ASPEN

2015 Loss Development Triangles

2015 Loss Development Triangle Cautionary Language

This report is for informational purposes only and is current as of December 31, 2015. Aspen Insurance Holdings Limited (“Aspen,” the “Company,” “we,” “us,” or “our”) is under no obligation and does not expect to update or revise this report, whether as a result of new information, future events or otherwise, even when new data has been reflected in the Company’s filings with the U.S. Securities and Exchange Commission (the “SEC”) or otherwise. Although the loss development patterns disclosed in this report are an important factor in the process used to estimate loss reserve requirements, they are not the only factors considered in establishing reserves. The process for establishing reserves is subject to considerable variability and requires the use of informed estimates and judgments. Important details, such as specific loss development expectations for particular contracts, years or events, cannot be developed solely by analysing the information provided in this report. In addition to analysing loss development information, management incorporates additional information into the reserving process, such as pricing for insurance and reinsurance products as well as current market conditions. Readers must keep these and other qualifications more fully described in this report in mind when reviewing this information. This report should be read in conjunction with other documents filed by us with the SEC, including the most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

Safe Harbor for Forward-Looking Statements

Some of the statements in this report may include forward-looking statements which reflect management’s current views with respect to future events and financial performance. Such statements may include forward-looking statements with respect to the Company and the insurance and reinsurance segments, both as to underwriting and investment matters. Statements which include the words "expect," "intend," "plan," "believe," “do not believe,” "project," "anticipate," "seek," "will," “estimate,” “may,” “aim,” “likely,” “continue,” “guidance,” “outlook,” “assume,” “objective,” “target,” “trends,” “future,” “could,” “would,” “should,” “on track” and similar statements of a future or forward-looking nature identify forward-looking statements in this report for purposes of the U.S. federal securities laws or otherwise. The Company intends these forward-looking statements to be covered by the safe harbour provisions for forward-looking statements in the Private Securities Litigation Reform Act of 1995. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or may be important factors that could cause actual results to differ from those indicated in the forward looking statements in this report. Aspen believes these factors include, but are not limited to, (i) our ability to successfully implement steps to further optimize the business portfolio, ensure capital efficiency and enhance investment returns; (ii) the possibility of greater frequency or severity of claims and loss activity, including as a result of natural or man-made (including economic and political risks) catastrophic or material loss events, than our underwriting, reserving, reinsurance purchasing or investment practices have anticipated; (iii) the assumptions and uncertainties underlying reserve levels that may be impacted by future payments for settlements of claims and expenses or by other factors causing adverse or favorable development, including our assumptions on inflation costs associated with long-tail casualty business which could differ materially from actual experience; (iv) the impact of the vote and resulting negotiations as a result of the vote by the U.K. electorate in favour of a U.K. exit from the European Union in the recent in-or-out referendum; (v) the reliability of, and changes in assumptions to, natural and man-made catastrophe pricing, accumulation and estimated loss models; (vi) decreased demand for our insurance or reinsurance products; (vii)cyclical changes in the insurance and reinsurance industry; (vii) the models we use to assess our exposure to losses from future natural catastrophes contain inherent uncertainties and our actual losses may differ significantly from expectations; (viii) our capital models may provide materially different indications than actual results; (ix) increased competition from existing insurers and reinsurers and from alternative capital providers and insurance-linked funds and collateralized special purpose insurers on the basis of pricing, capacity, coverage terms, new capital, binding authorities to brokers or other factors and the related demand and supply dynamics as contracts come up for renewal; (x) our ability to execute our business plan to enter new markets, introduce new products and develop new distribution channels, including their integration into our existing operations; (xi) our acquisition strategy; (xii) changes in market conditions in the agriculture industry, which may vary depending upon demand for agricultural products, weather, commodity prices, natural disasters, and changes in legislation and policies related to agricultural products and producers; (xiii) termination of, or changes in, the terms of the U.S. Federal Multiple Peril Crop Insurance Program or the U.S. Farm Bill, including modifications to the Standard Reinsurance Agreement put in place by the Risk Management Agency of the U.S. Department of Agriculture; (xiv) the recent consolidation in the (re)insurance industry; (xv) loss of one or more of our senior underwriters or key personnel; (xvi) changes in our ability to exercise capital management initiatives (including our share repurchase program) or to arrange banking facilities as a result of prevailing market conditions or changes in our financial results; (xvii) changes in general economic conditions, including inflation, deflation, foreign currency exchange rates, interest rates and other factors that could affect our financial results; (xviii) the risk of a material decline in the value or liquidity of all or parts of our investment portfolio; (xix) the risks associated with the management of capital on behalf of investors; (xx) evolving issues with respect to interpretation of coverage after major loss events; (xxi) our ability to adequately model and price the effects of climate cycles and climate change; (xxiii) any intervening legislative or governmental action and changing judicial interpretation and judgments on insurers' liability to various risks; (xxiv) the risks related to litigation; (xxv) the effectiveness of our risk management loss limitation methods, including our reinsurance purchasing; (xxvi) changes in the availability, cost or quality of reinsurance or retrocessional coverage; (xxvii) changes in the total industry losses, or our share of total industry losses resulting from events, such as catastrophes, that have occurred in prior years or may occur and, with respect to such events, our reliance on loss reports received from cedants and loss adjustors, our reliance on industry loss estimates and those generated by modeling techniques, changes in rulings on flood damage or other exclusions as a result of prevailing lawsuits and case law; (xxviii) the impact of one or more large losses from events other than natural catastrophes or by an unexpected accumulation of attritional losses and deterioration in loss estimates; (xxix) the impact of acts of terrorism, acts of war and related legislation; (xxxi) any changes in our reinsurers' credit quality and the amount and timing of reinsurance recoverables; (xxxii) the continuing and uncertain impact of the current depressed lower growth economic environment in many of the countries in which we operate; (xxxiii) our reliance on information and technology and third-party service providers for our operations and systems; (xxxiv) the level of inflation in repair costs due to limited availability of labor and materials after catastrophes; (xxxv) a decline in our operating subsidiaries' ratings with Standard & Poor's Ratings Services, A.M. Best Company Inc. or Moody's Investors Service Inc.; (xxxvi) the failure of our reinsurers, policyholders, brokers or other intermediaries to honor their payment obligations; (xxxvii) our reliance on the assessment and pricing of individual risks by third parties; (xxxviii) our dependence on a few brokers for a large portion of our revenues; (xxxiv) the persistence of heightened financial risks, including excess sovereign debt, the banking system and the Eurozone crisis; (xxxix) changes in government regulations or tax laws in jurisdictions where we conduct business; (xxxx) changes in accounting principles or policies or in the application of such accounting principles or policies; (xxxxi) increased counterparty risk due to the credit impairment of financial institutions; and (xxxxii) Aspen or Aspen Bermuda Limited becoming subject to income taxes in the United States or the United Kingdom.

In addition, any estimates relating to loss events involve the exercise of considerable judgment and reflect a combination of ground-up evaluations, information available to date from brokers and cedants, market intelligence, initial tentative loss reports and other sources. The actuarial range of reserves and management's best estimate represents a distribution from our internal capital model for reserving risk based on our current state of knowledge and explicit and implicit assumptions relating to the incurred pattern of claims, the expected ultimate settlement amount, inflation and dependencies between lines of business. Due to the complexity of factors contributing to losses and the preliminary nature of the information used to prepare estimates, there can be no assurance that our ultimate losses will remain within the stated amounts.

The foregoing review of important factors should not be construed as exhaustive. For a more detailed description of these uncertainties and other factors, please see the "Risk Factors" section in our most recently filed Annual Report on Form 10-K and Quarterly Report on Form 10-Q. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, or to disclose any difference between our actual results and those reflected in such statements. 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.

SECTION 1: INTRODUCTION

This is Aspen's sixth annual publication of its global loss development triangles. It has the primary goal of providing stakeholders with additional insight into the reserves held on Aspen's balance sheet as at December 31, 2015.

Reserves are required owing to the time between the occurrence, reporting and eventual settlement of a loss which, for some lines of business, can be several years. Since reserves are an estimate of the likely outcome of these future events, they are subject to a degree of volatility. The actual emergence of ultimate losses can be expected to differ, perhaps materially, from any estimate of such losses.

The reserving process is an integral part of Aspen's business. Our actuaries project over 50 different products and in many cases several sub classes of those products. They meet regularly with each underwriting team and with senior claims personnel to ensure that as much information as possible is considered before management reach a decision on the point estimate to book in the accounts.

Therefore, while this report will provide additional insight into the diversity and loss characteristics of many areas of our business, it is by necessity summary information. The reader should be aware that loss payment and loss reporting patterns are not the only considerations in establishing loss reserves. We caution that an attempt to evaluate our loss reserves using solely the data provided in this report could be misleading. Important details, such as specific loss development expectations for particular contracts, years, or events cannot be developed solely by analysing information at this level. We also incorporate additional information, such as pricing and market conditions, in our reserve analyses. We also caution strongly against mechanical application of standard actuarial methodologies to project ultimate losses and loss reserves using triangles presented in this report. Mechanical application of reserving methods could fail to take into account important factors including the following:

> i. For several reserving classes, our premium volume has changed dramatically in recent years. As older years refer to a substantially different volume of premiums and claims, inferences drawn from patterns relating to those years may lack actuarial credibility. Therefore mechanical application of such techniques would not be appropriate.
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> ii. For several classes, pricing conditions have changed dramatically in recent years. The extrapolation of loss ratios from prior periods to current conditions would therefore be inappropriate.
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> iii. Several reserving classes are affected by the presence of large losses, including natural catastrophes. Loss development for years with a sizeable component of large losses may differ significantly from those years unaffected by large losses.
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> iv. The composition of the portfolio has changed over time for several reserving classes. In some cases, these changes have been material. Trends derived from a summary of loss development data cannot capture all of these changes. Within Section 6 we provide a high level summary of key changes in the underlying business composition in each of the reserving classes.

Without incorporating the above and other critical information, results derived from a direct extrapolation of loss development triangles in this report have the potential to produce inappropriate results.

SECTION 2: DATA

Our loss development triangles and summary exhibits are presented on an accident year basis for both our insurance and reinsurance segments. We rely primarily, but not always, on accident year information for our internal reserve analysis. We utilize underwriting year information in analyzing some of our proportional treaties and we subsequently allocate reserves to the respective accident years based on earnings profiles.

Each section within the data exhibits is in two parts. The first part is a summary as at December 31, 2015 of gross, ceded and net earned premium, paid losses, case reserves, incurred but not reported losses ("IBNR"), ultimate losses and ultimate loss ratios. The second part is the gross loss development triangles of paid loss, paid loss ratio, case incurred loss and case incurred loss ratio.

Data is presented in thousands of U.S. dollars, unless indicated otherwise. All non U.S. dollar data have been converted to U.S. dollars at 2015 year-end exchange rates in order to remove the impact of changes in exchange rates from historical development.

We do not discount our unpaid losses and loss expense reserves. Inter-company reinsurance transactions have not been reflected in the triangles and do not therefore appear in any of the ceded figures in this report.

In respect of proportional treaties where we have specific information on loss dates, we make accurate allocation of paid and reported claims to accident year. Where we do not have this information, an estimated allocation is made to accident year using the assumption that losses will follow how the premium is earned over the period of the contract.

The data in each section is unadjusted with respect to significant loss events. We have provided some reserving notes at the end of each of the insurance and reinsurance reserving classes which detail the latest gross, ceded and net of reinsurance position for the 2004 hurricanes: Charley, Frances, Songda, Ivan, and Jeanne; the 2005 hurricanes: Katrina, Rita and Wilma; 2007 events: Windstorm Kyrill, U.K. Flooding and California Wildfires; 2008 hurricanes: Ike and Gustav; 2010 events: Earthquakes in Chile and New Zealand; and 2011 events: Australia Brisbane Floods, New Zealand Earthquake, Japan Earthquake and Tsunami, US Tornadoes in June, and Floods in Thailand; 2012: Superstorm Sandy.

We include a Glossary at the end of this report with definitions of terms used.

SECTION 3: RESERVING CLASS DESCRIPTIONS

The following provides background commentary on the underlying business composition in each reserving class.

INSURANCE SEGMENT

Property and Casualty

This reserving class comprises U.S. and U.K. commercial property and construction business, commercial liability, U.S. specialty casualty, global excess casualty, environmental liability and programs business, written on a primary, excess, quota share, program and facultative basis.

- *U.S. and U.K. Commercial Property and Construction:* Property insurance provides physical damage and business interruption coverage for losses arising from weather, fire, theft and other causes. The U.S. commercial property and construction team covers mercantile, manufacturing, municipal and commercial real estate business. The U.K. commercial and construction team's client base is predominantly U.K. institutional property owners, small and middle market corporates and public sector clients.

- *Commercial Liability:* Commercial liability is primarily written in the U.K. and provides employers' liability coverage, products and public liability coverage for insureds domiciled in the U.K. and Ireland. The U.K. regional team also covers directors' and officers' ("D&O") and professional indemnity, predominantly to small and medium corporates.

- *U.S. Specialty Casualty:* The U.S. specialty casualty account consists primarily of lines written within the primary and excess liability insurance sectors. Coverage is offered in the hospitality, real estate, construction, excess transportation, products liability and lead/high excess.

- *Global Excess Casualty:* The global excess casualty line comprises large, sophisticated and risk-managed insureds worldwide and covers broad-based risks at high attachment points, including general liability, commercial and residential construction liability, life science, railroads, trucking, product and public liability and associated types of cover found in general liability policies in the global insurance market. It also includes a portfolio of U.K. and other non-U.S. employers' liability and public liability coverage written through a managing general agent.

- *Environmental Liability:* The U.S. environmental account primarily provides contractors' pollution liability and pollution legal liability across industry segments that have environmental regulatory drivers and contractual requirements for coverage including: real estate and public entities, contractors and engineers, energy contractors and environmental contractors and consultants. The business is written in both the primary and excess insurance markets.

- *Programs:* Our programs business, previously reported separately, writes property and casualty insurance risks for a select group of U.S.-based program managers. These programs are managed as a distinct and separate unit. We work closely with our program managers to establish appropriate underwriting and processing guidelines and have established performance monitoring mechanisms.

On a significant portion of our property and casualty insurance contracts we are obligated to offer terrorism under the Terrorism and Risk Insurance Program Reauthorization Act of 2007 (“TRIPRA”), which expired on December 31, 2014, and now the Terrorism Risk Insurance Program Reauthorization Act of 2015 (the “2015 TRIA Reauthorization”). Wherever possible, we exclude coverage protection against nuclear, biological, chemical or radiological (“NBCR”) attacks. However, certain U.S. states (notably New York and Florida) prohibit admitted market companies from fully excluding such perils, resulting in some level of exposures to NBCR attacks as well as fire following such events. In addition, we would expect to benefit from the protection of the 2015 TRIA Reauthorization and the over-arching $100 billion industry loss cap (subject to the relevant deductible and co-retention).

Marine, Aviation and Energy

This reserving class comprises marine and energy liability, onshore energy physical damage, offshore energy physical damage, marine hull, specie, inland marine and ocean risks and aviation, written on a primary, excess, quota share, program and facultative basis.

- *Marine and Energy Liability:* The marine and energy liability business based in the U.K. includes marine liability cover mainly related to the liabilities of ship-owners and port operators, including reinsurance of Protection and Indemnity Clubs (“P&I Clubs”). It also provides liability cover globally (including the U.S.) for companies in the oil and gas sector, both onshore and offshore and in the power generation sector.

- *Offshore Energy Physical Damage:* Offshore energy physical damage provides insurance cover against physical damage losses in addition to operators extra expenses for companies operating in the oil and gas exploration and production sector.

- *Onshore Energy Physical Damage:* Our marine, energy and construction property unit based in the U.S. underwrites a variety of worldwide onshore energy and construction sector classes of business with a focus on property covers.

- *Marine Hull:* The marine hull team insures physical damage for ships (including war and associated perils) and related marine assets.

- *Specie:* The specie business line focuses on the insurance of high value property items on an all risks basis, including fine art, general and bank related specie, jewellers’ block and armored car.

