

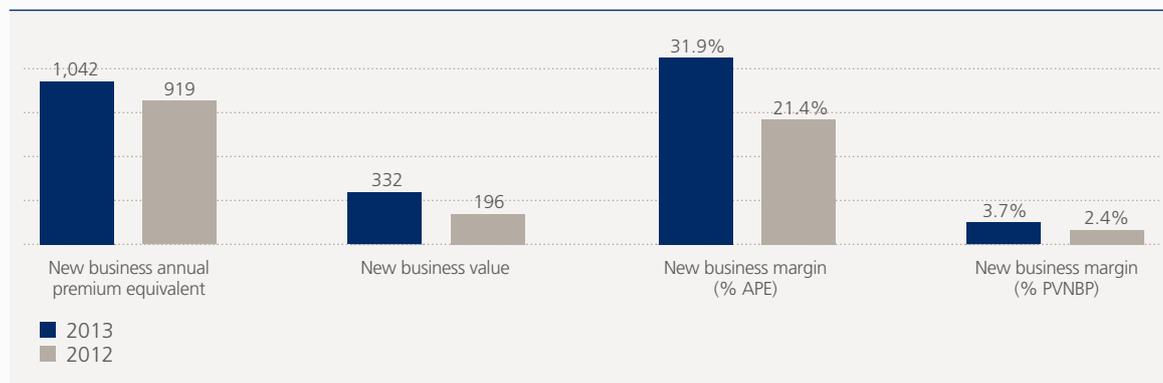
New business overview (unaudited) 2013

Zurich Insurance Group
Results for the three months to March 31, 2013

New business overview (unaudited)

New business overview – Global Life (unaudited)

Key results
in USD millions, for the three months ended March 31



New business key results

	in USD millions, for the three months ended March 31		
	2013 ¹	2012	Change
New business annual premium equivalent	1,042	919	123
New business value	332	196	136
<i>New business value net of non-controlling interests</i>	<i>243</i>	<i>185</i>	<i>58</i>
New business margin (% APE)	31.9%	21.4%	10.5%
New business margin (% PVNBP)	3.7%	2.4%	1.3%

¹ In 2013 Zurich Santander was included for the first time.

Growth in Latin America and increased profitability in Europe increased total new business value for the three months ended March 31, 2013 compared with the same period of 2012. Profitable protection sales increased while sales of lower margin savings business reduced, which resulted in an overall margin increase. New business for the three months ended March 31, 2013 included contributions from Zurich Santander.

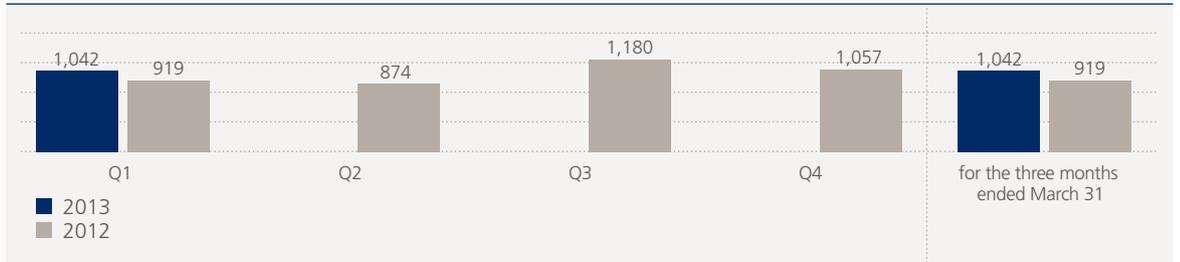
New business annual premium equivalent (APE) was USD 1,042 million, an increase of USD 123 million in U.S. dollar terms, benefitting from the inclusion of Zurich Santander. Excluding this business APE reduced by USD 76 million and 8 percent on a local currency basis. This was driven by reduced sales of low margin savings business in Europe.

New business value was USD 332 million, an increase of USD 136 million compared with the same period of 2012. Excluding Zurich Santander the new business value increased by USD 65 million or 35 percent on a local currency basis. This increase was driven by improved margins in UK, Spain and Switzerland and volume growth in Latin and North America.

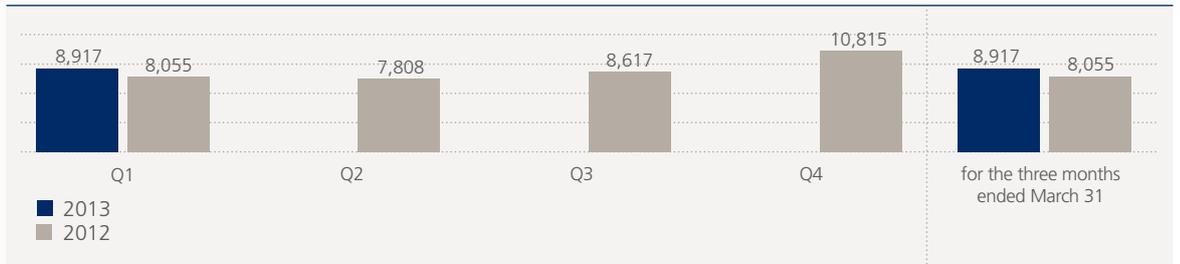
New business margin was 31.9 percent, a strong increase compared with the same period of 2012. This was a result of increased profitability in Europe and other regions and the inclusion of Zurich Santander, which contributed with a high 35.7 percent new business margin.

