ASPEN

2012 Loss Development Triangles

2012 Loss Development Triangle Cautionary Language

This report is for informational purposes only and is current as of December 31, 2012. We are under no obligation and do not expect to update or revise this report, whether as a result of new information, future events or otherwise, even when such 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 Aspen Insurance Holdings Limited ("Aspen" or the "Company") 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 both with respect to the Company in general and the insurance and reinsurance sectors specifically, both as to underwriting and investment matters. Statements which include the words "expect," "intend," "plan," "believe," "project," "anticipate," "seek," "will,", "estimate", "may", "aim", "continue", "guidance" 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) changes in the size of the claims payable by Aspen relating to natural catastrophes and other large losses; (ii) trends in rates for property, casualty and specialty insurance and reinsurance; (iii) 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 Aspen's underwriting, reserving, reinsurance purchasing or investment practices have anticipated; (iv) the reliability of, and changes in assumptions to, natural and man-made catastrophe pricing, accumulation and estimated loss models; (v) evolving issues with respect to interpretation of coverage after major loss events; (vi) any intervening legislative or governmental action and changing judicial interpretation and judgments on insurers' liability to various risks; (vii) the effectiveness of Aspen's loss limitation methods; (viii) changes in the total industry losses, or Aspen's share of total industry losses, resulting from past events and, with respect to such events, Aspen's reliance on loss reports received from cedants and loss adjustors, Aspen's 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; (ix) the impact of acts of terrorism and related legislation and acts of war; (x) decreased demand for Aspen's insurance or reinsurance products and cyclical changes in the insurance and reinsurance sectors; (xi) any changes in Aspen's reinsurers' credit quality and the amount and timing of reinsurance recoverables; (xii) changes in the availability, cost or quality of reinsurance or retrocessional coverage; (xiii) continuing and uncertain impact of the current depressed economic environment in many of the countries in which Aspen operates; (xiv) the level of inflation in repair costs due to limited availability of labor and materials after catastrophes; (xv) changes in insurance and reinsurance market conditions; (xvi) increased competition on the basis of pricing, capacity, coverage terms or other factors and the related demand and supply dynamics as contracts come up for renewal; (xvii) a decline in Aspen's operating subsidiaries' ratings with S&P, A.M. Best or Moody's; (xviii) Aspen's ability to execute its business plan to enter new markets, introduce new products and develop new distribution channels, including their integration into Aspen's existing operations; (xix) changes in general economic conditions, including inflation, foreign currency exchange rates, interest rates and other factors; (xx) changes in accounting policies and practices; and (xxi) changes in government regulations or tax laws in jurisdictions where Aspen conduct business.

For a more detailed description of these uncertainties and other factors, please see the "Risk Factors" section in Aspen's most recently filed Annual Reports on Form 10-K. Aspen undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. 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.

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 is based on Aspen's then current state of knowledge and explicit and implicit assumptions relating to the incurred patterns of claims, the expected ultimate settlement amount, inflation and dependencies between lines of business. Due to the complexity of factors contributing to the losses and the preliminary nature of the information used to prepare these estimates, there can be no assurance that Aspen's ultimate losses will remain within the stated amounts.

SECTION 1: INTRODUCTION

This is Aspen's third annual publication of its global loss development triangles. It has the primary goal of providing stakeholders with additional insight into the reserves held on its balance sheet as at December 31, 2012.

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. That is, the actual emergence of ultimate losses can be expected to differ, perhaps materially, from any estimate of such losses.

At Aspen our reserving process is an integral part of the business. Our actuaries project over 50 different products and in many cases several sub-sets. 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 global loss development triangle publication 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 here could be misleading. Important details, such as specific loss development expectations for particular contracts, years, or events cannot be developed by solely 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 will 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 be inappropriate.
>
> iii. Several reserving classes are affected by the presence of large losses, including catastrophes. Loss development for years with a sizeable component of large losses may differ significantly from those years unaffected by large losses.
>
> 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 this 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.

