

Zurich sets new priorities and outlines actions to improve profitability

Zurich, December 5, 2013 – The management team of Zurich Insurance Group (Zurich) will today make a series of presentations to investors and analysts on the company’s strategy for the period 2014-2016. Presentations will be made available at www.zurich.com where a webcast of the event, commencing at 09:45 CET can also be viewed.

Highlights

- Prioritize investment in distinctive positions
- Manage other businesses for value
- Grow operating earnings
- Maintain underwriting focus and investment discipline

Commenting on the 2014-2016 strategy, Martin Senn, CEO of Zurich, said, “Our new chapter focuses on our strengths in corporate, commercial and select retail markets, where we are very well positioned to capture business opportunities.”

“Our strategy seeks to better capitalize on our ability as a global and composite insurer to meet the cross-border needs of globalized corporate customers. It further develops our understanding of risk and analytics to improve our offer to commercial customers, and adapts our approach to serving retail customers through clearer segmentation in select markets.”

“We also recognize that we are very strong in some areas but we lack scale or profitability in others. Based on a rigorous portfolio review, we will invest in priority markets but manage other businesses for value. This will mean improving the



profitability of certain businesses, while we will either turn around or exit those that are under-performing.”

“Our continued objective is to deliver protection to our customers, rewarding career opportunities to our people and create sustainable value for our shareholders, while acknowledging the role of our business in the communities in which we operate. By improving our positioning, growing our earnings and delivering net cash remittances to our holding company of more than USD 9 billion, we aim to deliver attractive total returns to our investors over the next three years.”

Prioritize investment in distinctive positions

Businesses to which 62% of capital is allocated

- *Corporate:* Zurich’s brand, scale, expertise and capital strength make it a particularly attractive insurance partner to large, globalized customers that seek a consistent solution to their insurance needs in every country in which they do business. A significant opportunity exists to grow existing relationships across new markets, for example delivering combined life and general insurance solutions.
- *Commercial mid-market:* Zurich will invest in data analytics to develop a more detailed understanding of the risk landscape and meet customers’ product and pricing needs, building on its strong U.S. position in this segment and rolling out that experience to other target markets.
- *Retail:* In response to changing customer behavior and intense price competition from niche product players, Zurich will focus on higher-margin lines of business by aligning the value proposition to the specific needs of target customers, while improving access to its products across a range of distribution channels in select markets.

Manage other businesses for value

Businesses to which 38% of capital is allocated

- *Capture value:* Zurich will extract greater value from Global Life's in-force business in certain key regions, principally in Continental Europe, and will continue to successfully manage smaller profitable General Insurance markets where we have good businesses, but which are not a priority for investment.
- *Turn around or exit:* Underperforming operations that do not fit Zurich's strategic and financial assessment will be turned around or in some cases exited.

Grow operating earnings

- Aim to improve returns by delivering efficiencies, reducing complexity and by extracting more value across the Group.
- Enhance the excess returns in Zurich's investment portfolio without in any way deviating from the investment discipline that underpinned the company's stability through the financial crisis.
- Even with the persisting low-yield environment and investment in priority markets, Zurich aims to grow earnings, especially in General Insurance and Global Life.

Deliver attractive overall returns for investors

- Target business operating profit after tax return on equity of 12-14% in 2014-2016.
- Maintain a strong capital position with solvency within double-A target range.
- Aim to deliver net cash remittances in excess of \$9bn in 2014-2016 to underpin a sustainable and attractive dividend.
- Discipline of bi-annual report cards to update investors on delivery against strategic objectives and execution of strategy.



Update on 2010-2013 targets

- The Group remains on track to achieve some, but not all, of the 2010-2013 targets, with a detailed update provided during today's presentations to media, investors and analysts.

Further information

Media Call

A media call hosted by Group CEO Martin Senn and interim CFO Vibhu Sharma will take place ahead of Zurich's Investor Day from 08.30 – 09.10 hrs CET. The call will be held in English. Please click [here](#) to see the accompanying presentation. Please dial in to register approximately 5-10 minutes prior to the start of the call.

Dial-in numbers

Europe	+41 (0)58 310 50 00
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Investor Day

Zurich's Investor Day will be chaired by Group CEO Martin Senn. The event will start at 09.45 hrs and will last until about 17.00 hrs CET. The event will be held in English. The presentation will be available [here](#) from 09.15 hrs CET.

The day will include a welcome by the Group Chairman, presentations by the Group CEO, interim CFO and by the CEOs of General Insurance, Global Life and Farmers.

While the target audience for the event is analysts and investors, journalists interested in the topics are cordially invited to listen in by telephone or to follow the event via real time webcast on our website www.zurich.com.



If you would like to follow the event via conference call, please dial in to register approximately 5-10 minutes prior to the start of the event session.

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High resolution pictures supporting this news release will be available **from 13.30 hrs CET**, please visit our [Multimedia Pressroom](#).

Zurich Insurance Group (Zurich) is a leading multi-line insurance provider with a global network of subsidiaries and offices in Europe, North America, Latin America, Asia-Pacific and the Middle East as well as other markets. It offers a wide range of general insurance and life insurance products and services for individuals, small businesses, mid-sized and large companies as well as multinational corporations. Zurich employs about 60,000 people serving customers in more than 170 countries. The Group, formerly known as Zurich Financial Services Group, is headquartered in Zurich, Switzerland, where it was founded in 1872. The holding company, Zurich Insurance Group Ltd (ZURN), is listed on the SIX Swiss Exchange and has a level I American Depositary Receipt (ZURVY) program which is traded over-the-counter on OTCQX. Further information about Zurich is available at www.zurich.com.

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