

**EXECUTIVE SUMMARY
OF
ZURICH NOTICE OF PROPOSED CLASS ACTION SETTLEMENT**

Prepared by the Office of the General Counsel

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This Executive Summary includes only general information and comments, and is not intended to provide specific advice about individual legal, business or other questions. It was not prepared for and is not a substitute for brokers' independent evaluation of any business practice. If specific legal or other expert advice is required or desired, the services of an appropriate, competent professional, such as an attorney, should be sought.

Zurich's Notice of Proposed Class Action Settlement (Notice) has been mailed out to policyholders who may have a right to participate in the proposed settlement of Zurich's involvement in the class action lawsuit involving producer compensation pending in federal court in New Jersey. This Executive Summary explains what the notice means and how it affects policyholders.

1. What is the purpose of the Notice of proposed settlement?

The Notice is to advise policyholders that Zurich is trying to settle the claims against it in a class action lawsuit in federal court in New Jersey involving producer compensation issues. It also is intended to let the person or business receiving the Notice know that they may be able to make a claim to receive a payment under the proposed settlement, if it receives final approval from the court. The Notice explains how to participate in the proposed settlement.

2. Do policyholders receiving the Notice have choices about whether or not to participate in the proposed settlement?

Yes. The settlement is an "opt-out" settlement. This means that the policyholder automatically is in the settling class unless they "opt out" of the class. The policyholder can: (a) do nothing now and remain a part of the settling class; (b) stay in the settling class but object to the terms of the settlement in accordance with the instructions in the Notice; (c) opt out of the settling class, thereby electing not to receive any money under the proposed settlement and do nothing further; or (d) opt out of the settling class, thereby electing not to receive any money under the proposed settlement and choose to sue Zurich on their own.

3. If a policyholder stays in the settling class, does that mean they do not have to do anything more to receive a payment from the settlement?

No. They do not have to do anything more to stay in the settling class if the policyholder purchased or renewed an eligible policy issued by Zurich. However, if a policyholder received this Notice because they purchased or renewed a policy from any other insurance company through a broker defendant listed in the response to question 3 of the Notice, they must complete and submit the claim form included with the Notice so it is postmarked by June 12, 2007 in order to receive any money from the settlement fund.

4. How does a policyholder who stays in the settling class object to the terms of the proposed settlement?

If a policyholder wants to object to any terms of the proposed settlement (e.g., the amount of money in the settlement fund), the policyholder can do so by sending a written objection and any support for it so it is received by January 11, 2007 by the court and all lawyers listed in the Notice in the answer to question 24 of the Notice. Anyone objecting to the proposed settlement will have an opportunity to present their objections verbally at a hearing set for January 26, 2007, at which time the court will consider whether to approve the proposed settlement.

5. How does a policyholder opt out of the settling class?

To opt out of the settling class, a policyholder must make a written request to be excluded from it. That request must be postmarked or delivered by January 11, 2007 to the Clerk of the Court, as listed in the answer to question 25 of the Notice. This is true whether the policyholder decides to opt out and do nothing further or if they decide to opt out and sue Zurich on their own.

6. What should agents and brokers be telling their customers to do about the Notice?

Agents and brokers should tell their customers that they need to make their own decision about whether or not to remain in the settling class, and that they should direct any specific questions about their participation in the proposed settlement to their own attorney. Agents and brokers can assist customers who ask for information regarding any policies eligible for the settlement (e.g. dates, policy number, etc.) by providing that information.

7. How much money will each policyholder receive under the settlement fund?

It is impossible to know the final amount until the total number of potential claimants remaining in the settling class is determined. The calculation will then be done by a settlement administrator according to a formula explained in Appendix B of the Notice. It is broken down by type of claim and percentage of premiums paid by each

claimant relative to the total premiums paid by all claimants, and it addresses how extra money in the fund, if any, will be distributed.

8. Are there any other proposed settlements relating to Zurich?

Yes. There is a Three-State Agreement settling claims with New York, Connecticut, and Illinois, and a Multi-State Agreement with 10 other states. Both settlements resulted in funds to be distributed to certain policyholders.

9. Does this Notice cover both the Three-State Agreement and the Multi-State Agreement?

No. This Notice is only for the Multi-State Agreement.

10. What if a policyholder is in a state that is not a part of the Multi-State Agreement – does that mean that they cannot participate in this settlement?

No. The Multi-State Settlement has been incorporated into the proposed settlement of the class action in New Jersey, which is nationwide in scope. Policyholders nationwide may be eligible to participate in the proposed settlement. If a policyholder has received the Notice, they are a member of the settling class unless they opt out.

11. Can eligible policyholders recover under both settlements for the same policies?

No. Policyholders eligible to receive settlement funds under the Three-State Agreement cannot also recover on the same policies under the Multi-State Agreement—they must choose one fund from which they want to receive money. However, to the extent policyholders purchased or renewed different policies, they can recover from each fund for the policies eligible for that fund as long as they do not seek to collect under both funds for the same policies.

12. Is there a difference in the amount policyholders will receive under each settlement?

Maybe. It depends on how many eligible policyholders elect to participate in each fund. The amount of recovery under each fund cannot be calculated until the total number of claimants is determined.

13. For policyholders eligible for payments from both funds, how should agents and brokers advise their customers to proceed?

Agents and brokers should advise their customers that they need to make their own decision about which fund to seek recovery from, if either, and that they should consult with their own attorney for questions and guidance.

14. The Notice says a hearing will take place on January 26, 2007. Does this mean the proposed settlement is not final?

Yes. The court has preliminarily approved the proposed settlement in order to allow the Notice to be sent, but the final hearing will take place on January 26, 2007. At the final hearing, the court will consider whether to give final approval to the settlement. The court may, but is not required to announce its decision about the settlement at that hearing.

15. Where should agents and brokers direct customers seeking more information?

The settlement administrators for this lawsuit set up a website for potential claimants to receive information, and anyone with question can be directed there in addition to consulting their own counsel. That website address is www.insurancebrokerageantitrustlitigation.com. There also is other information available from the websites and attorneys listing in the answer to question 30 of the Notice.
