ACE Limited

25 years of insuring progress℠

Global Loss Triangles Supplement 2009

Investor Contact

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This report is for informational purposes only. It should be read in conjunction with documents filed by ACE Limited with the Securities and Exchange Commission, including the most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

Cautionary Statement Regarding Forward-Looking Statements:
Any forward-looking statements made in this document reflect the Company's current views with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties, which may cause actual results to differ materially from those set forth in these statements.

For example, the Company's forward-looking statements could be affected by the frequency of unpredictable catastrophic events, actual loss experience which differs from the Company's assumptions, uncertainties in the reserving or settlement process, new theories of liability, coverage issues, judicial, legislative, regulatory and other governmental developments, litigation tactics and developments, the amount and timing of reinsurance recoverable, credit developments among reinsurers, pricing and policy term trends and actual market conditions and developments, as well as management's response to these factors, and other factors identified in the Company's filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the year ended December 31, 2009, the Company's quarterly reports on Form 10-Q, and in the Company's earnings press releases, which are available on the Company's website.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they are made. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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Executive Summary

This document forms the supplement to ACE's release of its Global Loss Triangles (GLT) as at December 31, 2009. This year is our seventh GLT release with the purpose of providing the reader with the opportunity to use their own judgment with respect to the adequacy of certain areas of our Property & Casualty (P&C) reserves and also providing greater insight into ACE's overall reserve balance and business in general. As discussed later in this document, our reserving approach is a detailed ground-up process using data at a very detailed level that reflects the scope and diversity of the products written by our various operations. The aggregated data presented in this release is therefore a consolidation of the numerous reserving triangles that are analyzed by our actuarial staff. In addition, the market has seen changes in both rates and terms and conditions over the last few years. It is therefore difficult to prepare an aggregate disclosure that captures all of these aspects.

We would advise that the inappropriate use of the aggregated data presented in this release may produce misleading results. However, we believe that with the requisite care and attention to analysis, the disclosure can be used to provide the reader with insight about ACE's loss reserves.

To assist the reader with their analysis, we have provided guidance where possible in the document on key assumptions that should be considered when performing an analysis. Please see Pages 15, 16, 17, 22, 23, and 27.

In compiling this year's release we have followed essentially the same format as released last year but we have also made some modest changes to the data. These changes reflect actions from foreign exchange adjustments and continued enhancements to the compilation process. We believe that this year's release is a modest improvement over prior years' releases and that the changes are consistent with our continued commitment to more transparency for loss reserve disclosures.

The GLT supplement is comprised of the following information:

- For direct business – accident year (AY) triangles of a) net paid loss plus paid allocated loss adjustment expenses (ALAE) and b) net reported loss plus paid ALAE (i.e., excluding Incurred But Not Reported reserves (IBNR)) for the ten calendar years ending December 31, 2009.
- For reinsurance business – treaty year (TY) triangles of a) net paid loss plus paid ALAE and b) net reported loss plus paid ALAE (i.e., excluding IBNR) for the ten calendar years ending December 31, 2009.
- Net earned premium for each of the ten accident/treaty years ending December 31, 2009.

The triangle data are provided in groupings under three of ACE's four SEC reporting segments. The remaining segment is Life business. Life business reserves are not typically subject to analysis using triangular actuarial methodologies. The data associated with Life business is therefore not considered within the scope of the GLT release. The SEC reporting segments included are as follows:

- Insurance North American Segment (excluding Financial Solutions business)
  - Workers' Compensation (WC)
  - General Liability (GL)
  - Other Casualty
  - Non-Casualty
- Insurance Overseas General Segment
  - Casualty
  - Non-Casualty
  - Personal Accident
- Global Reinsurance Segment
  - Property
  - Non-Property

Furthermore, the GLT supplement also contains the following:

- A reconciliation of the GLT reserve balances with ACE's published GAAP reserve balance ending December 31, 2009.
- A reconciliation of the current data to that contained in the previous release.
- A discussion of some factors to consider when analyzing loss reserve triangles.
- Commentary highlighting aspects of the GLT triangles and their interpretations.
- Relevant discussion from our 2009 10-K addressing ACE's reserving process.

Reconciliation of GLT with GAAP December 31, 2009 Reserve Balances

The net reserves (Case plus IBNR) associated with the GLT can be reconciled back to ACE Limited's December 31, 2009 closing GAAP P&C net reserve balance as follows:

		($millions)
GAAP Net P&C Reserve Balance at December 31, 2009	$	25,038
Less: Financial Solutions [1]		1,515
Unallocated Loss Adjustment Expense (ULAE)		804
Bad Debt		391
Other [2]		499
Plus: Recoveries from retroactive reinsurance contracts [3]		780
GLT Net Reserve Balance at December 31, 2009	$	22,609

The GLT Net Reserve Balance can be split as follows:		Case		IBNR		Reserves	% of GAAP Reserves
Accident Years 2000 through 2009	$	5,798	$	13,138	$	18,936	76%
Accident Years 1999 and prior		1,661		2,012		3,673	15%
	$	7,459	$	15,150	$	22,609	90%

The triangles are constructed to exclude the effects of shifting exchange rates. Loss and ALAE data denominated in foreign currencies are converted to U.S. dollars at December 2009 exchange rates.

As indicated above, certain blocks of loss and ALAE reserves were excluded for the following reasons, found in Footnotes 1-3 below:

1. With respect to the Financial Solutions business, traditional actuarial methods such as loss development triangles are inappropriate for evaluating reserves. The book is made up of a relatively small number of large heterogeneous accounts, each account having its own unique terms. As a result, each account is reviewed and reserved for individually.

2. Includes other reserves for which loss development methods are not appropriate, or other items such as settlements and commutations.

3. The Global Loss Triangles are presented gross of retroactive reinsurance, which is consistent with the U.S. Statutory Schedule P treatment. In general, these treaties tend to distort the net loss history and prevent a useful analysis. ACE does not utilize this type of reinsurance with third parties in the normal course of business. The retroactive treaties we have on our books relate to acquisitions made by ACE, and the majority of the expected recoveries relate to accident years 1996 and prior. $842 million of the total retroactive recoveries relate to the NICO Brandywine cover, which was purchased at the time of ACE's acquisition of the CIGNA P&C business. $108 million relates to the ACE Westchester acquisition. The remaining amount is a reduction of $170 million for two assumed retroactive reinsurance contracts.

GLT Reserves as % of GAAP Reserves – Historical Perspective

in $US millions

The table below shows an historical perspective of the GLT reserves as a percent of the corresponding GAAP reserves for ACE's current and four prior GLT releases. The reserves on Lines 1 and 2a are taken from the "Reserve Reconciliation" sheets for each of the years. The percentages shown on Line 2b are the GLT reserve amounts divided by the GAAP reserve amounts.

The table shows that over the past five years, the percentage of GLT reserves for the latest ten years as shown in each of the GLT releases has steadily increased from 68% in 2005 to 76% in 2009, while the GLT reserves for all years combined has remained between 90% and 92%. The latest ten years as shown in the 2009 GLT release are 2000-2009.

		GLT Reserves as % of GAAP Reserves Data ending Dec. 31 of:				
Reserve Type	Accident/Treaty Years	**2009**	2008	2007	2006	2005
1) GAAP Reserves	Total	**25,038**	24,241	23,592	22,008	20,458
2a) GLT Reserves	Latest 10 Yrs	**18,936**	18,405	17,845	16,105	13,824
	Prior Yrs	**3,673**	3,778	3,780	4,005	4,527
	All Yrs	**22,609**	22,183	21,625	20,110	18,351
2b) As % of GAAP Reserves	Latest 10 Yrs	**76%**	76%	76%	73%	68%
	Prior Yrs	**15%**	16%	16%	18%	22%
	All Yrs	**90%**	92%	92%	91%	90%

Reconciliation to Previous Release

On the following pages we summarize the historical data changes by segment and accident/treaty year (2000-2008) at December 31, 2008 for paid loss, reported loss, and earned premium. The changes in paid losses and reported losses are the differences between the next to the last diagonal in the triangles from this release and the last diagonal in the corresponding triangles from last year's release. The impact associated with currency fluctuation is separated from other "miscellaneous" enhancements.

As with prior releases of the GLTs, we reviewed the compilation process in detail, and have continued to identify opportunities to improve the quality and scope of the GLT.

The most significant changes in the GLT data arise from Overseas General and are noted below.

A number of other enhancements are also reflected in the 2009 GLTs. Although these enhancements are relatively minor in the context of the overall reserves, we believe their inclusion provides an improved data set for the reader.

A discussion of the changes by reporting segment is included below.

Insurance North American

A comparison of this year's GLT with the previous release shows paid losses increased by 1%, reported losses increased by 1%, and premiums increased by 1% across accident years 2000-2008 combined.

- **Miscellaneous**
  None
- **Currency**
  Effect of restating historical values at December 2009 exchange rates

Insurance Overseas General

A comparison of this year's GLT with the previous release shows paid losses increased by about 3%, reported losses increased by 3% and premiums increased by about 6% across accident years 2000-2008 combined.

- **Miscellaneous**
  Continued improvements in the conversion of gross year-of-account data to net accident year data resulted in changes to paid and reported losses across all years for ACE Global Markets.
  Overseas General portion of Combined Insurance: a) Inclusion of two European countries in the paid loss and reported losses and earned premiums and b) True-up of paid loss and reported loss triangles for Asia region.
- **Currency**
  Effect of restating historical values at December 2009 exchange rates

Global Re

A comparison of this year's GLT with the previous release shows paid losses increased by less than 1% and reported losses increased by about 1% over treaty years 2000-2008 combined. A comparison of the earned premium figures would show large increases as treaty years naturally advance towards being fully earned. Therefore we have not shown this comparison within the reconciliation schedules.

