



## Zurich at a Glance



## Zurich – the global insurer

We aspire to become the leading global insurance group in our chosen general and life insurance markets, consistently delivering top-tier results for shareholders. By so doing, we will create strong relationships with our customers, agents and brokers and provide rewarding opportunities for our employees.

Our headquarters are in Zurich, Switzerland, and we employ approximately 55,000 people serving customers in more than 150 countries.

Founded in 1872, we have looked forward and outward since our very earliest days, when we were the first insurer in Switzerland to offer global insurance programs. Over the years, we have spread our reach and now have a global network of subsidiaries and offices in North America, Europe, Asia Pacific, Latin America and other markets.



### What's important to us

- We seek excellence in our customer relationships, in designing our products and services and in the way we distribute insurance and risk management solutions to our customers.
- To help us operate efficiently and profitably, The Zurich Way ensures that we embrace common business processes as well as a "one Zurich" mindset to ensure our customers receive consistently superior service in a recognizably Zurich way.
- In building a unique global brand, we demonstrate our commitment to anticipating, identifying and evaluating change so that we can help customers to manage their risk better.

1872

Zurich Insurance Company is founded.

1875

Licences granted to conduct business in Austria, Germany, Denmark, Sweden and Norway.

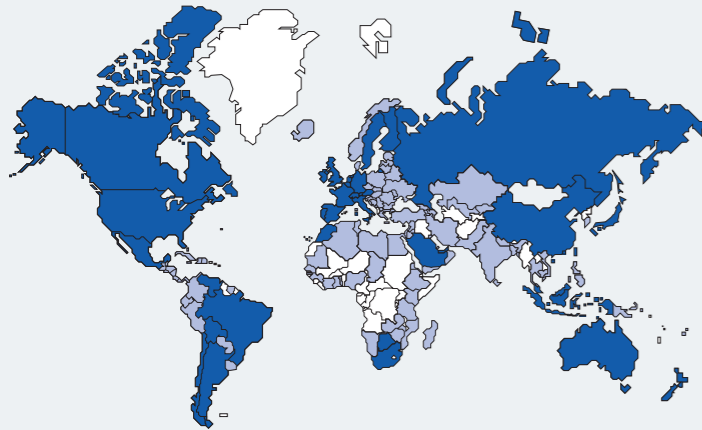
1877

General agencies open in France and Belgium.

1878

Opening of a general agency in Holland.

## Our global presence



- Countries with Zurich offices
- Additional countries where we have capabilities

## Our strengths include:

- Our people, with their expertise and the strength of a global network
- Global presence, experience and capabilities
- A well-balanced and well-diversified portfolio of insurance businesses, geographically and by line of business
- Global operating platforms that enable us to transfer knowledge and best practice
- Our ability to understand and manage change on behalf of our customers
- Identifying and sharing relevant knowledge and risk insights that help customers to manage their risk better
- Developing innovative products and solutions to address customer needs in a changing world
- Offering our customers a variety of channels through which to reach us
- Capacity, underlying financial strength and stability

1879

Barcelona branch established in Spain.

1880

Business expands into Poland and Russia.



## How and where we operate

We take a global approach to our core businesses of general and life insurance. The diversity of our portfolio, both geographically and by line of business, is key to our strategy. We offer a comprehensive range of general and life insurance products and services for individuals, small businesses, commercial enterprises, mid-sized and large corporations and multinational companies.

Zurich combines strong market positions in personal, commercial and corporate insurance on both sides of the Atlantic with strengthening positions in Asia and key emerging markets.

We use our global reach across all lines of business. Our customers benefit from our ability to underwrite and provide services on many fronts, and from the combination of our international expertise, global strength and detailed local knowledge.

Our Global Claims function provides central coordination for thousands of claims specialists worldwide, ensuring consistent technical and operational standards that benefit our customers. The Zurich Way has helped to make our claims operation even more effective, and to manage our claims vendors so that we obtain the best benefits for our customers.

