



Zurich invests USD 100 million into the Z Zurich Foundation and provides further evidence for the increasing social and economic role of insurance

Zurich, March 22, 2012 – Zurich Financial Services Group (Zurich) reinforces its long term commitment to generate positive economic, social and environmental impacts, and has made a substantial strategic investment in the amount of USD 100 million into the Z Zurich Foundation, as already included in the annual results 2011. The Z Zurich Foundation combines financial investments with Zurich’s insurance and risk management expertise to generate a meaningful impact on pressing societal challenges that cannot be solved quickly. Community investment is an important part within Zurich’s broader corporate responsibility strategy and reflects the company’s commitment to invest in the sustainable development of the communities in which Zurich operates. The Z Zurich Foundation invests in select strategic long-term partnerships addressing well-defined focus areas related to key societal issues, notably sustainable disaster management and sustainable economic development in emerging markets. Current partnerships include the International Federation of Red Cross/Red Crescent Societies, Practical Action and the Rainforest Alliance.

Growing relevance of insurance

The significant investment in the Z Zurich Foundation enhances the overall social and economic value of Zurich as an insurance group. The insurance industry is of increasing relevance both due to the issues raised in the aftermath of the financial crisis and the developments, challenges and risks the world is facing. Against this backdrop, Zurich today published a paper about the increasing social and economic role of insurance.

Kevin Hogan, CEO Global Life at Zurich, commented: “Although some insurance products are familiar to most people, the important role played by insurance generally in society is not well understood. The basic role of insurance is to increase security of people or companies – and the implications of this role are important to us all. Insurance helps protect people and companies from risks – unknown or unpredictable events or situations



– and to better prepare for their future. Insurance has played an important role in people's lives and development of commerce through history, and will continue to play an even more important role in these turbulent times.” And he added: “It is likely that the importance of the insurance industry will increase in the coming decades and that new insurance solutions will be needed. First, large parts of the world remain without sufficient insurance coverage. Second, insured exposures around the world will probably increase significantly. Third, given the severely strained systems of many countries' public finances, the private sector in general and the insurance industry in particular are well positioned to play a more prominent role in the provision of old age and disability pensions as well as health insurance.”

The following trends highlight the increasing role of insurance:

- Based on the probable development of insurance penetration and estimated growth rates, Zurich expects insured exposures to double between 2010 and 2020.
- With rising income levels, insurance penetration will most likely rise in Asia-Pacific and the Middle East.
- It is probable that in the future, governments will continue to reduce their provision of social obligations, putting even greater reliance on private solutions. At the moment, a large part of the provision for old age, disability and health is provided by governments. Given the current challenges to public finances, the private sector will likely have to play a more important role.
- Effects of natural disasters might increase in the next decades. Their economic impact will certainly increase since the world is more and more densely populated. Insurance against disasters as well as disaster response and prevention have to be improved. Where private solutions are not sufficient, public-private partnerships can help to supply the lacking coverage.



Note to Editors

The paper “The Social and Economic Value of Insurance” can be accessed on [Insight](#).

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For further information:

Zurich Financial Services Ltd

Mythenquai 2, 8022 Zurich, Switzerland

www.zurich.com

SIX Swiss Exchange/SMI: ZURN, Valor: 001107539

Media Relations

phone +41 (0)44 625 21 00

fax +41 (0)44 625 26 41

media@zurich.com