

# ACE GROUP

SECOND QUARTER 2015



insured.®



“ACE has a unique combination of people, products and places that position us well to meet the needs of clients no matter where they are in the world.”

— Evan Greenberg, Chairman & CEO, ACE Limited



# Who We Are

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- The world's sixth-largest multiline property and casualty insurer, based on market capitalization of \$32.9 billion\*.
- A truly global company, with local operations in 54 countries and territories.
- Insurance is our only business — commercial and personal P&C, personal accident, supplemental health, reinsurance and life.
- ACE Limited, the parent company of ACE Group, is listed on the New York Stock Exchange (NYSE:ACE) and is a component of the S&P 500 index.
- Exceptional financial strength, managing risk conservatively in both underwriting and investing.
- Core operating insurance companies are rated “AA” for financial strength by S&P and “A++” by A.M. Best.

*\* As of June 30, 2015*

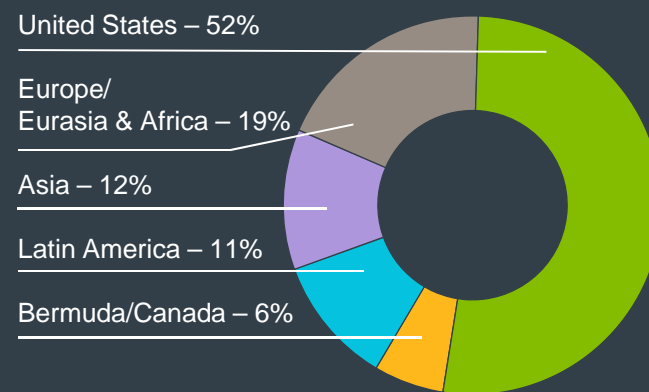


# Global Reach

- ACE has an established local presence globally, with insurance professionals and operating subsidiaries in major markets around the world.
- Approximately half of the company's business is transacted outside the United States.



**Geographic Sources of Premium (YTD 2015)**



North America	
Premiums*	<b>\$13.6 billion</b>
Employees	<b>10,000</b>
Offices	<b>170</b>

Europe/Eurasia & Africa	
Premiums*	<b>\$4.5 billion</b>
Employees	<b>2,700</b>
Offices	<b>65</b>

Asia	
Premiums*	<b>\$3.0 billion</b>
Employees	<b>4,750</b>
Offices	<b>130</b>

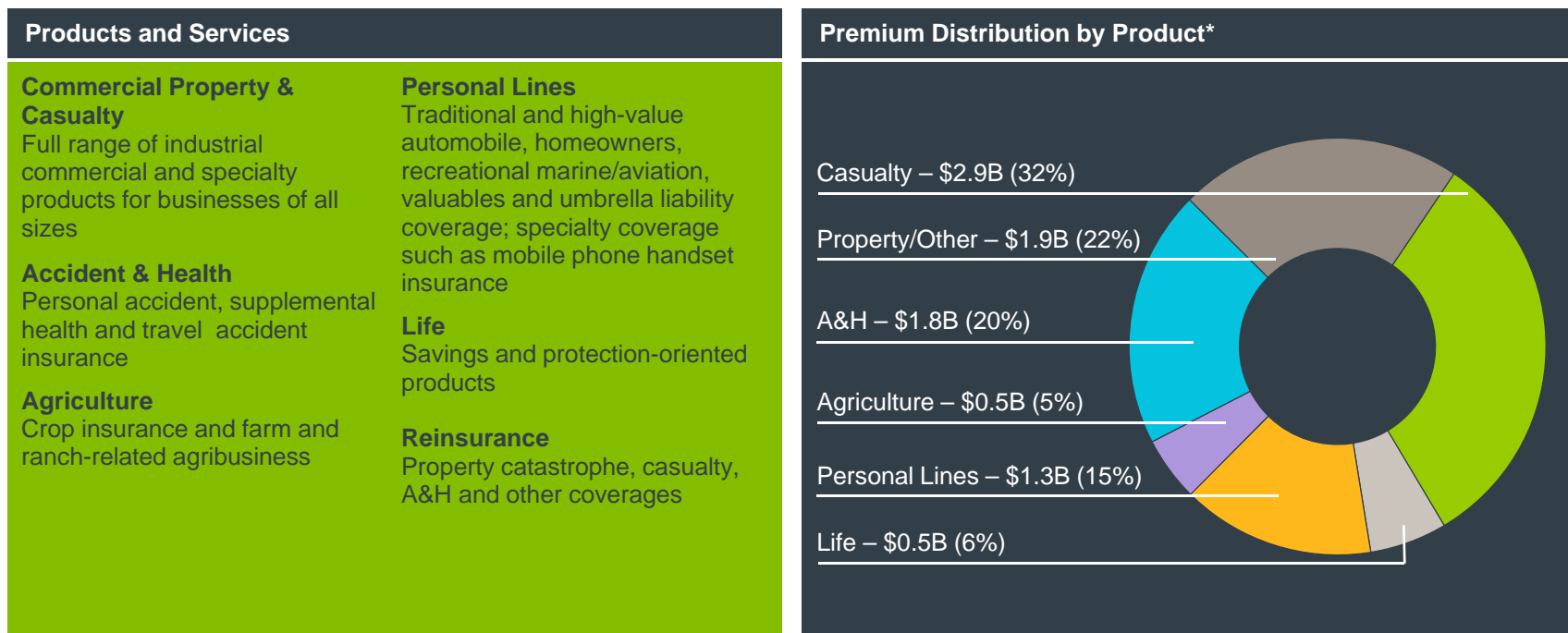
Latin America	
Premiums*	<b>\$2.3 billion</b>
Employees	<b>3,850</b>
Offices	<b>110</b>



