



Acquisition of MetLife Inc.'s U.S. P&C business

December 11, 2020



Leveraging Zurich's strength to increase stable fee earnings and support Farmers Exchanges strategy

Zurich to increase share of stable fee earnings

Farmers Exchanges¹ GWP to increase ~18%² with corresponding increase in FMS³ earnings from year 3; pro-forma Farmers contribution to Group BOP³ increased by ~3ppts to 31%

Farmers Exchanges market position strengthened

Transaction gives Farmers Exchanges a nationwide presence ranking 6th in personal lines² and with top 10 positions in all regions of the United States

Distribution diversified and deepened

Entry for Farmers Exchanges into the employer distribution channel via a leading worksite marketing platform and a deepened presence in independent agent and affinity channels

Growth at FMS³ and Farmers Exchanges accelerated

Potential to accelerate growth at Farmers Exchanges and FMS³ through use of Farmers brand in the employer channel and MetLife's standard P&C products across independent agent network

Funded through internal resources and external debt

Zurich's share of transaction⁴ of USD 2.43bn expected to be funded roughly equally from internal resources and hybrid debt

Financially attractive

ROE and EPS expected to be accretive to Zurich from first full year of transaction; Estimated cash return on investment of ~10% from year 3 of transaction

¹ For all references to Farmers Exchanges see the disclaimer and cautionary statement.

² 2019 pro-forma.

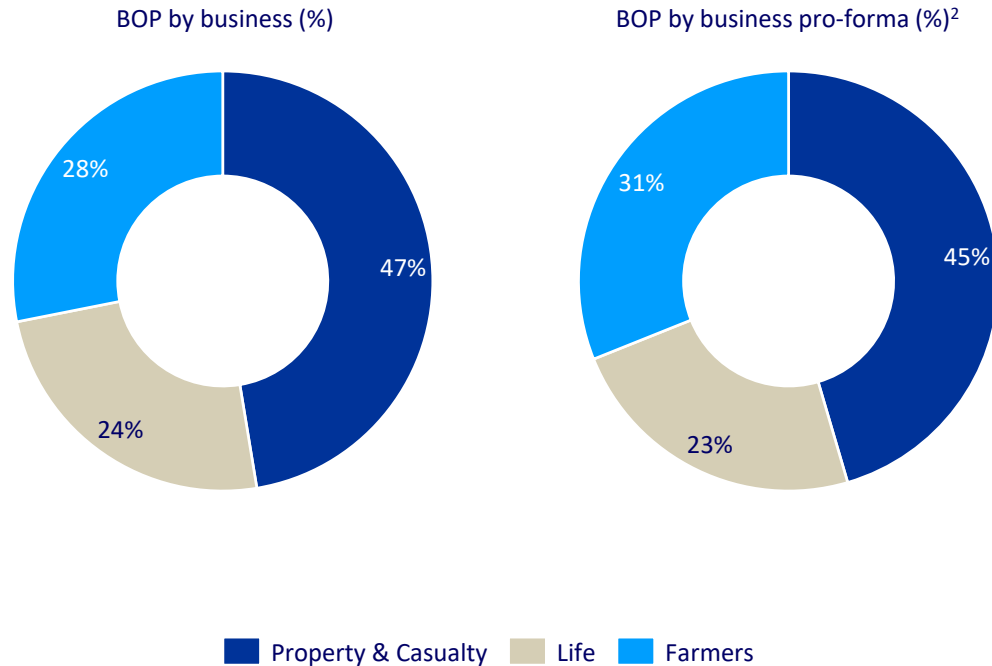
³ Farmers Management Services (FMS); business operating profit (BOP).

⁴ See slide 5 for details of transaction structure.

Contribution to Zurich earnings from Farmers stable fee-based earnings increased



FY-19 ZURICH GROUP BOP¹



Profitable U.S. personal lines market, largest in the world and growing in line with GDP



Capital light fee-based business



Stable contribution to Group earnings

~100%

Strong conversion of Farmers earnings to cash³

¹ BOP split by business excludes Group Functions & Operations and Non-Core Businesses.

² Pro-forma based on steady state earnings of acquired business post synergies.

³ Based on average cash remittances over net income attributable to shareholders from Farmers from 2012 – 2019.