Each section is in two parts. The first part is a summary as at December 31, 2012 on 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 2012 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, accurate allocation of paid and reported claims to accident year is made. 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, UK 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

Our property insurance line comprises U.S. and U.K. commercial property and construction business. Property insurance provides physical damage and business interruption coverage for losses arising from weather, fire, theft and other causes.

- *U.S. Property:* The U.S. commercial property team covers mercantile, manufacturing, municipal and commercial real estate business.

- *U.K. Property:* The U.K. commercial team's client base is predominantly U.K. institutional property owners, middle market corporates and public sector clients.

Programs

Our program business 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 within insurance. We work closely with our program managers to establish appropriate underwriting and processing guidelines and have established performance monitoring mechanisms.

For the purposes of this report we have combined the property and program classes as one triangulation class.

Casualty

This reserving class comprises commercial liability, global excess casualty, U.S. casualty insurance and environmental liability, written on a primary, quota share, program and facultative basis.

- *Commercial Liability:* Commercial liability is primarily written in the U.K. and provides employers' liability coverage and public liability coverage for insureds domiciled in the U.K. and Ireland.

- *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.

- *U.S. Casualty*: The U.S. casualty account primarily consists of lines written within the general liability and umbrella liability insurance sectors. Coverage on our general liability line is offered on those risks that are primarily miscellaneous, products liability, contractors (general contractors and artisans), real estate and retail risks and other general liability business.

- *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

Marine, Energy and Transportation

This reserving class comprises marine, energy and construction ("M.E.C.") liability, energy physical damage, marine hull, specie, inland marine and ocean risks and aviation, written on a primary, quota share, programand facultative basis.

- *M.E.C. Liability:* The M.E.C. liability business 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 for companies in the oil and gas sector, both onshore and offshore and in the power generation and U.S. commercial construction sectors.

- *Energy Physical Damage:* Energy physical damage provides insurance cover against physical damage losses in addition to Operators Extra Expenses ("OEE") for companies operating in the oil and gas exploration and production sector.

- *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, jewelers' 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) and comprehensive legal liability for airlines, smaller operators of airline equipment, airports and associated business and non-critical component part manufacturers. We also provide aviation hull deductible cover.

Financial and Professional

This reserving class comprises financial institutions business, professional, management and technology liability, credit, political, terrorism and surety risks, written on a primary, quota share, program and facultative basis.

- *Financial Institutions:* 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 and the U.S. and then Canada. We cover financial institutions including commercial and investment banks, asset managers, insurance companies, stockbrokers and insureds with hybrid business models.

- *Professional Liability:* Our professional liability business is written out of the U.S. (including Errors and Omissions ("E&O")), the U.K. and Switzerland 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 and engineers.

- *Management & Technology Liability:* We write on both a primary and excess basis D&O insurance and indemnity insurance in connection with, or to facilitate, corporate transactions.

- *Technology Liability:* Our technology liability team writes on both a primary and excess basis technology-related policies in the areas of network privacy, misuse of data and cyber liability and warranty.

  Credit, Political & Terrorism: The credit, political & terrorism team writes business covering the credit and contract frustration risks on a variety of trade and non-trade related transactions, as well as political and terrorism (including multi-year war on land cover) risks. We provide credit, political and terrorism cover worldwide, but with concentrations in a number of countries, such as Russia, China, Brazil, the Netherlands and United States.

- *Kidnap and Ransom*: The Kidnap and Ransom ("K&R") team writes insurance designed to protect individuals and corporations operating in high-risk areas around the world. This has now been extended to cover the shipping industries exposure to acts of piracy prevalent in certain regions of the world.

- *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.

Property Other

Other Property Reinsurance includes risk excess of loss and proportional treaty reinsurance, 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 including regular audits of the cedants' data.

Effective January 1, 2012, management responsibility for the risk solutions business was moved from reinsurance to insurance although for Loss Triangulation purposes, business written in 2011 and prior is included in Property Other.

