



ZURICH
FINANCIAL SERVICES

Zurich Financial Services

Looking ahead

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Chief Executive Officer

Merrill Lynch Conference

London, October 6, 2005

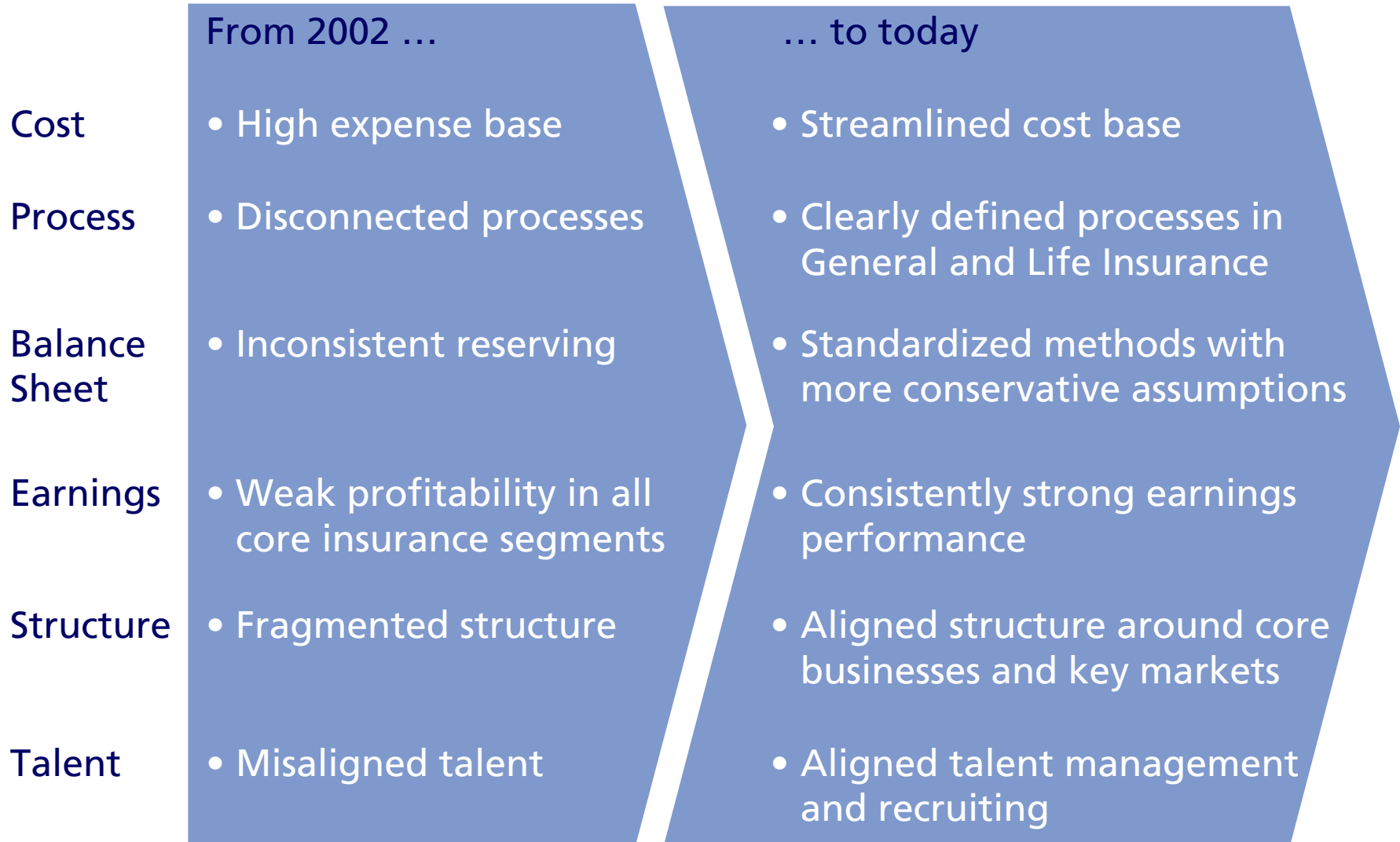
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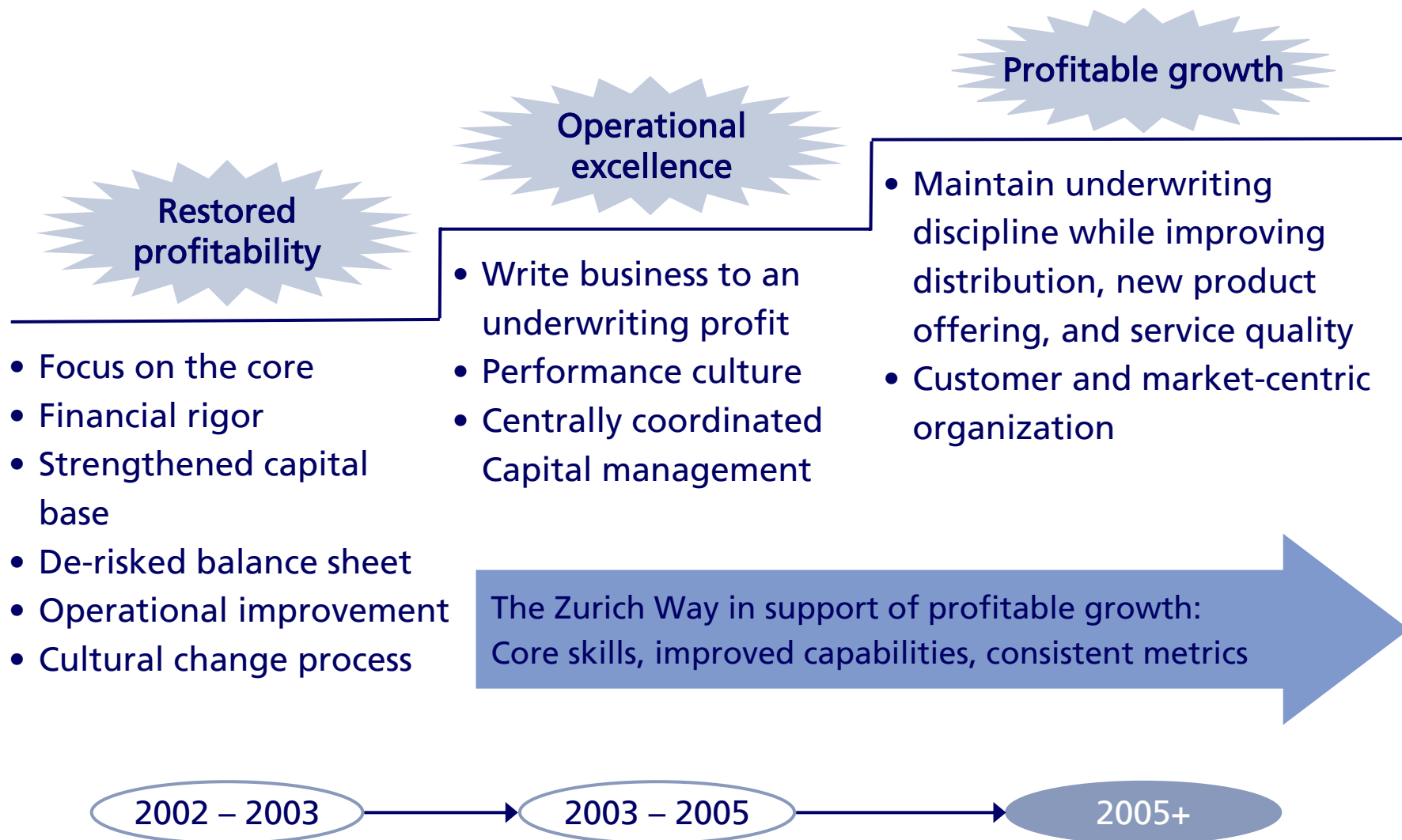
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Zurich has transformed to deliver critical business requirements ...



