



Half Year Results Reporting 2006

Key Quotes by James J. Schiro

Chief Executive Officer

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Our 55,000 employees have once again demonstrated their passion for excellence through another set of excellent financial results.

The Zurich Way has been driving transformational improvements throughout the Group since 2003, and what we are seeing today is the long term value of these efforts.

We continue to shift away from straight expense savings to the more growth oriented distribution management area. This will leverage the significant improvements we have made in underwriting, claims, finance and reserving.

In general insurance, the overall rate environment remains attractive. What is critical in this environment is a strategy that allows us to make market moves quickly and deploy capacity where it is most highly valued.

In general insurance, gross written premium grew by 2 percent in local currencies, based on a sophisticated portfolio management approach that ensures we grow in the right places and deploy our capacity efficiently.

In Global Life, the story you see reflected in the numbers is quite simple. We focused our operational improvements on product development and distribution management. In addition, we shifted the emphasis of our new business from traditional products to unit linked products. Furthermore, the growth we're seeing today is creating value that we will continue to see in the future.

At Farmers, we continue to link the learnings generated from overseeing one of the most efficient distribution platforms in the insurance industry with innovative market segmentation strategies.

These efforts reflect the transformational changes we have been making since 2003, and highlight the continuing progress we have made in embedding these core competencies into our strategic plans. Going forward, we will leverage that capability even further through an integrated global brand campaign that raises the awareness and familiarity of Zurich, and institutionalizes a heightened internal customer focus.

Each of the strategies mentioned is based on a culture of operational excellence and improving financial strength, and building on that base, we are creating long-term value through the three pillars of customer insight, product development and distribution management.