

PROGRAM LEADER

Growth Mindset

How to unlock greater achievement in your business

A special message from our new CEO, Kristof Terry

How to drive organic growth

Helping companies manage international exposures

Zurich launches global risk services unit

2020 Program Administrator Award of Distinction Winners



Editor's letter

Dear Leader,

Our new CEO, Kristof Terryn, took the helm on January 1, marking the beginning of a new chapter for Zurich North America. You'll hear more from Kristof in this issue and we'll share his vision for our company, strategic priorities and thoughts on some of the major initiatives we're advancing at Zurich.

We also announced in February the joining of Programs into our U.S. Middle Market business. We'll talk more about this change and get to know Alex Wells, Head of U.S. Middle Market, in this issue.

The concept of the growth mindset has been used to improve individual and team performance in sports, education and business. At every level in an organization, the highest achievers have a hunger to learn and are motivated to improve. Our cover story explores ways leaders can develop a growth mindset by modeling and coaching specific behaviors for greater achievement.

We also provide a look at the future of risk and how the launch of Zurich Resilience Solutions, Zurich's new risk services unit, is providing an innovative response to the changing global risk landscape and evolving customer needs. We also explore what you need to know about international exposures and the solutions Zurich offers to help meet the increasing threat from these risks.

This issue also includes an opportunity to get to know some of our talented team of Program Administrators and underwriters, and insights into some of our most successful programs. We are also excited to introduce our 2020 Program Administrator Award of Distinction winners.

We hope you enjoy all the stories in this issue. Thanks for reading.

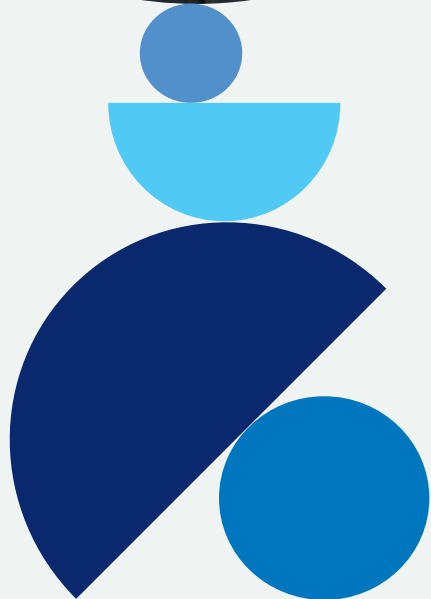
Regards,



Greg Massey, CPCU, CIC, CRM, CPL
Head of Programs
Zurich North America

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Our Company

A message from Kristof Terryn, our new Zurich North America CEO

This is a great and exciting time to be leading Zurich North America. Our mutual ability to persevere through the formidable challenges of the past year makes me optimistic about the path ahead. Zurich is well positioned to help you navigate through challenges and opportunities in a rapidly evolving market. We are focused on your needs and remain committed to simplifying how we work with you. We will continue to leverage technology and data to innovate and enhance our products and services.

We also are investing in ways to be even better. We're developing parametric solutions like a public-private pandemic risk solution concept. We're helping dealers with innovative technologies and digitalization to help meet customer needs in the virtual buying environment. We're working with our Executive Diversity & Inclusion Council to accelerate progress on diversity, inclusion, equity and belonging in our business, industry and communities. We're also expanding our apprenticeship program and Zurich Classic of New Orleans PGA TOUR event.

I want to express my appreciation for your trust in Zurich as a risk management partner and, after a historic year, touch on how we can create a brighter future together. In the days ahead, I'll be listening carefully and working to better understand your needs. We are stronger together.

Looking forward,

Kristof Terryn
Chief Executive Officer
Zurich North America

Kristof Terryn assumed his role as CEO of Zurich North America on January 1, 2021. He 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 he was named COO for General Insurance.

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.

He holds a law degree and a degree in economics from the University of Leuven, Belgium, as well as an MBA from the University of Michigan.



From the desk of Greg Massey: Programs 2021 – Outlook and priorities

I'm pleased to say we're off to a very good start in 2021, coming off a challenging but strong 2020. We remain committed to our strategy to achieve profitable growth with best-in-class Program Administrators, with a heavy emphasis on organic growth. We continue to look for new opportunities for growth, whether expanding existing programs or securing new ones with Program Administrators.

Programs joins Zurich's U.S. Middle Market

Our focus on smaller and mid-size accounts aligns our Programs business very closely with Zurich's U.S. Middle Market business. The U.S. Middle Market segment, led by Alex Wells, is a \$100 billion insurance market and is an important strategic priority for Zurich North America. To further strengthen our position in this space, Zurich has made the strategic decision to align these businesses, joining Programs into Middle Market while keeping Programs a separate and distinct team within that structure.

I am excited about this development, as uniting as one business unit will enable a more dedicated focus and position us to provide best-in-class risk management solutions, technical and industry expertise, risk consulting capabilities and a market-leading value proposition for our small to mid-sized customers.