Our round-the-clock HelpPoints, developed in Switzerland, reduce the average claims cycle by two days. The concept has since been introduced in North America, where these centers have to date handled about 22 million calls. They are the first in the property/casualty industry to be certified by J.D. Power and Associates as an outstanding customer experience.

Our global network offers distinct services to respond to what our customers value most:

- Long-term relationships built on in-depth customer knowledge
- Skilled underwriters able to structure innovative solutions
- A strong team of claims specialists
- 50,000 tied agents worldwide to distribute our products
- 1,300 risk engineering professionals in more than 30 countries, serving customers ranging in size from multinational companies to small businesses
- A unique data system that facilitates administration of international programs
- Expert cash management to handle premiums and claims payments across multinational programs



1882

Founding of a branch in Italy.

1886

Operations start in Luxembourg.

1898

Zurich pioneers automobile insurance when the first rate schedule is published by the Belgian branch office.



**General Insurance** provides property and casualty cover for individual and commercial customers. It also combines essential Group functions that are coordinated at the center of our organization.

These include underwriting, claims management, risk engineering, reinsurance, customer relationship, distribution management and product management.

We operate in this field through four business divisions: Global Corporate, North America Commercial, Europe General Insurance, and International Businesses. Our aim is to grow profitably in selective areas, including existing and emerging markets.

1912

Zurich becomes the first continental European insurance company in the United States.

**Global Corporate** is the second largest provider of property and casualty products and services worldwide, the market leader in international program business. It offers risk management services to large corporations and multinational companies, including risk transfer and risk finance solutions. Zurich's broad understanding of today's interdependent, global risk environment and the trends that influence it puts us in a strong position to help customers better manage their risks.

With a global network of professionals and servicing capabilities in more than 150 countries, Global Corporate provides companies with total risk management strategies and standards that ensure all of our customers have access to the same high-quality service. Global Corporate insures the majority of Fortune's Global 100 companies.



**Global Corporate's goal is to provide customers with the risk management solutions they need to compete effectively in an uncertain world.**

It also has management responsibility for Global Energy, which provides comprehensive risk solutions, risk engineering services and claims support for enterprises involved in operations in oil and gas, petrochemicals, natural resources, mining and power generation.



1922

Establishment of a branch in Great Britain, with headquarters in London.

1925

Zurich's Vita Life subsidiary becomes the first European life insurer to introduce free medical check-ups for customers.



In 1912, Zurich was the first continental European insurer to enter the US market.

**North America Commercial** serves small and mid-sized businesses with standard and specialty lines of business in the United States and Canada, primarily through independent brokers and agents.

By carefully breaking down our micro-segments, we can ensure that we deploy our capital to the most profitable areas of business and those with most potential for growth.

Zurich is a leading commercial property and casualty insurer, with a strengthening position in the small business market. In just over 10 years, we have become the third-largest small business insurer in the independent agent channel in North America, with 39,000 agents. We tailor property,

builder's risk, liability, commercial auto, umbrella and, in many states, workers' compensation products to the precise needs of a small business.

For mid-sized businesses, we work with the best agents and brokers in the industry, providing a broad array of cost-effective insurance and risk management solutions for our customers. Our focus in this market is on businesses employing between 50 and 500 people.

Agents and brokers who represent Zurich in North America range from global and national brokers through regional brokers and large independent agencies to smaller local organizations. The goal of North America Commercial is to have stable, long-term relationships, the broadest possible insurance solutions, and maximum use of technology for reliable, efficient delivery of products and services to our customers.

1933

Zurich wins the insurance contract for the World's Fair in Chicago, Illinois, greatly adding to its reputation.

1950

Zurich purchases a participation in the Portuguese general insurer Companhia de Seguros Metropole S.A.

1960

Zurich introduces its life insurance business in Great Britain.