- *Inland Marine and Ocean Risks:* The inland marine and ocean cargo team writes business principally covering builders’ construction risk, contractors’ equipment, transportation and ocean cargo risks in addition to exhibition, fine arts and museums insurance.

- *Aviation:* The aviation team writes physical damage insurance on hulls and spares (including war and associated perils), aviation hull deductible cover and comprehensive legal liability for airlines, smaller operators of airline equipment, airports and associated business and non-critical component part manufacturers.

Financial and Professional Lines

This reserving class comprises financial and corporate risks, professional liability, management liability, credit and political risks, accident and specialty risks and surety risks, written on a primary, excess, quota share, program and facultative basis.

- *Financial and Corporate Risks:* Our financial institutions business is written on both a primary and excess of loss basis and consists of professional liability, crime insurance and D&O cover, with the largest exposure comprising risks headquartered in the U.K., followed by Australia, the U.S. and Canada. We cover financial institutions including commercial and investment banks, asset managers, insurance companies, stockbrokers and insureds with hybrid business models. This account also includes a book of D&O insurance for commercial insureds located outside of the U.S. and a worldwide book of representations and warranties and tax indemnity business.

- *Professional Liability:* Our professional liability business is written out of the U.S. (including Errors and Omissions ("E&O")), the U.K., Switzerland and Bermuda and is written on both a primary and excess of loss basis. The U.K. team focuses on risks in the U.K. with some Australian and Canadian business while the U.S. team focuses on the U.S. We insure a wide range of professions including lawyers, accountants, architects, engineers, doctors and medical technicians. This account also includes a portfolio of technology liability and data protection insurance. The data protection insurance covers firms for first party costs and third party liabilities associated with their breach of contractual or statutory data protection obligations.

- *Management Liability:* Our management liability business is written out of the U.S. and Bermuda. We insure a diverse group of commercial and financial institutions predominately on an excess basis. Our products include D&O liability, fiduciary liability, employment practices liability, fidelity insurance and blended liability programs including E&O liability. The focus of the account is predominantly on risks headquartered in the U.S. or risks with a material U.S. exposure.

- *Credit and Political Risks*: The credit and political risks team writes business covering the credit and contract frustration risks on a variety of trade and non-trade related transactions, as well as political risks (including multi-year war on land cover) risks. We provide credit and political risks cover worldwide but with concentrations in a number of countries, such as China, Brazil, Russia (where we significantly reduced our exposures from 2014), the Netherlands and the U.S.

- *Accident and Specialty Risks ("Aspen Crisis Management"):* The Aspen Crisis Management team writes insurance designed to protect individuals and corporations operating in high-risk areas around the world, including covering the shipping industry's exposure to acts of piracy. It also writes terrorism and political violence insurance, providing coverage for damage to property (largely fixed assets such as buildings) resulting from acts of terrorism, strikes, riots, civil commotion or political violence. This account is written primarily on a global basis, although capacity is selectively deployed.

- *Surety Risks:* Our surety team writes commercial surety risks, admiralty bonds and similar maritime undertakings including, but not limited to, federal and public official bonds, license and permits and fiduciary and miscellaneous bonds, focused on Fortune 1000 companies and large, privately owned companies in the U.S.

REINSURANCE SEGMENT

Property Catastrophe

Property catastrophe reinsurance is generally written on a treaty excess of loss basis where we provide protection to an insurer for an agreed portion of the total losses from a single event in excess of a specified loss amount. In the event of a loss, most contracts provide for coverage of a second occurrence following the payment of a premium to reinstate the coverage under the contract, which is referred to as a reinstatement premium. The coverage provided under excess of loss reinsurance contracts may be on a worldwide basis or limited in scope to selected regions or geographical areas.

Other Property

Other property reinsurance includes property risks written on an excess of loss and proportional treaties, facultative or single risk reinsurance. Risk excess of loss reinsurance provides coverage to a reinsured where it experiences a loss in excess of its retention level on a single “risk” basis. A “risk” in this context might mean the insurance coverage on one building or a group of buildings for fire or explosion or the insurance coverage under a single policy which the reinsured treats as a single risk. This line of business is generally less exposed to accumulations of exposures and losses but can still be impacted by natural catastrophes, such as earthquakes and hurricanes.

Proportional treaty reinsurance provides proportional coverage to the reinsured, meaning that, subject to event limits where applicable and ceding commissions, we pay the same share of the covered original losses as we receive in premiums charged for the covered risks. Proportional contracts typically involve close client relationships which often include regular audits of the cedants’ data.

Casualty Reinsurance

Casualty reinsurance is written on an excess of loss, proportional and facultative basis and consists of U.S. treaty, international treaty and casualty facultative reinsurance. Our U.S. treaty and facultative business comprises exposures to workers’ compensation (including catastrophe), medical malpractice, general liability, auto liability, professional liability and excess liability including umbrella liability. Our international treaty business reinsures exposures mainly with respect to general liability, auto liability, professional liability, workers’ compensation and excess liability.

Specialty Reinsurance

Specialty reinsurance is written on an excess of loss and proportional basis and consists of credit and surety reinsurance, agriculture reinsurance and other specialty lines. Our credit and surety reinsurance business consists of trade credit, surety (mainly European, Japanese and Latin American risks) and political risks. Our agricultural reinsurance business is primarily written on a treaty basis covering crop and multi-peril business. Other specialty lines include reinsurance treaties and some insurance policies covering policyholders’ interests in marine, energy, aviation liability, space, contingency, terrorism, engineering, nuclear and personal accident.

A high percentage of our property catastrophe reinsurance contracts we write exclude or limit coverage for losses arising from the peril of terrorism. Within the U.S., our other property reinsurance contracts generally include limited coverage for acts that are certified as “acts of terrorism” by the U.S. Treasury Department under

TRIPRA and now the 2015 TRIA Reauthorization. We have written a limited number of property reinsurance contracts, both on a pro rata and risk excess basis, specifically covering the peril of terrorism. These contracts typically exclude coverage protecting against NBCR attacks, though we have written a small number of contracts that do not exclude such attacks, the coverage of which may be applicable to non-terrorism events.

SECTION 4: OVERVIEW OF RESERVING METHODOLOGY

Reserving Approach. We are required by U.S. Generally Accepted Accounting Principles ("U.S. GAAP") to establish loss reserves for the estimated unpaid portion of the ultimate liability for losses and loss expenses ("ultimate losses") under the terms of our policies and agreements with our insured and reinsured customers. Our loss reserves comprise the following components:

- the cost of claims reported to us but not yet paid known as case reserves ("case reserves");
- IBNR reserves to cover the anticipated cost of claims incurred but not reported and potential development of reported claims; and
- the expenses associated with settling claims, including legal and other fees and the general expenses of administering the claims adjustment process, known as loss adjustment expenses ("LAE").

Prior to the selection of the reserves to be included in our financial statements, our actuarial team employs a number of techniques to establish an actuarial mean best estimate of reserves and a stochastic view of the uncertainty around the actuarial mean best estimate. This range of estimates is considered by the Reserve Committee when selecting a management best estimate of reserves included in our financial statements.

Case Reserves. For reported claims, reserves are established on a case-by-case basis within the parameters of coverage provided in the insurance policy or reinsurance agreement. The method of establishing case reserves for reported claims differs among our operations.

With respect to our insurance operations, we are advised of potential insured losses and our claims handlers record reserves for the estimated amount of the expected indemnity settlement, loss adjustment expenses and cost of defense where appropriate. The reserve estimate reflects the judgment of the claims personnel and is based on claim information obtained to date, general reserving practices, the experience and knowledge of the claims personnel regarding the nature of the specific claim and, where appropriate and available, advice from legal counsel, loss adjusters and other claims experts.

With respect to our reinsurance claims operations, claims handlers set case reserves for reported claims generally based on the claims reports received from our ceding companies and take into consideration our cedants' own reserve recommendations and our prior loss experience with the cedant. Additional case reserves ("ACR"), in addition to the cedants' own recommended reserves, may be established by us to reflect our estimated ultimate cost of a loss. ACRs are generally the result of either a claims handler's own experience and knowledge of handling similar claims, general reserving practices or the result of reserve recommendations following an audit of cedants' reserves.

Case reserves are based on a subjective judgment of facts and circumstances and are established for the purposes of internal reserving only. Accordingly, they do not represent a commitment to any course of conduct or admission of liability on our behalf in relation to any specific claim.

IBNR Reserves. The need for IBNR reserves arises from time lags between when a loss occurs and when it is actually reported and settled. By definition, we do not have specific information on IBNR claims so they need to be estimated by actuarial methodologies. IBNR reserves are therefore generally calculated at an aggregate level and cannot be identified as reserves for a particular loss or contract.

We calculate IBNR reserves by class of business within each line of business. Where appropriate, analyses may be conducted on sub-sets of a class of business. IBNR reserves are calculated by projecting our ultimate losses on each class of business and subtracting paid losses and case reserves. IBNR reserves also cover any potential development of reported claims. Over recent years, we have begun to place greater reliance on our actual actuarial experience for our long-tail lines of business that we have written since our inception in 2002. We believe that our earliest accident years are now capable of providing us with meaningful actuarial indications. Estimates and judgments for new insurance and reinsurance lines of business are more difficult to make than those made for more mature lines of business because we have more limited historical information through December 31, 2015.

Sources of Information. Claims information received typically includes the loss date, details of the claim, the recommended reserve and reports from the loss adjusters dealing with the claim. In respect of pro rata treaties and any business written through managing general agents, we receive regular statements (bordereaux) which provide paid and outstanding claims information, often with large losses separately identified. Following widely reported loss events, such as natural catastrophes and airplane crashes, we adopt a proactive approach to establish our likely exposure to claims by reviewing policy listings and contacting brokers and policyholders as appropriate.

Actuarial Methodologies. The main projection methodologies that are used by our actuaries are:

- Initial expected loss ratio ("IELR") method: This method calculates an estimate of ultimate losses by applying an estimated loss ratio to an estimate of ultimate earned premium for each accident year. The estimated loss ratio may be based on pricing information and/or industry data and/or historical claims experience revalued to the year under review.

- Bornhuetter-Ferguson ("BF") method: The BF method uses as a starting point an assumed IELR and blends in the loss ratio, which is implied by the claims experience to date using benchmark loss development patterns on paid claims data ("Paid BF") or reported claims data ("Reported BF"). Although the method tends to provide less volatile indications at early stages of development and reflects changes in the external environment, it can be slow to react to emerging loss development and can, if the IELR proves to be inaccurate, produce loss estimates which take longer to converge with the final settlement value of loss.

- Loss development ("Chain Ladder") method: This method uses actual loss data and the historical development profiles on older accident years to project more recent, less developed years to their ultimate position.

- Exposure-based method: This method is typically used for specific large catastrophic events such as a major hurricane. All exposure is identified and we work with known market information and information from our cedants to determine a percentage of the exposure to be taken as the ultimate loss.

In addition to these methodologies, our actuaries may use other approaches depending upon the characteristics of the class of business and available data.

In general terms, the IELR method is most appropriate for classes of business and/or accident years where the actual paid or reported loss experience is not yet mature enough to modify our initial expectations of the ultimate loss ratios. Typical examples would be recent accident years for classes of business in casualty reinsurance. The BF method is generally appropriate where there are few reported claims and a relatively less stable pattern of reported losses. Typical examples would be our treaty risk excess class of business in our reinsurance segment and marine hull class of business in our insurance segment. The Chain Ladder method is appropriate when there are relatively stable patterns of loss emergence and a relatively large number of reported claims. Typical examples are the U.K. commercial property and U.K. commercial liability classes of business in our international insurance business.

Reserving Procedures and Process. Our actuaries calculate the IELR, BF and Chain Ladder and, if appropriate, other methods for each class of business and each accident year. They then calculate a single actuarial mean best estimate ("ultimate") for each class of business and provide a stochastic distribution around the mean for each line of business. The actuarial methodologies involve significant subjective judgments reflecting many factors, including but not limited to, changes in legislative conditions, changes in judicial interpretation of legal liability policy coverages and inflation. Our actuaries collaborate with our underwriting, claims, legal and finance teams in identifying factors which are incorporated in their range of ultimates in which management's best estimate is most likely to fall. The actuarial stochastic distribution is designed to provide management with a range from which it is reasonable to select the management best estimate for inclusion in our financial statements.

There are no differences between our year-end and our quarterly internal reserving procedures and processes because our actuaries perform the basic projections and analyses described above for each class of business.

Selection of Gross Reserves. Management, through its Reserve Committee, reviews the actuarial stochastic distribution and any other evidence before selecting its management best estimate of reserves for each line of business. Management selects the management best estimate by considering all the information provided to them and by considering the risks and uncertainties within the actuarial mean best estimate. Management has to date selected its best estimate above the actuarial mean best estimate and within the range of the actuarial stochastic distribution. This provides the basis for the recommendation to the Audit Committee and the Board of Directors made by management regarding the reserve amounts and related disclosures to be recorded in our financial statements.

There are three Reserve Committees, one for each of the insurance and reinsurance segments and a "core" committee that makes final reserving recommendations. The "core" Reserve Committee currently consists of the Group Chief Risk Officer (the chair), the Chief Executive Officer of Aspen Insurance, the Group Head of Risk and the Group Chief Actuary, the Group Chief Financial Officer, the Group Head of Capital Management, the Chief Financial Officer of Aspen Insurance, the President and Chief Underwriting Officer of Aspen Re, and the Chief Operating Officer of Aspen Insurance and President of International Insurance. Senior members of the insurance and reinsurance segment underwriting and claims staff comprise the remaining members of each of the insurance and reinsurance reserve committee, respectively.

Each class of business within each line of business is reviewed in detail by management through its Reserve Committee at least once a year. The timing of such reviews varies throughout the year. Additionally, we review the emergence of actual losses relative to expectations every fiscal quarter for all classes of business. If warranted from this analysis, we may accelerate the timing of our detailed actuarial reviews.

Uncertainties. While the management selected reserves make a reasonable provision for unpaid loss and loss adjustment expense obligations, we note that the process of estimating required reserves, by its very nature, involves uncertainty and therefore the ultimate claims may fall outside the actuarial range. The level of uncertainty can be influenced by such factors as the existence of coverage with long duration reporting patterns and changes in claims handling practices, as well as the other factors described above.

Because many of the coverages underwritten involve claims that may not be ultimately settled for many years after they are incurred, subjective judgments as to the ultimate exposure to losses are an integral and necessary component of the loss reserving process. We review our reserves regularly, using a variety of statistical and actuarial techniques to analyze current claims costs, frequency and severity data, and prevailing economic, social and legal factors. Reserves established in prior periods are adjusted as claims experience develops and new information becomes available.

Estimates of IBNR are generally subject to a greater degree of uncertainty than estimates of the cost of settling claims already notified to us, where more information about the claim event is generally available. IBNR claims often may not be apparent to the insured until many years after the event giving rise to the claims has happened. Classes of business where the IBNR proportion of the total reserve is high, such as casualty insurance, will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these reserves.

Classes of business where claims are typically reported relatively quickly after the claim event tend to display lower levels of volatility between initial estimates and final outcomes. Reinsurance claims are subject to a longer time lag both in their reporting and in their time to final settlement. The time lag is a factor which is included in the projections to ultimate claims within the actuarial analyses and helps to explain why in general a higher proportion of the initial reinsurance reserves are represented by IBNR than for insurance reserves for business in the same class. Delays in receiving information from cedants are an expected part of normal business operations and are included within the statistical estimate of IBNR to the extent that current levels of backlog are consistent with historical data. Currently, there are no processing backlogs which would materially affect our financial statements.

Allowance is made, however, for changes or uncertainties which may create distortions in the underlying statistics or which might cause the cost of unsettled claims to increase or reduce when compared with the cost of previously settled claims, including:

- changes in our processes which might accelerate or slow down the development and/or recording of paid or incurred claims;
- changes in the legal environment (including challenges to tort reform);
- the effects of inflation;
- changes in the mix of business;
- the impact of large losses; and
- changes in our cedants' reserving methodologies.

These factors are incorporated in the recommended reserve range from which management selects its management best estimate. We take all reasonable steps to ensure that we utilize all appropriate information and actuarial techniques in establishing our IBNR reserves. However, given the uncertainty in establishing claims liabilities, it is likely that the final outcome will prove to be different from the original provision established 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. As at December 31, 2015, a 5% change in the gross reserve for IBNR losses would have equated to a change of approximately $142.1 million in loss reserves which would represent 42.1% of income before income tax for the twelve months ended December 31, 2015.