- **Miscellaneous**
  None
- **Currency**
  Effect of restating historical values at December 2009 exchange rates

For future releases, we will continue to review the content and segmentation of the triangles to ensure that they provide a useful representation of our evolving business profile.

Reconciliation to Previous Release – Insurance North American Workers' Compensation

in $US thousands

Cumulative Paid Loss + Paid ALAE at December 31, 2008

Accident Year	Previous Release	Miscellaneous	Currency	Current Release
2000	143,364	0	707	144,070
2001	117,954	0	988	118,941
2002	101,179	0	868	102,047
2003	131,158	0	839	131,998
2004	171,866	0	806	172,672
2005	251,473	0	494	251,967
2006	232,015	0	264	232,279
2007	144,169	0	119	144,288
2008	62,518	0	15	62,533
Total	1,355,696	0	5,099	1,360,795

Cumulative Reported Loss + Paid ALAE at December 31, 2008

Accident Year	Previous Release	Miscellaneous	Currency	Current Release
2000	160,272	0	1,164	161,436
2001	129,979	0	1,073	131,052
2002	139,551	0	950	140,501
2003	180,623	0	948	181,572
2004	235,405	0	936	236,341
2005	361,745	0	812	362,556
2006	360,724	0	615	361,339
2007	267,860	0	557	268,417
2008	148,085	0	365	148,450
Total	1,984,244	0	7,420	1,991,664

Net Earned Premium

Accident Year	Previous Release	Miscellaneous	Currency	Current Release
2000	210,037	0	607	210,644
2001	271,049	0	869	271,918
2002	374,434	0	1,133	375,567
2003	613,845	0	1,501	615,346
2004	907,444	0	993	908,437
2005	1,263,102	0	622	1,263,724
2006	1,318,990	0	1,652	1,320,642
2007	1,249,075	0	2,025	1,251,100
2008	1,052,720	0	1,905	1,054,625
Total	7,260,696	0	11,307	7,272,003

Reconciliation to Previous Release – Insurance North American General Liability

in $US thousands

Cumulative Paid Loss + Paid ALAE at December 31, 2008

Accident Year	Previous Release	Miscellaneous	Currency	Current Release
2000	311,957	0	2,968	314,925
2001	337,854	0	5,567	343,421
2002	502,302	0	3,893	506,196
2003	469,631	0	4,854	474,486
2004	427,563	0	3,099	430,661
2005	486,219	0	3,169	489,387
2006	288,905	0	1,711	290,617
2007	162,768	(658)	1,592	163,701
2008	40,514	0	372	40,886
Total	3,027,712	(658)	27,225	3,054,279

Cumulative Reported Loss + Paid ALAE at December 31, 2008

Accident Year	Previous Release	Miscellaneous	Currency	Current Release
2000	322,644	0	3,166	325,810
2001	437,647	0	6,367	444,014
2002	554,779	0	4,529	559,308
2003	562,061	0	5,917	567,978
2004	518,000	0	3,955	521,955
2005	591,536	0	4,490	596,026
2006	418,786	0	3,565	422,351
2007	317,163	(658)	3,547	320,052
2008	136,047	0	2,368	138,415
Total	3,858,664	(658)	37,903	3,895,909

Net Earned Premium

Accident Year	Previous Release	Miscellaneous	Currency	Current Release
2000	388,887	0	4,796	393,683
2001	305,972	0	6,111	312,083
2002	690,194	0	8,724	698,918
2003	1,269,608	0	13,600	1,283,208
2004	1,564,730	0	17,350	1,582,081
2005	2,029,613	0	18,025	2,047,638
2006	2,216,175	0	18,596	2,234,771
2007	2,192,031	0	18,034	2,210,065
2008	2,067,913	0	17,890	2,085,803
Total	12,725,123	0	123,125	12,848,249

Reconciliation to Previous Release – Insurance North American Other Casualty

in $US thousands

Cumulative Paid Loss + Paid ALAE at December 31, 2008

Accident Year	Previous Release	Miscellaneous	Currency	Current Release
2000	511,731	0	1,139	512,870
2001	384,404	0	1,785	386,189
2002	267,481	0	2,074	269,554
2003	331,298	0	2,572	333,870
2004	322,499	0	2,514	325,013
2005	351,760	0	1,988	353,748
2006	292,472	0	1,390	293,862
2007	230,392	0	1,452	231,844
2008	217,617	0	537	218,153
Total	2,909,653	0	15,451	2,925,104

Cumulative Reported Loss + Paid ALAE at December 31, 2008

Accident Year	Previous Release	Miscellaneous	Currency	Current Release
2000	524,742	0	1,141	525,883
2001	402,937	0	1,881	404,818
2002	285,200	0	2,259	287,458
2003	343,160	0	2,863	346,022
2004	347,101	0	3,448	350,549
2005	388,480	0	2,599	391,079
2006	353,441	0	1,957	355,398
2007	326,599	0	2,780	329,379
2008	393,864	0	907	394,770
Total	3,365,522	0	19,835	3,385,357

Net Earned Premium

Accident Year	Previous Release	Miscellaneous	Currency	Current Release
2000	477,169	0	1,529	478,698
2001	408,931	0	1,747	410,678
2002	549,556	0	2,459	552,015
2003	665,548	0	4,406	669,954
2004	572,722	0	6,086	578,808
2005	736,011	0	5,703	741,714
2006	804,500	0	5,561	810,061
2007	893,710	0	6,080	899,789
2008	949,212	0	5,762	954,973
Total	6,057,358	0	39,333	6,096,691

Reconciliation to Previous Release – Insurance North American Non-Casualty

in $US thousands

Cumulative Paid Loss + Paid ALAE at December 31, 2008

Accident Year	Previous Release	Miscellaneous	Currency	Current Release
2000	382,070	0	6,259	388,329
2001	403,309	0	4,382	407,691
2002	470,705	0	2,760	473,465
2003	565,534	0	13,754	579,288
2004	627,193	0	6,351	633,544
2005	856,912	0	7,098	864,011
2006	560,426	0	4,975	565,401
2007	492,467	0	5,460	497,927
2008	500,664	0	3,852	504,515
Total	4,859,279	0	54,892	4,914,170

Cumulative Reported Loss + Paid ALAE at December 31, 2008

Accident Year	Previous Release	Miscellaneous	Currency	Current Release
2000	382,794	0	6,312	389,106
2001	411,832	0	4,389	416,221
2002	472,326	0	2,824	475,150
2003	571,955	0	13,769	585,724
2004	631,134	0	6,350	637,483
2005	877,946	0	7,175	885,120
2006	580,156	0	5,277	585,433
2007	527,584	0	7,997	535,581
2008	839,562	0	6,734	846,295
Total	5,295,288	0	60,826	5,356,114

Net Earned Premium

Accident Year	Previous Release	Miscellaneous	Currency	Current Release
2000	667,250	1	5,629	672,880
2001	614,140	3	9,622	623,765
2002	803,589	0	13,074	816,663
2003	1,075,190	3	17,761	1,092,954
2004	1,585,313	(2)	19,937	1,605,248
2005	1,191,009	(1)	17,582	1,208,589
2006	1,175,448	(1)	16,719	1,192,166
2007	1,278,888	(4)	15,107	1,293,991
2008	1,384,702	(1)	12,842	1,397,543
Total	9,775,528	(2)	128,274	9,903,799

Reconciliation to Previous Release – Insurance Overseas General Casualty

in $US thousands

Cumulative Paid Loss + Paid ALAE at December 31, 2008

Accident Year	Previous Release	Miscellaneous	Currency	Current Release
2000	1,031,850	(27,127)	36,477	1,041,200
2001	878,779	(3,130)	34,919	910,569
2002	741,614	(7,059)	27,215	761,770
2003	611,019	(16,390)	27,943	622,572
2004	564,176	(28,720)	24,624	560,079
2005	595,266	(34,794)	24,657	585,128
2006	540,573	(7,048)	31,060	564,585
2007	506,441	(41,536)	28,770	493,675
2008	233,205	(1,329)	21,248	253,124
Total	5,702,921	(167,132)	256,912	5,792,702

Cumulative Reported Loss + Paid ALAE at December 31, 2008

Accident Year	Previous Release	Miscellaneous	Currency	Current Release
2000	1,133,445	(43,757)	40,773	1,130,461
2001	968,917	(4,737)	37,767	1,001,946
2002	822,894	16,367	33,772	873,033
2003	716,661	(21,979)	32,066	726,747
2004	672,230	(32,063)	29,333	669,501
2005	762,234	(41,121)	36,398	757,511
2006	744,355	(28,040)	39,562	755,877
2007	795,731	(53,801)	40,519	782,448
2008	510,897	(9,911)	33,472	534,458
Total	7,127,362	(219,042)	323,661	7,231,982

Net Earned Premium

Accident Year	Previous Release	Miscellaneous	Currency	Current Release
2000	1,017,319	(8)	41,936	1,059,246
2001	1,262,771	(90)	51,038	1,313,719
2002	1,482,511	24	68,224	1,550,759
2003	1,642,263	1,085	94,357	1,737,704
2004	1,778,874	1,079	102,757	1,882,710
2005	1,864,156	599	101,858	1,966,613
2006	1,883,318	621	109,423	1,993,362
2007	1,758,034	632	108,386	1,867,052
2008	1,811,677	1,634	98,368	1,911,680
Total	14,500,923	5,577	776,346	15,282,846

