



We take on the responsibility
of risk so our clients can take
on the responsibility of making
things happen. We call this
insuring progress.



Letter from the Chief Executive Officer

We are delighted to have this opportunity to introduce you to the ACE Group of Companies, and to describe how the ACE Group is ideally positioned to serve our customers worldwide.

ACE is a major global provider of commercial property and casualty insurance and reinsurance. Our capital now exceeds \$14 billion and our group financial strength rating is A+ from Standard & Poor's and A.M. Best.

In a wide range of traditional and specialty lines, we use our strong analytical skills, breadth of resources and global reach to deliver quality products and exceptional service. Our diverse clients include multinational corporations with complex property and casualty exposures, local businesses in countries throughout the world, and individuals purchasing accident and supplemental health coverage.

We are committed to providing the highest level of service to our customers and our brokers - and we take pride in building lasting relationships. We look forward to talking with you about how the ACE Group can best serve your needs.

Yours sincerely,



Evan G. Greenberg
President & Chief Executive Officer
ACE Limited

Overview of the ACE Group of Companies

ACE Limited is the Bermuda-based holding company of the ACE Group of Companies (ACE), one of the world's leading providers of commercial property and casualty insurance and reinsurance. The ACE Group provides a diversified range of products and services to clients through operations in more than 50 countries around the world, and has the authority to conduct business in over 140 countries.

ACE Limited was established in 1985 by a consortium of 34 Fortune 500 companies to provide hard-to-find excess liability, and directors and officers coverage. Within a year of operation, ACE was reported as "the biggest event in the insurance business since the Great Chicago Fire" (*Institutional Investor*, March 1986). It is now 20 years later, and November 2005 marks the 20th anniversary of the first policy written by ACE Bermuda, our flagship company.

The decision to go public in March 1993 afforded ACE Limited an opportunity to raise the necessary capital to expand and acquire other companies, a key component of our diversification. ACE Limited trades on the New York Stock Exchange under the ticker symbol ACE and is covered by most of Wall Street's major securities houses.

With our investment in the Ockham and Methuen managing agencies in March 1996, ACE entered the Lloyd's market, increasing its international exposure through Lloyd's global licensing capabilities. In July 1998, ACE acquired Lloyd's-based Tarquin Ltd. Today, ACE's Lloyd's Syndicate 2488 is one of the largest managing agencies at Lloyd's.

The acquisition in 1996 of Tempest Re, a leading Bermuda-based catastrophe reinsurance company, further diversified ACE's product portfolio in the reinsurance markets.

The licensing of its Dublin insurance subsidiary in 1997 and the acquisition of the Westchester Fire Insurance Company in 1998 (now Westchester Specialty Group) enabled ACE to establish platforms in the European Union and the United States.

The purchase of CIGNA's global property and casualty insurance business in July 1999 completed ACE's transformation into a global insurance provider. That acquisition dramatically expanded the number of countries in which we do business, and added an accident and health book to our product portfolio.

In April 2004, ACE Limited completed the initial public offering of Assured Guaranty Ltd., which comprised ACE's financial guaranty business, including ACE Guaranty Corp. and ACE Capital Re International Ltd.

As a result of its strategic acquisitions, ACE now traces its history back to 1792, when the Insurance Company of North America (INA) issued its first coverage on a transatlantic shipment from the United States to Ireland.

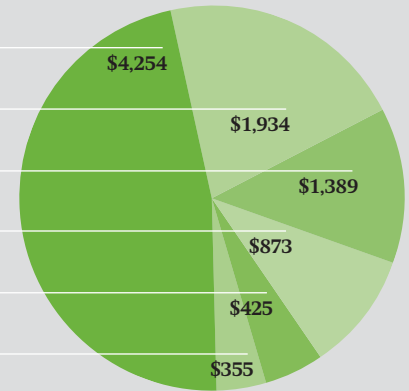
With admitted status in all of the world's major markets, members of the ACE Group of Companies belong to an elite community of truly global insurance and reinsurance companies.

Diversified by Geography

ACE's geographic diversification reflects the growth of the world's insurance market. This chart summarizes the Company's net premium earned by region for the six months ended June 30, 2005.

(in millions of U.S. dollars)

North America	47%
Europe	21%
Global Markets	13%
Asia	10%
Bermuda	5%
Latin America	4%



Growth in Premiums Written

ACE has experienced steady growth in both gross and net premiums written since 1995. This growth has been achieved through acquisitions and the expansion, diversification and development of new and existing lines of business.