We remain well positioned now and for the future

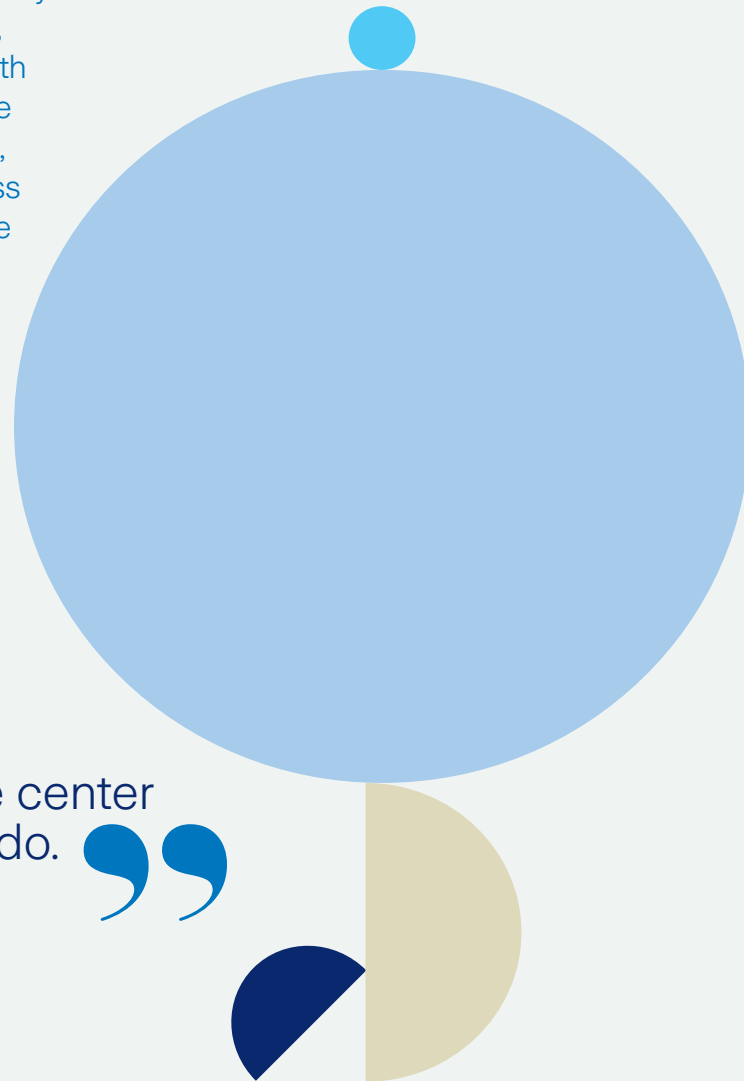
Zurich is in a great place to weather the pandemic and come out stronger on the other side. We continue to look for ways to become more customer-led, drive innovation, simplify our business, and help you establish and grow your programs.

Thank you for your continued partnership. We remain committed to working with you to deliver for our customers, support one another and our communities, and make this a very successful year!



Bringing our brand to life Zurich launches a new brand framework

As we roll out our new brand framework, you will see a fresh updated look and may notice references to our new Purpose, Aspiration and Promises in Zurich North America messages. You will hear more about our **Values** — Optimism, Caring, Reliability, Determination, Togetherness and Forward-thinking. You will also see more about our **Customer Promise**, which we use as a guiding principle as we continue our pursuit of becoming a more customer-led organization.



“Your needs at the center of everything we do.”



Get to know Alex Wells: Head of Zurich North America's U.S. Middle Market business

Medium-sized companies are dynamic, growth-oriented organizations vital to the health and strength of the U.S. economy. With more than 200,000 middle market companies in America, accounting for a third of the nation's annual GDP, Zurich has made this business a strategic priority.

Programs is predominantly a solution provider to mid-size accounts, and as such, Zurich is investing considerable energy and resources to provide best-in-class expertise and solutions to customers in this space. With this strengthened foundation in place and the strong work that's in progress, Zurich is combining the strengths of our Programs business and our Middle Market business unit, where we will further advance our commitment to grow in both the programs space and the retail space.

Along with Programs' Head Greg Massey, Alex Wells' leadership as Head of U.S. Middle Market provides another executive sponsor and champion for Programs to further strengthen Zurich's position in this segment. Having Alex as a member of Zurich's Executive Committee means greater representation for Programs than ever before. A strong leader with more than 25 years of experience in the insurance industry, including a background in programs, Alex brings with him a wealth of knowledge and understanding of the programs model, environment and customers' needs.

Alex says, "We're making a big investment in the programs space; increasing our internal resources and building our industry expertise."

Alex continues, "We're confident that our leadership in programs and the work we're doing in Middle Market will uniquely position us to deliver a market-leading value proposition for small and mid-sized customers."

A personal note from Alex:

I am excited to return to the programs space. I began my career as an inland marine underwriter for fine arts programs and have held several management roles that included program underwriting units, so it is a part of the industry that holds a special place in my heart. I have always had admiration for the reputation of Zurich Programs and now that I can see behind the curtain I can fully appreciate the expertise and commitment to long-term partnerships with the best Program Administrators that underpin that reputation. I look forward to working with all of you to continue the tradition of excellence. And if anyone is taking a trip through Philadelphia, please drop me a note so I can buy you a post-COVID beer.

Regards,

Alexander B. Wells

Alex Wells
Head of U.S. Middle Market
Zurich North America

Before joining Zurich, Alex served as Executive Vice President, Chief Underwriting Officer for Commercial Insurance at Chubb. Prior to that he was Executive Vice President, Commercial Insurance Regional Manager for the Northeast and Mid-Atlantic regions, and North American Manager of Chubb's Specialty Casualty & Construction, Aviation and Public Entities underwriting units. He also held a variety of other leadership and management roles within the Chubb and ACE organizations.



Our People

Brian O'Neill, CPCU, ARM Assistant Vice President, Zurich Programs

Brian joined Zurich as an underwriter in 1998, spending the first five years with Farmers as a personal lines underwriter, then the next five with Universal Underwriters as an Aftermarket underwriter. Brian moved to Omaha in 2009 to manage the Direct Markets underwriting team, then in 2014 joined the New Programs team in the Programs business unit. He was named Program Manager, Segmented Programs in 2016, advancing his career in program management to his current position as Assistance Vice President. He has earned advanced professional designations, including Chartered Property Casualty Underwriter (CPCU) and Associate in Risk Management (ARM) and recently completed the Certified Program Leader (CPL) Designation.

