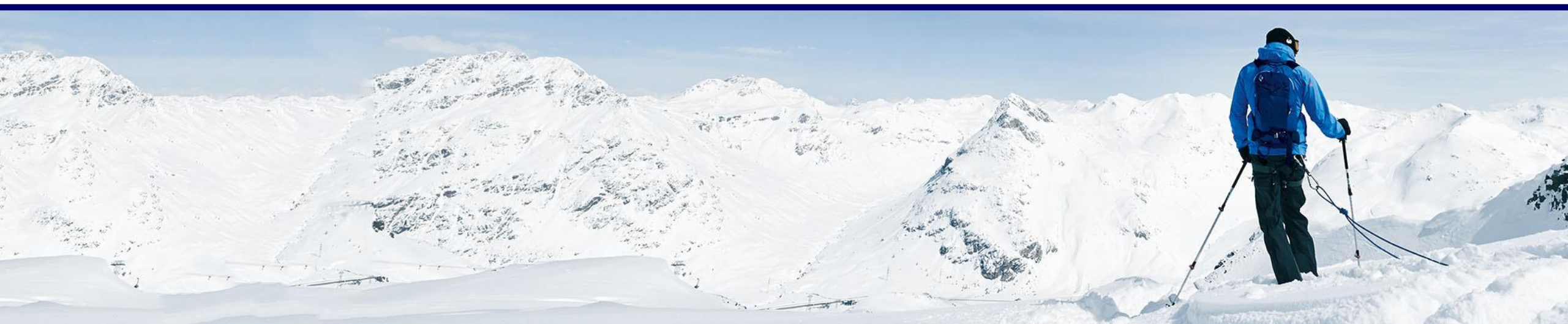


# Investor Day – Well positioned for the future

November 15, 2017

London

**Zurich Insurance Group**



# Agenda

TIME	TOPIC	SPEAKER
10:00 – 10:45	Strategic update	Mario Greco
10:45 – 11:45	Farmers	Jeff Dailey, Mike Linton, Roy Smith
11:45 – 12:15	North America	Kathleen Savio
12:15 – 12:35	Q&A	Jeff Dailey, Mike Linton, Roy Smith, Kathleen Savio
12:35 – 13:50	Lunch break	ExCo members present
13:50 – 14:20	Latin America	Claudia Dill
14:20 – 14:50	Bank distribution	Javier Lorenzo, Raúl Vargas
14:50 – 15:20	Asia Pacific	Jack Howell
15:20 – 15:40	Q&A	Claudia Dill, Jack Howell, Javier Lorenzo, Raúl Vargas
15:40 – 15:55	Coffee break	
15:55 – 16:25	Finance update	George Quinn
16:25 – 17:00	Q&A & wrap-up	Mario Greco, George Quinn

# Disclaimer



Certain statements in this document are forward-looking statements, including, but not limited to, statements that are predictions of 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.

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# Strategic update – Well positioned for the future

**Mario Greco**, Group Chief Executive Officer



# Key messages

## Strong franchise and financials

We have a uniquely diversified business with strong franchises and well balanced access to distribution backed by a strong balance sheet

## Delivering on our targets

The group's ability to grow earnings and deliver on targets has been restored through improved efficiency, a focus on technical excellence and strengthening of core businesses

## Positioned for industry change

We are well positioned for industry change with a diverse and flexible business and we will actively lead industry transformation

## Stepping up the pace

We are accelerating the cultural change to become customer centered, through simplification of our business and investment in targeted innovation

## Shareholder focused

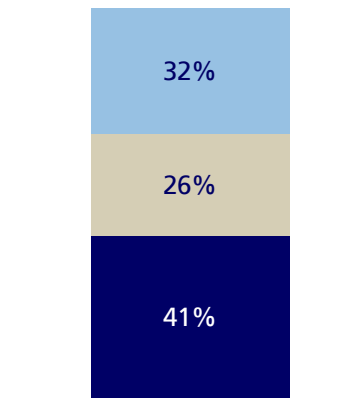
Our cash generative business model and strong balance sheet allow us to increase the return of capital to shareholders over time

# A strong and globally diversified group



## A GLOBALLY DIVERSE BUSINESS

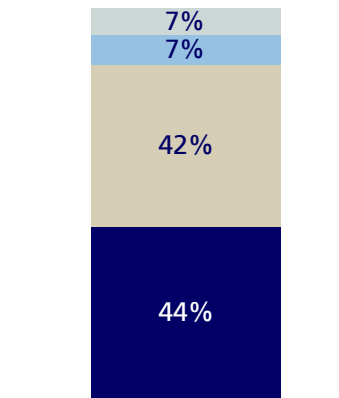
BOP by business (%)



BOP  
HY-17<sup>1</sup>

Farmers Life P&C

P&C GWP by segment (%)



P&C GWP  
9m-17

APAC Europe  
LatAm North America

## KEY STRENGTHS



Powerful, international brand



Clear customer focus



Global customer relationships



Distribution partnerships



Strong technical capabilities



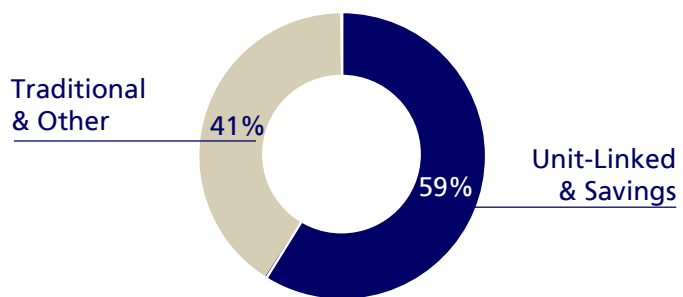
Our people

<sup>1</sup> Excludes Non-Core Businesses, Group Functions & Operations and Eliminations.

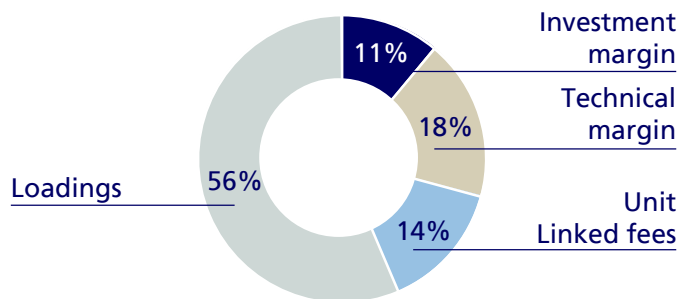
# Our Life business is already where others want to be and has significant opportunities for growth

## BUSINESS MIX (%)<sup>1</sup>

Technical reserves by line of business

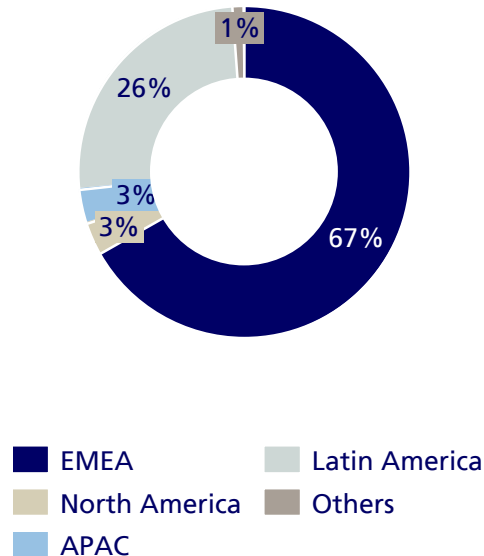


Gross margin breakdown



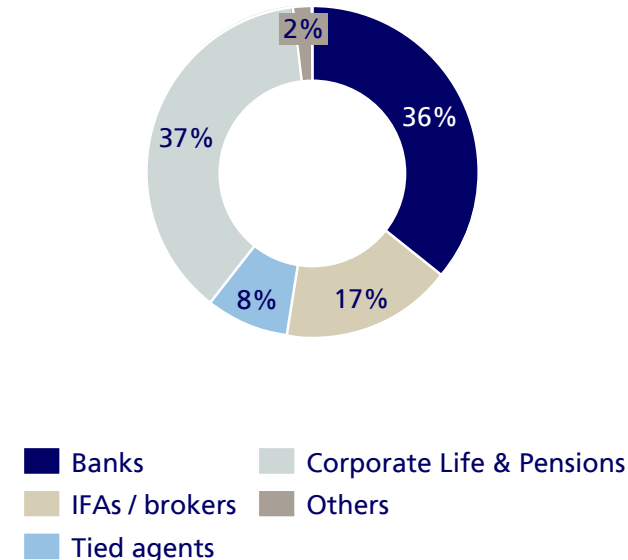
## FOOTPRINT (%)<sup>1</sup>

Annual premium equivalent by region



## DISTRIBUTION MIX (%)<sup>1</sup>

Annual premium equivalent by pillar

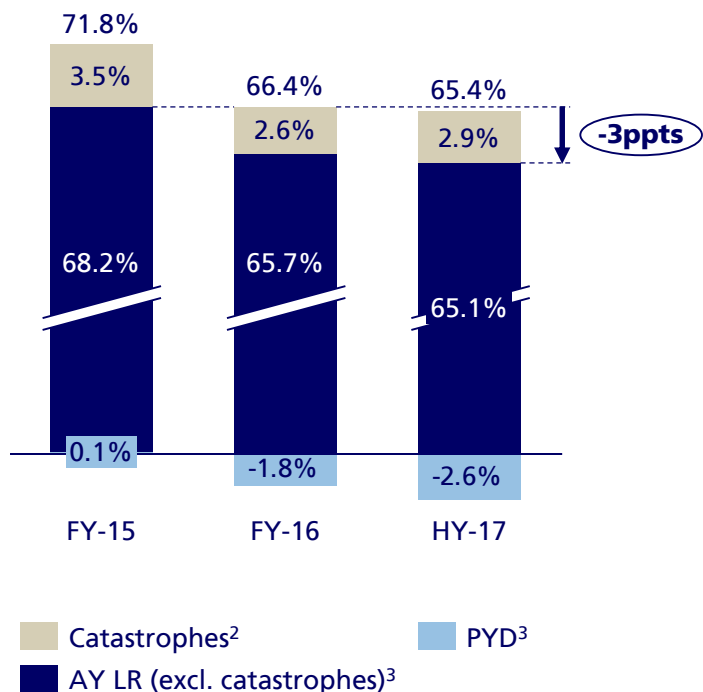


<sup>1</sup> As of FY-16, including Farmers Life.

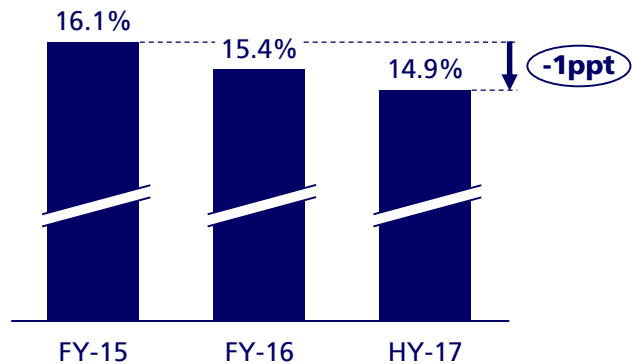
# We have stabilized our P&C business and are on track for improved profitability



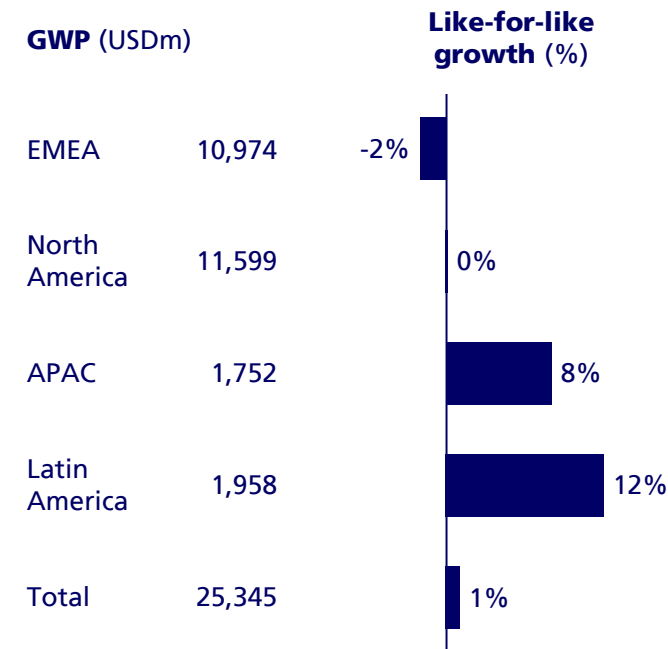
**LOSS RATIO (%)<sup>1</sup>**



**OTHER UNDERWRITING EXPENSE RATIO (%)<sup>1</sup>**



**9m-17 TOPLINE GROWTH<sup>4</sup>**



<sup>1</sup> FY-15 has not been restated. HY-17 excludes the impact from the change in the Ogden discount rate, booked in Q1-17.

<sup>2</sup> Catastrophes include major and mid-sized catastrophes including significant weather-related events.

<sup>3</sup> Accident year loss ratio (AY LR) excludes prior year reserve development (PYD).

<sup>4</sup> Total includes Group Reinsurance and Eliminations. Like-for-like growth is in local currency and adjusted for any acquisitions or disposals.



# A streamlined organization with strengthened management and continued investment in people



## LEADERSHIP TEAM FURTHER STRENGTHENED

**Group Chief Executive Officer**  
Mario Greco

### BUSINESS HEADS

**Farmers Group, Inc.**  
Jeff Dailey

**Latin America**  
Claudia Dill

**North America**  
Kathleen Savio<sup>1</sup>

**Asia Pacific**  
Jack Howell

**EMEA**  
Gary Shaughnessy

**Commercial Insurance**  
James Shea

### FUNCTIONAL HEADS

**Investment**  
Urban Angehrn

**Finance**  
George Quinn

**Risk**  
Alison Martin<sup>1</sup>

**Operations**  
Kristof Terryn

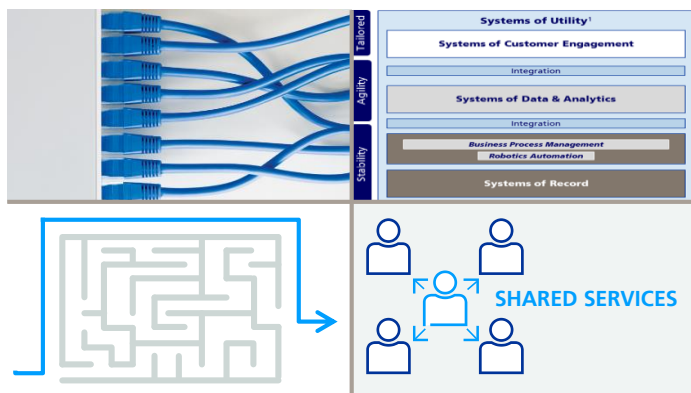
## ACTIONS TAKEN

- ✓ Group structure simplified
- ✓ Slimmed down corporate center
- ✓ Single country management teams established
- ✓ Accountability created at local level
- ✓ Improved retention of key technical staff

<sup>1</sup> CEO-Designate North America as of October 1, 2017 respectively Group Chief Risk Officer-Designate as of October 1, 2017.

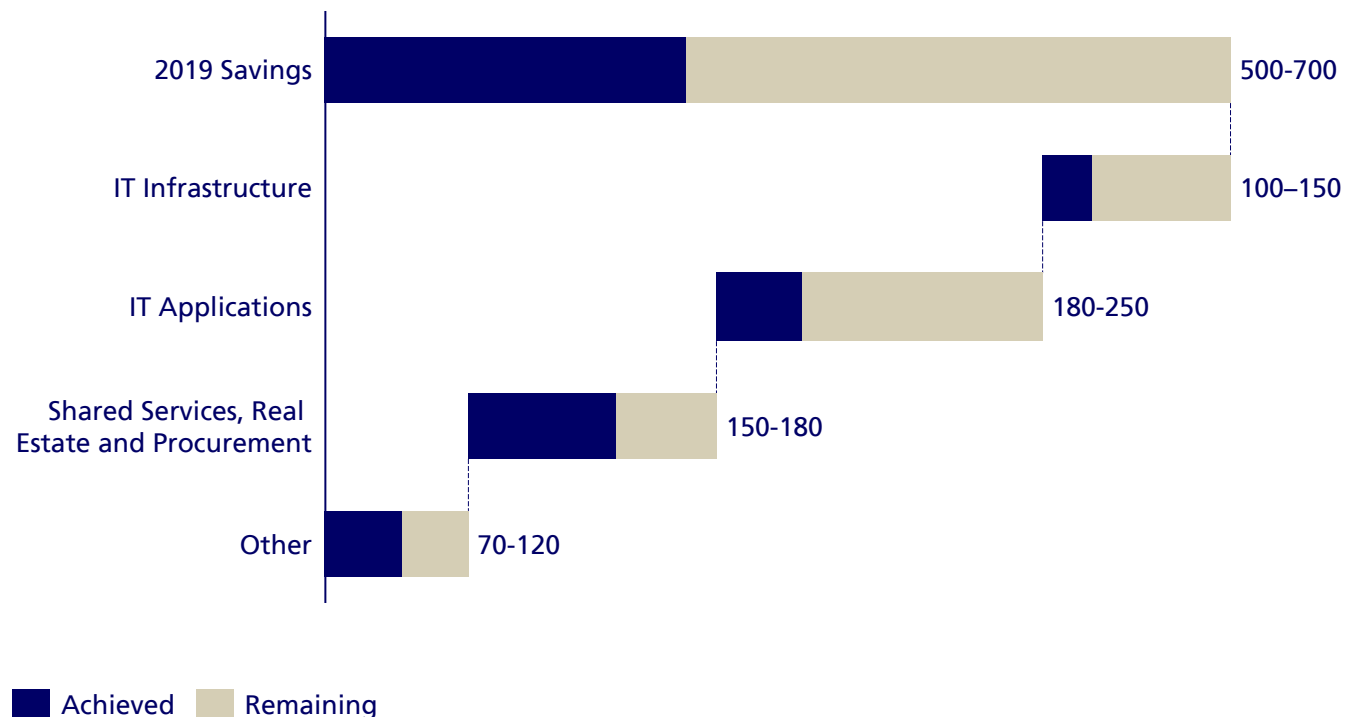
# The transformation of our operations and IT infrastructure is making good progress

## EFFICIENCY AND OPERATIONAL EXCELLENCE



- **Data centers:** Reduced by >50%, 31 data centers remaining
- **IT applications:** Significant number of IT applications decommissioned
- **IT network transformation:** Transition to single network provider now complete

## PLANNED OPERATIONS SAVINGS BY 2019 (USDm)



# We have begun to improve the balance of our portfolio in Commercial Insurance



## WE HAVE RESTORED THE BASICS



Technical excellence restored

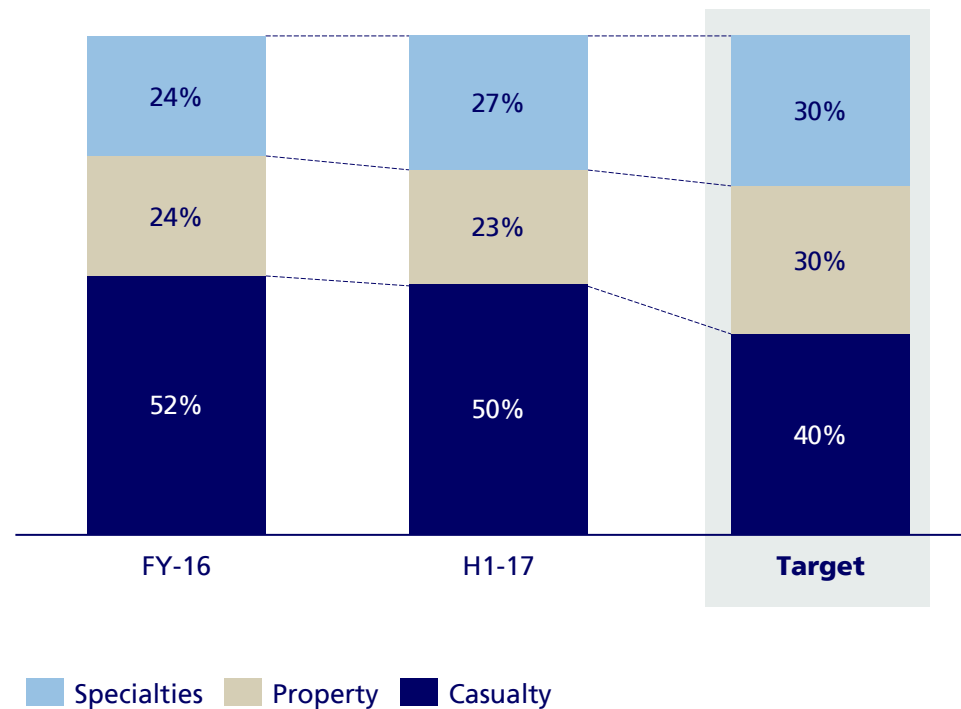


Improved 'Go-to-Market' approach



Enhanced capabilities

## PORTFOLIO REBALANCING UNDERWAY (NEP, %)



# We are accelerating growth initiatives for specialty lines with early success in first half of the year

## WE ARE BUILDING ON EXISTING CAPABILITIES



### CREDIT & SURETY

- Integrate under single unit
- Build out of shorter tail lines



### MARINE

- Reinvigorated leadership
- Portfolio optimization



### FINANCIAL LINES

- Disciplined execution
- Tactical use of reinsurance

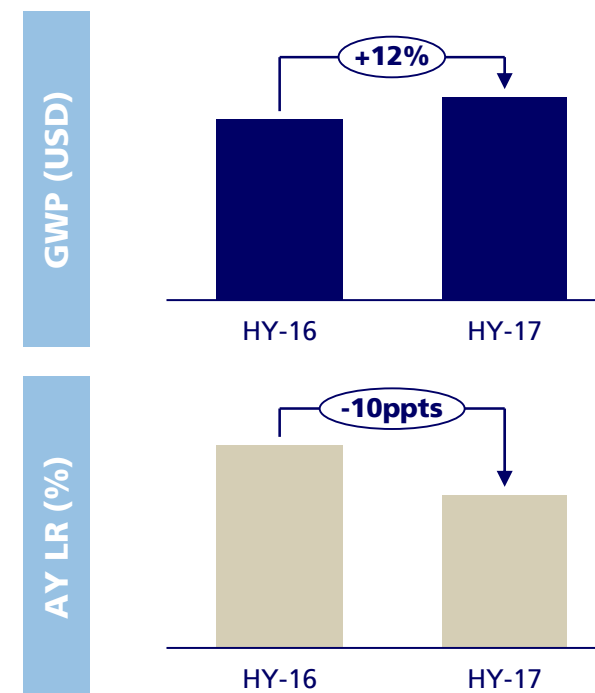


### ACCIDENT & HEALTH

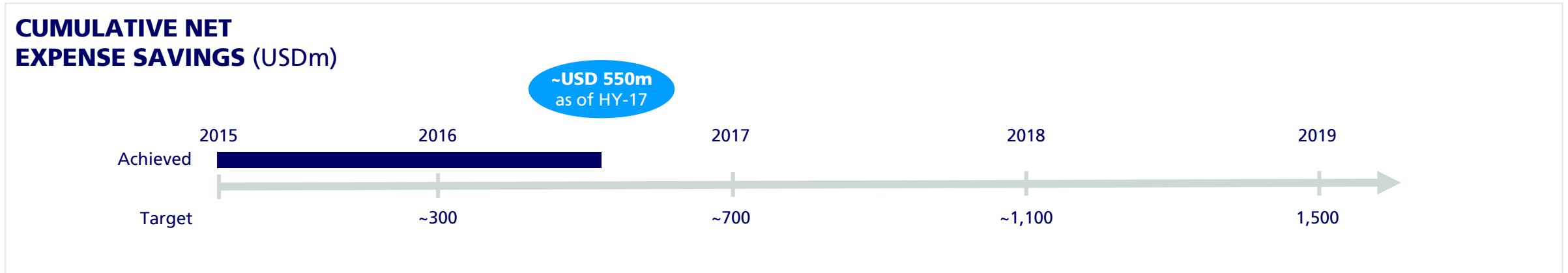
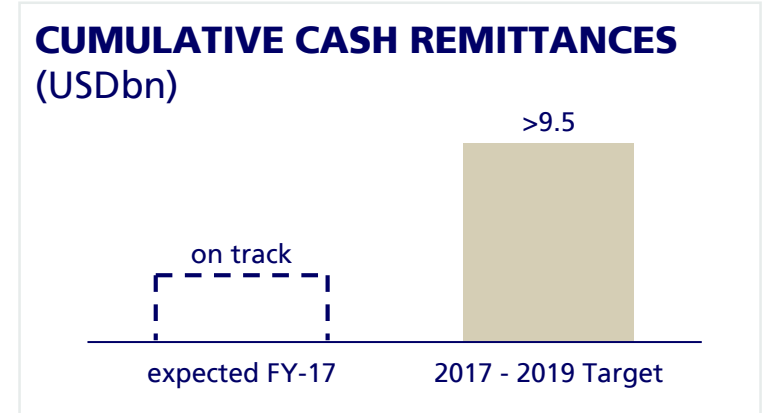
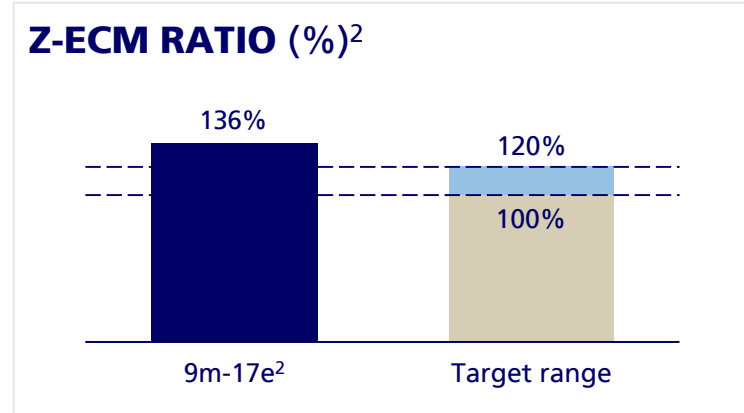
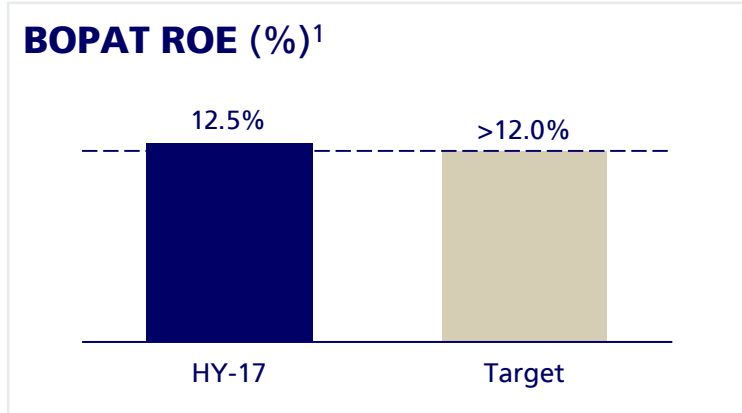
- Broadening geographical and product offering

## WITH DEMONSTRABLE EARLY RESULTS

### Credit & Surety example



# On track to achieve our financial targets

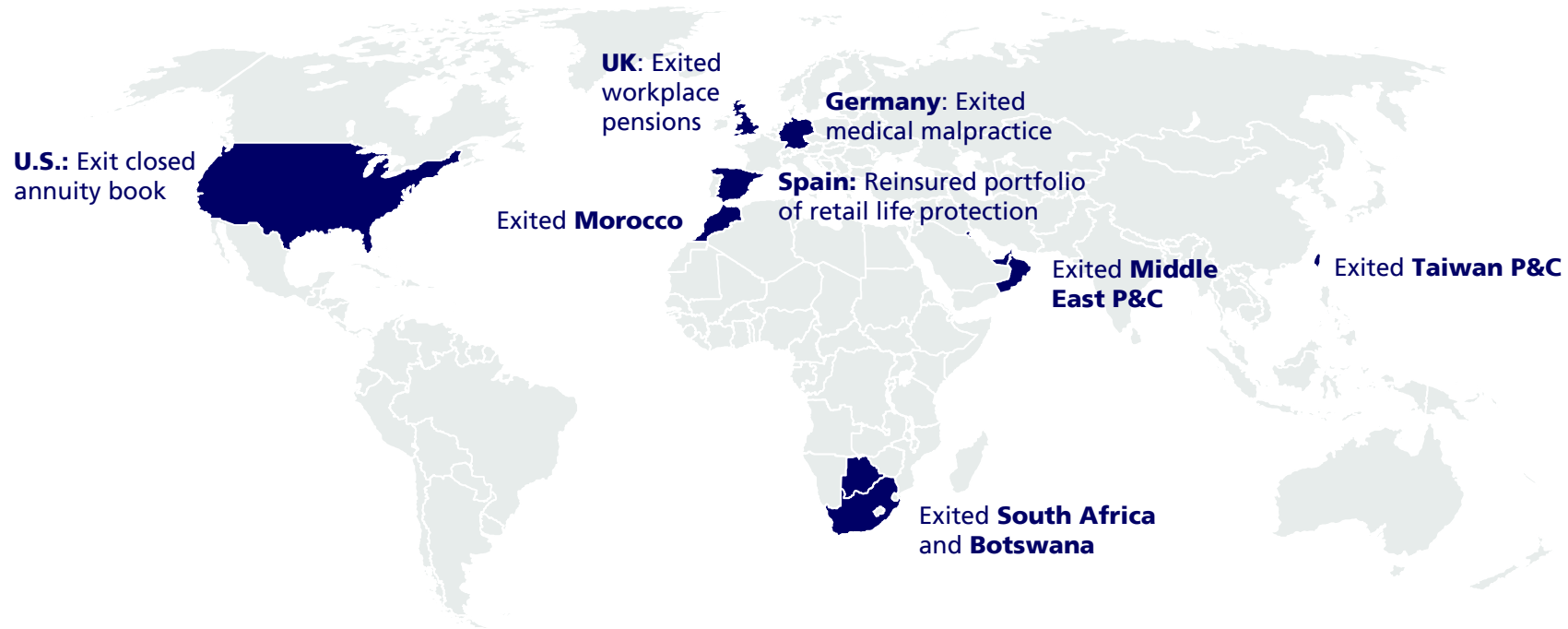


<sup>1</sup> Business Operating Profit after tax return on equity, excluding unrealized gains and losses. HY-17 excludes the impact from the change in the Ogden discount rate.

<sup>2</sup> 9m-17 Z-ECM reflects midpoint estimate with an error margin of +/- 5ppts.

# We have released USD 1.7bn of capital from non-core businesses ...

## OVERVIEW OF RECENT DISPOSALS<sup>1</sup>



<sup>1</sup> Including disposals in 2016 and 2017. Disposals exclude Commercial Insurance distribution capabilities.

# ... while investing USD 1.8bn in strengthening core areas of focus

## OVERVIEW OF TRANSACTIONS

	Type of deal	Business	Customer group	Strategic rationale		
				Skills	Distribution	Scale
2015	 Via Varejo	D.A. <sup>1</sup>	P&C - Warranty		✓	
	 Kono Insurance	M&A	P&C - Construction	✓		
	 Lojas Romera	D.A. <sup>1</sup>	P&C - Warranty		✓	
	 Fast Shop	D.A. <sup>1</sup>	P&C - Warranty		✓	
2016	 RCIS	M&A	P&C - Crop			✓
	 MAA Takaful	M&A	Takaful	✓	✓	
	 Macquarie Life	M&A	Life – Protection		✓	
	 Cover-More / Halo	M&A	P&C – Travel	✓		
2017	 Standard Chartered	D.A. <sup>1</sup>	Life		✓	

<sup>1</sup> Distribution agreement.

# We are focused on paying an attractive and growing dividend and managing our capital in a disciplined way



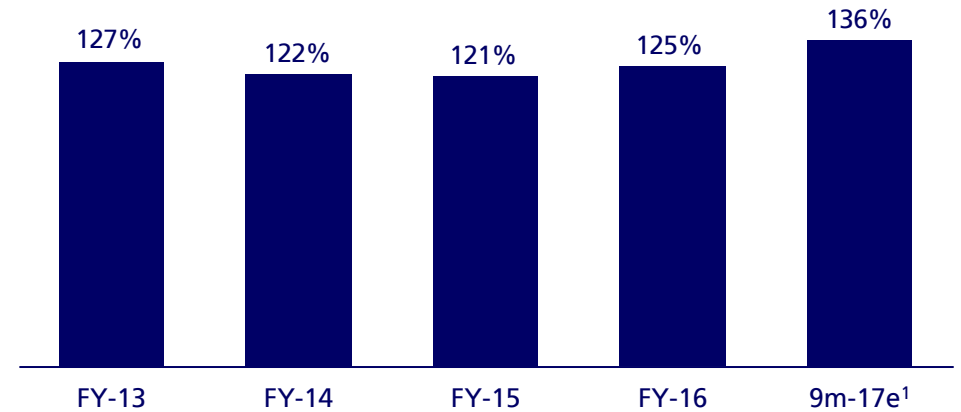
## ZURICH'S DIVIDEND POLICY

**NIAS payout ratio of approximately 75%**

**Dividend increases based on sustainable earnings growth**

**Target minimum CHF 17 per share dividend**

## STRONG CAPITAL WITH LOW INVESTMENT RISK (Z-ECM, %)<sup>1</sup>



<sup>1</sup> 9m-17 Zurich Economic Capital Model (Z-ECM) reflects midpoint estimate with an error margin of +/- 5ppts.