■ Net Premiums Written
(in millions of U.S. dollars)

■ Gross Premiums Written
(in millions of U.S. dollars)



Five-year Compounded Growth Rates and Cumulative Combined Ratio

(2000-2004)

Net premiums written	36.03%
Income excluding net realized gains (losses)	28.25%
Net income	28.40%
Total assets	13.18%
Shareholders' equity	17.39%
Diluted book value per share	10.07%
Cumulative combined ratio	98.30%

Insurance – North American

ACE's Insurance – North American segment primarily includes those insurance operations located in Bermuda, the United States and Canada.

ACE Bermuda

ACE Bermuda Insurance, Ltd. (ACE Bermuda), the original insurance company of the ACE Group of Companies, writes insurance risks worldwide. ACE Bermuda was established in 1985 as a high-level excess liability, and directors and officers insurance provider. Based in Bermuda, this wholly owned subsidiary of ACE Limited has grown into a well-known insurance provider that successfully serves the needs of the sophisticated buyer and maintains a high client retention level.

ACE Bermuda targets low-frequency, high-severity business and is one of the leading providers of high-level, broad-form excess liability, directors and officers, and other professional liability insurance. ACE Bermuda also provides property and political risk coverages as well as captive programs. ACE Bermuda offers a broad primary or excess/difference-in-conditions coverage to directors and officers for non-indemnifiable losses through its highly regarded Corporate Officers & Directors Assurance Ltd. subsidiary (CODA).

ACE Bermuda subsidiaries/joint ventures include:

- *ACE European Markets Insurance, Ltd.* Provides European insurance buyers local access to ACE Bermuda's capabilities as well as making other parts of the ACE Group more accessible.
- *ACE European Markets Reinsurance, Ltd.* Offers European reinsurance buyers local access to ACE Bermuda's products, focusing on financial solutions for large commercial undertakings.
- *Page Reinsurance International, Ltd.* A rent-a-captive facility, offering alternative solutions for ACE's insureds and agents.
- *Corporate Officers and Directors Assurance Ltd. (CODASM).* An innovative policy form designed to give comprehensive personal asset protection to directors and officers for situations where indemnification is unavailable or when traditional insurance programs fail to respond. (CODA was formed by its policyholders in 1986 and acquired by ACE Bermuda in 1993.)
- *Sovereign Risk Insurance Ltd. (Sovereign)* A joint venture, and one of the world's leading providers of medium- and long-term political risk insurance and reinsurance, serving most of the world's major commercial and investment banks, national export credit agencies, multi-lateral agencies and large corporations that are financing or making direct investments in emerging markets as well as coverages for a broad range of mid- to large-size U.S.-based companies.

ACE USA

ACE USA, which includes ACE's operations in Canada, is an operating division of the ACE Group of Companies. It provides a broad array of sophisticated property, casualty, accident and health, financial, and risk management products and services to corporate and consumer clients across North America through licensed insurance companies.

ACE USA's distribution channels include brokers (wholesale and retail), agents, managing general agents and managing general underwriters.



We embrace the challenge of helping our clients manage the risks inherent in their pursuit of progress.

INDUSTRY PRACTICES

Collaboratively working with the brokerage community and industry professionals, ACE USA has created five specialized industry practices, each with a designated focus:

- ACE USA Construction Industry Practice
- ACE USA Energy Industry Practice
- ACE USA Financial Services Industry Practice
- ACE USA Healthcare Industry Practice
- ACE USA Logistics Industry Practice

Each practice brings together experts in the field with dedicated underwriters. These experienced teams work together to provide customized and complete risk management solutions, tailored for each industry.

ACE USA is organized into the following business units, each offering highly specialized products and services targeted at specific niche markets:

ACE Risk Management

Provides customized products designed specifically to help large companies in any industry deal with the significant costs of financing and managing risk. A wide variety of structures is offered for all ACE Risk Management products, including large deductibles, captives, rent-a-captives, net present value, and other creative risk financing techniques tailored to meet each customer's evolving financial and insurance needs. ACE Risk Management offers these products on a bundled or unbundled basis to provide maximum flexibility for accounts. When offering bundled services, ACE can package them through its preferred provider, ESIS, but can also accommodate a number of other pre-qualified third-party administrators.

