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Annual General Meeting 2008

Speech by James J. Schiro

Chief Executive Officer

April 3, 2008

Dear Mr. Chairman

Dear Shareholders, Ladies and Gentlemen

Good afternoon, and welcome to Zurich's 2008 annual general meeting.

As Chairman Gentz has referenced already, it is a pleasure to report to you another set of record results for Zurich Financial Services, representing five straight years of increased profitability.

During that time, we have seen major natural catastrophes hit many of our key markets. We have seen shifting demographics begin to alter the complexion of life insurance markets. We have seen rate pressure in general insurance, with prices becoming increasingly competitive in commercial lines in the US and UK. And, of course, we have seen the emergence of a credit crisis that has challenged fundamental risk management practices, and reminded us yet again of how interconnected today's global economy really is.

Yet, despite these challenges, Zurich continues to deliver.

In 2007, that meant record net income of USD 5.6 billion. It meant record business operating profit of USD 6.6 billion. And it meant a return on equity of 21%.

Even more importantly than these financial successes, however, are the strategic successes we achieved, signaling the sustainability of these results no matter what adversities we face.

First, we grew where we said we would, with our emerging markets, Farmers and European operations leading the way. This growth was both organic and through acquisitions, focusing on

expanding our customer, product and distribution capabilities. The growth was targeted, disciplined and sustainable, and reflected a dual commitment to expanding our market positions while maintaining superior profitability.

That pattern of growth has continued in 2008, with the release of new products, the expansion of our distribution capabilities, and the recent acquisitions in Turkey and Spain.

We will continue to invest in profitable growth initiatives, and I am confident that the tools and approaches we have put in place will serve shareholders well as we apply our disciplined approach to execution to seize the best growth opportunities in our markets.

Similarly, we made significant progress in transforming our operating platforms, instilling a more customer centric mindset and creating more effective and efficient approaches to how we conduct our business.

We leveraged technology to streamline product sales and refine customer segmentation. We restructured legacy corporate structures to improve both front-end and back-end services. And we maintained a commitment to excellence – as exhibited in The Zurich Way – that has become an industry standard. These are significant accomplishments that represent more than pure efficiency gains, for they are the steps we are taking to prepare for whatever market conditions we may face.

And finally, our commitment to capital management, including rigorous risk management, differentiated Zurich from many of its peers in 2007, and we have no intention of losing our focus in this area.

Our Investment Management function demonstrated just how valuable a disciplined approach to understanding risk can be in difficult times.

The establishment of a board-level risk committee and the elevation of the risk function reflect a deep commitment to ensuring an integrated approach to risk issues.

And our prudent use of capital – maximizing its returns and putting every Franc to its best use – ensured that Zurich could once again increase its dividend and fund a major share buy-back, allowing shareholders to participate directly in the Group's success.

But as the images around the arena today illustrate, these financial and strategic accomplishments were not driven by market whims or lucky weather patterns. Over the past several years, Zurich has systematically focused on developing core skills and capabilities that serve as our drivers of success.

Our financial strength and discipline, for example, shows through not only in our improved credit ratings, but in the focused way we approach pricing, or proposition management, or catastrophe accumulations. Our strong balance sheet positions us as an active acquirer in promising markets, and insulates us against the increasing cost of credit. And our conservative approach to reserving generated a positive impact on earnings, as The Zurich Way workstreams in claims and underwriting begin to translate into direct bottom line benefits.

Similarly, our keen focus on moving across the spectrum from data and information to knowledge and insight provides the basis for richer relationships and more relevant products. Whether it is the expansion of our credit and surety business in Europe, our increased penetration of the expatriate life markets in Asia, the Middle East or other emerging economies, or the targeting of growing populations in the US through in-language sales and distribution materials, we are leveraging the knowledge and insight we possess and translating them into tangible growth results.

Likewise, we are taking the global capabilities that only a company operating in 170 countries can acquire and making them available to individual customers where ever and when ever they need them. This is an immense competitive advantage, and having seen it in action I can assure you that we are keen on leveraging it further.