... and is now focusing on continued profitability driven by The Zurich Way

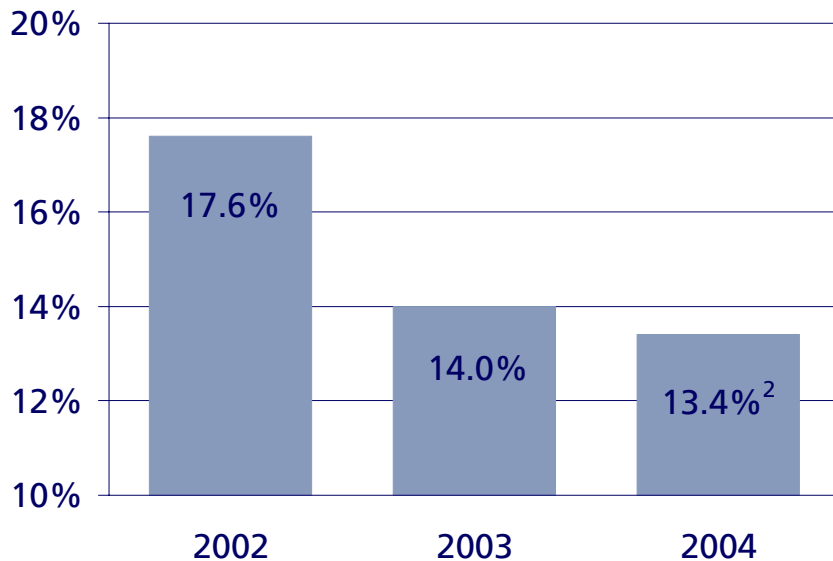


We reduced the cost base ...