KEY PRODUCTS

- *National Accounts risk financing programs:* Workers' compensation, general liability and auto liability (available on a bundled or unbundled basis)
- *Corporate Risk Management risk financing programs:* Workers compensation, general liability and auto liability targeting mid-size to large companies (available on a bundled basis)
- *Construction/Wrap-Up Programs*
- *Excess Workers' Compensation Programs*
- *ACE Captive Strategies:* Creative and flexible alternative risk-taking and financing structures, utilizing the expertise and resources of ACE Risk Management and ACE Tempest Re USA

ESIS, Inc.

For more than 50 years, ESIS, Inc. has been providing risk management services that help customers reduce their cost of loss. ESIS performs claims management and risk control services for organizations that self-insure property and casualty exposures. These services can be packaged in conjunction with ACE insurance products, through a preferred relationship with ACE Risk Management, or purchased separately for those clients that select insurance services independently. Using extensive and diverse resources, ESIS can help clients with programs from occupational health loss control, to early medical intervention in lost-time injury cases, to automated

adjustments of workers' compensation medical bills, to crisis management. Customers can use Global Risk-AdvantageSM loss management system to access their claims information through the Internet. Programs may be used individually or collectively in an integrated process.

KEY PRODUCTS

- *Claims Management:* Workers' Compensation, Auto and Liability
- *Integrated Disability Services*
- *Risk Control Services and Consulting*
- *Recovery and Subrogation Services*
- *Catastrophe and Crisis Management Services*
- *Global RiskAdvantageSM:* A proprietary online loss management system
- *Property Engineering:* A full range of fee-for-service engineering for risk management
- *ESIS e-RiskManagerSM*
- *ESIS OSHA RecordKeepingSM*

ACE Professional Risk

Staffed by a team of innovative underwriters, ACE Professional Risk continually seeks to develop new ways to meet the demand for management liability, professional liability and surety products. Our products are designed to successfully meet the unique needs of our insureds.

KEY PRODUCTS

- *Directors & Officers Liability*
- *Professional Liability/Errors & Omissions*
- *Public/Private Company Liability*
- *CODASM Side A Directors & Officers Liability*
- *Fidelity*
- *Architects & Engineers*
- *Digital Technology*
- *Commercial Surety*

ACE Medical Risk

ACE Medical Risk offers a wide range of liability products for the healthcare industry. ACE strives to provide a financially stable alternative for risk transfer in the face of recent market turmoil. ACE's experienced professional underwriters know the current state of the marketplace and the complexities facing your business. They pride themselves on developing the appropriate solution to address both traditional and unique risks.

KEY PRODUCTS

- *Primary Medical Professional and General Liability*: For medical facilities
- *Excess/Umbrella Liability*: For medical facilities
- *Primary and Excess Products Liability*: For biotechnology and specialty pharmaceutical companies
- *Excess Professional Liability*: For clinical trials contract research organizations
- *Primary and Excess Products Liability and Professional Liability*: For human clinical trials
- *Products Liability*: For non-invasive medical device manufacturers and distributors

ACE Casualty Risk

ACE Casualty Risk provides excess casualty and environmental coverages.

KEY PRODUCTS

- *Umbrella/Excess Casualty*: Umbrella and excess liability coverage tailored to the mid- to large-size risk
- *Custom Casualty*: General liability coverage for insureds with high severity and low frequency; buffer layers and products for niche industries
- *Environmental Risk*: Premises pollution liability, contractor's pollution liability, storage tank liability, remediation cost containment and blended risk finite programs
- *TankSafeSM*: A web-based environmental coverage system for aboveground and underground storage tanks
- *ACE CompleteSM*: A web-based workers' compensation system for small businesses

ACE International & Specialty

Specializing in global programs and specialty coverages, ACE International & Specialty offers coverages for a broad range of mid- to large-size U.S.-based companies.