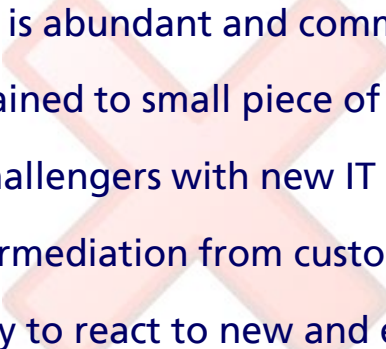


# The insurance industry is changing fast and profoundly, with customer needs quickly evolving



# Customer relationships will be key for long term success of insurance companies

## MANUFACTURER AND BALANCE SHEET PROVIDER

- 
- Capital is abundant and commoditized
  - Constrained to small piece of value chain
  - New challengers with new IT more efficient
  - Disintermediation from customers
  - Inability to react to new and evolving risks



**Low ROEs and eventual consolidation**

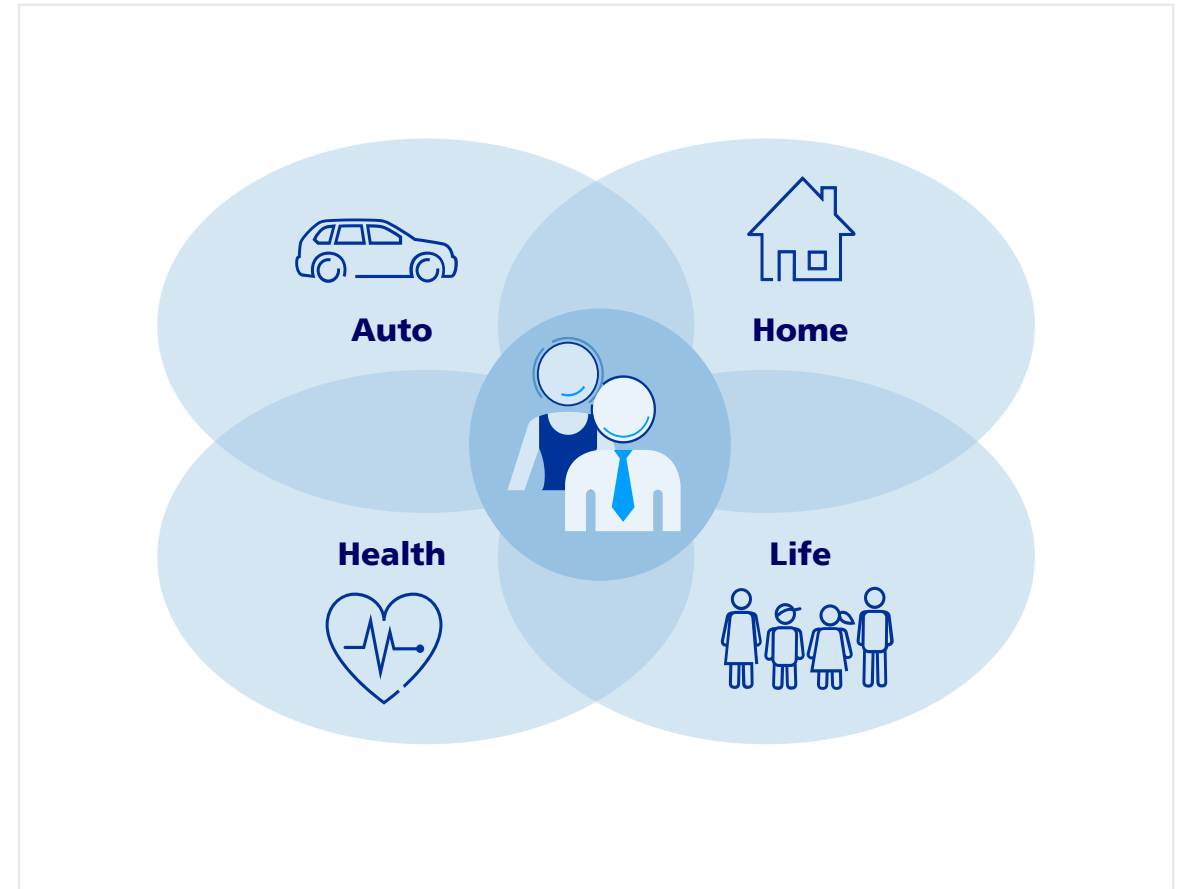
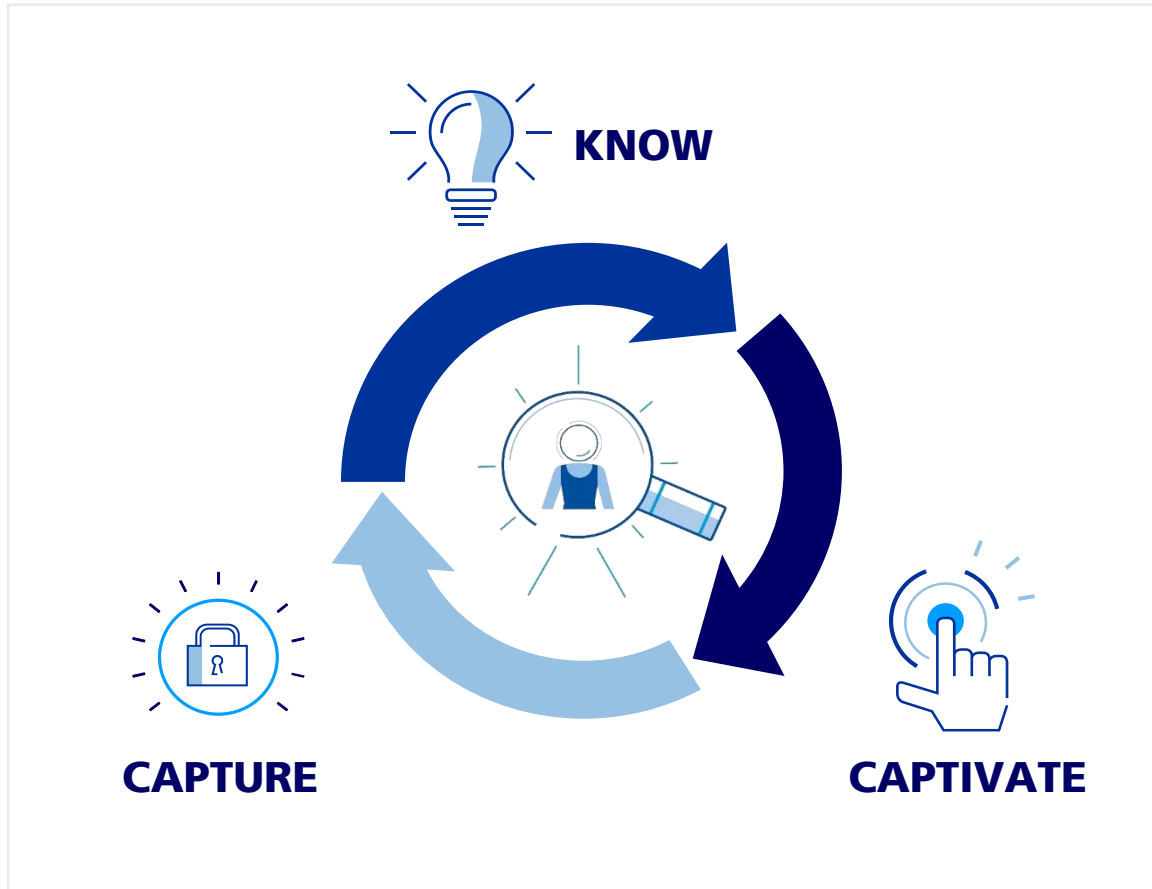
## OWNER OF THE CUSTOMER RELATIONSHIP

- 
- Enhanced returns through value added services
  - Own a greater proportion of value chain
  - Greater resilience to new entrants
  - No risk of disintermediation
  - Ability to react to emerging customer needs



**Higher ROEs and market success**

# Success will require us to deepen our customer relationships and put them at the heart of everything we do



# We are leveraging new technologies to redesign customer interactions, increase service offerings and digitize core processes



## STRENGTHENING OUR KNOWLEDGE OF THE CUSTOMER

- **Strengthened customer analytics** to improve segmentation
- **Artificial intelligence** to optimize sales and customize propositions
- **Advanced analytics** to augment underwriting decision making

## NEW CAPABILITIES AND BROADER SERVICE OFFERINGS

**Cover-More**  
*keep travelling*

- Travel and aviation, Employee assistance, Medical assistance



- On demand insurance



- Entrepreneur Insurance for SMEs in Switzerland

## REINVENTING THE CUSTOMER EXPERIENCE



- **One-touch claims processing**

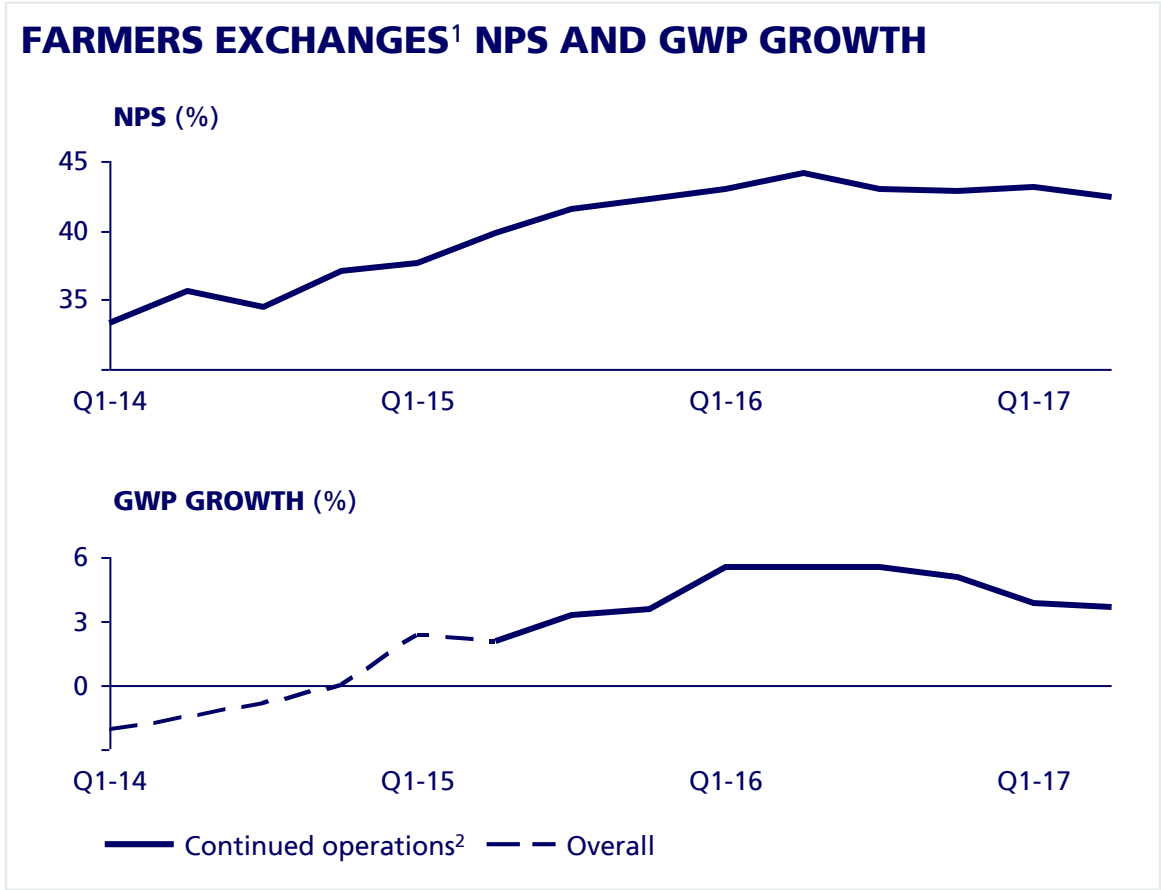
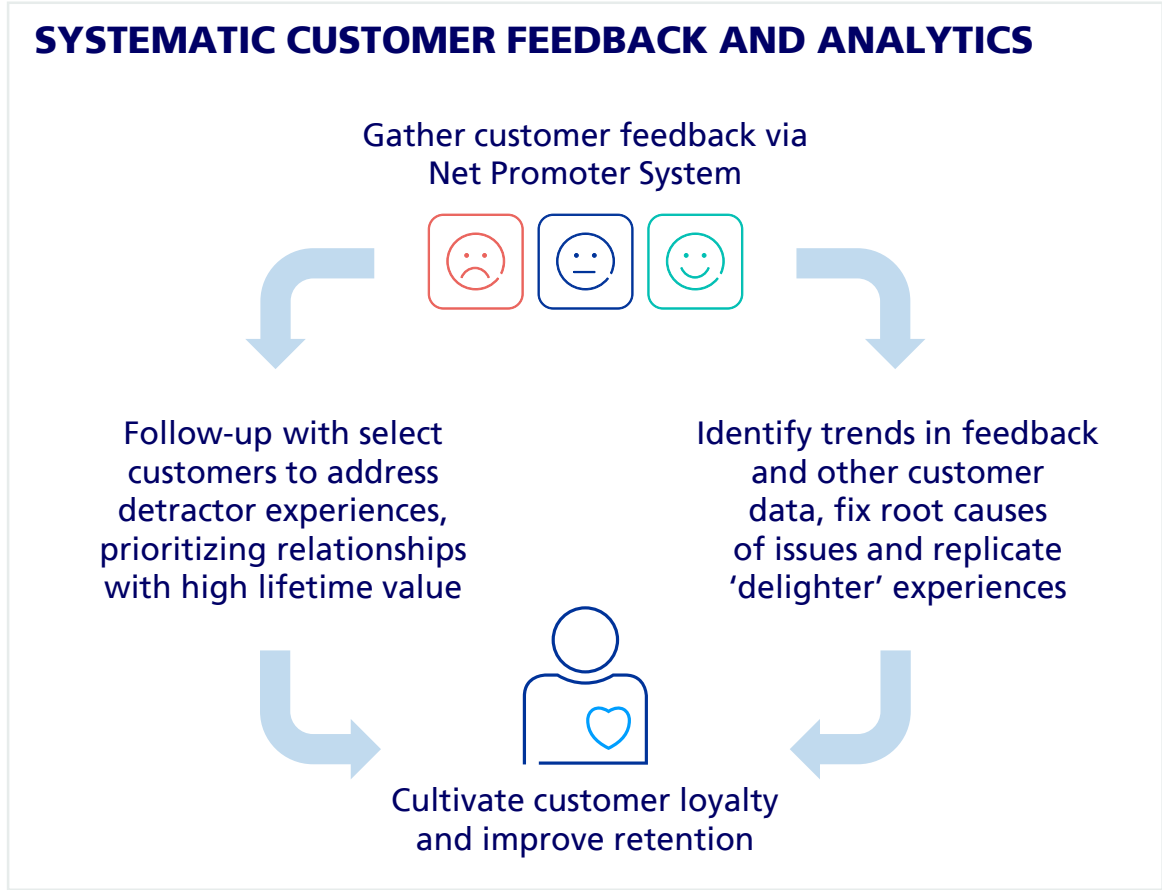


- **Behavior-based pricing**



- **Contextual offers**

# Farmers Exchanges<sup>1</sup> show that this approach works within retail

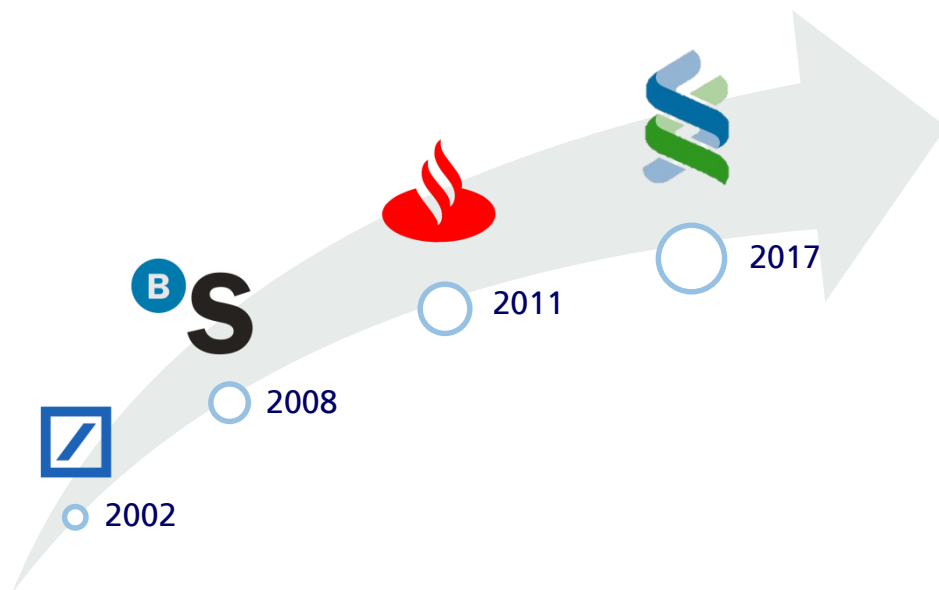


<sup>1</sup> Provided for informational purposes only. Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides certain non-claims administrative and management services to the Farmers Exchanges as its attorney-in-fact and receives fees for its services.

<sup>2</sup> Continued operations exclude 21<sup>st</sup> Century business outside of California and Hawaii and other discontinued operations.

# We continue to grow our access to customers through new bank and affinity partnerships

## WE ARE BUILDING ON OUR SUCCESSFUL RECORD IN BANCASSURANCE



## WE CONTINUE TO BUILD OUT OUR AFFINITY PARTNERSHIPS



### Europe's largest frequent flyer program –

- Deal signed in Germany, Austria, Switzerland
- Access to ~30m customers



### Auto manufacturer of high end sports cars and SUVs

- ~240,000 new cars delivered per year



### Reward program for goods and services purchased

- Deal signed in Italy
- ~10m active clients in Italy

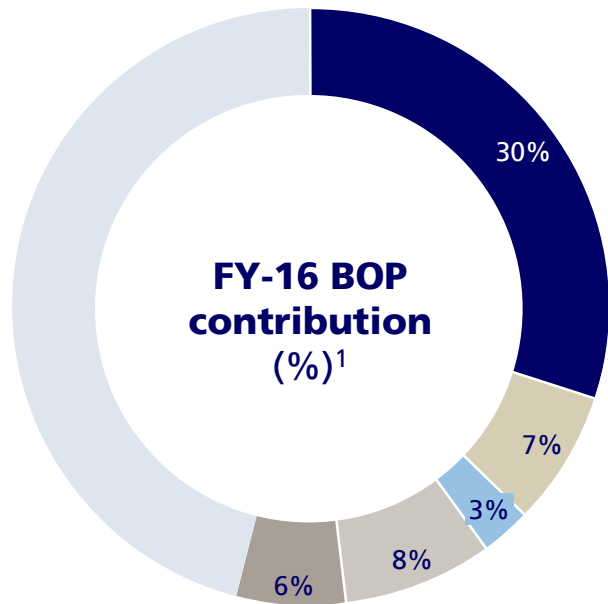


### Further expansion of product offering

- ~1m policies per month through ~1,000 points of sale

**ACCESS TO OVER 100 MILLION CUSTOMERS AND GROWING**

# The program for the remainder of today



- Farmers
- North America Retail & Other
- Latin America excl. Santander
- Bank Distribution incl. Santander
- Asia Pacific

- Jeff Dailey, Mike Linton, Roy Smith
- Kathleen Savio
- Claudia Dill
- Javier Lorenzo, Raúl Vargas
- Jack Howell
- George Quinn

<sup>1</sup> Excludes Non-Core Businesses and Group Functions & Operations.

# Key messages

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We have a uniquely diversified business with strong franchises and well balanced access to distribution backed by a strong balance sheet

## Delivering on our targets

The group's ability to grow earnings and deliver on targets has been restored through improved efficiency, a focus on technical excellence and strengthening of core businesses

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We are well positioned for industry change with a diverse and flexible business and we will actively lead industry transformation

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## Shareholder focused

Our cash generative business model and strong balance sheet allow us to increase the return of capital to shareholders over time





# Farmers® – Customer centered, agent powered

**Jeff Dailey**, CEO, Farmers Group, Inc.

**Mike Linton**, Chief Marketing Officer, Farmers Group, Inc.

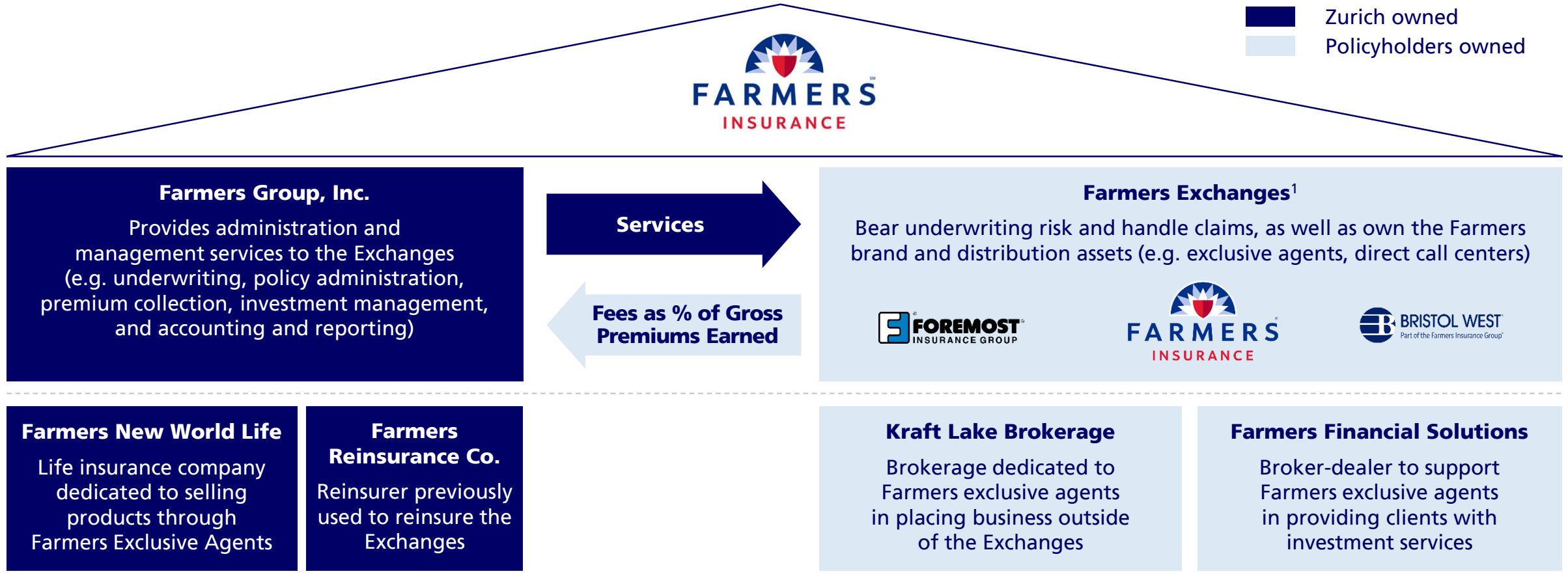
**Roy Smith**, President of Personal Lines & Distribution, Farmers Group, Inc.



# Farmers business structure



Zurich owned  
 Policyholders owned



<sup>1</sup> Zurich Insurance Group has no ownership interest in the Farmers Exchanges, a reciprocal insurer owned by its policyholders. Farmers Group, Inc., a wholly owned subsidiary of Zurich, provides administrative and management services to the Farmers Exchanges as its attorney-in-fact and receives fees for its services.

# Key messages



## Unique structure

Farmers Group, Inc. represents an opportunity to participate in the growth of the U.S. P&C market through a fee based business with low volatility

## Market position

Farmers Exchanges' market position is defined by a strong brand, solid agent network, and broad product suite

## Farmers strategy

Farmers Exchanges' "customer centered, agent powered" strategy is aligned with customer needs

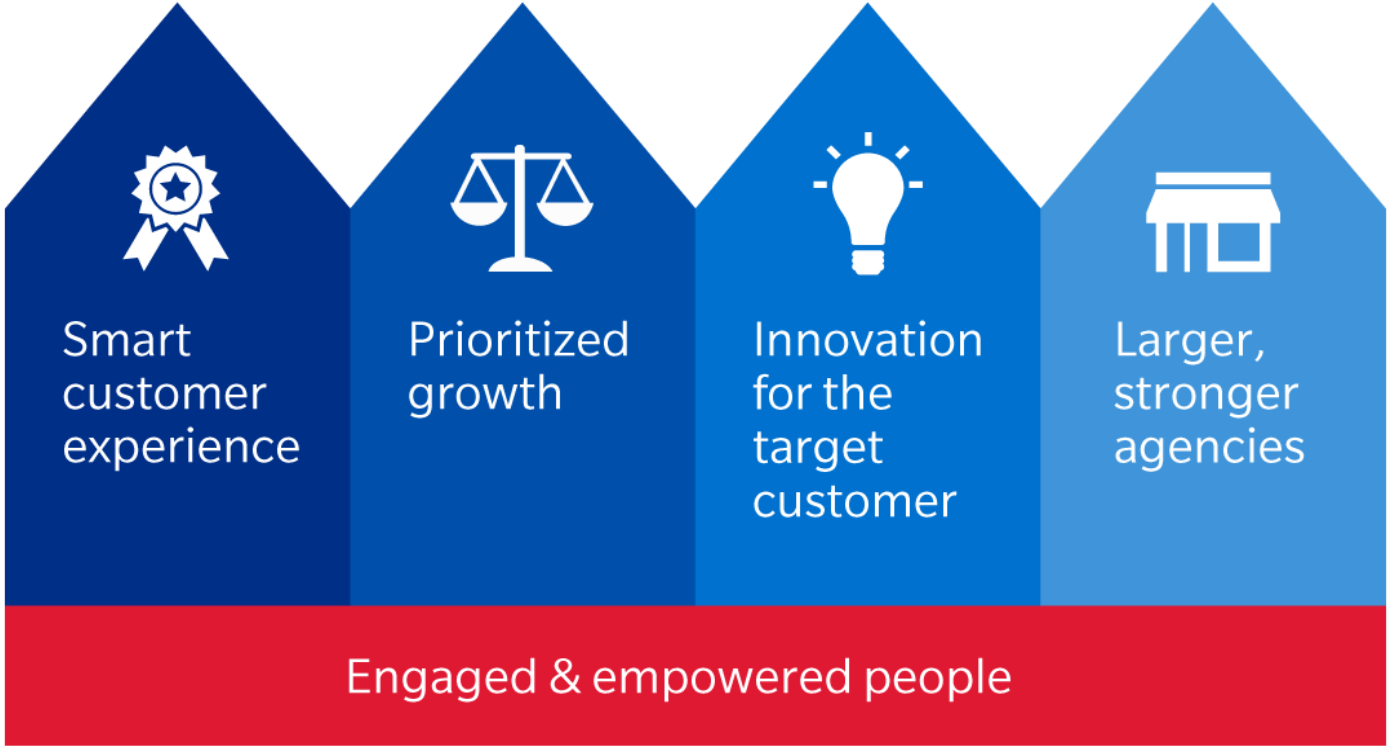
## Driving growth

Farmers Exchanges' strategy is evolving to capture growth via cross-sell, small business insurance, and geographic expansion

## Innovation

Farmers Exchanges are innovating based on customer needs

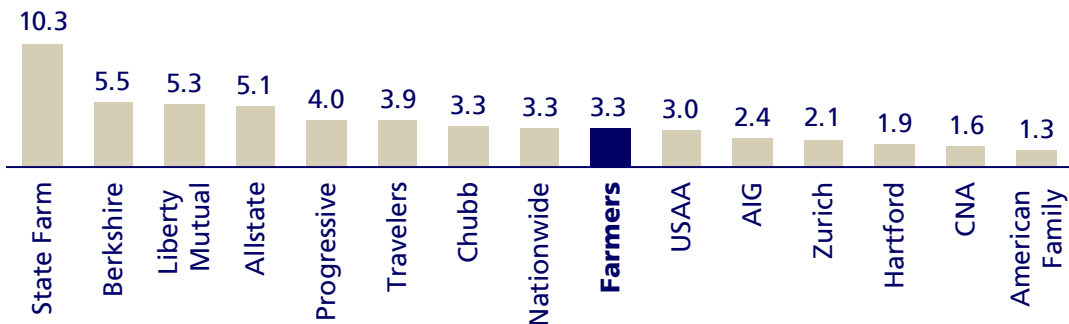
# Customer centered, agent powered



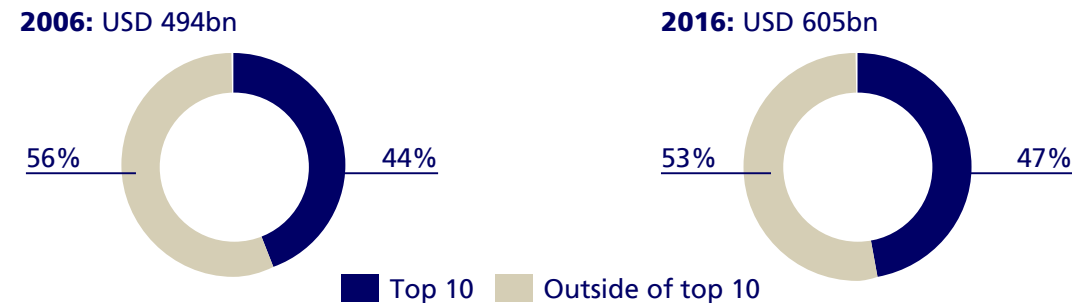
# The U.S. P&C market



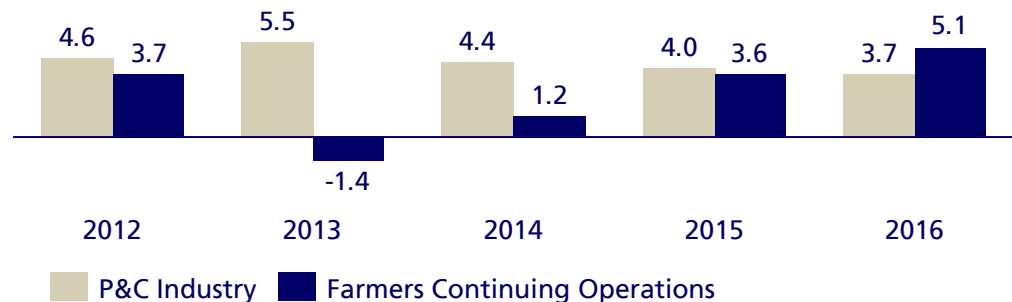
**OVERALL 2016 U.S. P&C INSURANCE MARKET SHARE (%)<sup>1</sup>**



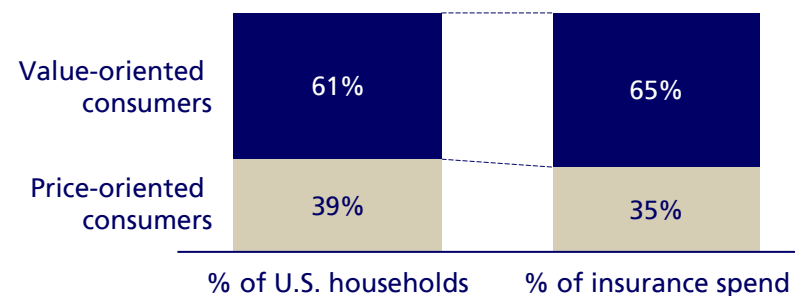
**U.S. P&C SHARE OF PREMIUM (%)<sup>2</sup>**



**YOY GROWTH FARMERS CONT. OPS VS. U.S. P&C INDUSTRY (%)<sup>3</sup>**



**FARMERS SEGMENTATION OF U.S. CONSUMERS (%)<sup>4</sup>**



<sup>1</sup> Source: SNL, U.S. excl. territories.

<sup>2</sup> Source: SNL direct written premiums, US excl. territories.

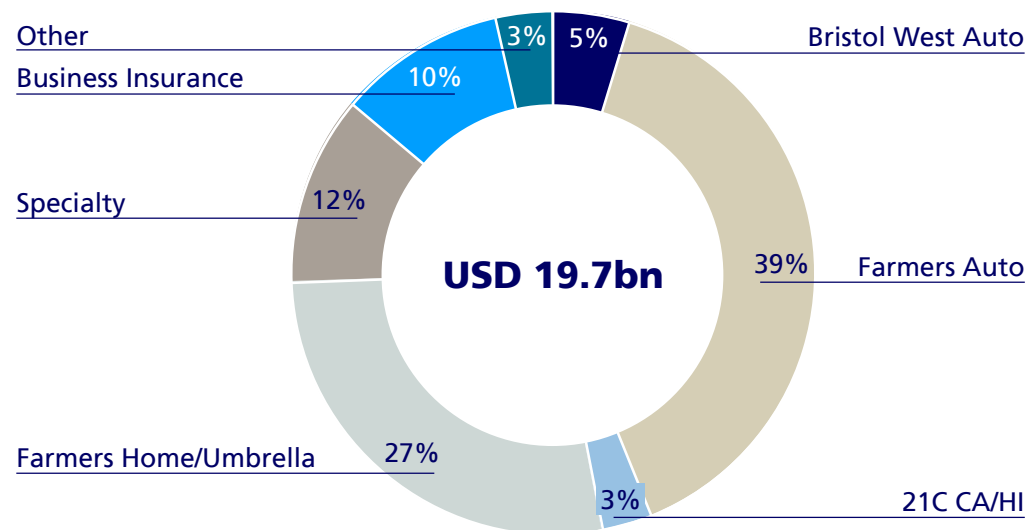
<sup>3</sup> Source: Farmers internal data - GWP, SNL US excl. territories – direct written premiums.

<sup>4</sup> Source: Farmers internal data.

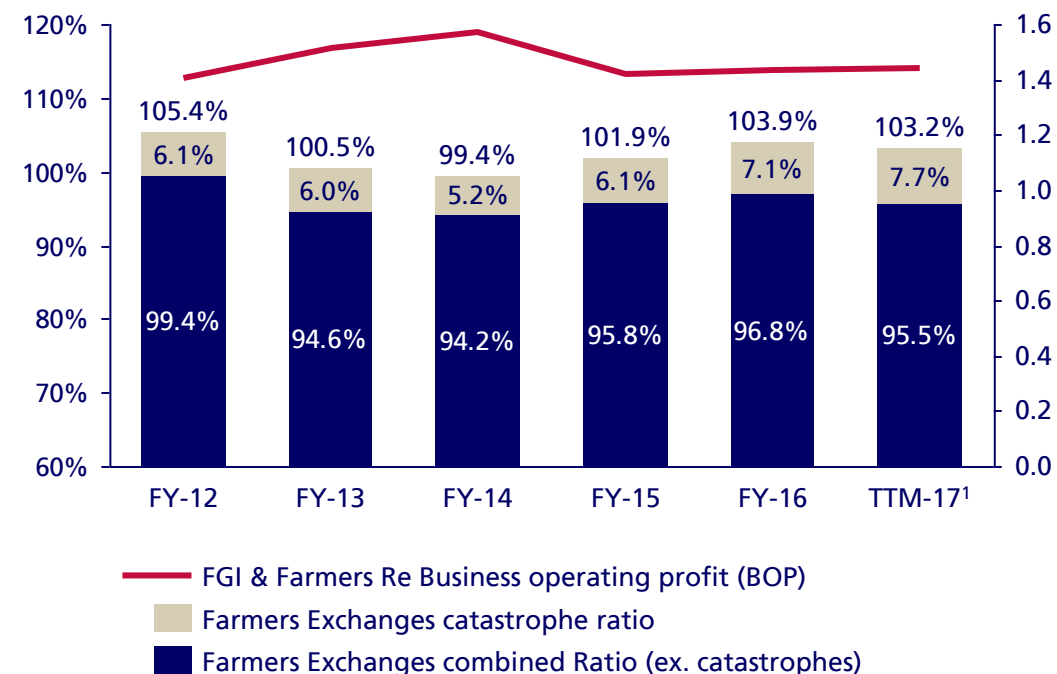
# Steady BOP growth driven by diversified top-line growth



2016 GWP MIX (%)

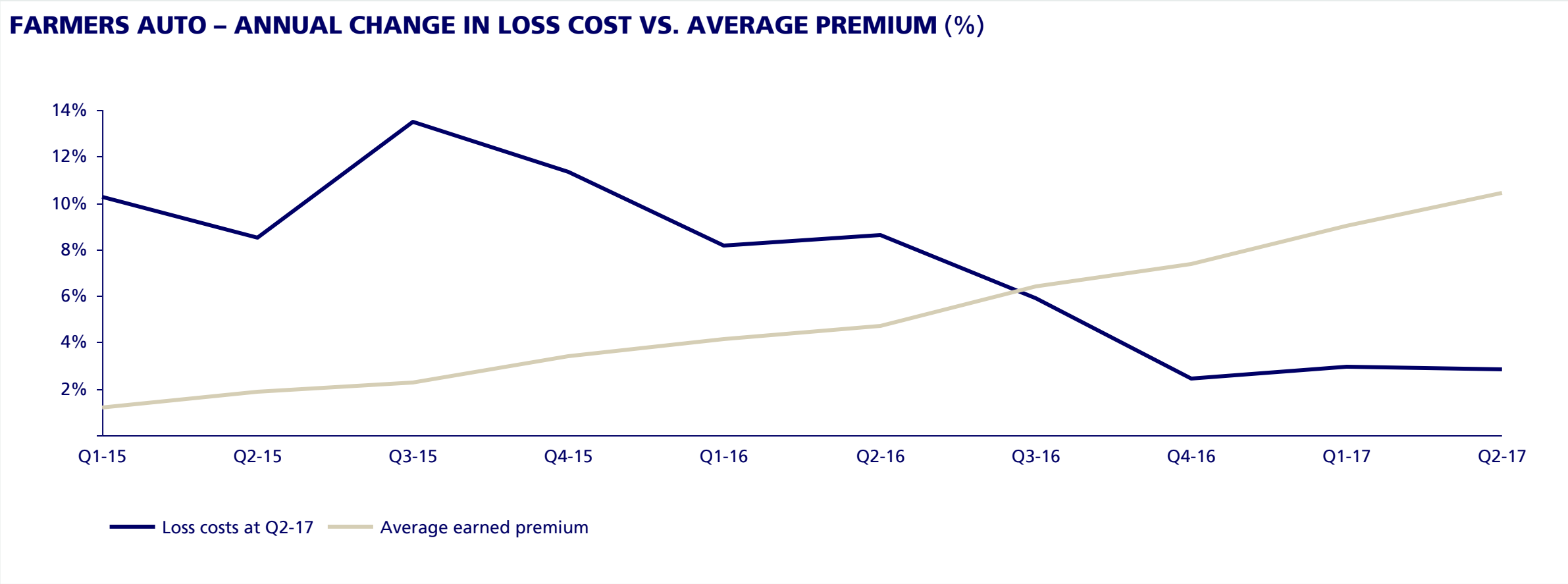


FARMERS GROUP, INC. – BOP (USDbn)  
FARMERS EXCHANGES – PROFITABILITY (%)



<sup>1</sup> Trailing twelve months, as of September 2017.

# Auto profitability efforts are yielding results



Source: Farmers internal data.

# Execution since 2013 has Farmers better positioned for success



## RESULTS OF STRATEGIC EXECUTION

	2013		2016
<b>Exchanges GWP through exclusive agents</b> (USD millions)	14,226	→	15,990
<b>Net Promoter Score (%)</b>	30.0	→	43.2
<b>Full-time agents (#)</b>	12,813	→	13,780

Source: Farmers internal data.



# 2016 consumer segmentation refresh



**VALUE-ORIENTED**

- Willing to pay for better coverage and service
- More likely to have multi-line needs
- Higher expectations for their customer experience
- Attitudinally more likely to be loyal

**PRICE-ORIENTED**

- Low price is top priority in choice of insurance provider
- Less concerned with quality and appropriateness of their coverage

CONSUMER SEGMENTS	% OF HOUSEHOLDS	% OF INSURANCE SPEND
Confident Planner	17%	20%
Relationship Seeker	18%	16%
Loyal Outsourcer	13%	14%
↑ Up and Comer ↑	13%	15%
↓ Do-It-Myselfer ↓	9%	10%
Bargain Hunter	13%	12%
Avoider	17%	13%

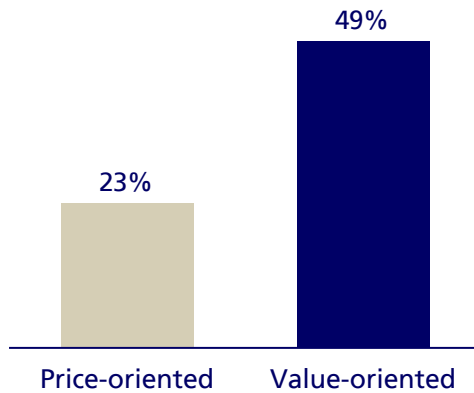
Source: Farmers internal data.

# Farmers is positioned to serve value-oriented consumers



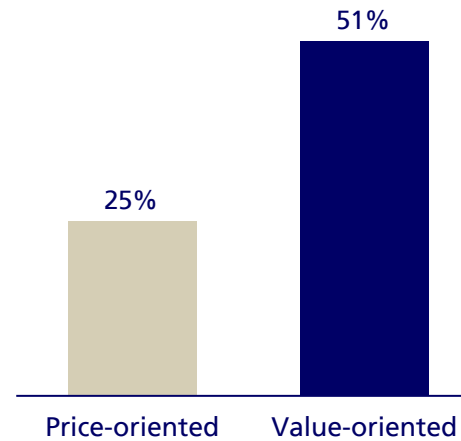
## CUSTOMER SEGMENTS COMPLETELY AGREEING OR STRONGLY AGREEING WITH STATEMENTS BELOW (%)

*It is definitely worth paying more for insurance to get a reputable provider*



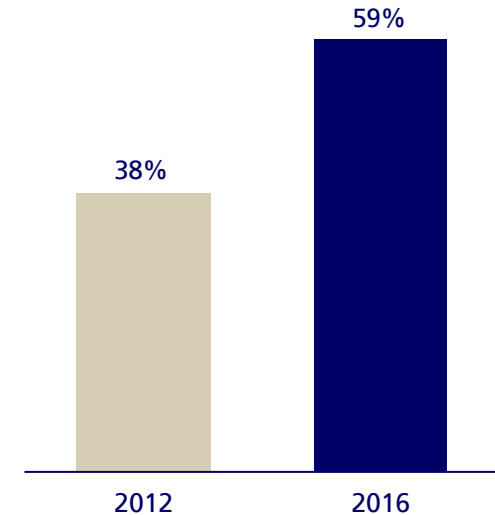
**Brands remain key to Farmers' target customers**

*I'm very loyal to my current insurance agent(s)*



**Agent relationships are important to value customers**

*It is definitely worth paying more for insurance to get better coverage*



**Millennials are becoming more value conscious**

Source: Farmers internal data.

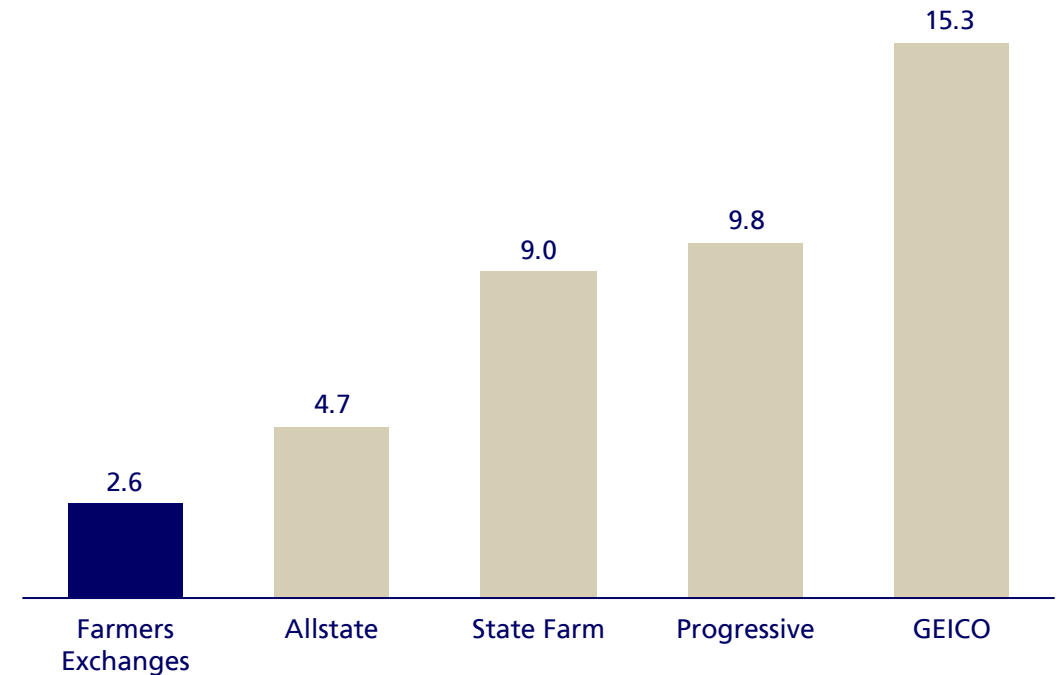
# Smart position delivers value story with efficient media spend



**PROACTIVE  
STRAIGHTFORWARD  
PERSONALIZED KNOWLEDGE**



**COST PER POINT OF COMMUNICATIONS AWARENESS  
(USDm)**

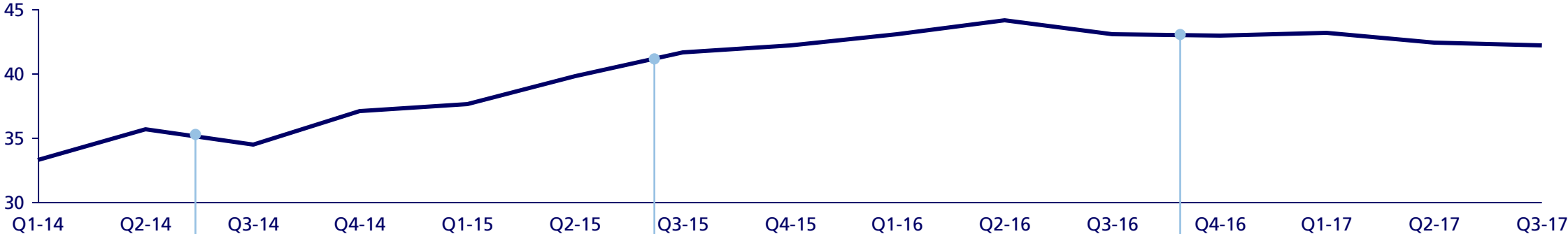


Sources: Spend data: Kantar Strategy (HY-17), Unaided Communications Awareness: Kelton Brand Tracker (HY-17), National Insurance Consumer Market (n=10,547).