In his current role Brian has responsibility for 3 programs:

- Public Risk
- MuniPlus
- Sovereign Nations

We asked Brian to share more about himself.

What do you like about your job?

There are a lot of things I like about my job. The ability to learn about different products, programs, build relationships and daily variety are important. Being an outcome-driven person, the challenge of resolving issues, questions, or goals that develop is what I like most. I take seriously my responsibility to help my programs resolve issues, provide service to their customers, and deliver on our shared goals.

Who has influenced you most when it comes to how you approach your work?

Many people have influenced my career. I have been fortunate that I have found mentors that have been gracious enough to guide me.

I worked with my first mentor just six months into my career. He was pivotal in providing me direction. His mentoring challenged me to think about alternative solutions to solve problems that I might not normally thought of. My next mentor provided great feedback on how to improve my performance. The next one gave me the confidence to not be afraid of trying new roles. Each successive mentor has taught me something important that I use today.

If you could trade places with anyone for a day, who would you choose?

I have always been envious of people who are creative such as artists and musicians. A person who can sit down at an easel and paint a perfect picture or who can sit down and write or play music. Someone like Billy Joel. To see him sit down at a piano and play his own songs (to remember all of the lyrics!), but also how he can hear a piece of music from another artist and play that song perfectly is something that every time I see I walk away shaking my head in awe of his ability. To have his ability for one day, to be able to write and play music the way he does would be amazing.

What would we most likely find you doing on the weekend?

Camping. My son is in the Boy Scouts and it seems they camp every weekend!

What's the top destination on your must-visit list?

I have always wanted to travel in central and southern Europe; places like Greece, Austria, and Czech Republic. So much history, architecture and culture.

What's your guilty pleasure?

Potato chips and barbeque.



Jim Buck, CPCU, ARM, ARe, AU Program Manager, Zurich Programs

Upon graduating from Ohio State University with a degree in Risk Management and Insurance, Jim began his insurance career in 1979 specializing in Workers' Compensation Excess, Direct, and reinsurance through reinsurance intermediaries. Jim went on to work in Programs supporting Program Administrators. He has earned many advanced professional designations, including Chartered Property Casualty Underwriter (CPCU), Associate in Risk Management (ARM), Associate in Reinsurance (ARe), and Associate in Commercial Underwriting (AU).

In his role as Program Manager, Jim has responsibility for the management of a portfolio of programs, including:

- Workers' Compensation, including
 - Professional Employer Organizations (PEO)
 - Temporary Staffing
 - Not for Profit
- Film Production

We asked Jim to share a bit about himself.

What do you like about your job? Why is it a good fit for you?

My current position as a program manager is a terrific fit for me! I enjoy working with people and this role allows me the opportunity to share my experiences with Program Administrators and a variety of Zurich colleagues and coworkers.

What behavior or personality trait do you most attribute your success to, and why?

I have an ability to build trust through positive interaction with others, to listen, without judgement, then reflect before reacting. These qualities allow me to gain insights into issues faced by my Program Administrators and coworkers and find creative, mindful solutions to challenges we all face, both in and out of the insurance industry.

What would we most likely find you doing on the weekend?

Any time other than in freezing weather, you will find me outside grilling. At home, that is my job. Not only does it take care of meals, but it's also the perfect opportunity to socialize with my neighbors.

What's your guilty pleasure?

Watching reality television. It provides the ability to unwind, put my issues aside and focus on the challenges of others.



Supercharge your business with a growth mindset

In today's competitive and complex marketplace, organizations that succeed have developed a culture that is willing to experiment with new ideas, commit to continuous improvement, and support risk-taking even if it means failure the first time. A workforce that is open-minded and agile will meet the needs of customers, outperform competitors and deliver sustainable growth.

One of the biggest challenges a leader can face is creating a culture of innovative thinking that will lead to new and fresh business-building ideas. For many organizations, this means promoting a culture free from fear and negativity. Fear, negativity and distrust can yield employees with an unproductive and unhealthy internal focus on self-protection instead of thinking outward, seeking new ideas and serving the customer. These types of behaviors can stifle business success, and are likely caused by having a "fixed" instead of a "growth" mindset.

Success begins with the individual mindset

The notion of success being a product of individual mindset came to prominence with Stanford professor Carol Dweck's groundbreaking book, *Mindset: The New Psychology of Success (2006)*. Her research defined two distinct mindsets among people:

The fixed mindset

is one that believes their abilities, skills, and intelligence are pre-set, and others with more talent will rise to the top. Behaviors of people with fixed mindsets include:



Avoiding challenges



Concern with protecting their ego and inability to accept risk of a failure



Disliking learning situations because they are afraid of not knowing the answers



Seeing little point in making effort toward a goal, and giving up easily

The growth mindset

is one that believes abilities, skills and intelligence can be developed through determination, hard work, motivation and guidance from others. Success is determined by personal development. Behaviors of people with growth mindsets include:



Embracing challenges as an exciting way to learn



Believing that failures are opportunities to learn



Seeking opportunities for improvement and being open to feedback



Being persistent and creative in achieving goals

Leaders who want to bring new energy and ideas to their organization focus on how to develop a growth mindset among each employee. A growth-minded organization is one where employees are encouraged to accept challenges, be confident in developing new ideas, and accept feedback as a means to personal improvement that will benefit the entire team.



