix to reduce strain
Legal entity structure	➤	<ul style="list-style-type: none"> • Continue to streamline the Group's legal entity structure to minimise the frictional cost of capital

Appendix



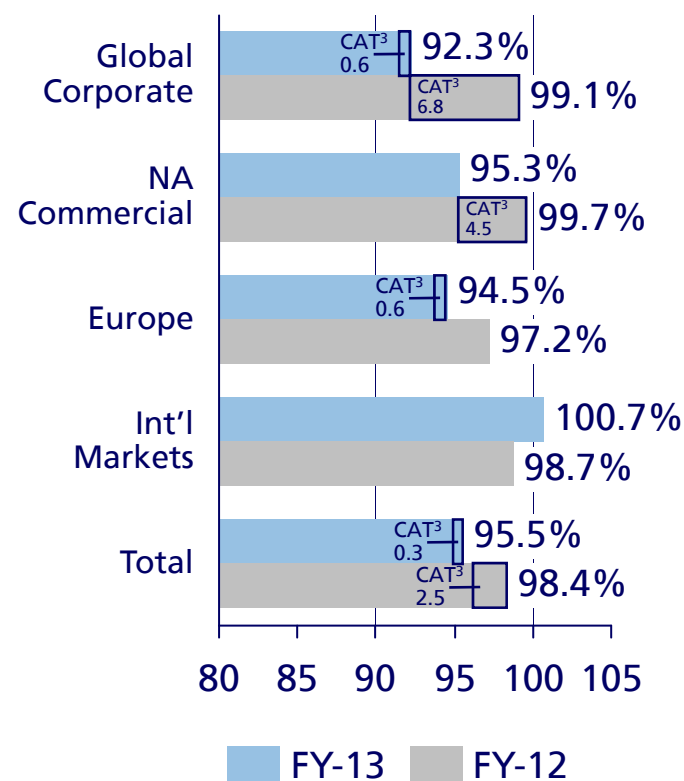
General Insurance – BOP and combined ratio by business



Business operating profit

in USD millions for the years ended December 31	2013	2012	Change
Global Corporate	879	498	77%
North America Commercial	972	699	39%
Europe	1,009	702	44%
International Markets	115	165	-30%
GI Global Functions & GRe ¹	-116	49	nm
Total	2,859	2,112	35%²

Combined ratio (%)



¹ GI Global Functions incl. Group Reinsurance

² Equivalent to 35% in local currency

³ Major catastrophes (potential USD 100m or larger). 2013 relates to the floods in Europe in Q2. 2012 includes Storm Sandy in Q4.

General Insurance – Gross written premiums and policy fees



In USD millions
for the years ended December 31

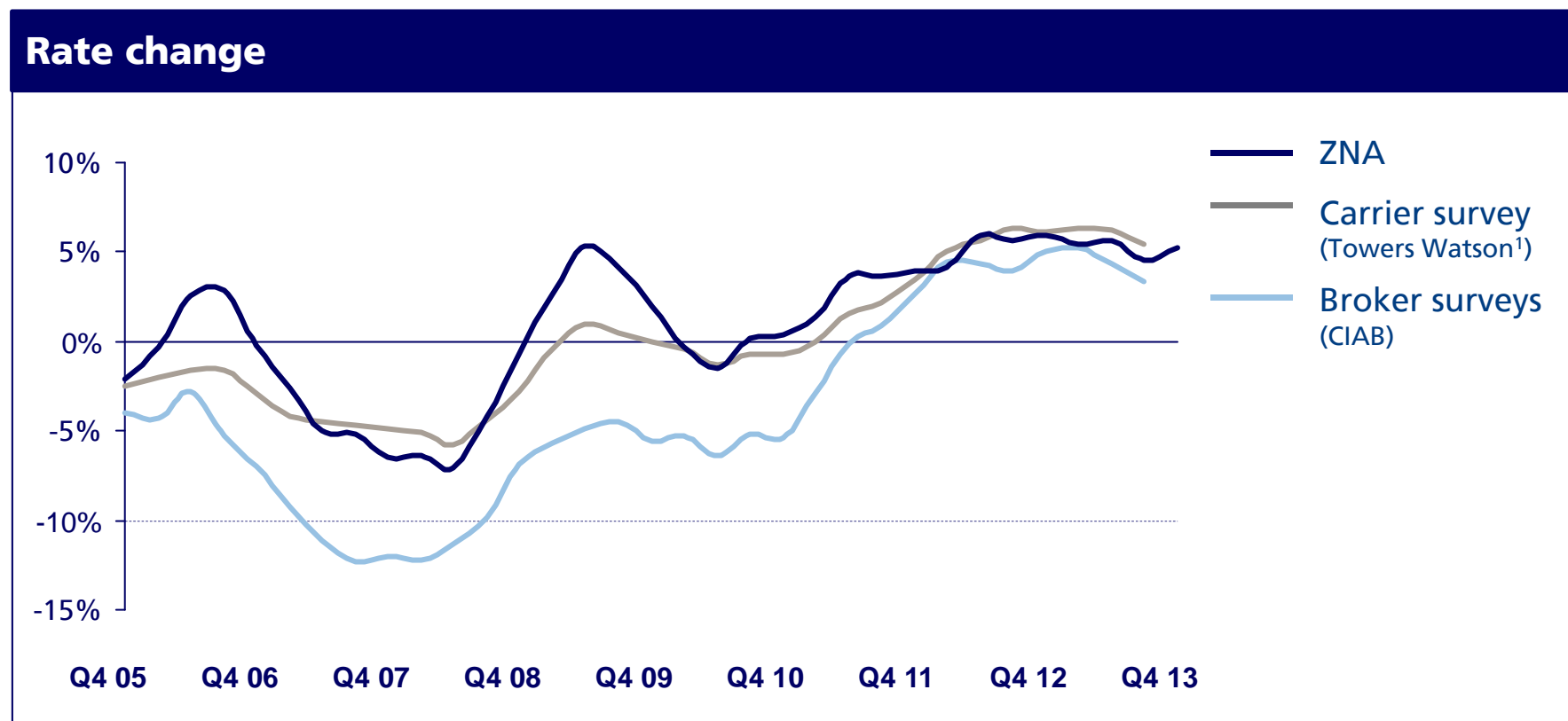
	2013	2012	Change	Change in LC ¹
Global Corporate	9,264	8,609	8%	8% ²
North America Commercial	10,215	10,003	2%	2% ²
Europe	11,799	11,882	-1%	-2%
International Markets	5,700	5,603	2%	12%
GI Global Functions incl. Group Reinsurance ³	390	345	13%	10%
Total	36,438	35,610	2%	3%

¹ Local currency

² Apart of the discontinuation of a large fronting contract, growth impacted by net business transfers from NAC to GC. Comparable growth is 6% for GC and 6% for NAC.

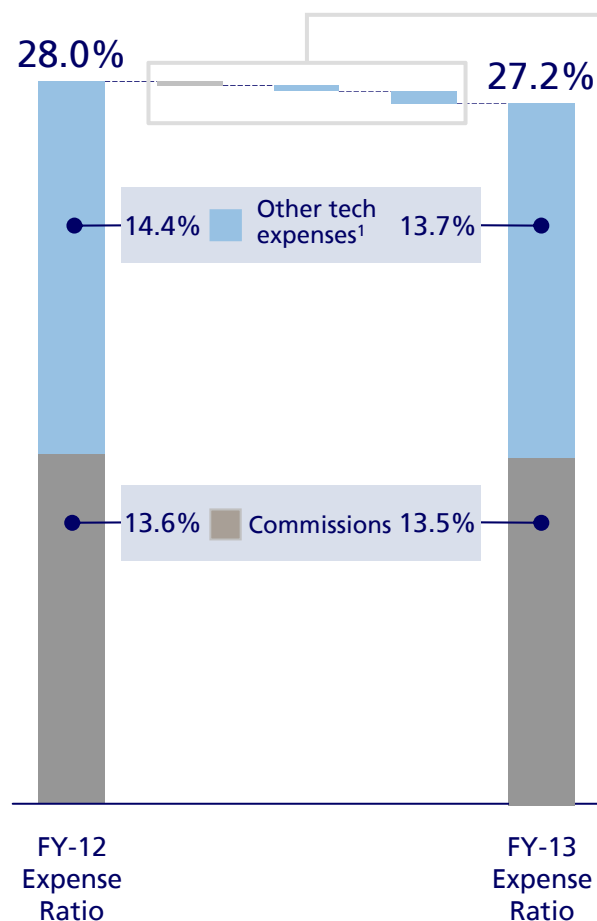
³ Excluding intra-segment eliminations

Zurich North America – Rate change vs. industry

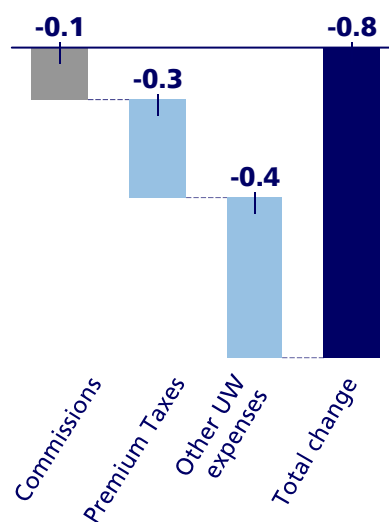


¹ Towers Watson – carrier survey estimated at ZNA mix of business
Note: Q3-05 to Q4-08 policy year, from Q1-09 onwards calendar year