# Farmers journey delivering smart customer experience



## FARMERS NET PROMOTER SCORE (%)



### OMNI

Developed omni-channel capabilities to bind Farmers products online and in the call center and completely revamped Farmers.com and mobile app



### FFR

Promoted Farmers Friendly Review best practices to agencies and improved offer rate to over 70%



### PCC

Premium change communications utilized test and learn to launch new tools to support proactive agent contact on price change with messaging that resonates with customers

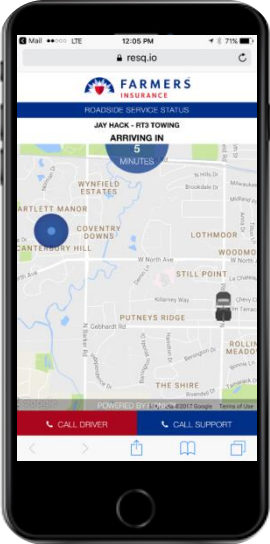


Source: Farmers internal data.

# Innovating to improve customer experience and reduce cost

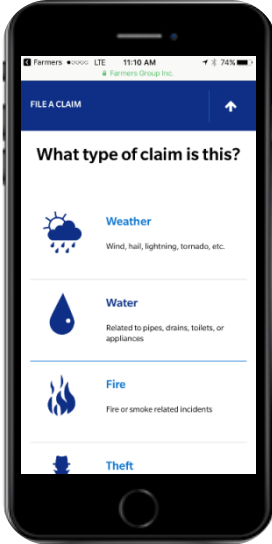


## ROADSIDE ASSISTANCE



Uber-like towing and roadside assistance services that enhance customer experience with real-time tracking capabilities

## FIRST NOTICE OF LOSS



Digital capabilities for reporting claims are creating new touch points and generating loss adjustment expense savings

## TELEMATICS



Smart phone application providing customers personalized information about their driving behavior

## DRONES

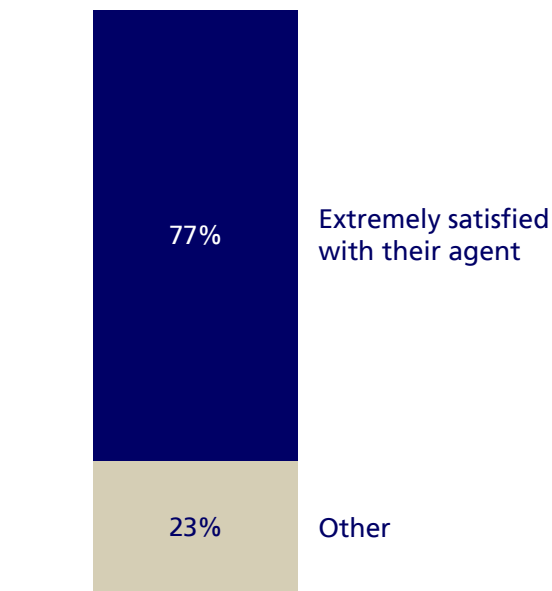


Drone fleet provides better, faster, and safer inspections

# Agencies powering the local experience



## NET PROMOTER SCORE SURVEY RESPONSES (%)



Average NPS

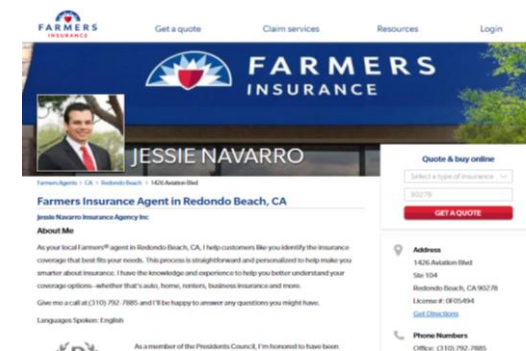
**+72**

**-43**

## ~11K LOCAL STOREFRONTS



## ~14K DIGITAL STOREFRONTS



## BROAD PRODUCT SUITE<sup>1</sup>



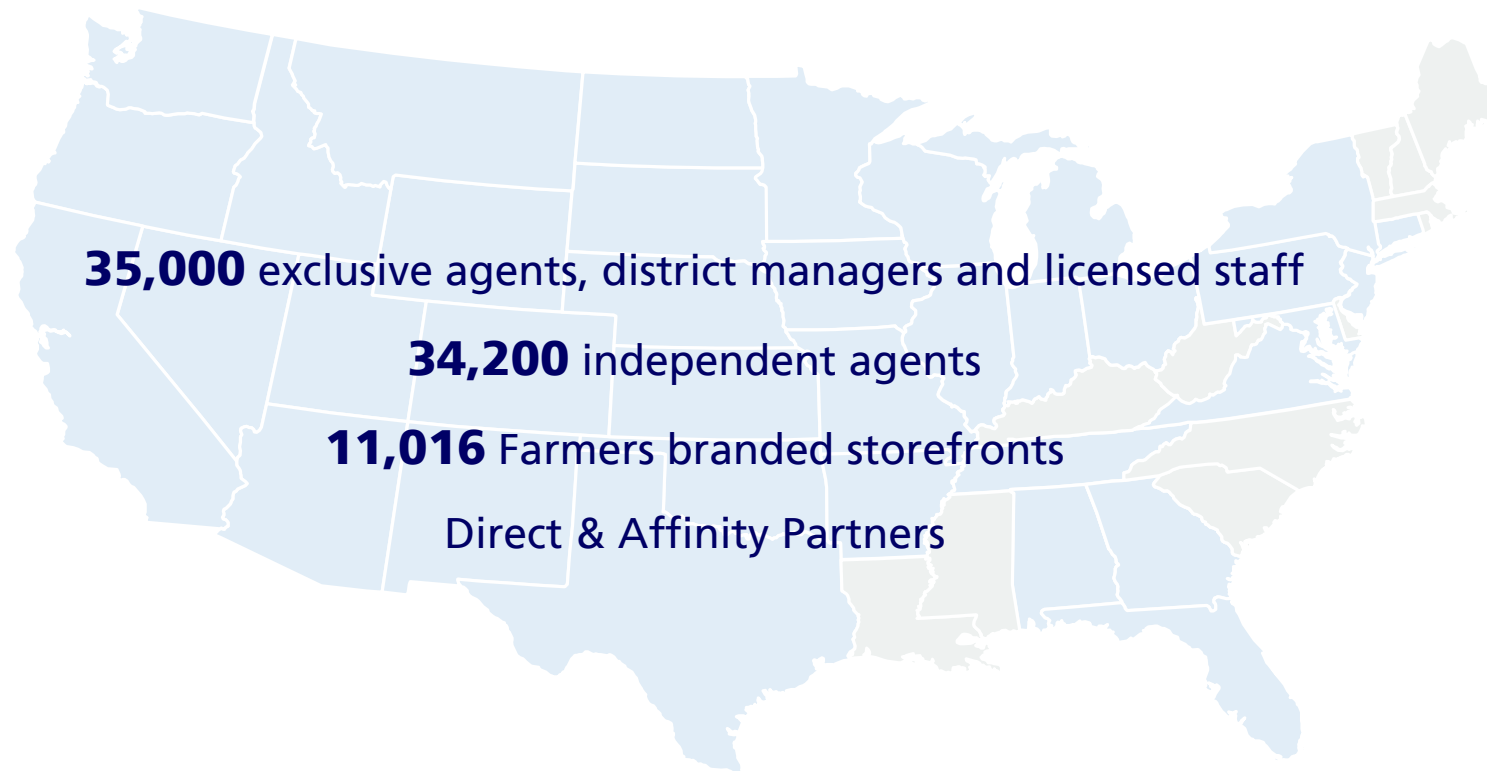
Source: Farmers internal data.

<sup>1</sup> Life, Pet and Financial products administered by Farmers Life and third party servicers.

# Farmers vast distribution system



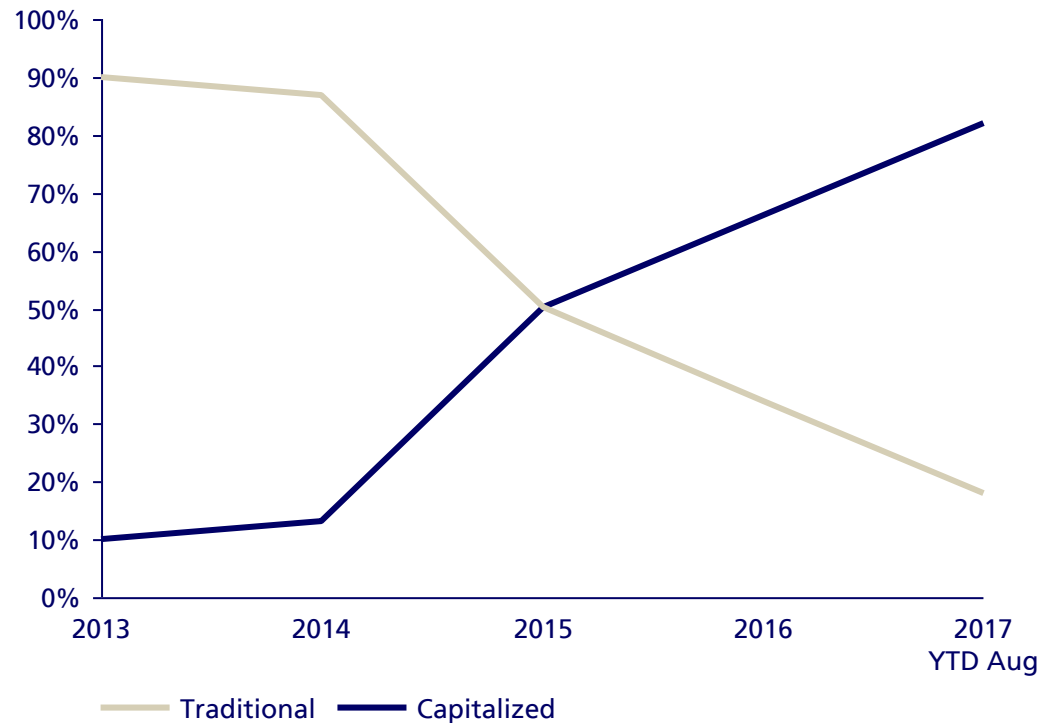
## FOCUS IS ON EXCLUSIVE AGENTS



# Delivering a step-change in quality and consistency of agencies



## NEW FARMERS AGENT APPOINTMENTS (%)



## ON-BOARDED NEW AGENTS ONE WAY FOR 86 YEARS

- No capital requirements
- No experience requirements

## IN 2014, FARMERS CHANGED SELECTION CRITERIA

- Capital/liquid asset requirements
- Business experience requirements

## INSTITUTED AGENCY GROWTH MODEL

- Performance segmentation
- Tool for coaching and monitoring

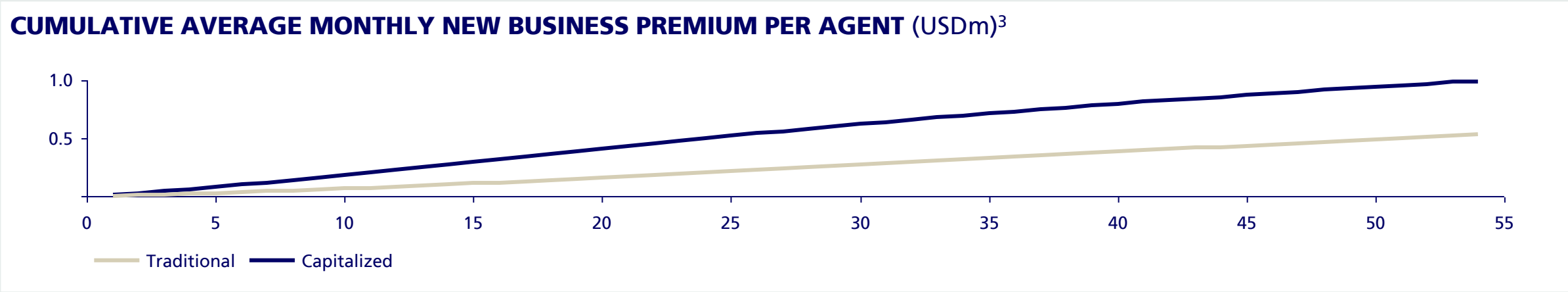
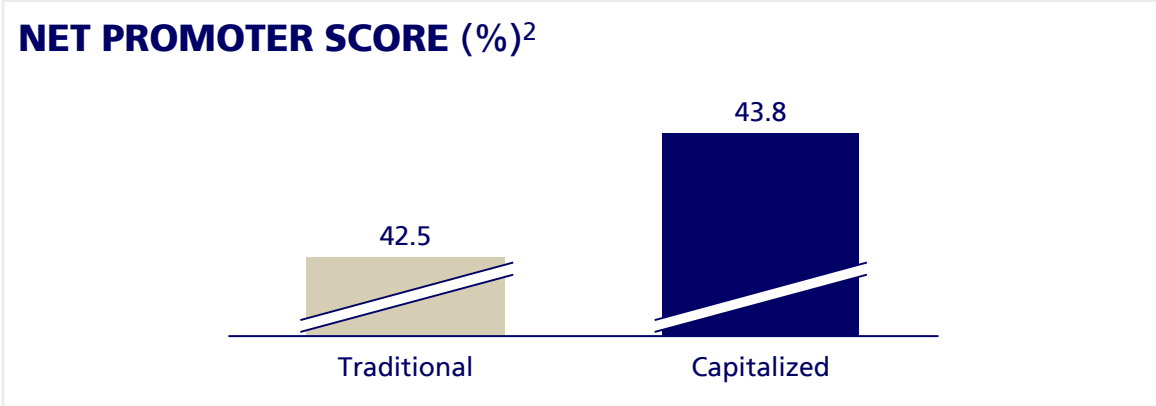
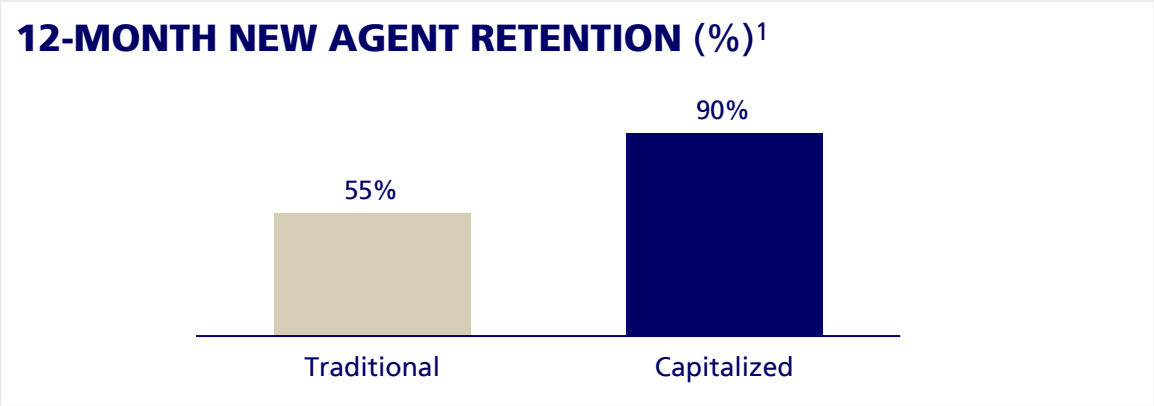
## TODAY, CAPITALIZED NEW AGENTS ARE THE STANDARD

- Today more than 80% of new agents are capitalized and meet the minimum liquid asset requirement

Source: Farmers internal data.



# New Agent entry points continue to outperform

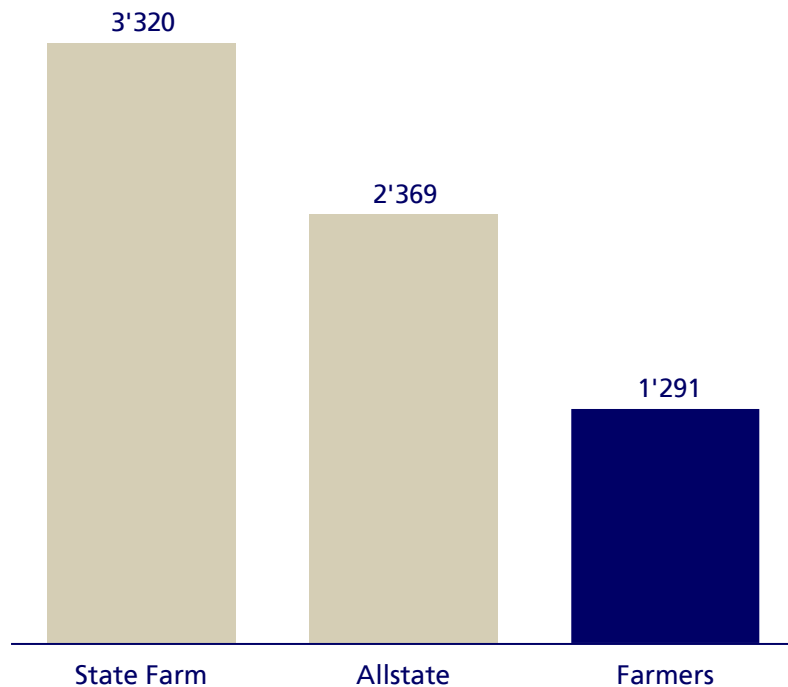


<sup>1</sup> Source: Farmers internal data, 12-month New Agent Retention as of August 2017.  
<sup>2</sup> Source: Farmers internal data as of October 9, 2017.  
<sup>3</sup> Source: Farmers internal data.

# Opportunity to build larger, stronger agencies



**ALL LINES PREMIUM PER AGENT (USD thousands)**



Additional opportunity exists to grow agency size via

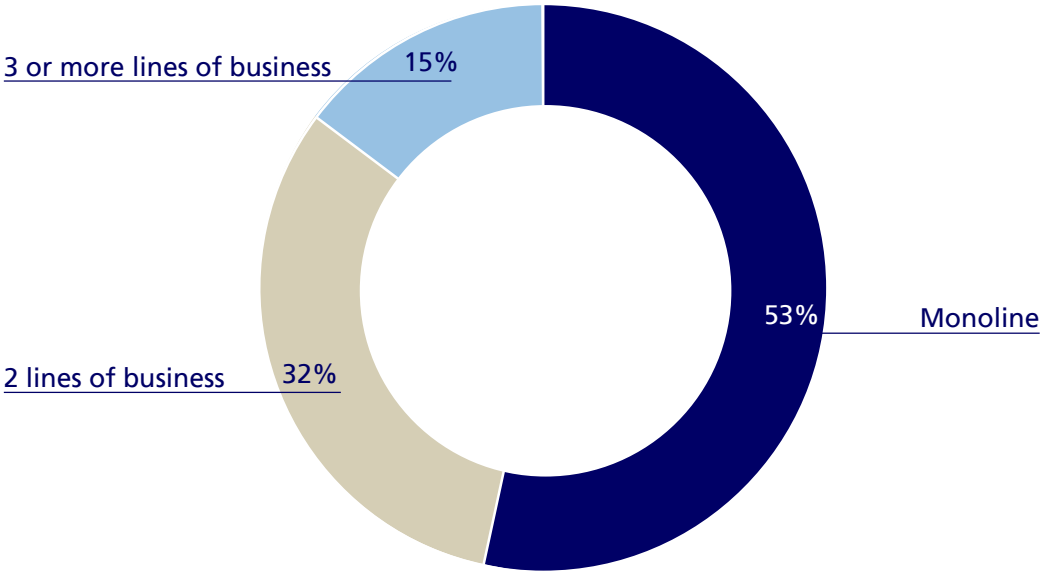
- Capitalized agency model
- New recruiting standards
- Changes in compensation
- New performance management standards

Source: 2016 AM Best Top 50 Report - All Lines Direct Premiums, Agent counts provided by Marketing Analytics team.  
Farmers internal data - All Lines gross written premium (rolling 12 months as of September 2017), total storefront counts.

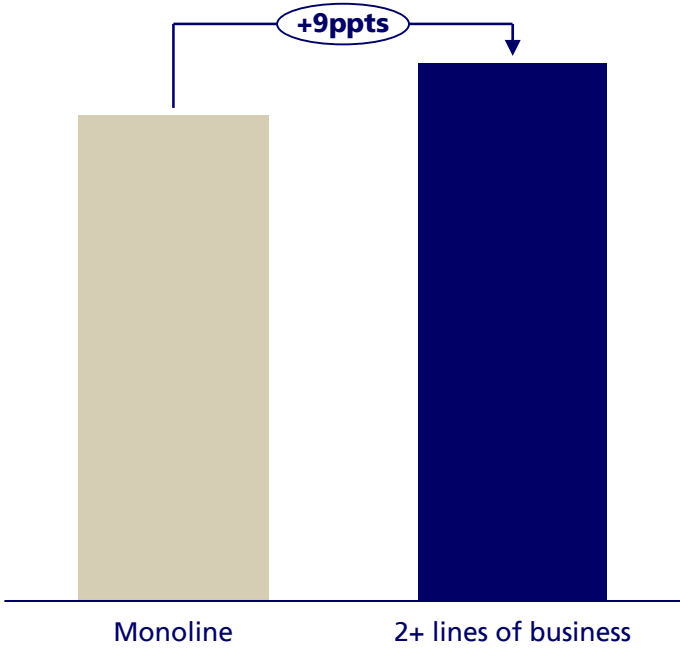
# Opportunity to increase retention through multi-line growth



FARMERS HOUSEHOLDS BY PRODUCT (%)<sup>1</sup>



FARMERS HOUSEHOLD RETENTION BY PRODUCT MIX (%)<sup>2</sup>



<sup>1</sup> Source: Farmers internal data, as of August 2017.

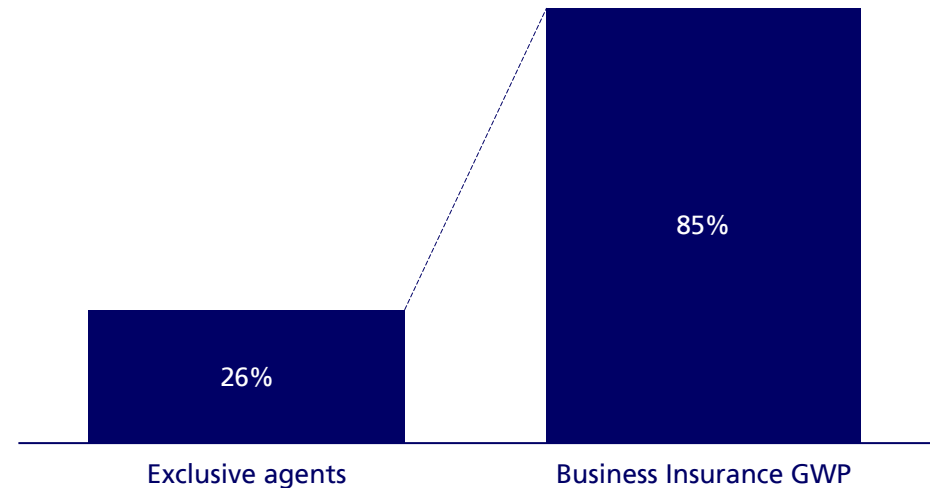
<sup>2</sup> Source: Farmers internal data, 8-month household retention as of August 2017.

# Farmers is poised for Business Insurance growth



- The U.S. small business insurance market is highly fragmented with no clear leader
- In 2017, JD Powers ranked Farmers #1 in small commercial customer satisfaction
- Today, 26% of agents drive 85% of Farmers' commercial lines GWP; most of these agents reside in California
- Consistently profitable portfolio
- Farmers' strategy is to extend the footprint of agents engaged in commercial lines

## HY-17 BUSINESS INSURANCE PRODUCTION (Percentage of agents, GWP)

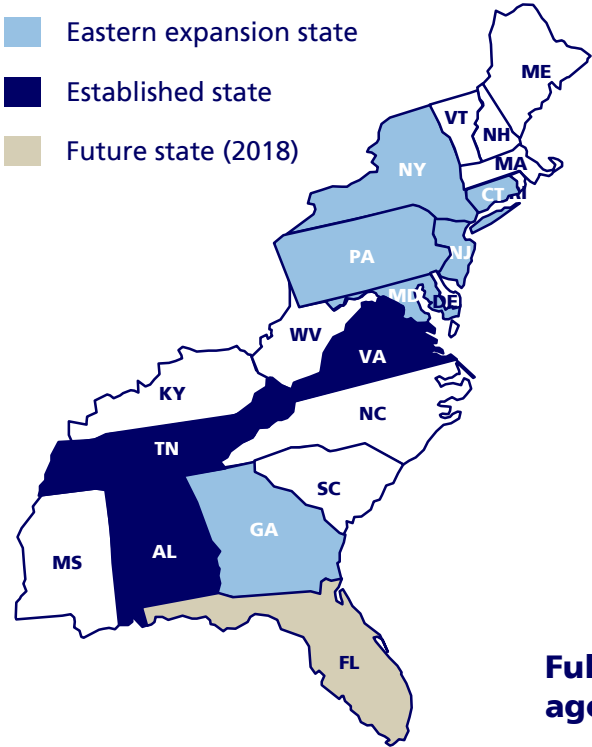


Source: Farmers internal data.

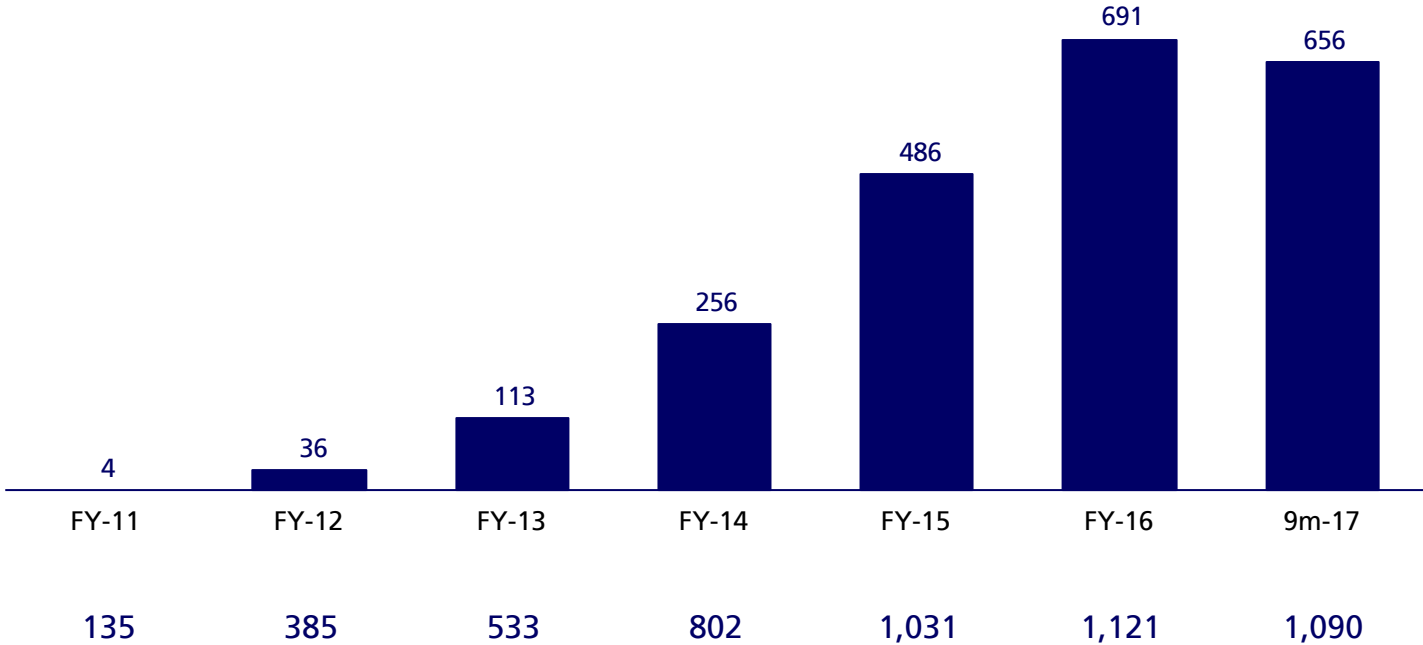
# Eastern expansion driven by new agency management model



## EASTERN EXPANSION GWP (USDm)



**Full-time agents (#)**



Source: Farmers internal data.

# Key messages



## Unique structure

Farmers Group, Inc. represents an opportunity to participate in the growth of the U.S. P&C market through a fee based business with low volatility

## Market position

Farmers Exchanges' market position is defined by a strong brand, solid agent network, and broad product suite

## Farmers strategy

Farmers Exchanges' "customer centered, agent powered" strategy is aligned with customer needs

## Driving growth

Farmers Exchanges' strategy is evolving to capture growth via cross-sell, small business insurance, and geographic expansion

## Innovation

Farmers Exchanges are innovating based on customer needs

# North America – Building on a strong foundation

**Kathleen Savio**, CEO-Designate North America



# Key messages

## Strong foundation

5th largest commercial carrier, serving individuals and small to large businesses through multiple distribution channels

## Track record of performance

Alternative Markets combined ratio improved by 10ppts over 2013-2016, while growing premiums 13% CAGR and keeping expense ratios stable

## Targeted customer segments

Alternative Markets is four market-leading businesses using distinct operating and distribution models to target specific customer segments

## Strong performance mindset

Alternative Markets has a relentless customer focus, provides innovative solutions and simplified approaches to processes and go-to-market

## Rebalancing North America

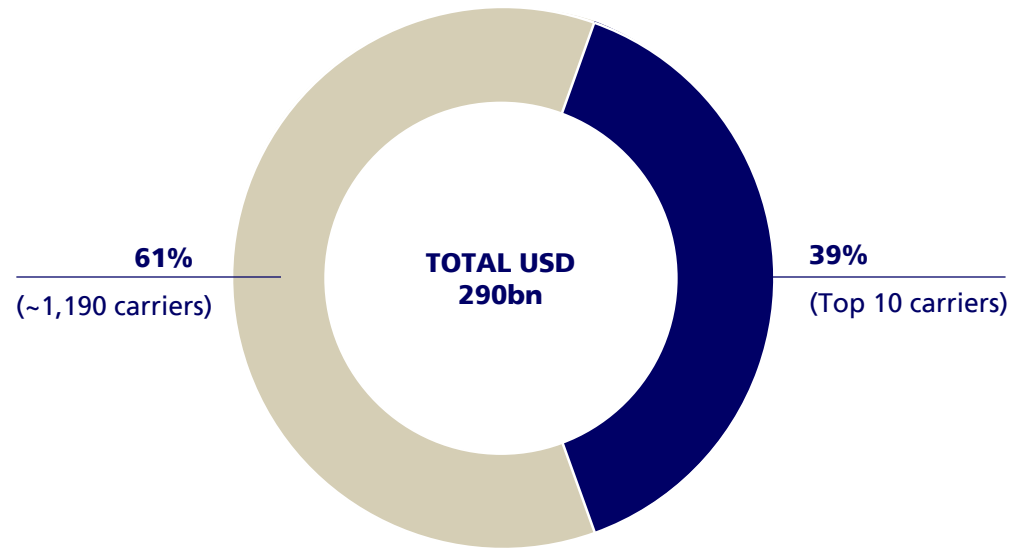
We will rebalance our North America business by leveraging our Alternative Markets success



# Zurich is the 5<sup>th</sup> largest commercial carrier in the United States



## 2016 U.S. P&C COMMERCIAL LINES (DWP<sup>1</sup>)



## TOP 10 U.S. P&C COMMERCIAL LINES CARRIERS

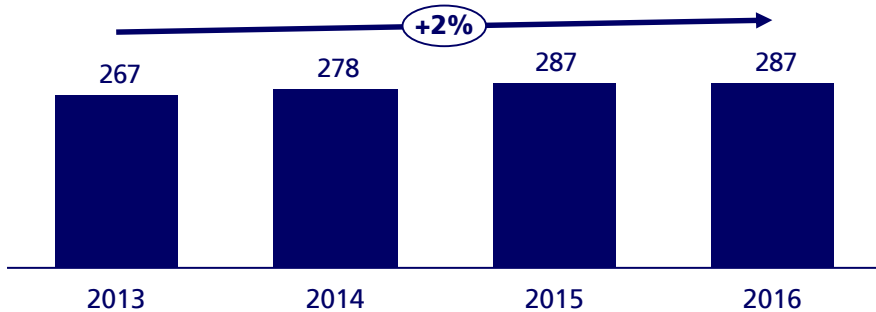
Carrier	Market Share (%)
1. Travelers	5.7
2. Chubb	5.7
3. Liberty	5.2
4. AIG	4.5
<b>5. Zurich U.S.</b>	<b>4.2</b>
6. CNA	3.3
7. Nationwide	3.0
8. Hartford	2.6
9. Berkshire	2.5
10. Tokio Marine	2.2
<b>TOTAL</b>	<b>39.0</b>

© Zurich  
Source: SNL Financial as of March 30, 2017.  
<sup>1</sup> DWP = Direct written premium.

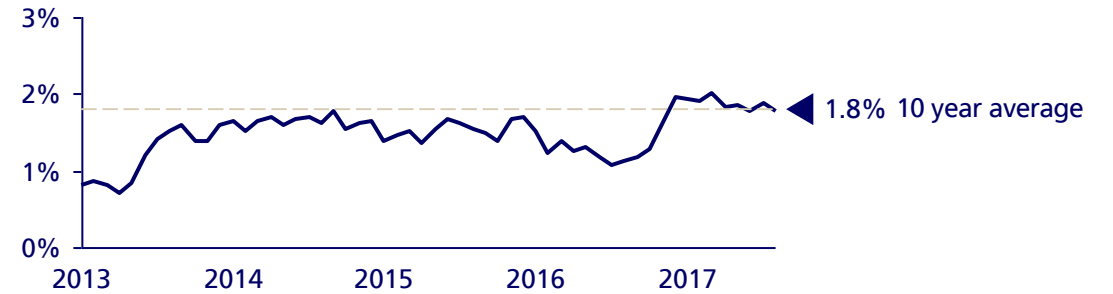
# U.S. commercial insurance environment has been challenging



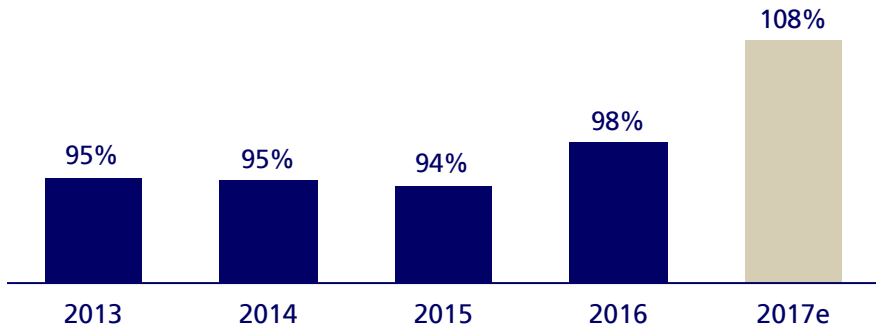
**U.S. INDUSTRY COMMERCIAL LINES DWP (USDbn)**



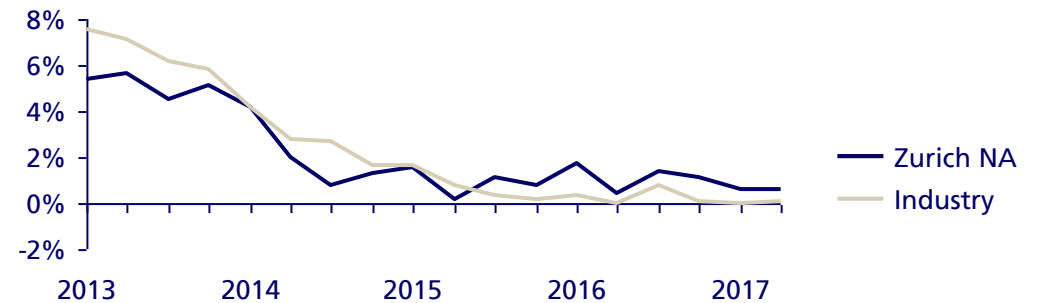
**5-YEAR TREASURY YIELD (%)**



**U.S. INDUSTRY COMMERCIAL LINES COMBINED RATIO (%)<sup>1</sup>**



**P&C COMMERCIAL LINES RATE CHANGE (%)**



Source: SNL Financial; St. Louis Federal Reserve; Towers Watson survey; Conning Property-Casualty Forecast & Analysis (Q4-10, Q3-17); Insurance Information Institute; Aon Benfield Reinsurance Market Outlook; World Bank.

<sup>1</sup> Calendar year combined ratio.

