



# Zurich Insurance Group

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# Zurich Insurance Group – Cornerstones of our strategy



## GROUP STRATEGY

1

**Prioritizing investment in distinctive positions**

## KEY FOCUS AREAS

- Corporate
- Commercial mid-market
- Select retail

**Zurich in North America**



2

**Managing other businesses for value**

- Extract value from Global Life back books
- Continue to capture value from profitable, smaller General Insurance markets
- Turnaround/exit non-performing businesses

3

**Growing our operating earnings**

- Efficiency
- Value extraction
- Investment risk return

# Zurich North America executes through five major businesses



## NORTH AMERICA COMMERCIAL (NAC)

## GCINA

### Commercial Markets

Standard P&C and industry specific specialty lines for **targeted customer industry segments** that are locally placed and underwritten

### Specialty Products

**Complex products for higher severity risks** written through broker's hubs / specialized practices or wholesale brokers

### Programs

Business distributed through **Program Administrators** targeting niche markets

### Direct Markets

Business distributed through **direct sales force** targeting the auto dealer segment

### Global Corporate

Standard P&C lines for **large customers with global exposures** based in North America

**\$10bn  
GWP<sup>1</sup>**

**95%  
CR<sup>1</sup>**

**19%  
BOP ROE<sup>1,2</sup>**

## ZNA SHARED SERVICES

- Claims
- Operations
- Information Technology
- Facilities / Procurement
- Risk Engineering
- Finance & Actuarial
- Risk Management
- Audit
- Distribution
- Marketing
- Human Resources
- Premium Audit

<sup>1</sup> Includes North America Commercial, for the year ended December 31, 2013

<sup>2</sup> Pre-tax and before any allocation of OOB costs, adjusted BOP ROE based on average IFRS Group equity (excl. unrealized capital gains/losses) allocated to the segment based on its share of Zurich risk based capital (RBC)

# We are investing in North America in selected areas of capability...

## Customer

- Commercial primary research
- Customer feedback (NPS)
- Moments of truth
- Whole-account view



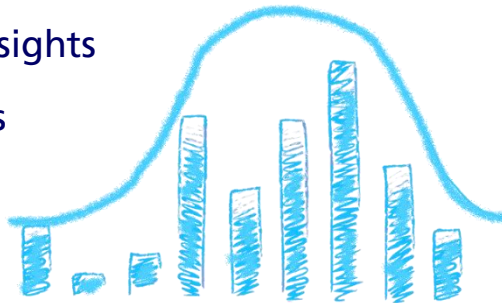
## Broker

- Broker behavioral segmentation
- Select broker strategy
- Broker analytics
- Broker engagement model



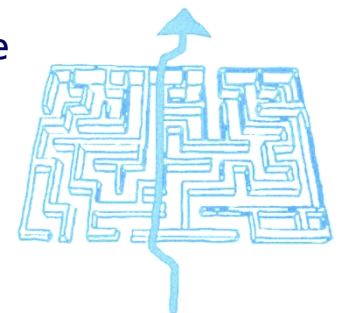
## Predictive Analytics

- Marrying external and internal data
- Distinctive risk insights
- Predictive models
- Pricing tools
- Field adoption



## Operations and IT

- Role-based user-interfaces
- Service-oriented architecture
- Application rationalization
- Data integration



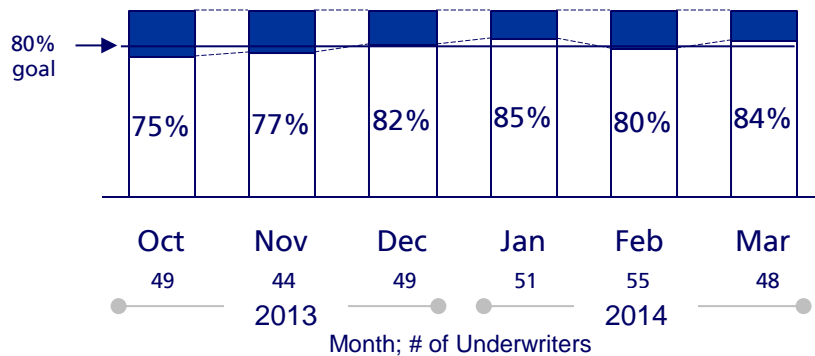
# ...and as we grow, we will remain focused on underwriting discipline

ILLUSTRATIVE

## Target Price Execution – “5-5-5” Calibration

Example Portfolio

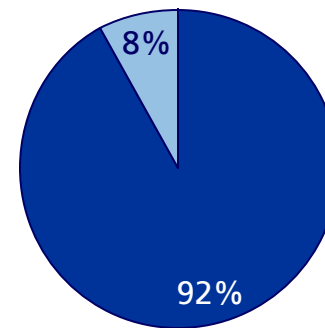
+/- 5% model target price  
 > +/- 5% model target price



## Technical Price Certification

Technical Price is the price needed at a per risk level to achieve Zurich’s required return on investment

Certified  
 Non-certified

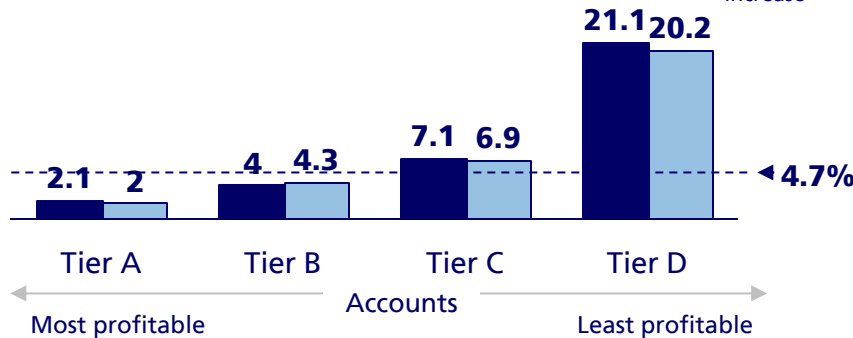


92% of ZNA’s eligible premium is **Technical Price** certified and we measure **Actual to Technical** for all certified books

## Tiering

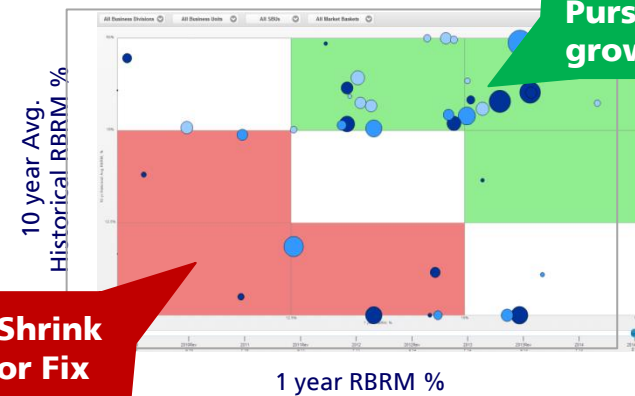
Rate Change, Example Portfolio, in %, Q1 2014

Plan Rate  
 Actual Rate  
 Book rate increase



## Portfolio Management

9-Box Tool





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**Calendar:**

- May 28, Deutsche Bank Global Financial Services Investor Conference, New York
- August 7, Half year results 2014
- September 30 – October 2, BoAML Annual Banking & Insurance CEO Conference
- November 6, Results for nine months to September 30, 2014
- February 12, 2015, Annual results 2014