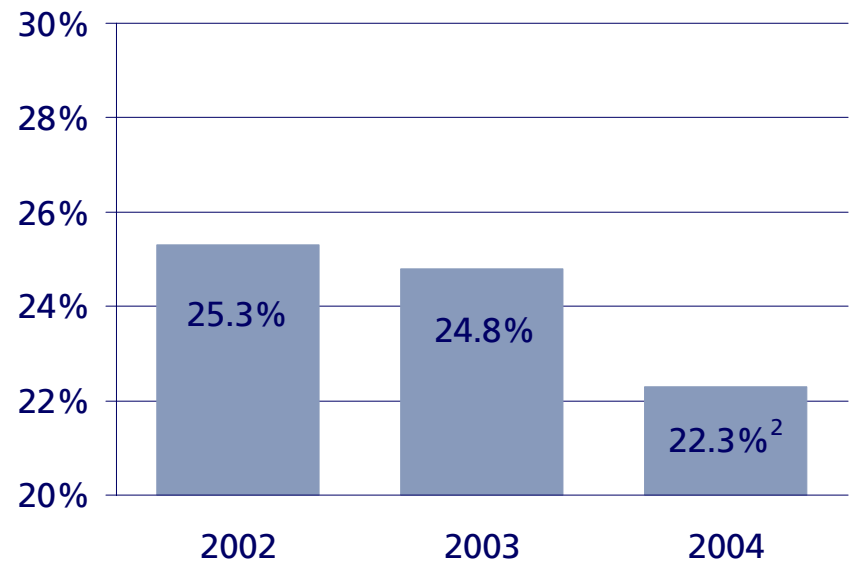
2003 Global Profit Improvement Program

- Exceeded USD 1bn target in 2003
- Doubled operating ROE between 2002 and 2004

Life Insurance expense ratio¹



General Insurance expense ratio

