



Annual Results Reporting 2005

Key Quotes by James J. Schiro

Chief Executive Officer

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We will not change the fundamentals of our past success. Operational excellence and financial discipline are here to stay.

Over the years, the focus of The Zurich Way has shifted to process improvements and efficiency gains. Going forward, only about 20% of the benefits will come from straight cost cutting. That's why we believe that the benefits are here to stay, protecting us against potential cyclical earnings pressure.

Our goal for Life Insurance is clear. It is to sustain the notable improvement in our margins as we build on our growth momentum and complete the turnaround of our Life business.

Cost leadership in Europe will enable us to defend and build on market shares without any loss in the quality of our earnings.

Our success in North America is increasingly built on the strong small business franchise in North America Commercial and the Farmers Exchanges. Going forward, we will build on leadership position in this market to craft even more efficient underwriting tools and leverage our position for profitable growth.

The Farmers Exchanges have met their surplus growth target of 1 billion dollars nearly one year ahead of schedule. Not only are their expansion plans in place, they now also have the surplus to fund them.

Considering that our brand recognition outside of our home market Switzerland is low, having a strong brand will enable us to unlock the markets' potential and leverage our presence across a wide range of products and geographies. Our activities will become mutually reinforcing, adding to our unique strength in the global insurance markets.

In conclusion, we are well positioned to benefit from general and life insurance markets that are more attractive than envisioned only a short time ago.

2005 has been an outstanding year despite a difficult environment. We have demonstrated our commitment to operational excellence and financial discipline. It produced outstanding results in even the most demanding market environments. We have the methods, the processes and the people to sustain profitable growth in the future.