Zurich Insurance Group

Mike Foley, CEO North America Commercial
Deutsche Bank Global Financial Services Investor Conference
New York, May 28, 2014
# Zurich Insurance Group – Cornerstones of our strategy

## GROUP STRATEGY

<table>
<thead>
<tr>
<th>#</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Prioritizing investment in distinctive positions</td>
</tr>
<tr>
<td>2</td>
<td>Managing other businesses for value</td>
</tr>
<tr>
<td>3</td>
<td>Growing our operating earnings</td>
</tr>
</tbody>
</table>

## KEY FOCUS AREAS

- **Corporation**
- **Commercial mid-market**

**Zurich in North America**

- **Select retail**

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

- **Efficiency**
- **Value extraction**
- **Investment risk return**

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Zurich North America executes through five major businesses

<table>
<thead>
<tr>
<th>NORTH AMERICA COMMERCIAL (NAC)</th>
<th>GCINA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial Markets</strong></td>
<td></td>
</tr>
<tr>
<td>Standard P&amp;C and industry specific specialty lines for targeted customer industry segments that are locally placed and underwritten</td>
<td></td>
</tr>
<tr>
<td><strong>Specialty Products</strong></td>
<td></td>
</tr>
<tr>
<td>Complex products for higher severity risks written through broker’s hubs / specialized practices or wholesale brokers</td>
<td></td>
</tr>
<tr>
<td><strong>Programs</strong></td>
<td></td>
</tr>
<tr>
<td>Business distributed through Program Administrators targeting niche markets</td>
<td></td>
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<tr>
<td><strong>Direct Markets</strong></td>
<td></td>
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<tr>
<td>Business distributed through direct sales force targeting the auto dealer segment</td>
<td></td>
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<tr>
<td><strong>Global Corporate</strong></td>
<td></td>
</tr>
<tr>
<td>Standard P&amp;C lines for large customers with global exposures based in North America</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$10bn GWP¹</th>
<th>95% CR¹</th>
<th>19% BOP ROE¹,²</th>
</tr>
</thead>
</table>

**ZNA SHARED SERVICES**

- Claims
- Operations
- Information Technology
- Facilities / Procurement
- Risk Engineering
- Finance & Actuarial
- Risk Management
- Audit
- Distribution
- Marketing
- Human Resources
- Premium Audit

¹ Includes North America Commercial, for the year ended December 31, 2013

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

**Customer**
- Commercial primary research
- Customer feedback (NPS)
- Moments of truth
- Whole-account view

**Broker**
- Broker behavioral segmentation
- Select broker strategy
- Broker analytics
- Broker engagement model

**Predictive Analytics**
- Marrying external and internal data
- Distinctive risk insights
- Predictive models
- Pricing tools
- Field adoption

**Operations and IT**
- Role-based user-interfaces
- Service-oriented architecture
- Application rationalization
- Data integration

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...and as we grow, we will remain focused on underwriting discipline

Target Price Execution – “5-5-5” Calibration
Example Portfolio

<table>
<thead>
<tr>
<th>Month; # of Underwriters</th>
<th>Oct 49</th>
<th>Nov 44</th>
<th>Dec 49</th>
<th>Jan 51</th>
<th>Feb 55</th>
<th>Mar 48</th>
</tr>
</thead>
<tbody>
<tr>
<td>80% goal</td>
<td>75%</td>
<td>77%</td>
<td>82%</td>
<td>85%</td>
<td>80%</td>
<td>84%</td>
</tr>
</tbody>
</table>

Technical Price Certification
Technical Price is the price needed at a per risk level to achieve Zurich’s required return on investment

92% of ZNA’s eligible premium is Technical Price certified and we measure Actual to Technical for all certified books

Tiering
Rate Change, Example Portfolio, in %, Q1 2014

<table>
<thead>
<tr>
<th>Tier</th>
<th>Plan Rate</th>
<th>Actual Rate</th>
<th>Book rate increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>2.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>4</td>
<td>4.3</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>7.1</td>
<td>6.9</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>21.1</td>
<td>120.2</td>
<td>-4.7%</td>
</tr>
</tbody>
</table>

Portfolio Management
9-Box Tool

- Pursue growth
- Shrink or Fix
- 1 year RBRM %
- 10 year Avg. Historical RBRM %

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Calendar:
- August 7, Half year results 2014
- September 30 – October 2, BoAML Annual Banking & Insurance CEO Conference
- November 6, Results for nine months to September 30, 2014
- February 12, 2015, Annual results 2014