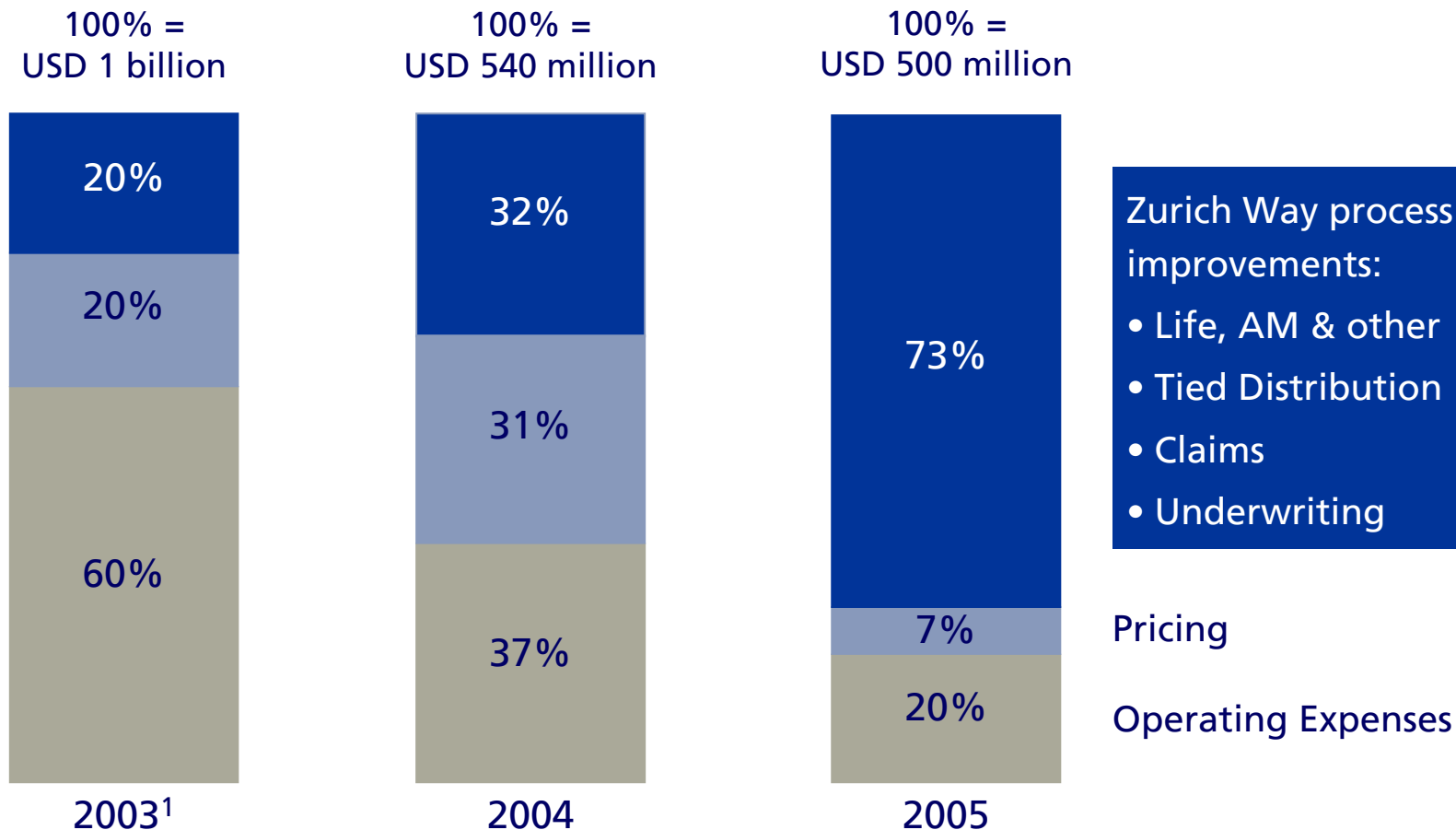


¹ Admin & other expenses to net earned premiums

² restated

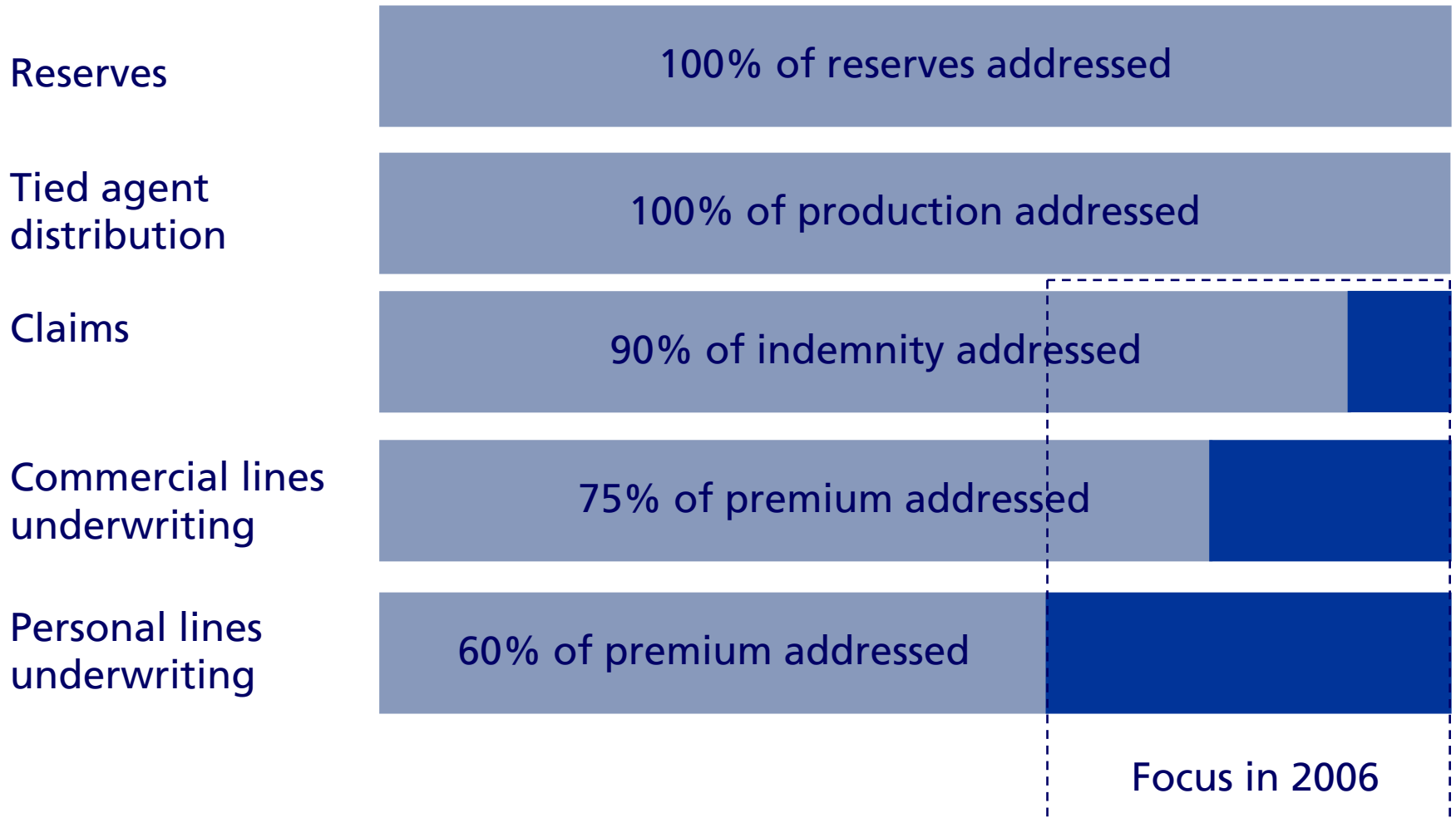
...and delivered bottom-line impact through improved processes and capabilities