Reconciliation to Previous Release – Insurance Overseas General Non-Casualty

in $US thousands

Cumulative Paid Loss + Paid ALAE at December 31, 2008

Accident Year	Previous Release	Miscellaneous	Currency	Current Release
2000	608,126	(6,416)	27,648	629,358
2001	486,746	5,125	26,290	518,161
2002	462,432	(5,321)	27,561	484,673
2003	500,282	(14,735)	32,343	517,890
2004	552,518	17,430	24,575	594,523
2005	635,725	35,453	22,262	693,440
2006	415,694	17,446	23,008	456,148
2007	414,646	3,092	25,401	443,139
2008	215,015	(878)	11,586	225,723
Total	4,291,184	51,196	220,674	4,563,054

Cumulative Reported Loss + Paid ALAE at December 31, 2008

Accident Year	Previous Release	Miscellaneous	Currency	Current Release
2000	625,676	(14,720)	27,974	638,929
2001	497,925	(38)	26,545	524,432
2002	468,026	(5,970)	27,770	489,825
2003	513,335	(14,776)	32,783	531,341
2004	575,296	17,072	25,665	618,033
2005	667,448	62,639	23,630	753,717
2006	476,465	21,484	26,643	524,593
2007	586,046	5,134	34,349	625,530
2008	546,643	13,237	24,274	584,153
Total	4,956,860	84,062	249,632	5,290,554

Net Earned Premium

Accident Year	Previous Release	Miscellaneous	Currency	Current Release
2000	569,661	8	24,390	594,059
2001	656,451	11	35,640	692,102
2002	837,842	2	44,773	882,617
2003	1,192,617	4	65,920	1,258,541
2004	1,282,190	11	70,365	1,352,566
2005	1,218,579	25	66,404	1,285,008
2006	1,175,489	52	64,879	1,240,420
2007	1,171,657	51	54,738	1,226,445
2008	1,195,452	866	29,652	1,225,970
Total	9,299,937	1,030	456,761	9,757,727

Reconciliation to Previous Release – Insurance Overseas General Personal Accident

in $US thousands

Cumulative Paid Loss + Paid ALAE at December 31, 2008

Accident Year	Previous Release	Miscellaneous	Currency	Current Release
2000	463,398	(26,035)	27,919	465,282
2001	463,862	(24,022)	30,838	470,678
2002	457,130	(32,836)	31,838	456,133
2003	476,640	(33,625)	33,801	476,816
2004	458,340	(37,984)	33,037	453,393
2005	477,789	(38,888)	36,160	475,062
2006	505,453	(38,246)	40,389	507,596
2007	503,717	(19,226)	43,449	527,939
2008	314,508	(290)	29,881	344,098
Total	4,120,837	(251,153)	307,313	4,176,997

Cumulative Reported Loss + Paid ALAE at December 31, 2008

Accident Year	Previous Release	Miscellaneous	Currency	Current Release
2000	473,722	(31,889)	30,399	472,231
2001	472,481	(24,340)	31,714	479,854
2002	466,136	(32,791)	32,965	466,311
2003	487,847	(33,343)	35,022	489,526
2004	468,950	(37,735)	33,700	464,915
2005	487,865	(38,927)	36,601	485,538
2006	528,488	(38,243)	41,483	531,728
2007	561,433	(18,818)	45,668	588,283
2008	416,701	220	35,225	452,146
Total	4,363,623	(255,867)	322,776	4,430,532

Net Earned Premium

Accident Year	Previous Release	Miscellaneous	Currency	Current Release
2000	870,652	(15,354)	56,845	912,142
2001	935,100	(8,361)	67,267	994,006
2002	1,061,927	6,625	79,620	1,148,171
2003	1,188,402	3,729	89,375	1,281,507
2004	1,291,716	21,707	102,894	1,416,316
2005	1,410,664	24,246	114,708	1,549,618
2006	1,592,942	22,307	135,497	1,750,746
2007	1,735,136	25,313	143,669	1,904,118
2008	1,808,866	15,055	152,923	1,976,844
Total	11,895,404	95,267	942,798	12,933,469

Reconciliation to Previous Release – Global Re Property

in $US thousands

Cumulative Paid Loss + Paid ALAE at December 31, 2008

Treaty Year	Previous Release	Miscellaneous	Currency	Current Release
2000	52,978	0	905	53,884
2001	68,817	0	263	69,079
2002	123,445	0	1,176	124,621
2003	118,304	0	379	118,683
2004	414,948	0	587	415,535
2005	554,851	0	747	555,598
2006	86,426	0	411	86,837
2007	57,129	0	4,292	61,420
2008	53,241	0	121	53,363
Total	1,530,139	0	8,882	1,539,021

Cumulative Reported Loss + Paid ALAE at December 31, 2008

Treaty Year	Previous Release	Miscellaneous	Currency	Current Release
2000	54,544	0	909	55,453
2001	69,209	0	247	69,456
2002	128,297	0	1,322	129,620
2003	122,624	0	392	123,017
2004	427,769	0	804	428,573
2005	583,410	0	889	584,300
2006	100,670	0	548	101,218
2007	91,324	0	6,026	97,350
2008	154,995	0	848	155,843
Total	1,732,843	0	11,986	1,744,829

Reconciliation to Previous Release – Global Re Non-Property

in $US thousands

Cumulative Paid Loss + Paid ALAE at December 31, 2008

Treaty Year	Previous Release	Miscellaneous	Currency	Current Release
2000	31,553	0	829	32,383
2001	70,188	0	361	70,549
2002	173,618	0	897	174,515
2003	239,224	0	1,057	240,281
2004	237,437	0	553	237,991
2005	243,601	0	437	244,038
2006	140,792	0	335	141,126
2007	52,736	0	162	52,899
2008	12,310	0	184	12,493
Total	1,201,459	0	4,814	1,206,274

Cumulative Reported Loss + Paid ALAE at December 31, 2008

Treaty Year	Previous Release	Miscellaneous	Currency	Current Release
2000	37,096	0	1,059	38,155
2001	80,117	0	408	80,524
2002	218,458	0	2,304	220,762
2003	319,782	0	2,172	321,954
2004	363,517	0	2,409	365,926
2005	365,626	0	1,731	367,357
2006	259,132	0	1,632	260,764
2007	138,705	0	1,039	139,744
2008	40,527	0	507	41,034
Total	1,822,959	0	13,261	1,836,220

Reserve Evaluation Considerations

We have actuarial staff in each of our operating segments who track insurance reserves and regularly evaluate the levels of loss reserves, taking into consideration factors that may impact the ultimate loss reserves. This is accomplished not only by employing a variety of actuarial methods, but also by applying judgment to help quantify the impact of these variables.

Considerable caution should be used when attempting to analyze reserve adequacy based on aggregated triangles. It is rare that the data is so consistent, homogeneous, and static that a valid analysis is possible without exercising substantial judgment. Results can be distorted by both industry-wide and company-specific factors. Below is a non-exhaustive list of possible pitfalls:

- Paid and reported chain ladder loss development methods can be particularly volatile at early evaluation points for more recent accident years, especially for longer-tailed lines. In those situations, the expected percentage of paid (reported) claims is low, and so small differences between actual and expected claims can produce large differences in projected ultimate losses. In such cases, we would recommend relying on an expected loss technique. One expected loss technique not addressed in Feldblum's paper (see below) is the Bornhuetter-Ferguson method (1), which can be modified to incorporate information on changing premium rates in an analysis of reserve adequacy.
- Certain methods for judging reserve adequacy assume that expected loss ratios (ELRs) do not change over time. In fact, ELRs can change substantially from year to year due to many reasons (e.g., change in rates, change in mix of business, etc.). In recent years, a soft market has produced lower rates and some loosening of terms and conditions for some lines, which should result in higher ELRs. If these rate changes are not taken into consideration, indicated reserves will most likely be understated, or explained another way, any resulting indicated reserve redundancies/deficiencies may be misleading. While we consider ACE's actual rate change information to be proprietary, there are a number of public sources that can be used as a proxy to adjust loss ratios to a more appropriate level. These sources include, but are not limited to, the Council of Insurance Agents & Brokers (CIAB) Commercial Insurance Lines survey, Lloyd's of London Premium Rating Index, and Towers Watson Directors & Officers Liability Survey.
- Changes in inflation rates distort any reserve analysis based on loss triangles. If expected future inflation is lower (higher) than historical inflation rates, needed reserves may be overstated (understated) as a result, and appropriate adjustments should be made. If inflation rates are stable over time, no adjustment may be required.
- Many other changes and distortions (e.g., change in reinsurance structure, large losses, change in settlement rates, change in mix of business (e.g., primary vs excess; or by state/country), change in volume, etc.) can skew the results of a reserve analysis based on aggregated triangles. These distortions are not always easily corrected for and the reasonableness of the final projection should consider the possible influence of these factors.
- Contained in the triangles there may be instances of modest negative case reserves (calculated by taking the difference between the reported and paid at a given development age for a particular accident year). This is typically due to timing differences associated primarily with ceded reinsurance. In our view, these negative case reserves will not significantly distort an analysis nor detract from the usefulness of the information provided.

There are a number of valid prospective tests of reserve adequacy that can be performed based on consolidated triangles. One excellent source of information on the various methods is Completing and Using Schedule P by Sholom Feldblum (2). It is strongly recommended that anyone attempting to analyze reserves presented in loss triangles be familiar with the methods detailed in the section entitled "Loss Reserve Adequacy Testing – Prospective Valuation."