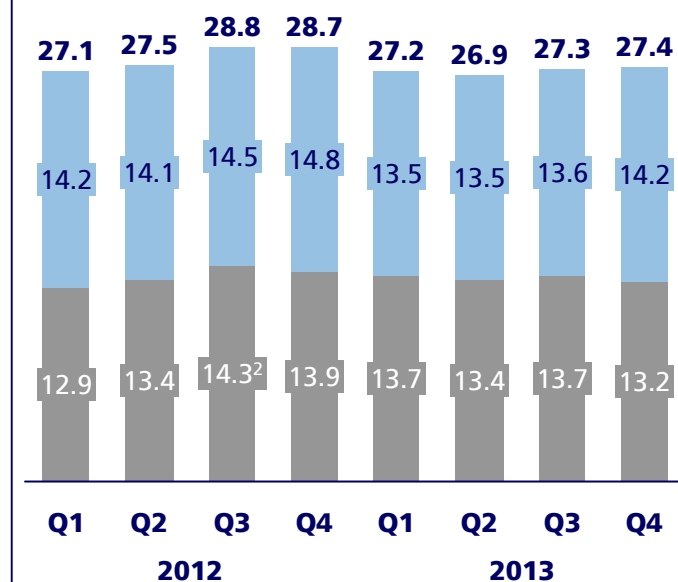
General Insurance – Comparison of expense ratio



Change year-over-year
In percentage points



Expense ratio development
Discrete quarters, in percentage points

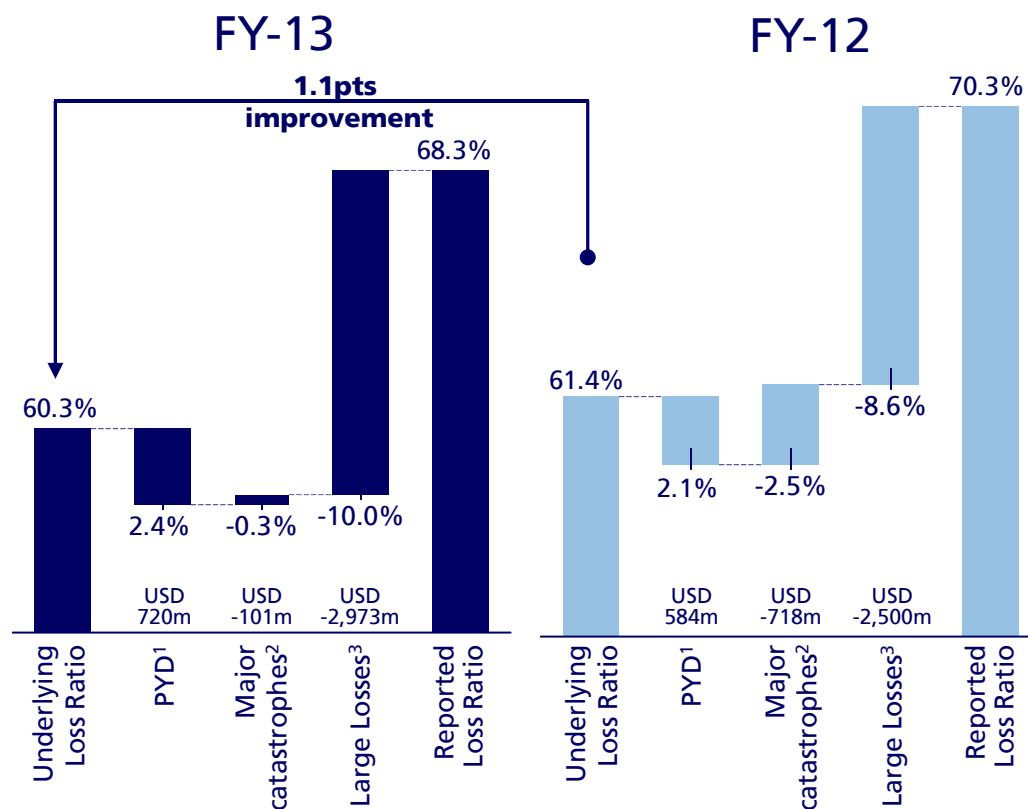


Other technical expenses¹
Commissions

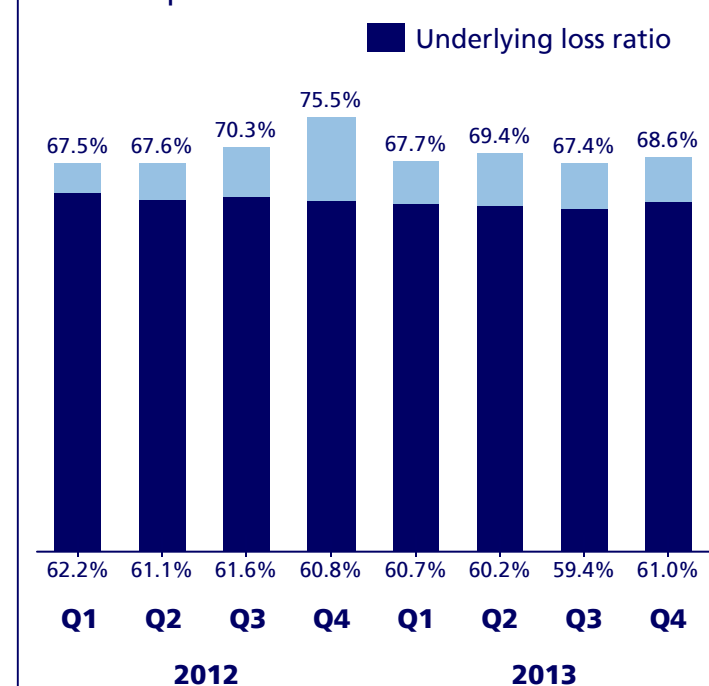
¹ Including premium taxes

² Commissions include the impact of the DAC reassessment in Germany that was not restated

General Insurance – Comparison of loss ratio



Loss ratio development
Discrete quarters

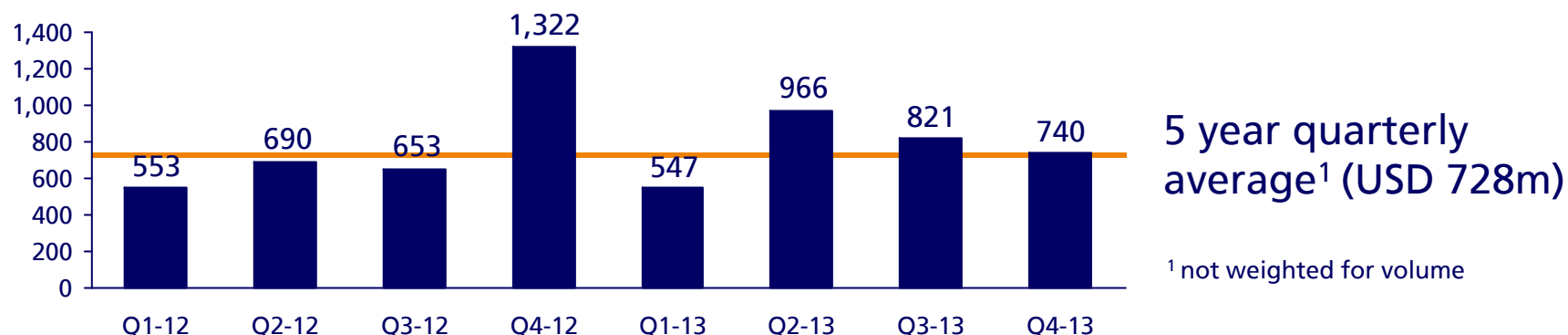


- ¹ Prior year development ratio includes impact of PY premiums while the absolute figure reflects the booked PYD
- ² Major catastrophes (potential USD 100m or larger). 2013 relates to the floods in Europe in Q2. 2012 includes Storm Sandy in Q4.
- ³ Large losses are defined individually by our GI Market-Facing Units, consistently applied over time, and exclude major catastrophes