Neuroscience support for a growth mindset

In the last half of the 20th century, the burgeoning field of neuroscience and its study of the complex workings of the brain revealed that we are innately wired for growth. Neuroscientists call this "neuroplasticity," and it refers to the brain's ability to change continuously throughout life when provided the right stimulus.



Growth mindset in action

Satya Nadella faced a Herculean task when he was appointed CEO of Microsoft in 2014. The company had seemingly lost its relevance in the hypercompetitive world of technology, and was losing out to Amazon, Apple, and Google on every product front. Nadella moved quickly to develop new strategies, and also recognized that Microsoft's culture needed a reboot. The culture had become rigid and hierarchical, suppressing the much-needed innovation to bring compelling new ideas to market and serve customers in more relevant ways. Employee evaluation systems were notoriously brutal and sowed fear among employees for being punished for mistakes or failures. Creativity and risk-taking were almost nonexistent.



Nadella credits adopting a growth mindset as the fuel that transformed Microsoft and led to its turnaround in both stock price and customer satisfaction. His growth-minded leadership as CEO included asking employees to become “learn-it-all,” instead of “know-it-all.” The internal competitive culture evolved into one focused on cooperation, collaboration, listening, learning, and harnessing individual passions and talents.

Employees are now evaluated partly on how well they've acted as a collaborative team member. The infamous “stack ranking” developed by longtime General Electric CEO Jack Welch and adopted by Microsoft was eliminated. This system required managers to equally distribute rankings among employees between one and five, meaning twenty percent of employees had to receive the lowest rating of a five. Today, Microsoft employees are evaluated on three dimensions: individual impact, contribution to others, and how other team members work is leveraged.

Developing a growth mindset in your culture

The concept of the growth mindset has been used to improve individual and team performance in sports, education and business. At every level in an organization, the highest achievers have a hunger to learn and are motivated to improve.

Leaders can develop a growth mindset by modeling and coaching on specific behaviors and practices:

Encourage smart risk-taking

In a fixed mindset culture, team members are fearful of being criticized for bringing new ideas forward and disrupting the status quo. Make sure your employees know that all ideas are welcome and accepted without judgement. Encourage solutions that may have some risk to implement, but great potential for reward.

One way to give employees an easy way to share new ideas is to create suggestion boxes, either through an email or physical location. Present the ideas from the suggestion box anonymously at team meetings for discussion. This method can help build confidence with employees once they see management and the team accept the new ideas. Over time, employees will become more comfortable bringing up new ideas in public.

Accelerate customer feedback loops

Customer feedback is essential to developing new products and services that are both relevant and compelling. Customer insights lay the foundation for new ideas. It's important that your team doesn't view customer feedback as criticism, but as opportunities to improve. A growth-minded organization accelerates its customer feedback loop to continuously learn and experiment with new ideas.

Embrace failure and its learnings

Thomas Edison has thousands of patents to his name. He also had thousands of other ideas that never saw the light of day. His attitude was, “I have not failed. I've just found 10,000 ways that won't work.”

Everyone fails, and failure is not the definition of one's self-worth or success in life. Teams and individuals with a fixed mindset are afraid to think big because they want to avoid failure. They view failure as a personal shortcoming, not a learning opportunity.

To learn from experiments that didn't go right, have your team analyze where the problems existed in the idea and what the options might be for improving upon the idea to make it successful. Creative problem-solvers are comfortable with trial and error. Reward them for that type of behavior.

Be open with your own challenges

Leaders with fixed mindsets feel compelled to appear right all the time, and they don't see their own struggles as problems to be solved. Being open and vulnerable with your own hurdles is a way of modeling a growth mindset for your team. Best of all, share the strategies and techniques of how you overcame these trials.

Growth mindset teams share their challenges with each other and ask their peers to contribute solutions. This shared problem-solving is a way to build collaboration with team members instead of competition. A leader with a growth mindset accepts suggestions from every level or title and experience. Nothing is more refreshing than hearing a great idea come from an employee who is new to the organization.

Recognize individual accomplishments

Growth-minded leaders share credit with the entire team for successes. Individual accomplishments and contributions within the group should also be recognized and even rewarded if possible. Individual recognition around new ideas and solutions validates the growth mindset for other employees and encourages them to step out of their comfort zones to champion new ideas and take smart risks as well.

Send a clear message to your team by rewarding a growth mindset. You'll be amazed at how this can supercharge the number of fresh solutions to meet customer needs.

Promote mindset, not skills

Talented employees with a growth mindset want new challenges and opportunities. Retaining these high-potential team members often means promoting them to positions in a new department of function outside their current skill set. If an employee has proven to operate with a growth mindset, assuming a new role with different responsibilities won't be a problem, and it will model to other employees that it's not just what you know, but how you learn and grow that matters.

Catch backslides in mindset

All of us have periods when the fixed mindset can creep back in. Maybe it's caused from the pressure of a competitor suddenly encroaching on customers, or bumps in the overall economy that elevates fear around customer retention. Whatever the reason, address the fixed mindset behaviors with your team. Acknowledge the environment that might be causing the slide into “coasting,” and brainstorm actions the team can take to overcome it.

Hire for a growth mindset

One of the best ways to ensure employees have a growth mindset is to hire for it. To do so, develop specific questions around how a candidate deals with change, what motivates them, comfort with team collaboration, and examples of creative problem-solving and idea generation.

Growth Mindset *Continued*



Management manifesto for growth

Consider creating a growth manifesto for your organization. Microsoft hangs its manifesto on posters in hallways and managers begin meetings by reviewing some of the growth principles. Here are some thought-starters for your organization's own manifesto:

- We believe that every individual can develop and grow through personal motivation and hard work.
- Our culture thrives on openness and transparency in communication
- Risk-taking is part of growing and failure is a normal part of moving a business forward.
- We encourage out-of-the-box thinking — no idea is a bad one.
- Individual growth and development is as important as team success.