(1) Publicly available on the Casualty Actuarial Society's web site at the following address http://www.casact.org/pubs/proceed/proceed72/72181.pdf

(2) Publicly available on the Casualty Actuarial Society's web site at the following address http://www.casact.org/pubs/forum/02fforum/02ff353.pdf

Highlights

Insurance North American Segment

The Insurance North American segment is comprised of business written by ACE USA, ACE Westchester, ACE Bermuda, and ACE Private Risk Services. ACE USA is our U.S. based retail operation writing primarily specialty commercial lines through national and regional brokers. Included in this unit are ACE Canada – a writer of commercial lines and accident & health (A&H) business throughout Canada, and ACE Financial Solutions (AFS) – a writer of large risk management transactions including loss portfolio transfers (LPTs). ACE Westchester is our U.S. based wholesale operation writing specialty commercial lines produced by wholesale and excess & surplus (E&S) distribution channels and program business, including crop hail. ACE Bermuda writes high excess property and liability coverage including products liability and directors and officers (D&O), principally with U.S. exposures, and political risk. Included in this unit is ACE Financial Solutions International (FSI) – now in runoff, was a writer of large structured transactions including LPTs. ACE Private Risk Services is a writer of personal lines coverages with a target market of affluent and high net worth insureds. All of these operations have been included in the loss triangles with the exception of AFS and FSI, where we have excluded these businesses since the accounting treatment of LPTs would distort the paid and incurred loss development patterns.

There are three important points with regards to the “Prior” line. First, the “Prior” line shown here is gross of retroactive reinsurance (NICO treaties). Second, it would be incorrect to apply a single loss development factor to the “Prior” line, as it does not represent a single accident year but the total activity in accident years 1999 and prior. Third, virtually all of ACE’s Asbestos and Environmental exposure is contained in the “Prior” line of the General Liability and Other Casualty triangles. Development factors derived from loss triangles are inappropriate for analysis of this exposure.

Insurance North American – Workers’ Compensation

The U.S. Statutory Schedule P filings for workers’ compensation are net of two separate internal reinsurance transactions between the ACE American Pool and other ACE entities which distort the loss development shown in Schedule P. These transactions have been unwound in the loss triangles included in this supplement in order to provide a more complete representation of the WC business written by ACE’s U.S. based direct operations.

The WC line has experienced shifts in mix by business type during the ten year experience period included in the loss triangles. In the earliest year, 2000, more than 35% of the net premium volume was associated with first dollar exposure (either guaranteed cost or loss sensitive). The middle market guaranteed cost business was in runoff in that year and by 2001 our exposure had shifted to largely high deductible business (approximately 75% of total net earned premium (NEP)). As the hard market took hold in 2002, premium volume increased significantly in our risk management operation largely due to significant rate increases. In 2004, we launched a small workers’ compensation product, offering only first dollar cost coverage in select states including California. This product grew rapidly from 2004 to 2006, but then decreased in volume for 2007 to 2009. The mix of premium with first dollar exposure, both guaranteed cost and less sensitive, increased to in excess of 35% of the total in 2006 and contributed in excess of 30% of the premium in 2009.

Throughout the experience period shown in the loss triangles, our WC exposure has been heavily concentrated in risk management business which would include high deductible policies, loss sensitive business (i.e. retro policies) and business fronted for captives. Net premiums for these risk management accounts have significant administrative expenses and unallocated loss expenses components. As a result, the loss component of the net premium is much lower than primary or guaranteed cost policies making loss projection methods that rely on expected loss ratios based on industry experience (or prior year loss ratios) inappropriate.

Insurance North American – General Liability

The triangles consist of primary general liability, excess liability, D&O, and professional liability exposures. The primary general liability and excess liability exposures represent the largest part of the exposures and are typically

Highlights

written in the U.S. on an occurrence form, while the D&O and professional liability are written on a claims made form. ACE Bermuda writes excess liability on a "claims first reported" form, which means that coverage is triggered when news of a potential claim is received, potentially well in advance of a claim being filed. Bermuda typically writes at high attachment points, particularly on its excess liability book.

The U.S. exposure during the period 2000-2001 was mostly primary standard lines coverage. Premium volume in specialty lines including D&O, professional liability (including hospital professional) and excess casualty started to become material from 2002 and 2003 as the volume of these products grew during a period of strong rate levels in the hard market. As rate adequacy began to decline in 2006 and 2007, the rate of growth had slowed and then declined. Claims made business in total has averaged a little more than 40% of our total General Liability NEP over the last ten years.

Finally, in ACE's U.S. Statutory Schedule P, warranty business appears in Other Liability – Occurrence. The characteristics of warranty contracts are different from standard general liability exposures (i.e. claims are settled quickly, case reserves are generally not established, and premium earnings are deferred over the life of the contract rather than earning premium and recording IBNR reserves for future claims, which is consistent with industry practices). Therefore, we have removed data associated with warranty business from the triangles.

Insurance North American – Other Casualty

The triangles consist of the non-WC and non-GL casualty lines of business such as automobile liability, commercial multi-peril (CMP; includes both property and liability), political risk, marine, and aviation. The paid and reported data are impacted by some catastrophe loss activity primarily on CMP exposures and to a lesser extent, marine exposures. The ultimate loss ratio for 2005 year will be impacted by losses associated with the 2005 hurricanes, including Hurricanes Katrina, Rita, and Wilma. The same is true for the 2008 year where losses will be impacted by catastrophes, primarily Hurricane Ike. Beginning with the 2008 accident year, this product line includes the majority of the business written by our Private Risk Services operation.

Insurance North American – Non-Casualty

This business represents first party product lines which are short-tailed in nature. The early years are predominantly lines such as property, inland marine, fidelity and surety. By 2009, our crop hail business and our U.S. produced accident and health business made up in excess of 40% of the net earned premium, up from 20% or less as recently as 2001.

Workers' Compensation

as of 12/31/09 in $US thousands

Paid Loss + Paid ALAE Triangle

	Age in months									
Accident Year	12	24	36	48	60	72	84	96	108	120
Prior	0	232,371	431,494	592,188	727,806	848,404	956,417	1,079,227	1,203,329	1,289,229
2000	28,321	48,513	105,035	112,160	120,736	128,812	136,390	141,120	144,070	145,860
2001	15,651	41,451	59,053	76,199	103,043	104,605	107,474	118,941	125,643	
2002	27,779	76,752	89,841	83,584	87,551	91,069	102,047	112,436		
2003	39,091	59,450	81,654	98,653	118,617	131,998	140,976			
2004	70,110	97,232	127,999	157,996	172,672	188,679				
2005	60,322	149,527	214,227	251,967	286,482					
2006	73,421	169,925	232,279	280,916						
2007	66,124	144,288	207,162							
2008	62,533	135,195								
2009	47,677									

Reported Loss + Paid ALAE Triangle

	Age in months									
Accident Year	12	24	36	48	60	72	84	96	108	120
Prior	1,258,005	1,380,583	1,655,905	1,776,514	1,920,524	1,995,786	1,990,681	2,087,731	2,186,313	2,270,867
2000	38,829	80,723	132,149	136,011	136,643	144,122	149,306	155,008	161,436	162,306
2001	29,184	61,263	70,150	88,634	113,500	118,297	122,552	131,052	131,716	
2002	55,661	123,705	133,160	127,622	123,103	129,715	140,501	144,843		
2003	100,257	119,012	123,441	146,927	173,148	181,572	195,540			
2004	160,035	170,907	197,240	224,017	236,341	261,263				
2005	136,205	260,162	318,024	362,556	391,019					
2006	167,886	299,460	361,339	407,641						
2007	155,156	268,417	328,479							
2008	148,450	253,437								
2009	129,684									

Net Earned Premium

Accident Year	NEP
2000	210,644
2001	271,918
2002	375,567
2003	615,346
2004	908,437
2005	1,263,724
2006	1,320,642
2007	1,251,100
2008	1,054,625
2009	964,679

General Liability

as of 12/31/09 in $US thousands

Paid Loss + Paid ALAE Triangle

	Age in months									
Accident Year	12	24	36	48	60	72	84	96	108	120
Prior	0	484,878	841,052	1,286,548	1,554,913	2,061,138	2,297,245	2,487,250	2,633,006	2,904,158
2000	54,875	111,892	137,527	237,415	307,836	314,873	328,076	317,542	314,925	322,463
2001	26,633	121,398	137,297	141,194	251,901	276,407	331,300	343,421	426,311	
2002	32,027	111,819	149,602	280,665	371,578	459,182	506,196	517,392		
2003	42,204	204,371	294,432	325,900	372,248	474,486	509,632			
2004	67,564	173,445	269,781	362,948	430,661	508,173				
2005	62,203	200,158	328,521	489,387	592,883					
2006	45,186	150,399	290,617	427,852						
2007	45,638	163,701	319,923							
2008	40,886	155,389								
2009	31,849									

Reported Loss + Paid ALAE Triangle

	Age in months									
Accident Year	12	24	36	48	60	72	84	96	108	120
Prior	788,284	1,270,616	1,445,038	1,767,181	2,061,430	2,559,610	2,681,416	2,817,279	2,851,050	3,190,906
2000	89,277	199,477	303,012	353,230	398,098	326,847	379,916	328,697	325,810	325,374
2001	69,524	206,805	256,711	325,250	414,659	406,121	438,089	444,014	453,199	
2002	85,586	144,742	323,275	413,197	451,653	552,345	559,308	565,932		
2003	77,292	291,935	468,758	485,041	509,429	567,978	590,808			
2004	172,282	230,061	318,857	441,575	521,955	607,612				
2005	142,688	339,245	444,456	596,026	782,893					
2006	138,356	281,849	422,351	595,265						
2007	133,670	320,052	531,429							
2008	138,415	344,784								
2009	139,616									