There are specific areas of our selected reserves which have additional uncertainty associated with them. In property reinsurance, there is uncertainty relating to the ultimate settlement of losses related to the explosion in the port of Tianjin, China and the U.K. floods in 2015, Superstorm Sandy in 2012 and the New Zealand earthquake losses in 2010 and 2011. The explosion in the port of Tianjin, China in 2015 has likewise caused additional uncertainty in specialty reinsurance. In casualty reinsurance, there are additional uncertainties associated with claims emanating from the 2008 and 2009 global financial crisis and the potential for new types of claim to arise given the long-tail nature of many of the reinsurance risks. In the insurance segment, we wrote a book of financial institutions risks which have a number of notifications relating to the financial crisis in 2008 and 2009. Our marine and energy liability account, which is a longer-tail class, experienced higher than anticipated claims development during 2013 and in 2014 experienced higher than anticipated claims development in the construction liability account and could experience further unexpected development in future years. The U.K. floods in 2015 have likewise caused additional uncertainty in property insurance. In each case, management believes that they have selected an appropriate best estimate based on current information and analyses.

Loss Reserving Sensitivity Analysis: The most significant key assumptions identified in the reserving process are that (i) the historic loss development and trend experience is assumed to be indicative of future loss development and trends, (ii) the information developed from internal and independent external sources can be used to develop meaningful estimates of the initial expected ultimate loss ratios, and (iii) no significant losses or types of losses will emerge that are not represented in either the initial expected loss ratios or the historical development patterns.

We believe that there is potentially significant risk in estimating loss reserves for long-tail lines of business and for immature accident years that may not be adequately captured through traditional actuarial projection methodologies. As discussed above, these methodologies usually rely heavily on projections of prior year trends into the future. In selecting our best estimate of future liabilities, we consider both the results of actuarial point estimates of loss reserves in addition to the stochastic distribution of reserves. In determining the appropriate best estimate, we review (i) the position of overall reserves within the actuarial distribution, (ii) the result of bottom up analysis by accident year reflecting the impact of parameter uncertainty in actuarial calculations, and (iii) specific qualitative information on events that may have an effect on future claims but which may not have been adequately reflected in actuarial best estimates, such as the potential for outstanding litigation or claims practices of cedants to have an adverse impact.

SECTION 5: RECONCILIATIONS

Reconciliation of Gross Unpaid Losses

The following table reconciles the gross reserves for losses and loss expenses as of December 31, 2015 as reported in Aspen's consolidated financial statements prepared in accordance with U.S. GAAP to the reserves for loss and loss expenses published in the triangles in this report. All amounts are in millions, on a gross basis.

(1) Consolidated Triangles Loss and Loss Expenses	4,798.5
Pre 2005 Year Reserves	83.2
(2) ULAE	56.5
Reserves for losses and loss expenses per	
December 31, 2015 consolidated financial statements	4,938.2

Notes
(1) We are keeping a rolling 10 years of development data as experience prior to this is likely to be unrepresentative for more recent years. In nearly all classes of business, the incurred claims development is expected to be minimal post this point.
(2) ULAE stands for Unallocated Loss Adjustment Expenses and represents an estimate of the internal cost of running off claims.

Reconciliation of Reinsurance Unpaid Losses

The following table reconciles the ceded reinsurance reserves for losses and loss expense as of December 31, 2015 as reported in Aspen's consolidated financial statements prepared in accordance with U.S. GAAP to the reserves for loss and loss expenses published in the triangles.

Consolidated Triangles Loss and Loss Expenses	346.0
Pre 2005 Year Reserves	8.8
Reserves for losses and loss expenses per	
December 31, 2015 consolidated financial statements	354.8

Reconciliation to 2014 Global Loss Triangles

When comparing financial figures to previous disclosures (e.g. historical triangular data or historical incurred and ultimate figures) there are a number of reasons why figures may have changed. The most common reasons are:

- figures are expressed in U.S. dollars and classes are often written in multiple currencies, therefore exchange rate changes over the year can impact historical figures;
- reallocation of reinsurance recoveries between classes (where there are group programmes for example covering single losses);
- reallocation of premiums/claims between years where we have better accident year splits of data, such as from pro rata treaty/lineslip type risks;
- in some instances, a reallocation of classes between segments to better match the way we manage the business;
- since early 2015, a new IT process has been used to produce the claims triangles which enables the allocation of block claims to accident years and automates a small number of manual processes, although the combined impact across all accident years due to this reallocation is nil; and
- a change in the claims processing methodology in 2015 relating to the way VAT is charged which affected some U.K. insurance classes.

SECTION 6: Exhibits

			Consolidated Total				
Valuation Date: December 31, 2015							Value in Thousands, USD
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Gross				= (2) + (3)		= (4) + (5)	= (6) / (1)
Accident	Earned		Case	Case Incurred		Ultimate	Ultimate
Year	Premium	Paid Losses	Reserves	Losses	IBNR	Losses	Loss Ratio
2005	1,847,825	2,318,914	42,364	2,361,278			
2006	1,897,446	670,360	52,087	722,447			
2007	1,765,054	825,442	96,104	921,546			
2008	1,719,946	1,075,406	88,034	1,163,440			
2009	1,932,397	781,914	126,159	908,074			
2010	1,985,528	899,365	155,457	1,054,821			
2011	2,040,146	1,113,280	174,220	1,287,501			
2012	2,254,144	994,859	286,440	1,281,300			
2013	2,394,677	684,410	261,168	945,579			
2014	2,620,798	454,344	347,865	802,209			
2015	2,822,571	194,080	410,909	604,988			
Total	23,280,533	10,012,374	2,040,808	12,053,181	2,757,733	14,810,914	63.6%
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Ceded				= (9) + (10)		= (11) + (12)	= (13) / (8)
Accident	Earned		Case	Case Incurred		Ultimate	Ultimate
Year	Premium	Paid Losses	Reserves	Losses	IBNR	Losses	Loss Ratio
2005	453,600	1,134,968	2,109	1,137,077			
2006	330,832	43,130	841	43,972			
2007	169,050	74,269	1,399	75,667			
2008	162,572	123,501	3,379	126,880			
2009	206,600	78,594	266	78,860			
2010	180,427	46,210	2,711	48,920			
2011	224,274	135,812	4,611	140,423			
2012	286,697	117,666	20,555	138,222			
2013	307,777	36,841	11,851	48,692			
2014	331,085	30,967	28,828	59,795			
2015	327,571	13,722	21,411	35,133			
Total	2,980,487	1,835,680	97,962	1,933,642	248,016	2,181,658	73.2%
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Net				= (16) + (17)		= (18) + (19)	= (20) / (15)
Accident	Earned		Case	Case Incurred		Ultimate	Ultimate
Year	Premium	Paid Losses	Reserves	Losses	IBNR	Losses	Loss Ratio
2005	1,394,225	1,183,946	40,254	1,224,201			
2006	1,566,614	627,229	51,246	678,475			
2007	1,596,004	751,173	94,706	845,879			
2008	1,557,374	951,905	84,655	1,036,560			
2009	1,725,796	703,320	125,893	829,213			
2010	1,805,101	853,155	152,746	1,005,901			
2011	1,815,872	977,469	169,609	1,147,078			
2012	1,967,447	877,193	265,885	1,143,078			
2013	2,086,901	647,569	249,317	896,886			
2014	2,289,712	423,377	319,037	742,414			
2015	2,494,999	180,357	389,497	569,855			
Total	20,300,046	8,176,694	1,942,846	10,119,540	2,509,717	12,629,256	62.2%

Consolidated Total

Valuation Date: December 31, 2015

Value in Thousands, USD

Gross Paid Losses

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	215,625	1,144,824	1,651,257	1,911,855	2,071,316	2,162,486	2,201,863	2,237,541	2,281,935	2,301,119	2,318,914
2006	129,591	285,014	387,485	473,099	545,796	587,675	618,655	640,307	653,051	670,360	
2007	121,821	328,818	496,643	617,051	697,034	745,513	785,028	805,598	825,442		
2008	184,632	457,007	640,151	790,481	891,446	973,005	1,047,414	1,075,406			
2009	104,642	299,644	441,460	582,528	667,060	729,132	781,914				
2010	119,650	405,651	569,593	725,215	825,101	899,365					
2011	220,011	610,117	877,136	1,021,566	1,113,280						
2012	196,607	629,971	851,746	994,859							
2013	162,377	470,808	684,410								
2014	165,020	454,344									
2015	194,080										

Paid Loss Ratio

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	11.7%	62.0%	89.4%	103.5%	112.1%	117.0%	119.2%	121.1%	123.5%	124.5%	125.5%
2006	6.8%	15.0%	20.4%	24.9%	28.8%	31.0%	32.6%	33.7%	34.4%	35.3%	
2007	6.9%	18.6%	28.1%	35.0%	39.5%	42.2%	44.5%	45.6%	46.8%		
2008	10.7%	26.6%	37.2%	46.0%	51.8%	56.6%	60.9%	62.5%			
2009	5.4%	15.5%	22.8%	30.1%	34.5%	37.7%	40.5%				
2010	6.0%	20.4%	28.7%	36.5%	41.6%	45.3%					
2011	10.8%	29.9%	43.0%	50.1%	54.6%						
2012	8.7%	27.9%	37.8%	44.1%							
2013	6.8%	19.7%	28.6%								
2014	6.3%	17.3%									
2015	6.9%										

Gross Case Incurred Losses

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	1,278,671	1,994,458	2,176,011	2,238,100	2,279,484	2,291,684	2,307,308	2,315,504	2,347,325	2,350,144	2,361,308
2006	351,064	497,439	576,354	637,522	698,396	700,376	701,650	710,004	713,074	722,424	
2007	410,800	636,989	777,210	849,233	880,009	890,848	898,865	914,367	921,539		
2008	514,215	821,184	959,014	1,052,694	1,095,307	1,134,328	1,156,686	1,163,440			
2009	376,025	649,553	752,550	817,032	852,531	897,789	908,074				
2010	468,490	757,879	877,457	982,623	1,023,980	1,054,821					
2011	703,114	1,056,267	1,158,912	1,241,763	1,287,501						
2012	670,305	1,039,335	1,176,520	1,281,300							
2013	516,178	800,424	945,579								
2014	486,632	802,209									
2015	604,988										

Case Incurred Loss Ratio

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	69.2%	107.9%	117.8%	121.1%	123.4%	124.0%	124.9%	125.3%	127.0%	127.2%	127.8%
2006	18.5%	26.2%	30.4%	33.6%	36.8%	36.9%	37.0%	37.4%	37.6%	38.1%	
2007	23.3%	36.1%	44.0%	48.1%	49.9%	50.5%	50.9%	51.8%	52.2%		
2008	29.9%	47.7%	55.8%	61.2%	63.7%	66.0%	67.3%	67.6%			
2009	19.5%	33.6%	38.9%	42.3%	44.1%	46.5%	47.0%				
2010	23.6%	38.2%	44.2%	49.5%	51.6%	53.1%					
2011	34.5%	51.8%	56.8%	60.9%	63.1%						
2012	29.7%	46.1%	52.2%	56.8%							
2013	21.6%	33.4%	39.5%								
2014	18.6%	30.6%									
2015	21.4%										

Consolidated Total Reserving Notes

In total, 49% (2014: 53%) of gross reserves arose from reinsurance and 51% (2014: 47%) from insurance.

Of the total reinsurance reserves, 43% (2014: 44%) are reported case reserves and 57% (2014: 56%) are IBNR (this includes years back to 2002). Additional case reserves amount to 14.9% of reported case reserves. A significant proportion of the increase in additional case reserves during 2015 is due to an exercise carried out in 2015, whereby many of the specific IBNR reserves relating to large events were converted to additional case reserves.

Of the total insurance reserves, 42% (2014: 41%) are reported case reserves and 58% (2014: 59%) are IBNR.

During 2015, there was an overall reduction of our estimate of the ultimate claims to be paid on 2014 and prior accident years of $156.5 million, $90.8 million of which was in the reinsurance segment and $65.7 million of which was in the insurance segment.

The impact of large events is summarised in the following table:

Gross					
AY	Paid	Case	Incurred	IBNR	Ultimate
2005	1,628,768	1,366	1,630,135	297	1,630,432
2006	-	-	-	-	-
2007	104,724	-	104,724	-	104,724
2008	258,012	536	258,548	-	258,548
2009	-	-	-	-	-
2010	123,949	21,172	145,121	9,355	154,477
2011	407,737	42,982	450,719	16,657	467,376
2012	201,967	54,271	256,238	63,516	319,754
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-

Ceded					
AY	Paid	Case	Incurred	IBNR	Ultimate
2005	1,016,990	476	1,017,466	-	1,017,466
2006	-	-	-	-	-
2007	25,858	-	25,858	-	25,858
2008	69,496	-	69,496	-	69,496
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	99,777	3,480	103,257	541	103,798
2012	43,531	10,675	54,206	13,414	67,620
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-

Net					
AY	Paid	Case	Incurred	IBNR	Ultimate
2005	611,778	890	612,669	297	612,966
2006	-	-	-	-	-
2007	78,866	-	78,866	-	78,866
2008	188,516	536	189,052	-	189,052
2009	-	-	-	-	-
2010	123,949	21,172	145,121	9,355	154,477
2011	307,959	39,502	347,462	16,117	363,578
2012	158,436	43,596	202,033	50,102	252,135
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-

Insurance Total

Valuation Date: December 31, 2015 — **Value in Thousands, USD**

Gross	(1)	(2)	(3)	(4)	(5)	(6)	(7)
				= (2) + (3)		= (4) + (5)	= (6) / (1)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2005	539,823	729,224	9,396	738,620			
2006	692,540	311,738	7,025	318,763			
2007	650,016	436,121	19,554	455,676			
2008	705,212	574,567	25,309	599,876			
2009	832,212	417,630	46,461	464,092			
2010	896,739	423,975	61,069	485,044			
2011	940,238	366,188	53,680	419,867			
2012	1,128,189	567,043	153,472	720,515			
2013	1,351,791	408,584	150,004	558,587			
2014	1,574,905	284,644	219,746	504,390			
2015	1,689,015	137,077	293,317	430,394			
Total	11,000,680	4,656,793	1,039,033	5,695,825	1,418,000	7,113,825	64.7%

Ceded	(8)	(9)	(10)	(11)	(12)	(13)	(14)
				= (9) + (10)		= (11) + (12)	= (13) / (8)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2005	157,698	486,012	392	486,404			
2006	126,506	35,338	388	35,725			
2007	91,281	54,675	1,028	55,702			
2008	104,986	123,208	3,104	126,312			
2009	158,466	77,558	266	77,824			
2010	150,088	39,527	2,711	42,238			
2011	157,474	23,149	1,621	24,771			
2012	227,738	117,474	19,912	137,386			
2013	258,360	36,057	8,767	44,824			
2014	295,539	30,959	28,149	59,107			
2015	290,852	13,722	21,411	35,133			
Total	2,018,988	1,037,678	87,748	1,125,426	234,651	1,360,077	67.4%

Net	(15)	(16)	(17)	(18)	(19)	(20)	(21)
				= (16) + (17)		= (18) + (19)	= (20) / (15)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2005	382,125	243,212	9,004	252,216			
2006	566,035	276,401	6,638	283,038			
2007	558,735	381,447	18,527	399,974			
2008	600,226	451,359	22,205	473,564			
2009	673,747	340,073	46,195	386,268			
2010	746,651	384,448	58,358	442,806			
2011	782,764	343,038	52,059	395,097			
2012	900,451	449,570	133,560	583,129			
2013	1,093,430	372,526	141,237	513,763			
2014	1,279,366	253,686	191,597	445,282			
2015	1,398,163	123,355	271,906	395,261			
Total	8,981,692	3,619,114	951,285	4,570,399	1,183,349	5,753,748	64.1%