1. New business

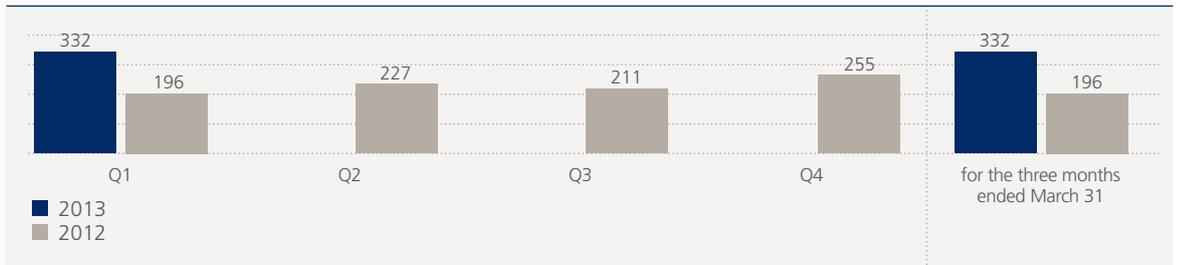
Annual premium equivalent (APE)
in USD millions



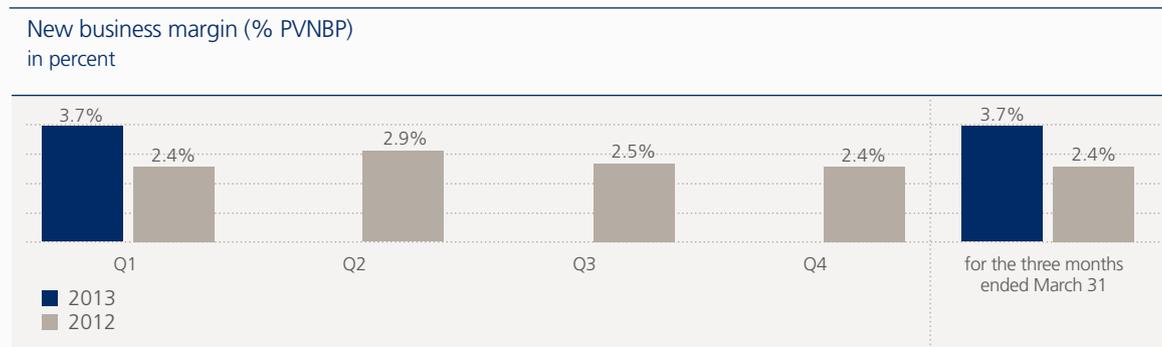
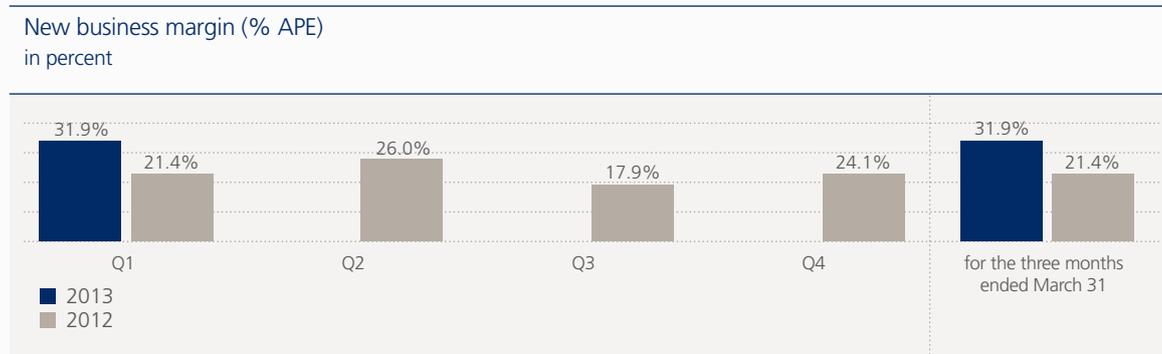
Present value of new business premiums (PVNBP)
in USD millions