Attractive financials for Zurich with estimated cash ROI of ~10% from year 3 of transaction and immediate accretion to earnings



EXPECTED ZURICH P&L IMPACTS (USDm)

EXPECTED ZURICH CASH AND BALANCE SHEET IMPACTS

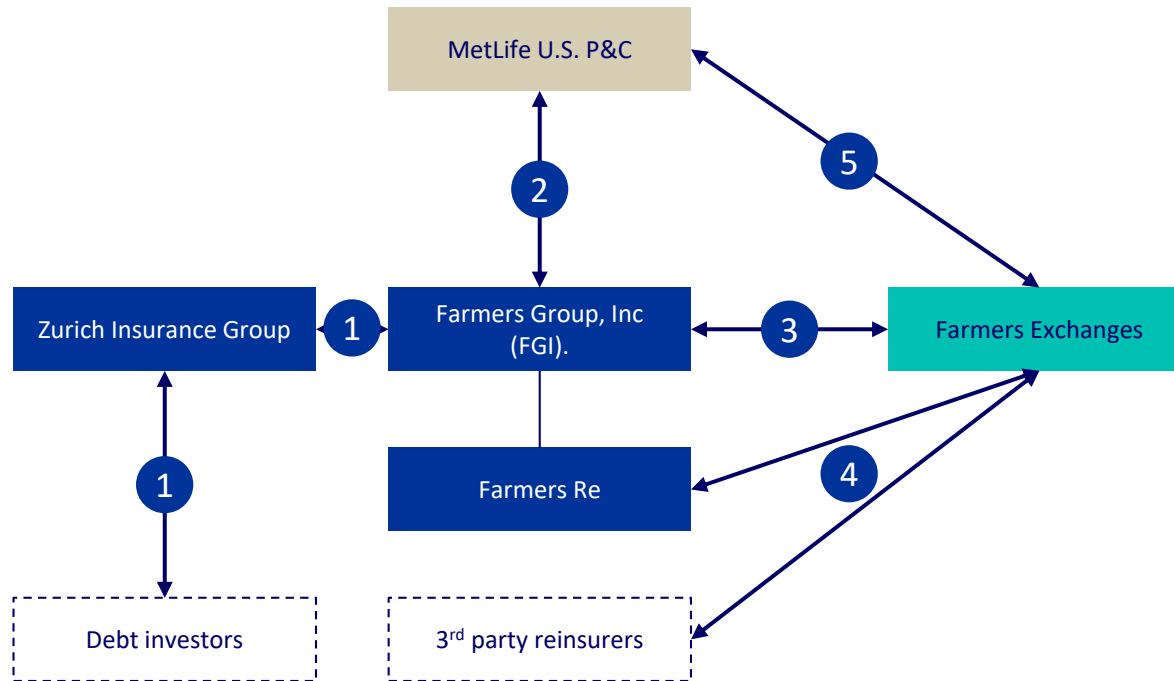
FMS BOP	~230m	From 2023 equating to a ~7% MGEP margin, with phasing from ~5% in 2021 and net of USD ~40m p.a. of intangible amortization of distribution agreement	-4ppts	Lower SST ratio ¹
Farmers Re BOP	~30m	Additional BOP in Farmers Re from first full year of quota share agreement	~23.7%	Moody's leverage ratio ^{1,2} post transaction
Deal related charges	~145m	Recognized primarily over 2021 and 2022 and split ~40% in BOP and ~60% outside of BOP	~+USD 60m p.a.	Cash generation in excess of net income

¹ Based on the assumption of USD 1.2bn hybrid debt issuance and a 2ppts increase in Farmers Re's all lines quota share agreement.

² Pro-forma as per September 30, 2020.

Purchase price of USD 3.94bn to be co-financed by Zurich and the Farmers Exchanges¹, with expected closing in Q2 2021