**Europe General Insurance** offers personal and commercial products through a strong network of brokers, exclusive agents and independent financial advisers, as well as direct by phone or via the Internet.

By drawing on the expertise and knowledge we have across Europe, and by working together to integrate platforms, we adopt a pan-European approach to serve our customers better and grow business.

Our key markets are Germany, Italy, Spain, Switzerland and the United Kingdom, and we also have a significant presence in Ireland, Austria and Portugal, plus operations in Morocco and Israel. In 2006, we formed a new business unit to capitalize on growth opportunities in central and eastern Europe, including Russia.

Customers can do business with us through a variety of channels, including filling stations and department stores in Germany, a major savings bank in Spain, and cantonal banks in Switzerland. In 2006, we created a center of excellence in Spain to support selling and processing standard products throughout Europe via the Internet.

Europe General Insurance aspires to become the leading pan-European insurer, with sustained top-tier performance through superior technical underwriting, claims and capital management.

Zurich is the market leader in direct motor insurance in Germany

**International Businesses** has servicing capabilities around the world and serves personal lines and commercial customers through various distribution channels, including direct contact, tied agents, independent agents and brokers. It consists of five regions: Latin America (Argentina, Bolivia, Brazil, Chile, Mexico and Venezuela); Southern Africa (South Africa, Zimbabwe and Botswana); Australia; Japan; and Greater China/Southeast Asia (China, Hong Kong, Taiwan, Malaysia and Indonesia).

Our regional headquarters for Latin America are in Miami, Florida, home to the Latin American headquarters of many financial services companies, reinsurers and major brokers with whom we work.

In China, where we have been represented since 1993, we became the first foreign insurer granted a license to establish a general insurance branch in Beijing. In Asia, our international life business, Zurich International Life, particularly targets the growing middle classes and expatriate communities.

By using shared services and by transferring knowledge to emerging markets, International Businesses aims for sustainable and profitable growth through customer, product and distribution excellence.



1961

Business starts in Australia.



**Global Life** concentrates on three geographical areas:

- Europe
- United States
- Other regions in our International Businesses division, including Zurich International Life, which serves the needs of expatriates and international investors.

Our global focus is on unit-linked and protection products, and within that we target clearly defined niches in key markets. This strategy allows us to use our resources in the relevant areas.

1962

Opening of a branch in Bombay, India (nationalized in 1972). Zurich returns to the Indian market in 1996, when it opens a representative office in New Delhi.

1964

Establishment of a branch in Buenos Aires, Argentina.

When we introduced our top-selling Irish term life product into the German broker market, it proved highly successful there, too, and won the prestigious Goldener Bulle award for the most innovative insurance product of 2006.

Our life business benefits from strong positions in all key markets as well as extensive distribution networks in the United States and the United Kingdom. In the US, Farmers New World Life focuses on protection products for the middle-income market, which has 63 million households. In the UK, the former Zurich Advice Network of franchisees has become a retail distribution company called Openwork, a key business partner that sells Zurich products and those from third parties.

In continental Europe, we reach out to customers in Germany, Spain, Italy and Portugal through our relationship with Deutsche Bank, which uses Zurich as its exclusive supplier of life insurance products. We have strong business associations in place to distribute products and services. In 2006 DPAG, a joint venture of Zurich and Deutsche Bank, became the leading public pension fund in Germany.

**Farmers Management Services** consists of the management services provided by Farmers Group, Inc. and its subsidiaries to the Farmers Exchanges, which we manage but do not own. The Farmers Exchanges is the Group's main market brand for personal insurance in the United States and is one of the leading consumer property and casualty insurers in that country. In addition, Farmers Group, Inc. is a life insurance holding company of Farmers Life.

Farmers Insurance Group of Companies is based in Los Angeles, California, and operates in 41 states across the country through the efforts of approximately 20,000 employees. Its agents, independent contractors and independent agents, along with Farmers employees, serve more than 15 million customers.