Incremental impact delivered



¹ 2003 was delivered through GPIIP

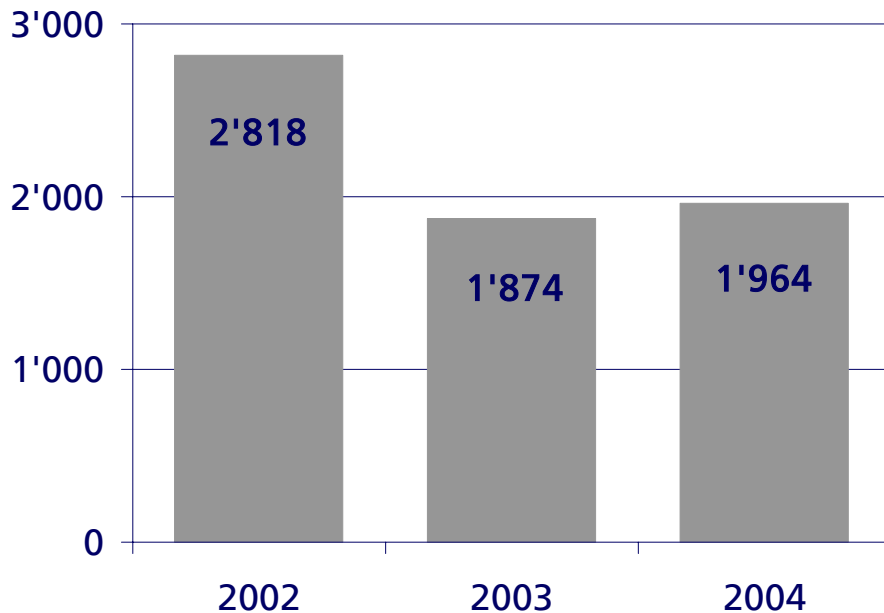
The Zurich Way is several years into a world-wide multi-year development of best practices



Our balance sheet is strong through our more conservative approach to reserving



Reserve strengthening (in USD millions)



- Significant reserve strengthening in the past 3 years, mainly in the U.S.
- We aim for a strong balance sheet and our new approach to reserving is a key element
- We have integrated the actuarial function globally and all reserve positions are approved at Group level

We have organized to face-off against our critical markets...