SIMPLIFIED TRANSACTION STRUCTURE



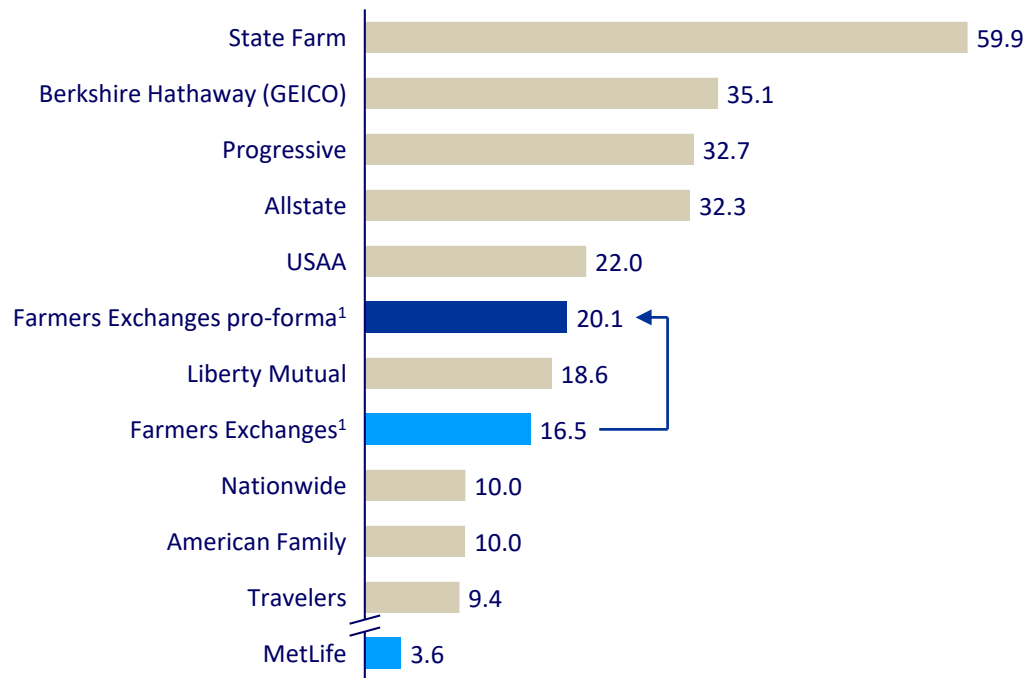
- 1** Zurich provides an internal loan to its subsidiary Farmers Group, Inc. (FGI) that is funded from internal sources and external issuance of hybrid debt
- 2** FGI acquires 100% of MetLife U.S. P&C business for cash consideration of USD 3.94bn
- 3** MetLife U.S. P&C business less certain assets and liabilities immediately transferred to Farmers Exchanges¹ for cash consideration of USD 1.51bn
- 4** Farmers Exchanges¹ consideration funded from internal resources and an increase in the all-lines quota share from the current 26%, with up to 2.25% from Farmers Re
- 5** 10-year exclusive distribution agreement between Farmers Exchanges¹ and MetLife

Closing of transaction expected to occur in Q2 2021 subject to customary regulatory approvals.

¹ For all references to Farmers Exchanges see the disclaimer and cautionary statement.

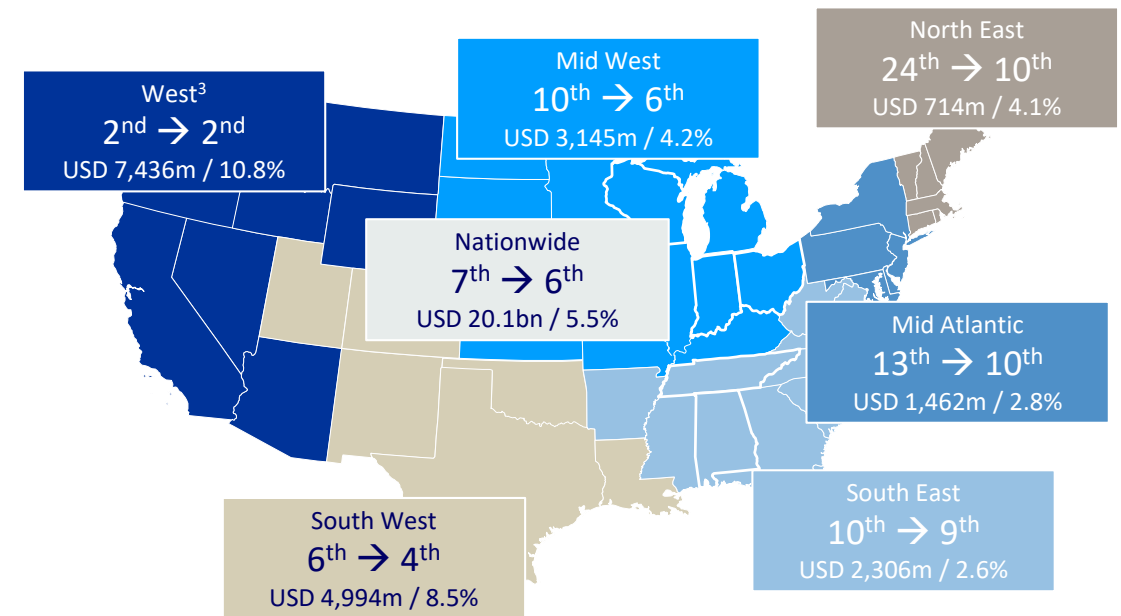
Transaction gives Farmers a truly nationwide presence and increased scale in a consolidating market

FY-19 U.S. PERSONAL LINES P&C DWP (USDbn)²



A TOP 10 U.S. PERSONAL LINES PLAYER NATIONWIDE²

Change in market position / FY-19 pro-forma DWP (USDm) / pro-forma market share (%)



~15.7m policies in force

¹ For all references to Farmers Exchanges see the disclaimer and cautionary statement.