Culture paves the way for strategic success

Microsoft CEO Nadella explains that “the C in CEO is for curator of culture.” His development of a growth-mindset culture is one of his most lauded accomplishments both inside the organization, with outside business partners, and in the business press. His managers at every level live by a credo of model, coach and care. Specific behaviors around this credo include setting positive examples for employees, developing a risk-taking framework that supports learning from failures, and supporting investments in developmental training for individuals.

No matter what your organization's business strategy, developing a growth mindset will supercharge your plans through innovative thinking and game-changing ideas.



Recommended reading:

Hit Refresh: The Quest to Rediscover Microsoft's Soul and Imagine a Better Future for Everyone, by Satya Nadella, Greg Shaw and Jill Tracie Nichols. 2017.

Mindset: The New Psychology of Success, by Carol S. Dweck. 2006.

Zurich is planting a tree for each spectator who attended the Zurich Classic on Earth Day.



These trees will be planted in the Zurich Forest, our global reforestation project in Brazil. It's just one of the ways we're committed to protecting our customers, communities and our planet.



Driving organic growth

Despite all the headlines about mergers and acquisitions, growing a business organically is a more proven way to build revenue. A McKinsey & Company survey of 550 U.S. and European companies revealed that companies that created more organic growth generated higher returns than those that relied on acquiring new companies or launching new products alone.¹

What defines an organic growth strategy? It's one that uses a company's own energy and resources to retain customers rather than investing capital in external partnerships or expensive acquisition plans. Organic growth is, therefore, more cost-effective than other growth strategies. A successful organic growth strategy comprises two components: outstanding customer service and highly engaged employees. For example, investing in your sales and customer experience programs will strengthen and grow relationships with your existing clients, leading to more purchases or purchases with higher values.

Multiple studies have been conducted on the costs of acquiring new customers versus retaining existing ones. In an article from Harvard Business Review, it was estimated that gaining a new customer is anywhere from five to 25 times more expensive than keeping a current customer. The same article also pointed to research by Bain & Company, the firm that invented the Net Promoter Score (NPS), which indicated that increasing customer retention rates by five percent increases profits 25 to 95 percent.²



1 Prioritize organic growth among senior leaders

Make no mistake; organic growth in the business world does not happen spontaneously. Your management team must prioritize organic growth as a strategy and hold people accountable for delivering.

Be sure all employees understand your organization's top goals this year, as it's easy to get bogged down in day-to-day tasks that don't contribute to organic growth. Managers should communicate to all employees that developing organic growth among current customers is essential to the company's strategic plan. Otherwise, time and money will be spent on activities that don't align with this goal.

2 Empower a more agile sales team

Your competitors' offerings and customer needs change rapidly. Allowing salespeople to work in ways to respond quickly to these changes will help them succeed in meeting organic growth goals. It should be made clear throughout the organization how to make decisions when new situations arise that will lead to organic growth. Encourage managers to empower sales and customer service with more flexible ways of working. Developing a culture of continuous improvement and learning also supports an agile, customer-centric approach. Create performance metrics for employees that encourage the creation of solutions that respond quickly to customers' needs.

3 Offer customers products and solutions that are right for them

This statement sounds obvious, right? But often, companies suggest products or services in the hopes the customer will buy more, whether it is right for their business or not. If your organization incorporates suggestive selling tools on your website, make sure the tools give customers options in terms of product and value. Customers will form deeper relationships with your organization when they feel you helped them make the right purchase, and they will continue to buy from you.

4 Obtain continuous customer feedback

Customers have more power of choice than ever before in making purchases. Competitor websites provide a plethora of information on products, services and prices. We live in an age of continuous social ratings, where a customer's experience can be broadcast across a range of digital channels. To keep customers from being influenced by competitor information and peer ratings, keep customer needs at the forefront of what you do. The easiest way to do so is to ask for frequent customer feedback. There are myriad ways to collect that feedback — through a short email survey, on your website, by phone or in person. Only you know which method will work best with your customers. Asking your customers to tell you what they want and expect can save you from making mistakes or losing their business.

5 Formalize your organic growth goals in your strategic plan

To maximize your organic growth, your organization needs to develop new approaches and ideas in sales and customer service. Get employees thinking in new ways by allowing them to step away from their desks for a brainstorming session with their managers and teams. Prioritize goals in a formal, written plan, including strategies for the most promising growth ideas. Assign accountability for executing on the strategy to deliver the exponential growth objectives your organization sets forward.

7 ways Zurich is building on diversity, inclusion, equity, and belonging

New Bridges program and other actions help show Zurich North America's commitment to opportunity, equity and growth for people representing diverse backgrounds.

After an international outcry over incidents of racial injustice in 2020, many businesses voiced a desire to help improve diversity, equity and inclusion in the U.S. and beyond. Leaders at Zurich North America took steps to ensure the momentum would last. One of those steps was forming an Executive Diversity and Inclusion Council to help guide Zurich's efforts and ensure accountability. Another is to share updates on the commitments Zurich made in August 2020.¹

"Looking at ZNA's progress since mid-2020, I am so proud and inspired by the passion demonstrated and the impact made by our people," said Zurich North America CEO Kristof Terryn, chair of the council. "Each of us has a role to play in fostering an equitable and inclusive environment where we all feel like we belong."



Supporting our people

1

New in 2021 is an inclusion program for people in mid-level roles. It's called **Bridges**, a six-month learning journey targeted to enroll 50 racially and ethnically diverse colleagues twice a year. Through learning, coaching, mentoring circles, self-reflection and feedback, Bridges aims to help participants connect, collaborate and share while gaining confidence and support for their career goals.