We are also systematically elevating customers' needs to serve as the central focal point for reviewing our products, services and distribution approaches. This renewed focus is seen not only in how we respond to catastrophes, but how we relentlessly review our life insurance products against those of our competitors, always searching for improvements or innovations to address the shifting needs of the customer.

And finally, driving all of these success factors is our people, now 60,000 strong, who make all these changes happen, and whose focus we rely on to generate the string of financial results you have seen over the past five years. After all, the role of an insurance company is little more than collecting the financial capital necessary to support the risk management decisions of its employees.

We provide the tools, the frameworks, the best practices. But it is our employees who provide the insights into an evolving risk, or the innovation to restructure an existing product, or the ingenuity

to devise financial systems that allow us to manage a portfolio of global risks in such a way that it generated 20-plus percent returns on capital.

That is why in 2007 we began rolling out world-class human resource platforms across the entire Group. We are bringing together the collective capabilities of all our employees in a way that we have never done before. We are giving managers deeper insights into how they can motivate and align their teams. And most important, we are giving individuals the opportunities they need to develop themselves, both as insurance professionals and as people.

There is a level of excitement, pride and alignment at Zurich that is physically evident when you travel around our offices. It is precisely that type of excitement that is needed to achieve these types of results, which is why we remain so committed to developing our people.

But in the end, the ultimate measure of success is how those capabilities are aligned to deliver – or better yet overdeliver – on the expectations of our respective stakeholders.

For our shareholders, that means maintaining a deep commitment to profitability, as well as a prudent capital management strategy that ensures a consistently superior return on investment. It also means operating within a governance structure that aligns the interests of the Board, management and all employees with those of the Group's owners – you. And it means maintaining a brand promise and reputation that makes you proud to be a Zurich shareholder.

For our employees, delivering on expectations means creating a culture that celebrates and nourishes the best every single employee can be. It means providing fulfilling work challenges that foster constant learning and reinforce one's self-worth. And it means offering the opportunities for new experiences and differing perspectives that only a truly global firm can provide.

For our customers, exceeding expectations means delivering exactly the service they need exactly when and how they need it. It means combining the insights we have about risk with the global capabilities we have developed to deliver everything this organization has to offer to every single customer. And it means challenging centuries-old business models that simply fail to put the customers' interest first.

Finally, for society at large, delivering on expectations means taking our role as the ultimate bearer of risk seriously, and advancing the new approaches to risk that reflect our new way of living.

It means partnering with experts to identify and manage the evolving risk dynamics associated with climate change, as we announced earlier this year. We have now hired the internal staff to advance this effort, and have already generated ground-breaking ideas that reflect the evolving risks associated with changing climate patterns. Additionally, we will address our own carbon footprint as seriously, and anticipate announcing concrete steps we will be taking to manage that footprint on a global basis.

Similarly, delivering for society means introducing the fundamental concept of risk management to previously ignored sectors of society. Our microinsurance efforts are now fully embedded into our operational structure, and we have demonstrated true thought leadership with government and private sector institutions in China, Latin America, South Africa and other emerging economies.

Both of these efforts reflect responsible corporate behavior, but more importantly they build upon Zurich's role in society's risk bearing infrastructure, and position this company as a leader in devising new approaches to tomorrow's risks.

Zurich was not always in a position to take this type of proactive multi-stakeholder viewpoint. In the past, we needed to focus internally and make the changes necessary to restore credibility and align our resources for a truly global market. We have taken those steps, and today Zurich stands as a highly profitable and operationally fit organization.

Going forward, we will continue to pursue operational transformation as a means to position Zurich as the most effective and efficient player in its markets. We will continue to pursue profitable growth organically and through acquisitions by executing on customer, product and distribution strategies. And we will continue to approach all our actions with the financial and operational discipline Zurich has become known for, creating deep resilience and lasting value.

In the end, we will stay the course, leveraging our strong balance sheet and strategic focus as we navigate through these turbulent times and capitalize on the opportunities that will present themselves in today's market. We are well positioned for success, and I am confident that Zurich will continue to deliver value to all its stakeholders in 2008 and beyond.

Thank you for joining us at the AGM this year, and for your continued support for Zurich.