Insurance Total

Valuation Date: December 31, 2015

Value in Thousands, USD

Gross Paid Losses

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	77,152	317,004	467,088	561,136	643,181	681,233	700,259	709,557	717,771	725,022	729,224
2006	80,301	146,522	193,507	241,278	275,308	290,868	298,748	306,135	307,464	311,738	
2007	66,711	180,835	291,921	345,602	381,978	407,499	423,412	430,645	436,121		
2008	59,071	212,255	322,993	399,424	463,699	514,344	562,841	574,567			
2009	46,136	146,263	223,972	312,820	355,730	391,483	417,630				
2010	53,533	185,782	270,113	339,614	391,219	423,975					
2011	69,594	184,879	258,823	321,653	366,188						
2012	125,411	369,599	477,950	567,043							
2013	99,938	286,434	408,584								
2014	108,856	284,644									
2015	137,077										

Paid Loss Ratio

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	14.3%	58.7%	86.5%	103.9%	119.1%	126.2%	129.7%	131.4%	133.0%	134.3%	135.1%
2006	11.6%	21.2%	27.9%	34.8%	39.8%	42.0%	43.1%	44.2%	44.4%	45.0%	
2007	10.3%	27.8%	44.9%	53.2%	58.8%	62.7%	65.1%	66.3%	67.1%		
2008	8.4%	30.1%	45.8%	56.6%	65.8%	72.9%	79.8%	81.5%			
2009	5.5%	17.6%	26.9%	37.6%	42.7%	47.0%	50.2%				
2010	6.0%	20.7%	30.1%	37.9%	43.6%	47.3%					
2011	7.4%	19.7%	27.5%	34.2%	38.9%						
2012	11.1%	32.8%	42.4%	50.3%							
2013	7.4%	21.2%	30.2%								
2014	6.9%	18.1%									
2015	8.1%										

Gross Case Incurred Losses

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	381,225	636,929	691,524	693,801	719,530	718,967	731,527	736,296	736,727	738,039	738,650
2006	195,239	255,906	283,235	312,273	324,961	320,091	316,080	317,411	316,286	318,740	
2007	218,576	329,089	416,400	439,597	446,402	452,681	457,834	457,520	455,668		
2008	247,364	416,900	475,773	531,141	559,448	584,562	594,792	599,876			
2009	214,545	359,949	399,259	421,347	435,415	456,598	464,092				
2010	239,941	351,803	405,670	451,652	472,373	485,044					
2011	189,984	304,223	358,178	405,468	419,867						
2012	397,437	580,871	657,023	720,515							
2013	315,181	463,546	558,587								
2014	318,627	504,390									
2015	430,394										

Case Incurred Loss Ratio

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	70.6%	118.0%	128.1%	128.5%	133.3%	133.2%	135.5%	136.4%	136.5%	136.7%	136.8%
2006	28.2%	37.0%	40.9%	45.1%	46.9%	46.2%	45.6%	45.8%	45.7%	46.0%	
2007	33.6%	50.6%	64.1%	67.6%	68.7%	69.6%	70.4%	70.4%	70.1%		
2008	35.1%	59.1%	67.5%	75.3%	79.3%	82.9%	84.3%	85.1%			
2009	25.8%	43.3%	48.0%	50.6%	52.3%	54.9%	55.8%				
2010	26.8%	39.2%	45.2%	50.4%	52.7%	54.1%					
2011	20.2%	32.4%	38.1%	43.1%	44.7%						
2012	35.2%	51.5%	58.2%	63.9%							
2013	23.3%	34.3%	41.3%								
2014	20.2%	32.0%									
2015	25.5%										

Property Insurance (including programs)

Valuation Date: December 31, 2015

Value in Thousands, USD

Gross	(1)	(2)	(3)	(4)	(5)	(6)	(7)
				= (2) + (3)		= (4) + (5)	= (6) / (1)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2005	135,690	285,164	1	285,165			
2006	124,964	60,916	0	60,916			
2007	93,427	29,861	0	29,861			
2008	89,770	35,550	62	35,612			
2009	122,158	28,329	1,210	29,539			
2010	161,990	45,471	825	46,296			
2011	177,014	64,239	2,304	66,543			
2012	269,458	204,549	14,363	218,912			
2013	332,699	100,403	19,616	120,019			
2014	402,114	104,896	50,927	155,822			
2015	449,906	65,532	100,257	165,788			
Total	2,359,191	1,024,910	189,564	1,214,475	166,321	1,380,796	58.5%

Ceded	(8)	(9)	(10)	(11)	(12)	(13)	(14)
				= (9) + (10)		= (11) + (12)	= (13) / (8)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2005	75,405	228,947	1	228,948			
2006	55,471	15,693	0	15,693			
2007	29,256	82	0	82			
2008	25,518	5,841	58	5,899			
2009	49,388	4,447	157	4,605			
2010	42,415	6,356	393	6,750			
2011	53,499	8,566	845	9,412			
2012	81,057	61,092	3,907	64,999			
2013	74,654	16,318	4,322	20,640			
2014	97,412	23,367	18,374	41,741			
2015	113,447	11,195	13,180	24,375			
Total	697,522	381,905	41,238	423,143	38,235	461,378	66.1%

Net	(15)	(16)	(17)	(18)	(19)	(20)	(21)
				= (16) + (17)		= (18) + (19)	= (20) / (15)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2005	60,285	56,217	0	56,217			
2006	69,493	45,223	0	45,223			
2007	64,171	29,779	0	29,779			
2008	64,252	29,709	4	29,713			
2009	72,771	23,882	1,052	24,934			
2010	119,575	39,114	432	39,546			
2011	123,516	55,673	1,459	57,132			
2012	188,402	143,458	10,456	153,913			
2013	258,044	84,085	15,294	99,379			
2014	304,702	81,528	32,553	114,082			
2015	336,459	54,337	87,077	141,414			
Total	1,661,669	643,006	148,326	791,332	128,086	919,418	55.3%

Property Insurance (including programs)

Valuation Date: December 31, 2015

Value in Thousands, USD

Gross Paid Losses

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	51,778	185,587	236,973	260,132	258,034	268,154	278,257	283,121	285,065	285,106	285,164
2006	35,564	52,705	58,418	59,789	60,659	60,819	60,867	60,860	60,914	60,916	
2007	15,168	26,899	28,610	29,780	29,686	29,713	29,749	29,850	29,861		
2008	11,524	29,171	35,065	35,452	35,623	35,530	35,536	35,550			
2009	11,417	21,359	24,093	26,310	27,024	28,132	28,329				
2010	13,052	34,057	38,688	41,477	42,747	45,471					
2011	19,201	49,198	57,139	62,477	64,239						
2012	44,067	161,069	183,958	204,549							
2013	40,779	83,332	100,403								
2014	45,885	104,896									
2015	65,532										

Paid Loss Ratio

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	38.2%	136.8%	174.6%	191.7%	190.2%	197.6%	205.1%	208.7%	210.1%	210.1%	210.2%
2006	28.5%	42.2%	46.7%	47.8%	48.5%	48.7%	48.7%	48.7%	48.7%	48.7%	
2007	16.2%	28.8%	30.6%	31.9%	31.8%	31.8%	31.8%	32.0%	32.0%		
2008	12.8%	32.5%	39.1%	39.5%	39.7%	39.6%	39.6%	39.6%			
2009	9.3%	17.5%	19.7%	21.5%	22.1%	23.0%	23.2%				
2010	8.1%	21.0%	23.9%	25.6%	26.4%	28.1%					
2011	10.8%	27.8%	32.3%	35.3%	36.3%						
2012	16.4%	59.8%	68.3%	75.9%							
2013	12.3%	25.0%	30.2%								
2014	11.4%	26.1%									
2015	14.6%										

Gross Case Incurred Losses

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	166,680	242,431	254,636	251,111	265,826	271,900	281,206	283,729	285,132	285,129	285,195
2006	56,541	60,502	61,221	61,930	62,597	60,858	60,844	60,836	60,890	60,893	
2007	29,492	30,041	29,995	29,830	29,709	29,703	29,780	29,850	29,854		
2008	24,768	36,916	36,289	35,845	35,751	35,575	35,559	35,612			
2009	28,165	29,221	29,055	28,918	28,748	29,239	29,539				
2010	38,308	45,787	44,382	45,002	45,089	46,296					
2011	58,217	65,041	65,108	66,626	66,543						
2012	164,567	208,322	211,211	218,912							
2013	90,398	111,618	120,019								
2014	100,363	155,822									
2015	165,788										

Case Incurred Loss Ratio

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	122.8%	178.7%	187.7%	185.1%	195.9%	200.4%	207.2%	209.1%	210.1%	210.1%	210.2%
2006	45.2%	48.4%	49.0%	49.6%	50.1%	48.7%	48.7%	48.7%	48.7%	48.7%	
2007	31.6%	32.2%	32.1%	31.9%	31.8%	31.8%	31.9%	31.9%	32.0%		
2008	27.6%	41.1%	40.4%	39.9%	39.8%	39.6%	39.6%	39.7%			
2009	23.1%	23.9%	23.8%	23.7%	23.5%	23.9%	24.2%				
2010	23.6%	28.3%	27.4%	27.8%	27.8%	28.6%					
2011	32.9%	36.7%	36.8%	37.6%	37.6%						
2012	61.1%	77.3%	78.4%	81.2%							
2013	27.2%	33.5%	36.1%								
2014	25.0%	38.8%									
2015	36.8%										

Property Insurance (including Programs) Reserving Notes

- We have provided accident year data for property and casualty insurance separately due to different development profiles, notwithstanding that they are managed on a combined basis.

- This reserving class accounts for 7.4% (2014: 5.4%) of gross reserves as at year-end 2015.

- The split of gross earned premium by territory was as follows:

		Proportion	
Accident Year	Gross Earned Premium ($000s)	UK	US
2005	135,690	57%	43%
2006	124,964	42%	58%
2007	93,427	42%	58%
2008	89,770	50%	50%
2009	122,158	43%	57%
2010	161,990	42%	58%
2011	177,014	37%	63%
2012	269,458	26%	74%
2013	332,699	20%	80%
2014	402,114	19%	81%
2015	448,754	20%	80%

- A major part of the case incurred development in year 2 of accident year 2005 was caused by Hurricanes Katrina and Wilma although these losses were largely reinsured. Similarly, the case incurred development in year 2 of accident year 2008 was caused by Hurricane Ike.

- The 2014 accident year has developed more than usual on a gross basis largely due to one loss which has not had a material impact on a net of reinsurance basis since it was booked close to the reinsurance retention in the fourth quarter of 2014.

- The 2015 accident year has a relatively high incurred loss ratio. This is due to a handful of large gross losses which have immaterial net of reinsurance development potential.

- A summary of major catastrophes is as follows:

Gross					
AY	Paid	Case	Incurred	IBNR	Ultimate
2005	245,231	-	245,231	-	245,231
2006	-	-	-	-	-
2007	4,907	-	4,907	-	4,907
2008	15,893	-	15,893	-	15,893
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	4,003	-	4,003	98	4,101
2012	76,116	2,454	78,570	9,664	88,233
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-

Ceded					
AY	Paid	Case	Incurred	IBNR	Ultimate
2005	218,849	-	218,849	-	218,849
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	5,154	-	5,154	-	5,154
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	144	-	144	-	144
2012	35,037	1,117	36,154	8,450	44,604
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-

Net					
AY	Paid	Case	Incurred	IBNR	Ultimate
2005	26,381	-	26,381	-	26,381
2006	-	-	-	-	-
2007	4,907	-	4,907	-	4,907
2008	10,739	-	10,739	-	10,739
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	3,859	-	3,859	98	3,957
2012	41,078	1,337	42,415	1,214	43,629
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-

Casualty Insurance

Valuation Date: December 31, 2015 — **Value in Thousands, USD**

Gross	(1)	(2)	(3)	(4)	(5)	(6)	(7)
				= (2) + (3)		= (4) + (5)	= (6) / (1)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2005	214,406	95,699	1,777	97,476			
2006	182,644	103,097	2,301	105,398			
2007	149,635	83,586	2,308	85,893			
2008	159,453	143,813	4,396	148,209			
2009	184,894	74,506	16,431	90,937			
2010	158,505	67,486	5,924	73,410			
2011	129,300	48,423	5,682	54,105			
2012	162,719	38,055	14,509	52,564			
2013	229,641	62,318	29,191	91,508			
2014	309,715	20,640	46,265	66,905			
2015	385,075	7,674	61,059	68,732			
Total	2,265,988	745,296	189,842	935,138	476,239	1,411,377	62.3%

Ceded	(8)	(9)	(10)	(11)	(12)	(13)	(14)
				= (9) + (10)		= (11) + (12)	= (13) / (8)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2005	34,755	10,098	7	10,104			
2006	18,754	13,911	204	14,115			
2007	15,250	11,025	647	11,672			
2008	17,475	22,367	737	23,104			
2009	28,046	8,329	8	8,337			
2010	26,281	1,930	501	2,430			
2011	25,483	3,135	11	3,145			
2012	41,806	2,939	57	2,996			
2013	57,122	12,833	208	13,041			
2014	65,218	204	1,013	1,218			
2015	58,465	19	39	58			
Total	388,654	86,791	3,430	90,221	102,385	192,606	49.6%

Net	(15)	(16)	(17)	(18)	(19)	(20)	(21)
				= (16) + (17)		= (18) + (19)	= (20) / (15)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2005	179,651	85,602	1,770	87,372			
2006	163,890	89,186	2,097	91,282			
2007	134,385	72,560	1,661	74,221			
2008	141,977	121,446	3,659	125,105			
2009	156,849	66,176	16,424	82,600			
2010	132,225	65,556	5,423	70,980			
2011	103,817	45,288	5,672	50,960			
2012	120,914	35,116	14,452	49,569			
2013	172,520	49,484	28,983	78,467			
2014	244,497	20,435	45,252	65,687			
2015	326,610	7,654	61,020	68,674			
Total	1,877,334	658,505	186,412	844,917	373,854	1,218,771	64.9%

Casualty Insurance

Valuation Date: December 31, 2015 | **Value in Thousands, USD**

Gross Paid Losses

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	2,671	16,786	37,374	56,656	73,399	84,360	88,768	91,731	94,171	95,227	95,699
2006	2,734	16,658	36,588	62,450	81,356	92,196	98,408	102,173	102,196	103,097	
2007	2,732	15,135	35,290	48,427	62,266	71,933	79,489	81,994	83,586		
2008	2,541	19,092	54,226	86,156	109,859	127,339	138,115	143,813			
2009	2,927	10,989	27,332	45,703	59,199	70,828	74,506				
2010	1,701	10,724	29,281	46,917	60,704	67,486					
2011	3,102	13,486	19,960	38,867	48,423						
2012	2,209	9,311	18,714	38,055							
2013	8,198	47,131	62,318								
2014	5,527	20,640									
2015	7,674										

Paid Loss Ratio

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	1.2%	7.8%	17.4%	26.4%	34.2%	39.3%	41.4%	42.8%	43.9%	44.4%	44.6%
2006	1.5%	9.1%	20.0%	34.2%	44.5%	50.5%	53.9%	55.9%	56.0%	56.4%	
2007	1.8%	10.1%	23.6%	32.4%	41.6%	48.1%	53.1%	54.8%	55.9%		
2008	1.6%	12.0%	34.0%	54.0%	68.9%	79.9%	86.6%	90.2%			
2009	1.6%	5.9%	14.8%	24.7%	32.0%	38.3%	40.3%				
2010	1.1%	6.8%	18.5%	29.6%	38.3%	42.6%					
2011	2.4%	10.4%	15.4%	30.1%	37.5%						
2012	1.4%	5.7%	11.5%	23.4%							
2013	3.6%	20.5%	27.1%								
2014	1.8%	6.7%									
2015	2.0%										

Gross Case Incurred Losses

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	51,627	77,338	85,097	92,206	94,036	93,528	94,738	95,691	96,374	97,086	97,476
2006	47,791	67,663	76,916	94,129	102,282	103,872	104,462	104,662	104,292	105,398	
2007	38,034	50,399	63,068	74,504	81,038	81,826	83,972	84,701	85,893		
2008	36,679	79,885	108,299	125,997	135,482	141,895	144,325	148,209			
2009	27,423	63,346	70,700	76,123	80,951	86,422	90,937				
2010	27,609	45,487	58,487	67,709	69,722	73,410					
2011	22,119	30,536	34,854	50,411	54,105						
2012	20,107	33,851	42,571	52,564							
2013	60,831	74,010	91,508								
2014	44,328	66,905									
2015	68,732										

Case Incurred Loss Ratio

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	24.1%	36.1%	39.7%	43.0%	43.9%	43.6%	44.2%	44.6%	44.9%	45.3%	45.5%
2006	26.2%	37.0%	42.1%	51.5%	56.0%	56.9%	57.2%	57.3%	57.1%	57.7%	
2007	25.4%	33.7%	42.1%	49.8%	54.2%	54.7%	56.1%	56.6%	57.4%		
2008	23.0%	50.1%	67.9%	79.0%	85.0%	89.0%	90.5%	92.9%			
2009	14.8%	34.3%	38.2%	41.2%	43.8%	46.7%	49.2%				
2010	17.4%	28.7%	36.9%	42.7%	44.0%	46.3%					
2011	17.1%	23.6%	27.0%	39.0%	41.8%						
2012	12.4%	20.8%	26.2%	32.3%							
2013	26.5%	32.2%	39.8%								
2014	14.3%	21.6%									
2015	17.8%										

Casualty Insurance Reserving Notes

- This reserving class accounts for 13.9% (2014: 11.8%) of gross reserves as at year-end 2015.