2

Our **Inclusion Cohort** program, launched in 2019, continues in our U.S. National Accounts business unit and has expanded to our Claims group. This program is designed to ensure strong leadership competency is recognized and further developed among racially and ethnically diverse employees who work in higher-level roles. Goals include supporting career growth and succession planning.

Of the first group of individuals identified in 2019, over one-third have already made further progress in their careers. "Our first cohort group was very successful," said Zurich's Head of U.S. National Accounts, Paul Horgan. "The National Accounts leadership team is very excited that our second cohort group, which also includes a participant from Middle Market, is already well underway."

3

More than 100 members of the Zurich North America Leadership Team participated in four-week **study groups focused on diversity, inclusion, equity and belonging**, in which they completed one-hour virtual learning sessions in advance of small group discussions. The four-week program concluded with participants establishing personal commitments to diversity, inclusion, equity and belonging, which they will revisit throughout the year.

4

The Inclusion for Success program for managers has become more widely available in the U.S. and Canada, and 600 managers have begun the program. The purpose is to help managers gain awareness of unconscious bias in the workplace and apply strategies to foster an inclusive environment.



2021 honors for Zurich

Fortune recognized Zurich as one of the **World's Most Admired Companies of 2021**,² based on nine criteria, from investment value and quality of management and products to social responsibility and ability to attract talent.

Forbes recently recognized Zurich as one of **America's Best Large Employers**³ for 2021, based on an independent survey of approximately 50,000 U.S. employees working for companies employing at least 1,000 people in their U.S. operations. It covered working conditions, salary, potential for development and company image.

Zurich also earned a spot on **Bloomberg's Gender Equality Index 2021** and the **2021 Corporate Equality Index**.⁴





Working with our communities

5

An **Actuarial Diversity and Inclusion group within Underwriting** has formed at Zurich North America with the goal of helping to improve Black and Latinx representation in the actuarial profession. “The same barriers and challenges exist today that were there more than 30 years ago when I earned my Actuarial Fellowship,” said Zurich Chief Pricing Actuary Sharon Robinson. “The time is right to finally make meaningful change.” Zurich’s plans include collaborating with the International Association of Black Actuaries and Organization of Latino Actuaries to build awareness of the profession and increase the diversity of the talent pipeline.

6

In remembrance of Martin Luther King Jr.’s quest for economic justice, the **Zurich African Ancestry Alliance (ZAAA)** spearheaded an employee fundraising opportunity that generated nearly \$5,000 for the NAACP, between employee contributions and the Z Zurich Foundation match, exceeding ZAAA’s goal. Opportunities to contribute to other organizations working on social justice initiatives were also highlighted on the MyImpact employee giving platform, leading to more than \$3,400 in employee donations to organizations such as the ACLU Foundation, Black Girls Code, Equal Justice Initiative and United Way. These contributions also will be matched by the Z Zurich Foundation.

7

Through a three-year grant funded by the Z Zurich Foundation, Zurich is **supporting the nonprofit Year Up**, which strives to close the opportunity gap for underserved young adults by providing education, skill development and corporate internships to help them secure full-time employment. In addition to providing funding, Zurich will offer its employees the opportunity to get involved by helping with resume and presentation reviews, mentorship and speaking with Year Up students.



“It is immensely gratifying seeing our ambition of being one of the most responsible and impactful businesses in the world brought to life by all the great work of our colleagues and external partners,” said Chief Human Resources Officer Laura Rock. “The programs shared here are an early reflection of how we can and will make a difference.”

Learn more about Diversity and Inclusion at www.zurichna.com/careers/diversity

1. “9 actions on racial equity from Zurich North America.” Zurich North America. 25 August 2020. <https://www.zurichna.com/knowledge/articles/2020/08/9-actions-on-racial-equity-from-zurich-north-america>
2. “World’s Most Admired Companies.” Fortune. 2021. <https://fortune.com/worlds-most-admired-companies/>
3. “America’s Best Large Employers.” Forbes. 9 February 2021. <https://www.forbes.com/best-large-employers/#554e37b3fb3e>

Understanding International Exposures

How Zurich helps companies manage global risks around the world

In an increasingly globalized economy, the boundaries of business can extend beyond the United States for companies of any size. While operating globally can offer great opportunity, it can also create new risks that leave businesses vulnerable.

To mitigate their domestic risks, U.S. companies typically have insurance coverage such as professional liability, general liability and workers' compensation. But many businesses may not realize that domestic insurance policies often do not cover incidents that occur abroad, or if they do, may not be adequate to help them recover from a loss. That's why it's imperative for any company that does business across borders to understand its international exposures and mitigate them.



Assessing international exposures

A company may have international exposures if its operations include:

- Online transactions that cross international borders
- Employees traveling for work outside of their country of domicile
- Using vehicles outside the U.S.
- Working with third-party manufacturers, vendors or customers outside of the U.S.
- Importing/exporting goods

"If you assume your customers have limited international exposures, you should probably check again," says Andy Zoller, Head of International for the U.S. market, Zurich North America. "A recent survey showed that 76% of U.S.-based Zurich customers face risks associated with conducting business abroad including something as common as employees traveling overseas. In fact, 83% indicated that their company has multiple international exposures."¹

A standard domestic policy may not cover:

- Medical care for employees traveling for work outside the U.S.
- Damage caused by an exported product
- Damage to hotels or other properties caused by employees
- Business loss from interrupted imports/exports due to a government worker strike

Planning for the "What if?"