...and deepened our bench strength

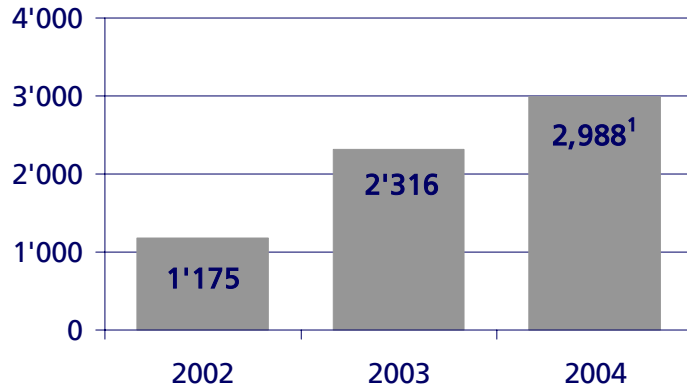


- Emphasizing the right people in the right job
- Top 200 executives independently assessed
- More than half of Top 200 executives newly appointed or reassigned since 2002
- Incentive structure for Top 200 executives redesigned to reward for overall Group performance
- Strengthened technical center with appointments of new global functions in underwriting and claims management

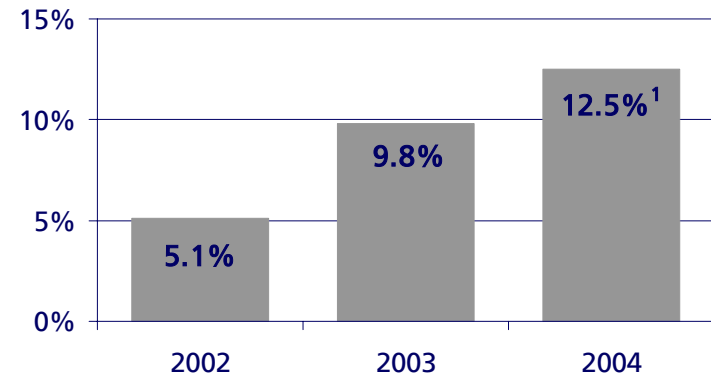
Three years of performance improvements



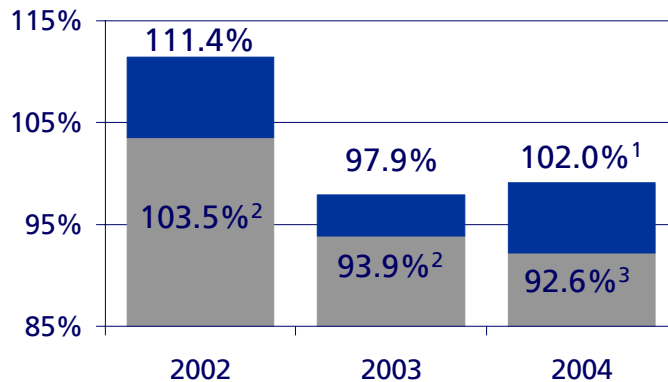
Business Operating Profit (in USD millions)



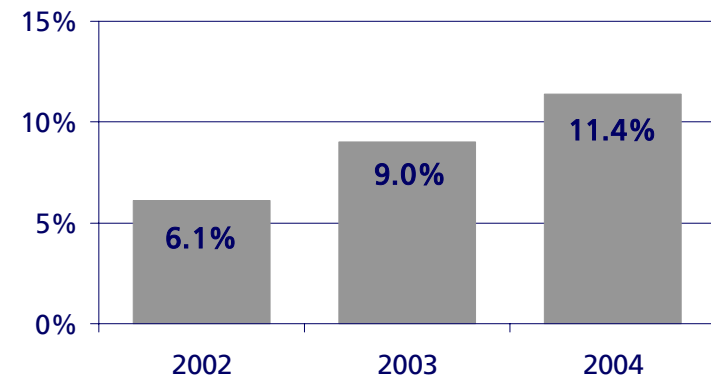
Business Operating Profit (after tax) ROE