Net Earned Premium

Accident Year	NEP
2000	393,683
2001	312,083
2002	698,918
2003	1,283,208
2004	1,582,081
2005	2,047,638
2006	2,234,771
2007	2,210,065
2008	2,085,803
2009	2,064,660

Other Casualty

as of 12/31/09 in $US thousands

Paid Loss + Paid ALAE Triangle

	Age in months									
Accident Year	12	24	36	48	60	72	84	96	108	120
Prior	0	307,202	504,795	631,137	668,917	774,466	924,345	1,036,131	1,115,401	1,191,847
2000	207,217	346,498	387,143	424,791	467,521	480,534	493,394	501,032	512,870	515,601
2001	101,460	197,400	250,504	278,321	298,622	382,571	378,872	386,189	387,278	
2002	108,171	179,462	220,565	264,249	256,831	267,773	269,554	274,591		
2003	122,635	182,656	220,615	260,681	324,694	333,870	339,823			
2004	137,330	224,264	266,598	301,842	325,013	337,946				
2005	135,864	238,548	300,197	353,748	393,500					
2006	112,931	230,881	293,862	341,614						
2007	106,759	231,844	309,125							
2008	218,153	459,074								
2009	112,360									

Reported Loss + Paid ALAE Triangle

	Age in months									
Accident Year	12	24	36	48	60	72	84	96	108	120
Prior	560,623	744,703	930,630	969,491	826,519	898,679	1,097,680	1,215,489	1,286,792	1,374,160
2000	323,255	406,005	418,208	455,720	472,821	493,876	514,957	514,604	525,883	527,729
2001	153,087	241,555	289,014	317,306	310,065	438,913	399,899	404,818	398,655	
2002	187,100	244,390	260,415	294,145	275,848	291,730	287,458	289,118		
2003	191,327	224,850	249,610	284,752	329,539	346,022	340,742			
2004	227,941	271,567	323,114	338,999	350,549	351,528				
2005	325,485	342,721	372,145	391,079	409,834					
2006	241,178	321,408	355,398	375,777						
2007	232,914	329,379	372,186							
2008	394,770	591,625								
2009	237,425									

Net Earned Premium

Accident Year	NEP
2000	478,698
2001	410,678
2002	552,015
2003	669,954
2004	578,808
2005	741,714
2006	810,061
2007	899,789
2008	954,973
2009	826,233

Non-Casualty

as of 12/31/09 in $US thousands

Paid Loss + Paid ALAE Triangle

	Age in months									
Accident Year	12	24	36	48	60	72	84	96	108	120
Prior	0	35,480	56,184	74,188	78,489	77,408	79,876	81,228	79,640	78,412
2000	265,254	383,612	391,876	399,501	399,116	391,554	387,652	384,824	388,329	389,226
2001	204,944	277,098	270,994	296,042	320,612	329,227	358,084	407,691	410,342	
2002	301,149	400,738	472,986	441,118	456,976	473,286	473,465	475,741		
2003	383,297	513,920	600,632	610,753	568,721	579,288	580,813			
2004	428,261	612,717	629,386	627,647	633,544	637,085				
2005	466,393	688,610	822,615	864,011	886,985					
2006	343,925	520,877	565,401	576,392						
2007	381,262	497,927	525,479							
2008	504,515	1,030,728								
2009	430,871									

Reported Loss + Paid ALAE Triangle

	Age in months									
Accident Year	12	24	36	48	60	72	84	96	108	120
Prior	143,361	123,297	97,027	100,923	113,205	106,093	107,993	107,924	102,878	100,669
2000	400,834	441,954	441,512	430,007	414,605	402,435	391,731	387,115	389,106	390,289
2001	215,603	310,255	299,163	326,622	336,099	381,801	439,448	416,221	415,885	
2002	330,926	409,830	478,474	445,421	459,642	474,640	475,150	476,624		
2003	471,475	592,782	629,249	623,024	575,025	585,724	583,811			
2004	604,106	655,049	638,441	632,759	637,483	635,998				
2005	698,213	817,250	863,058	885,120	894,669					
2006	508,365	555,908	585,433	583,245						
2007	557,215	535,581	537,685							
2008	846,295	1,097,342								
2009	673,987									

Net Earned Premium

Accident Year	NEP
2000	672,880
2001	623,765
2002	816,663
2003	1,092,954
2004	1,605,248
2005	1,208,589
2006	1,192,166
2007	1,293,991
2008	1,397,543
2009	1,568,792

Highlights

Insurance Overseas General Segment

The Insurance Overseas General segment is comprised of business written by ACE International, ACE Global Markets (AGM), and Combined Insurance. The historical data for Overseas General includes the international Personal Accident business of Combined Insurance, which was acquired on April 1, 2008. Combined Insurance data is included for all accident years.

ACE International operates in over 40 countries across Europe, Asia, Latin America, Africa, and the Middle East. Roughly 50% of ACE International's net earned premium (excluding Combined Insurance) is generated by European accounts. Almost 80% of Combined Insurance's net earned premium is generated by European accounts. AGM operates within the London market and writes both U.S. and internationally exposed business, predominately short-tailed. In accordance with standard Lloyd's market practice, ACE analyzes its AGM business on a year-of-account basis rather than on an accident year basis. In order to provide data on an accident year basis, it was necessary to make a number of assumptions.

Premiums are split approximately 60% non-casualty/personal accident and 40% casualty.

As stated previously, reliance on any purely mechanical reserving methods may produce artificially high or low estimates, and some degree of judgment should be used in the selection of reserving methods and assumptions. We have compiled the triangles in original currency and then converted to US$ at December 2009 exchange rates for all historical data. This approach removes the impact of currency fluctuations from historical development trends.

Insurance Overseas General – Casualty

The Casualty class is comprised of non-U.S. general liability, employers liability, and professional liability exposures as well as shorter-tailed casualty exposures such as automobile liability, marine, aviation, and political risk. Exposures are predominately located in Europe with secondary exposures in Latin America and Asia. Also, there is some U.S. exposure in the Casualty book from multinational accounts. Approximately 60% of the casualty premiums are general and professional liability exposures (split 53% general/47% professional) that are predominately primary and tend to be quicker developing than comparable exposures in the U.S. Excess casualty exposures represent approximately 25% of total general liability. D&O represents approximately 33% of the total professional liability exposures.

Rates for general liability and professional liability were particularly strong between 2002 and 2004 followed by a gradual weakening between 2005 and 2007 and leveling off toward the end of 2008. Overall, casualty rates remained flat in 2009. The changes varied somewhat by class with professional liability showing the largest increases and general liability showing the most stability.

A little more than 40% of the casualty premium is shorter-tailed automobile, marine, aviation, and political risk exposures. Marine is mostly short-tailed cargo (both inland and ocean) and hull risks with some exposure to marine liability business. The aviation line includes a broad range of aviation risks from longer-tailed aviation products and airline/airport liability to shorter-tailed airline hull. Automobile liability included in this category is substantially personal lines business, with a large concentration in Japan as well as smaller portions in Latin America and Southeast Asia. With the exception of aviation, these lines tend to have had less volatile rate changes and are shorter-tailed than general and professional liability lines.

Highlights (cont.)

Insurance Overseas General – Non-Casualty

The Non-Casualty class is comprised of fire, construction, and energy exposures. Generally, rates for these classes have declined since 2003 with the exception of North American exposures with the AGM book which experienced significant rate increases following the 2005 hurricanes. Rates on these lines in International stabilized in the latter part of 2008 and remained flat in 2009. Rates increased in 2009 for the non-casualty lines in AGM. Approximately 60% of the ACE International non-casualty book originates from Europe. In general, the property lines have relatively stable paid and reporting patterns although losses from Hurricanes Katrina, Rita, and Wilma in 2005 on the AGM portfolio of U.S. exposures will have some impact on the ultimate loss ratio. The same is true for the 2008 year where losses will be impacted by catastrophes, primarily Hurricane Ike.

Insurance Overseas General – Personal Accident

The Personal Accident class is comprised of low limit travel, credit, disability and accident accounts sold through various marketing channels. The book has experienced significant growth since 2002 through increased solicitation and additional marketing efforts. As noted above, the Overseas General Personal Accident line includes the Combined Insurance Personal Accident data. Average rate levels for this business have been relatively stable since 2004 and should have little impact on expected loss ratios.