\* 2014 Gross Premiums Written

# Product Breadth

- ACE has one of the largest product portfolios in the global insurance industry.
  - More than 200 distinct insurance and reinsurance products and services
  - Specialty coverages for clients ranging from multinational corporations to consumers



\* 2015 YTD Net Premiums Written



# Products and Distribution Around the Globe

- ACE's insurance products are distributed through retail and wholesale brokers, captive and independent agents, bancassurance, direct marketing and other channels.

North America	International	Reinsurance
<p><b>ACE USA</b> Commercial P&amp;C, risk management and A&amp;H sold by retail brokers</p> <p><b>ACE Westchester</b> Commercial P&amp;C excess and surplus lines sold through wholesale and select retail brokers</p> <p><b>ACE Bermuda</b> Liability, property, political risk coverages and captive programs sold by large international brokers</p> <p><b>ACE Commercial Risk Services</b> Specialty small business coverages sold by agents and brokers</p> <p><b>ACE Private Risk Services</b> High-value personal lines coverages sold by independent agents and brokers</p> <p><b>ACE Agriculture</b> Crop insurance from ACE's Rain and Hail unit, as well as farm and other P&amp;C coverages from ACE Agribusiness, sold by agents and brokers</p> <p><b>Combined Insurance</b> Personal accident and supplemental health coverages sold by captive agents</p>	<p><b>ACE International</b> Commercial P&amp;C, A&amp;H, and traditional and specialty personal lines sold by retail brokers, agents and other channels in 51 countries outside North America, including through ABA Seguros and ACE Fianzas Monterrey in Mexico, ACE Jerneh in Malaysia, ACE Jaya Proteksi in Indonesia and Samaggi Insurance in Thailand</p> <p><b>ACE Global Markets</b> Commercial P&amp;C excess and surplus lines and A&amp;H sold by wholesale brokers and through Lloyd's</p> <p><b>Combined Insurance</b> Personal accident and supplemental health coverages sold by captive agents outside North America</p>	<p><b>ACE Tempest Re</b> P&amp;C reinsurance sold worldwide by reinsurance brokers</p> <p><b>Life</b></p> <p><b>ACE Life</b> Protection and savings products sold by agents, bancassurance and other channels in Asia, Latin America and the Middle East</p>



# Commercial Property & Casualty

- For large, global companies, ACE's international network of underwriting, claims and risk control professionals tailor insurance coverage and services to help clients reduce risk and mitigate loss.
- For small and mid-sized businesses, coverage solutions can be customized to meet specific needs.



## Products and Services

### Commercial Coverages

- Agriculture
- Aviation/Aerospace
- Casualty (*foreign, excess, general, umbrella*)
- Contract Liability
- Construction/Wrap-Ups
- Crime and Fidelity
- Cyber Risk (*privacy/network security*)
- Directors & Officers/Professional Lines
- Energy & Power Generation
- Environmental Risks
- Errors and Omissions
- Events Liability

- Kidnap & Ransom
- Manufacturing Risks
- Marine — Inland/Ocean
- Medical Risk
- Mergers & Acquisitions
- Political Risk/Trade Credit
- Product Liability
- Property
- Railroad Liability
- Risk/Claims Management
- Surety
- Terrorism/Political Violence
- Workers Compensation (*excess*)

### Industry Practices

- Construction
- Educational Institutions
- Energy
- Financial Institutions
- Global Mergers & Acquisitions
- Healthcare
- Multinational
- Public Entities



# Accident & Health

- ACE works with employers and other organizations worldwide to offer simple, affordable A&H insurance products to employees, members and customers.
- Products include employee benefits, special insurance offered through companies, affinity groups and other organizations, and cost-effective coverage sold by agents and on websites.