- There are three main components to casualty insurance – U.K. commercial liability business, U.S. specialty casualty business and global excess casualty business. The proportions have changed significantly in the last few years with less U.K. commercial liability business being written and, with new underwriting teams, US casualty business (which includes environmental) in the last two years. This will impact development patterns observed at the reserving class level.

			Proportion	
Accident Year	Gross Earned Premium ($000s)	UK	US	Excess Casualty
2005	214,406	77%	23%	0%
2006	182,644	66%	34%	0%
2007	149,635	55%	45%	0%
2008	159,453	56%	40%	5%
2009	184,894	47%	36%	17%
2010	158,505	43%	32%	25%
2011	129,300	43%	24%	33%
2012	162,719	44%	27%	30%
2013	229,641	46%	31%	23%
2014	309,715	45%	37%	18%
2015	384,798	40%	45%	15%

- The U.S. specialty casualty insurance and the non-marine & transportation element of global excess casualty were the subject of detailed claims and actuarial reviews throughout 2010 which resulted in significant strengthening of reserves in particular in respect of exposure to New York Contractors in U.S. specialty casualty and trucking and pharmaceutical sub classes of the non-marine & transportation book. The experience since then has been better than we expected.

- Case reserving methodology in U.S. specialty casualty Insurance was strengthened in 2010 which can be seen in the 2010 calendar year diagonal of the case incurred loss triangle which had stronger than typical expected development.

			Marine, Aviation & Energy				
Valuation Date: December 31, 2015							**Value in Thousands, USD**
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Gross				= (2) + (3)		= (4) + (5)	= (6) / (1)
Accident	Earned		Case	Case Incurred		Ultimate	Ultimate
Year	Premium	Paid Losses	Reserves	Losses	IBNR	Losses	Loss Ratio
2005	176,936	343,629	7,562	351,191			
2006	366,193	141,606	4,695	146,301			
2007	391,305	314,009	17,247	331,256			
2008	400,881	303,965	13,612	317,577			
2009	419,439	189,281	14,491	203,772			
2010	446,711	256,525	46,681	303,206			
2011	439,549	190,966	42,698	233,664			
2012	475,433	256,837	99,779	356,616			
2013	512,533	209,991	80,802	290,793			
2014	506,252	120,527	91,802	212,329			
2015	445,980	48,210	121,589	169,799			
Total	4,581,212	2,375,545	540,958	2,916,503	361,811	3,278,314	71.6%
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Ceded				= (9) + (10)		= (11) + (12)	= (13) / (8)
Accident	Earned		Case	Case Incurred		Ultimate	Ultimate
Year	Premium	Paid Losses	Reserves	Losses	IBNR	Losses	Loss Ratio
2005	43,006	246,959	384	247,344			
2006	52,004	5,734	184	5,917			
2007	46,146	43,497	381	43,877			
2008	44,148	65,616	1,071	66,687			
2009	49,534	12,055	13	12,068			
2010	44,122	27,791	9	27,801			
2011	38,788	2,442	751	3,192			
2012	54,333	47,336	10,799	58,135			
2013	54,654	3,668	646	4,314			
2014	66,290	4,881	2,972	7,853			
2015	59,609	2,509	8,190	10,699			
Total	552,635	462,487	25,399	487,887	13,156	501,043	90.7%
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Net				= (16) + (17)		= (18) + (19)	= (20) / (15)
Accident	Earned		Case	Case Incurred		Ultimate	Ultimate
Year	Premium	Paid Losses	Reserves	Losses	IBNR	Losses	Loss Ratio
2005	133,930	96,669	7,178	103,847			
2006	314,189	135,872	4,512	140,384			
2007	345,159	270,512	16,867	287,379			
2008	356,733	238,349	12,541	250,890			
2009	369,905	177,226	14,478	191,704			
2010	402,589	228,733	46,672	275,405			
2011	400,761	188,524	41,947	230,471			
2012	421,100	209,501	88,979	298,481			
2013	457,879	206,323	80,157	286,479			
2014	439,963	115,646	88,830	204,476			
2015	386,370	45,701	113,399	159,100			
Total	4,028,577	1,913,058	515,559	2,428,617	348,655	2,777,272	68.9%

Marine, Aviation & Energy

Valuation Date: December 31, 2015 | **Value in Thousands, USD**

Gross Paid Losses

Months

	12	24	36	48	60	72	84	96	108	120	132
2005	22,352	113,455	189,679	240,295	307,346	323,984	328,443	330,165	333,960	340,029	343,629
2006	41,358	74,580	95,220	114,370	127,535	131,827	133,362	136,986	138,237	141,606	
2007	48,242	134,518	222,280	260,326	281,512	297,184	305,500	310,135	314,009		
2008	44,428	159,753	219,951	250,752	269,490	283,446	298,957	303,965			
2009	29,587	94,658	133,933	159,834	174,484	182,730	189,281				
2010	35,786	131,121	172,566	209,878	237,645	256,525					
2011	44,189	95,565	141,077	166,838	190,966						
2012	53,493	154,929	217,591	256,837							
2013	41,897	132,592	209,991								
2014	54,103	120,527									
2015	48,210										

Paid Loss Ratio

Months

	12	24	36	48	60	72	84	96	108	120	132
2005	12.6%	64.1%	107.2%	135.8%	173.7%	183.1%	185.6%	186.6%	188.7%	192.2%	194.2%
2006	11.3%	20.4%	26.0%	31.2%	34.8%	36.0%	36.4%	37.4%	37.7%	38.7%	
2007	12.3%	34.4%	56.8%	66.5%	71.9%	75.9%	78.1%	79.3%	80.2%		
2008	11.1%	39.9%	54.9%	62.6%	67.2%	70.7%	74.6%	75.8%			
2009	7.1%	22.6%	31.9%	38.1%	41.6%	43.6%	45.1%				
2010	8.0%	29.4%	38.6%	47.0%	53.2%	57.4%					
2011	10.1%	21.7%	32.1%	38.0%	43.4%						
2012	11.3%	32.6%	45.8%	54.0%							
2013	8.2%	25.9%	41.0%								
2014	10.7%	23.8%									
2015	10.8%										

Gross Case Incurred Losses

Months

	12	24	36	48	60	72	84	96	108	120	132
2005	161,649	313,856	347,975	345,423	354,529	348,489	350,653	352,284	350,600	351,108	351,191
2006	87,266	123,942	140,142	151,286	154,154	149,018	144,463	145,758	144,955	146,301	
2007	148,109	242,267	315,307	326,566	326,280	332,088	335,228	334,303	331,256		
2008	180,798	261,683	280,891	293,712	298,993	316,365	315,853	317,577			
2009	112,487	184,423	192,037	194,125	204,223	205,280	203,772				
2010	163,786	224,991	258,886	290,504	301,482	303,206					
2011	95,185	163,502	200,646	224,184	233,664						
2012	171,153	279,728	325,171	356,616							
2013	140,763	237,462	290,793								
2014	152,016	212,329									
2015	169,799										

Case Incurred Loss Ratio

Months

	12	24	36	48	60	72	84	96	108	120	132
2005	91.4%	177.4%	196.7%	195.2%	200.4%	197.0%	198.2%	199.1%	198.2%	198.4%	198.5%
2006	23.8%	33.8%	38.3%	41.3%	42.1%	40.7%	39.4%	39.8%	39.6%	40.0%	
2007	37.9%	61.9%	80.6%	83.5%	83.4%	84.9%	85.7%	85.4%	84.7%		
2008	45.1%	65.3%	70.1%	73.3%	74.6%	78.9%	78.8%	79.2%			
2009	26.8%	44.0%	45.8%	46.3%	48.7%	48.9%	48.6%				
2010	36.7%	50.4%	58.0%	65.0%	67.5%	67.9%					
2011	21.7%	37.2%	45.6%	51.0%	53.2%						
2012	36.0%	58.8%	68.4%	75.0%							
2013	27.5%	46.3%	56.7%								
2014	30.0%	41.9%									
2015	38.1%										

Marine, Aviation & Energy Reserving Notes

- This reserving class accounts for 18.8% (2014: 19.2%) of gross reserves as at year-end 2015.

- The split of business into the major classes of business is:

		Proportion						
Accident Year	Gross Earned Premium ($000s)	Marine and Energy Liability	Onshore Energy Physical Damage	OffShore Energy Physical Damage	Marine Hull	Specie	Aviation	Inland Marine and Ocean Risks
2005	176,936	50%	13%	0%	22%	0%	16%	0%
2006	366,193	39%	20%	0%	15%	0%	27%	0%
2007	391,305	36%	25%	0%	14%	0%	24%	0%
2008	400,881	38%	23%	0%	15%	0%	24%	0%
2009	419,439	40%	20%	0%	14%	1%	25%	0%
2010	446,711	44%	16%	0%	13%	2%	25%	0%
2011	439,549	44%	17%	0%	11%	3%	26%	1%
2012	475,433	44%	17%	0%	10%	3%	23%	3%
2013	510,932	46%	16%	1%	9%	3%	20%	6%
2014	497,174	44%	14%	6%	8%	3%	17%	8%
2015	426,716	34%	16%	11%	9%	3%	17%	9%

- Several large events have impacted this reserving class, a summary of the major ones is as follows:

Gross						Ceded						Net					
AY	Paid	Case	Incurred	IBNR	Ultimate	AY	Paid	Case	Incurred	IBNR	Ultimate	AY	Paid	Case	Incurred	IBNR	Ultimate
2005	206,762	149	206,910	-	206,910	2005	194,935	-	194,935	-	194,935	2005	11,826	149	11,975	-	11,975
2006	-	-	-	-	-	2006	-	-	-	-	-	2006	-	-	-	-	-
2007	64,650	-	64,650	-	64,650	2007	25,858	-	25,858	-	25,858	2007	38,792	-	38,792	-	38,792
2008	87,496	184	87,680	-	87,680	2008	64,342	-	64,342	-	64,342	2008	23,154	184	23,338	-	23,338
2009	-	-	-	-	-	2009	-	-	-	-	-	2009	-	-	-	-	-
2010	41	-	41	-	41	2010	-	-	-	-	-	2010	41	-	41	-	41
2011	1,842	75	1,917	4	1,922	2011	-	-	-	-	-	2011	1,842	75	1,917	4	1,922
2012	15,766	11,746	27,512	3,161	30,673	2012	7,276	9,558	16,834	1,432	18,266	2012	8,490	2,188	10,679	1,729	12,408
2013	-	-	-	-	-	2013	-	-	-	-	-	2013	-	-	-	-	-
2014	-	-	-	-	-	2014	-	-	-	-	-	2014	-	-	-	-	-
2015	-	-	-	-	-	2015	-	-	-	-	-	2015	-	-	-	-	-

- The decreasing proportion of Marine and Energy Liability, and the increasing proportion of Energy Physical Damage and Marine books should see a significantly shorter tail and higher incurred values in the early years.

- There has been a recent shift in the Marine and Energy Liability case reserving philosophy which has significantly expedited the development to ultimate of incurred claims.

- The 2015 accident year incurred loss ratio has been materially impacted by a number of large market wide losses which have immaterial futher development potential on a net of reinsurance basis.

			Financial & Professional				
Valuation Date: December 31, 2015							**Value in Thousands, USD**
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**
Gross				= (2) + (3)		= (4) + (5)	= (6) / (1)
Accident	Earned		Case	Case Incurred		Ultimate	Ultimate
Year	Premium	Paid Losses	Reserves	Losses	IBNR	Losses	Loss Ratio
2005	12,791	4,731	56	4,787			
2006	18,739	6,119	30	6,149			
2007	15,649	8,665	0	8,665			
2008	55,108	91,239	7,239	98,478			
2009	105,721	125,515	14,329	139,844			
2010	129,532	54,494	7,639	62,133			
2011	194,375	62,560	2,995	65,555			
2012	220,578	67,602	24,821	92,423			
2013	276,918	35,872	20,395	56,267			
2014	356,824	38,581	30,752	69,334			
2015	408,055	15,662	10,412	26,075			
Total	1,794,290	511,041	118,668	629,710	413,629	1,043,338	58.1%

	(8)	**(9)**	**(10)**	**(11)**	**(12)**	**(13)**	**(14)**
Ceded				= (9) + (10)		= (11) + (12)	= (13) / (8)
Accident	Earned		Case	Case Incurred		Ultimate	Ultimate
Year	Premium	Paid Losses	Reserves	Losses	IBNR	Losses	Loss Ratio
2005	4,531	8	0	8			
2006	276	0	0	0			
2007	629	70	0	70			
2008	17,844	29,384	1,238	30,622			
2009	31,498	52,726	88	52,814			
2010	37,270	3,450	1,808	5,258			
2011	39,705	9,007	14	9,021			
2012	50,543	6,107	5,149	11,256			
2013	71,930	3,238	3,591	6,829			
2014	66,620	2,505	5,790	8,296			
2015	59,331	0	2	2			
Total	380,177	106,495	17,680	124,176	80,875	205,050	53.9%

	(15)	**(16)**	**(17)**	**(18)**	**(19)**	**(20)**	**(21)**
Net				= (16) + (17)		= (18) + (19)	= (20) / (15)
Accident	Earned		Case	Case Incurred		Ultimate	Ultimate
Year	Premium	Paid Losses	Reserves	Losses	IBNR	Losses	Loss Ratio
2005	8,259	4,724	56	4,780			
2006	18,463	6,119	30	6,149			
2007	15,020	8,595	0	8,594			
2008	37,264	61,855	6,001	67,856			
2009	74,223	72,789	14,241	87,029			
2010	92,262	51,044	5,831	56,875			
2011	154,670	53,553	2,981	56,534			
2012	170,036	61,494	19,673	81,167			
2013	204,988	32,634	16,804	49,438			
2014	290,204	36,076	24,962	61,038			
2015	348,724	15,662	10,411	26,073			
Total	1,414,113	404,546	100,988	505,534	332,754	838,288	59.3%

Financial & Professional

Valuation Date: December 31, 2015 — **Value in Thousands, USD**

Gross Paid Losses

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	351	1,176	3,062	4,053	4,401	4,735	4,791	4,540	4,575	4,659	4,731
2006	644	2,579	3,281	4,670	5,758	6,025	6,111	6,117	6,117	6,119	
2007	570	4,283	5,740	7,069	8,514	8,669	8,674	8,666	8,665		
2008	577	4,238	13,751	27,063	48,728	68,029	90,233	91,239			
2009	2,205	19,257	38,614	80,973	95,023	109,793	125,515				
2010	2,993	9,880	29,578	41,343	50,124	54,494					
2011	3,101	26,629	40,646	53,471	62,560						
2012	25,641	44,290	57,688	67,602							
2013	9,065	23,379	35,872								
2014	3,341	38,581									
2015	15,662										