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. Our U.S. treaty business comprises exposures to workers' compensation (including catastrophe), medical malpractice, general liability, auto liability, professional liability and excess liability including umbrella liability. Our international 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 pro rata basis and consists of credit and surety reinsurance, structured risks, agriculture reinsurance and specialty lines (marine, aviation, satellite).

Our credit and surety reinsurance business consists of trade credit reinsurance, international surety reinsurance (mainly European, Japanese and Latin American risks and excluding the U.S.) and a small political risks reinsurance portfolio.

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, liability, aviation, space, contingency, terrorism, nuclear, personal accident and crop reinsurance.

SECTION 4: OVERVIEW OF RESERVING METHODOLOGY

Reserving approach. We are required by 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:

- case reserves to cover the cost of claims that were reported to us but not yet paid;
- reserves for incurred but not reported ("IBNR") claims to cover the anticipated cost of claims incurred but not reported; and
- a reserve for the expense 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 by management of the reserves to be included in our financial statements, our actuarial team employs a number of techniques to establish a range of estimates from which they consider it reasonable for management to select a 'best estimate' (the "actuarial range").

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 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.

In addition, for significant events such as the 2011 earthquake and tsunami in Japan, for example, the detailed analysis of our potential exposures includes information obtained directly from cedants which has yet to be processed through market systems enabling us to reduce the time lag between a significant event occurring and establishing case reserves. This additional information is also incorporated into the analysis used to determine the actuarial IBNR. Reinsurance intermediaries are used to assist in obtaining and validating information from cedants but we establish all reserves. In addition, we may engage loss adjusters and perform on site cedant audits to validate the information provided. Disputes do occur with cedants, but the number and frequency are generally low. In the event of a dispute, intermediaries are used to try to resolve the dispute. If a resolution cannot be reached, then the contracts typically provide for binding arbitration

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 on most occasions, we will 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 generally be identified as reserves for a particular loss or contract. We calculate IBNR reserves by line of business and by accident year within that line. Where appropriate, analyses may be conducted on sub-sets of a line of business. IBNR reserves are calculated by projecting our ultimate losses on each line of business and subtracting paid losses and case reserves.

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 we receive regular statements from cedants (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 method (“IELR”): 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”). Benchmark development patterns may be derived from our own data or industry data sources. 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 used for specific large typically 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 line of business and available data.

In general terms, the IELR method is most appropriate for lines 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 lines of business in the casualty reinsurance segment. 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 line of business in our reinsurance segment and marine hull line 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 lines of business in the insurance segment.

Reserving Procedures and Process. Our actuaries generally calculate the IELR, BF and Chain Ladder and, if appropriate, other methods for each line of business and each accident year. They then provide a range of ultimates within which management's best estimate is most likely to fall. This range will usually reflect a blend of the various methodologies. These methodologies do involve significant subjective judgments reflecting many factors such as changes in legislative conditions, changes in judicial interpretation of legal liability policy coverages and inflation. Our actuaries collaborate with underwriting, claims, legal and finance in identifying factors which are incorporated in their range of ultimates in which management's best estimate is most likely to fall. The actuarial ranges are not intended to include the minimum or maximum amount that the claims may ultimately settle at, but are designed to provide management with ranges from which it is reasonable to select a single best estimate for inclusion in our financial statements.

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

Selection of gross reserves. Management through its Reserve Committees then reviews the range of actuarial estimates and any other evidence before selecting its best estimate of reserves for each line of business and accident year. Management may select outside the range provided by the actuaries but to date gross reserves are within the range of actuarial estimates. This provides the basis for the recommendation made by management to the Audit Committee and the Board regarding the reserve amount to be recorded in the Company's financial statements.

There are two Reserve Committees, one for each of the insurance and reinsurance segments. Common membership to both committees includes the Group Head of Risk (the acting Chair), the Group Chief Actuary, the Group Chief Financial Officer, the Chairman of Aspen Insurance and the Chief Underwriting Officer of Aspen Re. Senior members of the insurance and reinsurance segments' underwriting and claims staff comprise the remaining members of each committee.