Farmers New World Life Insurance Company, with headquarters in Mercer Island, Washington, offers a wide range of products from a fully flexible universal life policy to traditional term and whole life plans and annuities marketed by Farmers agents.

In March 2000, Farmers acquired Foremost Insurance Company, located in Michigan, which leads the industry in insuring specialty products such as mobile homes, motor homes, travel trailers and specialty dwellings.

In 2007, Farmers acquired Bristol West Holdings Inc., a leading provider of liability and physical damage insurance focusing exclusively on private passenger autos across the US, specializing in the non-standard market.



**Farmers aims for excellence in customer experience, product management and distribution, and plans to be a leading player among personal and small business insurers in the United States.**

1976

Zurich establishes its International Division (later renamed Zurich International).

1977

Zurich establishes a direct motor insurance brand in Germany, DA Direkt, today the leading insurer in this segment.

1979

General insurance branch opens in Hong Kong.



What we offer

## Customer excellence

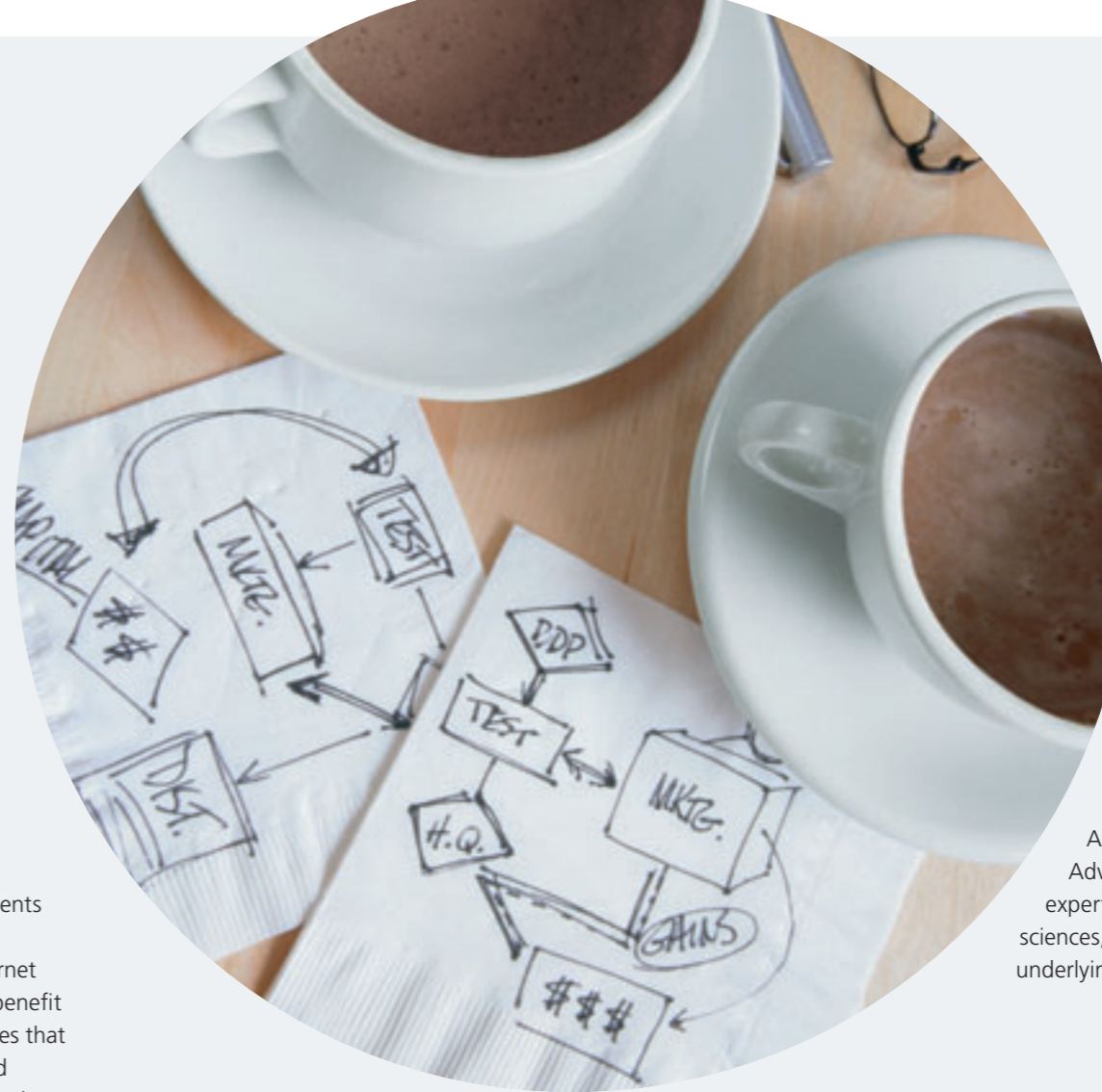
Our aim is to help personal, commercial and corporate customers manage their risks so that they can protect the present and plan for the future.