Paid Loss Ratio

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	2.7%	9.2%	23.9%	31.7%	34.4%	37.0%	37.5%	35.5%	35.8%	36.4%	37.0%
2006	3.4%	13.8%	17.5%	24.9%	30.7%	32.2%	32.6%	32.6%	32.6%	32.7%	
2007	3.6%	27.4%	36.7%	45.2%	54.4%	55.4%	55.4%	55.4%	55.4%		
2008	1.0%	7.7%	25.0%	49.1%	88.4%	123.4%	163.7%	165.6%			
2009	2.1%	18.2%	36.5%	76.6%	89.9%	103.9%	118.7%				
2010	2.3%	7.6%	22.8%	31.9%	38.7%	42.1%					
2011	1.6%	13.7%	20.9%	27.5%	32.2%						
2012	11.6%	20.1%	26.2%	30.6%							
2013	3.3%	8.4%	13.0%								
2014	0.9%	10.8%									
2015	3.8%										

Gross Case Incurred Losses

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	1,269	3,305	3,817	5,061	5,138	5,050	4,930	4,593	4,620	4,715	4,787
2006	3,640	3,800	4,956	4,928	5,929	6,343	6,312	6,154	6,149	6,149	
2007	2,941	6,382	8,030	8,697	9,375	9,064	8,854	8,666	8,665		
2008	5,118	38,414	50,294	75,586	89,222	90,727	99,056	98,478			
2009	46,469	82,960	107,468	122,181	121,493	135,658	139,844				
2010	10,237	35,539	43,915	48,436	56,079	62,133					
2011	14,463	45,145	57,571	64,247	65,555						
2012	41,610	58,971	78,070	92,423							
2013	23,188	40,455	56,267								
2014	21,921	69,334									
2015	26,075										

Case Incurred Loss Ratio

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	9.9%	25.8%	29.8%	39.6%	40.2%	39.5%	38.5%	35.9%	36.1%	36.9%	37.4%
2006	19.4%	20.3%	26.4%	26.3%	31.6%	33.8%	33.7%	32.8%	32.8%	32.8%	
2007	18.8%	40.8%	51.3%	55.6%	59.9%	57.9%	56.6%	55.4%	55.4%		
2008	9.3%	69.7%	91.3%	137.2%	161.9%	164.6%	179.7%	178.7%			
2009	44.0%	78.5%	101.7%	115.6%	114.9%	128.3%	132.3%				
2010	7.9%	27.4%	33.9%	37.4%	43.3%	48.0%					
2011	7.4%	23.2%	29.6%	33.1%	33.7%						
2012	18.9%	26.7%	35.4%	41.9%							
2013	8.4%	14.6%	20.3%								
2014	6.1%	19.4%									
2015	6.4%										

Financial and Professional Reserving Notes

- This reserving class accounts for 11.1% (2014: 9.9%) of gross reserves as at year-end 2015.

- The split of gross earned premium by sub-class is as follows:

				Proportion			
Accident Year	Gross Earned Premium ($000s)	Financial and Corporate Risks	Professional Liability	Management Liability	Credit and Political Risk	Surety	Accident and Specialty Risk
2005	12,791	0%	100%	0%	0%	0%	0%
2006	18,739	0%	100%	0%	0%	0%	0%
2007	15,649	0%	100%	0%	0%	0%	0%
2008	55,108	28%	55%	1%	16%	0%	0%
2009	105,721	27%	47%	5%	21%	0%	0%
2010	129,532	16%	46%	7%	26%	0%	5%
2011	193,010	14%	38%	6%	21%	0%	21%
2012	216,580	13%	41%	9%	19%	2%	17%
2013	269,583	10%	45%	12%	16%	5%	10%
2014	346,247	9%	49%	11%	13%	7%	9%
2015	394,052	8%	50%	12%	13%	8%	8%

- This reserving class has been impacted by the financial crisis during 2008 and 2009, in particular Financial Institutions (FI) and Professional Liability (PL). The policy coverages for FI and PL are “claims made” during the policy period. The reserving issue is therefore to understand the potential for notified circumstances to develop into claims rather than future new claims to emerge. Our actuaries work closely with claims personnel to ensure that sufficient understanding of potential development is factored into determining the selected reserves in the accounts.

- The developments in 2008 and 2009 stem from the economic downturn years on the FI and PI accounts and result from a small number of losses which have immaterial downside remaining net of reinsurance. A material quantum of the gross incurred claims movement in the triangle was offset via extra reinsurance recoveries and specific IBNR provisions.

- 2010 and subsequent years have had good loss experience in line with the benign economic environment.

			Reinsurance Total				
Valuation Date: December 31, 2015							**Value in Thousands, USD**
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Gross				= (2) + (3)		= (4) + (5)	= (6) / (1)
Accident	Earned		Case	Case Incurred		Ultimate	Ultimate
Year	Premium	Paid Losses	Reserves	Losses	IBNR	Losses	Loss Ratio
2005	1,308,002	1,589,690	32,968	1,622,658			
2006	1,204,906	358,622	45,062	403,683			
2007	1,115,038	389,321	76,550	465,871			
2008	1,014,734	500,839	62,725	563,564			
2009	1,100,184	364,284	79,698	443,982			
2010	1,088,790	475,389	94,388	569,777			
2011	1,099,908	747,093	120,540	867,633			
2012	1,125,956	427,816	132,969	560,785			
2013	1,042,887	275,827	111,165	386,991			
2014	1,045,893	169,699	128,119	297,819			
2015	1,133,555	57,002	117,591	174,594			
Total	12,279,853	5,355,581	1,001,775	6,357,356	1,339,733	7,697,089	62.7%

	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Ceded				= (9) + (10)		= (11) + (12)	= (13) / (8)
Accident	Earned		Case	Case Incurred		Ultimate	Ultimate
Year	Premium	Paid Losses	Reserves	Losses	IBNR	Losses	Loss Ratio
2005	295,902	648,956	1,717	650,673			
2006	204,326	7,793	454	8,247			
2007	77,769	19,594	371	19,965			
2008	57,587	293	275	568			
2009	48,135	1,037	0	1,037			
2010	30,340	6,682	0	6,682			
2011	66,800	112,662	2,990	115,652			
2012	58,959	193	643	836			
2013	49,416	784	3,084	3,868			
2014	35,546	8	679	688			
2015	36,719	0	0	0			
Total	961,499	798,002	10,214	808,216	13,365	821,581	85.4%

	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Net				= (16) + (17)		= (18) + (19)	= (20) / (15)
Accident	Earned		Case	Case Incurred		Ultimate	Ultimate
Year	Premium	Paid Losses	Reserves	Losses	IBNR	Losses	Loss Ratio
2005	1,012,100	940,735	31,250	971,985			
2006	1,000,579	350,829	44,608	395,437			
2007	1,037,269	369,727	76,179	445,905			
2008	957,148	500,546	62,450	562,996			
2009	1,052,050	363,247	79,698	442,945			
2010	1,058,450	468,707	94,388	563,095			
2011	1,033,108	634,431	117,550	751,981			
2012	1,066,997	427,623	132,326	559,949			
2013	993,470	275,043	108,081	383,123			
2014	1,010,346	169,691	127,440	297,131			
2015	1,096,836	57,002	117,591	174,594			
Total	11,318,354	4,557,580	991,561	5,549,140	1,326,367	6,875,508	60.7%

Reinsurance Total

Valuation Date: December 31, 2015 | **Value in Thousands, USD**

Gross Paid Losses

Months

	12	24	36	48	60	72	84	96	108	120	132
2005	138,473	827,820	1,184,169	1,350,719	1,428,136	1,481,254	1,501,604	1,527,984	1,564,163	1,576,098	1,589,690
2006	49,291	138,492	193,978	231,821	270,488	296,807	319,907	334,172	345,587	358,622	
2007	55,110	147,983	204,722	271,449	315,056	338,014	361,616	374,953	389,321		
2008	125,561	244,752	317,158	391,058	427,747	458,662	484,574	500,839			
2009	58,506	153,381	217,488	269,708	311,331	337,650	364,284				
2010	66,117	219,870	299,480	385,601	433,882	475,389					
2011	150,418	425,238	618,313	699,913	747,093						
2012	71,197	260,371	373,796	427,816							
2013	62,439	184,373	275,827								
2014	56,163	169,699									
2015	57,002										

Paid Loss Ratio

Months

	12	24	36	48	60	72	84	96	108	120	132
2005	10.6%	63.3%	90.5%	103.3%	109.2%	113.2%	114.8%	116.8%	119.6%	120.5%	121.5%
2006	4.1%	11.5%	16.1%	19.2%	22.4%	24.6%	26.6%	27.7%	28.7%	29.8%	
2007	4.9%	13.3%	18.4%	24.3%	28.3%	30.3%	32.4%	33.6%	34.9%		
2008	12.4%	24.1%	31.3%	38.5%	42.2%	45.2%	47.8%	49.4%			
2009	5.3%	13.9%	19.8%	24.5%	28.3%	30.7%	33.1%				
2010	6.1%	20.2%	27.5%	35.4%	39.8%	43.7%					
2011	13.7%	38.7%	56.2%	63.6%	67.9%						
2012	6.3%	23.1%	33.2%	38.0%							
2013	6.0%	17.7%	26.4%								
2014	5.4%	16.2%									
2015	5.0%										

Gross Case Incurred Losses

Months

	12	24	36	48	60	72	84	96	108	120	132
2005	897,445	1,357,529	1,484,487	1,544,300	1,559,954	1,572,717	1,575,781	1,579,207	1,610,598	1,612,106	1,622,658
2006	155,825	241,533	293,119	325,248	373,435	380,285	385,570	392,594	396,787	403,683	
2007	192,224	307,900	360,810	409,636	433,607	438,168	441,031	456,848	465,871		
2008	266,852	404,285	483,241	521,553	535,858	549,767	561,894	563,564			
2009	161,480	289,604	353,291	395,684	417,115	441,192	443,982				
2010	228,549	406,076	471,788	530,971	551,607	569,777					
2011	513,130	752,044	800,734	836,294	867,633						
2012	272,869	458,464	519,497	560,785							
2013	200,997	336,877	386,991								
2014	168,005	297,819									
2015	174,594										

Case Incurred Loss Ratio

Months

	12	24	36	48	60	72	84	96	108	120	132
2005	68.6%	103.8%	113.5%	118.1%	119.3%	120.2%	120.5%	120.7%	123.1%	123.2%	124.1%
2006	12.9%	20.0%	24.3%	27.0%	31.0%	31.6%	32.0%	32.6%	32.9%	33.5%	
2007	17.2%	27.6%	32.4%	36.7%	38.9%	39.3%	39.6%	41.0%	41.8%		
2008	26.3%	39.8%	47.6%	51.4%	52.8%	54.2%	55.4%	55.5%			
2009	14.7%	26.3%	32.1%	36.0%	37.9%	40.1%	40.4%				
2010	21.0%	37.3%	43.3%	48.8%	50.7%	52.3%					
2011	46.7%	68.4%	72.8%	76.0%	78.9%						
2012	24.2%	40.7%	46.1%	49.8%							
2013	19.3%	32.3%	37.1%								
2014	16.1%	28.5%									
2015	15.4%										

Reinsurance - Property Catastrophe

Valuation Date: December 31, 2015 — Value in Thousands, USD

Gross	(1)	(2)	(3)	(4)	(5)	(6)	(7)
				= (2) + (3)		= (4) + (5)	= (6) / (1)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2005	290,068	565,916	465	566,381			
2006	256,162	15,694	97	15,792			
2007	255,320	37,827	323	38,150			
2008	240,103	141,789	320	142,109			
2009	241,473	15,524	208	15,732			
2010	265,497	139,109	22,824	161,933			
2011	271,463	257,970	32,492	290,462			
2012	288,962	97,072	31,030	128,102			
2013	253,351	52,007	9,828	61,836			
2014	261,838	16,046	6,462	22,508			
2015	263,730	4,343	9,059	13,402			
Total	2,887,968	1,343,298	113,108	1,456,406	38,958	1,495,365	51.8%

Ceded	(8)	(9)	(10)	(11)	(12)	(13)	(14)
				= (9) + (10)		= (11) + (12)	= (13) / (8)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2005	127,982	234,591	456	235,047			
2006	85,756	1,118	91	1,210			
2007	59,846	15,684	319	16,003			
2008	40,646	7	87	95			
2009	35,014	0	0	0			
2010	19,850	0	0	0			
2011	45,212	55,553	1,482	57,035			
2012	37,918	0	0	0			
2013	26,251	0	0	0			
2014	15,070	0	0	0			
2015	16,400	0	0	0			
Total	509,944	306,954	2,435	309,390	3,869	313,258	61.4%

Net	(15)	(16)	(17)	(18)	(19)	(20)	(21)
				= (16) + (17)		= (18) + (19)	= (20) / (15)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2005	162,086	331,325	9	331,334			
2006	170,406	14,576	6	14,582			
2007	195,475	22,143	4	22,147			
2008	199,457	141,781	233	142,014			
2009	206,459	15,524	208	15,732			
2010	245,647	139,109	22,824	161,933			
2011	226,252	202,417	31,010	233,427			
2012	251,044	97,072	31,030	128,102			
2013	227,100	52,007	9,828	61,836			
2014	246,768	16,046	6,462	22,508			
2015	247,330	4,343	9,059	13,402			
Total	2,378,024	1,036,344	110,673	1,147,017	35,090	1,182,107	49.7%

Reinsurance - Property Catastrophe

Valuation Date: December 31, 2015 | Value in Thousands, USD

Gross Paid Losses

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	49,259	349,706	493,191	525,250	541,821	546,215	550,150	552,814	565,588	565,589	565,916
2006	8,242	17,107	14,722	15,184	15,265	15,461	15,645	15,664	15,677	15,694	
2007	16,916	40,231	36,286	37,574	37,043	37,492	37,713	37,779	37,827		
2008	82,289	114,568	126,778	138,594	140,341	141,504	141,700	141,789			
2009	4,439	10,718	13,870	15,002	15,421	15,482	15,524				
2010	30,424	93,228	112,231	122,482	134,219	139,109					
2011	59,197	161,325	228,198	250,562	257,970						
2012	13,158	58,724	87,353	97,072							
2013	8,184	34,888	52,007								
2014	5,222	16,046									
2015	4,343										

Paid Loss Ratio

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	17.0%	120.6%	170.0%	181.1%	186.8%	188.3%	189.7%	190.6%	195.0%	195.0%	195.1%
2006	3.2%	6.7%	5.7%	5.9%	6.0%	6.0%	6.1%	6.1%	6.1%	6.1%	
2007	6.6%	15.8%	14.2%	14.7%	14.5%	14.7%	14.8%	14.8%	14.8%		
2008	34.3%	47.7%	52.8%	57.7%	58.5%	58.9%	59.0%	59.1%			
2009	1.8%	4.4%	5.7%	6.2%	6.4%	6.4%	6.4%				
2010	11.5%	35.1%	42.3%	46.1%	50.6%	52.4%					
2011	21.8%	59.4%	84.1%	92.3%	95.0%						
2012	4.6%	20.3%	30.2%	33.6%							
2013	3.2%	13.8%	20.5%								
2014	2.0%	6.1%									
2015	1.6%										

Gross Case Incurred Losses

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	426,478	540,349	535,390	542,677	550,136	551,387	552,927	555,986	566,817	566,328	566,381
2006	10,494	18,403	15,969	16,063	15,841	15,916	15,821	15,794	15,775	15,792	
2007	57,360	56,515	41,757	42,169	38,513	38,562	38,540	38,110	38,150		
2008	129,260	120,137	137,139	141,414	141,895	142,133	142,153	142,109			
2009	14,747	17,771	16,647	15,989	15,871	15,765	15,732				
2010	123,306	152,158	156,328	155,644	157,060	161,933					
2011	233,503	294,316	293,182	288,402	290,462						
2012	95,274	120,800	119,879	128,102							
2013	40,781	61,734	61,836								
2014	17,572	22,508									
2015	13,402										

Case Incurred Loss Ratio

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	147.0%	186.3%	184.6%	187.1%	189.7%	190.1%	190.6%	191.7%	195.4%	195.2%	195.3%
2006	4.1%	7.2%	6.2%	6.3%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	
2007	22.5%	22.1%	16.4%	16.5%	15.1%	15.1%	15.1%	14.9%	14.9%		
2008	53.8%	50.0%	57.1%	58.9%	59.1%	59.2%	59.2%	59.2%			
2009	6.1%	7.4%	6.9%	6.6%	6.6%	6.5%	6.5%				
2010	46.4%	57.3%	58.9%	58.6%	59.2%	61.0%					
2011	86.0%	108.4%	108.0%	106.2%	107.0%						
2012	33.0%	41.8%	41.5%	44.3%							
2013	16.1%	24.4%	24.4%								
2014	6.7%	8.6%									
2015	5.1%										

Property Catastrophe Reserving Notes

- This reserving class accounts for 3.2% (2014: 4.2%) of gross reserves as at year-end 2015.

