



March 5, 2008

To our valued agents and brokers:

We have some exciting news to share with you about our ongoing commitment to delivering the best products and services to our customers and distributors in the United States.

Earlier today, Zurich announced plans to transfer the management of North America Commercial's Small Business Solutions book to Farmers Group, Inc. After the transaction is completed, the operation will be the fifth-largest writer of small commercial insurance in the U.S., and you will have increased access to a broader range of innovative products and services for your small business customers.

As an independent distributor, you will be supported by a strong national sales and service organization. We are dedicated to delivering valued products and services that address the needs of commercial customers. We understand that a key way for us to reach our goals is to provide our independent distributors with the products and services that help them achieve their business objectives.

This news is further proof of Zurich's commitment to compete and win in the market. In this scale-intensive segment of the industry, bringing together these books will enable us to gain underwriting and pricing insights, invest in technology and talent, and work even more closely with distribution partners in the small commercial space.

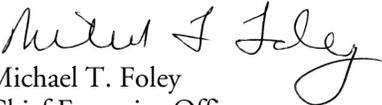
Operationally, this transaction should feel like "business as usual" for you and your team. You can continue to submit your new business and renewals as you have always done. Policy offerings, claims service, and agency and compensation agreements all remain unchanged. We will win in the marketplace one transaction and one relationship at a time. Your relationship with us is very important to our success, and your local Zurich representatives will continue to work with you as before.

Also, note that Zurich's Builders Risk and Contractors Equipment lines are not part of this transaction. They will remain with North America Commercial and will continue to be delivered to you through a shared sales force and administered through Zurich Insurance Services (ZIS).

As the transaction progresses, we will keep you informed. More details are in the attached press release. You can also talk with your local Zurich representative or send your questions or comments by e-mail to [oneteam.onegoal@farmersinsurance.com](mailto:oneteam.onegoal@farmersinsurance.com).

We look forward to a mutually successful 2008 and beyond.

Sincerely,

  
Michael T. Foley  
Chief Executive Officer  
North America Commercial