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, for all lines of business, we review the emergence of actual losses relative to expectations every fiscal quarter. If warranted from these loss emergence tests, we may accelerate the timing of our detailed actuarial reviews.

Uncertainties. While the management selected reserves make what we believe to be a reasonable provision for unpaid loss and loss adjustment expense obligations, we note that the process of estimating required reserves does, by its very nature, involve 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 regularly our reserves, 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. Lines of business where the IBNR proportion of the total reserve is high, such as liability insurance, will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these reserves.

Lines 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 best point estimate.

There are specific areas of our selected reserves which have additional uncertainty associated with them. In property reinsurance, there is still the potential for adverse development from litigation associated with Hurricane Katrina. With Superstorm Sandy being the most recent catastrophe event, there remains uncertainty and potential for adverse development. In casualty reinsurance, there are additional uncertainties associated with claims emanating from the global financial crisis. There is also a potential for new areas of claims to emerge as underlying this segment are many long-tail lines of business. 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. In each case, management believes that they have selected an appropriate best estimate based on current information and current analyses.

Loss Reserving Sensitivity Analysis: The most significant key assumptions identified in the reserving process are that (1) the historic loss development and trend experience is assumed to be indicative of future loss development and trends, (2) the information developed from internal and independent external sources can be used to develop meaningful estimates of the initial expected ultimate loss ratios, and (3) 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.

The selected best estimate of reserves is typically in excess of the mean of the actuarial reserve estimates. The Company believes 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 its best estimate of future liabilities, the Company considers both the results of actuarial point estimates of loss reserves as well as the potential variability of these estimates as captured by a reasonable range of actuarial reserve estimates. In determining the appropriate best estimate, the Company reviews (i) the position of overall reserves within the actuarial reserve range, (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 mid-point estimates, such as the potential for outstanding litigation or claims practices of cedants to have an adverse impact.

In order to show the potential variability in the Company's estimate of loss reserves, the internal actuaries use stochastic modeling techniques around their mean estimate. We believe that stochastic modeling provides a distribution against which selected reserves can be assessed for which we show the probability of various outcomes relative to the actuarial mean estimate. Stochastic modeling provides a range of potential outcomes as reserve movements will be caused by any number of factors, and as such it is unlikely that only one factor will change in a given period; stochastic modeling techniques will reflect the impact from many factors. The output from the stochastic modeling is more meaningful at a segmental level and is therefore not provided at a line of business level.

Actuarial range of gross reserves. We show in the following tables management's selected best estimate as at the last two financial year-ends with the actual percentile that they represent. We also show the 10th, 25th, actuarial mean estimate, 75th and 90th percentiles. Unallocated claims handling expenses have been included at a constant amount across all reserve distributions.

	Gross Reserves as at December 31, 2012						
	Management's Selected						
Segment	**Reserve**	**Percentile**	**10th**	**25th**	**Mean**	**75th**	**90th**
	$M	**%**	**$M**	**$M**	**$M**	**$M**	**$M**
Reinsurance	2,983.7	75%	2,264.7	2,452.8	2,744.7	2,964.1	3,244.4
Insurance	1,796.0	72%	1,186.3	1,355.0	1,616.7	1,829.0	2,110.6
Diversification			457.7	296.1		-198.5	-510.0
Total	**4,779.7**	**87%**	**3,908.7**	**4,103.9**	**4,361.4**	**4,594.6**	**4,845.0**

	Gross Reserves as at December 31, 2011						
	Management's Selected						
Segment	**Reserve**	**Percentile**	**10th**	**25th**	**Mean**	**75th**	**90th**
	$M	**%**	**$M**	**$M**	**$M**	**$M**	**$M**
Reinsurance	2,953.5	75%	2,244.8	2,423.6	2,700.6	2,941.5	3,240.2
Insurance	1,571.7	75%	1,138.3	1,245.2	1,426.8	1,570.2	1,770.9
Diversification			402.5	250.8		-205.0	-482.0
Total	**4,525.2**	**90%**	**3,785.6**	**3,919.6**	**4,127.6**	**4,306.7**	**4,529.1**

The above represents distributions from our internal capital model for reserving risk based upon our current state of knowledge and application of actuarial principles. The model itself has many explicit and implicit assumptions relating to the incurred pattern of claims, the expected ultimate settlement amount, inflation and dependencies between lines of business. If any of these assumptions underlying the model were to prove incorrect then a materially different reserving distribution may result.