Developing strong customer relationships, and focusing our commitment, drive and initiative to anticipate and meet their needs is key to our success. Close customer contact also nurtures novel thinking. We actively search for opportunities for innovation, because as times change, so do the needs of our customers.



For our corporate and commercial customers, we maintain contact via customer councils and advisory boards, as well as through workshops and risk management conferences. Our numerous boards help us to develop fresh insights while customer events enable us to share relevant knowledge so customers can better understand and manage their risks, and operate more efficiently. Across the world, our network of 1,300 risk engineering professionals is available to offer advice and practical solutions.

For personal customers, our network of agents and distributors provides constant contact, supported by direct-selling phone and Internet distribution channels. Personal customers benefit from a network of partnerships and alliances that helps to increase the range of products and services we can offer. We also work with brokers and intermediaries, and have powerful wholesale relationships with customer organizations.



We continually anticipate and evaluate change to prepare for risks that may be global or local, geopolitical or economic, financial or commercial.

An International Advisory Council of external experts, including corporate and former government leaders, provides guidance on public policy issues and helps us develop robust strategies for sustainable growth.

And we also have a Natural Catastrophe Advisory Board, consisting of external experts in climatology, geology and related sciences, to advise our underwriters on the underlying forces affecting our exposure.

1986

Operations in Japan begin, initially with general insurance.

1991

Zurich acquires a majority interest in two Chilean companies.