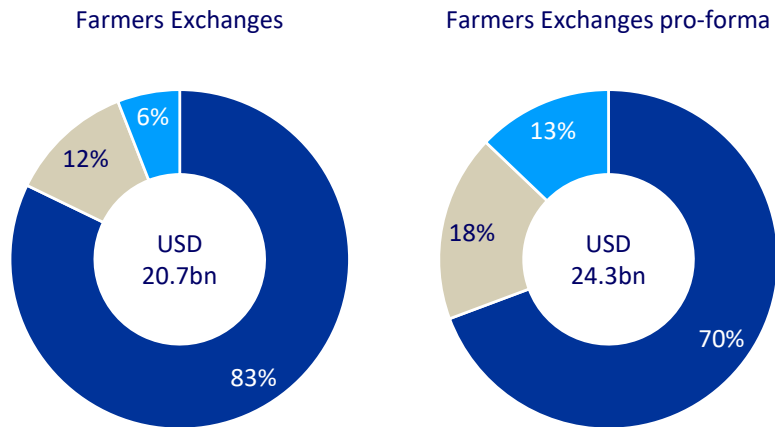
² FY-19 pro-forma; Source: SNL Financial.

³ Includes Alaska and Hawaii (not pictured).

Farmers Exchanges distribution deepened and diversified



FY-19 GWP BY DISTRIBUTION CHANNELS (%)



■ Exclusive agents ■ Direct, worksite marketing, affinity
■ Independent agents

~11,300

Farmers Exchanges exclusive agents

~35,000

Independent agent relationships incl. ~3,000 new relationships from MetLife

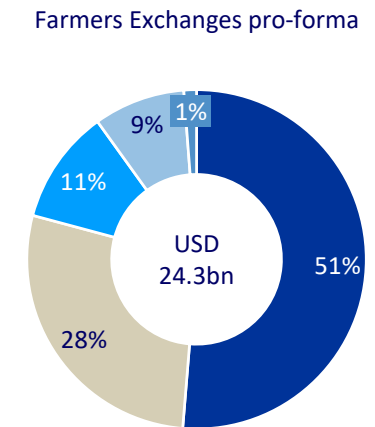
3,800+

Active employer relationships in scope from MetLife's worksite marketing channel

250+

Active affinity relationships via dedicated sales force

FY-19 GWP BY LINE OF BUSINESS (%)