## Products and Partners

### Products

- Personal accident (*individual and group*)
- Supplemental health and disability (*hospital income, critical illness, cancer, disability*)
- Travel insurance (*business and leisure*)
- Student accident (*international travel, study abroad*)
- Global medical
- Employee benefits
- Payment protection (*life, disability, unemployment*)

### Sponsoring partners

- Employers
- Financial institutions
- Colleges, universities and other learning institutions
- Affinity groups (*associations, labor unions, etc.*)
- Cruise lines, travel agencies and tour operators
- Industries (*retailers, utilities, telecommunications companies, etc.*)





# Personal Lines Insurance

- With a focus on rapidly developing international markets, ACE offers a wide range of products to meet the needs of the emerging consumer in the areas of auto, small business, residential and specialty personal lines.
- In the U.S., ACE focuses on high net worth clients and helps manage their risks through tailored comprehensive, flexible programs offering high-value home, auto, valuables and liability protection.



## Products

### Homeowners

- Fire/water damage
- Contents
- Theft
- Debris removal
- Storm damage
- Personal accident
- Living expenses

### Automobile

- Collision/damage
- Theft/vandalism
- Trip interruption
- Liability
- Military personnel
- Medical expenses
- Property damage
- Tourist policies
- Towing expenses

### Recreational Marine

### Personal Aviation

### Valuables

### Umbrella Liability

### Mobile Technology



# Reinsurance

- ACE Tempest Re provides a broad range of reinsurance products to a diverse array of primary insurance companies worldwide.
- Our deep underwriting, actuarial and claims expertise in property catastrophe reinsurance and other diversified lines enables us to tailor solutions to meet unique, complex needs of each client.



## Products

### Property Catastrophe

- Occurrence excess of loss
- Aggregate excess of loss
- Proportional treaties
- Reinstatement premium protection
- Second- and third-event coverages
- Catastrophe bonds
- Industry loss warranty coverages

### Accident & Health

**Agriculture**  
**Automobile**  
**Captive Programs**  
**Casualty/Liability**  
**Professional Risk/Directors and Officers Liability**  
**Marine**

### Surety & Fidelity

**Workers Compensation**



# Life Insurance

- ACE provides protection and savings-oriented life insurance products to individuals and groups in Asia, Latin America, the Middle East and Europe.
- ACE serves the needs of consumers through a variety of distribution channels including agents, banks, retailers, brokers, worksite marketing and telemarketing.



## Products

### Protection products

- Term life
- Whole life
- Credit/mortgage life

### Savings-orientated products

- Universal life
- Variable/unit-linked
- Endowments
- Annuities

### Riders

- Personal accident
- Disability
- In-hospital and surgical cash
- Critical illness/cancer
- Waiver of premium

### Group life

### Group medical



# Underwriting Expertise

- ACE is an underwriting company — underwriting is embedded in our ethos.
- Our underwriters have deep expertise in a broad range of industries and specialty coverage areas — risks where an underwriter makes a difference.
- Discipline defines our underwriting approach — we embrace risk as long as we fully understand it and can earn an acceptable return.

## P&C Combined Ratio vs. Peers

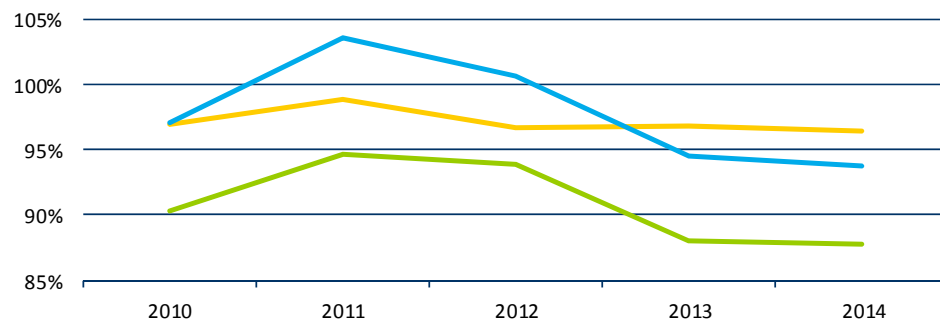
ACE's underwriting results outperformed the averages of North American and global peers over the last five years.