# Recent events are expected to drive rate increases

## ESTIMATED INSURED LOSSES

**Hurricane Harvey**  
USD 15-40 billion



**Hurricane Irma**  
USD 18-35 billion



**Hurricane Maria**  
USD 15-30 billion



**California wildfires**  
USD 6-8 billion



“Many property underwriters have come out and said that **no further rate decreases** will be quoted **unless approved by their top U.S. managers**”

*Willis Towers Watson, Marketplace Realities 2018*

“Given the **inadequacy of pricing and terms** in a **number of important classes** around the globe and the consequent anemic industry results, along with the magnitude of year-to-date cat losses, **we should be at the beginning of a firming market...**”

*Top 10 commercial Insurer*

“...industry has been **underpricing** the product for **two or three years**. So after **three major (wind) events**, you are going to have a **pricing reaction**”

*Top 10 commercial insurer*

# North America goes to market through three business units

## ZURICH NORTH AMERICA

### Focus of this presentation

#### P&C COMMERCIAL: NORTH AMERICA COMMERCIAL INSURANCE

- Serve **mid-sized to global customers**
- Uses **traditional broker distribution**
- **Standard P&C & Specialty lines** products

8.5

#### P&C RETAIL & OTHER: ALTERNATIVE MARKETS

- Serve **small and medium enterprises and some personal customers**
- Uses **alternative distribution models** (e.g., direct sales, program administrators)
- **Standard P&C, Specialty lines, and Crop** products

6.7

#### LIFE: NORTH AMERICA LIFE<sup>1</sup>

- Life insurance products provided through **independent brokers and Employer Groups**

0.1

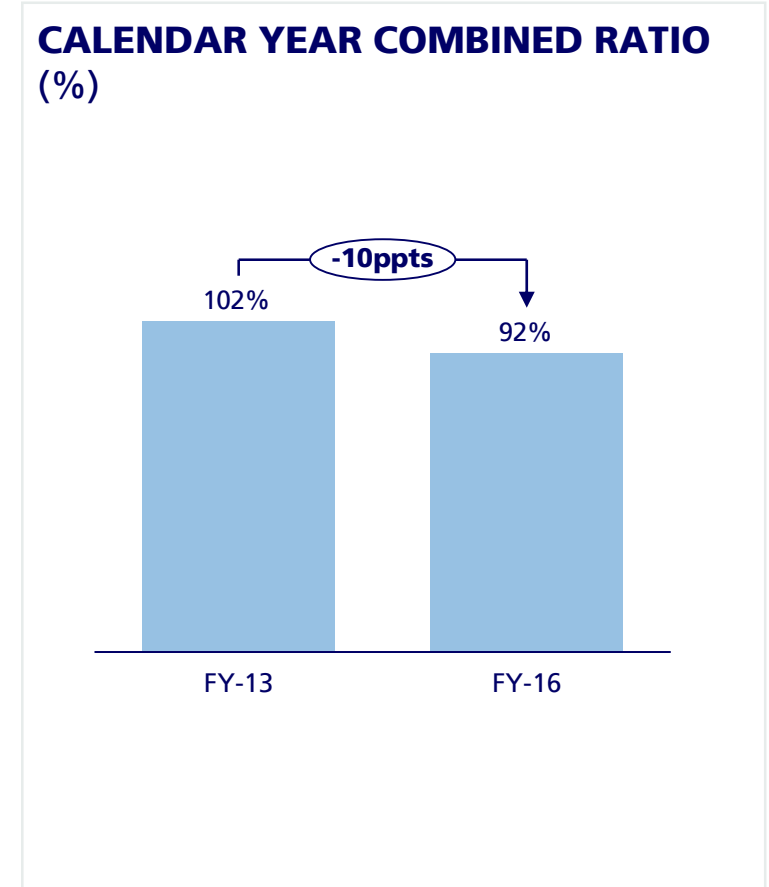
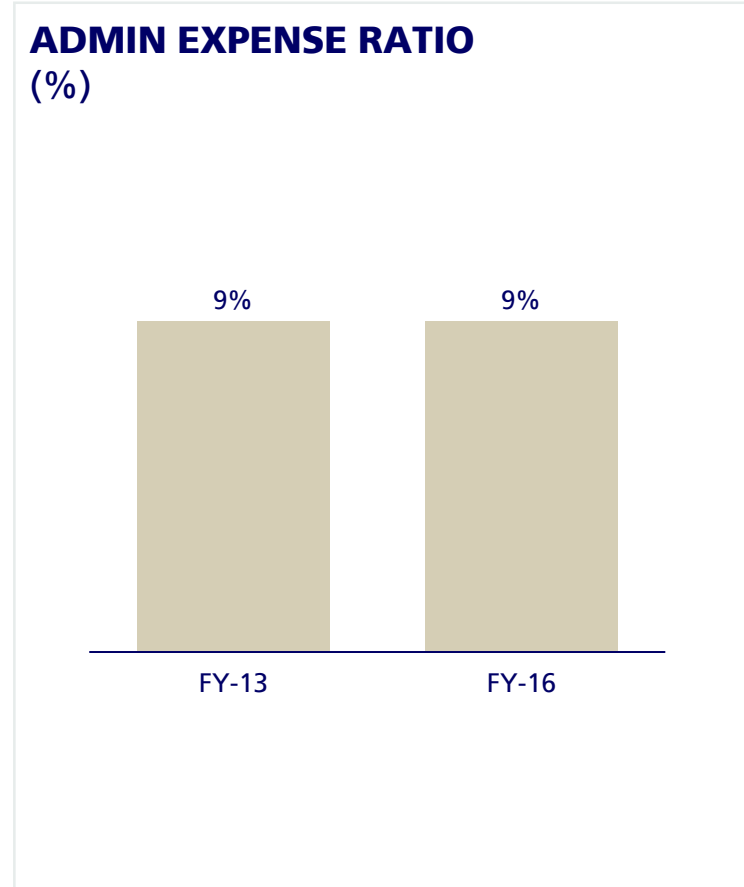
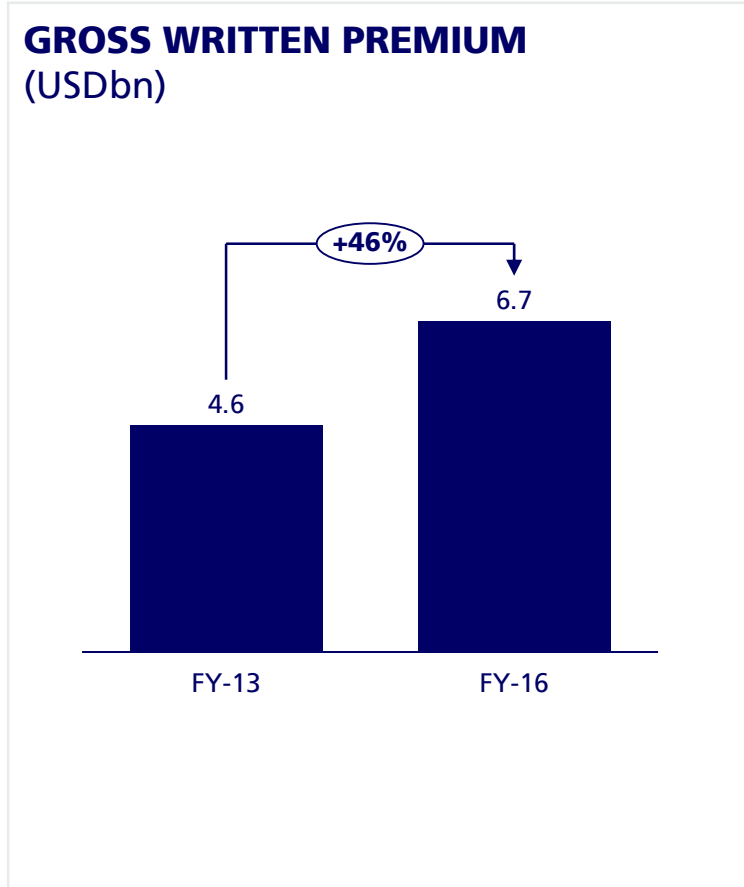
 FY-16 GWP (USDbn)

## NORTH AMERICA SHARED SERVICES

Finance & Actuarial, Claims, Technical Underwriting, Ops & IT, Marketing & Distribution, HR

<sup>1</sup> North America Life excludes Farmers Life.

# Alternative Markets has delivered growth while maintaining expense discipline and improving profitability



# Alternative Markets consists of four businesses with unique distribution and operating models to serve target customer segments

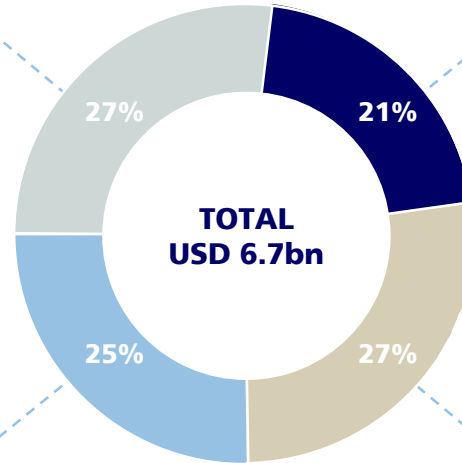
## DIRECT MARKETS (USD 1.8bn)

- **Direct sales force** focused on auto dealers
- P&C products (e.g. property, crime, garage liability, inventory) for vehicle dealerships
- Finance and Insurance products (e.g. vehicle service contracts) serving **4.5m customers**

## GROUP CAPTIVES (USD 1.7bn)

- **Captive Consultants** focused on various segments (e.g. beverage distributors, senior living)
- P&C products (e.g. workers compensation, liability, auto)
- Largest writer of Group Captives serving 30 captives with over **2,500 members and 53% market share**

## 2016 GWP



## PROGRAMS (USD 1.4bn)

- **Program Administrators** serving niche markets (e.g. historical buildings, veterinarians)
- P&C products (e.g. workers compensation, property, liability)
- Leading provider in North America with over 50 programs and **120,000 customers**

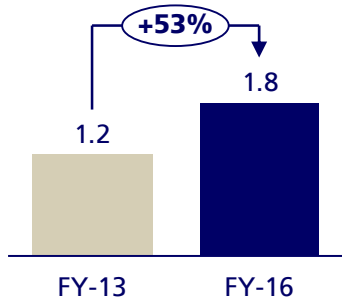
## CROP (USD 1.8bn)

- **Agency Force** serving **116,000 U.S. farmers**
- Successful public / private partnership; heavily regulated and supported by US Government
- Crop products (e.g. Multi-Peril Crop Insurance) primarily insuring corn, wheat and soy
- Second largest U.S. crop insurance provider; insuring **1 in every 4 arable acres**

# All four businesses distinctly contribute to our recent performance and will continue to deliver results going forward

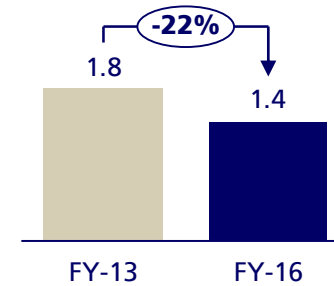


## DIRECT MARKETS: ACHIEVED DOUBLE DIGIT GROWTH (USDbn, GWP)



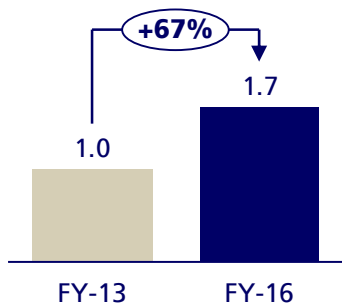
- **Continue growing** through **large and mega dealers**
- **Diversifies risk** through low loss ratio and low volatility of F&I portfolio
- Portfolio mix – **growth in specialty line**

## PROGRAMS: RESHAPED TO IMPROVE PROFITABILITY (USDbn, GWP)



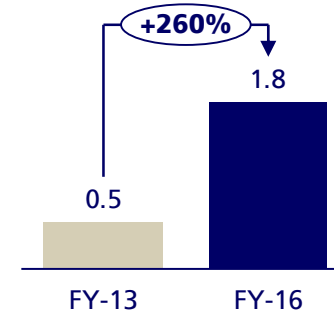
- Took **action on underperforming books** improving combined ratio from 100 to 88%
- **Ramp up growth; 4 new programs** added in 2017
- **Broadens access to niche markets** (USD 35bn+)

## CAPTIVES: BUILT MARKET LEADING POSITION (USDbn, GWP)



- Underwrite the **two largest group captives in the world**
- **Maintain leading position** by fostering strong relationships with captive consultants
- **Desirable risk pool** due to stronger risk controls among captive members

## CROP: SUCCESSFULLY INTEGRATED RCIS (USDbn, GWP)

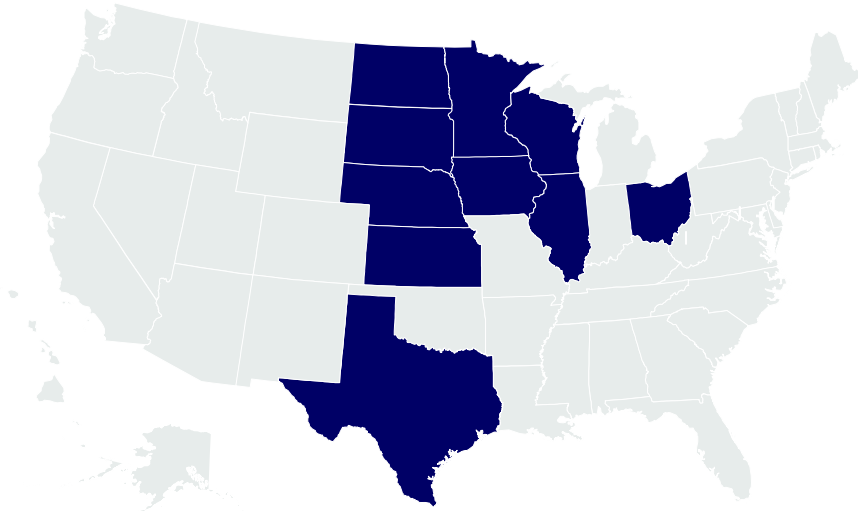


- **2nd largest crop insurer** in the US; private / public partnership with US Government
- **Drive improved risk selection and results** by leveraging predictive analytics
- **Diversifies risk** due to low correlation with P&C exposures

# Crop diversifies risk exposure and rebalances the portfolio mix in North America, helping to lower catastrophe-related volatility



## CROP EXPOSURES DIVERSIFY P&C RISK

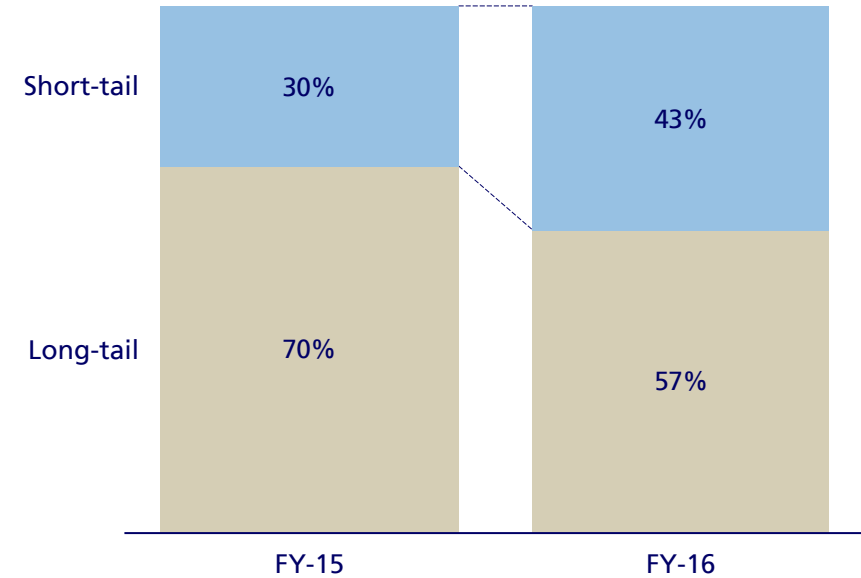


- All other states
- Top 10 states (66% of Multi-Peril Crop Insurance)

Crop exposures have low correlation with P&C

- Midwest states vs. U.S. coastal states
- Droughts and extreme moisture vs. storms, earthquakes, etc.

## RCIS REBALANCED ALTERNATIVE MARKETS PORTFOLIO (GWP)





# Our strong performance mindset is driven by customer focus, innovation, and simplification

## Customer focus

- **Improved strong customer RNPS in Direct Markets by an additional 4 points**
- Differentiated value proposition delivered to targeted distribution partners

## Innovation

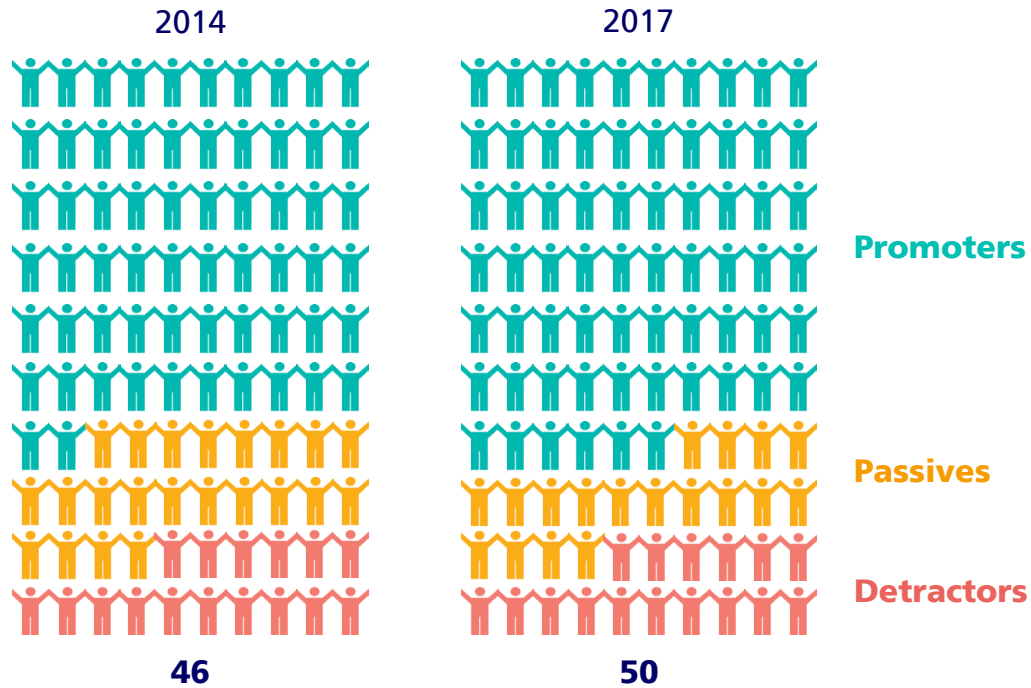
- Enhanced **Finance & Insurance customer experience** with digital tools
- **Piloting drones** to expedite crop claims processing

## Simplification

- **Deployed EDI (Electronic Data Interchange) with program administrators** to simplify exchange of submission and quote information

# Strong customer focus drives profitable growth

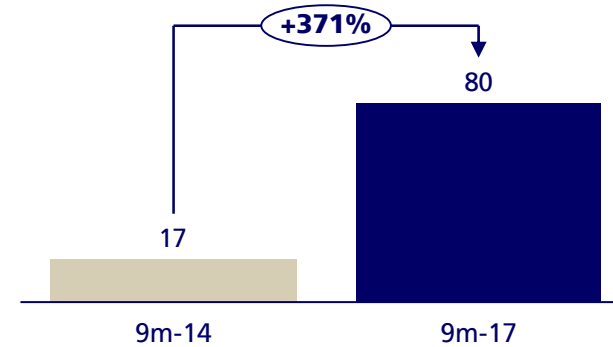
## CUSTOMER RELATIONSHIP NPS



Customer RNPS = Promoters minus Detractors

## ADDED 13 MEGA-DEALERS SINCE 2014

Premium from mega dealers (USDm)



In 2013, we created a **team dedicated to mega-dealers** to align our value proposition to their needs:

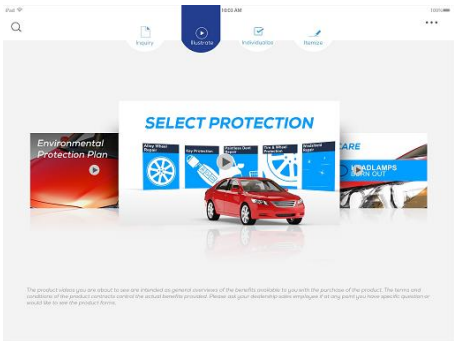
- **Strong relationships** with frequent on-site visits from Zurich Finance & Insurance experts
- **Deep expertise** of auto dealership industry
- **Services** such as sales training

# We created innovative, digital tools for our Finance & Insurance customers to enhance customer experience



## TABLET BASED APP THAT PROVIDES CUSTOMERS WITH AN IMPROVED BUYING EXPERIENCE

- Solution based on extensive customer research
- Customer has more control of buying process
- Transparency results in better customer experience

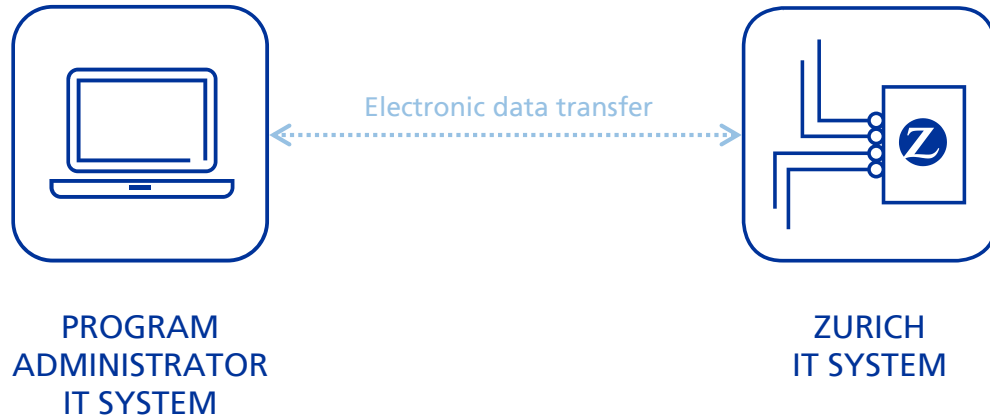


## WEB-BASED INTERACTIVE CONTENT TO EDUCATE CUSTOMERS ABOUT VALUE AND COVERAGE OF FINANCE & INSURANCE PRODUCTS

- Suite of Finance & Insurance product videos and interactive digital brochures
- Informational content without 'pressure to buy'
- Available on dealership websites for online customers

# We launched Electronic Data Interchange capability to simplify the way we do business with Program Administrators

## ELECTRONIC DATA INTERCHANGE (EDI) INCREASES EFFICIENCY AND REDUCES RE-KEY ERRORS



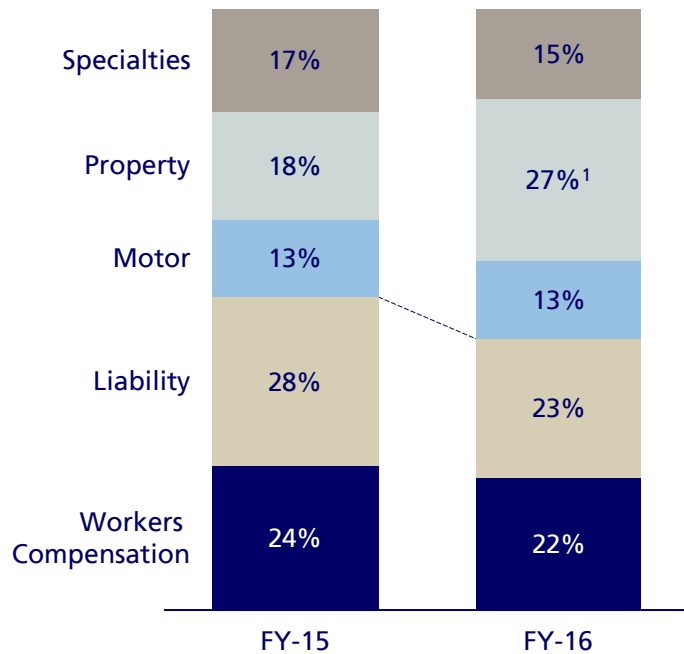
## VALUE FOR ZURICH PROGRAMS

- Strengthens Zurich value proposition
- Increases 'ease of doing business'
- Improves efficiency
- Improves transaction accuracy

# We have begun to rebalance our portfolio and have restored technical excellence



**ZURICH U.S. DIRECT WRITTEN PREMIUM BY LOB (%)**



- We will improve the balance of the portfolio
- We will have a relentless focus on our customers delivering improved experiences
- We will improve profitability and reduce volatility through technical excellence
- We will maintain our strong expense discipline

<sup>1</sup> Includes RCIS.

# Key messages

## Strong foundation

5th largest commercial carrier, serving individuals and small to large businesses through multiple distribution channels

## Track record of performance

Alternative Markets combined ratio improved by 10ppts over 2013-2016, while growing premiums 13% CAGR and keeping expense ratios stable

## Targeted customer segments

Alternative Markets is four market-leading businesses using distinct operating and distribution models to target specific customer segments

## Strong performance mindset

Alternative Markets has a relentless customer focus, provides innovative solutions and simplified approaches to processes and go-to-market

## Rebalancing North America

We will rebalance our North America business by leveraging our Alternative Markets success

# Latin America – A continent full of opportunities

**Claudia Dill**, CEO Latin America



# Key messages

## Brazil turnaround

The business has been stabilized and we have rebalanced the portfolio to reduce volatility; admin expense and combined ratios have been reduced by ~11 ppts and ~28 ppts since FY-14

## Diversified portfolio

Highly diversified product offering with strong distribution over all customer segments which we will leverage to become the leading retail and commercial player in Latin America

## Platform for scale

We have simplified our processes to support growth and will build on this momentum while ensuring underwriting and expense discipline

## Investing in capabilities

Investment in customer servicing, infrastructure and talent provides a creative and dynamic platform aligning with the changing environment

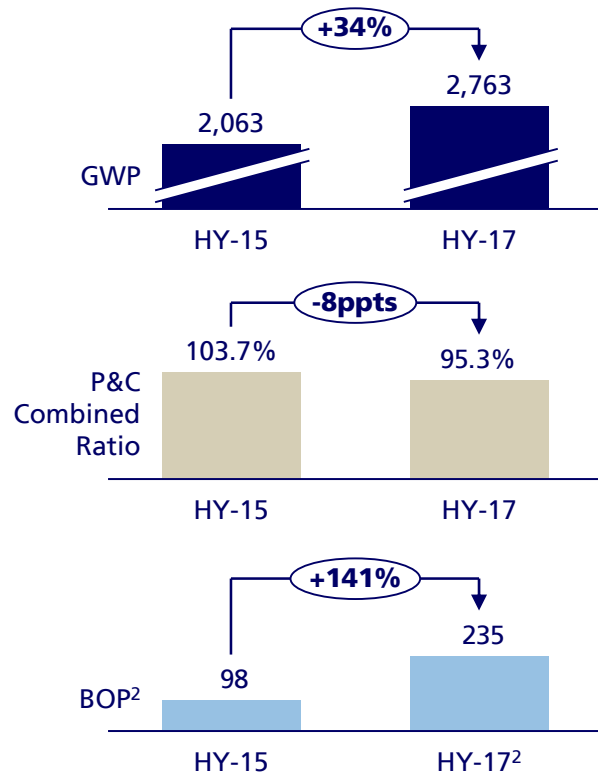
## Customer focus

We will focus on innovation while keeping the customers at the core of what we do



# Focused on accelerating growth from a solid foundation

## LATAM FINANCIAL HIGHLIGHTS (USDm)<sup>1</sup>



## WE HAVE BUILT A SUSTAINABLE BUSINESS

- Broad and solid footprint
- Diversification of products, distribution and customer segments
- Predominantly short-tailed, balanced P&C and Life portfolio
- Agile management of market dynamics
- Local empowerment with clear financial and quality targets

## ... WITH CONTINUOUS IMPROVEMENT AT ITS CORE

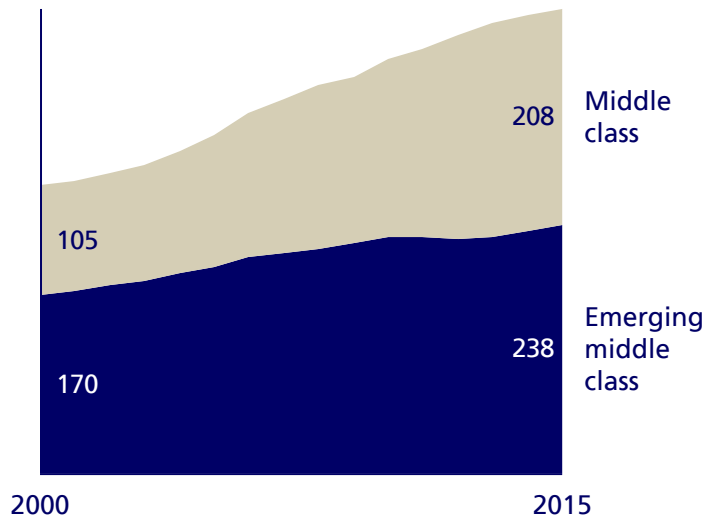
- Maintaining execution discipline even in a competitive environment
- Focusing on efficiency and productivity
- Improving customer servicing capabilities through digital adoption
- Deepening our talent bench

<sup>1</sup> Including Zurich Santander JV; absolute values in constant FX.

<sup>2</sup> HY-17 excludes FX gains in Venezuela.

# Technology and an increasingly aware middle class drive growth and a shift in insurance demand

## MIDDLE CLASS IS GROWING (POPULATION, millions)<sup>1</sup>



Premiums expected to double by 2026, driven by a growing middle class

## DIGITAL ADOPTION



Internet penetration is 56.1% and growing



66% of smartphone users made a purchase from them

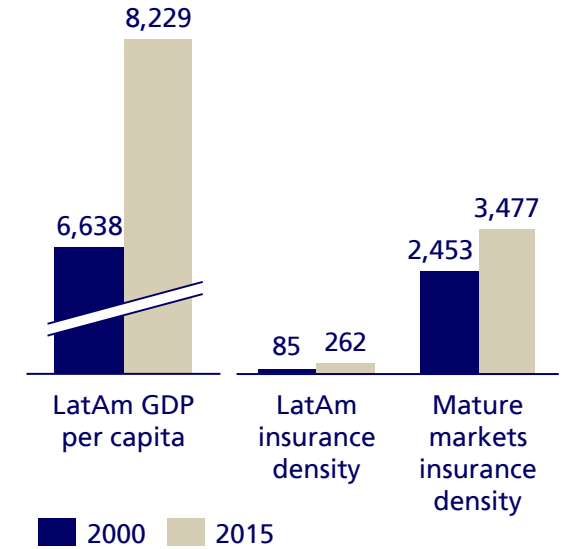


In 2018, over 142m people are expected to buy services online



28 min average time spent per web visit (+3 min vs. worldwide)

## INSURANCE PENETRATION STILL LOW (USD)<sup>2</sup>



Premium growth accelerated by a combined effect of penetration and customer expansion

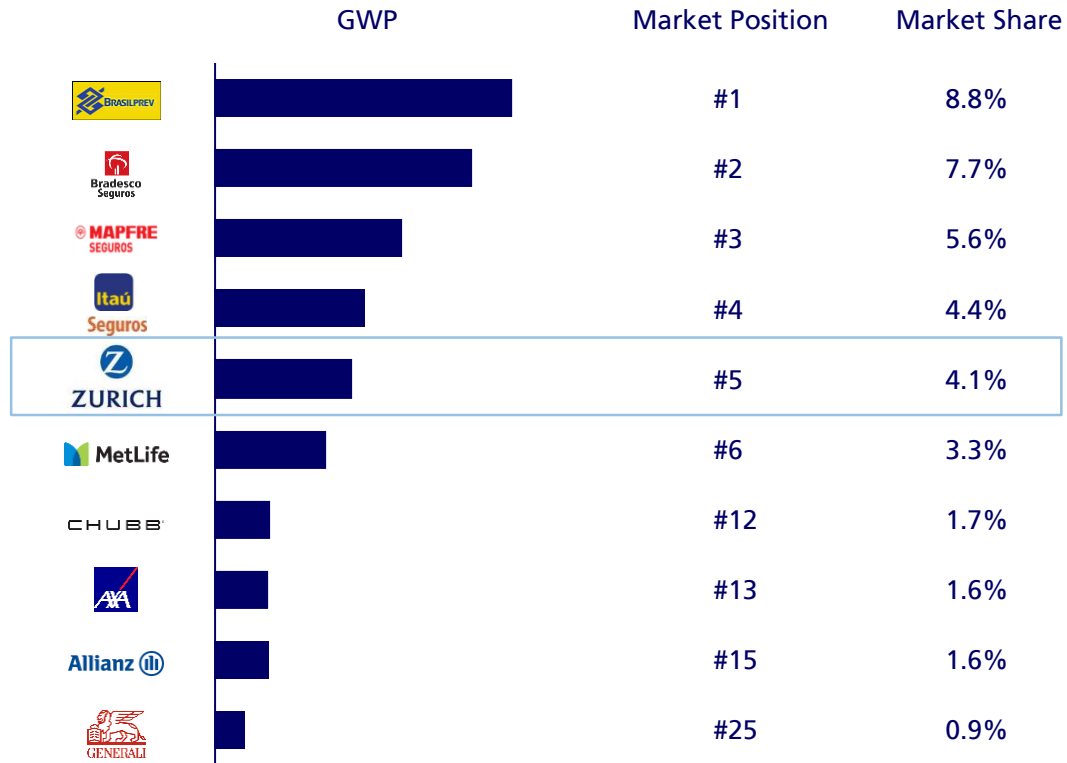
<sup>1</sup> Source: The World Bank Group. Emerging middle class = daily per capita income USD 4 > USD 10 and middle class = daily per capita income USD 10 > USD 50.

<sup>2</sup> Insurance density and GDP figures from Swiss Re Sigma Institute.

# Zurich is the 5th largest insurance company in Latin America with 4.1% of market share, in a market led by local players



## LATAM MARKET 2016



Latin America insurance market wrote USD 145bn in premiums in 2016, 1.2% higher than previous year

~55% of total premiums are P&C while ~45% are Life

No international competitor leads in Latin America

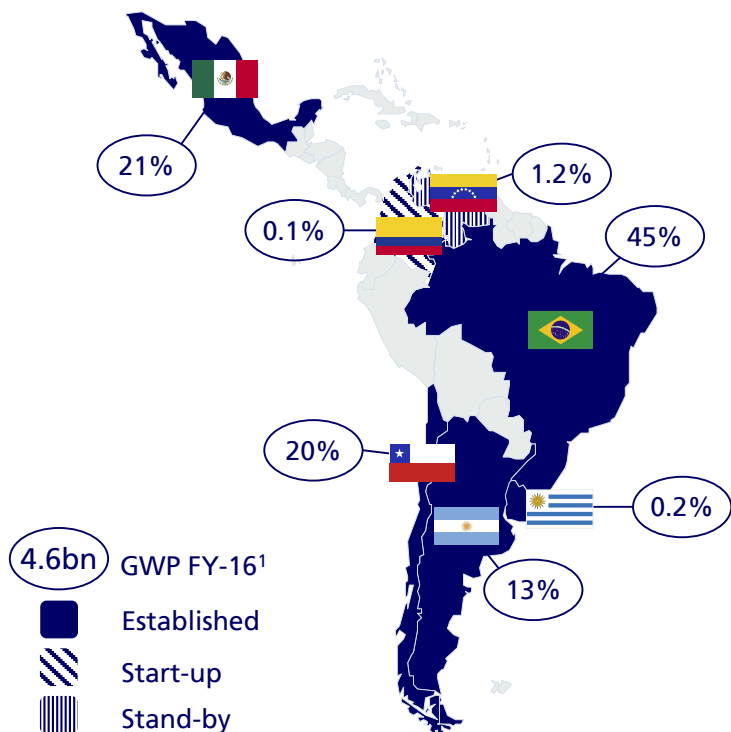
Low market concentration with the top 25 insurance groups representing 63.7% of the total market

There has been little recent major consolidation in the industry

Top 5 insurance companies have presence in Brazil, which represents 50% of Latin America market

# Our broad but focused footprint provides a balanced portfolio of countries at different levels of maturity

## FOOTPRINT AND GWP CONTRIBUTION



## ZURICH MARKET POSITION AND COUNTRIES HIGHLIGHTS

- BRAZIL #4** Bank distribution served through Zurich Santander JV  
Focus on achieving cost efficiencies to fund growth

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- MEXICO #10** Expansion through agent network and bank distribution through Zurich Santander JV  
Strong focus on Commercial Insurance mid and large segments

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- CHILE #4** Strong Life portfolio with solid and consistent profits  
Mix of distinct customer segments, products and dedicated distribution channels

---

- ARGENTINA #4** Strong Life portfolio with solid and consistent profits  
Revamping the commercial teams, value proposition and incentive tools

---

- VENEZUELA #12** Integrated with Colombia with a unified CEO  
Continue serving our Commercial accounts with a downsized organization

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- URUGUAY #8** Customer served through Zurich Santander JV  
Growth fueled by sales network expansion and mobile apps for sales executives

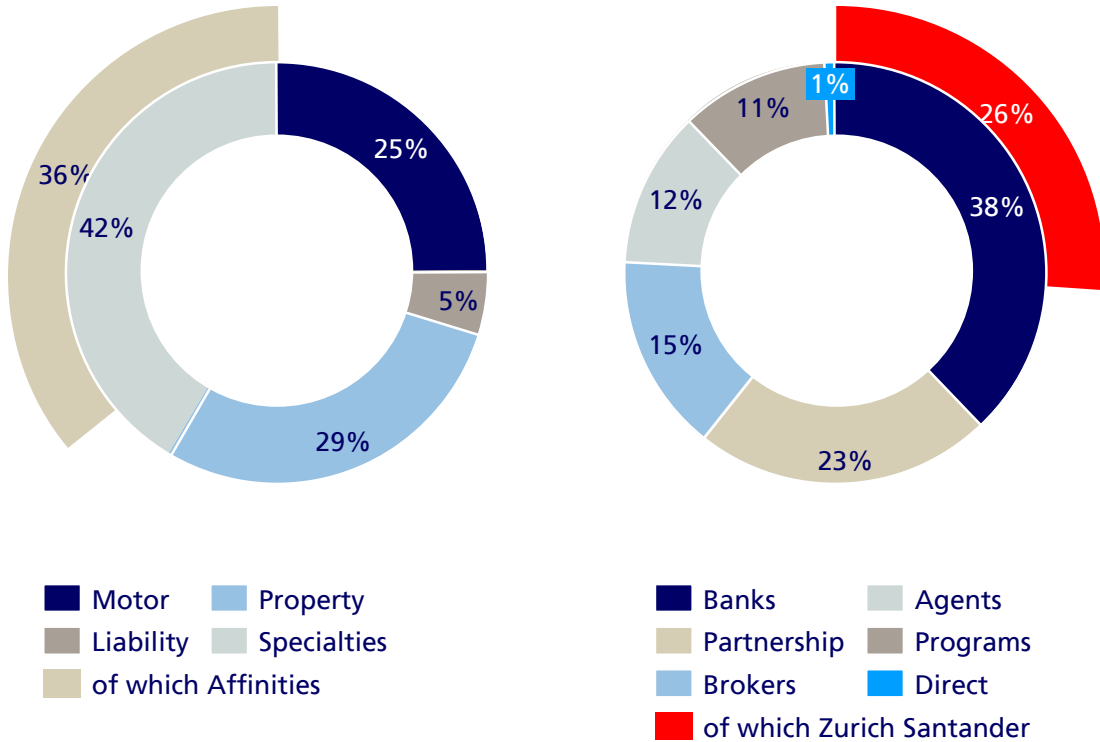
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- COLOMBIA #25** Greenfield operation both nimble and efficient  
Grow via Commercial and Affinities given profitability and market opportunity

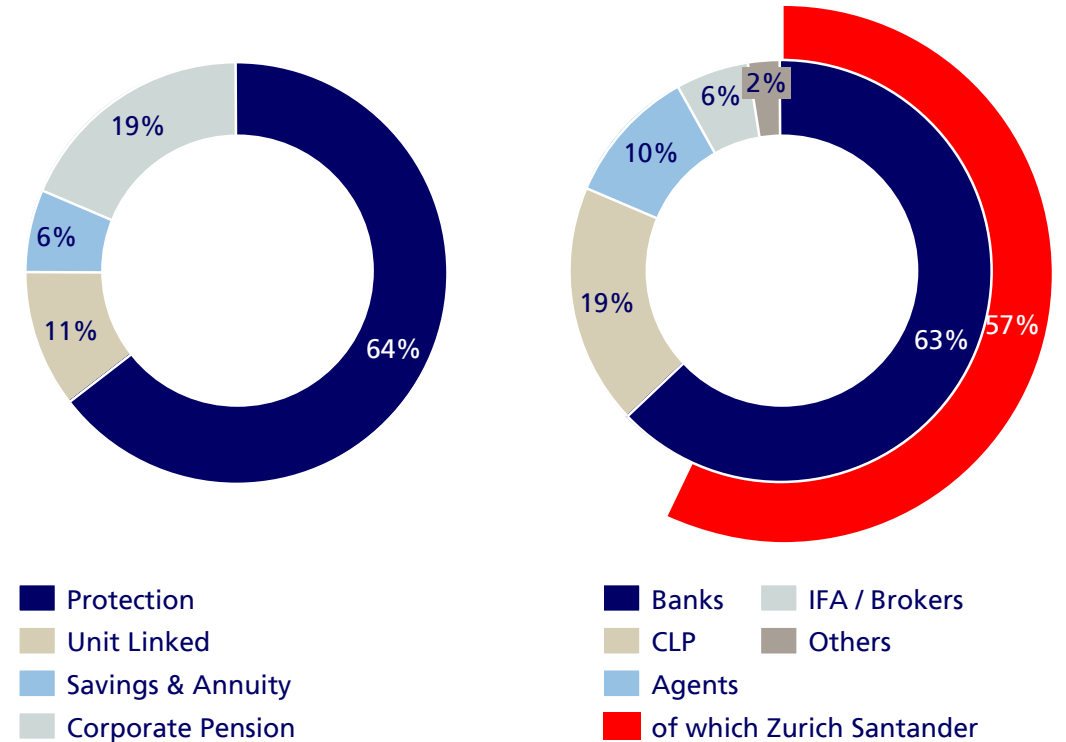
1 USD; P&C and Life combined, including Zurich Santander JV.