Once a company understands its global exposures, the next step is to obtain an insurance policy with global coverage backed by strong servicing and claims to help protect its assets and recover quickly if a loss does occur.

Zurich has helped leading companies plan for the unexpected and mitigate international exposures for almost 50 years.

Here's how we do it.

Compliant, tailored solutions

Given varied legal and regulatory requirements, creating a compliant global risk solution can feel overwhelming. Whether coverage is needed for two countries or 20, each country can present its own set of challenges. Zurich's International specialists are trained to guide customers and brokers through this process, using Zurich's Global Program Support (GPS) tool, an industry-leading compliance tool, and partnering with Zurich's robust network of in-country specialists to tailor a risk program that is compliant in each jurisdiction.

Dedicated servicing team

More than 2,200 Zurich professionals are certified to manage International programs, providing proactive servicing with real-time data to customers for their Zurich risk portfolio. "One example of our transparent servicing is how we inform customers and brokers about the status of premiums paid in other countries, which the U.S. risk manager may not otherwise be aware of," explains Cody Griffin, Head of International Casualty Underwriting for the U.S. market,

Zurich North America. "In certain countries, Mexico for example, lapses in premium payments can severely impact our ability to handle claims due to regulatory restrictions."

Globally consistent, uniform claims experience

Ensuring Zurich customers can get back to business as quickly as possible is a priority. That's why Zurich has 7,100 Claims professionals in 32 countries, with 500 experts certified in handling global insurance policies. Additionally, in the U.S., a dedicated International Claims Coordinator can help customers navigate claims issues as they arise and ensure escalations occur when and as needed.

"A claim is often a customer's most critical insurance experience, because that is when they are most in need," says Tom Dohrer, International Claims Coordinator for the U.S. market, Zurich North America. "That's why we take pride in the fact that a customer who has a claims experience with Zurich is eight times more likely to recommend Zurich than not."²

Global reach

Zurich has one of the largest networks in the insurance industry, with coverage in 215 countries and territories. In addition, more than 50 Zurich-owned offices manage 90% of premium and claims, ensuring consistent servicing and processes. For the rest of the world, Zurich has a unique approach to managing partners through five Network Service Centers (NSC). These Zurich-owned NSCs are strategically located around the globe, providing better connectivity and ensuring the same delivery as one of our Zurich-owned offices. Zurich partners with financially sound local insurance companies who understand the local marketplace and ensure customers get the service delivery they expect.

1. Survey of Zurich North America customers, June 2018.
2. ZNA TNPS Program 2020

Zurich International Middle Market offerings

Coverage that fits

Whether you're just entering the international arena, have established multinational operations, or are somewhere in between, Zurich has risk solutions for your unique needs.

Zurich Envoy

Envoy is our multiline package policy developed to cover the broadest range of international risks for middle market customers so they can move into the international arena with confidence, offering coverage for Excess Auto, Business Travel Accident, General Liability, Kidnap & Ransom (K&R), Property, Voluntary International Workers' Compensation and more. In partnership with Hiscox and the premier crisis management services of Control Risks, Zurich's new K&R product offers low-limit coverage as well as limits up to \$5 million for more complex exposures, so that you can rest easy while your employees travel abroad.

Exporter Solutions

International risks are not exclusive to large, multi-national companies. From middle market businesses on up, if your operations include employees traveling abroad; importing and/or exporting goods; vehicle use outside of the U.S.; working with third-party manufacturers, vendors or customers outside of the U.S.; or even online transactions crossing national boundaries, your domestic policies may not cover your needs. This packaged insurance solution for domestic companies moving into the global arena is available in a convenient, cost-efficient multi-year policy so you can take a longer view of your company's growth.

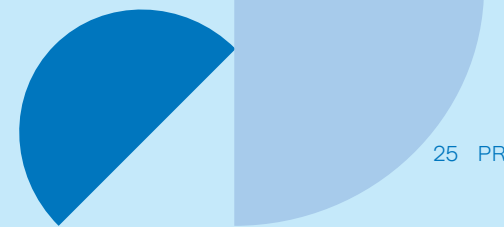
Zurich Travel Assist

Available 24 hours a day, 365 days per year, anywhere in the world, Zurich Travel Assist can provide assurance at a time when international business travel risks can change quickly. Zurich's wholly owned subsidiary has over 200 staff globally, handling over 45,500 cases annually and more than 775,000 calls and supporting 15.9 million travelers every year in more than 170 countries worldwide.

Benefits include:

- Emergency medical and security assistance
- Travel, medical and security advice
- Emergency medical or security evacuation and repatriation assistance
- Online access to travel security alerts and destination risk profiles
- 24/7 assistance with an emergency advance of funds

Find out more at zurichtravelassist.com.



Zurich launches global Zurich Resilience Solutions unit

In early February, Zurich North America announced it has launched its new Zurich Resilience Solutions unit in the United States. The new unit is part of a global initiative developed by Zurich Insurance Group to provide businesses worldwide with advisory services, solutions and tools to help them prevent and mitigate a wide range of risks. In the U.S., Zurich Resilience Solutions will include the Risk Engineering team and make services available to both current Zurich customers, as well as non-Zurich customers in the United States.

“The insurance industry is changing and so are customer expectations. They are seeking a risk management partner to help them manage emerging and evolving risks,” said Kristof Terryn, Chief Executive Officer of Zurich North America. “With the development of this new global risk services unit, we are making a major investment to expand Zurich’s ability to offer our customers the services, tools and data they need to build resilience in an uncertain world.”

The new business unit provides a suite of risk mitigation services, Risk Engineering assessments and insights on a variety of important risk topics. Over the past years, the Group has launched new services in areas such as cyber, supply chain management and climate resilience, and will continue to invest in expertise and external collaborations to provide customers with unique services and capabilities.