KEY PRODUCTS

Global Property

- *Commercial Property*: Primary, excess and controlled master programs
- *Captive Cash Flow*: Captive and sophisticated cash flow programs on a worldwide basis
- *Property Terrorism*: Stand-alone coverage for TRIA and Non-TRIA for both U.S. and international exposures
- *Power & Utilities*: Property and Builders Risk for power generation, merchant power plants and co-generation facilities
- *Specialty Property*: A suite of structured products for hurricane and named storm exposures

Foreign Casualty

- *Controlled Master Programs and Captive Cash Flow*: Coverage for international casualty exposures of U.S. companies
- *International AdvantageSM*: Commercial package for small to medium-size companies that export or service international locations
- *Defense Base Act (DBA) Workers' Compensation*: Coverage for prime contractors and subcontractors performing work overseas under contracts authorized, approved or financed by the U.S. government or its agencies



For a company in the risk business, a strong balance sheet is the central asset that we sell to our clients.

- *Kidnap & Ransom*: Comprehensive worldwide coverage plus crisis management services

Commercial Marine

- *Cargo Insurance and Risk Control Services*
- *Hull and Marine Liability Programs*

Aerospace

- *Airports*
- *Satellites*

ACE Financial Solutions

ACE Financial Solutions provides non-traditional insurance and risk financing solutions for companies facing complex risk management issues. Operating as a separate underwriting unit, ACE Financial Solutions provides clients with a single point of access to the entire ACE USA organization.

KEY PRODUCTS

- *Structured Products*: Prospective programs providing stable capacity over a multi-year period (typically three to five years), which can cover various types of underlying exposures
- *Principal Finance*: Programs for assuming portfolios of credit risk (collateralized debt obligations) related to corporate credits, and asset-backed and mortgage-backed securities
- *Loss Portfolio Transfers*: Retrospective programs transferring uncertain future payment obligations related to past liabilities

ACE Energy Group

ACE USA is among the few insurers in the U.S. with the capacity and resources to meet the risk management needs of U.S. energy companies. ACE Energy is committed to a leadership role in this important segment.

KEY PRODUCTS

- *Onshore Property, Construction and Excess Casualty*
- *Offshore, Fixed Properties, Construction*
- *Mobile Rigs*
- *Casualty Packaged with offshore property*
- *Control of Well*
- *Power & Utilities*

ACE Accident & Health

Committed to help insured groups and their members withstand the serious impact of sudden injury or catastrophic sickness, ACE Accident & Health's superior underwriting expertise and vast international capabilities enable us to provide a wide variety of plans.

KEY PRODUCTS

- *Employee Benefits Products*: Business Travel Accident, Basic and Voluntary Accidental Death & Dismemberment, Dental, Prescription Drug and Vision plans, Global Medical for international citizens, expatriates and U.S. citizens traveling abroad
- *Special Risk Products*: Student Accident and Participant Accident for schools and other group-sponsored activities or special events and Occupational Accident insurance
- *Excess Loss Insurance*: Employer Medical Stop-Loss, Managed Care Excess of Loss

ACE Select Markets

ACE Select Markets focuses on underwriting and marketing specialty insurance products targeting specific insurance buyers and affinity groups. Products and services are offered through a network of specialty agents, as well as unique distribution channels and partners.

KEY PRODUCTS

- *INAMAR® Recreational Marine Insurance*: Coverage for pleasure yachts and boats, sport fishing boats, ski boats, personal watercraft, high-performance vessels, select charter vessels and a variety of commercial marine businesses is provided through INAMAR, a recognized leader and respected name in the recreational marine insurance business.
- *ACE Disaster Mortgage ProtectionSM*: As the overwhelming leader in this market, the ACE program provides the monthly mortgage payments for homeowners for up to two years while their home, condo or multi-family dwelling is being rebuilt or until it can be reoccupied.
- *Transaction Card Enhancement Programs*: Offering valuable benefits designed to increase brand and affinity loyalty through insurance-based transaction/account enhancement products. Current coverages include: auto rental collision damage waiver, lost luggage, trip delay, evacuation/repatriation, emergency medical/dental, hotel/motel burglary, extended warranty, purchase protection, price protection and identity theft.

ACE Westchester Specialty Group

ACE Westchester Specialty Group specializes in the wholesale distribution of property, inland marine, casualty, professional lines and environmental liability products. In addition, the Program Division is a market leader in agricultural insurance and an experienced underwriter of MGA risk-bearing programs.

ACE Westchester Specialty Group provides specialized products and services on an admitted and non-admitted basis. The company's underwriting expertise and dedicated claims handling staff ensure that customers receive innovative solutions to complex insurance needs.