New business value
in USD millions



New business overview (unaudited) *continued*



New business by quarter

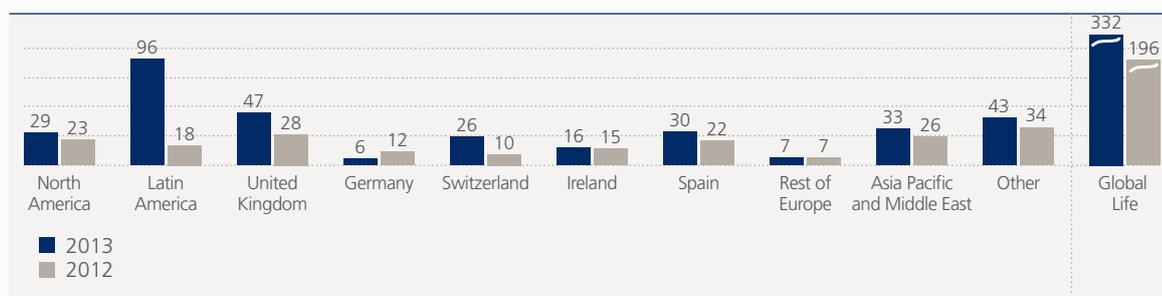
in USD millions	2013					2012				
	Q1	Q2	Q3	Q4	Q1 YTD	Q1	Q2	Q3	Q4	Q1 YTD
Annual premium equivalent (APE)¹	1,042				1,042	919	874	1,180	1,057	919
Annual premiums	684				684	582	529	906	661	582
Single premiums	3,583				3,583	3,371	3,451	2,741	3,964	3,371
Present value of new business premiums (PVNBP) ²	8,917				8,917	8,055	7,808	8,617	10,815	8,055
Average annual premium multiplier	7.8				7.8	8.1	8.2	6.5	10.4	8.1
New business value	332				332	196	227	211	255	196
New business margin (% of APE)	31.9%				31.9%	21.4%	26.0%	17.9%	24.1%	21.4%
New business margin (% of PVNBP)	3.7%				3.7%	2.4%	2.9%	2.5%	2.4%	2.4%

¹ APE is measured as new annual premiums plus 10% of new single premiums.

² PVNBP is measured as new single premiums plus the present value of new annual premiums.

Geographical Region

New business value by geographical region
in USD millions, for the three months ended March 31

New business
by geographical
region

in USD millions, for the three
months ended March 31

	APE		PVNBP		New business value		New business margin			
							% of APE		% of PVNBP	
	2013 ¹	2012	2013 ¹	2012	2013 ¹	2012	2013 ¹	2012	2013 ¹	2012
North America	44	30	373	305	29	23	66.6%	77.5%	7.9%	7.7%
Latin America	289	79	1,524	373	96	18	33.2%	23.3%	6.3%	4.9%
of which:										
<i>Zurich Santander</i>	199	–	1,100	–	71	–	35.7%	–	6.5%	–
Europe	536	656	5,623	6,197	131	94	24.5%	14.3%	2.3%	1.5%
<i>United Kingdom</i>	181	292	2,182	2,713	47	28	25.9%	9.4%	2.1%	1.0%
<i>Germany</i>	84	123	705	1,140	6	12	7.5%	9.5%	0.9%	1.0%
<i>Switzerland</i>	111	79	1,365	994	26	10	23.0%	12.1%	1.9%	1.0%
<i>Ireland</i>	86	80	730	667	16	15	18.2%	19.2%	2.2%	2.3%
<i>Spain</i>	33	41	358	372	30	22	88.7%	54.9%	8.3%	6.0%
<i>Rest of Europe</i>	41	40	284	311	7	7	17.6%	18.1%	2.5%	2.3%
Asia-Pacific and Middle East	114	107	722	669	33	26	29.3%	24.6%	4.6%	3.9%
Other	59	47	674	511	43	34	72.0%	72.7%	6.3%	6.7%
Global Life	1,042	919	8,917	8,055	332	196	31.9%	21.4%	3.7%	2.4%

¹ In 2013 Zurich Santander was included for the first time.

North America reported an increase in APE of USD 14 million or 45 percent. The main driver was increased sales of individual and corporate protection business. Change in the mix of business resulted in reduced margins. New business value increased by USD 6 million or 25 percent on a local currency basis.

Zurich Santander delivered a strong APE of USD 199 million. Higher sales of protection business were the result of an incentive campaign in Brazil. With strong margins, Zurich Santander delivered new business value of USD 71 million.

Zurich Latin America reported an increase in APE of USD 11 million or 20 percent on a local currency basis. The main driver was an increase in sales of individual protection in Mexico. Margins increased, in particular in Brazil due to a change in the mix of business and an associated decrease in commission rates. New business value increased by USD 6 million or 42 percent on a local currency basis.