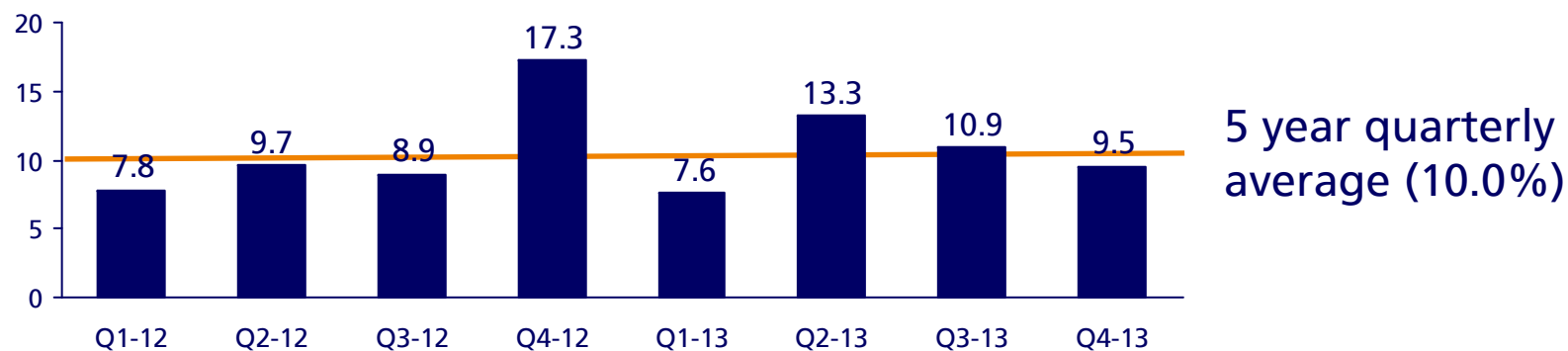
General Insurance – Major catastrophe and large losses



Major catastrophe¹ and Large Losses²
in USD millions



Impact: Major catastrophe¹ and Large Losses² as a % of Net Earned Premiums
in %



¹ Major catastrophes (potential USD 100m or larger). 2013 relates to the floods in Europe in Q2. 2012 includes Storm Sandy in Q4.

² Large losses are defined individually by our GI Market-Facing Units, consistently applied over time, and exclude major catastrophes

Development of paid to ultimate losses in our largest businesses

Development of paid-losses/ultimate-losses ratio¹ Accident year view, in %

GI Region	Year	12 months	24 months	36 months	48 months	60 months	72 months
Europe	2008	49%	71%	78%	82%	85%	88%
	2009	51%	74%	82%	86%	90%	
	2010	49%	75%	83%	88%		
	2011	49%	72%	78%			
	2012	49%	75%				
	2013	49%					
Global Corporate	2008	22%	46%	60%	67%	75%	80%
	2009	20%	43%	59%	68%	75%	
	2010	20%	47%	62%	72%		
	2011	23%	48%	64%			
	2012	19%	48%				
	2013	19%					
North America Commercial	2008	21%	46%	59%	69%	77%	82%
	2009	19%	42%	55%	67%	76%	
	2010	21%	44%	57%	68%		
	2011	22%	49%	61%			
	2012	22%	53%				
	2013	22%					

Key takeaways

- This regional view highlights the positive impact of our diversified portfolio
- Even at this more granular level, our reserves show a consistent approach over time

¹ Ratio of paid-losses to ultimate-losses shows losses paid out during a given accident year, divided by the ultimate incurred losses during that accident year, expressed here as a percentage

APPENDIX

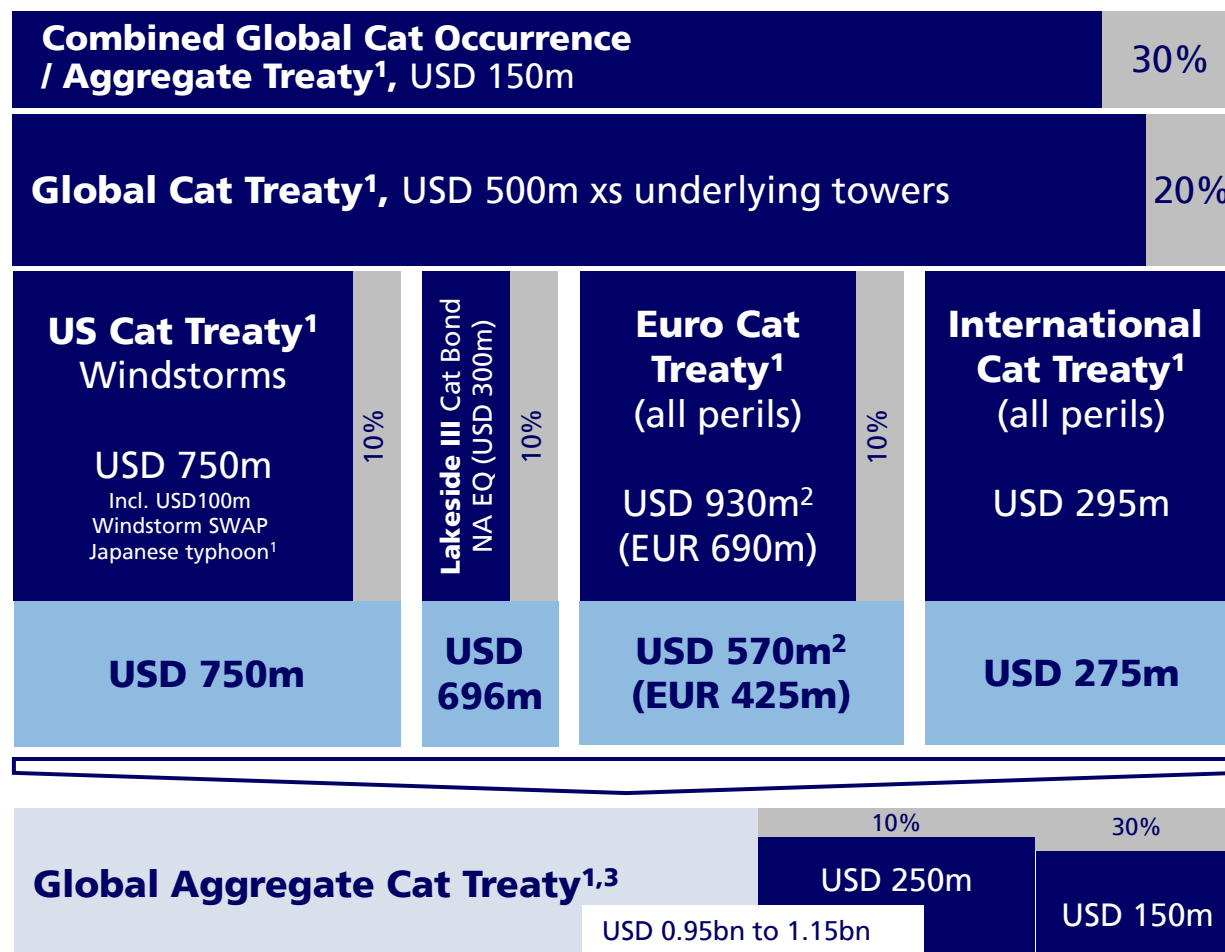
Non-life ultimate loss ratios by accident year



Cumulative incurred net loss ratios ¹	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
In the year	68.3 %	73.3 %	69.6 %	72.7 %	74.6 %	72.3 %	73.5 %	74.2 %	71.3 %	69.4 %
1 year later	64.2 %	68.1 %	66.2 %	71.7 %	74.1 %	72.0 %	73.2 %	74.0 %	70.0 %	
2 years later	63.5 %	66.6 %	64.8 %	70.6 %	72.4 %	70.7 %	72.1 %	73.7 %		
3 years later	63.7 %	65.0 %	63.3 %	69.4 %	72.3 %	70.6 %	71.6 %			
4 years later	62.9 %	63.8 %	62.6 %	68.6 %	72.1 %	70.6 %				
5 years later	62.2 %	63.2 %	61.6 %	68.0 %	71.6 %					
6 years later	62.1 %	62.6 %	61.0 %	67.9 %						
7 years later	61.9 %	62.3 %	60.9 %							
8 years later	61.9 %	62.4 %								
9 years later	61.9 %									

¹ In % of net earned premiums in that year

General Insurance – Reinsurance program for natural catastrophes



■ Excess of loss protection
■ Retention
■ Co-Participation

Major changes as of January 1, 2014:

- **US Cat:** Renewed with co-participation of 10%
- **Global Aggregate Cat:** Reduced co-participation of first layer from 25% to 10% and reduced floating attachment point from USD 1.05bn to USD 0.95bn
- **Lakeside III:** Adjustment of attachment point to USD 696m (from USD 650m) due to increased exposure
- **Cost:** Increased coverage at similar cost

¹ US Cat Treaty and Global Aggregate Cat Treaty renewed on January 1, 2014; Euro Cat Treaty, US Windstorm SWAP and Global Cat Treaty renewed on April 1, 2013; and International Cat Treaty renewed on July 1, 2013

² Foreign exchange rate EUR/USD used: 1.345, original cover in EUR and GBP

³ Franchise deductible – losses in excess of USD 35m contribute to erosion of cover deductible from ground up

Global Life – New business by pillar



in USD millions
for the years ended December 31

	NBV² 2013	NBV² 2012	Change in LC¹	APE² 2013	APE² 2012	Change in LC¹
Bank Distribution	435	316	44%	1,348	1,187	19%
IFA/Brokers	274	233	20%	1,003	972	4%
Agents	203	165	23%	473	463	2%
Total Retail Pillars	912	714	31%	2,824	2,622	10%
Corporate Life & Pensions	293	285	3%	1,409	1,703	-17%
Private Banking Client Solutions	4	24	-83%	118	319	-64%
Direct and Central Initiatives	41	61	-30%	68	122	-40%
Total	1,251	1,085	17%	4,418	4,767	-6%

¹ Local currency

² NBV and APE are calculated before the effect of non-controlling interests. Non-controlling interests added USD 190 million and USD 135 million to NBV in 2013 and 2012 respectively, and USD 487 million and USD 426 million to APE in 2013 and 2012 respectively.