Casualty

as of 12/31/09 in $US thousands

Paid Loss + Paid ALAE Triangle

	Age in months									
Accident Year	12	24	36	48	60	72	84	96	108	120
Prior	0	257,851	443,225	564,616	634,291	703,498	805,717	863,538	906,930	930,040
2000	307,975	560,139	695,371	782,172	857,415	922,522	950,309	1,024,030	1,041,200	1,056,321
2001	307,568	515,994	619,947	731,385	782,540	824,203	893,254	910,569	934,103	
2002	191,761	397,704	505,588	604,339	668,693	729,768	761,770	781,091		
2003	187,198	342,623	425,423	497,409	572,172	622,572	661,353			
2004	172,276	349,366	440,846	514,575	560,079	601,369				
2005	194,192	370,864	490,661	585,128	647,924					
2006	227,170	428,646	564,585	645,275						
2007	236,828	493,675	642,370							
2008	253,124	512,284								
2009	256,191									

Reported Loss + Paid ALAE Triangle

	Age in months									
Accident Year	12	24	36	48	60	72	84	96	108	120
Prior	646,998	832,611	865,542	939,800	940,695	950,480	1,018,062	1,042,111	1,064,878	1,060,187
2000	484,947	768,559	907,605	977,155	1,065,796	1,088,291	1,103,444	1,115,654	1,130,461	1,120,133
2001	508,453	725,940	850,094	954,650	987,162	992,951	998,211	1,001,946	1,006,902	
2002	392,029	630,520	785,127	876,525	884,095	868,610	873,033	866,479		
2003	369,356	518,638	601,550	657,233	710,153	726,747	745,004			
2004	366,115	569,779	625,602	653,172	669,501	673,699				
2005	404,632	591,393	710,288	757,511	785,457					
2006	449,763	638,858	755,877	803,456						
2007	516,420	782,448	880,042							
2008	534,458	767,896								
2009	526,087									

Net Earned Premium

Accident Year	NEP
2000	1,059,246
2001	1,313,719
2002	1,550,759
2003	1,737,704
2004	1,882,710
2005	1,966,613
2006	1,993,362
2007	1,867,052
2008	1,911,680
2009	1,864,486

Non-Casualty

as of 12/31/09 in $US thousands

Paid Loss + Paid ALAE Triangle

	Age in months									
Accident Year	12	24	36	48	60	72	84	96	108	120
Prior	0	137,168	210,586	225,716	236,478	225,020	261,682	277,799	288,023	290,927
2000	203,668	445,152	552,246	581,662	588,821	606,868	623,469	628,263	629,358	632,406
2001	161,251	397,475	470,594	494,982	508,456	515,065	511,208	518,161	518,959	
2002	183,333	377,154	455,672	475,358	479,299	482,680	484,673	482,881		
2003	152,853	382,405	468,432	499,071	515,671	517,890	525,946			
2004	202,169	463,892	546,891	577,875	594,523	601,906				
2005	208,569	509,114	641,695	693,440	717,338					
2006	167,812	376,706	456,148	481,247						
2007	198,649	443,139	543,448							
2008	225,723	501,569								
2009	195,819									

Reported Loss + Paid ALAE Triangle

	Age in months									
Accident Year	12	24	36	48	60	72	84	96	108	120
Prior	327,492	336,049	324,513	319,404	321,313	299,345	318,569	322,620	328,068	328,184
2000	500,686	619,218	629,661	630,307	627,703	631,010	640,397	641,089	638,929	638,723
2001	484,047	541,130	527,147	525,755	529,766	526,377	519,735	524,432	523,533	
2002	408,783	507,643	512,161	509,728	501,852	490,736	489,825	486,539		
2003	416,552	514,347	536,144	538,415	533,321	531,341	532,634			
2004	504,071	604,851	614,874	613,259	618,033	617,546				
2005	593,669	739,712	747,113	753,717	755,497					
2006	403,452	509,323	524,593	520,732						
2007	496,050	625,530	623,408							
2008	584,153	693,535								
2009	491,379									

Net Earned Premium

Accident Year	NEP
2000	594,059
2001	692,102
2002	882,617
2003	1,258,541
2004	1,352,566
2005	1,285,008
2006	1,240,420
2007	1,226,445
2008	1,225,970
2009	1,234,541

Personal Accident

as of 12/31/09 in $US thousands

Paid Loss + Paid ALAE Triangle

	Age in months									
Accident Year	12	24	36	48	60	72	84	96	108	120
Prior	0	69,001	94,593	110,895	121,991	136,695	150,077	159,646	168,257	173,215
2000	194,654	353,141	401,582	420,788	431,169	450,637	460,571	463,999	465,282	466,672
2001	184,340	349,540	400,692	428,126	442,621	449,068	456,820	470,678	473,202	
2002	195,985	353,597	410,217	431,370	442,805	451,903	456,133	458,414		
2003	210,951	385,270	436,999	457,679	471,098	476,816	481,262			
2004	219,836	386,015	422,888	444,066	453,393	457,795				
2005	238,049	416,168	460,102	475,062	482,364					
2006	273,829	461,257	507,596	526,752						
2007	307,187	527,939	575,706							
2008	344,098	591,449								
2009	376,505									

Reported Loss + Paid ALAE Triangle

	Age in months									
Accident Year	12	24	36	48	60	72	84	96	108	120
Prior	99,428	134,254	145,199	153,094	158,714	167,990	177,053	183,708	187,453	189,614
2000	247,853	406,167	434,006	448,182	455,589	470,056	474,657	472,945	472,231	472,756
2001	261,130	399,195	440,729	460,517	470,620	475,472	480,240	479,854	480,530	
2002	271,059	429,594	454,655	460,164	464,670	465,016	466,311	465,854		
2003	304,822	448,885	478,146	484,975	489,821	489,526	490,960			
2004	299,149	436,822	451,121	461,204	464,915	468,063				
2005	321,677	465,561	483,749	485,538	488,908					
2006	359,714	516,693	531,728	539,275						
2007	400,961	588,283	602,173							
2008	452,146	651,352								
2009	500,243									

Net Earned Premium

Accident Year	NEP
2000	912,142
2001	994,006
2002	1,148,171
2003	1,281,507
2004	1,416,316
2005	1,549,618
2006	1,750,746
2007	1,904,118
2008	1,976,844
2009	1,977,401

Highlights

Global Re Segment

The Global Re segment contains the business written by Tempest USA, Tempest Bermuda, Tempest Europe, and Tempest Canada, all of which is sourced through reinsurance brokers. Tempest USA writes a US treaty reinsurance book covering nearly all lines. Tempest Bermuda was founded in 1993 and writes catastrophe reinsurance, primarily property coverages. Tempest Europe writes a worldwide portfolio of marine, aviation, international property and casualty business. Tempest Canada was formed in 2007 and writes predominately Canadian property and casualty business.

Unlike the rest of the triangles, the data for Global Re is presented on a treaty year basis, not on an accident year basis. A feature of treaty year data is that individual treaties can incept at any time during a given treaty year. Therefore a full treaty year can typically take up to 36 months to fully earn, and possibly longer if the year contains multi-year contracts. Since reserves should only be established for the earned portion of each treaty year, care should be taken not to fully develop the more recent treaty years without excluding the unearned portion of that treaty year.

For the Global Re Property segment, we generally expect the earned premium at the end of the first development year to represent approximately 70-75% of the ultimate premium for the treaty year, and anticipate minimal development in earned premium after the second development year. For the Global Re Non-Property segment, we generally expect the earned premium at the end of the first and second development years to respectively represent 30-40% and 80-90% of ultimate premium. By the end of the third development year, ultimate premiums should be fully earned although the actual premium figures may move slightly after this point due to updated reporting from the cedants.

Global Re Property

Prior to treaty year 2000, all of the loss experience relates to Tempest Bermuda and is therefore all property catastrophe related. In the treaty years subsequent to 2000, the property proportional and property per risk books have grown substantially. Although the mixture of business varies by year, Tempest Bermuda property catastrophe represents approximately 71% of earned premium in the more recent years. U.S. exposure risks represent approximately 70% of the total Property premium. Of the non-catastrophe premium, approximately 50% of the premium is on proportional treaties.

Global Re Non-Property

This portfolio consists of a wide range of business which more recently includes general casualty (25%), automobile (20%), professional liability (20%), medical malpractice (10%), workers' compensation, marine and aviation. The mix of business has changed over time as the rate of growth and reduction varied by market conditions and line of business. For example, from 2001 to 2005, general casualty business comprised approximately 40% of the portfolio but in more recent years this line of business has reduced to approximately 25% of the portfolio. Approximately 75% of the Non-Property business is written on U.S. exposed risks. This ratio has historically varied between 50% and 85%. Approximately 60% of the premium volume is on non-proportional business and a small portion of the premium is coming from Facultative treaties (less than 5%).

Given the long-tail nature of the Global Re Non-Property lines of business, care must be taken when trying to produce meaningful analysis from ten years of historical losses. Compounding this limitation is the fact that this portfolio grew rapidly in its first few years and has been shrinking in the more recent years. As a result, loss development experience emerging from earlier treaty years may not be an unbiased predictor of loss development in later years.