# A diverse offering both in products and distribution channels serves distinct customer segments across Retail and Commercial

**P&C LINES OF BUSINESS & DISTRIBUTION CHANNELS<sup>1</sup>**



**LIFE LINES OF BUSINESS & DISTRIBUTION CHANNELS<sup>1</sup>**



© Zurich  
<sup>1</sup> GWP as of HY-17 including Zurich Santander JV.

# Our objective is to differentiate our offer to become the preferred global insurance provider for both, Retail and Commercial



# Retail represents 60% of premium and serves distinct customer segments with tailored propositions through all relevant channels

	<b>CUSTOMERS</b>	<b>PRODUCTS</b>	<b>DISTRIBUTION</b>
<b>Affluent</b>	Savvy customers demand high product quality and excellent service	Value-for-Money proposition. Complementary motor, homeowners and life products	Agents, brokers and bank distribution
<b>Middle class</b>	Lower disposable income but with protection needs	Capital-light and simple products	Small agents and brokers, bank distribution and/or worksite marketing
<b>Emerging</b>	Attractive segment as emerging middle class with first insurance experience	Capital-light products, low risk exposure and simple underwriting	Affinities & Sponsors such as retailers and utilities companies

# Commercial Insurance focuses on our traditional strong segment of Large Corporate but increasingly also on Middle Market

## FOCUS AREA



**Large Corporate**



**Middle Market**

## PROPOSITION

- Strongest area with capacity, capabilities and know-how
- Proven financial strength with global capabilities and sophisticated UW of complex risks
- Opportunity to grow International Programs in LatAm-headquartered multinationals which currently produce USD 40m in GWP

- Implementation of straight forward standard products
- Centralized underwriting with simple quotation tools
- Focus on quality customer service supported by efficient and standardized architecture



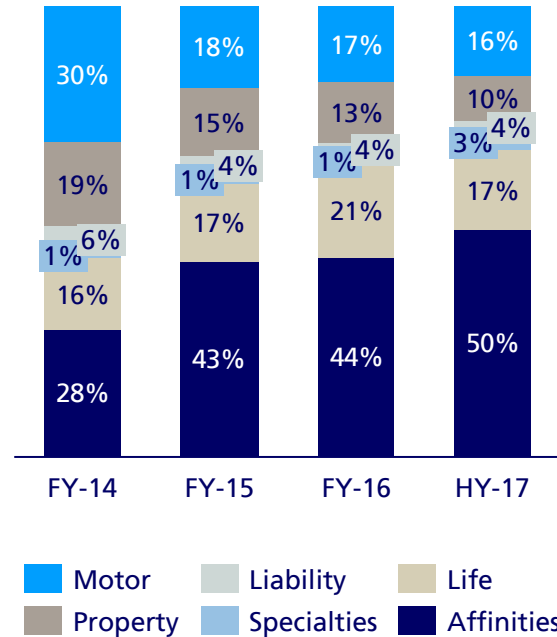
# Zurich Brazil in the final stage of its recovery and enhancement of its foundation to sustain profitable growth



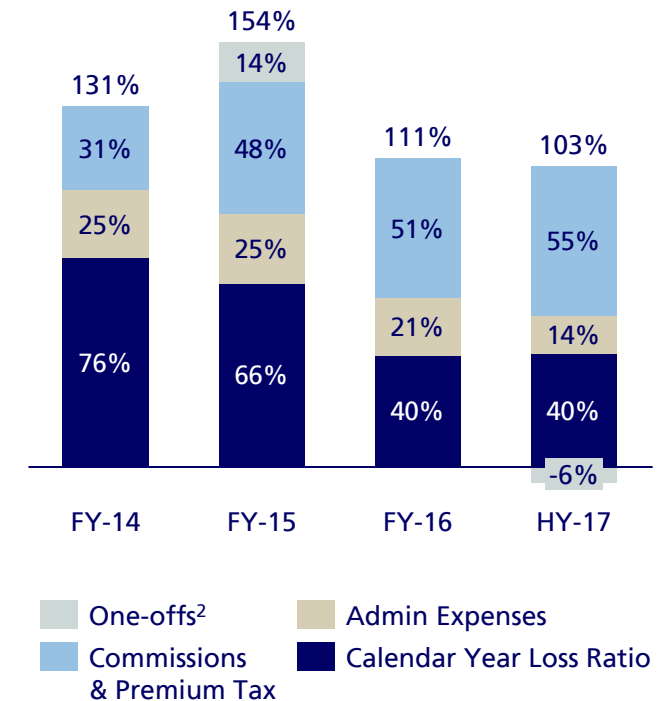
## POSITIONED FOR THE FUTURE

- Rebalanced product mix towards lower volatility affinity business and Mid Market
- Strong UW discipline, robust broker compensation model and a branch strategy aligned with profitability
- Realigned cost base, improved control and capabilities, stabilized infrastructure, cleared operational backlogs
- Strong pipeline and affinity discipline
- Effectively retained talent and improved employee engagement
- High yield environment allows for generally higher combined ratios; increase in affinity business mix a tailwind to reduce combined ratios further

## SHIFT IN PORTFOLIO MIX AWAY FROM MOTOR AND TOWARDS AFFINITY PROPOSITIONS<sup>1</sup>



## IMPROVED P&C COMBINED RATIO (%)



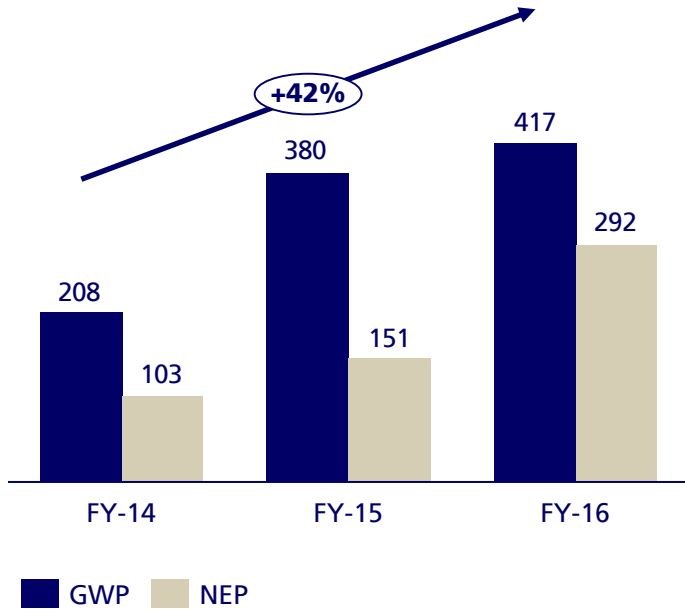
<sup>1</sup> Affinities Portfolio includes Life and P&C products: Extended Warranty, Theft and Robbery, Homeowner, Credit Life and Personal Accident. Life Portfolio excludes products sold by Affinities.

<sup>2</sup> One-offs include clean-up of outstanding receivables and some other accounting balances (2015) and tax amnesty benefit (2017).

# Affinities are a fundamental piece of Zurich Brazil's strategy, driving growth in retail while lowering volatility

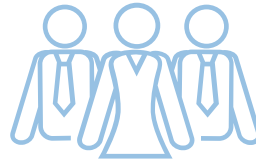


## PREMIUM EVOLUTION (USDm)<sup>1</sup>



Earned premiums lag written due to delayed exposure emergence on extended warranty products.

## THE AFFINITY BUSINESS IN NUMBERS



**26 million**  
active individual policies



**40 +**  
program sponsors



**1.5 million +**  
individual policies sold per month



**400,000 +**  
paid claims per year



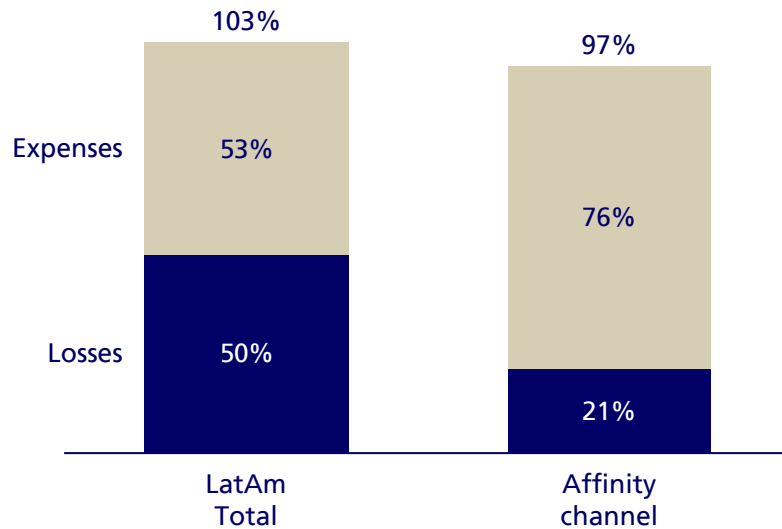
**120,000 +**  
Call center contacts per month

<sup>1</sup> GWP and NEP figures include Life and P&C products sold by Affinities Business. Figures in constant FX.

# Affinities business model and dynamics allow higher returns than conventional retail businesses

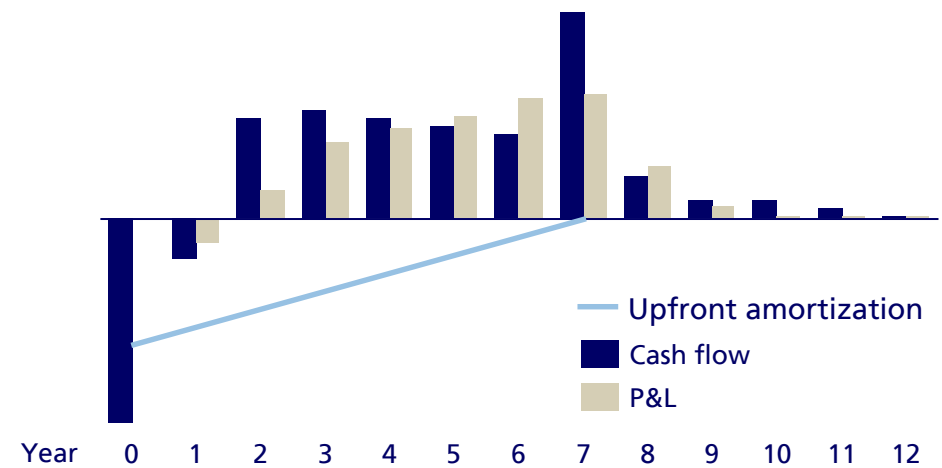


**AFFINITY COMBINED RATIO (% , HY-17)**



- Affinity will benefit the LatAm combined ratio as upfront amortizes and NEP grows

**CASH FLOW AND EARNINGS DYNAMICS<sup>1</sup>**



- Cash and ROE strain in year 1 driven by upfront payment
- Payback around 3 years with attractive ultimate margins
- Internal Rate of Return between ~11% and ~14%

<sup>1</sup> Indicative example of a typical Mass Consumer deal.

# Zurich is the market leader in the Affinity business through development of key market differentiators



## CUSTOMER VALUE PROPOSITION

- Based on **convenience** by selling the insurance product at the time of the purchase of the good,
- at an **affordable** price with a simple interaction process.

## PARTNER VALUE PROPOSITION

- Based on **business understanding** providing the tools to develop the distribution partner's full insurance potential
- Zurich is not only a product provider but a **turnkey solution provider**

## INNOVATION

- **Web based** distribution capabilities
- **Digital** availability gives seamless access for both customers and partners
- **Products combination flexibility**

## COMPETITIVE ADVANTAGES

- Very **strong service platform** that represents an important capability
- Partners benefit from our platform by adding products, customizing information and streamlining processes

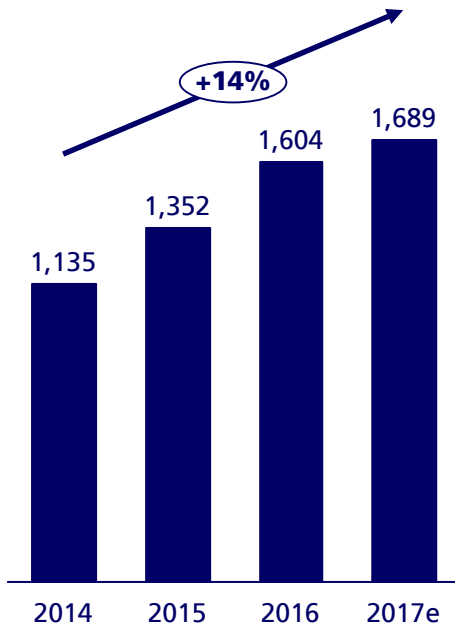
## OPPORTUNITIES

- Expand business to selected segments (i.e. travel operators)
- Leverage competitive advantages to promote program sponsors diversification
- Leverage on product and services innovation to diversify the portfolio and increase exit barriers
- Increase e-commerce and direct marketing sales channels
- Increase cross-selling in existing agreements

# Zurich Mexico is a leader with its innovative Motor value proposition through auto industry distribution partnerships



## MEXICAN AUTOMOTIVE INDUSTRY (VEHICLES SOLD, THOUSANDS)<sup>1</sup>



- **30** car brands
- **82%** of volume concentrated in **7** brands
- More than **1,600** dealerships
- **~2/3** of Sales through Credit Financing

## ZURICH VALUE PROPOSITION



**Automaker**  
8 Programs with 18 brands since 2011, increasing customer loyalty



**Car dealer**  
Additional revenue from commissions and customer loyalty to their repair shops



**Customer**  
Differentiated value proposition, better customer experience at competitive prices

<sup>1</sup> Source: AMIA: Mexican Automotive Industry Association.

# Zurich Mexico offers an end-to-end value proposition for Commercial Insurance



## VALUE PROPOSITION

### MARKET CONDITIONS

Advantage from geographic position bordering the U.S.

Home for over 20% of Multilatinas

Broad presence of Multinational companies



#### P&C Corporate

- Strong position due to global footprint and local expertise
- Leader in produced programs, providing solutions for Mexican customers in over 30 countries
- Strategy based on relationship model



#### P&C Middle Market

- 55% of GWP. Key success factor to reduce volatility
- Profitable segment with sustainable low CR at 85%
- Access to agents, brokers and customers with integrated multi-line and multi-channel offers



#### Corporate Life & Pensions


- Broad product proposition
- Small & Medium Enterprises and Middle Market represent 67% of portfolio

# Zurich Chile protects income generation through its broad Life proposition serving all demographic customer needs



## LIFE PROPOSITION

**Family Protection** 

**Individual Life** 

**Long Term Savings** 

**Annuities** 

## CUSTOMER SEGMENTS

Salaried workers with no savings capacity but a need to protect their income against life and health risks

Basic monthly savings and a need to close the income gap as social security will not be enough

Savings target reached for retirement but need to optimize equity

Entering retirement stage and need lifetime income

## DISTRIBUTION

Exclusive distribution channel through worksite marketing

Dedicated sales force of tied agents

Specialized financial advisors

Agents and retirement advisors

## Zurich Chile differentiators

**Multiproduct capability**

**Power of brand**

**Strongest credit rating**

# Key messages

## Brazil turnaround

The business has been stabilized and we have rebalanced the portfolio to reduce volatility; admin expense and combined ratios have been reduced by ~11 ppts and ~28 ppts since FY-14

## Diversified portfolio

Highly diversified product offering with strong distribution over all customer segments which we will leverage to become the leading retail and commercial player in Latin America

## Platform for scale

We have simplified our processes to support growth and will build on this momentum while ensuring underwriting and expense discipline

## Investing in capabilities

Investment in customer servicing, infrastructure and talent provides a creative and dynamic platform aligning with the changing environment

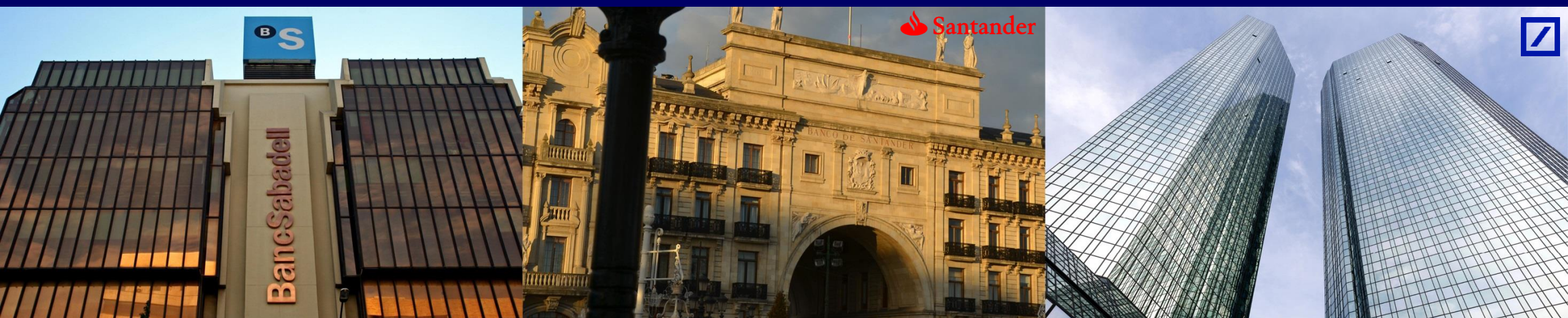
## Customer focus

We will focus on innovation while keeping the customers at the core of what we do



# Bank distribution – Strong track record in a growing strategic channel

Javier Lorenzo, Head of Bank Distribution



# Key messages

## Unique approach

We have a distinctive approach in managing our existing business and we successfully added over 10 new agreements since 2016 in EMEA, LatAm and APAC

## Successful track record

Bank distribution has a successful track record with ~20% CAGR across top- and bottom-line and substantially contributes to the Group result with USD ~0.5bn BOP in 2016

## Global footprint

Zurich has established a well-recognized global footprint in bank distribution with over 70 agreements worldwide

## Growing channel

Bank distribution channel is expected to outgrow the global insurance market by ~2 percentage points by 2020 at a GWP CAGR of 6.3%

## Commitment

We have a clear strategy to grow with existing bank distribution partners and enter into new deals

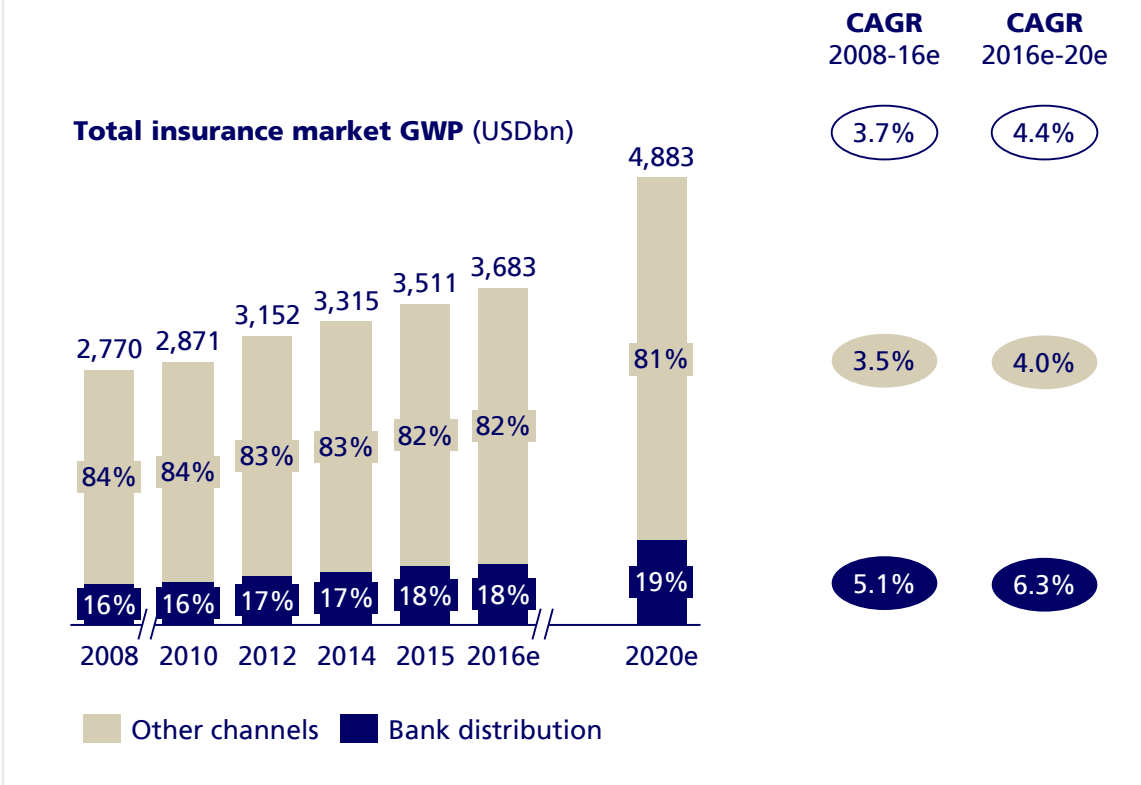
# Zurich has a recognized global footprint in strategically important bank distribution channel



## ACCESS TO OVER 60 MILLION CUSTOMERS IN 17<sup>1</sup> COUNTRIES THROUGH OVER 70 BANK AGREEMENTS



## BANK DISTRIBUTION CHANNEL IS EXPECTED TO GROW FASTER THAN THE MARKET<sup>2</sup>

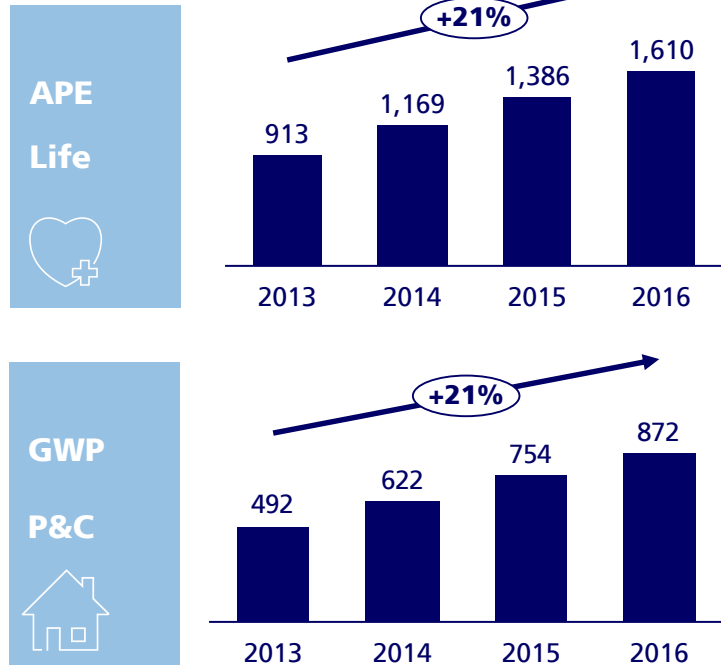


<sup>1</sup> Includes only countries with material business through bank distribution channel.

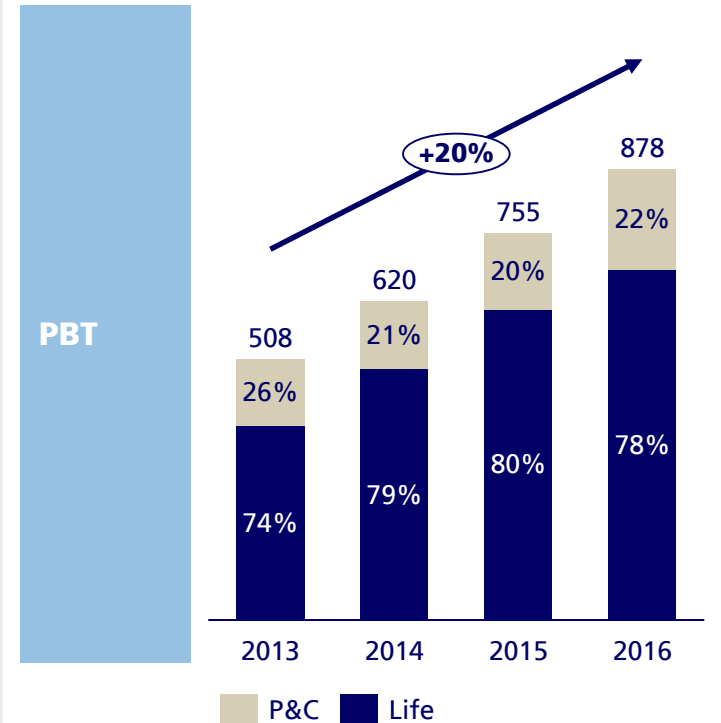
<sup>2</sup> Source: McKinsey.

# Bank distribution has a successful track record, becoming increasingly important for the Group

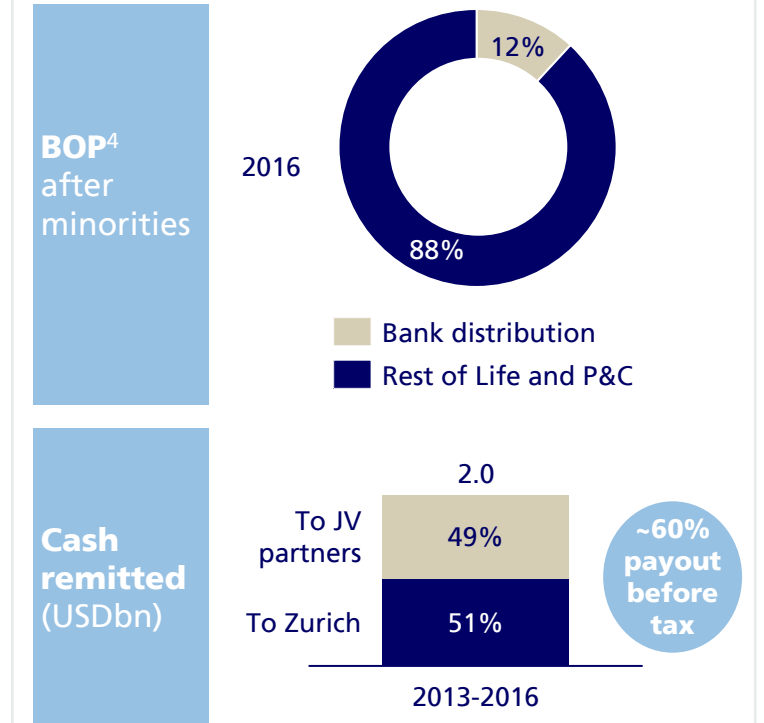
## STRONG RETAIL VOLUME GROWTH (USDm, 100% VIEW)<sup>1,2</sup>



## AND WELL AS BOTTOM LINE RESULT (USDm, 100% VIEW)<sup>1,3</sup>



## RESULTING IN AN IMPORTANT CONTRIBUTION TO GROUP RESULT



<sup>1</sup> All figures expressed in constant FX.

<sup>2</sup> Volumes distributed through major agreements with Santander, Sabadell and Deutsche Bank.

<sup>3</sup> Profit Before Tax, before minorities of Bank JVs (Zurich Santander and Sabadell).

<sup>4</sup> Bank distribution major agreements with Santander, Sabadell and Deutsche Bank; Rest of Life and P&C excludes Farmers, Non-Core Businesses and GF&O.

# We have a distinctive approach to bank distribution

## KEY SUCCESS FACTORS

Ensuring commitment to make required investments

LONG-TERM COMMITMENT



COOPERATION & MANAGEMENT SKILLS



A true partnership-based approach in managing our agreements

Joint committees and planning process adapted to the cooperation model

SOLID GOVERNANCE



ALIGNMENT OF INTERESTS



INSTITUTIONALIZED KNOWLEDGE



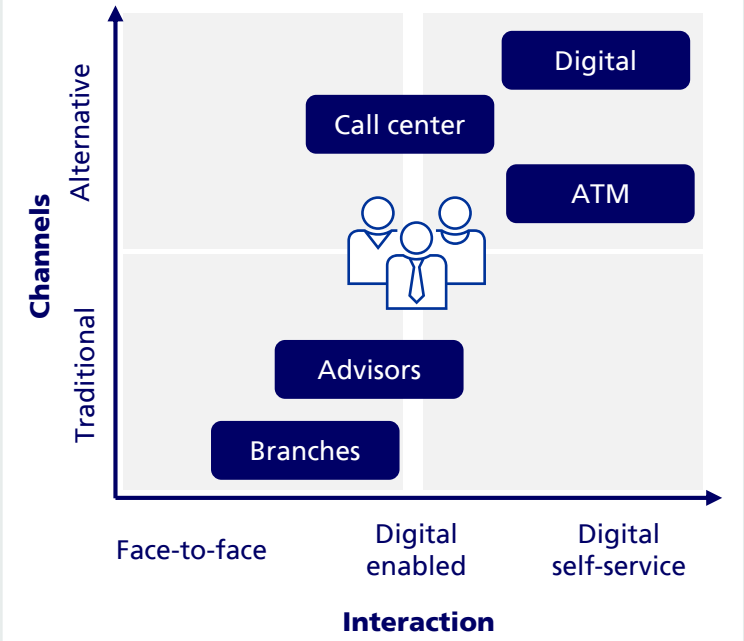
Leveraging local knowledge and expertise in the management of bank distribution

# We commit to bank distribution as a strategically important channel

## BANKS PROVIDE UNIQUE ACCESS TO CUSTOMERS

-  **Large Customer BASE**
-  **Privileged Customer ACCESS**
-  **Unique Customer INSIGHT**
-  **Frequent Customer INTERACTION**

## WELL POSITIONED TO MEET EVOLVING EXPECTATIONS



## GETTING CLOSER TO CUSTOMERS BY LEVERAGING DATA & TECHNOLOGY

### Recent proof points

-  'Direct' insurance channel using bank's digital capabilities
-  Advanced pricing based on bank customer data
-  Interactive needs assessment
-  E-banking in-app insurance purchase



# Technology makes our business simpler for both customers and our bank distribution partners

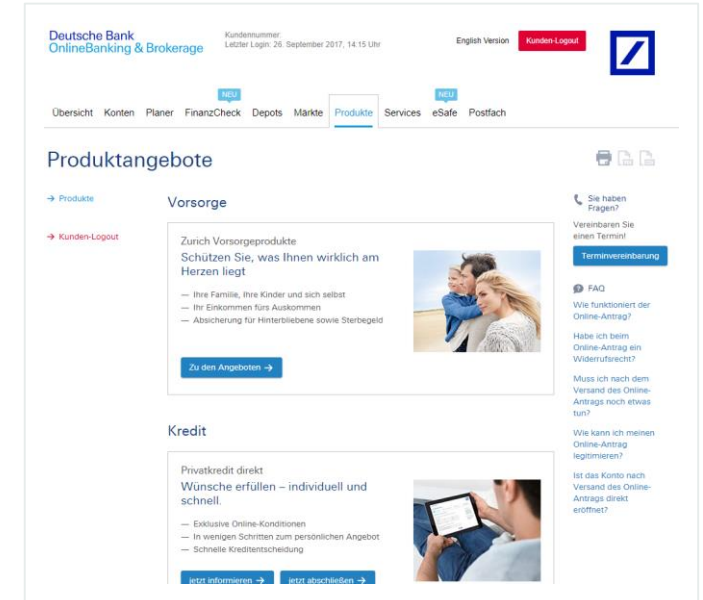
## Integrated savings and protection sales support tool



## Insure your mobile using e-banking app



## Online needs assessment and sales



## Fast track claims handling via e-banking app

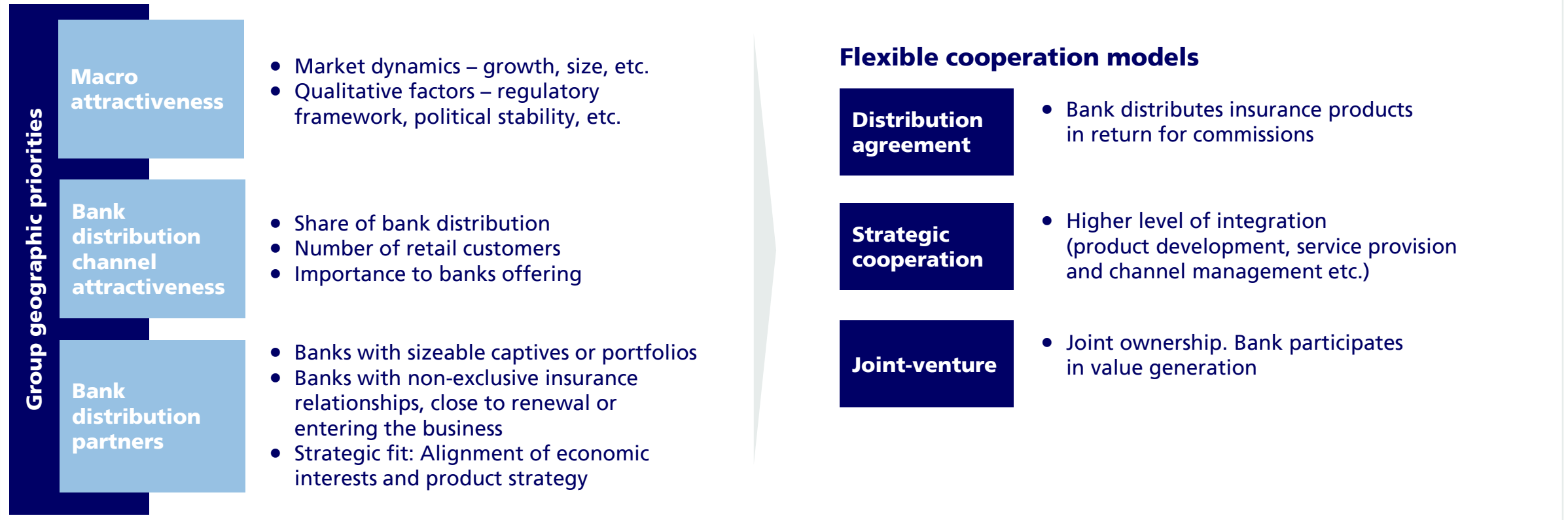


## Online quote and apply tool for advisors



# Zurich has a structured approach to bank distribution

## HOW WE IDENTIFY POTENTIAL TARGETS





# Key messages

## Unique approach

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ZURICH SANTANDER • INSURANCE AMÉRICA

# Zurich Santander – Well positioned to capture the retail opportunities of the future

**Raúl N. Vargas**, CEO Zurich Santander Insurance America



## **Bancassurance JV in LatAm**

The joint venture between Zurich (51%) and Santander (49%) has solidified its strong market position in LatAm as a composite bancassurer

## **Demonstrated profitable growth**

Zurich Santander has a track record of delivering market leading profitable growth with 2013-2016 BOP CAGR of 24% and cash remittances of USD 1.4bn

## **Opportunities ahead**

The Latin America region is full of opportunities, which, through the bancassurance joint venture with Santander we are ideally placed to capitalize on

## **Vision**

The new strategic cycle over 2017-2019 aims to position the Zurich Santander joint venture as LatAm's preferred insurer for Banco Santander customers

# The joint venture between Zurich and Santander has solidified its strong market position in Latin America



## CUSTOMERS

- Zurich Santander manufactures insurance products sold to **Santander customers**
- **Protection** (GWP USD 2.2bn) and **savings** business (USD 1.8bn inflows)<sup>1</sup>

## DISTRIBUTION NETWORKS: SANTANDER AS IDEAL PARTNER

- Leveraging Santander **distribution and servicing capabilities** (e.g., ~5,800 branches, ~25,000 ATMs) in **all channels**

## LOCAL INSURANCE ENTITIES: ZURICH SANTANDER

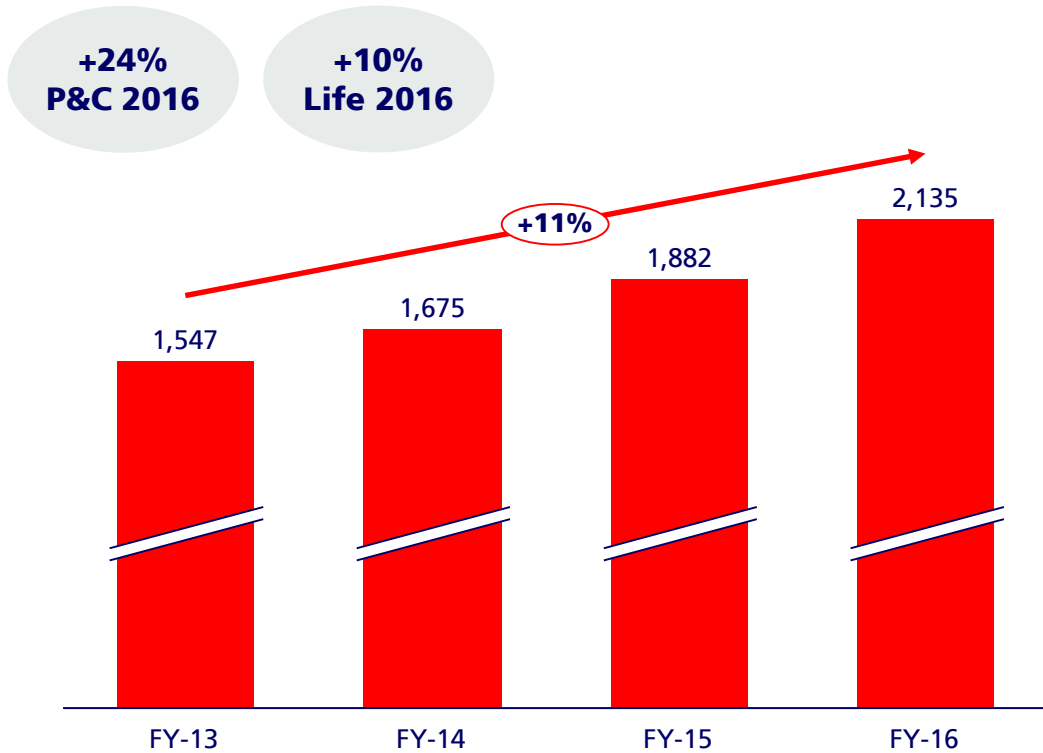
- **Manufactures** and performs all insurance business-related activities
- **Composite** (Life & GI)