APPENDIX

Global Life – New business by region/country



in USD millions
for the years ended December 31

	NBV² 2013	NBV² 2012	Change in LC¹	APE² 2013	APE² 2012	Change in LC¹
North America	117	109	7%	162	125	29%
Latin America	368	282	40%	1,178	1,457	-14%
<i>Of which:</i>						
Zurich Santander	268	182	52%	821	701	26%
Europe	490	453	6%	2,376	2,538	-7%
United Kingdom	167	195	-13%	1,019	1,194	-14%
Germany	43	37	12%	363	453	-22%
Switzerland	60	25	nm	225	220	1%
Ireland	68	66	0%	420	355	15%
Spain	117	94	20%	155	149	0%
Rest of Europe	35	36	-5%	195	167	13%
APME	177	138	33%	530	499	9%
Other	99	103	-5%	173	147	15%
Total	1,251	1,085	17%	4,418	4,767	-6%

¹ Local currency

² NBV and APE are calculated before the effect of non-controlling interests. Non-controlling interests added USD 190 million and USD 135 million to NBV in 2013 and 2012 respectively, and USD 487 million and USD 426 million to APE in 2013 and 2012 respectively.

APPENDIX

Global Life – Business operating profit: Profit by Source



in USD millions

for the years ended December 31

	New Business		Business in Force		Total	
	2013	2012	2013	2012	2013	2012
Net Expense margin	-1,340	-1,434	1,523	1,410	183	-23
Net Risk margin			821	769	821	769
Net Investment margin			579	716	579	716
Other profit margins ¹			19	27	19	27
BOP before deferrals	-1,340	-1,434	2,942	2,923	1,602	1,489
Impact of acquisition deferrals	1,074	1,167	-886	-903	188	264
BOP before interest, depreciation and amortization	-266	-266	2,056	2,019	1,790	1,753
Interest, depreciation, amortization and non controlling interest	0	0	-524	-420	-524	-420
BOP before special operating items	-266	-266	1,532	1,600	1,267	1,333
Special operating items	0	0	5	18	5	18
Business operating profit	-266	-266	1,537	1,617	1,272	1,351

¹ Includes gross contribution in 2012 (USD 225m) and 2013 (USD 387m), before minority interests, to BOP from Zurich Santander
 Note: Following a change in the mix of margins in Germany, policyholder impacts which relate to more than one margin have been reclassified from investment margin into other profit margin. Figures for the same period of 2012 have been restated for comparative purposes

Global Life – Embedded value result



in USD millions

for the years ended December 31

	2013	2012
Opening embedded value	18,861	15,846
New business value¹	1,251	890⁴
Expected contribution from in-force ²	689	954
Operating variances ³	-1,084	-105
Embedded value operating earnings¹	855	1,739
Economic variances and other non-operating variances	384	411
Embedded value earnings¹	1,240	2,150
Dividends and capital and other movements ⁴	-483	525
Foreign currency translation effects and new business value non-controlling interests	-119	341
Closing embedded value	19,499	18,861

¹ Embedded value operating earnings and embedded value earnings are gross of new business value non-controlling interests. Net of new business value non-controlling interests, embedded value operating earnings is reduced to USD 665 million and USD 1,693 million in 2013 and 2012, respectively, and embedded value earnings is reduced to USD 1,049 million and USD 2,104 million in 2013 and 2012, respectively. New business value non-controlling interests was USD 190 million and USD 46 million in 2013 and 2012, respectively.

² Operating earnings expected from business in-force and net assets.

³ Operating variances are operating experience variances, impact of operating assumption changes, and other operating variances. During 2013 they included the impact of changes to expense methodology with a notable impact included in development expenses.

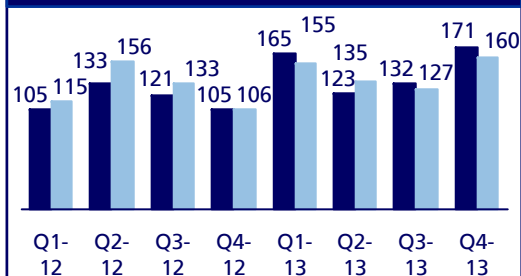
⁴ As of December 31, 2012, Zurich Santander businesses were included in embedded value for the first time through dividends and capital and other movements, creating an increase in capital. However, new business for 2012 did not include contributions from Zurich Santander or new operations in Asia.

Zurich Santander quarterly results



Profit before tax

GI & Life (100%)

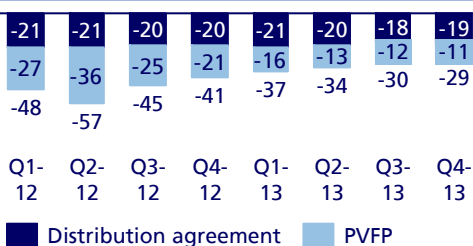


■ Statutory profit before tax
■ IFRS profit before tax

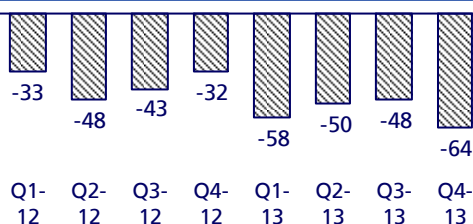
FY-13 local performance

- +27% local statutory profit
- ~430m of dividends paid in 2013 on a 100% basis
- +10% GWP and Insurance deposits
- +52% increase in NBV to USD 268m

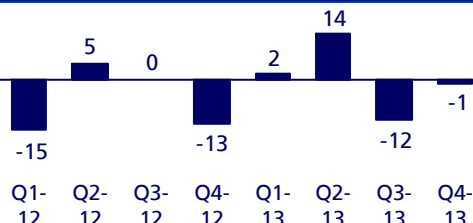
Intangibles amortization (100%)



Minority adjustment (-49%)

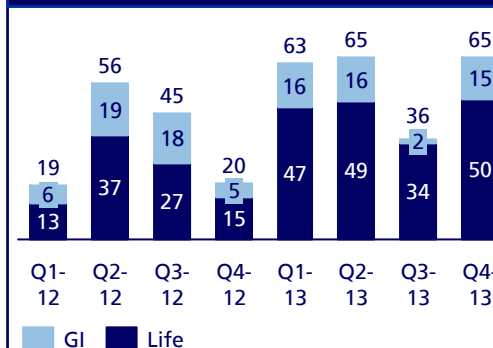


Earn-out & PPA Adjustments (51%)



Core segment BOP

GI & Life (51%)



IFRS accounting considerations

- Volatility in IFRS profits expected to reduce as PPA adjustments slow
- Some volatility from earn-out expected as the business continues to perform
- Intangible amortization impact slowing as PVFP unwinds

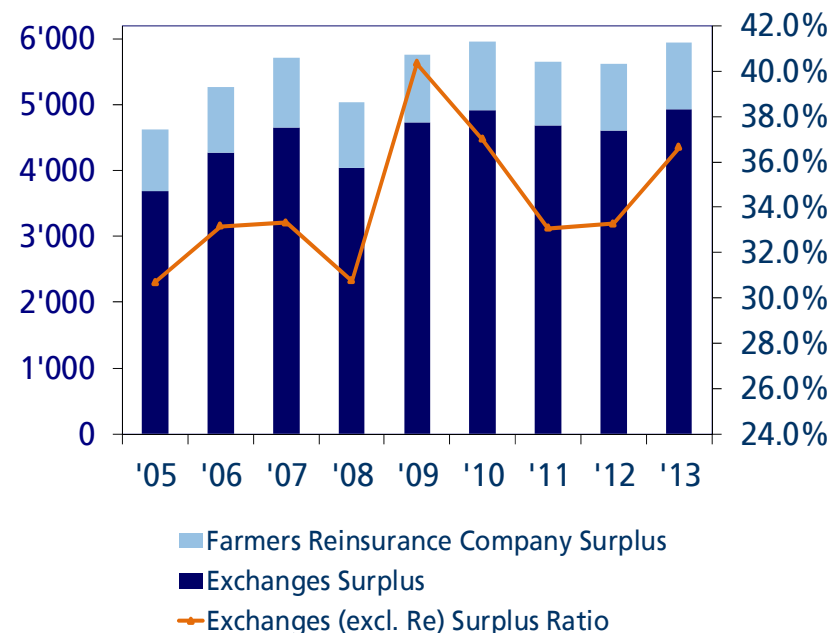
APPENDIX

Farmers Exchanges¹ – Financial highlights



in USD millions
for the years ended December 31

	2013	2012
Gross written premiums ²	18,643	18,935
Net underwriting result ³	-59	-1,062
Beginning surplus ^{4,5}	5,626	5,656
Net surplus growth ^{4,5}	321	-30
Ending surplus ^{4,5}	5,947	5,626
Surplus Ratio ^{5,6}	36.6%	33.3%



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 administrative and management services to the Farmers Exchanges and receives fees for its services.