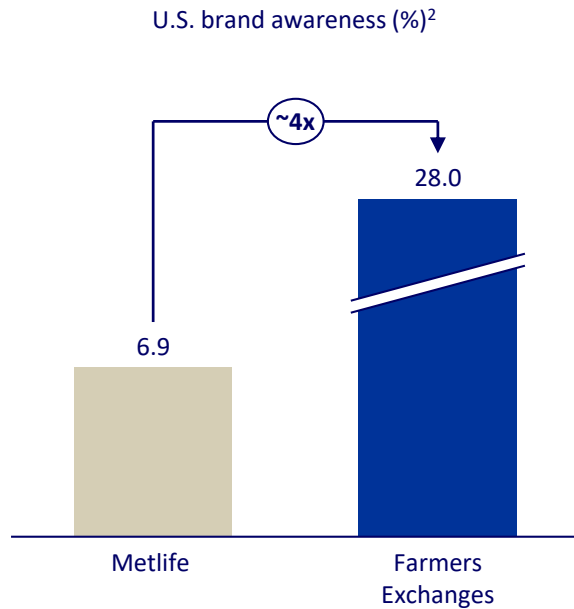


■ Auto ■ Specialty ■ Other
■ Home ■ Business insurance

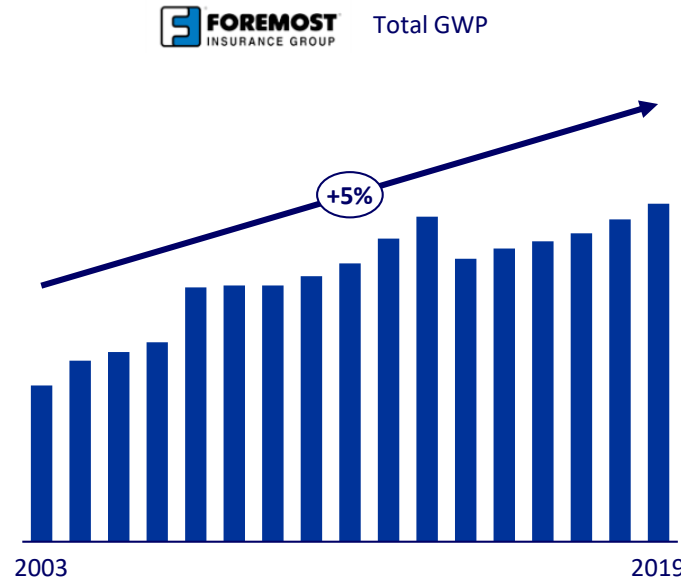
¹ For all references to Farmers Exchanges see the disclaimer and cautionary statement.

Potential to leverage Farmers brand and best of breed products to accelerate growth

ABILITY TO LEVERAGE FARMERS BRAND INTO EMPLOYER CHANNEL



OPPORTUNITY TO LEVERAGE PAST SUCCESS IN THE INDEPENDENT AGENT CHANNEL

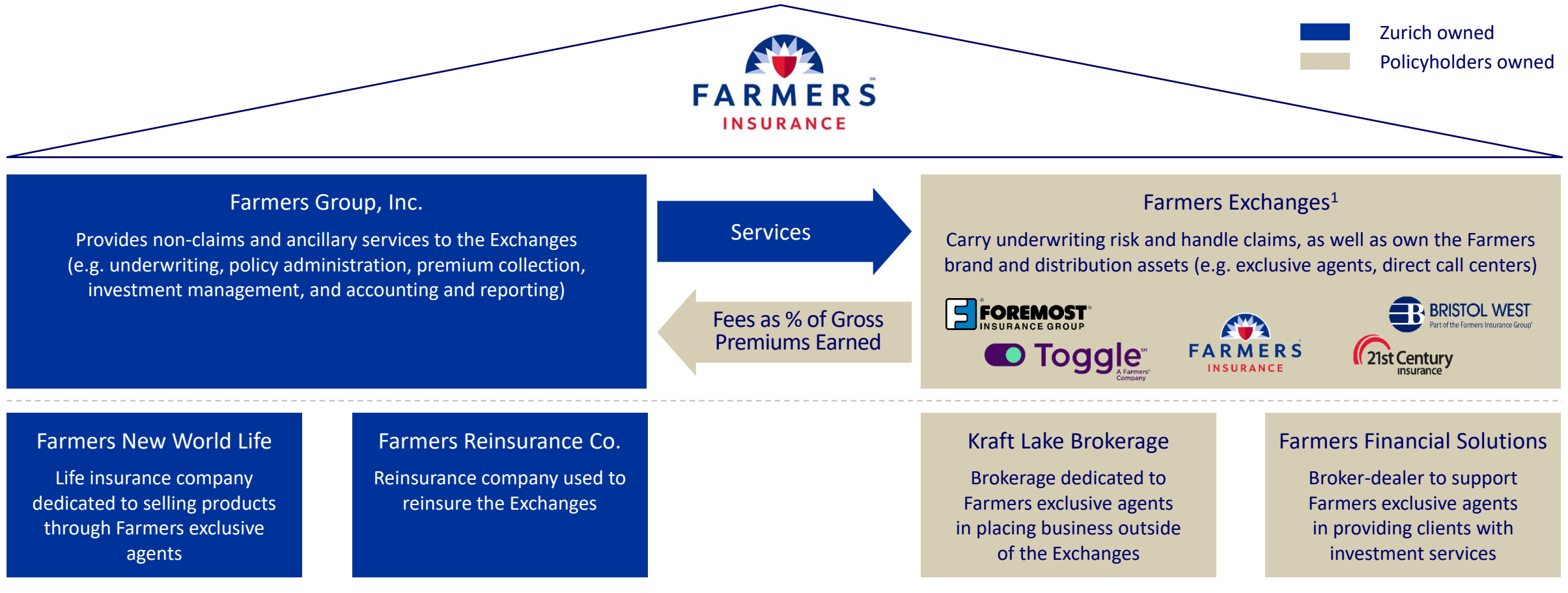


- Leverage successful Bristol West and Foremost products into incremental MetLife independent agent relationships
- Roll-out MetLife’s standard auto and home products into Farmers’ independent agent relationships

¹ For all references to Farmers Exchanges see the disclaimer and cautionary statement.

² 2020 Kantar Research, data as of October 04, 2020, unaided brand awareness: «What brands of auto, home or life insurance have you heard of?».