1993

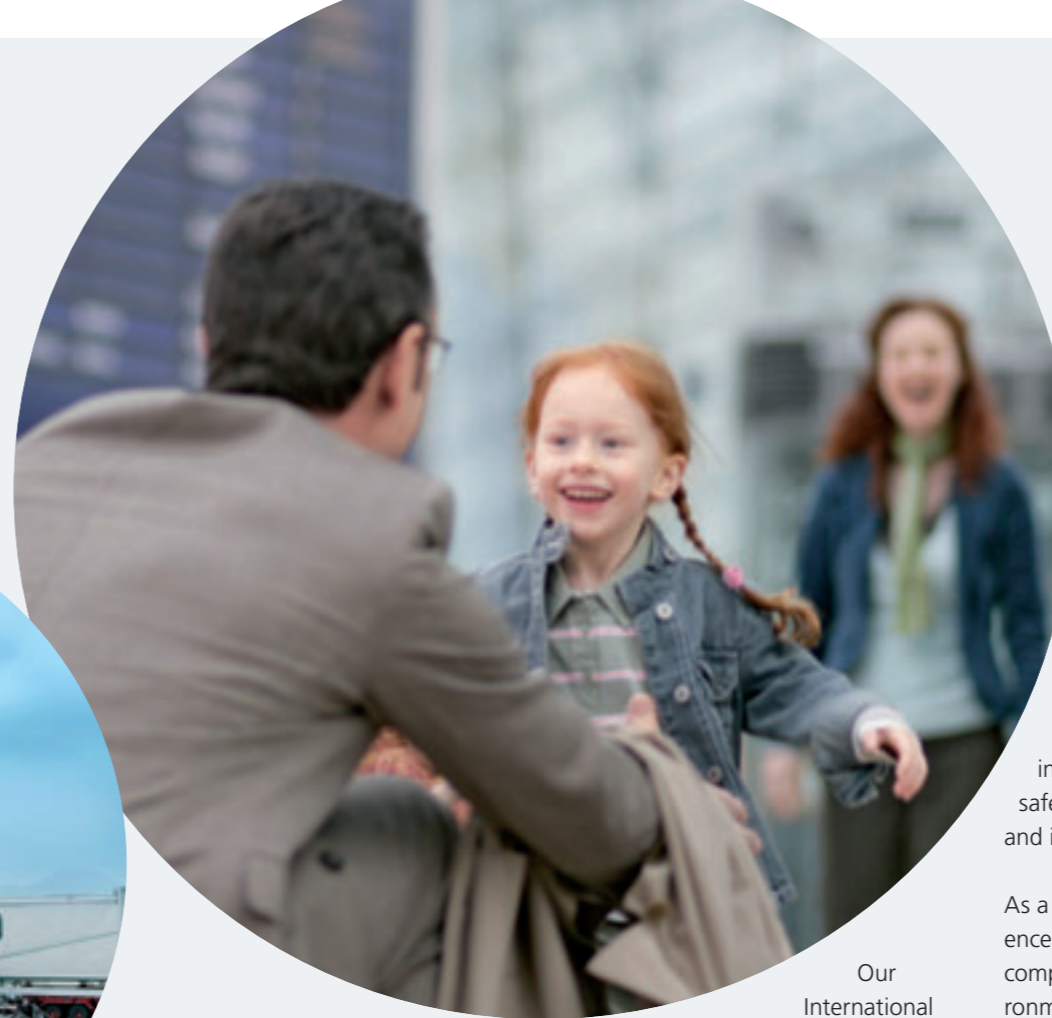
Representative office opens in Beijing, China. Two further representative offices follow, Shanghai in 1996 and Hangzhou a year later.

## Product excellence

One of our constant goals is to develop innovative products and solutions that will address customer needs in a changing world.

Personal customers want an insurer who thinks ahead and creates products that reflect modern trends and situations. Commercial customers find themselves in an increasingly complicated world, particularly in the areas of legislation, regulation and litigation. By ensuring we are fully attuned to their varied needs, and by making good use of customer councils and external experts, we aim to be ready for change.

In serving corporate customers, we offer consulting and insurance services to help them reduce their enterprise risk. We have a solid reputation for providing technical expertise and value-added services, including risk engineering, claims management and local policy issuance. Our global spread helps us to do so in many locations as well as to offer a wide choice.



Our International Program System enables us to supply multinational customers with selected information about their worldwide program that would be impossible to gather manually.

For small and mid-sized businesses, online tools provide a variety of information. In the US, Zurich Risk Intelligence™ gives customers the level of detail they want in their loss reports, from high-level summaries to specific detail. The information is accessed through secure pages on our Web site, with data downloaded daily. In the UK, CRIMSON makes it easier for commercial customers to see all their annual engineering inspection reports as well as their health, safety and motor fleet reports, all in one place and in one format.

As a global organization with 135 years' experience in providing insurance protection, we have a comprehensive perspective on our complex environment. Combined with specific local knowledge of particular markets and risk insights, this enables us to be ready with relevant products and services – often when our customers are just becoming aware of the emerging challenges they will face.

1994

Zurich becomes the first insurer to introduce direct telephone marketing to the Swiss market.

1996

Operations start in Russia.