² FY-12 includes the return of USD 74m GWP as a result of the anticipated settlement of a lawsuit with the State of Texas.

³ Before quota share treaties with Farmers Reinsurance Company, Zurich Insurance Company Ltd, and a third counterpart and excluding the impact of the Fogel and SoT settlements in FY-12.

⁴ Includes the impact of the Fogel settlement in FY-12 and includes surplus of Farmers Reinsurance Company as prescribed by NAIC guidelines.

⁵ 2013 surplus figures are estimated.

⁶ Excludes surplus of Farmers Reinsurance Company.

APPENDIX

Farmers Exchanges – Gross written premiums by line of business



in USD millions
for the years ended December 31

	2013	2012	Change
Auto	9,507	9,938	-4.3%
of which standard Auto	8,560	8,765	-2.3%
of which non-standard Auto ¹	947	1,173	-19.2%
Homeowners²	4,796	4,687	2.3%
Business Insurance	2,134	2,327	-8.3%
of which Business Insurance EA ³	1,680	1,728	-2.7%
of which Business Insurance IA ³	454	599	-24.6%
Specialty	2,078	1,919	8.3%
Other	128	137	-6.1%
Total^{2,4}	18,643	19,009	-1.9%

¹ Non-standard Auto written by Bristol West

² Excludes the return of USD 74m GWP in FY-12 as a result of the anticipated settlement of a lawsuit with the State of Texas.

³ EA: Exclusive Agent; IA: Independent Agent

⁴ GWP of business in transition comprised by non-standard Auto, Business Insurance IA, Auto IA and Homeowners IA growth decreased 1.9% while remaining businesses increased 0.4%.

APPENDIX

Farmers Exchanges – Policies in force



in thousand policies for the years ended December 31	2013	Change #	%	2012
Auto	10,552	-1,036	-8.9%	11,633
of which standard Auto	9,666	-784	-7.5%	10,495
of which non-standard Auto ¹	886	-252	-22.1%	1,138
Homeowners	4,914	-217	-4.2%	5,131
Business Insurance	569	-58	-9.2%	627
of which Business Insurance EA ²	414	-19	-4.3%	433
of which Business Insurance IA ²	155	-39	-20.2%	194
Specialty	2,941	60	2.1%	2,881
Other	315	-1	0.0%	316
Total	19,291	-1,251	-6.1%	20,542

¹ Non-standard Auto written by Bristol West

² EA: Exclusive Agent; IA: Independent Agent

APPENDIX

Farmers Exchanges – Combined ratio¹



for the years ended December 31

	2013	2012	Change
Auto	99.8%	105.5%	5.7pts
of which standard Auto	99.8%	103.9%	4.1pts
of which non-standard Auto ²	99.9%	116.2%	16.3pts
Homeowners	101.2%	102.7%	1.5pts
Business Insurance	107.6%	110.6%	3.0pts
of which Business Insurance EA ³	105.3%	104.9%	-0.4pts
of which Business Insurance IA ³	115.4%	127.0%	11.6pts
Specialty	93.4%	95.1%	1.7pts
Total, excl. Fogel/SoT impact	100.5%	105.4%	4.9pts
Total, as reported	100.5%	104.4%	3.9pts
Catastrophe impact	6.0%	6.1%	0.1pts

¹ Before quota share treaties with Farmers Reinsurance Company, Zurich Insurance Company Ltd, and a third counterparty.

² Non-standard Auto written by Bristol West.

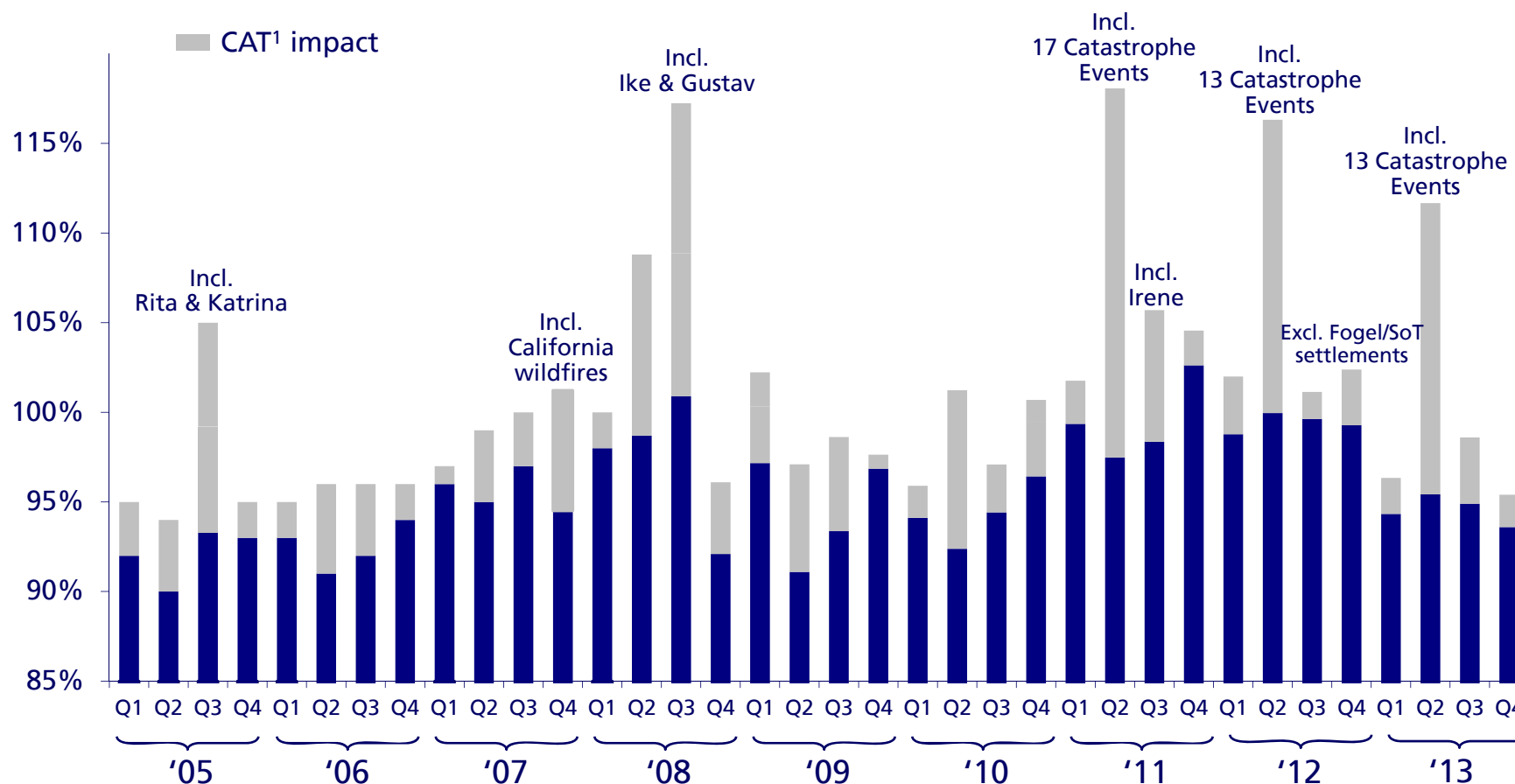
³ EA: Exclusive Agent; IA: Independent Agent.

⁴ Excludes the impact of the Fogel settlement and the anticipated settlement of a lawsuit with the State of Texas (SoT) affecting the expense ratio and GWP respectively.

Farmers Exchanges – Development of the combined ratio



Quarterly combined ratio



¹ Farmers Exchanges adopted industry standard ISO defined catastrophes as per July 2011.

