



# Zurich Collateral Alternatives

At Zurich, we've been listening to our customers and are well aware of the strain on credit that many of you have felt in the existing economic marketplace.

As a strong, financially solid and responsive company, Zurich is committed to understanding the challenges our customers face and meeting those challenges with the best solutions. Building collateral alternatives provides another example of our Zurich HelpPoint approach to addressing the needs of our customers and expanding their choices. Delivering when it matters is what our Zurich HelpPoint approach is all about.

Zurich offers an array of collateral choices for our qualified direct written customers to secure the deferral of their financial obligations under a Deductible or Retrospective insurance program. Along with using letters of credit (LOCs), Zurich trusts and cash options, such as certificates of deposit (CDs), are a cost-effective way to keep our customers from having to rely solely on LOCs that can affect corporate credit lines.

Our customers choose Zurich to provide the best available commercial insurance-related risk management solutions. Zurich's collateral options offer a variety of advantageous financing approaches for our qualified customers to consider.

	Letters of credit (LOC)	Assets in Trust	Cash for eZ CD™	Cash on Deposit
<b>Description</b>	A legal instrument issued by a bank that guarantees the payment of the insureds' obligations. It effectively substitutes the bank's credit for the customer's credit.	A legal agreement that allows the insured to transfer assets to funds for the benefit of Zurich, with interest income and dividend income deposited into a separate account for the benefit of the insured.	A FDIC-insured debt instrument purchased by Zurich in Zurich's name. Accrued interest transferable to the insured.	Money in the form of currency, such as banknotes.
<b>Impact to borrowing capacity of insured</b>	Reduces borrower's available credit line	Restricts the use of the assets placed in trust.	Reduces insured's cash	Reduces insured's cash
<b>Fees</b>	Set by each bank for each customer, typically in the 1% to 4% range.	<b>Standard Trust</b> <ul style="list-style-type: none"> <li>Insured negotiates fees</li> </ul> <b>eZ Trust™</b> <ul style="list-style-type: none"> <li>No initial set-up fees</li> <li>Discounted annual fees negotiated by Zurich</li> </ul>	None	None
<b>Client Return on Investment</b>	None	Investment income on assets held in trust may be paid to the grantor of the trust.	Interest to be paid at stated rate within 30 days after CD maturity.	None
<b>Custodial Options</b>	Zurich approved banks only	<b>Standard Trust</b> <ul style="list-style-type: none"> <li>Insured chooses bank and investment manager</li> </ul> <b>eZ Trust™</b> <ul style="list-style-type: none"> <li>Insured chooses among Zurich's selected banks</li> </ul>	Zurich chooses among Zurich's selected banks.	Not applicable
<b>Insured's business process</b>	Insured secures from bank and bank submits LOC to Zurich.	Completes and signs trust documents and submits funds to trust.	Submit cash to Zurich and Zurich purchases CD in Zurich's name.	Submit cash to Zurich

continued on back

	Letters of credit (LOC)	Assets in Trust	Cash for eZ CD	Cash on Deposit
<b>Adjustments for collateral needed or excess held</b>	Either by amendment to the LOC or initial step-up LOC. Bank fees may apply. Can be adjusted mid-term.	Adjust for amount needed by depositing into or withdrawing funds from the trust. Can be adjusted mid-term.	Generally 12 month term CDs issued. Penalty for early withdrawal. No changes mid-term. For in-force policies only.	Adjust for amount needed by depositing or withdrawing cash. Can be adjusted mid-term.
<b>Minimum funding</b>	\$10,000 minimum	\$500,000 minimum	\$500,000 minimum	No minimum

To get specific information about collateral options available from Zurich, call **your local underwriter**.

Here to help your world.  
**Zurich HelpPoint**



*Because change happenz<sup>SM</sup>*

**Zurich**

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This is intended as a general description of certain types of collateral and cash alternative solutions available to qualified customers through Zurich American Insurance Company, a member company of Zurich in North America. Zurich American Insurance Company does not guarantee a particular outcome, reduction in costs, or improvement in administration and further assumes no liability in connection with the providing of these solutions. Please consult your own financial, tax and legal advisors.

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