## 25 YEAR PARTNERSHIP

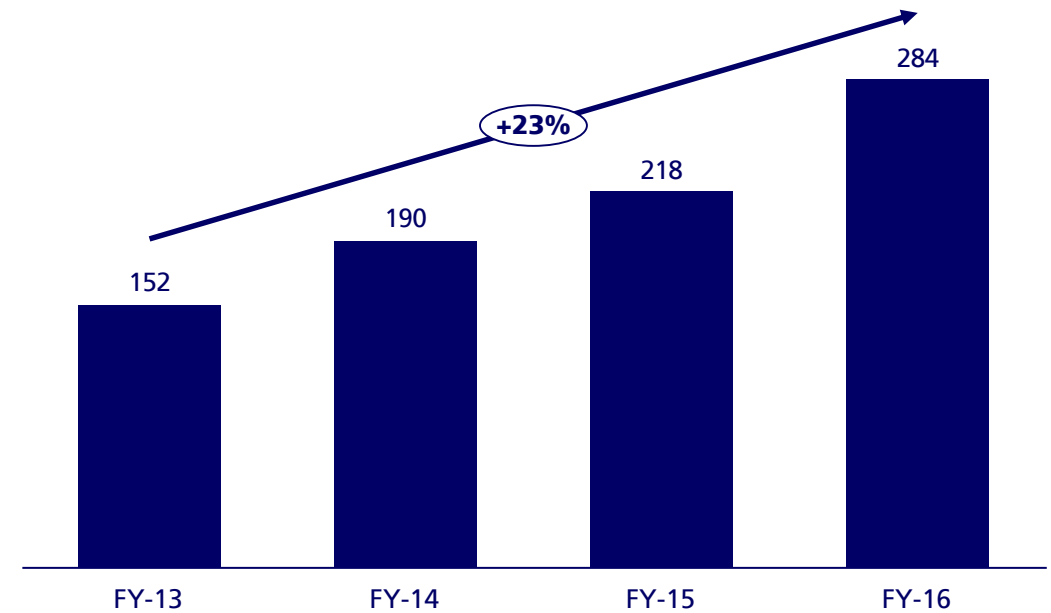
- Formalized through an **exclusive distribution and shareholder agreement**
- Santander and Zurich **interests aligned**

# We have a track record of delivering market-leading profitable growth

**SOLID ANNUAL TOPLINE GROWTH (GWP USDm, 100% VIEW)<sup>1</sup>**

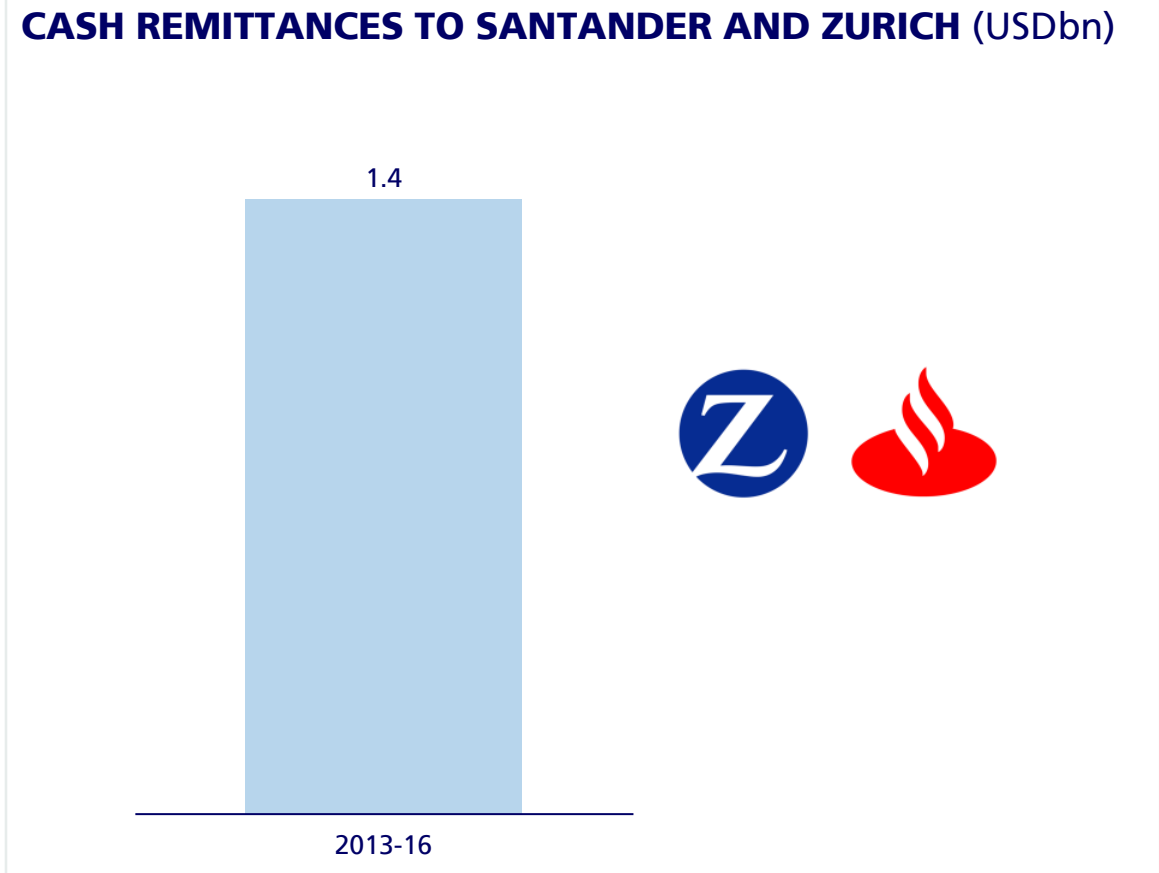
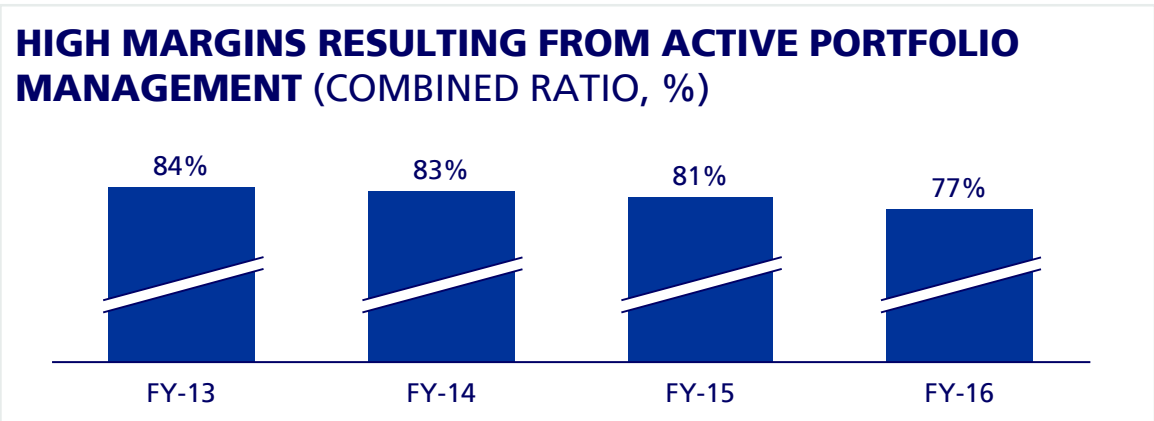
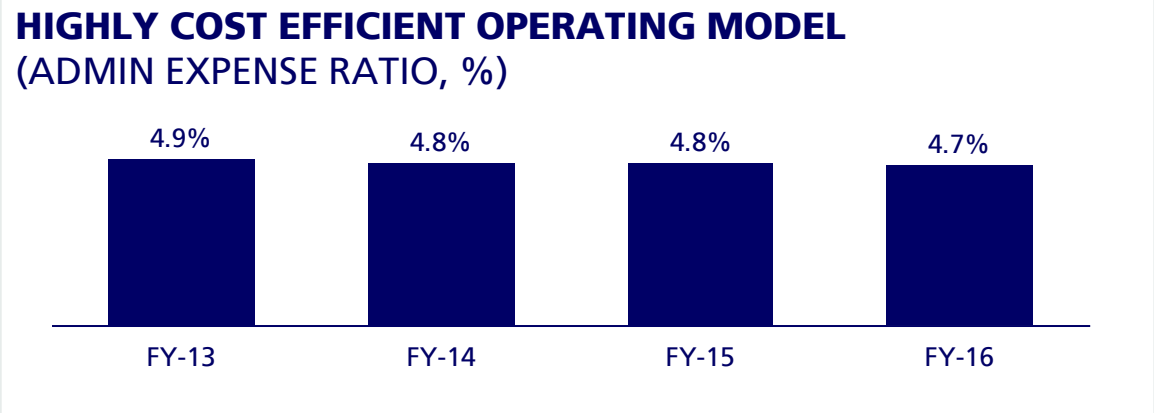


**DOUBLE DIGIT ANNUAL BOP GROWTH (USDm, 51% VIEW)<sup>1</sup>**



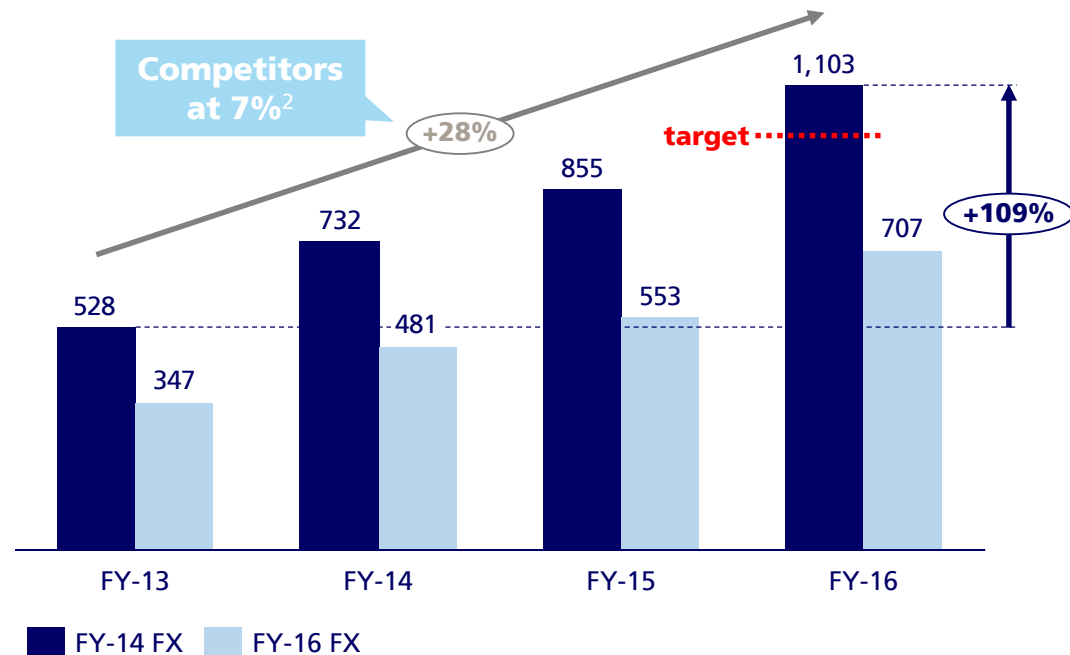
<sup>1</sup> Constant FX.

# We have an efficient operating model and generate significant cash remittance



# We have delivered strong growth and have created a solid foundation built for future performance

## 2014-16 STRATEGIC CYCLE AIMED TO DOUBLE PROFIT BEFORE TAX VS 2013 (USDm, 100% VIEW)<sup>1</sup>



## THE STRATEGY CREATED A SOLID FOUNDATION FOR ZURICH SANTANDER IN A NUMBER OF AREAS

New capabilities



Enabling **future growth** by:

- Segmenting customer offer and services
- Developing alternative channels
- Strengthening customer persistency

Disciplined execution



- Delivery oriented organizational structure with sound track record (**>80% of projects benefits delivered**)

Bank collaboration model



- From being considered a contractual manufacturer to become a **trusted advisor** of the bank

<sup>1</sup> Constant FX.  
<sup>2</sup> Selected bancassurance peers in local markets.



# LatAm is full of opportunities which we are ideally placed to capitalize on with our joint venture partner Santander

## LATAM: A REGION FULL OF OPPORTUNITIES

### Low insurance penetration

GWP/GDP: **7.5%** OECD;  
vs **2.3%** Mexico

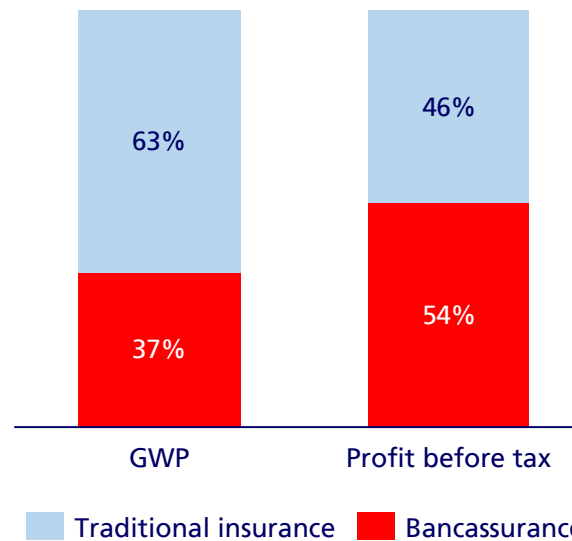
### Low insurance density

Average premium per capita:  
USD **1,620** in Europe  
vs USD **346** in Brazil

### Insurance market growth


GWP CAGR 2011-15<sup>1</sup>: **8%**

## BANCASSURANCE: WELL POSITIONED TO CAPTURE OPPORTUNITIES<sup>1</sup>

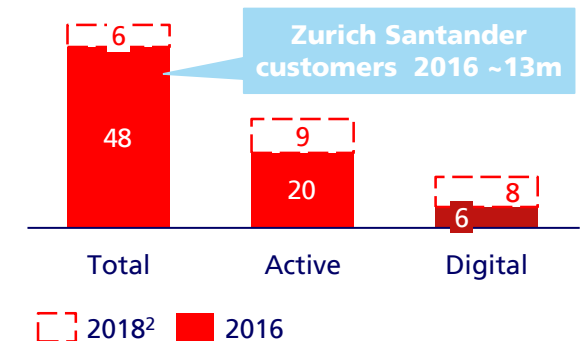


## SANTANDER: THE IDEAL DISTRIBUTION PARTNER

### Strong competitive advantages:

- Commercial capability & distribution
  - Traffic and customer data
  - Efficient operating model
- 

## GROWING SANTANDER CUSTOMER BASE (MILLIONS OF CUSTOMERS)



<sup>1</sup> Countries with Zurich Santander operations. Weighted per relevance to Zurich Santander results.

<sup>2</sup> Santander communicated target.

Sources: Swiss Re "Sigma 3/2017: World of insurance in 2016"; Mapfre, "El Mercado asegurador latinoamericano 2015"; local regulators, Santander investor day 2015 and Strategy Update 2016.



# Our aspiration is to close the insurance gap in LatAm, leveraging the competitive advantage of bancassurance

## STRATEGIC OBJECTIVES



### Awareness

- **Help our customers understand** the financial impact of **their protection gap**
- **Increase customers' insurance knowledge** and advise customers on how to improve their protection



### Convenience

- **Facilitate insurance dialogue** leveraging customer transactions and data
- Offer relevant solutions, **when and how the customer prefers**, over the full customer lifecycle











### Relevance

- **Make insurance solutions tangible and meaningful** to the customer
- Implement **customer journey management** based on customer segments and data

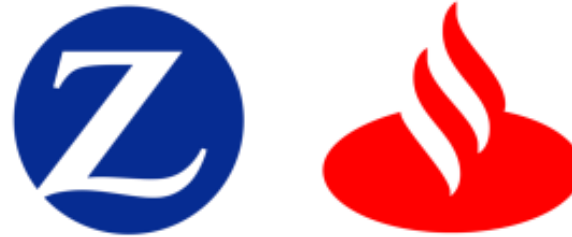
# We are deploying our strategy with focus on the customer and leveraging best practices from across the region

## IMPROVEMENT IN TRANSACTIONAL NPS IN KEY PROCESSES (2017)

Sales		Claims		Service		Retention & cancellation	
	+11 branch sales		+36 claims		+28 services		+15 cancellations
	+7 telemarketing		+23 P&C; +19 Life		+11 services		+8 retention



**Zurich Santander ranked as best bancassurer in Mexico, and 2nd best insurer in customer service (Q1-17)**



**Become LatAm's preferred insurer for Banco Santander customers, so that they understand and protect themselves from risks in a way that is meaningful to them**

## **Bancassurance JV in LatAm**

The joint venture between Zurich (51%) and Santander (49%) has solidified its strong market position in LatAm as a composite bancassurer

## **Demonstrated profitable growth**

Zurich Santander has a track record of delivering market leading profitable growth with 2013-2016 BOP CAGR of 24% and cash remittances of USD 1.4bn

## **Opportunities ahead**

The Latin America region is full of opportunities, which, through the bancassurance joint venture with Santander we are ideally placed to capitalize on

## **Vision**

The new strategic cycle over 2017-2019 aims to position the Zurich Santander joint venture as LatAm's preferred insurer for Banco Santander customers

# Asia Pacific – Accelerating growth

Jack Howell, CEO Asia Pacific



## Diversified footprint

Zurich is rebalancing its position in Asia Pacific by strengthening its presence in Australia, Hong Kong and Japan while scaling businesses in emerging markets to provide access to growth

## Opportunity to build brand

Zurich has a strong brand name in mature markets such as Australia and Japan and is building recognition in growth markets such as China, Indonesia and Malaysia

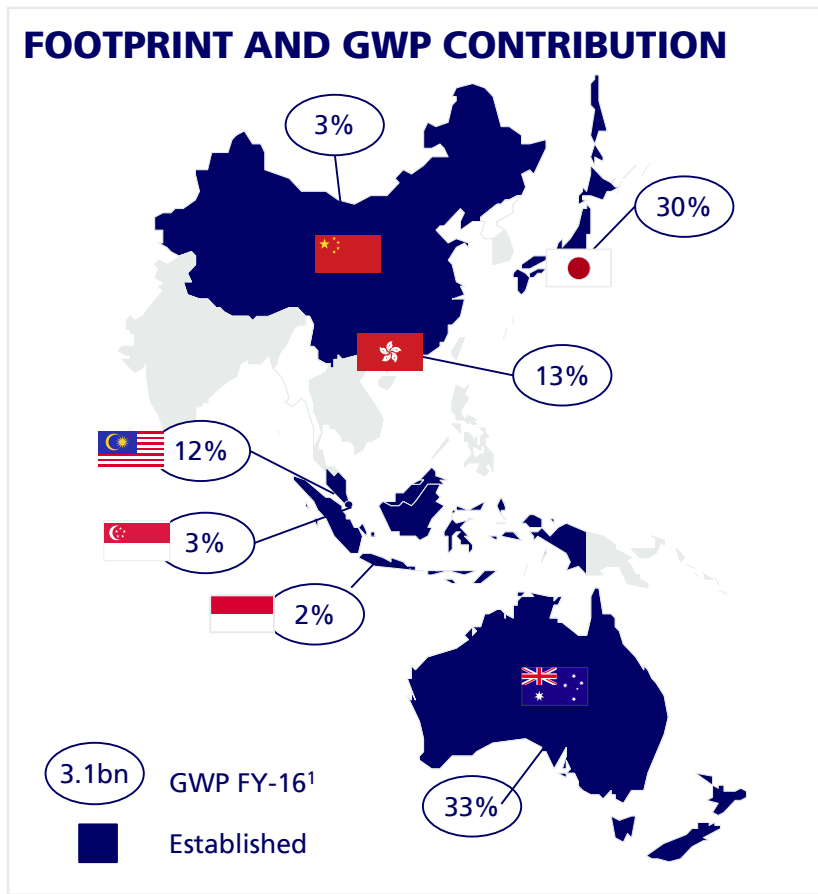
## Diversified businesses

Zurich has a diversified portfolio (retail life & P&C and commercial) and is positioning itself to take advantage of growth in the region

## Differentiated approach to market

Zurich competes by seeking alternative distribution channels and is investing in digitally enabled capabilities

# Our geographical footprint is heavily weighted to Japan and Australia



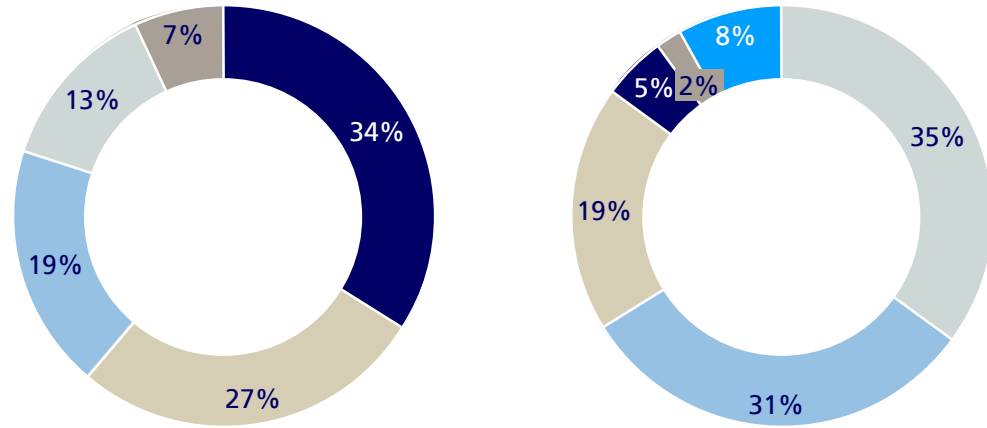
- AUSTRALIA**  
P&C and Life
  - Integration of Macquarie Life retail protection diversified product suite and grew IFA network
  - Enhancing commercial proposition
  - P&C subsidiary in New Zealand
- JAPAN**  
P&C and Life
  - Largest direct retail business in Group and large contributor to Asia Pacific profit
  - Focused on delivering innovative protection and motor
  - Niche life operations targeting shopfront IFA distribution and Direct
- HONG KONG**  
P&C and Life
  - Multi-channel and multi-line strategy in P&C and life
  - Capture synergies from One Zurich composite model to improve customer experience
- SINGAPORE**  
P&C
  - Established commercial business hub for Asia Pacific
  - Local operations service corporate customers through tailored proposition for onshore and offshore business
- INDONESIA**  
P&C and Life
  - Multi-channel distribution for P&C while life products mainly distributed through agency channel
  - Grow and develop protection proposition in line with demographics
- MALAYSIA**  
P&C and Life
  - Life, P&C and Takaful offerings available to customers
  - Invest in tied agents and expand distribution opportunities with banks and affinity partners
- CHINA**  
P&C
  - Subsidiary in Shanghai with branch offices in Beijing and Guangdong
  - Service corporate customers for local operations and international expansion
- COVER-MORE**
  - A global travel and assistance provider based in Australia and operating proprietary brands

<sup>1</sup> USD, P&C and Life combined. 3% for other run-off business; excludes Cover-More.



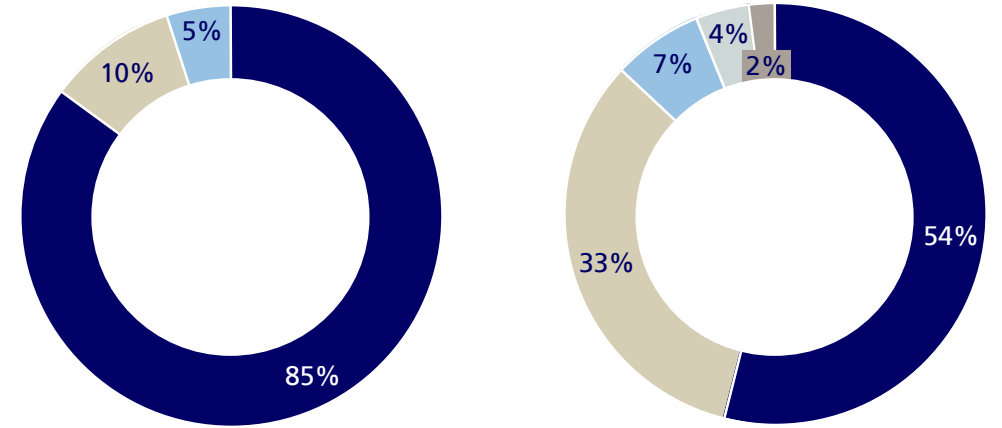
# Asia Pacific has a diverse offering in products and distribution channels

**P&C LINES OF BUSINESS & DISTRIBUTION CHANNELS<sup>1</sup>**



- Motor
- Specialties
- Partnership
- Brokers
- Liability
- Workers Compensation
- Direct
- Banks
- Property
- Agents
- Other

**LIFE LINES OF BUSINESS & DISTRIBUTION CHANNELS<sup>1</sup>**



- Protection
- Brokers
- CLP
- Unit Linked
- Agents
- Banks
- Savings & Annuity
- Direct

<sup>1</sup> GWP as of HY-17, constant FX; excludes Cover-More.



# Asia's macro-economic and demographic trends are shaping our strategic direction

BY 2030, ASIA WILL ACCOUNT FOR **TWO THIRDS** OF GLOBAL MIDDLE CLASS AND CONSUMPTION<sup>1</sup>



**USD 58 TRILLION** MORTALITY PROTECTION GAP IN 2014 AND GROWING<sup>2</sup>



**ASIA'S GROWTH**

ASIA HOME TO **60% OF THE WORLD'S** ELDERLY BY 2030<sup>3</sup>



**80% OF** CONSUMERS WILLING TO USE DIGITAL FOR INTERACTING WITH INSURERS<sup>4</sup>



<sup>1</sup> The Economist "The Asian Exception", October 2012.

<sup>2</sup> Swiss Re's 2015 Mortality Protection Gap Report.

<sup>3</sup> Deloitte: Voice of Asia series September 2017.

<sup>4</sup> EY 2014 Global Consumer Insurance Survey.



# Macquarie Life retail protection acquisition strengthens our position and distribution capabilities in Australia

## AN EXCELLENT STRATEGIC FIT

- Pure retail risk portfolio aligned with Zurich's existing business
- Highly attractive and differentiated product set
- Access to Macquarie wrap platform
- Complimentary distribution focus with strong customer service propositions

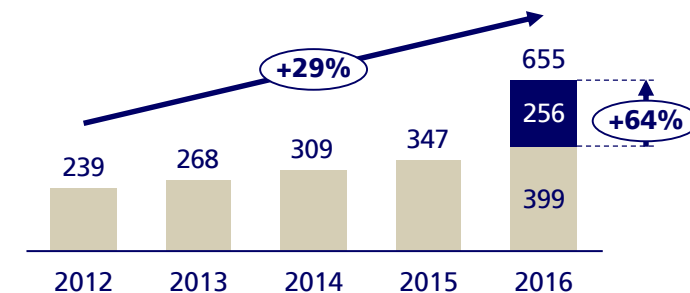
$$Z+M^L=B^3$$

**BIGGER. BRIGHTER. BOLDER**

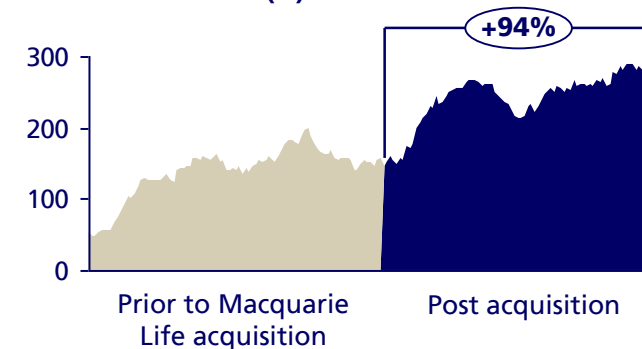
## STRENGTHENED RESULT

- Integration completed in 12 months
- One administration platform and product set
- 53% increase policyholders
- 64% increase in retail in-force premiums
- Submission levels up 94% since launch
- Advisers selling Zurich products doubled

## LIFE INSURANCE RETAIL IN-FORCE PREMIUMS (AUDm)



## 2017 10-DAY AVERAGE RETAIL SUBMISSIONS (#)



# The Cover-More acquisition allows us to capitalize on innovative distribution and servicing models

## COVER-MORE

- Global specialist and integrated travel insurance and medical assistance services
- Over 5 million customers and servicing 35,000 medical assistance cases p.a.
- Over 40% Gross profit margin 2013 – 2016
- Market leading positions in Australia (#1), New Zealand (#1) and U.S. (#3)

## STRATEGIC APPROACH

- Offers perpetual insurance with on/off protection
- Enables customer tracking through geo-location and geo-fencing
- Preferred global brands who pride themselves on their customer centricity

**Cover•More**

TRAVEL INSURANCE

 **Travelex**  
INSURANCE SERVICES

**TrawellTag**

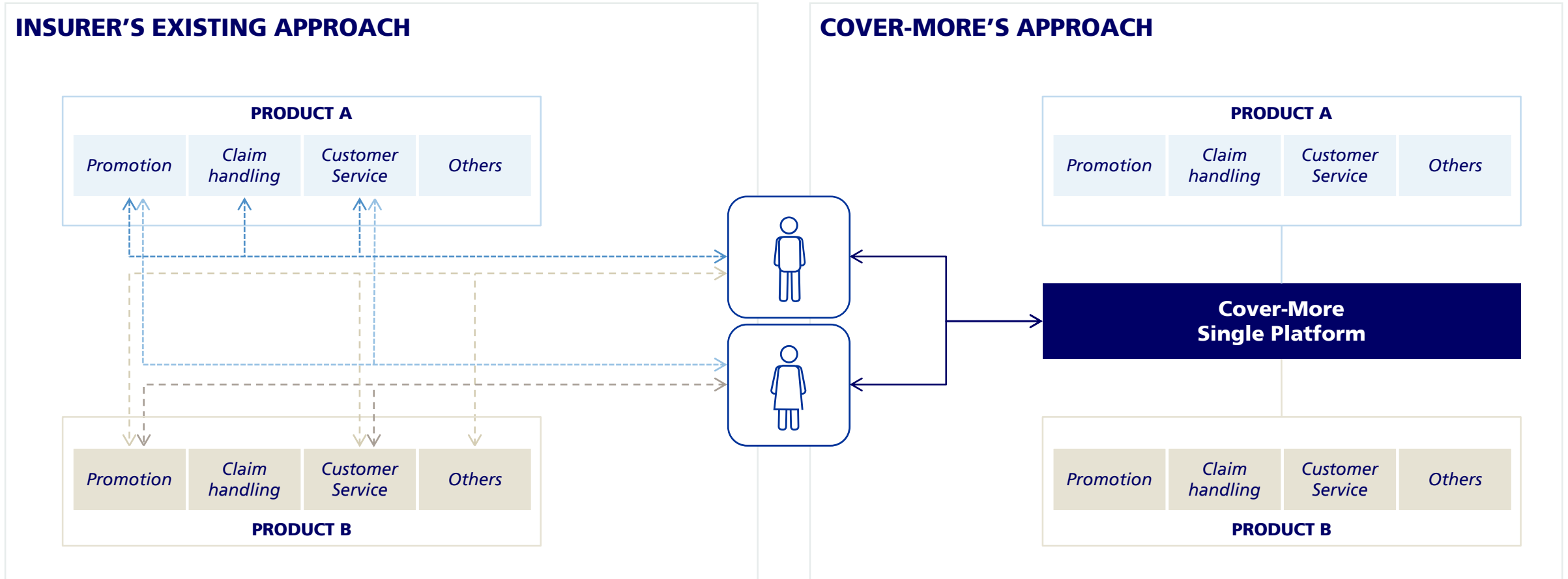
**Cover•More**

**CustomerCare**

MEDICAL ASSISTANCE

**Davidson Trahaire Corp psych**

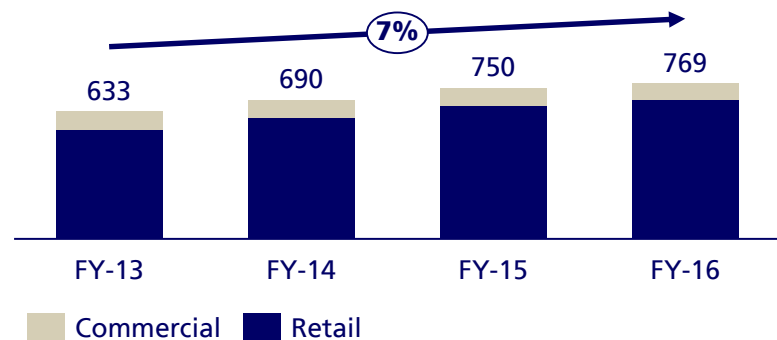
# Cover-More's approach is customer-centric as opposed to a traditional product focus



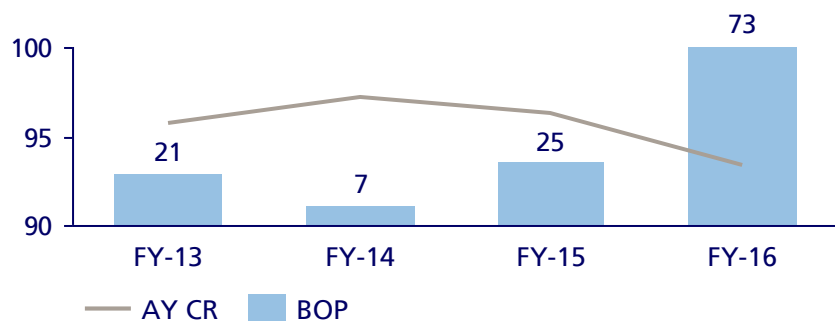
# Japan P&C competes by prioritizing customers through customer care and innovation



## GWP GROWTH (USDm)<sup>1</sup> & PORTFOLIO COMPOSITION



## PROFITABILITY – AY CR (%) & BOP (USDm)<sup>1</sup>



## STRATEGIC APPROACH

### Value Proposition

- Become the #1 P&C direct insurer
- Grow profitable A&H and direct motor businesses
- Expand commercial distribution through partnerships and product diversification

### Distribution

- Seek large scale wholesale A&H partnership
- Improve campaign effectiveness
- Develop digital alternatives to improve efficiency for existing direct mail-based marketing manual operations

### Service Excellence

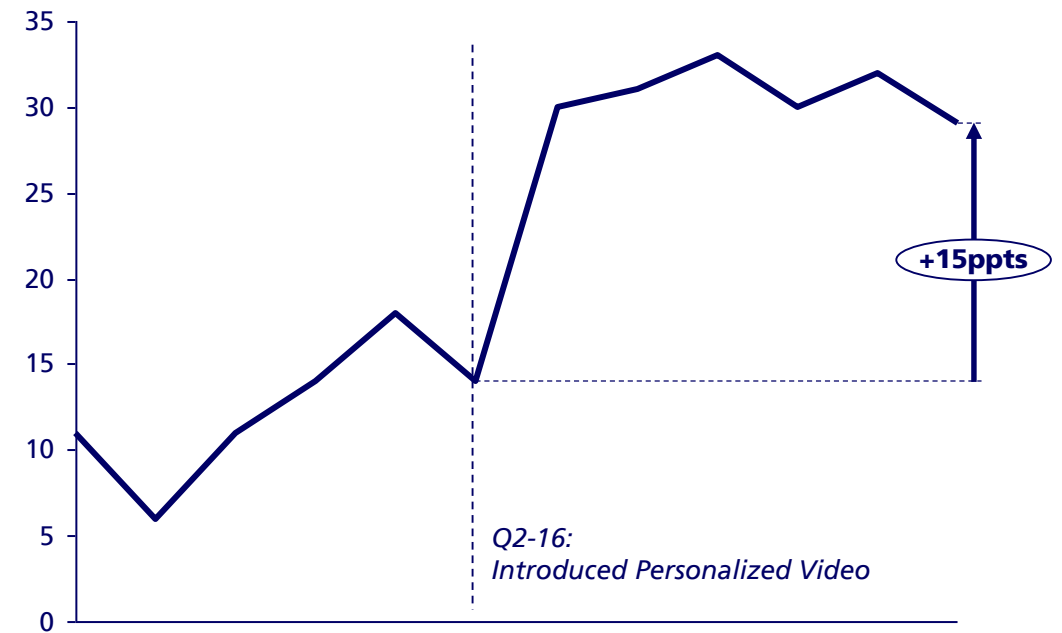
- Enable customer self-service through digital touchpoints
- Highly effective customer care center and claims service

<sup>1</sup> Constant FX.

# Japan P&C personalized customer service dramatically improves customer satisfaction and retention

- TNPS nearly doubled post introduction of personalized claims video
- One of the highest claims satisfaction rates in Japan (over 95%)
- Retention over 80%
- Prestigious Award: Consecutive<sup>1</sup> Winner for Best Customer Care Centre & Website in non-life insurance industry by JD Power<sup>2</sup>

## INCREASED CUSTOMER SATISFACTION MOTOR TRANSACTIONAL NET PROMOTER SCORE (TNPS)



<sup>1</sup> Consecutive 7 years and 6 years for Customer Care Centre and Website respectively.

<sup>2</sup> JD Power is a global research company that conducts independent consumer surveys of product and service quality, customer satisfaction and buyer behavior.