New business overview (unaudited) *continued*

Overall in **Europe**, APE reduced by USD 120 million or by 18 percent on a local currency basis. The main reductions were in the UK and Germany, which were partially offset by an increase in Switzerland. Increased margins in the UK and Switzerland increased new business value. New business value increased by USD 37 million or 40 percent on a local currency basis.

In the **UK**, APE reduced by USD 111 million or 37 percent on a local currency basis as a result of reduced sales of corporate savings business and reduced sales of low margin individual savings business following the implementation of the retail distribution review. The implementation of the EU Gender directive had a short term positive impact on volumes of individual protection business. Several other factors increased margins including lower tax rates and generally improved profitability of protection business. Overall new business value increased by USD 19 million or 72 percent on a local currency basis.

In **Germany**, APE reduced by USD 39 million or 32 percent on a local currency basis. This was mainly driven by lower sales of savings business. New business value reduced by USD 5 million or 46 percent on a local currency basis.

In **Switzerland**, APE increased by USD 32 million or 41 percent on a local currency basis. APE increased partly due to increased sales of corporate savings business but also due to a change in the method of recognizing group pension premiums. The latter reduced margins but had no impact on new business value. Individual life profitability increased due to re-pricing and a shift in sales from spread business to protection and unit-linked products. New business value increased by USD 16 million or 168 percent on a local currency basis.

In **Ireland**, domestic APE reduced due to the challenging Irish market, but this was more than offset by cross border APE which increased mainly due to sales in Italy. In total, APE increased USD 6 million or 7 percent on a local currency basis. As a result of changes in business mix and smaller movements in margins the new business value remained flat on a local currency basis.

APE in **Spain** decreased mainly due to lower sales of savings products. New business value increased by USD 7 million or 32 percent on a local currency basis as a consequence of higher profitability on protection business due to lower interest rates.

In **Asia-Pacific and Middle East**, APE increased by USD 8 million or 8 percent on a local currency basis. The main reasons for the increase were the inclusion of Zurich Insurance Malaysia Berhad (ZIMB) in new business reporting and positive contribution from new local life insurance businesses in Singapore, Indonesia and Taiwan. These businesses have higher margins. New business value increased by USD 7 million or 29 percent on a local currency basis.

In **Other**, APE increased by USD 12 million or 26 percent on a local currency basis as a result of increased sales of corporate protection business. New business value increased by USD 8 million or 26 percent on a local currency basis.

2. Methodology and assumptions

Methodology

The new business value results presented in this report have been developed using the European Insurance CFO Forum MCEV Principles updated in October 2009.

A more complete description of the methodology applying these principles is set out in the embedded value methodology section of the Annual Report 2012.

Assumptions

Projections of future shareholder cash flows expected to emerge from new business are determined using best estimate operating assumptions. These assumptions, including mortality, morbidity, persistency and expenses, reflect recent experience and are actively reviewed. Allowance is made for future improvements in annuitant mortality based on experience and externally published data. Favorable changes in operating efficiency are not anticipated in the assumptions – in particular for expenses and persistency.

For new business, the future economic and operating experience assumptions are based on conditions at the start of the relevant quarter.

Further commentary on these assumptions is available in the Annual Report 2012. Details of the economic assumptions for the major economies in which Global Life carries out business can be downloaded in a spreadsheet from the Investor Relations section at www.zurich.com.

The assumptions in the new business value models are based on market consistent assumptions. Interest volatility is derived from the implied volatility of interest rate swaptions. Swaption implied volatilities vary both by the term of the option and also the term of the underlying swap contract, a fact that is reflected in the economic scenarios. The equity volatilities are based on at-the-money forward European options on capital indices, consistent with traded options in the market. Volatility of property investments is derived from relevant historical return data for each modelled economy.

¹ © Stichting CFO Forum Foundation 2008

New business overview (unaudited) *continued*

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Certain statements in this document are forward-looking statements, including, but not limited to, statements that are predicated on or indicate future events, trends, plans or objectives of Zurich Insurance Group Ltd or the Zurich Insurance Group (the Group). Forward-looking statements include statements regarding the Group's targeted profit, return on equity targets, expenses, pricing conditions, dividend policy and underwriting and claims results, as well as statements regarding the Group's understanding of general economic, financial and insurance market conditions and expected developments. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and plans and objectives of Zurich Insurance Group Ltd or the Group to differ materially from those expressed or implied in the forward-looking statements (or from past results). Factors such as (i) general economic conditions and competitive factors, particularly in key markets; (ii) the risk of a global economic downturn; (iii) performance of financial markets; (iv) levels of interest rates and currency exchange rates; (v) frequency, severity and development of insured claims events; (vi) mortality and morbidity experience; (vii) policy renewal and lapse rates; and (viii) changes in laws and regulations and in the policies of regulators may have a direct bearing on the results of operations of Zurich Insurance Group Ltd and its Group and on whether the targets will be achieved. Zurich Insurance Group Ltd undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

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