

Zurich to expand operations in North America by acquiring RCIS

Zurich to acquire RCIS, a leading provider of agricultural insurance in the United States and a leader in the U.S. crop insurance market. This will expand Zurich's existing portfolio of products and services, strengthening a top five position in U.S. commercial insurance.

Zurich, December 18, 2015 – Zurich Insurance Group (Zurich) announced today that its subsidiary Zurich American Insurance Company (ZAIC) has entered into an agreement with Wells Fargo & Company (Wells Fargo) under which it will acquire 100 percent of Rural Community Insurance Agency, Inc. (RCIA) and its subsidiary Rural Community Insurance Company (RCIC). The two are collectively known as Rural Community Insurance Services (RCIS) – a leading provider of agricultural insurance in the United States, recording approximately USD 2.1 billion in gross written premiums in 2014.

Zurich will pay Wells Fargo approximately USD 675 million plus the amount of excess capital in RCIS at the date of closing, estimated to be up to around USD 375 million. The transaction value of around USD 675 million represents deployment of part of the group's USD 3 billion excess capital, which, as Zurich has previously stated, will be invested in the business or returned to investors by the end of 2016.

“Zurich continues to prioritize investments in distinctive positions, investing in the businesses and customer segments where we see the best opportunities for profitable growth. The expansion of commercial lines capabilities is one of our strategic priorities. In the U.S., the world's largest market for commercial insurance, we are a top five player, with around a five percent market share. We are delighted to expand our activities in the crop insurance market,” commented Kristof Terry, Chief Executive Officer of Zurich's General Insurance business. “The acquisition of RCIS will increase



risk diversity of our General Insurance business by leveraging the crop exposure, which has low correlation to the rest of our book. This adds an exciting new chapter to Zurich's history of over 100 years in the U.S.”

ZAIC began providing reinsurance to RCIS in 2000. It currently assumes 25 percent of RCIS' ceded premiums through a quota share contract. RCIS offers federal crop insurance programs including multi-peril ('MPCI') and other private crop insurance products. Since 1982 RCIS has helped reshape the privatized crop insurance business by offering a comprehensive line of insurance products and services to meet the unique requirements of producers, adding crops as new varieties emerge and developing new types of coverage when needed. With a national network of over 4,000 agents, RCIS conducts business in all 50 U.S. states, providing risk management for more than 130 crops on over 90 million acres. The company is a member of National Crop Insurance Services and the Crop Insurance and Reinsurance Bureau, Inc.

Mike Foley, CEO North America Commercial and Regional Chairman of North America said: “Working in an industry with a high exposure to weather conditions, most farmers wouldn't think of operating without some form of crop insurance. These products and services help America's agricultural producers to stay competitive and be more innovative, as well as to have the financial security to stay in business and go on to plant the next season. RCIS has a national distribution footprint with highly tenured agents and an outstanding service reputation, insuring one in six farmers in the U.S. This acquisition illustrates how financial discipline allows us to capitalize on market opportunities that meet our strategic objectives.”

Subject to applicable antitrust and insurance regulatory approvals as well as other customary closing conditions, the closing is expected to take place no later than the first quarter of 2016 with the business fully integrated into Zurich in 2017.



Further information

Supplemental information about the transaction is published on our [website](#).

To get instant access to Zurich's news releases, calendar and other corporate publications on your iPad, iPhone or Android phone please go to your App Store and get the free [Zurich Investors and Media App](#).

For broadcast-standard and streaming-quality video and/or **high resolution pictures** supporting this news release, please visit our [Multimedia Pressroom](#).

Zurich Insurance Group (Zurich) is a leading multi-line insurer that serves its customers in global and local markets. With more than 55,000 employees, it provides a wide range of general insurance and life insurance products and services. Zurich's customers include individuals, small businesses, and mid-sized and large companies, including multinational corporations, in more than 170 countries. The 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.

Wells Fargo & Company (NYSE: WFC) is a nationwide, diversified, community-based financial services company with \$1.8 trillion in assets. Founded in 1852 and headquartered in San Francisco, Wells Fargo provides banking, insurance, investments, mortgage, and consumer and commercial finance through 8,700 locations, 12,800 ATMs, the internet (wellsfargo.com) and mobile banking, and has offices in 36 countries to support customers who conduct business in the global economy. With approximately 265,000 team members, Wells Fargo serves one in three households in the United States. Wells Fargo & Company was ranked No. 30 on Fortune's 2015 rankings of America's largest corporations. Wells Fargo's vision is to satisfy our customers' financial needs and help them succeed financially.

Contact

Zurich Insurance Group 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

twitter [@Zurich](#)

media@zurich.com

Investor Relations

phone +41 (0)44 625 22 99, fax +41 (0)44 625 36 18

investor.relations@zurich.com

Disclaimer and cautionary statement

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, in the financial services industries in particular; (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.

It should be noted that past performance is not a guide to future performance. Please also note that interim results are not necessarily indicative of full year results.

Persons requiring advice should consult an independent adviser.

This communication does not constitute an offer or an invitation for the sale or purchase of securities in any jurisdiction.

THIS COMMUNICATION DOES NOT CONTAIN AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES; SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR EXEMPTION FROM REGISTRATION, AND ANY PUBLIC OFFERING OF SECURITIES TO BE MADE IN THE UNITED STATES WILL BE MADE BY MEANS OF A PROSPECTUS THAT MAY BE OBTAINED FROM THE ISSUER AND THAT WILL CONTAIN DETAILED INFORMATION ABOUT THE COMPANY AND MANAGEMENT, AS WELL AS FINANCIAL STATEMENTS.