With a history that dates back more than 150 years, ACE Westchester Specialty Group was acquired by ACE Limited in 1998. Westchester Fire Insurance Company, the largest member of the group, was incorporated in New York in 1837, and is licensed as a multi-line property and casualty insurer in all 50 states, the District of Columbia and Puerto Rico. Westchester Surplus Lines Insurance Company is a non-admitted insurer in 44 states, the District of Columbia, Puerto Rico and the Virgin Islands.

Insurance – Overseas General

Insurance – Overseas General includes ACE’s network of insurance operations located primarily in countries other than the United States, Canada and Bermuda – and ACE’s Lloyd’s-based insurance operations.

Insurance – Overseas General comprises four operating units: ACE European Group, ACE Asia Pacific, ACE Latin America and ACE Far East.

Companies within the segment write a variety of insurance products, including property, liability, professional risk, marine, political risk, accident and health, aerospace and consumer-oriented products.

ACE European Group

Headquartered in London, with offices throughout Europe, ACE European Group comprises the operations of ACE Europe, ACE Global Markets and ACE Tempest Re (Europe).

ACE Europe specializes in providing client-focused insurance solutions for UK and Continental European multinational and large commercial clients. ACE Europe’s property and casualty product range includes property, primary and excess casualty, financial lines (directors and officers, and crime), political risks, trade credit, surety, marine cargo and construction-related risks. ACE Europe also underwrites an accident and health, and travel insurance portfolio, providing benefits and services to individuals, employee groups and affinity groups throughout Europe.

ACE Global Markets (AGM) is the London market arm of ACE European Group, providing global access to ACE’s specialist underwriters in property, energy, financial lines, marine, and accident and health, as well as, principally through Lloyd’s Syndicate 2488, global aviation and marine business. Syndicate 2488 is one of the largest syndicates in the Lloyd’s market, with a 2005 capacity of £400 million and is rated Aa3 by Moody’s. At the heart of ACE European Group Limited is the ACE Trading Floor, located at the Group’s London Headquarters. This provides a unique state-of-the-art environment in which brokers can conduct business with ACE underwriters on the company’s own premises.

ACE Tempest Re (Europe) is the reinsurance arm of the ACE European Group, underwriting a significant treaty reinsurance portfolio for all property and casualty lines business. These are focused principally on the UK, continental Europe and Southeast Asia.

ACE Europe, AGM and ACE Tempest Re (Europe) underwrite business through ACE European Group Limited, the UK-based, Financial Services Authority-regulated company. ACE European Group Limited is rated A+ (Strong) by Standard and Poor’s and A (Excellent) by A.M. Best. In addition to having a physical presence in 15 European countries, ACE European Group Limited also has Freedom of Services permissions to operate in 27 European countries.

ACE Asia Pacific

In 1793, the Insurance Company of North America (INA) insured cargo on a voyage from Philadelphia to Canton (Guangzhou) and back. In 1897, INA was the first American insurance company to establish a branch office in China.

Today, Asia Pacific is a key marketplace where we combine our global expertise and regional business strengths to manage the complex risks facing our clients. Headquartered in Singapore and Hong Kong, ACE Asia Pacific is an extensive network of operations serving



Our global organization makes us unique as one of the very few commercial property and casualty insurers who can serve clients around the world.

Australia, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, the Philippines, Singapore, Taiwan, Thailand and Vietnam. Our presence in China is driven by a strategic partnership with the Huatai Insurance Company, in which we are the single largest shareholder. Our seasoned underwriters and marketing professionals, led by a strong management team, have introduced a variety of risk management products and innovative distribution channels to effectively meet the growing needs of this diverse and thriving region.

ACE Latin America

ACE Latin America, headquartered in Miami, includes business operations throughout Latin America and the Caribbean, including offices in Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Puerto Rico, and Venezuela. The regional organization also services business in Central America.

ACE Latin America focuses on providing creative and specialized property and casualty, accident and health, and personal lines insurance products and services.

ACE Latin America's regional operations have also introduced a variety of innovative distribution channels that enable it to more effectively service the insurance needs of this vast, diverse and growing marketplace.

ACE Latin America has access to an extensive worldwide network of operations with strong business roots throughout the countries and markets it serves. With an acquired history dating back nearly 80 years in many countries, ACE Latin America is uniquely positioned to provide comprehensive and effective insurance solutions.

ACE Far East

ACE Far East, headquartered in Tokyo, comprises ACE's business operations in Japan. In Japan, ACE has more than 80 years of experience in the property and casualty market through its acquired companies. It focuses on providing specialized and innovative property, casualty, and accident and health insurance products and services to businesses and individuals.