Other Operating and Non-Core Businesses – Business operating profit contribution



in USD millions	Q4-13	Q4-12	Change	2013	2012	Change
Other Operating Businesses						
- Holding and financing	-213	-206	-3%	-843	-735	-15%
- Headquarters	-143	-54	nm	-196	-175	-12%
Total Other Operating Businesses	-356	-260	-37%	-1,039	-910	-14%
Non-Core Businesses						
- Centrally managed businesses	13	18	-28%	27	29	-8%
- Other run-off	18	-8	nm	46	100	-54%
Total Non-Core Businesses	32	10	nm	73	129	-44%

Investment performance of Group Investments



in USD millions

	Q4-13	Q4-12	Change	2013	2012	Change
Net investment income	1,582	1,629	-3%	6,240	6,782	-8%
Net capital gains/(losses) on investments and impairments ¹	552	1,213	-54%	1,157	2,201	-47%
<i>of which attributable to shareholders</i>	<i>465</i>	<i>1,037</i>	<i>-55%</i>	<i>588</i>	<i>1,687</i>	<i>-65%</i>
Net investment result	2,134	2,842	-25%	7,398	8,983	-18%
Net investment result in % ²	1.0%	1.4%	-0.3pts	3.5%	4.4%	-0.9pts
Movements in net unrealized gains on investments included in total equity ³	(551)	798	nm	(4,670)	5,349	nm
Total return on Group investments ²	0.8%	1.8%	-1.0pts	1.3%	7.0%	-5.7pts
Total Group Investments	207,280	209,582	-1%	207,280	209,582	-1%

¹ Including impairments of USD 75m in Q4-13 (USD 56m in Q4-12) and USD 201m in 2013 (USD 208m in 2012)

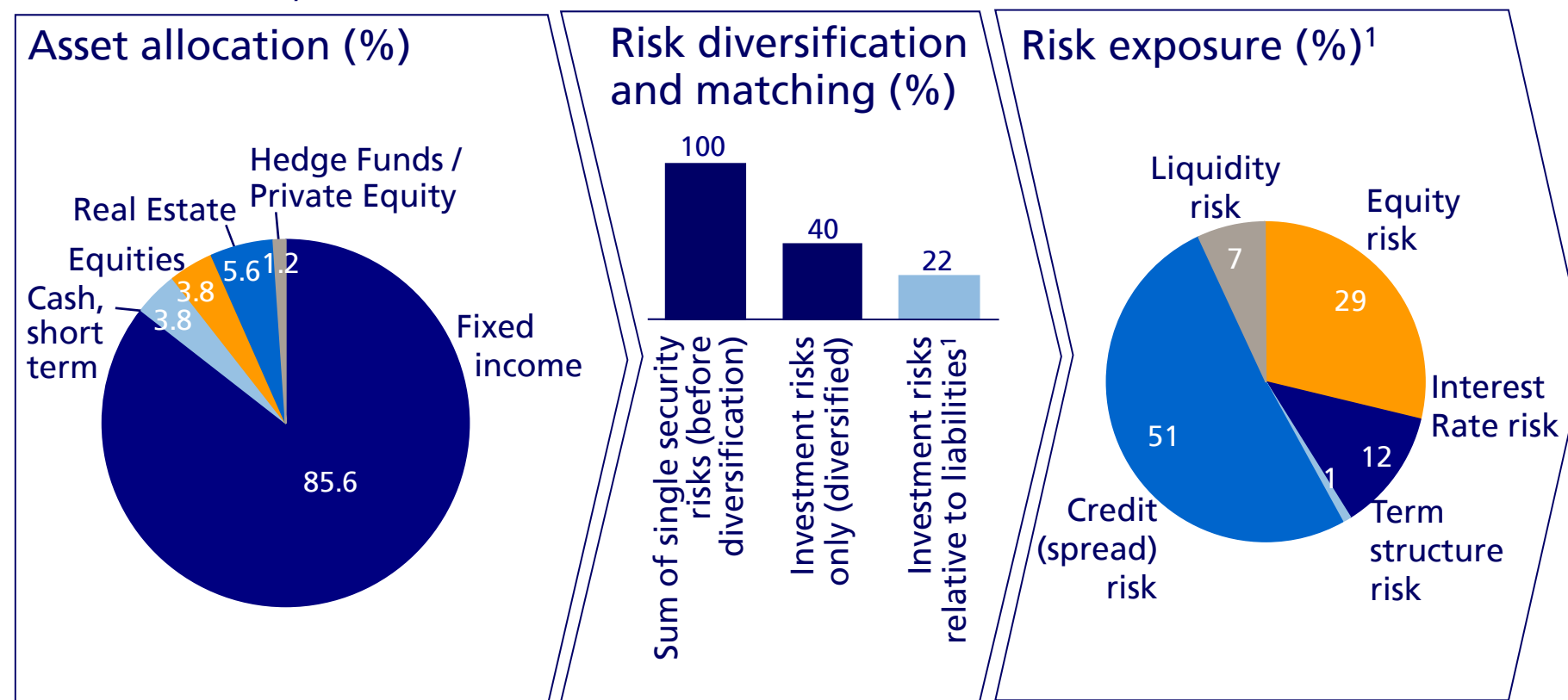
² As % of average investments of USD 207,064m in Q4-13 (USD 207,449m in Q4-12) and USD 208,431m in 2013 (USD 204,066m in 2012)

³ Before attribution to policyholders and other. Gross unrealized gains on investments amounted to USD 6.0bn at 31 December 2013

Zurich's investment portfolio benefits greatly from diversification and is balanced in terms of risk

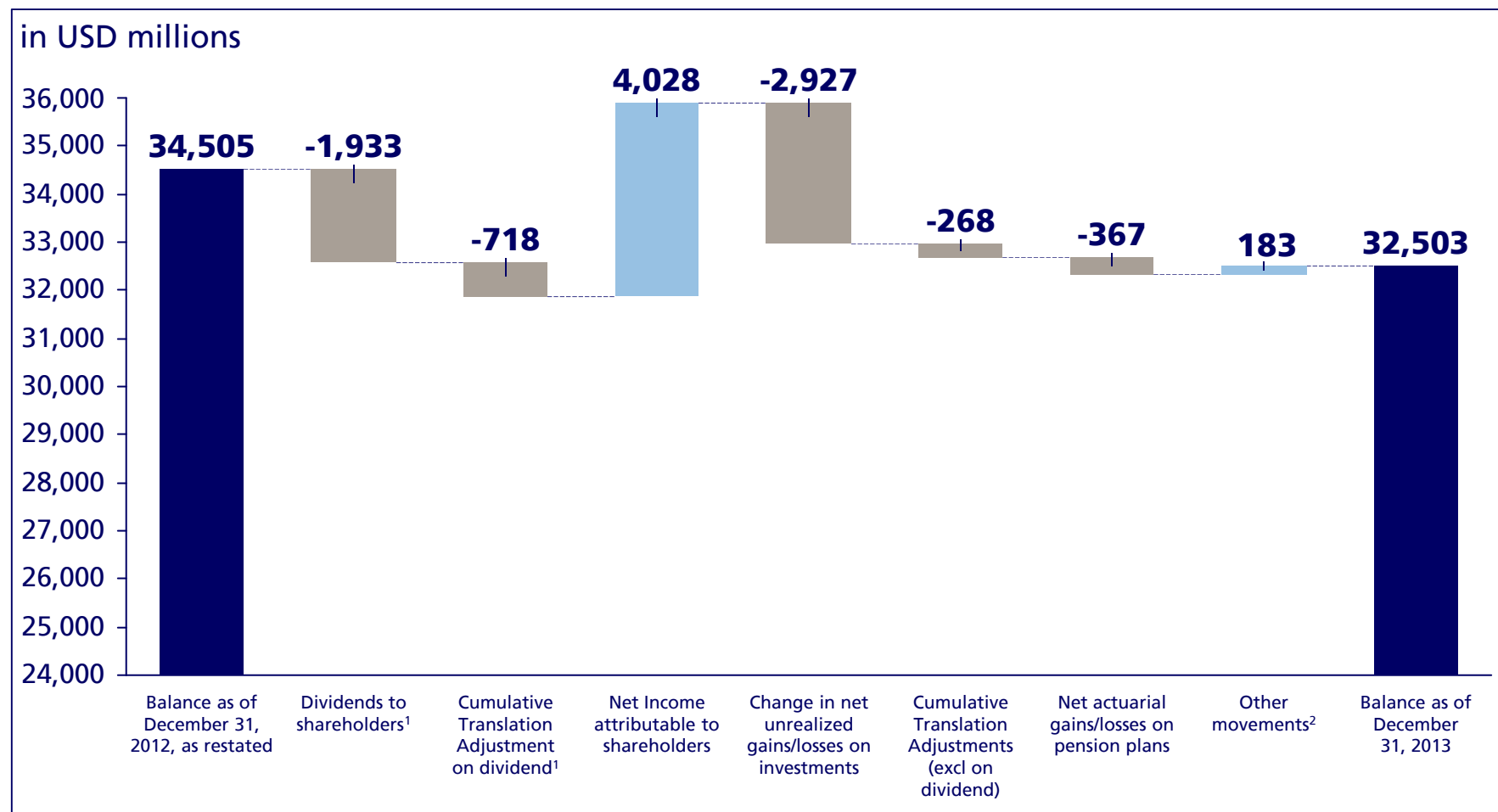


Risk Allocation of Zurich's investment portfolio As of December 31, 2013



¹ Simplified asset/liability risk factor decomposition

Development of shareholders' equity in FY-13



¹ Of the USD 2.65bn dividend, USD 1.93bn is shown as dividend and USD 0.72bn has been included in the cumulative currency translation adjustments

² Includes issuance of share capital, share-based payment transactions and other.