- The impact of large events is summarised in the following table:

Gross					
AY	Paid	Case	Incurred	IBNR	Ultimate
2005	551,047	447	551,494	-	551,494
2006	-	-	-	-	-
2007	25,450	-	25,450	-	25,450
2008	120,368	7	120,375	-	120,375
2009	-	-	-	-	-
2010	119,362	21,054	140,416	4,147	144,562
2011	226,215	31,720	257,934	10,009	267,943
2012	78,420	30,447	108,867	3,080	111,947
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-

Ceded					
AY	Paid	Case	Incurred	IBNR	Ultimate
2005	226,674	16	226,690	-	226,690
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	55,523	1,629	57,152	245	57,398
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-

Net					
AY	Paid	Case	Incurred	IBNR	Ultimate
2005	324,373	431	324,804	-	324,804
2006	-	-	-	-	-
2007	25,450	-	25,450	-	25,450
2008	120,368	7	120,375	-	120,375
2009	-	-	-	-	-
2010	119,362	21,054	140,416	4,147	144,562
2011	170,691	30,091	200,782	9,764	210,546
2012	78,420	30,447	108,867	3,080	111,947
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-

- The paid and case incurred claims of the 2005 year between months 96 and 108 reflect final settlement of material exposure relating to Hurricane Katrina. This level of uncertainty and development was unique to this event and was allowed for within previous carried IBNR at a combined Property Reinsurance level.

- Case incurred claims of the 2007 year between months 24 and 36 reduced from $56.5 million to $41.8 million. This was primarily as a result of successful subrogation actions by the first party insurers in respect of the California wildfires.

- The gross ultimate for the 2011 accident year shown in the large events table has been materially impacted by exchange rate movements on the New Zealand Earthquakes.

- The incurred claims development on the 2012 accident year between months 36 and 48 represents a movement on Hurricane Sandy which was mostly reserved for with a specific IBNR allowance at the previous year end.

			Reinsurance - Other Property				
Valuation Date: December 31, 2015							**Value in Thousands, USD**
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Gross				= (2) + (3)		= (4) + (5)	= (6) / (1)
Accident	Earned		Case	Case Incurred		Ultimate	Ultimate
Year	Premium	Paid Losses	Reserves	Losses	IBNR	Losses	Loss Ratio
2005	424,086	693,525	1,306	694,831			
2006	339,525	126,302	890	127,192			
2007	271,776	93,959	592	94,551			
2008	246,968	104,229	570	104,799			
2009	288,228	80,991	1,918	82,909			
2010	256,838	98,246	6,638	104,884			
2011	262,326	262,213	11,757	273,971			
2012	286,931	126,709	13,456	140,166			
2013	277,506	96,089	22,053	118,142			
2014	304,206	84,854	41,413	126,267			
2015	357,679	31,495	59,343	90,838			
Total	3,316,069	1,798,613	159,936	1,958,549	178,044	2,136,593	64.4%
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Ceded				= (9) + (10)		= (11) + (12)	= (13) / (8)
Accident	Earned		Case	Case Incurred		Ultimate	Ultimate
Year	Premium	Paid Losses	Reserves	Losses	IBNR	Losses	Loss Ratio
2005	136,687	310,553	521	311,073			
2006	98,159	3,442	0	3,442			
2007	7,336	3,213	1	3,214			
2008	13,402	203	187	390			
2009	11,656	1,037	0	1,037			
2010	9,396	6,682	0	6,682			
2011	19,202	57,109	1,508	58,617			
2012	18,915	11	0	11			
2013	16,991	0	0	0			
2014	14,311	0	0	0			
2015	13,626	0	0	0			
Total	359,681	382,250	2,217	384,466	5,739	390,206	108.5%
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Net				= (16) + (17)		= (18) + (19)	= (20) / (15)
Accident	Earned		Case	Case Incurred		Ultimate	Ultimate
Year	Premium	Paid Losses	Reserves	Losses	IBNR	Losses	Loss Ratio
2005	287,399	382,972	785	383,757			
2006	241,366	122,860	890	123,750			
2007	264,440	90,746	592	91,338			
2008	233,567	104,026	383	104,408			
2009	276,572	79,954	1,918	81,872			
2010	247,442	91,563	6,638	98,202			
2011	243,124	205,105	10,249	215,354			
2012	268,016	126,699	13,456	140,155			
2013	260,516	96,089	22,053	118,142			
2014	289,895	84,854	41,413	126,267			
2015	344,053	31,495	59,343	90,838			
Total	2,956,388	1,416,363	157,719	1,574,082	172,305	1,746,387	59.1%

Reinsurance - Other Property

Valuation Date: December 31, 2015 | **Value in Thousands, USD**

Gross Paid Losses

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	75,554	401,563	552,239	626,411	652,561	668,787	672,720	675,312	693,241	692,525	693,525
2006	29,905	88,122	101,561	114,553	119,460	122,461	124,088	125,214	126,380	126,302	
2007	25,391	61,072	80,590	88,853	91,228	91,691	92,686	93,937	93,959		
2008	26,512	68,537	87,496	96,148	99,270	103,617	104,109	104,229			
2009	25,505	56,345	71,101	77,213	79,524	80,327	80,991				
2010	22,283	62,535	85,856	94,188	96,790	98,246					
2011	58,704	171,921	246,398	258,633	262,213						
2012	31,005	90,688	116,086	126,709							
2013	26,120	64,204	96,089								
2014	32,593	84,854									
2015	31,495										

Paid Loss Ratio

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	17.8%	94.7%	130.2%	147.7%	153.9%	157.7%	158.6%	159.2%	163.5%	163.3%	163.5%
2006	8.8%	26.0%	29.9%	33.7%	35.2%	36.1%	36.5%	36.9%	37.2%	37.2%	
2007	9.3%	22.5%	29.7%	32.7%	33.6%	33.7%	34.1%	34.6%	34.6%		
2008	10.7%	27.8%	35.4%	38.9%	40.2%	42.0%	42.2%	42.2%			
2009	8.8%	19.5%	24.7%	26.8%	27.6%	27.9%	28.1%				
2010	8.7%	24.3%	33.4%	36.7%	37.7%	38.3%					
2011	22.4%	65.5%	93.9%	98.6%	100.0%						
2012	10.8%	31.6%	40.5%	44.2%							
2013	9.4%	23.1%	34.6%								
2014	10.7%	27.9%									
2015	8.8%										

Gross Case Incurred Losses

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	362,612	603,317	654,889	675,669	687,556	679,896	678,151	679,992	694,775	693,730	694,831
2006	92,760	112,264	119,086	124,119	126,216	126,305	126,011	127,793	127,623	127,192	
2007	58,687	95,915	97,849	96,040	95,548	95,534	93,901	94,979	94,551		
2008	67,756	106,178	107,102	106,147	104,915	104,992	105,338	104,799			
2009	56,527	78,433	81,927	81,882	82,406	82,885	82,909				
2010	57,372	94,801	102,357	102,716	103,491	104,884					
2011	188,030	273,218	274,445	274,607	273,971						
2012	99,732	137,127	140,086	140,166							
2013	84,041	112,007	118,142								
2014	79,582	126,267									
2015	90,838										

Case Incurred Loss Ratio

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	85.5%	142.3%	154.4%	159.3%	162.1%	160.3%	159.9%	160.3%	163.8%	163.6%	163.8%
2006	27.3%	33.1%	35.1%	36.6%	37.2%	37.2%	37.1%	37.6%	37.6%	37.5%	
2007	21.6%	35.3%	36.0%	35.3%	35.2%	35.2%	34.6%	34.9%	34.8%		
2008	27.4%	43.0%	43.4%	43.0%	42.5%	42.5%	42.7%	42.4%			
2009	19.6%	27.2%	28.4%	28.4%	28.6%	28.8%	28.8%				
2010	22.3%	36.9%	39.9%	40.0%	40.3%	40.8%					
2011	71.7%	104.2%	104.6%	104.7%	104.4%						
2012	34.8%	47.8%	48.8%	48.8%							
2013	30.3%	40.4%	42.6%								
2014	26.2%	41.5%									
2015	25.4%										

Other Property Reinsurance Reserving Notes

- This reserving class accounts for 7.0% (2014: 6.7%) of gross reserves as at year-end 2015.

- This class includes risk excess, pro-rata, property facultative and other business, all of which have differing claim characteristics and are projected separately.

		Proportion				
Accident Year	Gross Earned Premium ($000s)	Risk Excess	Pro Rata	Property Fac	Risk Solutions	Other
2005	422,212	62%	32%	1%	0%	6%
2006	338,203	54%	40%	5%	0%	1%
2007	271,347	46%	42%	12%	0%	0%
2008	246,389	39%	45%	16%	0%	0%
2009	288,228	33%	51%	16%	0%	0%
2010	256,838	32%	47%	18%	3%	0%
2011	262,326	26%	48%	18%	8%	0%
2012	286,931	25%	53%	17%	5%	0%
2013	277,506	27%	53%	17%	0%	2%
2014	304,206	26%	57%	13%	0%	4%
2015	357,679	22%	62%	9%	0%	6%

- The impact of large events is summarised in the following table:

Gross					
AY	Paid	Case	Incurred	IBNR	Ultimate
2005	516,195	604	516,800	297	517,097
2006	-		-	-	-
2007	1,383	-	1,383	-	1,383
2008	22,012	3	22,015	-	22,015
2009	-		-	-	-
2010	3,136	118	3,254	5,208	8,462
2011	155,804	6,284	162,088	4,469	166,557
2012	10,420	6,426	16,846	43,716	60,562
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-

Ceded					
AY	Paid	Case	Incurred	IBNR	Ultimate
2005	303,149	259	303,408	-	303,408
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	44,110	1,851	45,961	295	46,256
2012	1,218	-	1,218	3,532	4,750
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-

Net					
AY	Paid	Case	Incurred	IBNR	Ultimate
2005	213,046	345	213,391	297	213,689
2006	-	-	-	-	-
2007	1,383	-	1,383	-	1,383
2008	22,012	3	22,015	-	22,015
2009	-	-	-	-	-
2010	3,136	118	3,254	5,208	8,462
2011	111,694	4,434	116,127	4,174	120,301
2012	9,203	6,426	15,628	40,184	55,812
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-

- There was a significant impact on pro-rata and risk excess contracts from hurricane losses in 2005 with a subsequent change in the underwriting of these classes, including a significant reduction in gross earned premium and reinsurance costs.

- The paid and case incurred claims of the 2005 year between months 96 and 108 reflect final settlement of material exposure relating to Hurricane Katrina.

- Due to the significant presence of proportional business, which is reviewed on an underwriting year basis, the method of allocation by accident year is subject to change. This may make comparisons to previous figures by year less relevant.

			Reinsurance - Casualty				
Valuation Date: December 31, 2015							**Value in Thousands, USD**
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Gross				= (2) + (3)		= (4) + (5)	= (6) / (1)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2005	422,910	137,708	30,253	167,960			
2006	412,552	133,979	43,055	177,034			
2007	388,505	164,638	73,383	238,021			
2008	330,037	149,487	57,529	207,016			
2009	349,201	154,900	70,575	225,475			
2010	339,379	117,464	53,231	170,695			
2011	305,869	91,608	62,916	154,524			
2012	305,424	66,125	68,272	134,397			
2013	296,372	43,346	60,512	103,857			
2014	268,726	13,741	56,510	70,251			
2015	271,831	3,407	24,838	28,245			
Total	3,690,806	1,076,402	601,073	1,677,476	876,547	2,554,023	69.2%
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Ceded				= (9) + (10)		= (11) + (12)	= (13) / (8)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2005	15,184	89	154	243			
2006	11,873	246	362	608			
2007	4,969	52	52	104			
2008	3,087	0	0	0			
2009	1,215	0	0	0			
2010	989	0	0	0			
2011	1,483	0	0	0			
2012	2,126	182	643	825			
2013	4,655	784	3,084	3,868			
2014	4,892	8	679	688			
2015	1,830	0	0	0			
Total	52,303	1,361	4,975	6,336	2,848	9,184	17.6%
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Net				= (16) + (17)		= (18) + (19)	= (20) / (15)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2005	407,725	137,619	30,099	167,717			
2006	400,679	133,734	42,693	176,426			
2007	383,535	164,586	73,331	237,917			
2008	326,950	149,487	57,529	207,016			
2009	347,986	154,900	70,575	225,475			
2010	338,391	117,464	53,231	170,695			
2011	304,385	91,608	62,916	154,524			
2012	303,298	65,943	67,629	133,572			
2013	291,717	42,562	57,428	99,990			
2014	263,834	13,733	55,831	69,563			
2015	270,001	3,407	24,838	28,245			
Total	3,638,502	1,075,042	596,098	1,671,140	873,699	2,544,839	69.9%

Reinsurance - Casualty

Valuation Date: December 31, 2015 — **Value in Thousands, USD**

Gross Paid Losses

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	701	5,838	19,816	42,672	65,066	86,424	95,842	108,348	113,241	125,596	137,708
2006	897	12,653	30,443	48,268	68,223	87,678	101,646	113,086	121,392	133,979	
2007	2,792	12,200	36,364	70,777	103,237	122,290	140,204	150,831	164,638		
2008	2,003	11,234	34,852	65,994	93,254	112,465	134,629	149,487			
2009	2,804	17,511	41,449	79,996	110,344	132,369	154,900				
2010	2,524	14,956	40,260	68,087	98,396	117,464					
2011	5,529	18,847	43,642	66,865	91,608						
2012	2,223	18,198	42,469	66,125							
2013	3,419	16,189	43,346								
2014	2,525	13,741									
2015	3,407										

Paid Loss Ratio

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	0.2%	1.4%	4.7%	10.1%	15.4%	20.4%	22.7%	25.6%	26.8%	29.7%	32.6%
2006	0.2%	3.1%	7.4%	11.7%	16.5%	21.3%	24.6%	27.4%	29.4%	32.5%	
2007	0.7%	3.1%	9.4%	18.2%	26.6%	31.5%	36.1%	38.8%	42.4%		
2008	0.6%	3.4%	10.6%	20.0%	28.3%	34.1%	40.8%	45.3%			
2009	0.8%	5.0%	11.9%	22.9%	31.6%	37.9%	44.4%				
2010	0.7%	4.4%	11.9%	20.1%	29.0%	34.6%					
2011	1.8%	6.2%	14.3%	21.9%	30.0%						
2012	0.7%	6.0%	13.9%	21.7%							
2013	1.2%	5.5%	14.6%								
2014	0.9%	5.1%									
2015	1.3%										

Gross Case Incurred Losses

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	29,872	71,227	126,127	141,086	133,606	149,288	152,058	149,424	155,450	158,115	167,960
2006	22,602	65,739	97,612	121,518	148,640	154,563	158,486	165,331	169,825	177,034	
2007	56,129	102,819	155,885	183,042	201,733	210,643	212,883	228,133	238,021		
2008	43,974	97,580	141,455	171,010	182,894	191,240	203,527	207,016			
2009	31,865	90,241	139,855	185,316	201,877	224,913	225,475				
2010	24,445	72,847	119,619	138,273	159,248	170,695					
2011	26,829	69,920	110,774	134,624	154,524						
2012	31,387	68,715	108,289	134,397							
2013	27,149	72,168	103,857								
2014	28,176	70,251									
2015	28,245										

Case Incurred Loss Ratio

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	7.1%	16.8%	29.8%	33.4%	31.6%	35.3%	36.0%	35.3%	36.8%	37.4%	39.7%
2006	5.5%	15.9%	23.7%	29.5%	36.0%	37.5%	38.4%	40.1%	41.2%	42.9%	
2007	14.4%	26.5%	40.1%	47.1%	51.9%	54.2%	54.8%	58.7%	61.3%		
2008	13.3%	29.6%	42.9%	51.8%	55.4%	57.9%	61.7%	62.7%			
2009	9.1%	25.8%	40.0%	53.1%	57.8%	64.4%	64.6%				
2010	7.2%	21.5%	35.2%	40.7%	46.9%	50.3%					
2011	8.8%	22.9%	36.2%	44.0%	50.5%						
2012	10.3%	22.5%	35.5%	44.0%							
2013	9.2%	24.4%	35.0%								
2014	10.5%	26.1%									
2015	10.4%										

Casualty Reinsurance Reserving Notes

- This reserving class accounts for 30.8% (2014: 34.4%) of gross reserves as at year-end 2015 and is the largest class as measured by reserves held.