“Customers in the U.S. and around the globe want to expand their efforts to avoid risk rather than simply transferring it through insurance,” said Tom Fioretti, Chief Risk Engineering Officer and newly appointed head of the services unit in Zurich North America. “As a truly customer-led organization, we continue to increase our risk mitigation and risk recovery products and services for and with our customers and distributors.”

Risk Engineering solutions help businesses build resilience to today’s and tomorrow’s evolving, interconnected risk landscape by helping them identify exposures, reduce potential losses, improve safety, build resilience and effectively manage loss control programs. Every year the Group’s approximately 750 Risk Engineers in over 40 countries around the globe conduct more than 60,000 risk assessments tailored to the unique challenges facing its customers.

For more information about Zurich’s expanding range of Risk Engineering services, contact: risk.engineering@zurichna.com.



Zurich celebrates the Best of the Best

with the Program Administrator Award of Distinction

The Zurich Programs Award of Distinction honors top-performing Program Administrators who meet required profit, GWP, loss ratio, financial, underwriting and compliance award criteria.



The Award of Distinction winners based on 2020 performance are:

| Pinnacle | Platinum | Gold |
|---|--|---|
| <ul style="list-style-type: none"> Arrowhead Sovereign Nations Program | <ul style="list-style-type: none"> Arrowhead General Insurance Agency: DIC Arrowhead Forestry Program SuiteLife Underwriting Managers | <ul style="list-style-type: none"> Abacus Insurance Brokers Entertainment Program US Assure Builders Risk Program |

The award has two tiers, Gold and Platinum, with increased thresholds in the Platinum tier. The program also includes a Pinnacle award for best results overall. This award is presented to one program only and is determined by top achievement in gross written premium (GWP) growth, loss ratio (LR) results and the quality of underwriting, compliance and financial review.

2020 Program Criteria

| Gold Award – Tier One | Platinum Award – Tier Two |
|---|--|
| <ol style="list-style-type: none"> Meet GWP plan for the year Meet LR plan for the year Underwriting review – effective Compliance review (if applicable) needs improvement with low-impact (minimal) recommendations Financial review – effective Profitability target met or exceeded | <ol style="list-style-type: none"> Exceed plan GWP by 5% or more LR below plan by 1.5 points or more Underwriting review – effective Compliance review (if applicable) – effective Financial review – effective Profitability target met or exceeded |

Program spotlight: Artex Risk Solutions

Artex Risk Solutions (Artex), a division of Arthur J. Gallagher, is the exclusive Program Administrator for Staff Guard, a guaranteed cost Workers' Compensation program insured by Zurich. The program offers temporary staffing firms turnkey solutions including unbundled claims administration and management services, pay-as-you-go options, 24/7 online access to loss runs, certificates of insurance and more.

Artex and Zurich also offers industry leading Workers' Compensation solutions for the Professional Employer Organizations (PEO) industry and not-for-profit businesses, as well as customized solutions for diverse clients, including insurance and captive management, captive programs (from Group and Single-Parent Captives to Enterprise Risk Captives, Cell Captives, and the first Pension Transfer captive of its kind), risk management services, risk pooling and more.

Andy Atsaves, Executive Vice President, Artex North America, explains, "Artex and Zurich have a sizable trading relationship rooted in Workers' Compensation underwriting and process management. Our relationship with Zurich spans the Programs space, Middle Market, Large Casualty, Captives and more." Andy leads a team of highly-seasoned Workers' Compensation underwriters, audit and compliance specialists, and risk control and insurance data management specialists.

Zurich Program Manager Jim Buck says, "The temporary staffing program in particular has and continues to deliver strong results due in large part to Artex and Zurich's deep Workers' Compensation expertise, fierce underwriting discipline, and our shared commitment to protecting the program's profitability."

Andy adds, "Staffing firms take on a unique role as an employer, providing labor on a contingent basis to the many clients they serve. As such, central to the success of all staffing companies is the administration and management of their Workers' Compensation program, particularly given the fact that Workers' Compensation can be one of a staffing company's single largest cost of goods sold. We've processed nearly 30,000 Workers' Compensation policies this year in both the PEO and temp staffing space covering more than 100,000 SMBs, or small-to-medium sized businesses across the country. Over the years, we've become very disciplined Workers' Compensation underwriters for employment services and HR outsourcing businesses. We've been serving the space for more than 20 years, through economic cycles, regulatory cycles, and now a pandemic, and with a highly collaborative underwriting process with the Zurich underwriting team, we have delivered sustained profitability all these years, which is pretty unheard of in the staffing/PEO space."

Jim adds, "Artex's Account Management Policy system (AAMPS) delivers exceptional capabilities, including the ability to receive payroll by client down to class code level, pull certificates of insurance, pull PEOs down to client level, house all underwriting document forms, deliver real-time payroll reporting and real-time claim notification, and provides in-depth account analysis and overall program evaluation."

Andy attributes success to a combination of expertise and trust.

"The longevity of our relationship with Zurich, our combined expertise in Workers' Compensation and policy issuance, and the level of trust we have in one another are what makes our relationship so effective. My relationships with folks at Zurich go so far back, and they have been very rich, super-productive relationships. In fact, right now my team is working hard with Zurich operations groups on robotic processes and automation, developing even greater capabilities that will allow us to do even more in this space. And these programs are leading the way with Zurich!"



Teamwork drives success

To be successful, you have to be prepared for every eventuality. Collin Morikawa has his caddie, JJ Jakovac, for guidance. In business, 90% of FORTUNE 500® companies have Zurich Insurance.



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