Property

as of 12/31/09 in $US thousands

Paid Loss + Paid ALAE Triangle

	Age in months									
Treaty Year	12	24	36	48	60	72	84	96	108	120
Prior	0	(2,833)	(300)	(424)	373	249	655	532	208	(93)
2000	9,090	33,210	46,716	50,673	49,997	51,906	52,228	54,084	53,884	54,183
2001	31,806	48,034	64,524	67,292	67,873	68,347	69,015	69,079	69,285	
2002	28,411	73,676	108,070	119,478	122,517	123,787	124,621	123,300		
2003	31,120	68,022	102,819	112,839	116,412	118,683	119,331			
2004	167,000	318,640	380,172	404,830	415,535	420,885				
2005	89,625	405,187	516,633	555,598	568,266					
2006	12,954	57,803	86,837	95,998						
2007	13,302	61,420	91,227							
2008	53,363	140,219								
2009	29,422									

Reported Loss + Paid ALAE Triangle

	Age in months									
Treaty Year	12	24	36	48	60	72	84	96	108	120
Prior	6,049	7,418	1,854	2,015	2,114	1,843	3,977	4,262	4,306	3,858
2000	15,717	50,137	53,082	55,014	53,482	54,230	54,943	55,617	55,453	55,230
2001	52,655	60,381	69,654	69,233	69,244	70,071	69,567	69,456	69,511	
2002	76,579	122,008	129,792	130,614	130,487	129,270	129,620	124,385		
2003	58,313	102,261	123,368	121,868	123,395	123,017	122,998			
2004	248,147	385,907	422,534	426,951	428,573	429,966				
2005	394,208	542,803	569,287	584,300	580,932					
2006	33,918	87,204	101,218	102,980						
2007	36,648	97,350	111,900							
2008	155,843	181,463								
2009	58,735									

Net Earned Premium

Treaty Year	NEP
2000	227,933
2001	351,771
2002	547,481
2003	609,052
2004	501,931
2005	567,674
2006	570,054
2007	477,705
2008	426,880
2009	337,725

Non-Property

as of 12/31/09 in $US thousands

Paid Loss + Paid ALAE Triangle

Treaty Year	Age in months 12	24	36	48	60	72	84	96	108	120
Prior	0	0	0	0	0	0	0	0	0	0
2000	984	5,798	12,928	16,735	20,476	25,027	31,008	31,587	32,383	32,935
2001	1,500	10,936	24,644	33,990	46,030	58,467	65,706	70,549	73,588	
2002	1,944	23,478	49,001	84,007	115,981	147,792	174,515	187,866		
2003	4,254	38,518	84,697	135,790	198,476	240,281	268,605			
2004	10,268	56,518	103,814	166,949	237,991	291,675				
2005	13,881	93,031	174,468	244,038	305,407					
2006	10,567	66,760	141,126	207,468						
2007	8,492	52,899	113,506							
2008	12,493	58,002								
2009	10,985									

Reported Loss + Paid ALAE Triangle

Treaty Year	Age in months 12	24	36	48	60	72	84	96	108	120
Prior	0	0	0	0	0	0	0	0	0	0
2000	2,744	13,237	21,735	25,344	30,001	37,310	40,766	38,645	38,155	38,492
2001	7,494	23,738	41,227	58,078	68,326	75,553	77,362	80,524	81,887	
2002	13,559	50,367	112,536	149,330	182,027	203,447	220,762	235,563		
2003	21,254	109,875	195,249	263,573	304,664	321,954	340,692			
2004	36,154	139,518	255,387	317,027	365,926	388,426				
2005	69,142	204,075	306,748	367,357	404,354					
2006	40,393	152,671	260,764	330,536						
2007	29,080	139,744	213,636							
2008	41,034	141,552								
2009	28,523									

Net Earned Premium

Treaty Year	NEP
2000	31,184
2001	149,461
2002	444,050
2003	763,219
2004	919,148
2005	902,860
2006	823,379
2007	635,638
2008	475,640
2009	237,198

Selected Excerpts based upon ACE's 2009 10-K Disclosure

As an insurance and reinsurance company, we are required, by applicable laws and regulations and GAAP, to establish loss and loss expense reserves for the estimated unpaid portion of the ultimate liability for losses and loss expenses under the terms of our policies and agreements with our insured and reinsured customers. The estimate of the liabilities includes provisions for claims that have been reported but are unpaid at the balance sheet date (case reserves) and for future obligations on claims that have been incurred but not reported (IBNR) at the balance sheet date (IBNR may also include a provision for additional development on reported claims in instances where the case reserve is viewed to be potentially insufficient). Loss reserves also include an estimate of expenses associated with processing and settling unpaid claims (loss expenses).

At December 31, 2009, our gross unpaid loss and loss expense reserves were $37.8 billion and our net unpaid loss and loss expense reserves were $25 billion. With the exception of certain structured settlements, for which the timing and amount of future claim payments are reliably determinable, our loss reserves are not discounted for the time value of money. In connection with such structured settlements, we carry net reserves of $76 million, net of discount.

The process of establishing loss reserves for property and casualty claims can be complex and is subject to considerable uncertainty as it requires the use of informed estimates and judgments based on circumstances known at the date of accrual. The judgments used to estimate unpaid loss and loss expense reserves require different considerations depending upon the individual circumstances underlying the insured loss. For example, the reserves established for high excess casualty claims, A&E claims, claims from major catastrophic events, or the IBNR for our various product lines each require different assumptions and judgments to be made. Necessary judgments are based on numerous factors and may be revised as additional experience and other data become available and are reviewed, as new or improved methods are developed, or as laws change.

Hence, ultimate loss payments may differ from the estimate of the ultimate liabilities made at the balance sheet date. Changes to our previous estimates of prior period loss reserves impact the reported calendar year underwriting results by worsening our reported results if the prior year reserves prove to be deficient or improving our reported results if the prior year reserves prove to be redundant.

The potential for variation in loss reserves is impacted by numerous factors, which we discuss below.

We establish loss and loss expense reserves for our liabilities from claims for all of the insurance and reinsurance business that we write. For those claims reported by insureds or ceding companies to us prior to the balance sheet date, and where we have sufficient information, our claims personnel establish case reserves as appropriate based on the circumstances of the claim(s), standard claim handling practices, and professional judgment. In respect of those claims that have been incurred but not reported prior to the balance sheet date, there is, by definition, limited actual information to form the case reserve estimate and reliance is placed upon historical loss experience and actuarial methods to project the ultimate loss obligations and the corresponding amount of IBNR. Furthermore, for our assumed reinsurance operation, Global Reinsurance, an additional case reserve may be established above the amount notified by the ceding company if the notified case reserve is judged to be insufficient by Global Reinsurance's claims department (refer to "Assumed reinsurance" below) [in Item 7 of the 2009 10-K].

We have actuarial staff within each of our operating segments who analyze loss reserves and regularly project estimates of ultimate losses and the required IBNR reserve. IBNR reserve estimates are generally calculated by first projecting the ultimate amount of expected claims for a product line and subtracting paid losses and case reserves for reported claims. The judgments involved in projecting the ultimate losses may include the use and interpretation of various standard actuarial reserving methods that place reliance on the extrapolation of actual historical data, loss development patterns, and industry data as needed.

The estimate of the IBNR reserve also requires judgment by actuaries and management to reflect the impact of more contemporary, qualitative, and subjective factors. Among some of these factors that might be considered are changes in business mix or volume, changes in ceded reinsurance structures, reported and projected loss trends, inflation, the legal environment, and the terms and conditions of the contracts sold to our insured parties.

Typically, for each product line, one or more standard actuarial reserving methods may be used to estimate ultimate losses and loss expenses, and from these estimates a single actuarial central estimate is selected. Exceptions to the use of standard actuarial projection methods occur for individual claims of significance that require complex legal, claims, and actuarial analysis and judgment (for example, A&E account projections or high excess casualty accounts in litigation) or product lines where the nature of the claims experience and/or availability of the data prevent application of such methods. In addition, claims arising from catastrophic events require evaluations that do not utilize standard actuarial loss projection methods but are based upon our exposure at the time of the event and the circumstances of the catastrophe and its post-event impact.

The standard actuarial reserving methods may include, but are not necessarily limited to, paid and reported loss development, expected loss ratio, and Bornhuetter-Ferguson methods. A general description of these methods is provided below. In the subsequent discussion on short- and long-tail business, reference is also made, where appropriate, to how consideration in method selection impacted 2009 results. In addition to these standard methods, we may use other recognized actuarial methods and approaches depending upon the product line characteristics and available data. To ensure that the projections of future loss emergence based on historical loss development patterns are representative of the underlying business, the historical loss and premium data is required to be of sufficient homogeneity and credibility. For example, to improve data homogeneity, we may group product line data further by similar risk attribute (e.g., geography, coverage such as property versus liability exposure, or origin year), project losses for these homogenous groups and then combine these results to provide the overall product line estimate.

The premium and loss data are aggregated by origin year (e.g., the year in which the losses were incurred – "accident year" or "report year", for example) and annual or quarterly development periods. Implicit in the standard actuarial methods that we generally utilize is the need for two fundamental assumptions: first, the expected loss ratio for each origin year (i.e., accident, report, or underwriting) and second, the pattern by which losses are expected to emerge over time for each origin year.

The expected loss ratio for any particular origin year is selected after consideration of a number of factors, including historical loss ratios adjusted for intervening premium and loss trends, industry benchmarks, the results of policy level loss modeling at the time of underwriting, and other more subjective considerations for the product line and external environment as noted above. The expected loss ratio for a given origin year is initially established at the start of the origin year as part of the planning process. This analysis is performed in conjunction with underwriters and management. The expected loss ratio method arrives at an ultimate loss estimate by multiplying the expected ultimate loss ratio by the corresponding premium base.

This method is most commonly used as the basis for the actuarial central estimate for immature origin periods on product lines where the actual paid or reported loss experience is not yet deemed sufficiently credible to warrant consideration in the selection of ultimate losses. The expected loss ratio for a given origin year may be modified over time if the underlying assumptions such as loss trend or premium rate changes differ from the original assumptions.

Our assumed paid and reported development patterns provide a benchmark against which the actual emerging loss experience can be monitored. Where possible, development patterns are selected based on historical loss emergence by origin year with appropriate allowance for changes in business mix, claims handling process, or ceded reinsurance that are likely to lead to a discernible difference between the rate of historical and future loss emergence. For product lines where the historical data is viewed to have low statistical credibility, the selected development patterns also reflect relevant industry benchmarks and/or experience from similar product lines written elsewhere within ACE.