Solvency calculations



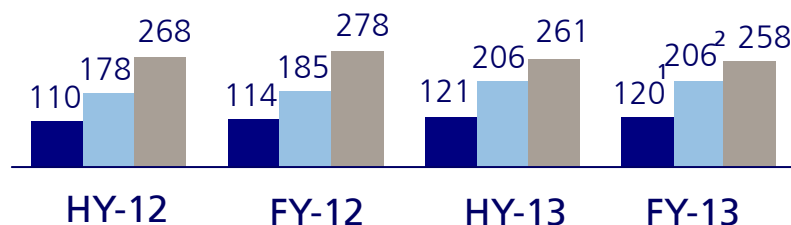
Solvency ratios

in %

Z-ECM

SST

Solvency I



Z-ECM model position

in USD billions

9m-13

HY-13

Available Financial Resources (AFR)

44.5

43.8

Z-ECM AFR (after dividend accrual)³

42.4

42.5

Z-ECM capital required

35.5

35.0

Coverage ratio

120%

121%

¹ Zurich Economic Capital Model as of October 1, 2013.

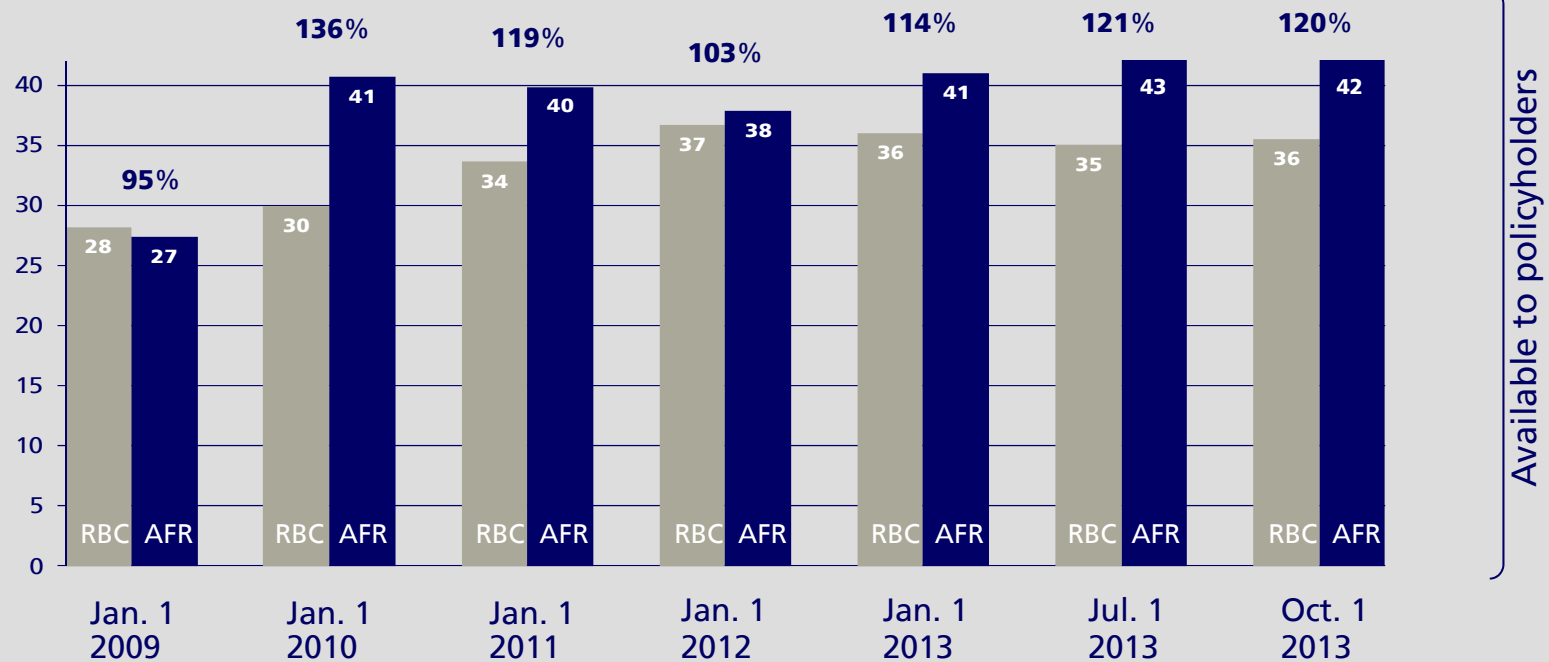
² SST ratio as of July 1, 2013 calculated on the Group's internal model, which is subject to the review and approval of the Group's regulator, the Swiss Financial Market Supervisory Authority (FINMA)

³ The accrual for a future dividend, which is calculated as a proportional fraction of the 2013 dividend, does not represent an obligation to pay a particular amount.

Z-ECM¹ ratio development

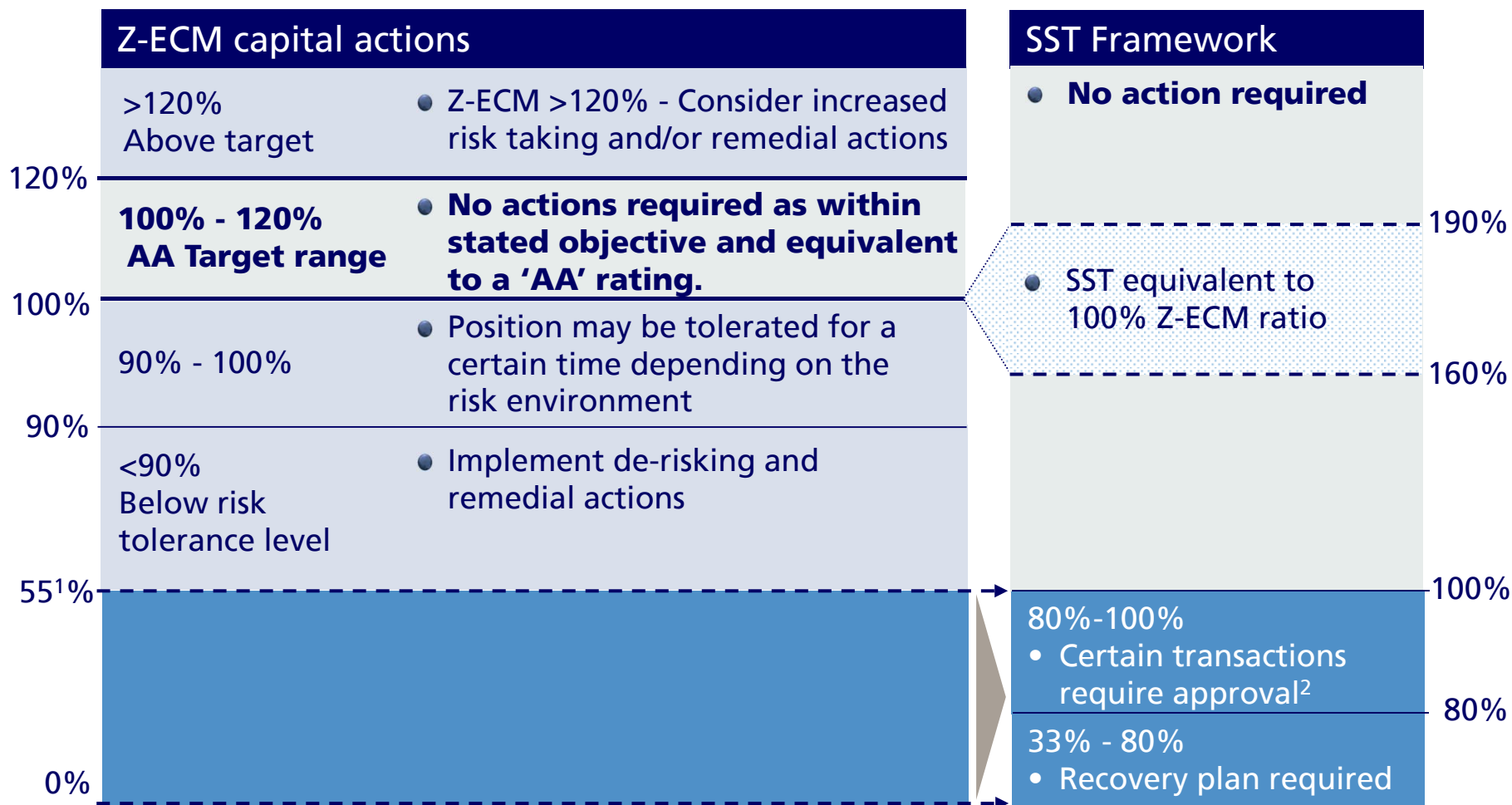


in USD billions (rounded)