Farmers a unique business structure

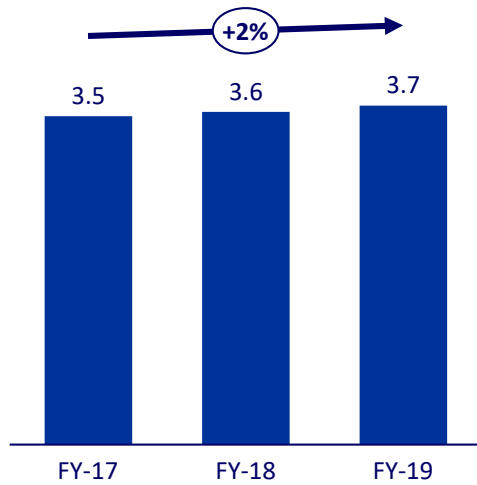


¹ For all references to Farmers Exchanges see the disclaimer and cautionary statement.

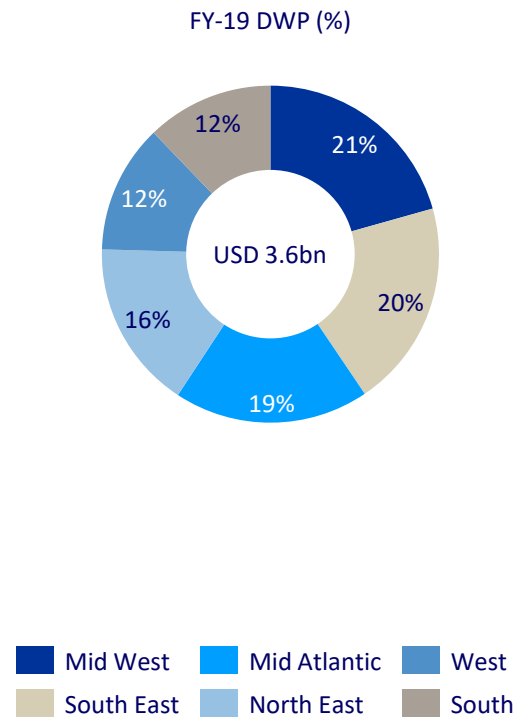
MetLife's U.S. P&C business¹ an excellent complement to Farmers



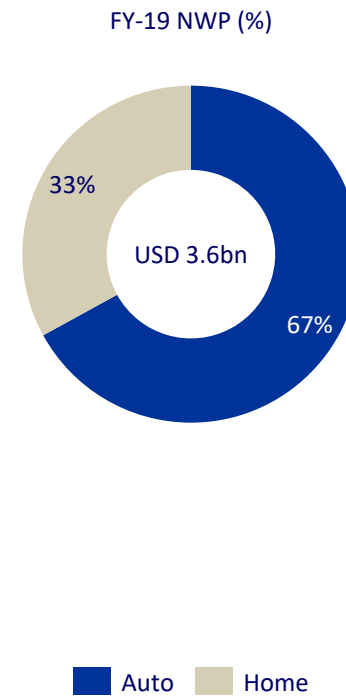
GWP (USDbn)