- We project 40 sub-sets of data which are grouped broadly into medical malpractice, professional Indemnity, workers' compensation, workers compensation catastrophe, auto liability, general liability and miscellaneous all of which have different claim characteristics ranging from short-tail (i.e., workers' compensation catastrophe) through medium-tail (i.e., medical malpractice, professional Indemnity, auto liability and miscellaneous) to long-tail (i.e., general liability, umbrella and workers' compensation).

- A split of gross earned premium into these categories is as follows:

				Proportion					
Accident Year	Gross Earned Premium ($000s)	Workers Comp Cat	Medical Malpractice	Professional Indemnity	Motor	General Liability	Umbrella	Workers Compensation	Misc
2005	422,910	5%	20%	19%	5%	32%	2%	12%	4%
2006	412,552	7%	19%	21%	6%	28%	2%	13%	5%
2007	388,505	7%	20%	20%	6%	28%	4%	11%	5%
2008	330,037	5%	20%	21%	7%	28%	9%	7%	3%
2009	349,201	5%	19%	21%	7%	30%	9%	6%	2%
2010	339,379	6%	16%	18%	9%	33%	9%	7%	3%
2011	305,869	6%	14%	16%	9%	34%	11%	7%	3%
2012	305,424	6%	15%	17%	10%	30%	11%	10%	2%
2013	296,372	6%	16%	17%	9%	32%	10%	9%	3%
2014	268,726	5%	13%	20%	11%	33%	9%	7%	2%
2015	271,831	6%	14%	15%	13%	39%	5%	7%	0%

Note: Miscellaneous includes reinstatement premiums, modelled additional premiums on loss dependent contracts and commuted contracts.

- The 2007 to 2009 accident years are impacted by claims that may arise as a result of the global financial crisis during 2008 and 2009. We have conducted detailed analyses of our cedants' exposures to these potential claims and established specific IBNR reserves. These exposures arise principally from excess of loss reinsurance provided to certain Lloyd's syndicates writing U.S. and international casualty accounts in the London market. Losses from the financial crisis are the main cause of the incurred development seen over the 2015 calendar year in these years.

- Within case reserves, we establish material amounts of reserves over and above those advised by our cedants. This arises where our claims professionals determine that the advised case reserves may be insufficient to meet the expected future settlement amount. This reserving action will shorten the development pattern of case incurred claims. As at December 31, 2015, additional case reserves in our casualty reinsurance sub-segment were as follows:

AY	Additional Case Reserves
	$000s
2005	6,189
2006	8,559
2007	20,848
2008	12,967
2009	14,995
2010	4,739
2011	9,459
2012	7,913
2013	13,746
2014	8,321
2015	3,926

			Reinsurance - Specialty				
Valuation Date: December 31, 2015							**Value in Thousands, USD**
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Gross				= (2) + (3)		= (4) + (5)	= (6) / (1)
Accident	Earned		Case	Case Incurred		Ultimate	Ultimate
Year	Premium	Paid Losses	Reserves	Losses	IBNR	Losses	Loss Ratio
2005	170,938	192,541	944	193,485			
2006	196,667	82,646	1,019	83,665			
2007	199,437	92,896	2,253	95,149			
2008	197,626	105,335	4,305	109,640			
2009	221,282	112,869	6,998	119,866			
2010	227,075	120,570	11,695	132,265			
2011	260,250	135,302	13,375	148,676			
2012	244,639	137,909	20,210	158,120			
2013	215,657	84,385	18,772	103,157			
2014	211,123	55,058	23,734	78,793			
2015	240,316	17,758	24,351	42,109			
Total	2,385,010	1,137,268	127,657	1,264,925	246,183	1,511,109	63.4%

	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Ceded				= (9) + (10)		= (11) + (12)	= (13) / (8)
Accident	Earned		Case	Case Incurred		Ultimate	Ultimate
Year	Premium	Paid Losses	Reserves	Losses	IBNR	Losses	Loss Ratio
2005	16,048	103,722	587	104,310			
2006	8,539	2,987	0	2,987			
2007	5,618	645	0	645			
2008	452	83	0	83			
2009	250	0	0	0			
2010	105	0	0	0			
2011	903	0	0	0			
2012	0	0	0	0			
2013	1,520	0	0	0			
2014	1,273	0	0	0			
2015	4,863	0	0	0			
Total	39,570	107,437	587	108,024	909	108,933	275.3%

	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Net				= (16) + (17)		= (18) + (19)	= (20) / (15)
Accident	Earned		Case	Case Incurred		Ultimate	Ultimate
Year	Premium	Paid Losses	Reserves	Losses	IBNR	Losses	Loss Ratio
2005	154,890	88,819	357	89,176			
2006	188,128	79,659	1,019	80,678			
2007	193,819	92,251	2,253	94,504			
2008	197,174	105,252	4,305	109,558			
2009	221,032	112,869	6,998	119,866			
2010	226,970	120,570	11,695	132,265			
2011	259,347	135,302	13,375	148,676			
2012	244,639	137,909	20,210	158,120			
2013	214,137	84,385	18,772	103,157			
2014	209,850	55,058	23,734	78,793			
2015	235,453	17,758	24,351	42,109			
Total	2,345,440	1,029,831	127,070	1,156,901	245,274	1,402,176	59.8%

Reinsurance - Specialty

Valuation Date: December 31, 2015

Value in Thousands, USD

Gross Paid Losses

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	12,958	70,714	118,923	156,386	168,689	179,827	182,892	191,510	192,093	192,388	192,541
2006	10,248	20,610	47,252	53,816	67,541	71,206	78,528	80,209	82,138	82,646	
2007	10,011	34,480	51,481	74,246	83,548	86,541	91,014	92,406	92,896		
2008	14,757	50,412	68,032	90,321	94,883	101,076	104,135	105,335			
2009	25,759	68,807	91,068	97,497	106,042	109,472	112,869				
2010	10,886	49,151	61,133	100,844	104,477	120,570					
2011	26,988	73,145	100,075	123,853	135,302						
2012	24,810	92,761	127,887	137,909							
2013	24,716	69,092	84,385								
2014	15,823	55,058									
2015	17,758										

Paid Loss Ratio

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	7.6%	41.4%	69.6%	91.5%	98.7%	105.2%	107.0%	112.0%	112.4%	112.5%	112.6%
2006	5.2%	10.5%	24.0%	27.4%	34.3%	36.2%	39.9%	40.8%	41.8%	42.0%	
2007	5.0%	17.3%	25.8%	37.2%	41.9%	43.4%	45.6%	46.3%	46.6%		
2008	7.5%	25.5%	34.4%	45.7%	48.0%	51.1%	52.7%	53.3%			
2009	11.6%	31.1%	41.2%	44.1%	47.9%	49.5%	51.0%				
2010	4.8%	21.6%	26.9%	44.4%	46.0%	53.1%					
2011	10.4%	28.1%	38.5%	47.6%	52.0%						
2012	10.1%	37.9%	52.3%	56.4%							
2013	11.5%	32.0%	39.1%								
2014	7.5%	26.1%									
2015	7.4%										

Gross Case Incurred Losses

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	78,483	142,636	168,082	184,869	188,656	192,145	192,645	193,806	193,556	193,932	193,485
2006	29,969	45,126	60,452	63,548	82,739	83,500	85,251	83,676	83,564	83,665	
2007	20,048	52,651	65,319	88,385	97,812	93,429	95,707	95,627	95,149		
2008	25,862	80,390	97,544	102,982	106,154	111,401	110,877	109,640			
2009	58,342	103,159	114,862	112,497	116,961	117,628	119,866				
2010	23,426	86,271	93,483	134,339	131,808	132,265					
2011	64,768	114,590	122,333	138,661	148,676						
2012	46,476	131,822	151,242	158,120							
2013	49,025	90,969	103,157								
2014	42,675	78,793									
2015	42,109										

Case Incurred Loss Ratio

	Months										
	12	24	36	48	60	72	84	96	108	120	132
2005	45.9%	83.4%	98.3%	108.1%	110.4%	112.4%	112.7%	113.4%	113.2%	113.5%	113.2%
2006	15.2%	22.9%	30.7%	32.3%	42.1%	42.5%	43.3%	42.5%	42.5%	42.5%	
2007	10.1%	26.4%	32.8%	44.3%	49.0%	46.8%	48.0%	47.9%	47.7%		
2008	13.1%	40.7%	49.4%	52.1%	53.7%	56.4%	56.1%	55.5%			
2009	26.4%	46.6%	51.9%	50.8%	52.9%	53.2%	54.2%				
2010	10.3%	38.0%	41.2%	59.2%	58.0%	58.2%					
2011	24.9%	44.0%	47.0%	53.3%	57.1%						
2012	19.0%	53.9%	61.8%	64.6%							
2013	22.7%	42.2%	47.8%								
2014	20.2%	37.3%									
2015	17.5%										

Specialty Reinsurance Reserving Notes

- This reserving class accounts for 7.8% (2014: 8.4%) of gross reserves as at year-end 2015.
- The mix of business between specialty lines (marine, aviation liability, satellite), credit and surety reinsurance, and agriculture reinsurance, is shown in the following table:

			Proportion		
Accident Year	Gross Earned Premium ($000s)	Speciality Lines	Structured Risks	Credit & Surety	Agriculture
2005	170,680	57%	43%	0%	0%
2006	196,419	46%	54%	0%	0%
2007	199,189	49%	51%	0%	0%
2008	197,377	50%	50%	0%	0%
2009	220,992	48%	44%	8%	0%
2010	226,799	45%	27%	22%	6%
2011	259,980	45%	21%	29%	6%
2012	244,341	54%	2%	34%	10%
2013	215,349	53%	0%	37%	10%
2014	210,786	47%	0%	37%	15%
2015	239,978	44%	0%	40%	16%

- The development seen in 2010 in year between months 36 and 48 is from the commutation of a large contract. This is not expected to recur as we have no other contracts which have fixed commutation clauses in that class.
- The development seen in 2012 in the second year is materially driven by Superstorm Sandy and Costa Concordia on the Specialty Marine account.
- The slightly heavier development seen in the past 12 months has come from a casualty risk in the structured risks account. This book is an outlier in the specialty sub-segment as it contained a small number of casualty accounts which have a longer development potential than the balance of the sub-segment. You will note that there was virtually no further casualty exposure of this nature post this accident year from the table above.
- The impact of large events is summarised in the following table:

Gross					
AY	Paid	Case	Incurred	IBNR	Ultimate
2005	91,843	98	91,941	-	91,941
2006	-	-	-	-	-
2007	5,801	-	5,801	-	5,801
2008	12,237	342	12,579	-	12,579
2009	-	-	-	-	-
2010	1,411	-	1,411	1	1,412
2011	19,793	4,903	24,696	2,077	26,774
2012	20,729	3,030	23,759	3,895	27,654
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-

Ceded					
AY	Paid	Case	Incurred	IBNR	Ultimate
2005	73,382	35	73,417	166	73,583
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-

Net					
AY	Paid	Case	Incurred	IBNR	Ultimate
2005	18,461	63	18,524	- 166	18,358
2006	-	-	-	-	-
2007	5,801	-	5,801	-	5,801
2008	12,237	342	12,579	-	12,579
2009	-	-	-	-	-
2010	1,411	-	1,411	1	1,412
2011	19,793	4,903	24,696	2,077	26,774
2012	20,729	3,030	23,759	3,895	27,654
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-

GLOSSARY

Accident Year means the year in which the event occurred that triggered a claim. All years referred to are years ending December 31st.

Additional Case Reserves are amounts that are held in addition to Case Reserves that result from our claims professionals determining that the established Case Reserves (which are often established by cedants or third parties) are expected to be insufficient to meet the expected future settlement amounts.

Case Incurred Losses is the sum of Paid Losses, plus Case Reserves and any Additional Case Reserves. This term has the same meaning as reported losses or simply incurred losses.

Case Incurred Loss Ratio is the ratio of Case Incurred Losses to Earned Premium, which shows the relationship between Case Incurred Losses and the associated premiums that are related to those losses.

Case Reserves are amounts set aside in relation to claims that have been made but not yet been paid and represent an assessment of the remaining amount to be paid in respect of each notified claim.

Ceded Claims are those amounts received or expected to be received from third party reinsurers to whom Aspen ceded premiums.

Ceded Premiums are those premiums payable by Aspen to third party reinsurers.

Diagonals in the triangle from bottom left to top right represent evaluation dates. For example, the last diagonal in our published triangles shows the position of each Accident Year as at December 31, 2015.

Earned Premium is the amount of policy premiums allocated between Accident Years in accordance with the assumed incidence of risk which results from insurance and reinsurance contracts that do not all commence at the start of a given Accident Year.

Gross Premiums and Gross Losses are shown before the impact of any third party outwards reinsurance.

Inception to Date means the period from 2005 through 2015, the 2002-2004 years are considered immaterial for the purposes of this document.

Incurred but not Reported (IBNR) means incurred but not reported reserve, or a reserve amount held to cover expected future settlements in relation to all claims that have occurred but have not yet been reported. This includes a reserve provision for claims which may have already occurred and expected development (upward or downward) in existing Case Reserves and Additional Case Reserves.

Loss Emergence is the change in ultimate losses from the previous development point. Loss emergence is shown separately for each accident year and calendar year.

Maturity is measured in months from the start of the Accident Year.

Net means the retained portion of premiums written or losses paid and incurred. Net Premium equals Gross Premium less Ceded Premium and Net Losses equals Gross Losses less Ceded Claims.

Paid Losses are claim amounts paid to insureds or ceding companies and include any expenses associated with settling the claim (sometime known as Allocated Loss Adjusted Expenses or ALAE).

Paid Loss Ratio is the ratio of Paid Losses to Earned Premium, which shows the relationship between paid losses and the associated premiums that are related to those losses.

Periodic Payment Orders (PPOs) are now increasingly being used to settle catastrophic injury claims in the UK. Compensation is paid to claimants at regular intervals, rather than in a single lump sum award. This transfers mortality and investment risk from the claimant to general insurers although claimants then take on the credit risk of the insurer defaulting at some time in the future when a payment is due

Report Year / Claims Made Year refers to the year in which a claim is reported. All years referred to are years ending December 31st.

Subrogation allows an insurer who has paid money to an insured to recoup all or some of that money from a third party who caused or contributed to the loss. This means that once an insurer has paid out under an insurance contract, the insurer can "step into the shoes" of the insured.

Total Reserves is the unpaid losses and loss adjustment expenses.

Triangle is a cross tabulation of data usually showing financial quantities in respect of periods of exposure (e.g. Accident Years), each evaluated at regular intervals (maturities).

Ultimate Loss is the total of all expected settlement amounts, whether paid or reserved together with any associated allocated and unallocated loss adjustment expenses and is the estimated total amount of loss at the measurement date. For the purposes of this report, Ultimate Loss is calculated by adding: Paid Losses, Case and Additional Case Reserves and IBNR.

Ultimate Loss Ratio is the ratio of Ultimate Loss to Earned Premium, which shows the relationship between expected losses and the associated premiums that are related to those losses.

Unallocated Loss Adjustment Expenses (ULAE) are all external, internal, and administrative claims handling expenses that are not included in the allocated loss adjustment expenses (ALAE).

Underwriting Year means the year during which the contract incepts. Exposure from contracts incepting during the current underwriting year will potentially affect both the current Accident Year as well as future Accident Years.