¹ Economic financial strength is based on Available Financial Resources (AFR) at the beginning of the period and expected risks to be taken during the period (RBC)

Capital management driven by Zurich Economic Capital Model (Z-ECM)



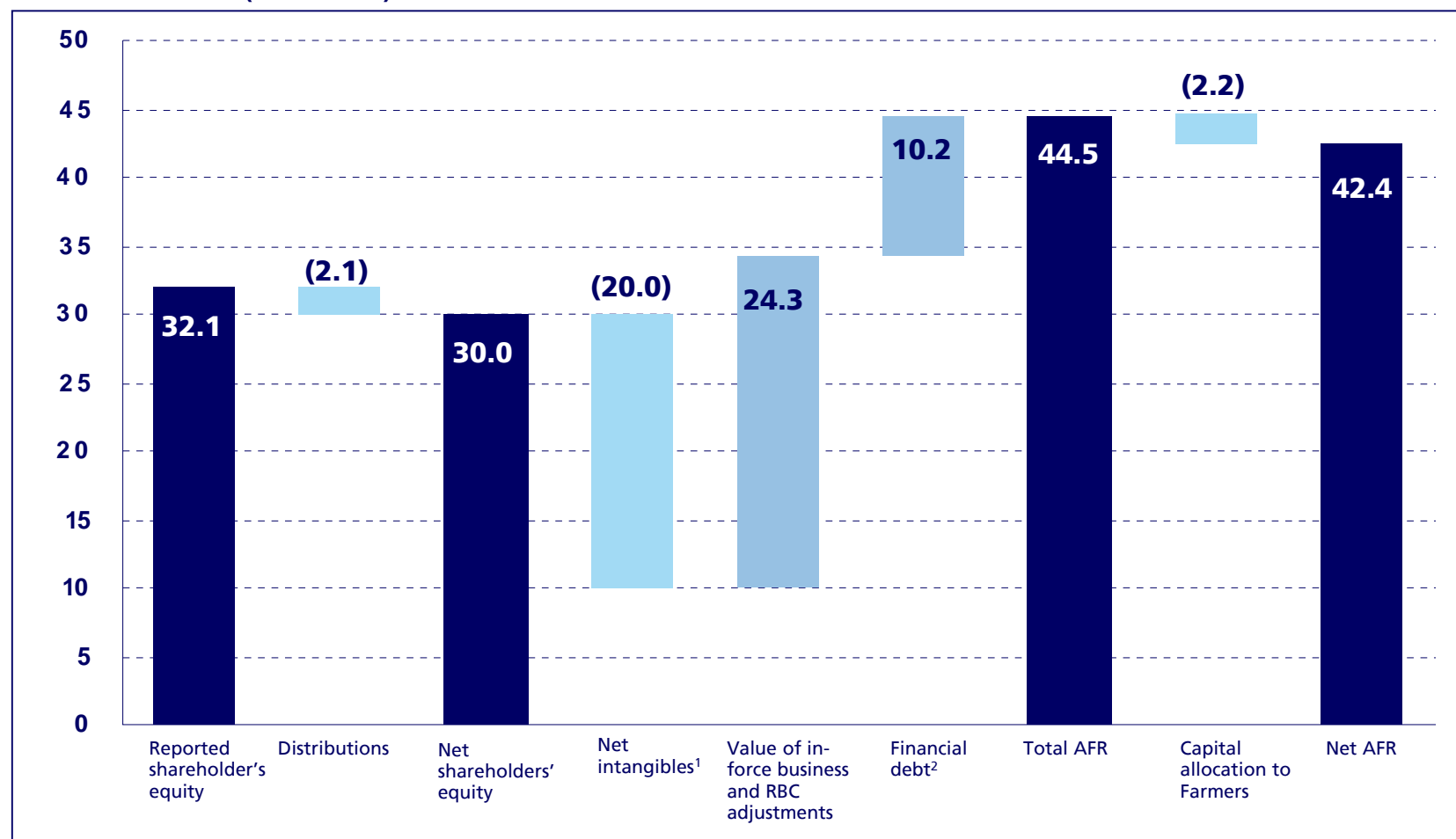
¹ Approximate relationship based on current estimate

² In this range, according to FINMA Circular 2013/2 "Temporary Adjustments to the Swiss Solvency Test" in force since January 1, 2013, approval requirement for certain transactions abrogated provided an approved action plan is in place.

Estimation of Available Financial Resources (AFR) as of 9m-13



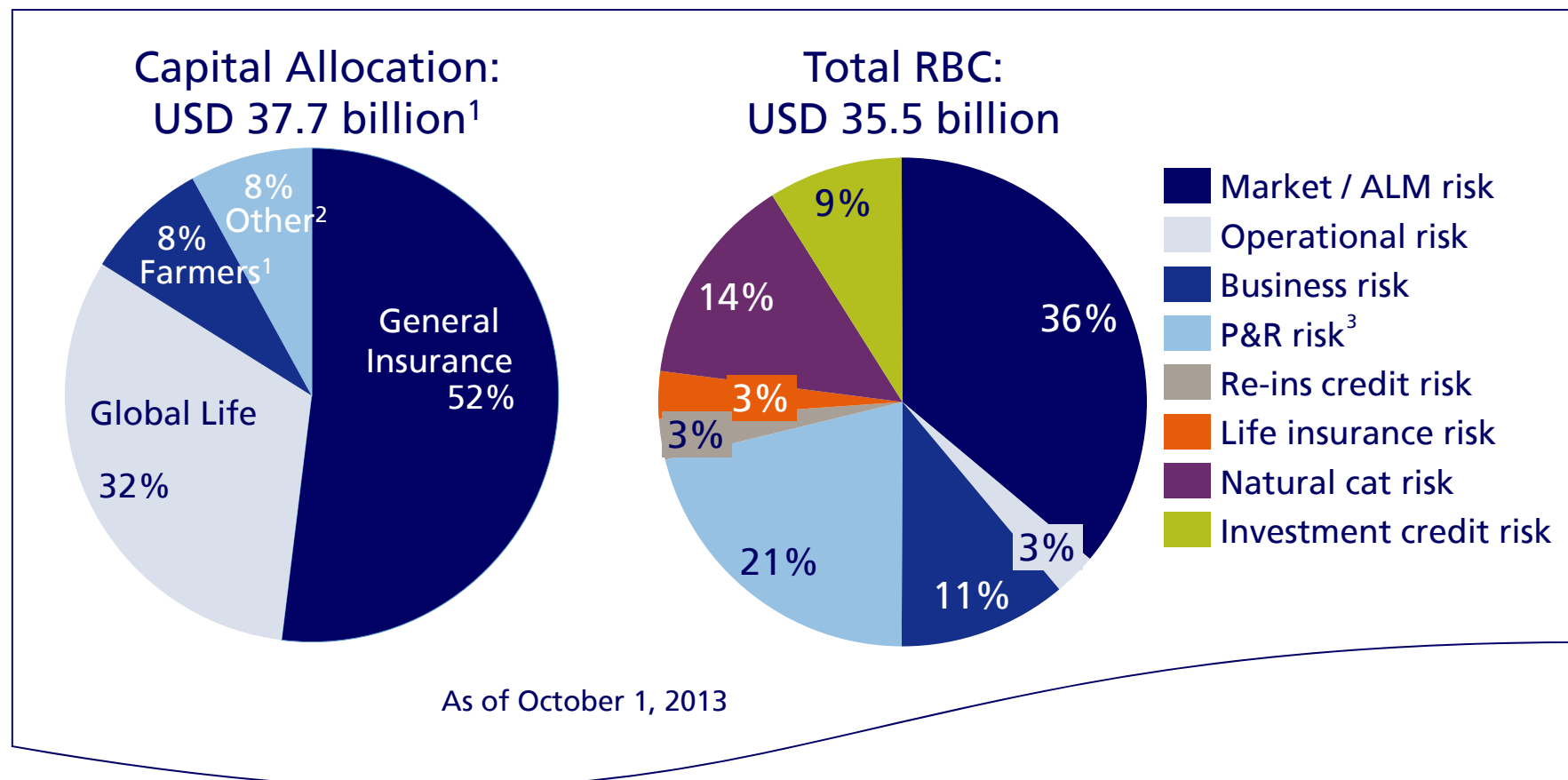
in USD billions (rounded)



¹ Shareholders' net intangibles according to the consolidated Balance Sheet.

² All debt issues (senior and subordinated) excluding senior debt classified as operational or maturing within one year. In addition, the refinanced 5.75% EUR 500m notes called on October 2nd 2013 were removed to reduce artificial volatility in the AFR position.

Z-ECM capital required by segment and risk type as of 9m-13



Z-ECM = Internal Economic Capital Model; ALM = Asset Liability Mismatch; P&R = Premium & Reserve; Re-ins = Reinsurance

¹ Total allocated capital = USD 35.5bn RBC plus USD 2.2 bn direct allocation to Farmers

² Includes Other Operating Businesses and Non-Core Businesses

³ Premium & reserving risk