General Insurance combined ratio



Life Insurance new business profit margin⁴



¹ restated

² excl. reserve strengthening

³ restated, excl. reserve strengthening, hurricane and tsunami losses

⁴ as % of annual premium equivalent

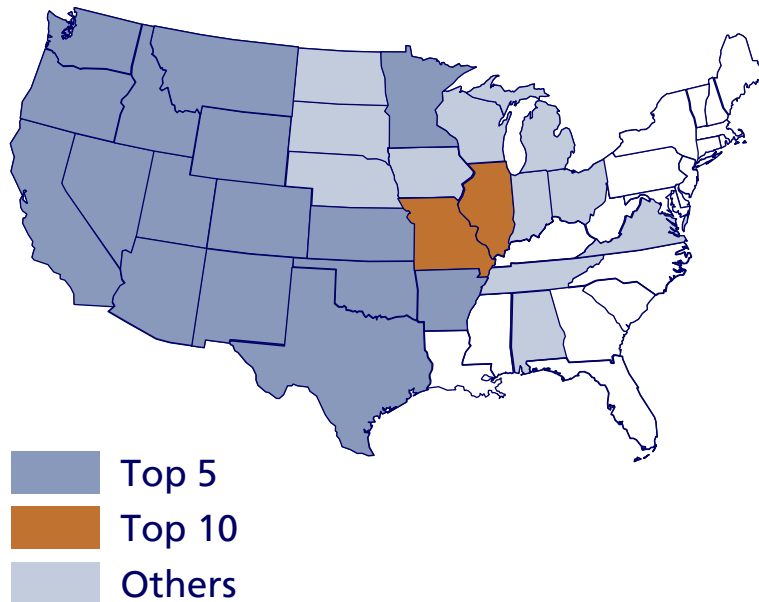
What's next?



- Continued commitment to operational excellence by embedding The Zurich Way in all businesses
- Continued focus on financial strength to achieve desired AA rating
- Pursue profitable growth without compromising underwriting discipline across our three segments – Farmers, Life and General Insurance

Farmers is driving profitable growth through increased distribution effectiveness ...

EXAMPLE



Source: A.M. Best 2004

Core states

- 3rd largest Auto
- 3rd largest Home
- 3rd largest Commercial Multi-Peril
- Largest Specialty (Mobile Home)

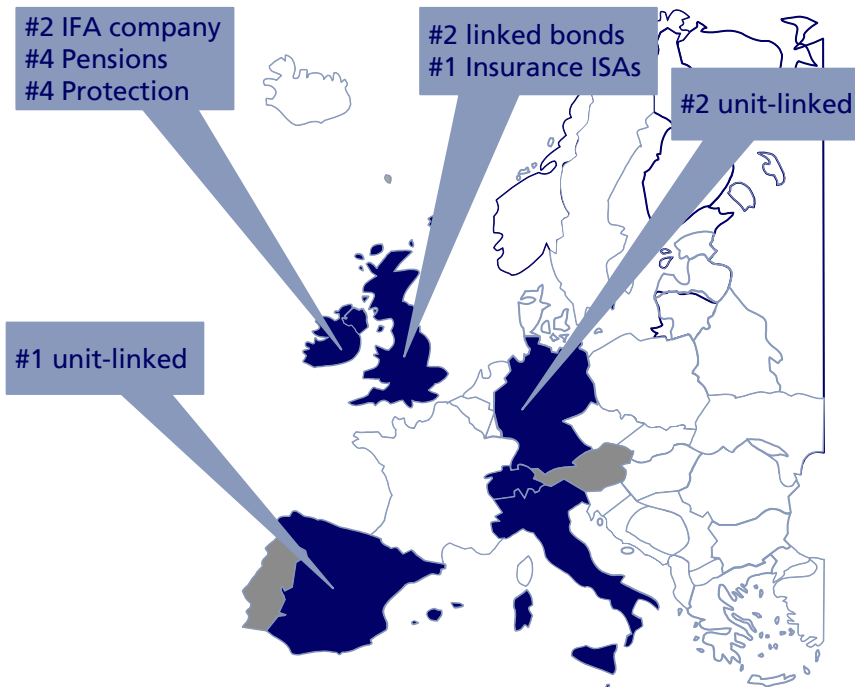
- More effective at attracting and installing new agents ...
 - 88% increase in new agent applicants between June 2005 over June 2002
 - 157% increase in new agent appointments YTD June 2005 when compared to YTD June 2002
- ... and large improvements in new agent productivity
 - 105% increase in new agent success from 2002 to 2005
 - 113% increase in new agent productivity from 2002 to 1H2005

... while new products and partnerships drive profitable growth in the Life business ...

EXAMPLE

We are leaders in selected segments...