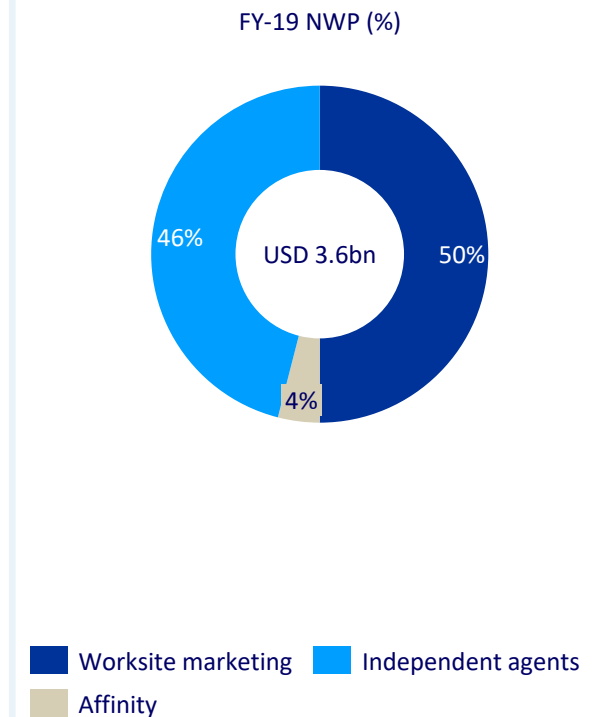
GEOGRAPHIC MIX



PRODUCT MIX



DISTRIBUTION CHANNEL

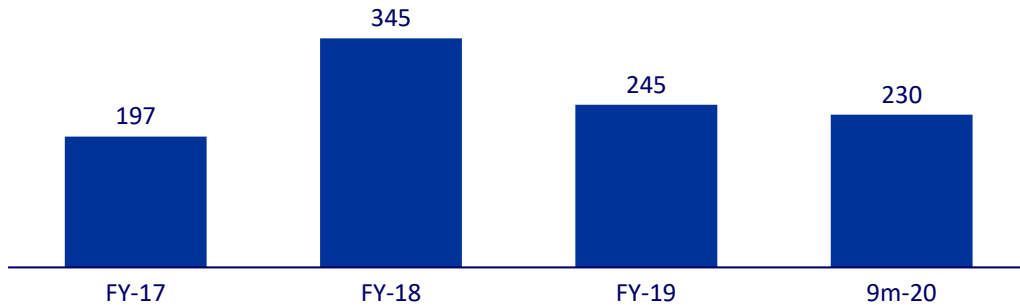


¹ Source: MetLife company reports (GWP), SNL Financial (Geographic mix), MetLife data (Product mix; distribution channel).

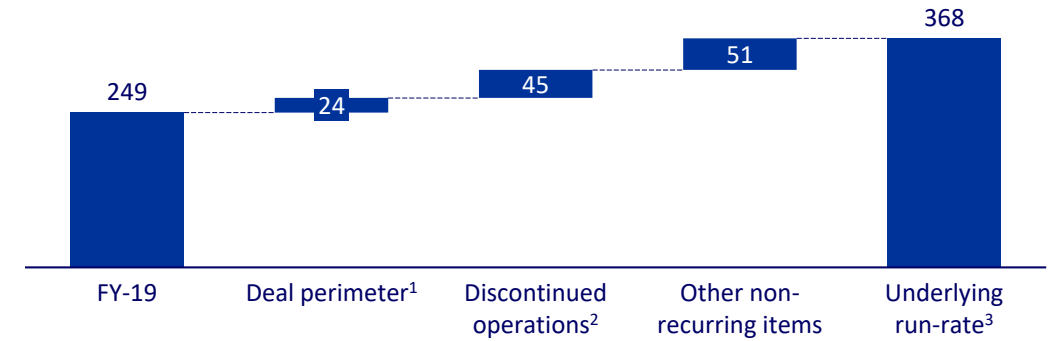
MetLife's U.S. P&C business with robust financials



STATUTORY NET INCOME (USDm)

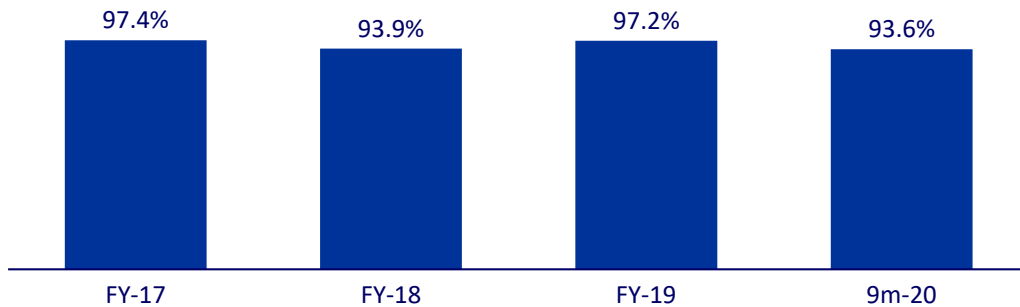


UNDERLYING ADJUSTED EARNINGS (US GAAP) (USDm)

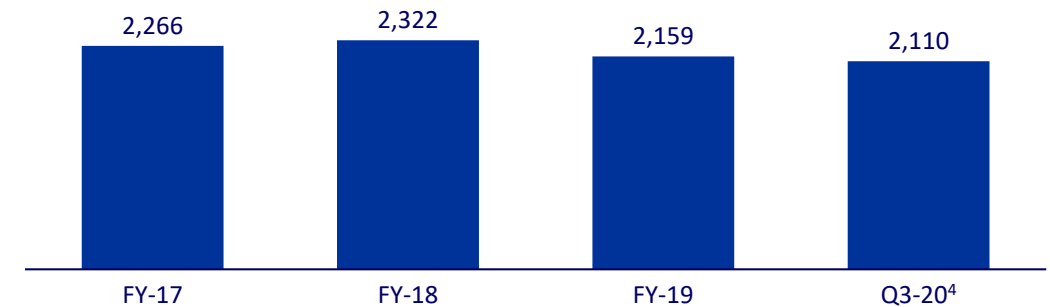


STATUTORY COMBINED RATIO (%)