In 2000, ACE became the first insurer in Japan to receive an ISO 9001 certificate for claims service, and was rated A- (for Insurer Financial Strength Ratings as of April 2005) by Standard & Poor's.

ACE International Accident & Health

ACE International A&H operates in more than 40 countries around the world, working closely with many types of organizations to provide product offerings for their employees, members and customers. These organizations include small to large employers, affinity groups, financial institutions, utilities and vacation travel providers.

Core products include personal accident insurance, supplemental health insurance, travel insurance, and creditor insurance. ACE International A&H provides policyholders with added peace of mind in facing life's uncertainties. Through its interaction with policyholders – through explanation of benefits, customer service and claims adjudication, for instance – ACE International A&H enhances the client's relationship with its employees, members or customers.

ACE International A&H utilizes multiple distribution channels – brokerage, agency and direct marketing including telemarketing. Distribution channels are being expanded to include Web-based marketing as well as voice, electronic and cellular/SMS technologies.

Products are offered by a network of local nationals who specialize in A&H marketing and underwriting and who are thoroughly familiar with their markets' insurance requirements and customs.

ACE Risk Management International

Headquartered in Bermuda and with an office in the United Kingdom, ACE Risk Management International is a resource for the ACE Group and its clients worldwide. The company provides assistance in the structuring

and implementation of sophisticated risk management programs, including captive advice, captive fronting, rent-a-captives and other non-traditional risk financing.

Formed in September 2003, ACE Risk Management International works closely with major international clients and their brokers to design programs which meet their increasingly complex needs.

The team of ACE Risk Management International is highly regarded for its experience in alternative risk financing techniques which, together with ACE's extensive global representation and commitment to the major corporate markets, uniquely qualifies ACE as a risk partner, particularly for those companies with multinational operations.

ACE Global Energy Group

The ACE Group of Companies is among the few insurers with the capacity and resources to meet the risk management needs of worldwide energy companies. ACE Global Energy is committed to a leadership role in this important segment.

KEY PRODUCTS:

- *Onshore Property, Construction and Excess Casualty*
- *Offshore, Fixed Properties, Construction*
- *Mobile Rigs*
- *Casualty Packaged with offshore property*
- *Control of Well*

ACE International Life

Headquartered in New York, ACE International Life was formed in 2000 and currently has operations in Thailand, Egypt and Vietnam. In China, ACE International Life is partnering with Huatai Insurance Company, the company's strategic partner, and plans to expand geographically.

ACE International Life is committed to providing client-focused life insurance solutions to consumers. It offers a broad portfolio of products that can be tailored to meet individual client needs.

KEY PRODUCTS

- Savings products including endowment plans and annuities
- Protection products including whole life, term life, credit life and personal accident insurance
- Riders including accidental indemnity, accidental death, hospital and surgical, dread disease and waiver of premium.

ACE International Life sells to consumers through a variety of distribution channels including tied agents, independent brokers, finance companies and telemarketing. A team of dedicated professionals underwrites risks, provides high-quality customer service and continually develops new products to meet the changing needs of their diverse customers.

ACE Global Reinsurance

ACE Tempest Re Group

The ACE Tempest Re Group, which oversees the reinsurance operations of the ACE Group of Companies, includes ACE Tempest Re Bermuda, ACE Tempest Re USA, ACE Tempest Re Europe, as well as ACE Tempest Life Re, the ACE Group's life and annuity reinsurance operation.

ACE Tempest Re Bermuda

ACE Tempest Re Bermuda, is a global leader in the catastrophe reinsurance market, having achieved success by combining state-of-the-art analytical capabilities with a responsive, client-focused approach. ACE Tempest Re Bermuda offers a diversified range of products including, property catastrophe, workers' compensation catastrophe, personal accident catastrophe, life catastrophe, stand alone terrorism and crop reinsurance.

ACE Tempest Re USA

Located in Stamford, Connecticut, ACE Tempest Re USA writes all lines of traditional and non-traditional property and casualty business for the North American market.