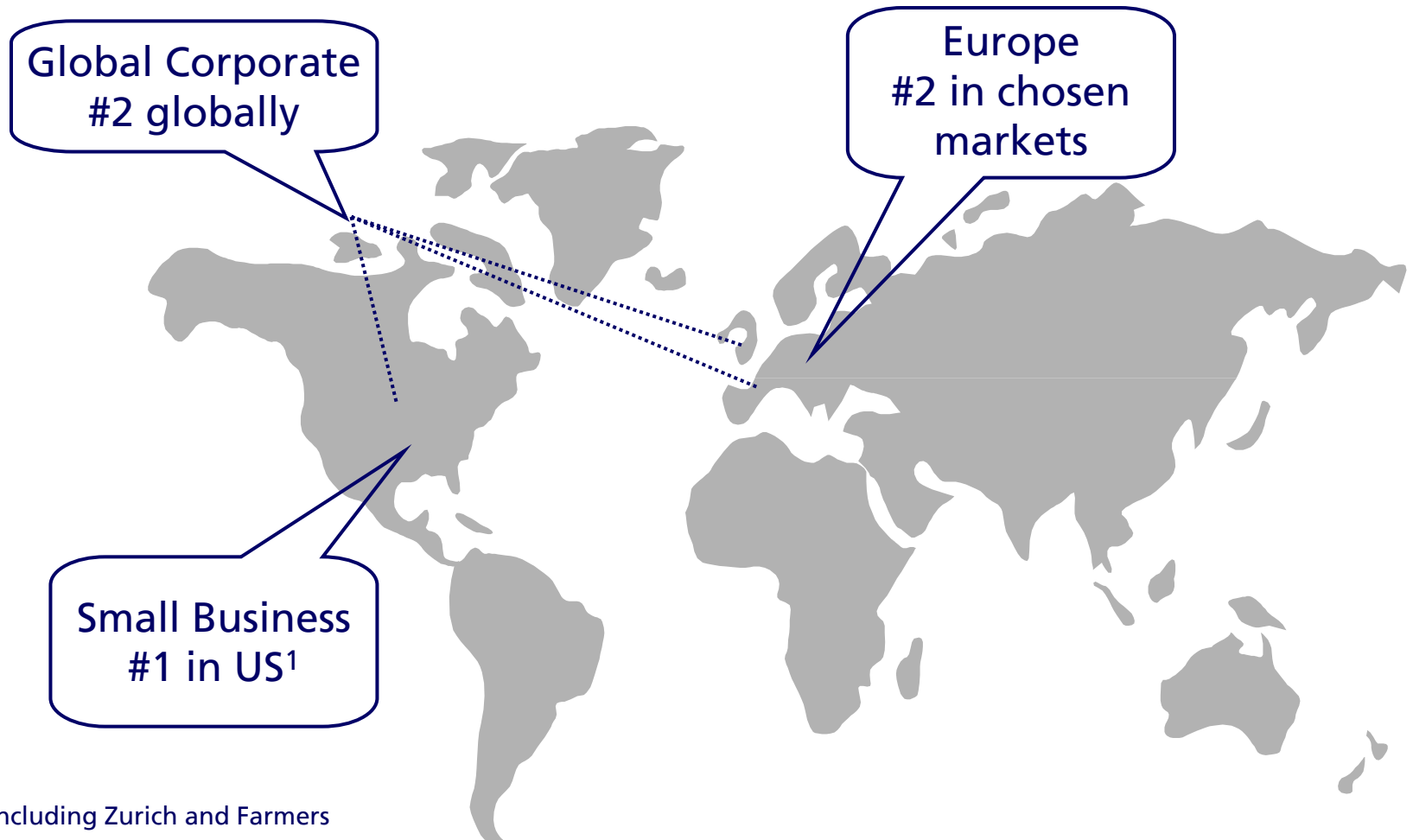
... and have a clearly defined segment focus per market



Country	Target
UK	Unit-linked bonds, Protection, ISAs
Germany	Unit-linked Deutsche Bank customers
USA	Farmers customers
Switzerland	Individual annual premium
Italy	Single premium business, Tied agents, Index-linked
Spain	Unit-linked, Protection Traditional savings
Ireland	Pensions, Protection, IFAs


... and General Insurance will pull multiple levers across its three target market segments

EXAMPLE



¹ Including Zurich and Farmers

- We have transformed the Group
- We have the right market-centric organization and ...
- ... we have placed the right people in the right places
- Our balance sheet is strong



We are confident that we can drive sustained profit improvements over the next five years