1997

HelpPoints introduced in Switzerland to provide a total customer care approach.

1998

Zurich merges with the financial services businesses of the British American Tobacco Group to become Zurich Financial Services Group.

## Distribution excellence

We want to make it as easy as possible for our customers to do business with us. Ease of access, combined with a robust product offering and excellent service, ensures that our customers experience the difference that Zurich makes. By offering a wide choice of ways to deal with us, we also position Zurich for sustainable leadership in our chosen markets.

Customers can contact us through:

- Our own tied sales force
- Exclusive agents
- Brokers
- Independent financial advisers
- Independent agents and distributors
- Telephone
- Internet

By using each channel to gain improved insight into our customers' needs, we can develop relevant

products. We are increasingly making use of technology to link to our distributors and to improve the service we give customers. Our Europe General Insurance business division has created a center of excellence in Spain with a refined IT system that supports standard products and processes for individual and small business customers.

In the United States, 39,000 independent agents serve the small business market, which is a strategic priority. In Russia, where we entered the consumer segment in 2006, we have distribution agreements with large auto dealerships and leading banks.

Worldwide, 50,000 tied agents distribute our products, and our aim is to increase growth and profitability through improved management. We are also developing further links with independent agents and other distributors, such as banks, credit unions, stores and filling stations.

## The Zurich Way

The Zurich Way unifies our approach to our business and to our customers. It fosters excellence and the exchange of knowledge and best practice across the organization. It also provides the processes and skills that help to set us apart from our competitors and standards that ensure all customers experience the same quality service. The Zurich Way has evolved from Zurich Basics, our Group's core values that help to define our culture and guide our behavior.

### Zurich Basics:

- We are passionate about building value and trust
- We act lawfully and seek to do what is right
- We play vigorously but fairly
- We treat others with respect
- We take personal responsibility
- We make decisions using the right standards
- We are good corporate citizens
- We are one Zurich

We are continuing to build our Zurich brand to ensure our customers consider us when they need an insurer to anticipate and address their needs.



2000

Zurich's post-merger dual holding structure is simplified and unified under a single Swiss holding company.

2002

Zurich announces that its strategic direction will refocus on insurance and will target profit improvements.

2005

Zurich launches its global brand campaign Because Change Happenz, a step forward towards building Zurich into a leading brand and ensuring sustainable growth.

## Shaping the future

With 135 years' experience in the world of insurance and excellent risk insights and capabilities, our global brand reinforces our dedication to continue anticipating and meeting tomorrow's insurance needs. Working with our customers to understand their business and their concerns, we can adapt our products and services to meet those needs, and develop new solutions for a new age.

By embedding The Zurich Way in all our businesses, and by deepening our customer knowledge, we can meet the demands of fast-changing markets. And our integrated approach to human resources will ensure that we have the right people with the right skills in the right place at the right time.

Our organization reflects and reinforces our aspiration to become the leading global insurer in our chosen markets. With common business processes, shared values and a shared culture, we are confident we can serve our customers better, generate sustainable growth and profit for our shareholders, and provide an exhilarating and rewarding environment for our employees. One Team. One Zurich.

**Zurich – serving our customers for 135 years.**



## Contact information

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2006

Zurich creates a unique program with its Multinational Insurance Proposition (Zurich MIP) to help major customers comply with complex international tax and licensing regulations when they need insurance cover across several territories.

Zurich launches a single center in Spain for selling general insurance throughout Europe, backed by a call center in Bratislava, Slovakia, for customers needing phone assistance.

Zurich becomes the leading writer of surety insurance in Spain by acquiring ACC Seguros y Reaseguros de Danos S.A.

2007

Zurich introduces a "pay as you drive" scheme in Switzerland, with insurance rates calculated on the car usage patterns of individual drivers.

Zurich acquires NASTA Insurance Company, a leading personal lines insurer in Russia, with 3,000 employees and 67 branches.

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