	Averages		
	1 Year	3 Year	5 Year
■ North American Peers <sup>1</sup>	93.8%	96.3%	97.9%
■ Global Peers <sup>2</sup>	96.4%	96.6%	97.1%
■ ACE	87.7%	89.9%	90.9%

<sup>1</sup> Includes AIG, CB, CNA, HIG, TRV, XL

<sup>2</sup> Includes Allianz, AXA, Munich Re, QBE, RSA, Zurich

Source: SNL and company disclosures



# Proven Insurance Leadership

- ACE's top leaders have built their entire careers in insurance and managed their business lines through a variety of insurance cycles and economic conditions.



**Evan Greenberg**

*Chairman &  
Chief Executive  
Officer*

- Over 40 years of insurance experience.
- Joined ACE in 2001.



**John Keogh**

*Vice Chairman &  
Chief Operating  
Officer; Chairman,  
Insurance —  
Overseas General*

- Over 25 years of insurance experience.
- Joined ACE in 2006.



**John Lupica**

*Vice Chairman;  
Chairman,  
Insurance — North  
America*

- Over 25 years of insurance experience.
- Joined ACE in 2000.



**Juan Andrade**

*Chief Operating  
Officer, ACE  
Overseas General;  
Executive Vice  
President, Personal  
Lines*

- Over 20 years of insurance experience.
- Joined ACE in 2010.



**Ed Clancy**

*Executive Vice  
President, Global  
Accident & Health and  
Life*

- Over 30 years of insurance experience.
- Joined ACE in 1999.



**Jacques Bonneau**

*Executive Vice  
President, Global  
Underwriting; Executive  
Vice President, ACE  
Group*

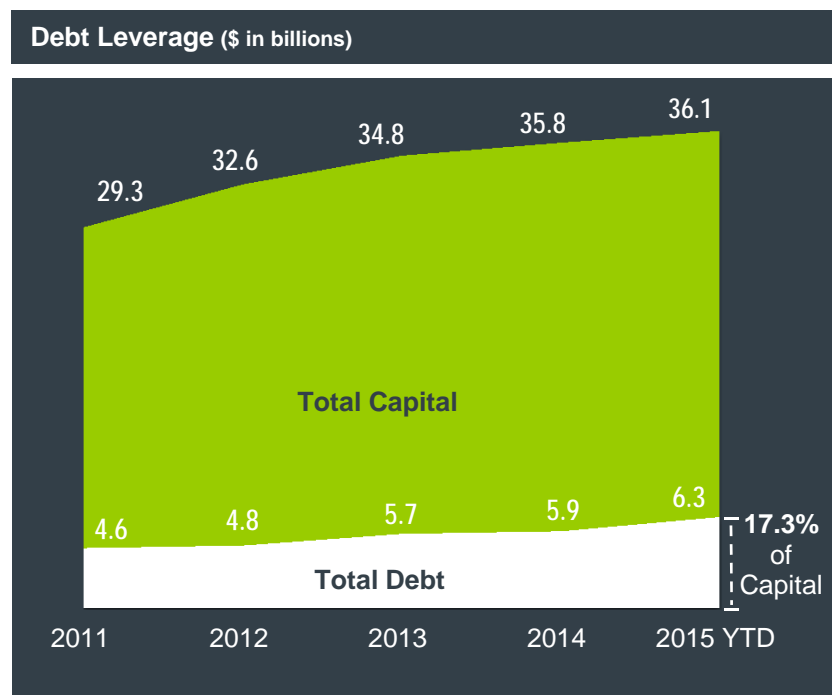
- Over 30 years of reinsurance experience.
- Joined ACE in 1999.



# Exceptional Financial Strength (As of June 30, 2015)

- ACE's total capital position is \$36.1 billion.
- Net loss reserves, which back our policyholder commitments, are over \$26 billion.
- ACE has one of the lowest debt-to-capital ratios among its major peers — 17.3%.

Balance Sheet Highlights (\$ in billions) 06/30/2015	
Total Investments	\$ 63.3
Total Assets	99.8
Net Loss Reserves	26.5
Total Debt	6.3
Shareholders' Equity	29.6
Total Capital	36.1
Tangible Capital	30.1



# Financial Strength Ratings

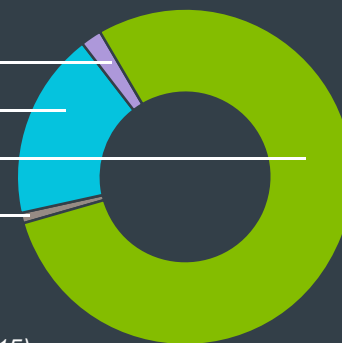
- ACE is highly rated by the rating agencies for financial strength.
  - A primary component of Standard & Poor's (S&P) rating is its evaluation of ACE's enterprise risk management (ERM) process.
- The company manages risk on both sides of its balance sheet by maintaining underwriting discipline, managing exposure accumulations and investing assets conservatively.

