

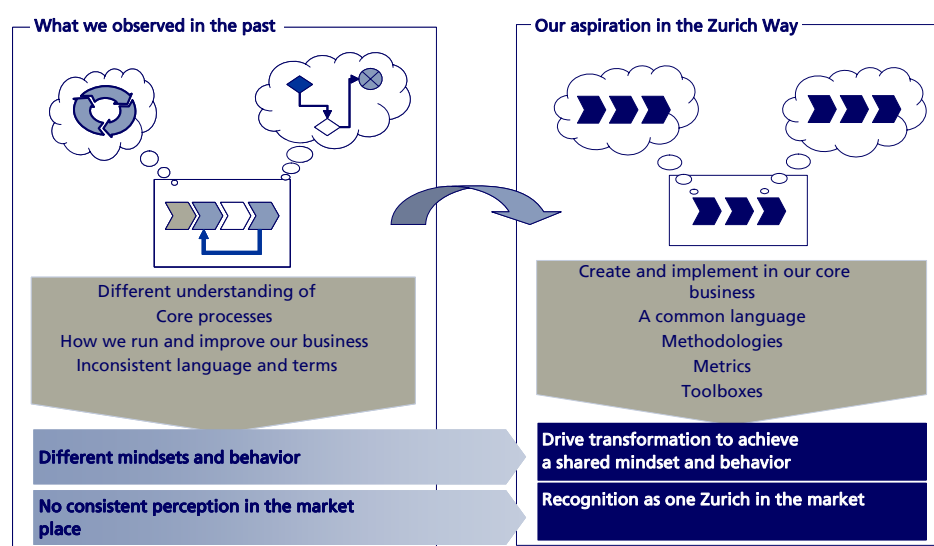
The Zurich Way

The Zurich Way – an Overview



Basic idea

- The Zurich Way (TZW) aspires to create a common language, methodologies, metrics and toolboxes for the core processes within Zurich. It transforms the way Zurich is doing business every day and helps to provide better services to customers in a consistent and recognizably one Zurich way.



- TZW processes have been designed and developed by experienced internal practitioners and represent best practice standards.

Where we started

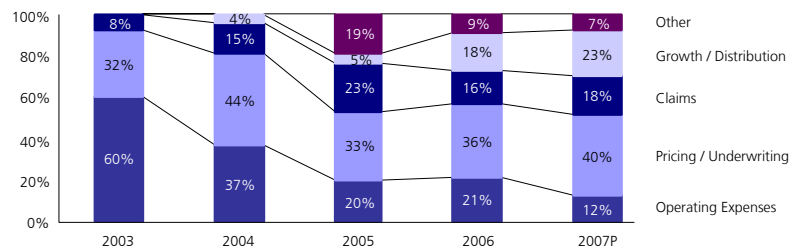
- During his first year in charge and after having visited several local business units, CEO James J. Schiro became aware that there was no common way of doing business throughout the organization.
- He therefore launched The Zurich Way in 2004, after having first stabilized the Group by divesting non-core businesses and strengthening its capital base.
- Since its start, TZW has helped to improve Zurich's core skills and to achieve operational excellence. These sustainable operational improvements have laid the foundation for profitable growth.

Addressed business processes

- TZW processes have been designed and rolled-out group-wide for an insurer's core business activities such as underwriting, claims, sales, distribution, product management and reinsurance.
- These are completed by the implementation of a Zurich Way of Finance, of Human Resources and of Compliance.

Achievements

- Since starting TZW journey hundreds of process improvements have been made delivering quantifiable sustainable operational improvements of USD 2.5 billion after tax until the end of 2006. Further benefits of USD 2 billion after tax are expected to come from over 400 TZW improvement initiatives over the next three years.
- Only a minor part (about 12% in 2007) of these benefits stems from the reduction of operating expenses.



- TZW does not only deliver quantifiable benefits: it encourages people to share their knowledge and best practices throughout the organization and to continually build their skills. This leads to an immeasurably valuable global exchange of ideas to achieve:
 - Product excellence (e.g. introduction of award winning Irish life products in the German market)
 - Customer excellence (consistently high quality service e.g. transferring the idea of Swiss Help Point to Farmers in the US)
 - Distribution excellence (e.g. transferring best sales practice, and exchanging best performing agents between European countries).

Performance measurement

- What gets measured gets done! That is why all TZW initiatives are closely and rigorously monitored.
- To ensure sustainability, the global implementation status and benefits captured from the initiatives are assessed monthly via The Zurich Way "War Room" to always have a full picture of how TZW improvements are being implemented group-wide, the benefits achieved as a result, the quality of TZW execution against its aspirations and in comparison to competitors' efforts.

Glossary

TZW benefits = Financial gains through increased efficiency and additional business achieved by applying TZW processes.

About Zurich

Zurich Financial Services Group (Zurich) is an insurance-based financial services provider with a global network of subsidiaries and offices in North America and Europe as well as in Asia Pacific, Latin America and other markets. Founded in 1872, the Group is headquartered in Zurich, Switzerland. It employs approximately 58,000 people serving customers in more than 170 countries.

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