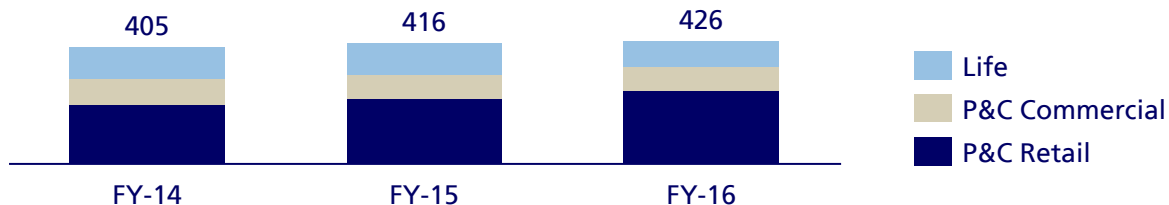
# Hong Kong capitalizes on its unique composite offering to customers through One Zurich brand



## STRATEGIC APPROACH

- Established (#4) P&C player in Hong Kong
- Capture synergies and opportunities from One Zurich brand to improve customer experience
- Expand distribution multi-channels – agency and direct digital
- Deliver sustainable profit growth through multi-line strategy – home, travel, A&H and life

## GWP GROWTH (USDm)



## 黑客趨升 險企推出「網絡保」

【大公報訊】記者林靜文報導：眼見本港企業面對網絡安全及私隱外泄的風險日俱增，蘇黎世保險（香港）在港推出「網絡保」責任及私隱保險，目標年收入在5000萬元以下的中小企、始創企業等。蘇黎世保險（香港）行政總裁許金桂表示，資訊科技應用趨升，但本地企業過去投放在網絡安全的資源較少，希望通過推出產品，提升本地企業對網絡安全及私隱外泄風險的認知。

許金桂介紹，投保程序簡易，符合要求的企業只需回答6個問題，就可即時投保，而目前全港有18萬間公司符合投保要求。他進一步說，明白企業最擔憂失去儲存在電腦硬碟上的檔案，故會聯同本地及國際資訊科技專家，為客戶提供24小時事故報告熱線和免費電子數據恢復等服務。另外，與其他同類產品，他認為「網絡保」保費具競爭力，若企業年收入在1000萬元以下，投保保費為200萬元，每年保費8000元，並可自選網絡延誤附加保障。此外，虛擬貨幣的面積升跌則不屬於保險範圍。

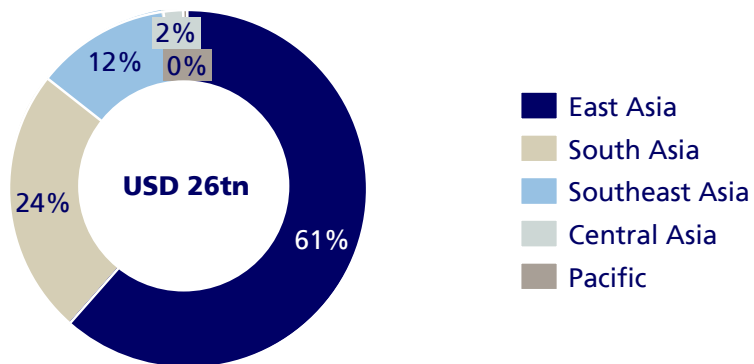
▲許金桂認為，本地企業日漸依賴互聯網來經營和推廣，較容易成為黑客的目標。大公報記者林靜文攝。



# Commercial leverages Zurich's global expertise and experience to expand with Asia's infrastructure growth opportunity

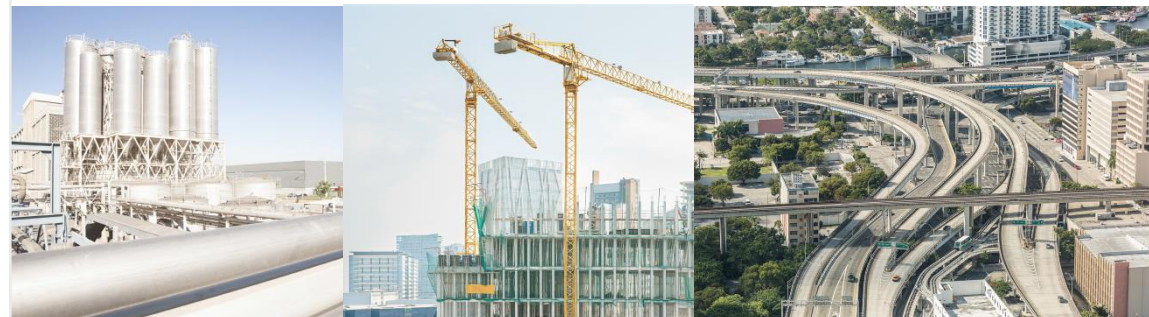
## ASIA'S INFRASTRUCTURE GROWTH OPPORTUNITY

- Emerging Asia infrastructure needs of USD 26tn by 2030<sup>1</sup>
- Includes construction, transportation networks, power, sanitation and telecommunications improvements



## STRATEGIC APPROACH

- Utilize Singapore's expertise and capability hub
- Reinforce Zurich's international network and global strengths in risk engineering and niche product offerings
- Drive profitable growth through underwriting excellence
- Explore opportunities with State Owned Enterprises (SOEs) and companies in One Belt One Road stimulus



## Diversified footprint

Zurich is rebalancing its position in Asia Pacific by strengthening its presence in Australia, Hong Kong and Japan while scaling businesses in emerging markets to provide access to growth

## Opportunity to build brand

Zurich has a strong brand name in mature markets such as Australia and Japan and is building recognition in growth markets such as China, Indonesia and Malaysia

## Diversified businesses

Zurich has a diversified portfolio (retail life & P&C and commercial) and is positioning itself to take advantage of growth in the region

## Differentiated approach to market

Zurich competes by seeking alternative distribution channels and is investing in digitally enabled capabilities

# Finance update – On track to deliver

**George Quinn**, Group Chief Financial Officer



# Key messages

## Targets

Well on track to deliver on our Group financial targets

## Efficiency

On track for ~USD 700m in expense savings by the end of 2017

## Reduce volatility

Improvements in underwriting and reinsurance reducing the impact of natural catastrophes and quarterly large loss volatility

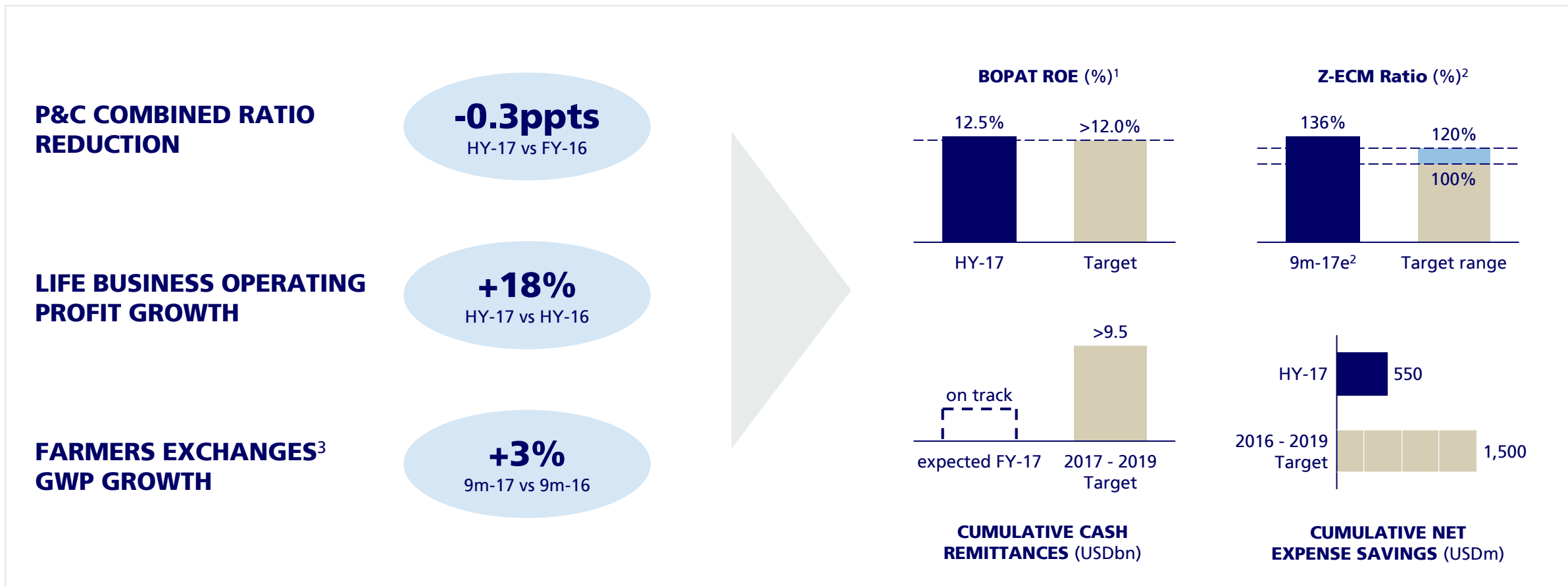
## Capital management

Continued active capital management across the business to release trapped capital and enhance returns, while having a disciplined approach to investments

## Dividend

Focused on delivering an attractive and growing dividend

# Good progress to achieve our financial targets, with all businesses contributing

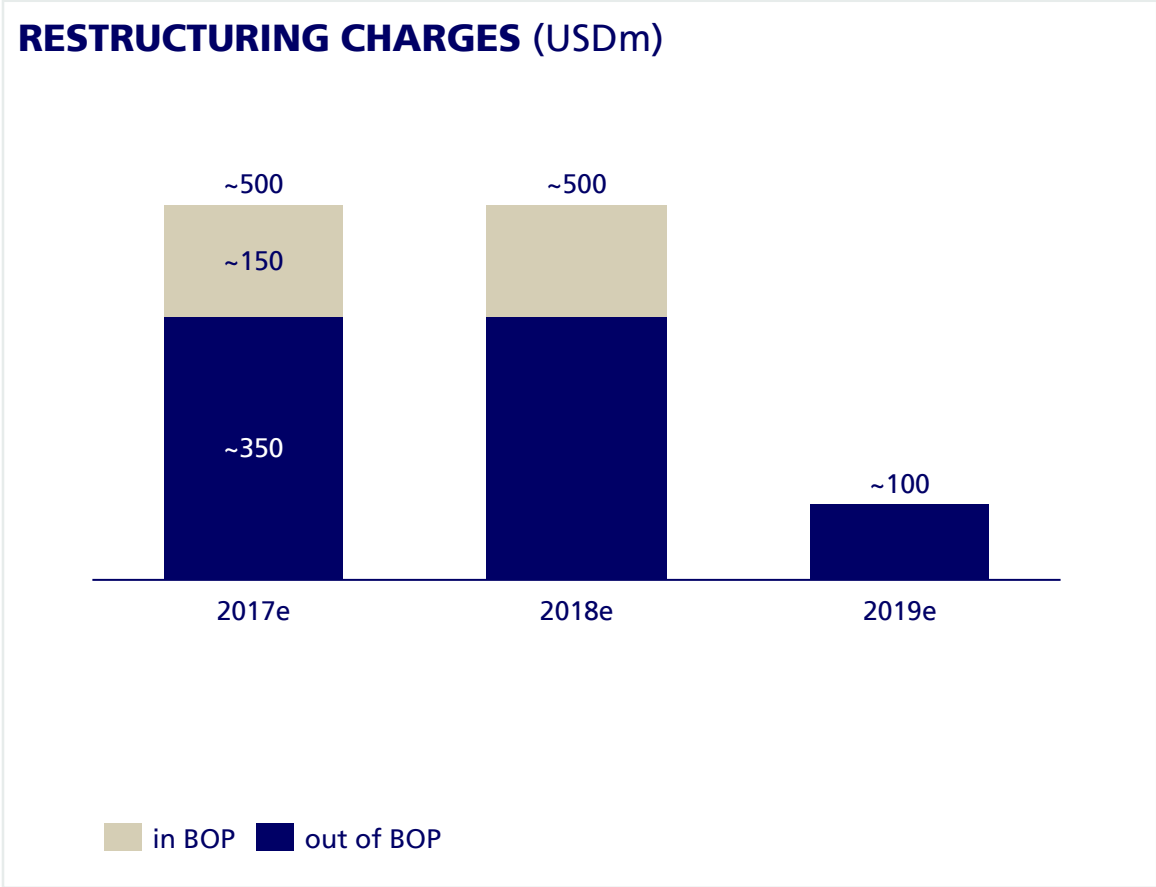
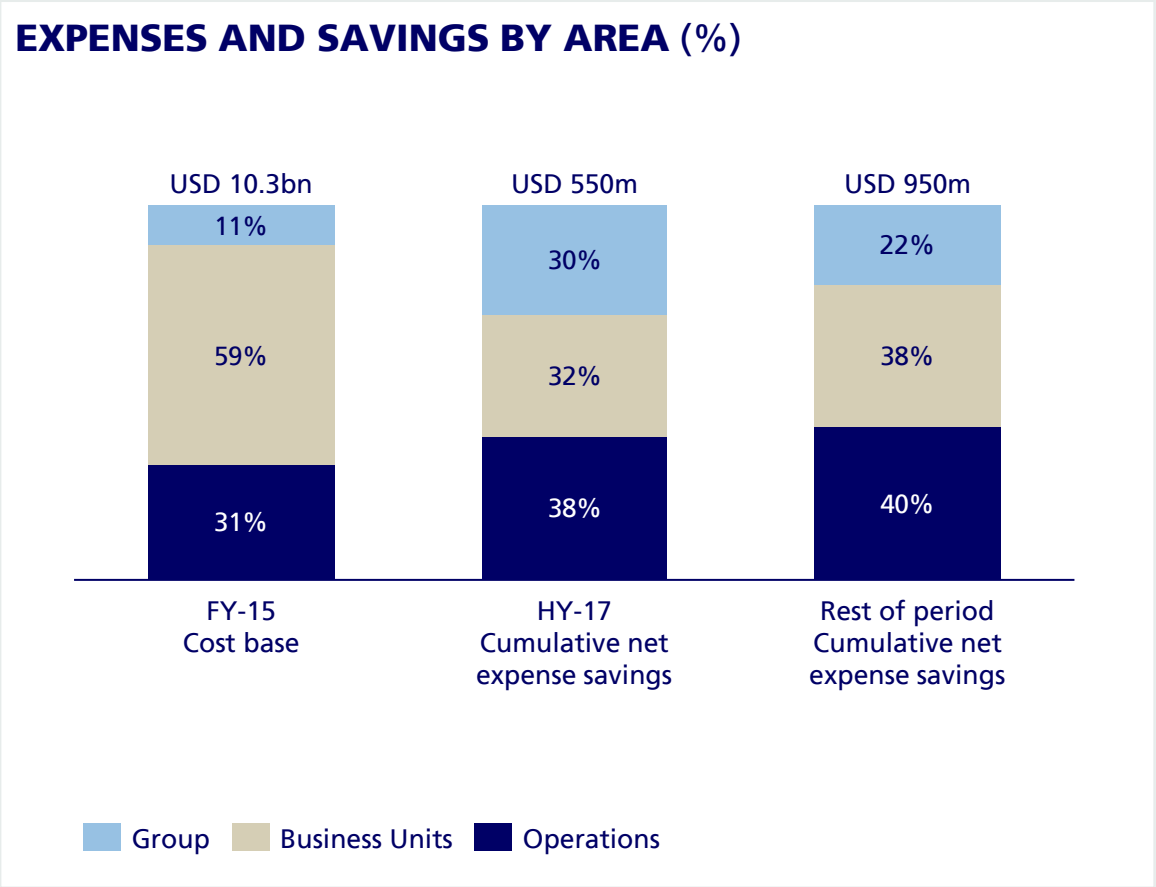


<sup>1</sup> Business Operating Profit after tax return on equity, excluding unrealized gains and losses. HY-17 excludes the impact from the change in the Ogden discount rate.

<sup>2</sup> 9m-17 Z-ECM reflects midpoint estimate with an error margin of +/- 5ppts.

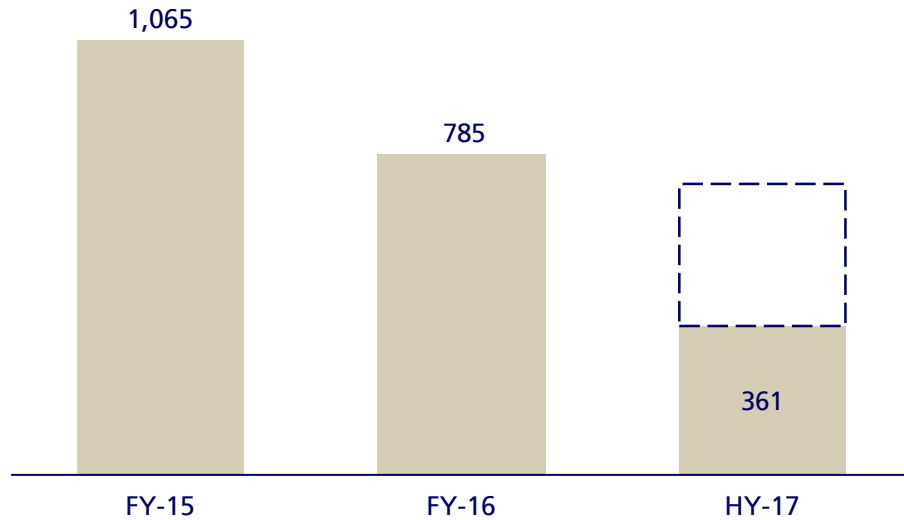
<sup>3</sup> See footnote 1 on slide 21. Continuing operations only.

# Our expense saving program is well on track

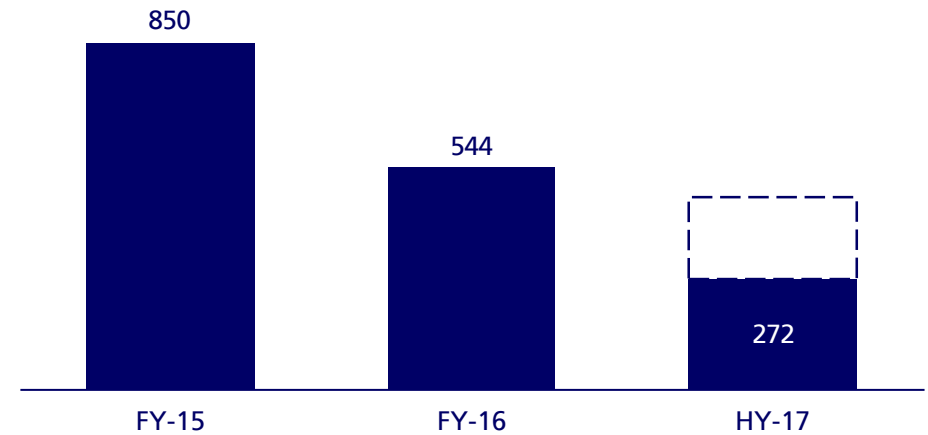


# Lower headquarter costs are passed on to the business units through lower recharges

**HEADQUARTER GROSS EXPENSES (USDm)<sup>1</sup>**



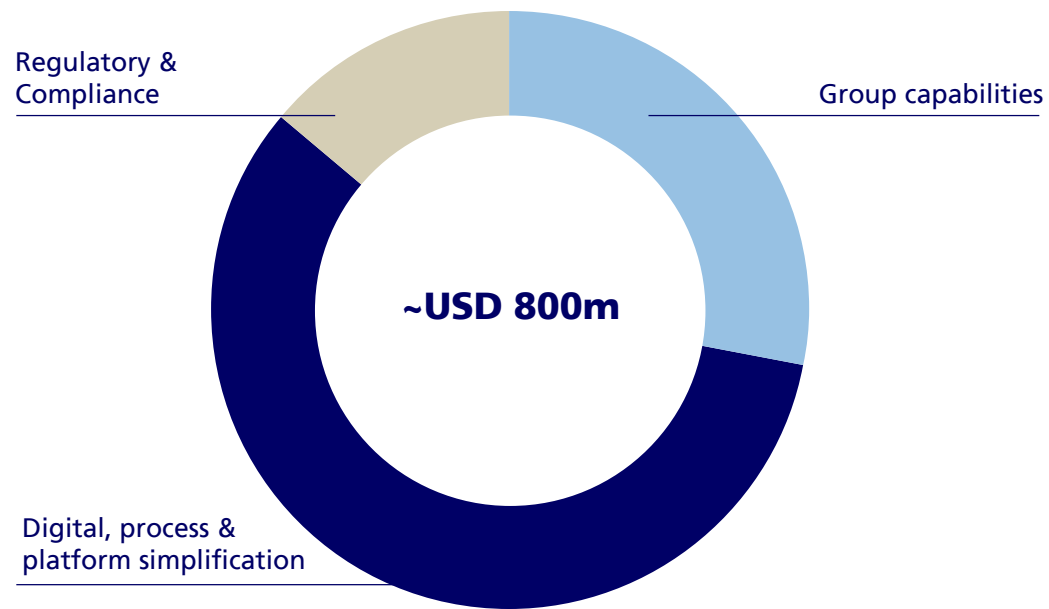
**HEADQUARTER REVENUES (USDm)<sup>1</sup>**



<sup>1</sup> Excluding Shared services. Constant FX.

# We continue to have a disciplined approach to business investments

## CAPABILITY INVESTMENT PROGRAMS, SPLIT BY TYPE (%)<sup>1</sup>



### Project portfolio strategically designed to:

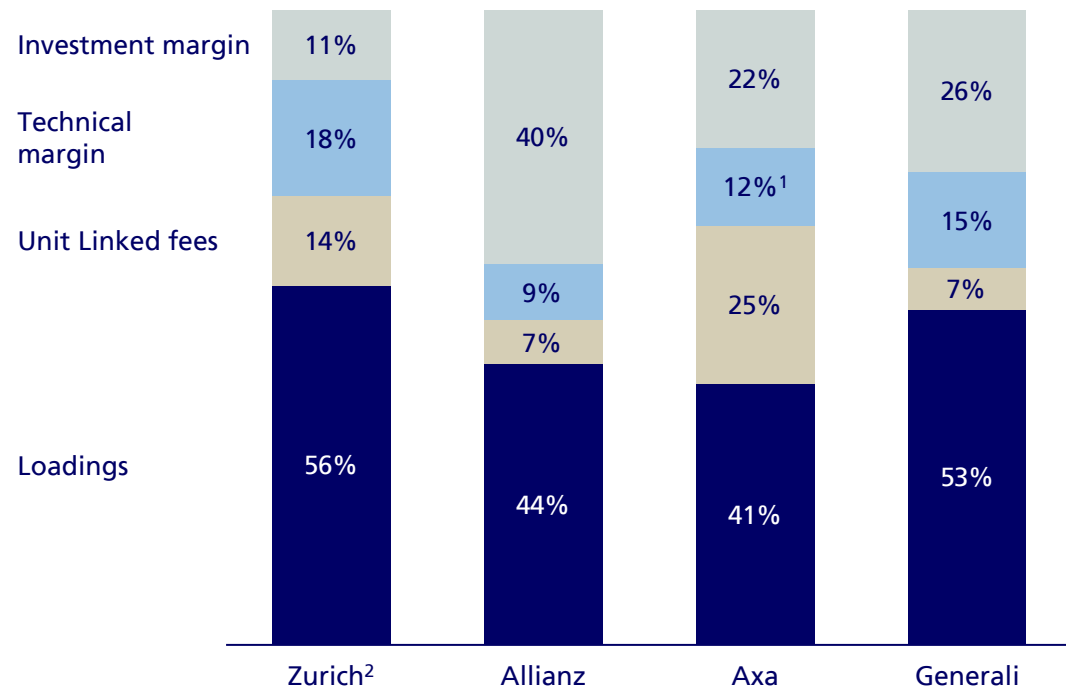
- Drive market growth
- Launch new propositions
- Improve customer service
- Sustain and modernize IT systems and data assets
- Keep up with regulatory requirements
- Simplification of processes



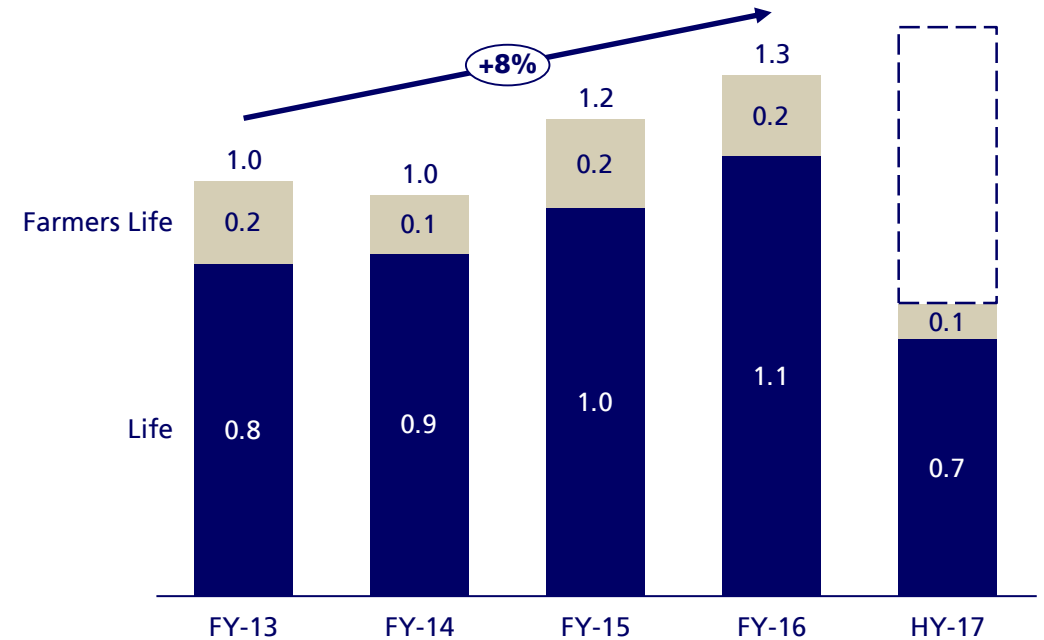
# Life BOP is driven by high quality revenue streams and is growing



**GROSS MARGIN BREAKDOWN (FY-16)**



**LIFE BOP EVOLUTION (USDbn)<sup>2</sup>**



Source: Companies' websites..

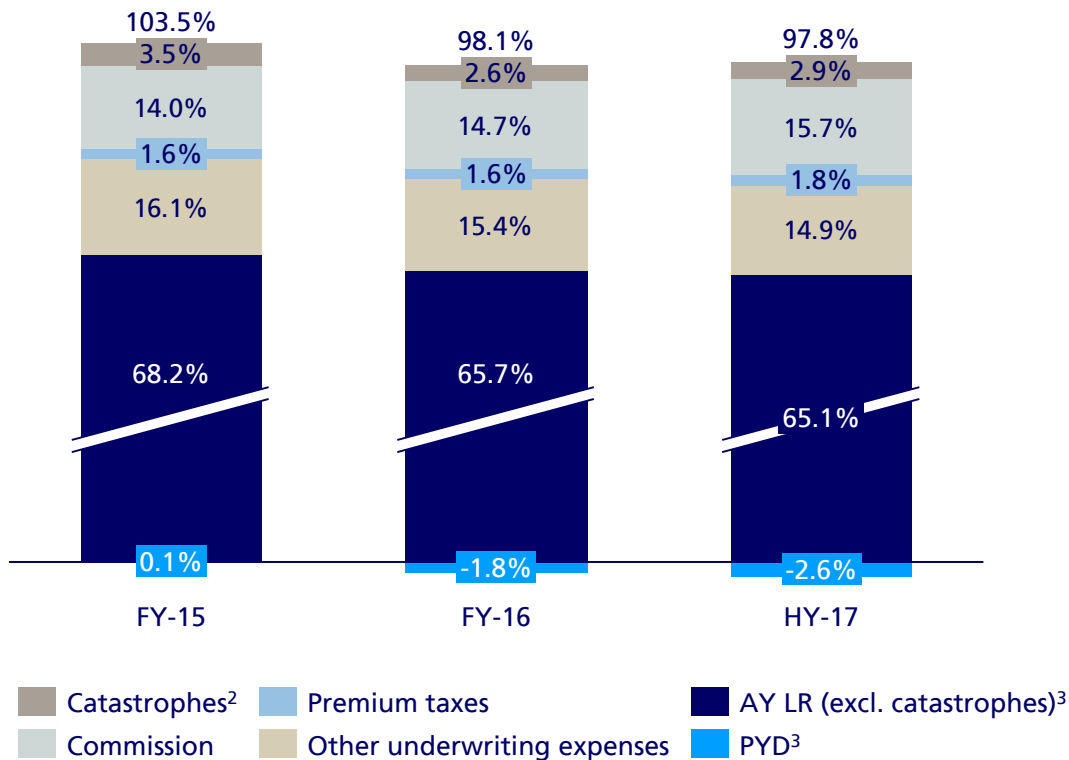
<sup>1</sup> Including GMxB variable annuities margin.

<sup>2</sup> Including Farmers Life, reported within Farmers as of 2017; Constant FX.

# Further improvements expected in P&C accident year loss and administrative cost ratio



## COMBINED RATIO (%)<sup>1</sup>



## EXPECTED DEVELOPMENT

- ➔ 10 year average including 2017 slightly above 3%
- 2017 is an exceptional year (as was 2011)

---

- ➔ Driven by business mix
- Needs to be looked at in conjunction with loss ratio

---

- ➔ Includes premium taxes and levies
- No material change expected

---

- ➔ Further benefits from cost saving program
- Most of benefits to flow through admin expenses

---

- ➔ Benefits from ongoing portfolio management
- Long-term business mix change to support trend

---

- ➔ Expected in the 1-2% favorable PYD range

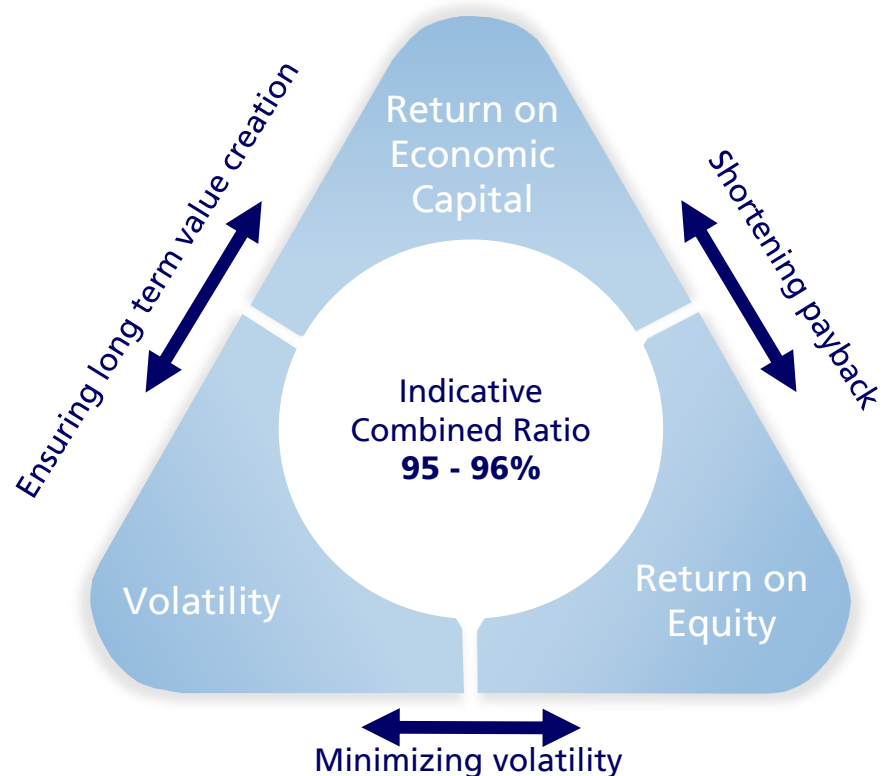
<sup>1</sup> FY-15 has not been restated. HY-17 excludes the impact from the change in the Ogden discount rate, booked in Q1-17.

<sup>2</sup> Catastrophes include major and mid-sized catastrophes including significant weather-related events.

<sup>3</sup> Accident year loss ratio (AY LR) excludes prior year reserve development (PYD).

# We are rebalancing our portfolio to achieve our targets

## OUR APPROACH

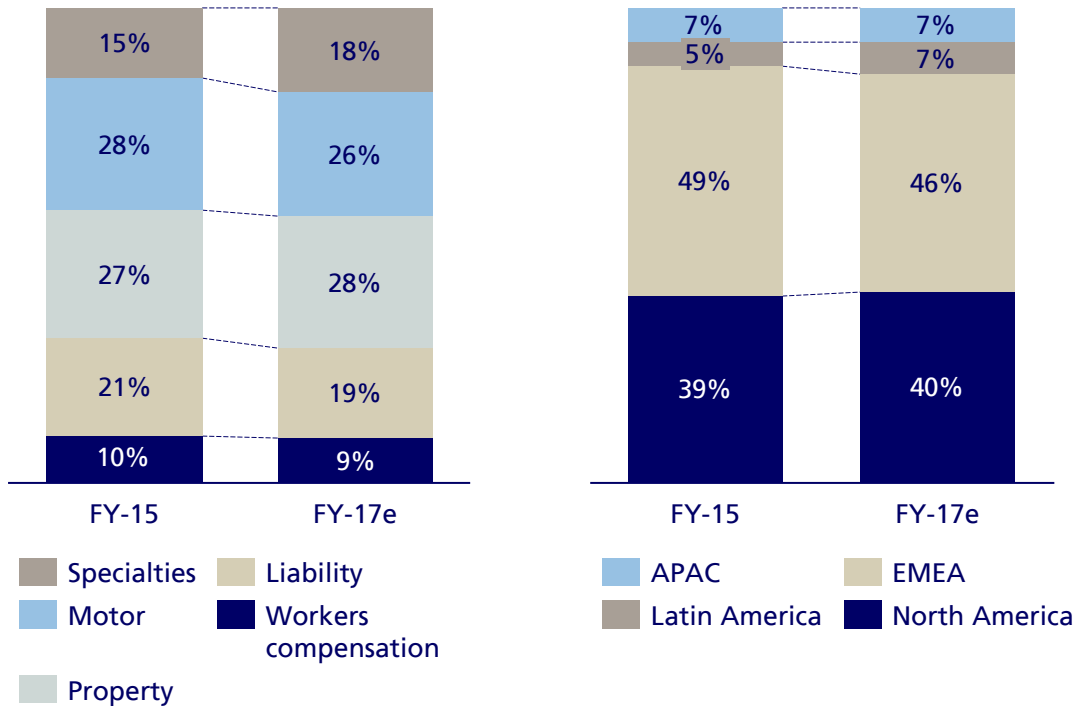


- Reducing exposure to long tail improves the underwriting result, shortens the payback period, and reduces market and reserve risk
- Long tail business lessens soft market pressures and reduces volatility at the expense of reserve risk
- A balanced portfolio is key to pursue our goals

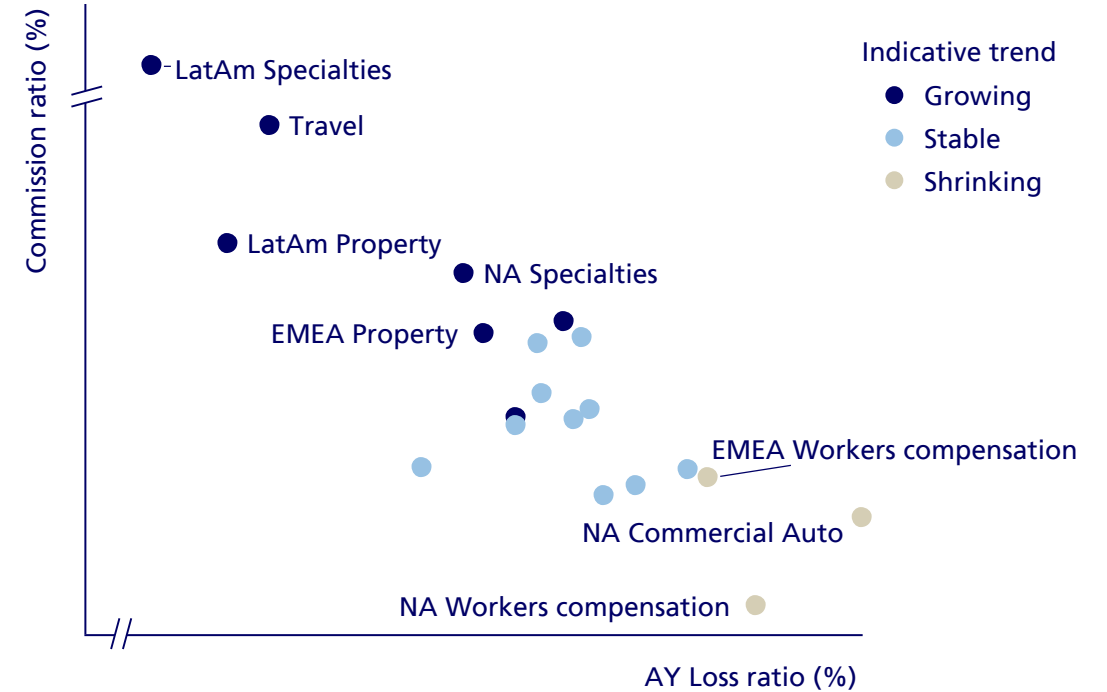
# Shifts in strategy result in changes to the combined ratio composition



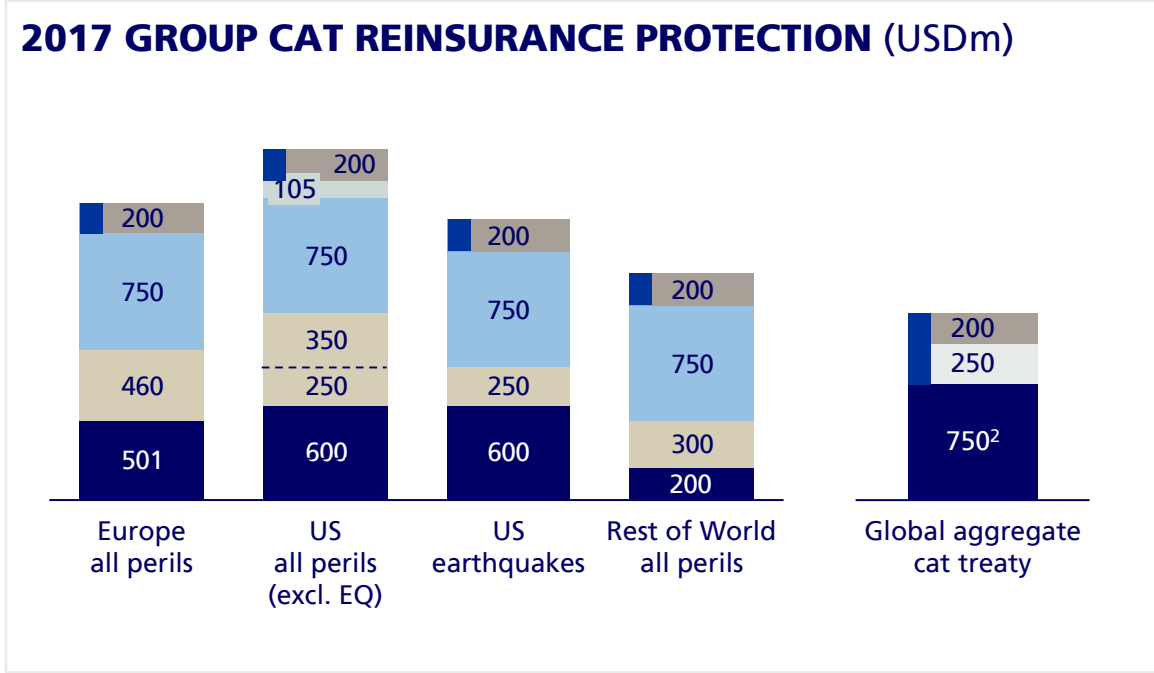
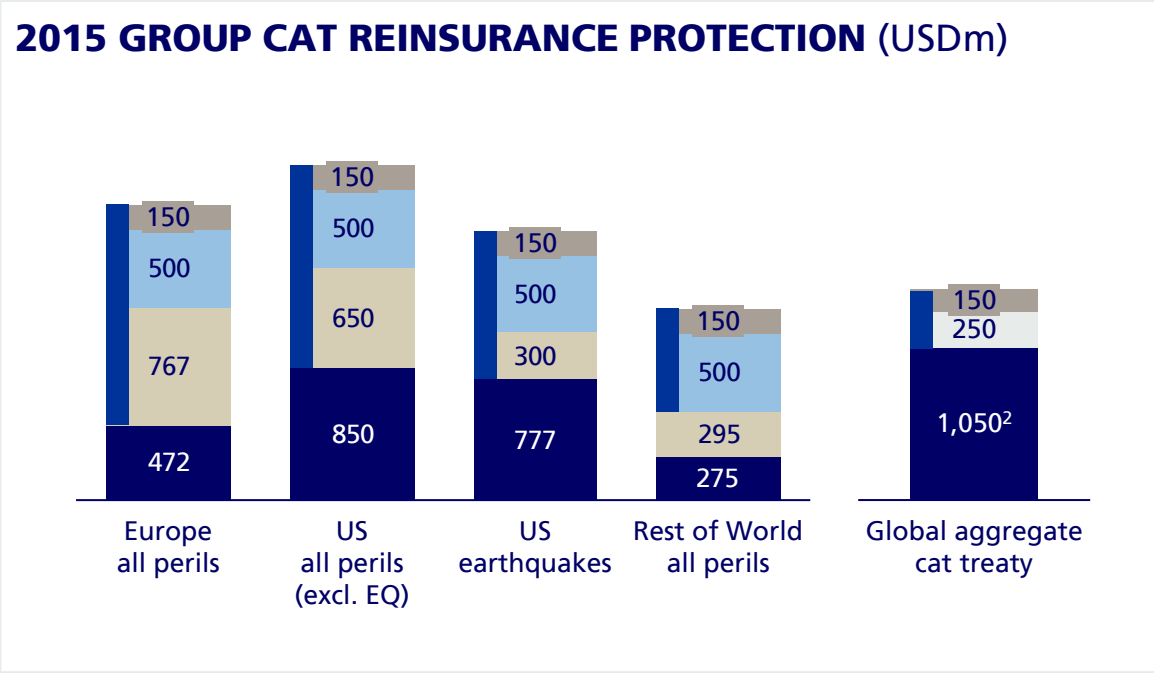
**BUSINESS AND GEOGRAPHICAL MIX (% of NEP)**



**LOSS AND COMMISSION RATIO**



# We significantly reduced the Group's net retention



Global aggregate cat treaty
  Combined global cat treaty<sup>1</sup>
 US wind swap
  Global cat treaty
  Regional cat treaties
  Retention
  10% co-participation

**HURRICANE HARVEY, IRMA AND MARIA: IMPROVED EARNINGS BY USD 0.3bn THROUGH REDUCTION IN ATTACHMENT POINT**

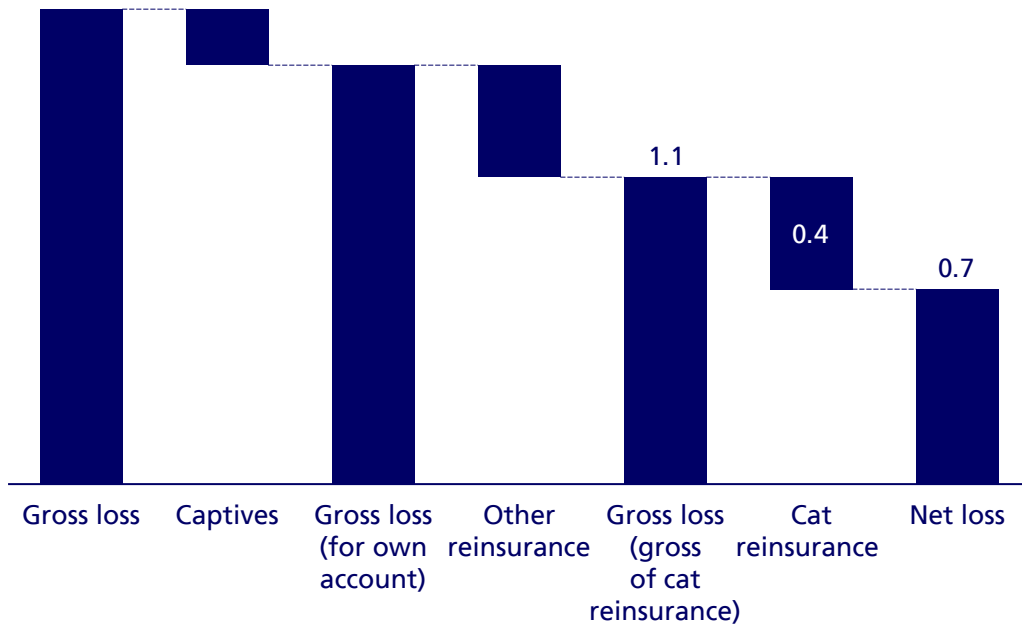
<sup>1</sup> This cover can be used only once, either for aggregated losses or for an individual occurrence or event.