Rating Agency	Financial Strength Rating	Outlook
<b>S&amp;P</b>	AA	Negative*
<b>A.M. Best</b>	A++*	Under Review*
<b>Fitch</b>	AA	Stable
<b>Moody's</b>	Aa3 (Bermuda)* A1 (U.S.)	Under Review* Positive

*Ratings apply to ACE's core operating insurance companies*

ACE's "Strong" ERM rating from S&P places it in top 20% of N. America and Bermuda companies

Very Strong— 2%  
Strong — 18%  
Adequate — 79%  
Weak — 1%



Source: S&P ERM rating report (May 2015)



\* Ratings/Outlooks that are Negative or Under Review with negative implications are based on the announced Chubb transaction

# Conservative Investment Philosophy

- 94% of ACE's investment portfolio is in fixed income securities, with an average credit quality of A (S&P) and Aa (Moody's) and a duration of four years.
- The portfolio's asset allocation is well diversified across issuers, geographies and sectors.

**\$59.6 Billion Fixed Income Investment Portfolio** (As of June 30, 2015)

## Credit Quality

AA — 36%

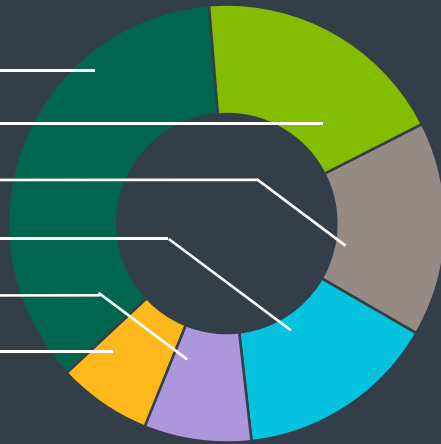
A — 19%

AAA — 16%

BBB — 15%

BB — 8%

B — 6%



## Asset Allocation

U.S. Corporate — 34%

Non-U.S. — 27%

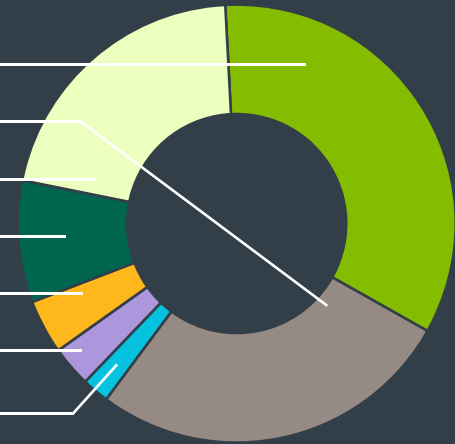
Mortgage-backed — 21%

Municipal — 9%

Treasury — 4%

Short-term — 3%

Agency — 2%





# Philanthropic and Environmental Commitments

- Through its charitable foundations and employee volunteer efforts, ACE makes a positive impact on communities around the world in the areas of education, poverty and health and the environment.
- The company also has made a commitment to reduce the environmental impact of its global operations.

## Charitable/Volunteer Highlights

The ACE Foundations made grants and matching gifts of more than \$4.3 million in 2014 to support innovative initiatives around the globe, such as:

- The ACE Charitable Foundation's three-year partnership with The International Rescue Committee to provide support for the development and implementation of certification and job training programs for refugees preparing to transition from refugee camps located on the Thailand/Myanmar border.
- Multi-year support to Per Scholas, a workforce development program located in New York City. The program supports advanced IT and software testing certification, job placement assistance and is targeted to unemployed and underemployed people who will benefit from retraining.

## Environmental Highlights

In September 2014, ACE announced a new goal to reduce greenhouse gas (GHG) emissions 10% per employee from 2012 to 2020. Since 2006, ACE has reduced GHG emissions nearly 22% per employee.

In 2014, ACE earned a CDP disclosure score of 93 and a performance score of B. ACE was also one of just nine insurance companies – out of more than 330 ranked – to be cited as a leader for its climate risk disclosures by Ceres.

ACE's Philadelphia and Bermuda offices have achieved LEED “green building” certification.





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