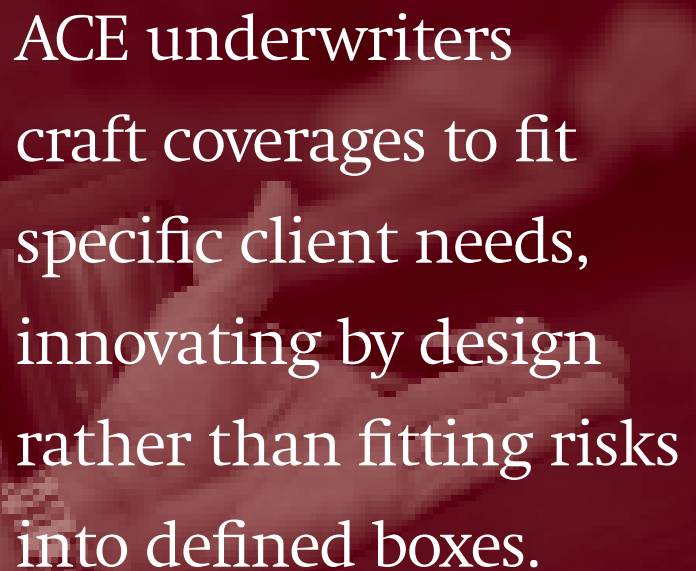
ACE Tempest Re USA, which can offer up to \$10 million per risk, underwrites a diversified treaty reinsurance portfolio produced through reinsurance intermediaries. Lines of business offered include workers' compensation catastrophe, umbrella, surplus lines general liability, property per risk and quota share, miscellaneous professional, commercial auto, environmental liability, workers' compensation, professional liability, directors and officers, medical malpractice, general liability, fidelity and surety, structured risk, alternative risk transfer, facultative programs/automatics and accident and health.

ACE Tempest Re Europe

ACE Tempest Re Europe, located in London, writes all lines of traditional and non-traditional property and casualty treaty business worldwide.

The ACE Tempest Re Europe is a recognized leader in property and casualty classes.

Its capabilities include: property treaty including catastrophe, per risk, aggregate stop loss covering property, engineering and construction and agricultural lines; casualty treaty including automobile, fidelity,



ACE underwriters
craft coverages to fit
specific client needs,
innovating by design
rather than fitting risks
into defined boxes.

directors and officers, film, personal accident, general liability, medical malpractice, clash, professional indemnity, surety, title, employer's liability; and speciality including marine and aviation. ACE Tempest Re Europe is committed to working with clients and their brokers to create products that enable customers to attain their future business goals.

Financial Services

ACE Tempest Life Re

ACE Tempest Life Re provides solutions to the complex risk and capital management challenges facing life insurers today. The company's team of actuaries applies state-of-the-art modeling techniques and dynamic financial analysis to design innovative reinsurance solutions that assist clients with their life and annuity business challenges.

ACE Tempest Life Re specializes in niche markets such as multi-faceted risks including elements of financial, behavioural, and mortality and longevity risk. In the variable annuity marketplace, ACE Tempest Life Re possesses the actuarial expertise and experience to analyze and structure reinsurance programs for various embedded risks including guaranteed minimum death benefits, guaranteed minimum income benefits, and other death and living benefit guarantees.

ACE Tempest Life Re can assist annuity clients with ongoing business needs by reinsuring their current product offerings and reinsures in-force blocks of annuity risk and also offers non-traditional solutions for various mortality and longevity risks.

In January 2005, ACE Tempest Life Re expanded its product range to include more traditional forms of mortality risk reinsurance. The initial focus is on YRT and coinsurance coverage of fully underwritten term and permanent products. The company expects to continue to grow its capabilities in these areas to address the full scope of clients' life reinsurance needs, including individual facultative support.

The ACE Group's financial services division includes two business units: ACE Financial Solutions USA, which operates as a separate underwriting arm with ACE USA; and ACE Financial Solutions International, a division of ACE Tempest Re Group. Each business unit provides creative financial risk management solutions to complex risks that cannot be adequately addressed by the traditional insurance marketplace.

KEY PRODUCTS

ACE Financial Solutions offers loss portfolio transfers (LPTs) and principal financial products:

- LPTs are contracts that are structured to assume liabilities incurred by corporations, public entities, insurance companies, captives, self-insured groups, and state funds. These liabilities consist mainly of workers' compensation claims, but also include general liability, product liability, auto liability, warranty and medical.
- Principal finance products provide programs for assuming portfolios of credit risk (collateralized debt obligations) related to corporate credits, asset-backed and mortgaged securities.