<sup>2</sup> Franchise deductible of USD 25m, i.e., losses greater than USD 25m count towards erosion of the retention (annual aggregate deductible).

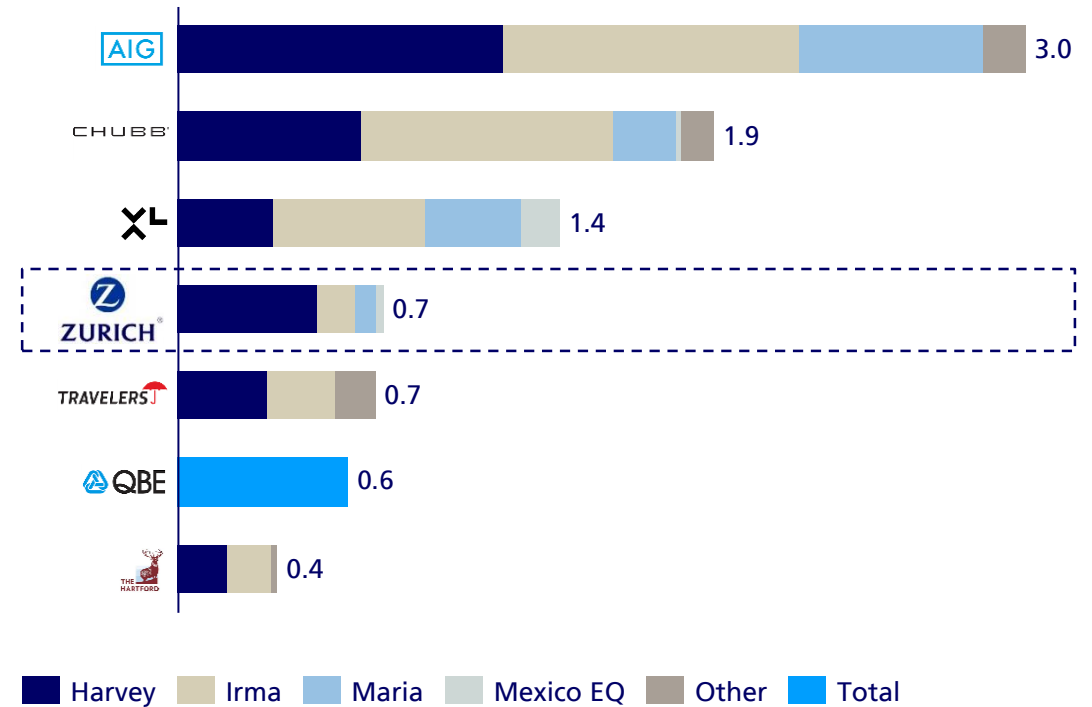
# Net impact of recent catastrophes comparatively low for Zurich



**ILLUSTRATIVE WALK FROM GROSS TO ULTIMATE NET LOSS FOR HURRICANES HARVEY, IRMA AND MARIA (USDbn)**

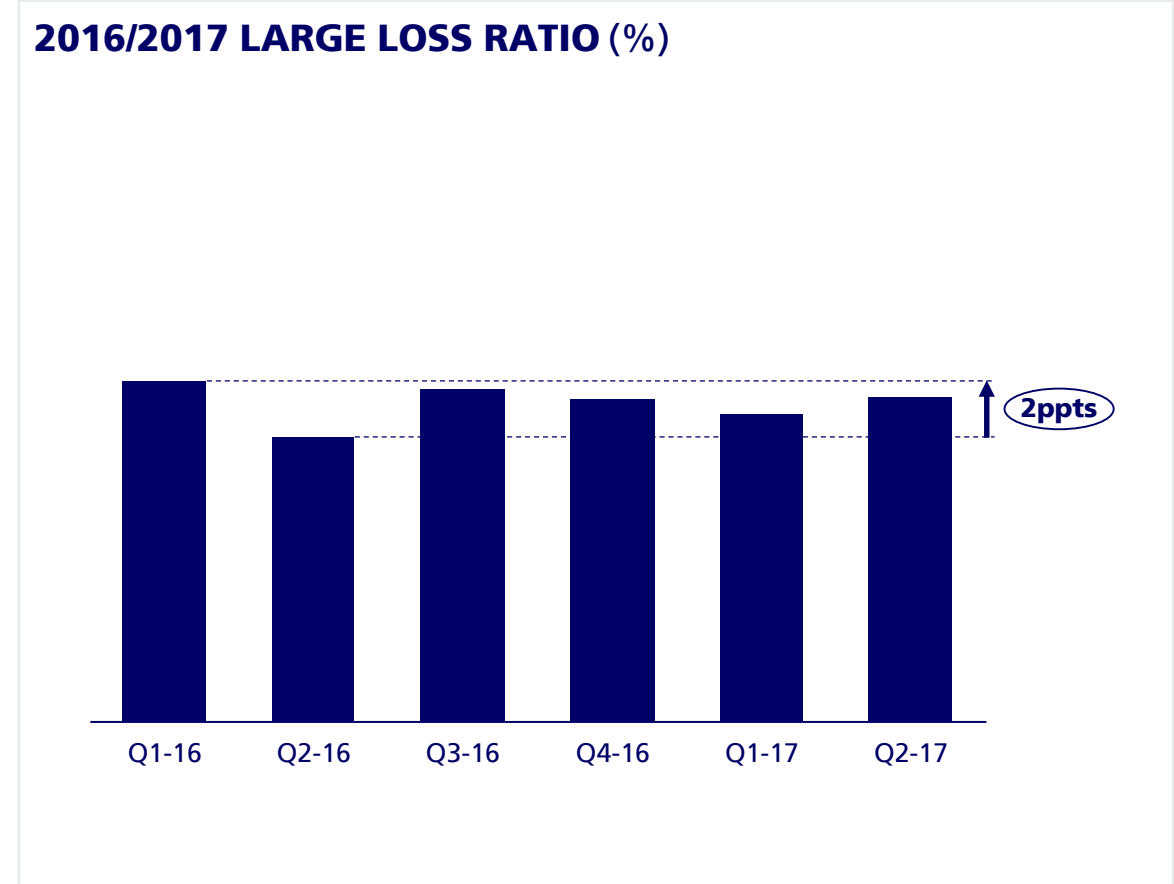
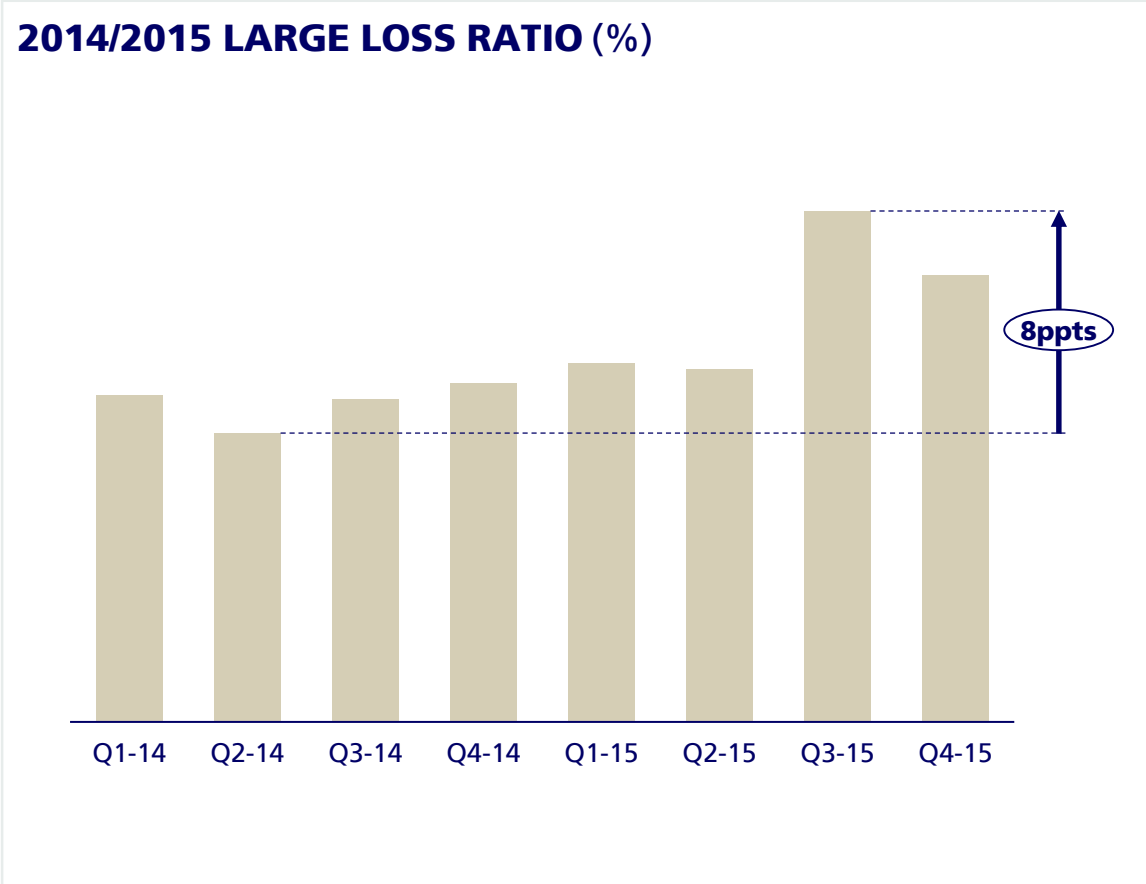


**NET LOSS ESTIMATE PRE-TAX (USDbn)<sup>1</sup>**



<sup>1</sup> As per peer reports and news releases available as of end-October 2017.

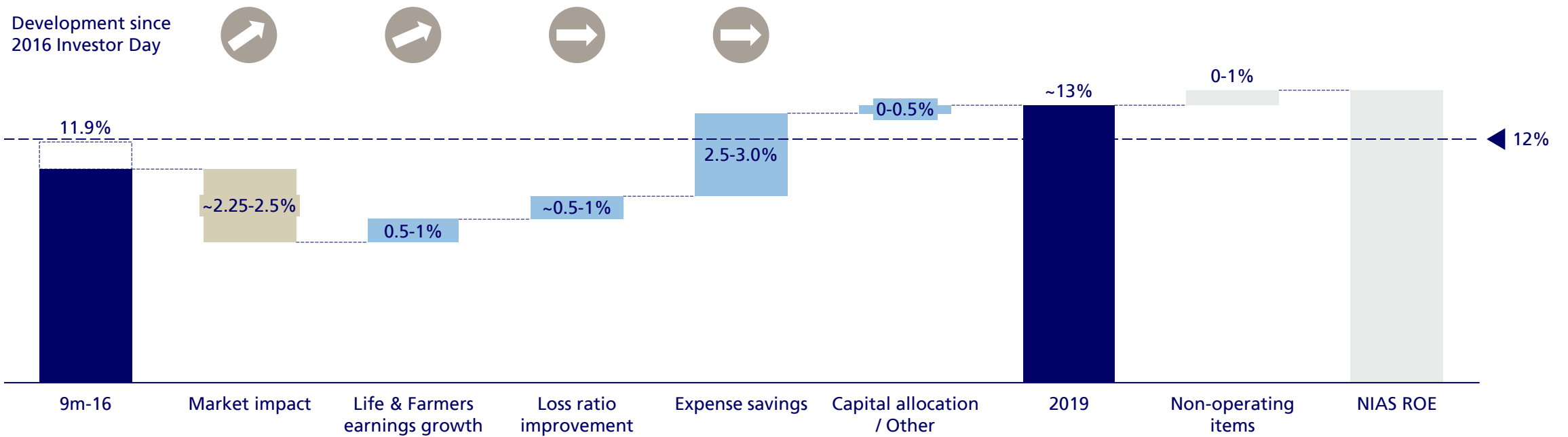
# Large loss ratio volatility is improving



# Clear line of sight in achieving our ROE target



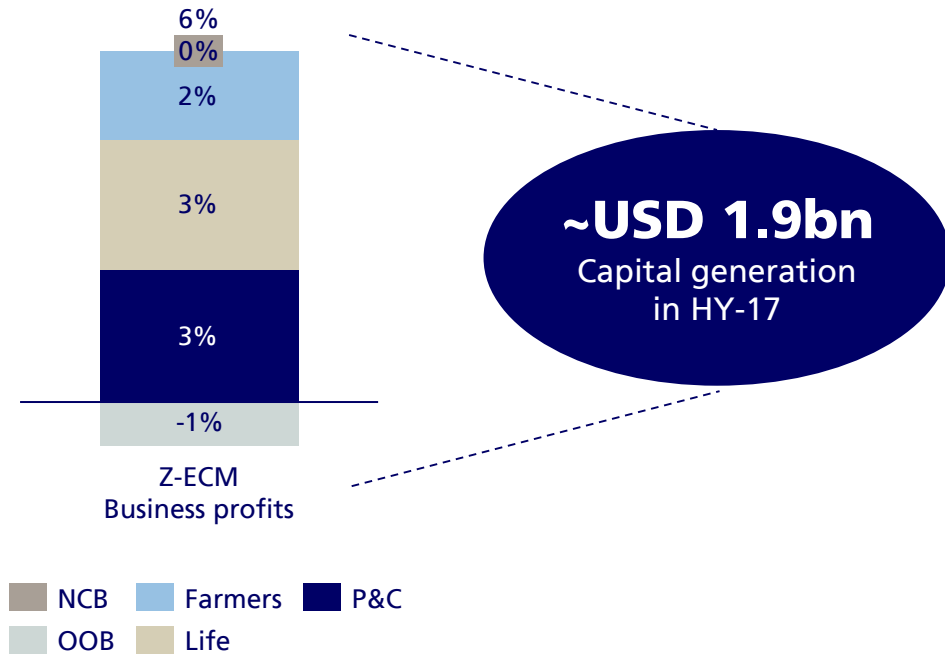
## ILLUSTRATIVE BOPAT ROE DEVELOPMENT





# We are confident that the level of cash generation seen in the year supports our cash remittance target

## HY-17 OPERATING CAPITAL GENERATION



## CASH REMITTANCES TO GROUP VS. NET INCOME

FY-12 – FY-16

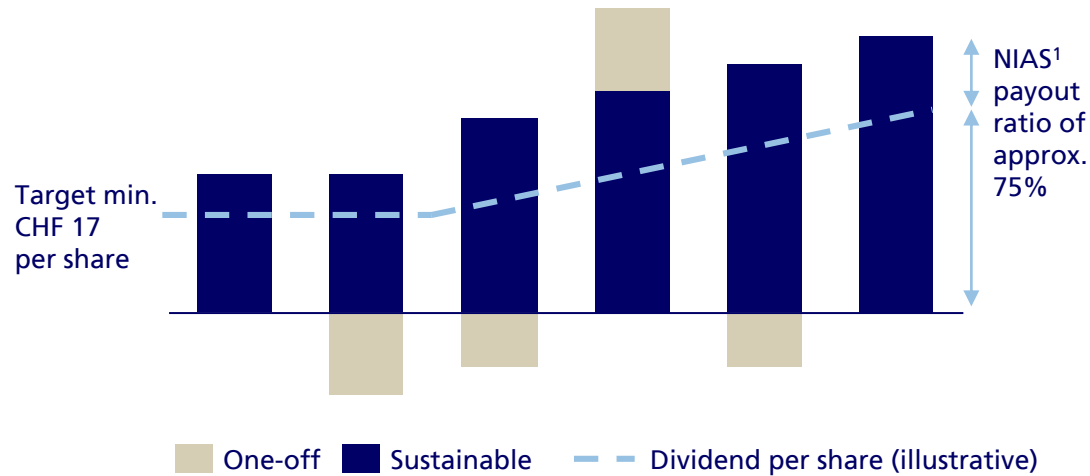
**91%**

FY-17 – FY-19

**~85% - 90%**

# We are focused on delivering an attractive and growing dividend underpinned by a stable balance sheet

## SUSTAINABLE EARNINGS GROWTH TO DRIVE REGULAR DIVIDEND (EARNINGS PER SHARE, ILLUSTRATIVE)



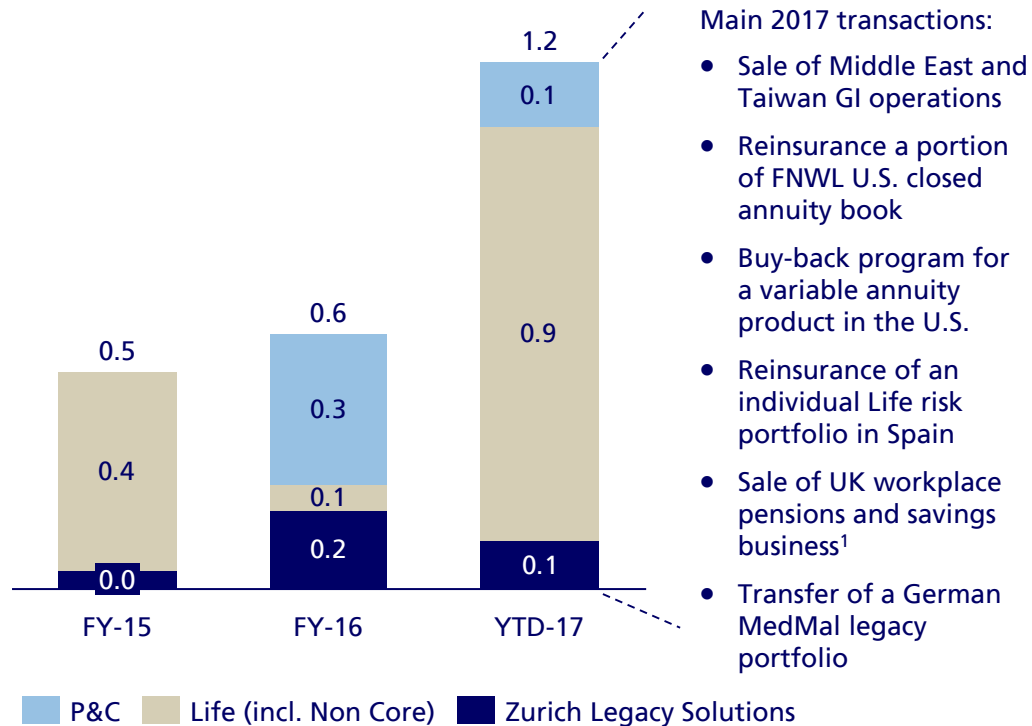
## CAPITAL MANAGEMENT POLICY (Z-ECM RATIO, %)



<sup>1</sup> Net income attributable to shareholders.

# We are focused on actively managing our balance sheet and on a disciplined acquisition approach

## Z-ECM IMPACT OF RECENT DIVESTMENTS AND OTHER CAPITAL ACTIONS (USDbn)



## M&A CRITERIA

- Financed from internal resources and immediately accretive to shareholders
- Benefits comparison of capital return (incl. buy-backs) vs. ROI of >10%
- Fit to Group strategy (geography, customer, product mix) and risk appetite
- Acquisitions to be beneficial to Group targets
- Execution simplicity is key

<sup>1</sup> Minimal impact, to materialize in 2018.

# Key messages

## Targets

Well on track to deliver on our Group financial targets

## Efficiency

On track for ~USD 700m in expense savings by the end of 2017

## Reduce volatility

Improvements in underwriting and reinsurance reducing the impact of natural catastrophes and quarterly large loss volatility

## Capital management

Continued active capital management across the business to release trapped capital and enhance returns, while having a disciplined approach to investments

## Dividend

Focused on delivering an attractive and growing dividend

# Closing remarks – Well positioned for the future

**Mario Greco**, Group Chief Executive Officer



# Key messages

## Strong franchise and financials

We have a uniquely diversified business with strong franchises and well balanced access to distribution backed by a strong balance sheet

## Delivering on our targets

The group's ability to grow earnings and deliver on targets has been restored through improved efficiency, a focus on technical excellence and strengthening of core businesses

## Positioned for industry change

We are well positioned for industry change with a diverse and flexible business and we will actively lead industry transformation

## Stepping up the pace

We are accelerating the cultural change to become customer centered, through simplification of our business and investment in targeted innovation

## Shareholder focused

Our cash generative business model and strong balance sheet allow us to increase the return of capital to shareholders over time

# Biographies





## Mario Greco

### Group Chief Executive Officer

Nationality: Italian  
Born: 1959

#### Skills and experience

Mario Greco has broad experience in the insurance industry, having served in senior executive positions for more than 20 years. He joined Zurich in March 2016 as Group Chief Executive Officer and member of the Executive Committee.

Mr. Greco started his professional career in management consulting, working in McKinsey & Company's Milan office from 1986 until 1994, where he became a partner in 1992 and subsequently a partner leader in the insurance segment. In 1995, he joined RAS (Allianz Group) in Milan as head of the claims

division. He became general manager in charge of the insurance business the following year. In 1998, he was appointed managing director and in 2000, he became the company's CEO. At the end of 2004, Mr. Greco joined Allianz AG's executive board, with responsibility for France, Italy, Spain, Portugal, Greece and Turkey. In April 2005, he joined the Sanpaolo IMI Group in Milan as CEO of EurizonVita and in October 2005, he was appointed CEO of Eurizon Financial Group. From 2007 to 2012, he served at Zurich, first as CEO Global Life and from 2010, as CEO General Insurance. In 2012 he was appointed CEO of Generali.

#### External appointments

Mr. Greco is a board member of The Geneva Association and a member of the board of trustees of the Lucerne Festival.

#### Educational background

Mr. Greco holds a bachelor's degree in economics from the University of Rome and a master's degree in international economics and monetary theory from Rochester University.





## Urban Angehrn

### Group Chief Investment Officer

Nationality: Swiss  
Born: 1965

#### Skills and experience

Urban Angehrn joined the Executive Committee as Group Chief Investment Officer in July 2015. Before taking his current position he served as Head of Alternative Investments and prior to that, from 2010 to 2012, as Head of Strategy Implementation in Investment Management. He joined Zurich in 2007 as Regional Investment Manager Europe. Before joining Zurich, he held various positions in capital markets-related roles in the insurance and investment banking industries, including as the head of allocation & strategy in asset management at the Winterthur

Group. He also served as an adviser to Swiss institutional clients in the use of derivatives, and held positions in derivatives marketing and fixed income sales at Credit Suisse and J.P. Morgan.



## Jeff Dailey

### CEO of Farmers Group, Inc.

Nationality: U.S.  
Born: 1957

#### Skills and experience

Jeff Dailey began his career in 1980 with Mutual Service Insurance Company. He also worked for Progressive Insurance Company. He went on to form Reliant Insurance Company, an auto insurance start-up owned by Reliance Group Holdings, which was sold to Bristol West Holdings, Inc. in 2001. From 2001 until 2003 Mr. Dailey was Chief Operating Officer (COO) of Bristol West Holdings, Inc. and, in 2003 he was named President and COO of Bristol West Holdings, Inc., in conjunction with the firm's initial public offering (IPO) on the New York Stock Exchange.

In 2006, he became CEO of Bristol West Holdings, Inc. Mr. Dailey joined Farmers Group, Inc. in 2007 as Vice President when Farmers acquired Bristol West Holdings, Inc., and he was promoted in 2008 to Executive Vice President of Personal Lines. In January 2011, he was promoted to the position of President and COO of Farmers Group, Inc. He became a member of the Board of Farmers Group, Inc. in February 2011 and has been its Chairman since October 2015. Mr. Dailey was appointed to his current role of CEO of Farmers Group, Inc. and became a member of the Executive Committee in January 2012.



## Claudia Dill

### CEO Latin America

Nationality: Swiss  
Born: 1966

#### Skills and experience

Claudia Dill has more than 25 years of experience in the banking and insurance sectors and has held a range of senior international positions. Ms. Dill joined Zurich in 1999 as Financial Controller of Group Reinsurance and in 2001 was promoted to Chief Financial Officer (CFO) for Group Reinsurance. In 2003, she was appointed CFO for the business division Continental Europe and was promoted in 2004 to CFO of the European Region and European General Insurance business division. In 2007 she was appointed Chief Operating Officer (COO) for the same business area. In 2009, Ms. Dill

took on the role of CEO and President for the North America Shared Services Platform (ZFUS) and was promoted in 2010 to Head of Global Business Services, both roles based in the U.S. From 2012 until 2015, Ms. Dill served as COO for the General Insurance business, based in Switzerland. In 2015 she was named CEO Latin America General Insurance, based in Brazil, and was appointed CEO Latin America in 2016. She became a member of the Executive Committee in October 2016.



## Jack Howell

### CEO Asia Pacific

Nationality: U.S.  
Born: 1970

#### Skills and experience

Jack Howell has more than 20 years' experience in the financial services sector, of which more than 10 have been in various senior leadership positions for insurance companies in Asia. Prior to his appointment at Zurich, Mr. Howell was the regional officer for Asia for Assicurazioni Generali based in Hong Kong. He joined Generali from Prudential plc. Group, where he briefly served as CEO and President Director for PT Prudential Life Assurance, Indonesia, and for almost six years as CEO of Prudential Vietnam Assurance. Before Prudential, he held various positions

in AIG in the Philippines, Hong Kong and New York, co-founded a boutique investment bank called TwentyTen, and spent several years as a consultant, including in The Boston Consulting Group. Mr. Howell joined Zurich in September 2016 as CEO for Asia Pacific and became a member of the Executive Committee in October 2016.



**Alison Martin**  
**Group Chief Risk Officer-Designate**

Nationality: British  
Born: 1974

**Skills and experience**

Alison Martin has extensive management, financial and commercial experience within the insurance sector. She joined Zurich as Group Chief Risk Officer-Designate in October 2017, and will assume the role of Group Chief Risk Officer in January 2018. A qualified accountant, Ms. Martin began her career at PwC, where from 1995 to 2003 she worked with insurance clients in audit and advisory roles. She then served in leading executive positions at Swiss Re, starting in 2003 as Finance Director, Life & Health. She was appointed Chief Financial Officer (CFO) of Swiss

Re's UK Life & Health business unit in 2005. From 2006 to 2011 she was responsible for Swiss Re's Global Life & Health Risk Transformation team. Starting in 2011 she served as Group Managing Director of Swiss Re's Life & Health Products Division. She was appointed Swiss Re's Head of Life & Health Business Management in 2013, a position she held until joining Zurich in 2017.



**George Quinn**  
**Group Chief Financial Officer**

Nationality: British  
Born: 1966

**Skills and experience**

George Quinn started his career at KPMG 1988 in London, where he held several positions working with the insurance and reinsurance industry. He joined Swiss Re in 1999 as Group Chief Accounting Officer based in Zurich and later served as Chief Financial Officer (CFO) for Swiss Re Group's financial services. Mr. Quinn became the regional CFO for Swiss Re Americas based in New York in 2005. In March 2007 he became Swiss Re Group's CFO. Mr. Quinn joined Zurich in May 2014 as Group CFO and is a member of the Executive Committee.



**Kathleen Savio**  
**CEO-Designate**  
**North America**

Nationality: U.S.  
Born: 1965

**Skills and experience**

Kathleen Savio has more than 25 years of experience working across several disciplines at Zurich. Appointed to her current position as Chief Executive Officer-Designate for Zurich North America in October 2017, she will assume the role of Chief Executive Officer for that business in January 2018. Since 2012 she has held the position of Head of Alternative Markets for Zurich North America, which delivers products and services to customers through multiple distribution channels, including direct, program administrators, crop agents, captive consultants and brokers. Prior to

that appointment she held the position of Chief Administrative Officer for North America Commercial. Before assuming that role, she led Corporate Marketing and Communications for North America Commercial, as well as Strategic Initiatives for Marketing and Distribution. She also has held roles in product underwriting and corporate marketing and within key business units. She joined Zurich in 1991.



**Gary**  
**Shaughnessy**  
**CEO EMEA**  
**(Europe, Middle**  
**East and Africa)**

Nationality: British  
Born: 1966

**Skills and experience**

Gary Shaughnessy was appointed CEO EMEA (Europe, Middle East & Africa) in July 2016, after joining the Executive Committee in January 2016 as CEO Global Life. Before his promotion to the Executive Committee, he was CEO of Zurich UK Life, a role he held from June 2012. In 2014 he assumed the additional role of Country Head for Zurich in the UK. Prior to joining Zurich, Mr. Shaughnessy worked at Fidelity Worldwide Investment, where he was managing director for the UK defined contribution and retail business. His previous experience includes nearly a decade in

senior roles within the Prudential Group, including the role of UK managing director, retail life & pensions, and CEO UK retail at M&G Investments. Mr. Shaughnessy's background is in marketing and distribution, with previous roles spanning the broad financial services market at AXA, the Automobile Association and the Bank of Scotland.





**James Shea**  
**CEO Commercial Insurance**

Nationality: Canadian  
Born: 1965

**Skills and experience**

James Shea began his insurance career at AIG in 1994 as a financial lines underwriter in New York. He joined the American International Underwriters (AIU) division in 1996, where he held several senior underwriting and general management positions. These included senior vice president of International Financial Lines, regional president for Central Europe and the Commonwealth of Independent States and managing director of AIG UK. In 2011 he was appointed president of Global Specialty Lines and in 2012 his role was expanded to CEO of

Commercial Insurance for AIG in Asia Pacific. Most recently he was President of Global Financial Lines based in New York. During his career, he has worked in Canada, the U.S., UK, France, Japan and Singapore. Mr. Shea joined Zurich in September 2016 as CEO Commercial Insurance and as a member of the Executive Committee effective October 2016.



**Kristof Terryn**  
**Group Chief Operating Officer**

Nationality: Belgian  
Born: 1967

**Skills and experience**

Kristof Terryn began his career in 1993 in the banking industry, where he worked in capital markets. In 1997, he joined McKinsey & Company where he held various positions within the financial services practice in Brussels and Chicago. He joined Zurich in 2004 in the Finance department. In 2007 he became Chief Operating Officer (COO) for the Global Corporate business division and in January 2009 was named COO for General Insurance. Mr. Terryn became a member of the Executive Committee in 2010 upon his appointment as Group Head Operations. In

September 2013 he was appointed CEO Global Life, and after becoming CEO General Insurance in October 2015, continued to serve as CEO Global Life on an ad interim basis until the end of December 2015. He was appointed Group Chief Operating Officer effective July 2016.



**Mike Linton**  
**Chief Marketing Officer Farmers Group, Inc.**

Nationality: U.S.  
Born: 1956

**Skills and experience**

Mike Linton is Chief Marketing Officer for Farmers Group, Inc. He joined Farmers Group, Inc., in 2011 and is responsible for marketing, research, internal and external communications, strategic planning and the company's digital marketing. Linton began his career in brand management at Procter & Gamble in 1980. He went on to hold various marketing and general management positions at Progressive Insurance, James River Paper Company and Remington. In 1999, Linton moved to Best Buy where he became its first ever Chief Marketing Officer, responsible for all

marketing, research, call centers, and public and investor relations. In 2006, he moved to eBay, first in general management, then as the Chief Marketing Officer.



**Roy Smith**  
**President of Personal Lines Farmers Group, Inc.**

Nationality: U.S.  
Born: 1962

**Skills and experience**

Roy Smith has more than 30 years of experience in the insurance industry and at Farmers Insurance, with experience in marketing, distribution and personal lines. Mr. Smith was named President of Personal Lines in 2015. In 2017, the Service Operations organization began reporting to Mr. Smith. Previously, Mr. Smith most recently served as President of Farmers Exclusive Agent Distribution. Prior to that he was Head of Distribution for Farmers Life, over-seeing both Life Distribution and Marketing in the Mercer Island

home office and the Farmers Life field force of Life and Financial Sales Specialists. Mr. Smith joined Farmers in 1985 as a Personal Lines Underwriter in the Mission Regional Office. In 2006 he was promoted to the position of Zone Vice President for the Western State Operations and in 2007 he was promoted to Senior Vice President for the Western Zone. Following a reorganization of Zone territories in December 2009, Smith became Senior Vice President of the Southern Zone, and in December 2010, he took over the Pacific Zone.



## Javier Lorenzo

### Head of Bank Distribution

Nationality: Spanish and Mexican  
Born: 1963

#### Skills and experience

Javier has 33 years of experience in the banking and insurance sectors. Javier began his career with Grupo Financiero Bancomer in Mexico. Before joining Zurich, Javier spent 15 years at the Santander Group where he held a number of senior positions across their Retail Banking, Global Insurance and Commercial Banking divisions in both Spain and Mexico. He joined Zurich in 2011 as CEO of Zurich Santander Insurance America, the joint venture between Zurich and Banco Santander. In 2014 he was appointed Head of Bank Distribution.



## Raul Vargas

### CEO Zurich Santander Insurance America

Nationality: Argentina  
Born: 1975

#### Skills and experience

Raul Vargas started his career in 1997 working for Zurich Argentina as a life actuary. Since then he has been working for Zurich in various management positions. In 2001, Mr. Vargas moved to Italy where he was actuarial supervisor and head of product development. In September 2007, Mr. Vargas became a member of the Global Life Executive Committee and moved to Miami as a Head of Life Business Latin America, accountable for Brazil, Mexico, Chile, Argentina, Venezuela and Bolivia. He joined Zurich Santander as Commercial and Proposition Management

Director in September 2011. In 2014, he was promoted to Chief Executive Officer reporting to Javier Lorenzo, Zurich's Head of Bank Distribution, and is located in Madrid.









# For further information

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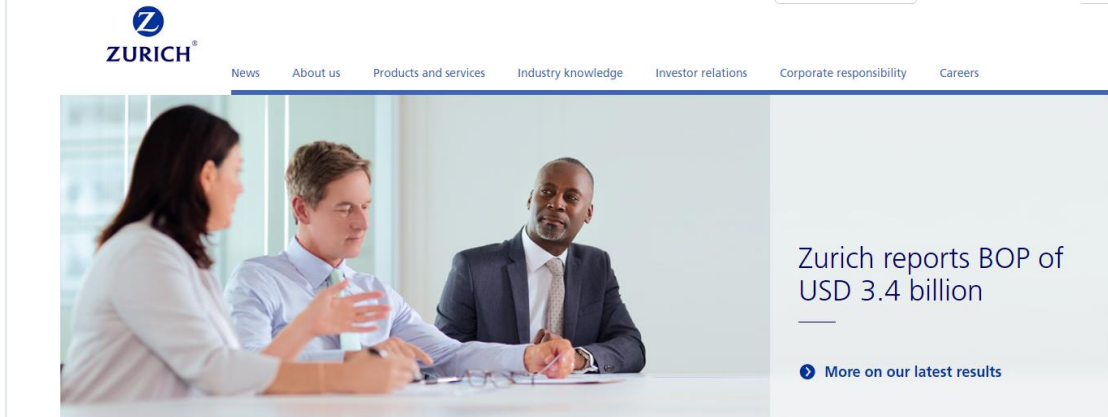
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- ▶ [Investor Relations website](#)
- ▶ [Financial results and reports](#)



**CALENDAR:**

- February 8, 2018, Annual Results 2017
- March 20-21, 2018, Morgan Stanley European Financials Conference 2018, London
- April 4, 2018, Annual General Meeting 2018
- April 9-10, 2018, HSBC West Coast Financials Conference 2018, San Francisco
- May 9, 2018, Interim Management Statement for the three months ended March 31, 2018
- May 29-30, 2018, DB Global Financials Conference 2018, New York
- June 8, 2018, Goldman Sachs 21st Annual European Financial Conference, Frankfurt
- August 9, 2018, Half year results 2018