This typically arises for relatively new product lines that have limited historical data or for high severity/low frequency portfolios where our historical experience exhibits considerable volatility and/or lacks credibility. The paid and reported loss development methods convert the assumed loss emergence pattern to a set of multiplicative factors which are then applied to actual paid or reported losses to arrive at an estimate of ultimate losses for each period. Due to their multiplicative nature, the paid and reported loss development methods magnify differences between actual and expected loss emergence. These methods tend to be utilized for more mature origin periods and for those portfolios where the loss emergence has been relatively consistent over time.

The Bornhuetter-Ferguson method is essentially a combination of the expected loss ratio method and the loss development method, under which the loss development method is given more weight as the origin year matures. This approach allows a logical transition between the expected loss ratio method which is generally utilized at earlier maturities and the loss development methods which are typically utilized at latter maturities. We usually apply this method using reported loss data although paid data may be used.

The applicability of actuarial methods will also be impacted by the attachment point of the policy or contract with the insured or ceding company. In the case of low attachment points typical of primary or working layer reinsurance, the experience tends to be more frequency driven. These product types allow for the standard actuarial methods to be used in determining loss reserve levels, as they often have a sufficient history and volume of claims experience to be credible. In the case of high attachment points typical of excess insurance or excess of loss reinsurance, the experience tends to be severity driven, as only a loss of significant size will enter the layer. For structured or unique contracts, most common to the financial solutions business (which we have considerably curtailed) and, to a lesser extent, our reinsurance business, we typically supplement the standard actuarial methods with an analysis of each contract's terms, original pricing information, subsequent internal and external analyses of the ongoing contracts, market exposures and history, and qualitative input from claims managers.

Our recorded reserves represent management's best estimate of the provision for unpaid claims as of the balance sheet date. We perform an actuarial reserve review for each product line and establish an actuarial central estimate at the review's conclusion. The process to select the actuarial central estimate, when more than one estimate is available, may differ across product lines. For example, an actuary may base the central estimate on loss projections developed using an incurred loss development approach instead of a paid loss development approach when reported losses are viewed to be a more credible indication of the ultimate loss compared with paid losses. The availability of estimates by different projection techniques will depend upon the product line, the underwriting circumstances, and the maturity of the loss emergence.

For a well-established product line with sufficient volume and history, the actuarial central estimate may be drawn from a weighting of paid and reported loss development and/or Bornhuetter-Ferguson methods. However, for a new long-tail product line for which we have limited data and experience or a rapidly growing line, the emerging loss experience may not have sufficient credibility to allow selection of loss development or Bornhuetter-Ferguson methods and reliance may be placed upon the expected loss ratio method until the experience matures.

Management's best estimate is developed from the actuarial central estimate after collaboration with actuaries, underwriting, claims, legal, and finance departments and culminates with the input of reserve committees. Each business unit reserve committee includes the participation of the relevant parties from actuarial, finance, claims, and unit senior management and has the responsibility for finalizing and approving the estimate to be used as management's best estimate. Reserves are further reviewed by ACE Limited's Chief Actuary and its senior management. The objective of such a process is to determine a single estimate that we believe represents a better estimate than any other. Such an estimate is viewed by management to be the best estimate of ultimate loss settlements and is determined based on several factors including, but not limited to:

- segmentation of data to provide sufficient homogeneity and credibility for loss projection methods;
- extent of internal historical loss data, and industry information where required;
- historical variability of actual loss emergence compared with expected loss emergence;
- perceived credibility of emerged loss experience; and
- nature and extent of underlying assumptions.

Management does not build in any specific provision for uncertainty.

We do not calculate ranges of loss reserve estimates for our individual loss reserve studies. Such ranges are generally not a true reflection of the potential difference between loss reserves estimated at the balance sheet date and the ultimate settlement value of losses. This is due to the fact that an actuarial range is developed based on known events as of the valuation date whereas actual prior period development reported in subsequent consolidated financial statements relates in part to events and circumstances that were unknown as of the original valuation date. While we believe that our recorded reserves are reasonable and represent management's best estimate for each product line as of the current valuation date, future changes to our view of the ultimate liabilities are possible.

A five percent change in our net loss reserves equates to $1.3 billion and represents six percent of shareholders' equity at December 31, 2009. Historically, including A&E reserve charges, our reserves, at times, have developed in excess of 10 percent of recorded amounts. Refer to "Analysis of Losses and Loss Expense Development", under Item 1 [of the 2009 10-K], for a summary of historical volatility between estimated loss reserves and ultimate loss settlements.

We perform internal loss reserve studies for all product lines at least once a year; the timing of such studies varies throughout the year. Additionally, each quarter for most product lines, we review the emergence of actual losses relative to expectations. If warranted from findings in loss emergence tests, we will accelerate the timing of our product line reserve studies. Finally, loss reserve studies are performed annually by external third-parties and the findings are used to test the reasonability of our internal findings.

The time period between the date of loss occurrence and the final payment date of the ensuing claim(s) is referred to as the "claim-tail". The following is a discussion of specific reserving considerations for both short-tail and long-tail product lines.

Short-tail business

Short-tail business generally describes product lines for which losses are usually known and paid shortly after the loss actually occurs. This would include, for example, most property, personal accident, aviation hull, and automobile physical damage policies that are written by ACE. There are some exceptions on certain product lines or events (e.g., major hurricanes) where the event has occurred, but the final settlement amount is highly variable and not known with certainty for a potentially lengthy period. Due to the short reporting and development pattern for these product lines, our estimate of ultimate losses from any particular accident period responds quickly to the latest loss data. We typically assign credibility to methods that incorporate actual loss emergence, such as the paid and reported loss development and Bornhuetter-Ferguson methods, sooner than would be the case for long-tail lines at a similar stage of development for a given origin year.

The reserving process for short-tail losses arising from catastrophic events typically involves the determination by the claims department, in conjunction with underwriters and actuaries, of our exposure and estimated losses immediately following an event and then subsequent revisions of the estimated losses as our insureds provide updated actual loss information.

Long-tail business

Long-tail business describes lines of business for which specific losses may not be known for some period and claims can take significant time to report and settle/close. This includes most casualty lines such as general liability, D&O, and workers' compensation. There are many factors contributing to the uncertainty and volatility of long-tail business. Among these are:

- Our historical loss data and experience is sometimes too immature and lacking in credibility to rely upon for reserving purposes. Where this is the case, in our reserve analysis we rely on industry loss ratios or industry benchmark development patterns that we believe reflect the nature and coverage of the underwritten business and its future development, where available. For such product lines, actual loss experience may differ from industry loss statistics as well as loss experience for previous underwriting years;

Selected Excerpts based upon ACE's 2009 10-K Disclosure (cont.)

- The inherent uncertainty around loss trends, claims inflation (e.g., medical and judicial) and underlying economic conditions;
- The inherent uncertainty of the estimated duration of the paid and reporting loss development patterns beyond the historical record requires that professional judgment be used in the determination of the length of the patterns based on the historical data and other information;
- The inherent uncertainty of assuming that historical paid and reported loss development patterns for older origin years will be representative of subsequent loss emergence on recent origin years. For example, changes over time in the processes and procedures for establishing case reserves can distort reported loss development patterns or changes in ceded reinsurance structures by origin year can alter the development of paid and reported losses;
- Loss reserve analyses typically require loss or other data be grouped by common characteristics in some manner. If data from two combined lines of business exhibit different characteristics, such as loss payment patterns, the credibility of the reserve estimate could be affected. Additionally, since casualty lines of business can have significant intricacies in the terms and conditions afforded to the insured, there is an inherent risk as to the homogeneity of the underlying data used in performing reserve analyses; and
- The applicability of the price change data used to estimate ultimate loss ratios for most recent origin years.

The interested reader is referred to ACE's 2009 Form 10-K for additional information on the reserving process.

Glossary

Accident year (AY): Relates to all losses occurring within a given twelve-month period, regardless of when the loss was reported or booked.

Bornhuetter-Ferguson method: Estimates unpaid (unreported) losses for a given accident/treaty year based on an expected ultimate and the percentage of losses currently unpaid (unreported).

Chain Ladder method: Estimates unpaid (unreported) losses for a given accident/treaty year by a) estimating ultimate losses derived by multiplying the paid (or reported) losses for the given year by the reciprocal of the percentage of losses currently paid (or reported) for that year and, in the case of treaty year data, also by the percentage of earned premium to ultimate premium, and then b) subtracting the paid (or reported) losses for the given year from the ultimate losses calculated in (a).

Claims made basis: An insurance form where the date the loss is reported to the insurer is deemed to be the date of the loss event, regardless of when the loss occurred.

Expected Loss Ratio method: Estimates unpaid (unreported) loss for a given accident/treaty year by a) estimating ultimate losses derived by multiplying the earned premiums by a selected loss ratio, and then b) subtracting the paid (or reported) losses for the given year from the ultimate losses calculated in (a). The selected loss ratio may be based on the ACE's own data and/or Industry data or a combination of both.

Occurrence basis: An insurance form where the date the loss occurred is deemed to be the date of the loss event, regardless of when the claim is reported to the insurer.

Retroactive reinsurance: An arrangement whereby a reinsurer assumes liability incurred as a result of past events (i.e., a loss portfolio transfer).

Treaty year (TY): Relates to all losses associated with policies that incepted within a given twelve-month period.

Year-of-Account (YOA): Terminology specific to Lloyd's business; the year to which an individual risk is allocated based on the calendar year in which it was first signed.