ACE Group History

1985

August
ACE Limited and its insurance subsidiary are incorporated in the Cayman Islands and establish headquarters in Hamilton, Bermuda.

November

John R. Cox becomes ACE's first Chairman. ACE writes its first insurance policy.

1986

January
ACE opens its first office in Bermuda with six full-time employees.

1987

October
ACE assumes management of Corporate Officers & Directors Assurance Ltd. (CODA).

1989

October
Walter Scott becomes President & Chief Executive Officer.

1990

October
Mr. Cox retires as Chairman; Mr. Scott is appointed Chairman.

1993

March
ACE Limited completes an initial public offering of its common stock and is listed for trading on the NYSE.

November

Expansion of ACE product lines begins with the purchase of CODA.

1994

January
ACE completes a secondary public offering of its common stock.

February

Product line diversification continues with addition of satellite insurance.

September

ACE opens a London representative office.

October

Mr. Scott retires as Chairman; Brian Duperreault is named third Chairman, President & Chief Executive Officer.

1995

January
Financial Lines (now ACE FSI) joins an expanding product line.

February

Mr. Cox retires from the Board of Directors.

March

ACE adds aviation product liability insurance.

April

ACE adds excess property insurance.

1996

March
ACE acquires 51 percent of London-based Lloyd's managing agency, Methuen Underwriting.

July

ACE acquires Tempest Re.

November

ACE acquires London-based Lloyd's managing agency, Ockham Worldwide, and the balance of Methuen Underwriting.

1997

March
ACE participates in the formation of Sovereign Risk Insurance Ltd. with strategic partners XL Insurance Company Ltd. and Risk Capital Re.

September

ACE European Markets (formerly ACE Insurance Company Europe Limited), a subsidiary of ACE Bermuda, is incorporated and licensed in Ireland to underwrite all classes of non-life insurance in the European Union.

1998

January
ACE acquires U.S.-based Westchester Fire Insurance Company.

April

ACE forms strategic alliance with the Multilateral Investment Guaranty Agency (MIGA) of the World Bank Group to provide treaty reinsurance for MIGA's political risk operations. ACE acquires CAT Limited and integrates it as part of Tempest Re.

July

ACE acquires Lloyd's-based Tarquin Ltd.

1999

July
ACE acquires the global property and casualty business of CIGNA Corporation.

December

ACE acquires Capital Re Corporation.

2000

June

ACE Bermuda restructures its Tailored Risk Solutions division into a service company, ACE Financial Solutions International, Ltd. (ACE FSI).

2001

March

ACE changes ticker symbol on NYSE to ACE.

August

ACE opens its new global headquarters in Hamilton, Bermuda.

October

ACE Limited commences a public offering of approximately \$1 billion of its ordinary shares to take advantage of opportunities generated by accelerated demand in the insurance and reinsurance markets.

2002

January

Standard and Poor's adds ACE to S&P 500 Index.

May

ACE Bermuda and Huatai Insurance Company of China announce a strategic partnership that will allow joint development of new products and services for delivery nationally in China.

June

ACE Bermuda and Freisenbruch-Meyer Group partner to form a new Bermudian insurance company, Freisenbruch-Meyer Insurance Limited, to write insurance coverage for the domestic Bermuda market.

September

ACE Tempest Reinsurance opens underwriting operations in Dublin, Ireland.

October

ACE European Group opens its new headquarters in London, England.

2003

May

ACE Limited completes the planned conversion of mezzanine equity to ordinary shares and issues approximately 11.8 million ordinary shares in satisfaction of the purchase contracts underlying ACE's FELINE PRIDES.

December

AGC Holdings Limited announces an initial public offering of its stock, to be completed in first half of 2004.

2004

April

ACE Limited completes initial public offering of Assured Guaranty Ltd. ("Assured Guaranty") common stock for \$18.00 per share.

May

Evan G. Greenberg is elected Chief Executive Officer.

September

ACE Limited announces landmark disclosure of Global Loss Triangles.

2005

February

ACE approved to establish a life insurance business in Vietnam.

March

ACE approved to establish insurance operations in Warsaw and Moscow.

ACE strategic partner Huatai approved to establish a life insurance operation in China.

October

ACE Limited completes oversubscribed \$1.5 billion public offering of common shares.



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ace group

20 YEARS OF INSURING PROGRESS™

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