Underlying combined ratio³ ~91%



CAPITAL AND SURPLUS (USDm)



¹ Reflects mainly higher investment income due to actual equity being in excess of allocated equity used for management reporting and impact of repayment of intercompany debt before completion of transaction.
² Reflects closing of small commercial and consumer direct program (MyDirect) to new business.
³ Underlying run-rate includes intra-group charges which will be excluded upon completion of the transaction; underlying combined ratio based on underlying run-rate adjustments post completion.
⁴ Anticipated pre-closing adjustments of ~USD 0.4bn to reduce capital and surplus.

Disclaimer and cautionary statement



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; (viii) increased litigation activity and regulatory actions; and (ix) 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. Specifically in relation with the COVID-19 related statements, such statements were made on the basis of circumstances prevailing at a certain time and on the basis of specific terms and conditions (in particular applicable exclusions) of insurance policies as written and interpreted by the Group and may be subject to regulatory, legislative, governmental and litigation-related developments affecting the extent of potential losses covered by a member of the Group or potentially exposing the Group to additional losses if terms or conditions are retroactively amended by way of legislative or regulatory action. 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.

All references to "Farmers Exchanges" mean Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange and their subsidiaries and affiliates. The three Exchanges are California domiciled inter-insurance exchanges owned by their policyholders with governance oversight by their Boards of Governors. Farmers Group, Inc. and its subsidiaries are appointed as the attorneys-in-fact for the Farmers Exchanges and in that capacity provide certain non-claims services and ancillary services to the Farmers Exchanges. Neither Farmers Group, Inc., nor its parent companies, Zurich Insurance Company Ltd and Zurich Insurance Group Ltd, have any ownership interest in the Farmers Exchanges. Financial information about the Farmers Exchanges is proprietary to the Farmers Exchanges, but is provided to support an understanding of the performance of Farmers Group, Inc. and Farmers Reinsurance Company.

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

Persons requiring advice should consult an independent adviser.

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

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

For further information

CALL US

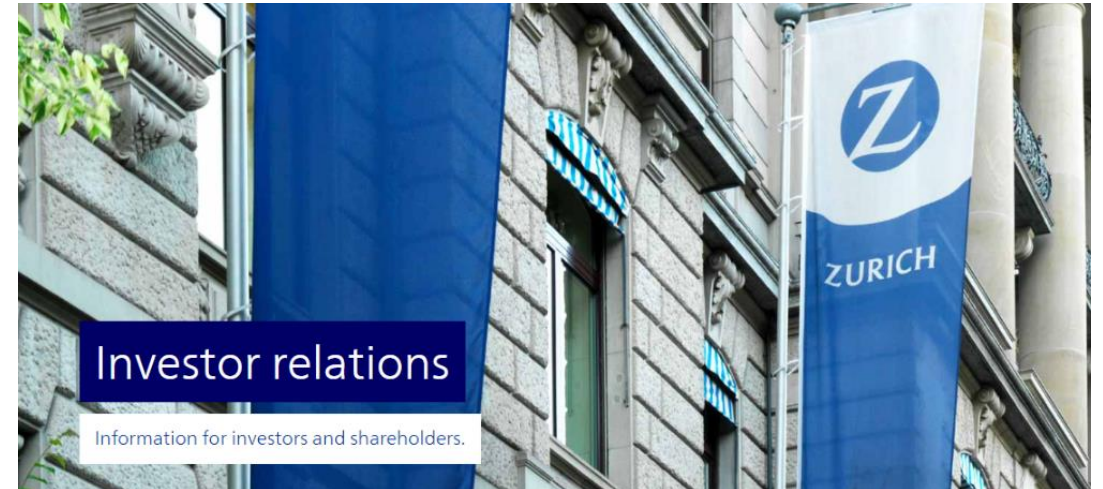
Investor Relations and Rating Agency Management

Richard Burden	+41 44 628 96 40
Francesco Bonsante	+41 44 628 00 68
Samuel Han	+41 44 625 32 57
Michèle Matlock	+41 44 625 28 50
Gianni Vitale	+41 44 625 48 26

Events

Patricia Heina	+41 44 625 38 44
----------------	------------------

VISIT OR FOLLOW US



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

Follow us