The 10th percentile represents a 1 in 10 chance that, for example, reinsurance reserves will be at or lower than $2,264.7 million. The 90th percentile represents a 1 in 10 chance that reserves will be at or greater than $3,244.4 million. Diversification reflects the fact that not all the segments are perfectly correlated; that is, we would not expect all lines of business to run off better than or worse than the mean at the same time.

If the ultimate liabilities equate to the mean actuarial estimate, then the impact from the change in loss reserves would be to increase net income before tax by $418.3 million (being the difference above between the selected loss reserves of $4,779.7 million and the mean value of $4,361.4 million), although the impact of such a change is unlikely to be recognized in one calendar year due to the unwinding of experience against expectations taking many years.

Conversely, if the ultimate liabilities equate to the estimated 90th percentile, then the impact from the change in loss reserves would be to reduce net income before tax by $65.3 million (being the difference between the selected loss reserves of $4,779.7 million and the 90th percentile value of $4,845.0 million), although the impact of such a change is again unlikely to be recognized in one calendar year.

Actuarial range of net reserves. In determining the range of net reserves, we estimate recoveries due under our proportional and excess of loss reinsurance programs. For proportional reinsurance we apply the appropriate cession percentages to estimate how much of the gross reserves will be collectable. For excess of loss recoveries, individual large losses are modeled through our reinsurance program. An assessment is also made of the collectability of reinsurance recoveries taking into account market data on the financial strength of each of the reinsurance companies. The net actuarial range for reserves for losses and loss expenses assuming that net reserves move in proportion to gross would be between $3,908.7 million at the 10th percentile and $4,845.20 million at the 90th percentile. The actual net reserves established as at December 31, 2012 were $4,280.7 million.

SECTION 5: RECONCILIATIONS

Reconciliation of Gross Unpaid Losses

The following table reconciles the gross reserves for losses and loss expenses as of December 31, 2012 as reported in the Aspen 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 in millions, on a gross basis).

	$ Millions
(1) Consolidated Triangles Loss and Loss Expenses	4,731.8
(2) 2002 Year Reserves	1.6
(3) ULAE	43.7
(4) Run-Off Reserves	2.6
(5) Reserves for Losses and loss expenses per December 31, 2012 consolidated financial statements	4,779.7

Notes

(2) The 2002 accident year was a partial, small accident year. It has therefore not been included in the Exhibits as it is not considered indicative of claim development patterns and experience thereafter.

(3) ULAE stands for Unallocated Loss Adjustment Expense and represents an estimate of the internal cost of running off claims.

(4) This item relates to reserves following the acquisitions of City Fire, Dakota and FFIG as part of establishing our U.S. operations, and a reinsurance of the 2002 underwriting year of the U.K. Employers and Public Liability book of business written by our underwriting team prior to joining Aspen. They are now largely immaterial and are excluded from the triangles as they are not considered indicative of our ongoing underwriting operations.

Reconciliation of Reinsurance Unpaid Losses

The following table reconciles the reinsurance reserves for losses and loss expense as of December 31, 2012 as reported in the Aspen consolidated financial statements prepared in accordance with U.S. GAAP to the reserves for loss and loss expenses published in the triangles.

	$ Millions
(1) Consolidated Triangles Loss and Loss Expenses	497.7
(2) 2002 Year Reserves	0.5
(3) Run-Off Reserves	0.9
(4) Reserves for Losses and loss expenses per December 31, 2012 consolidated financial statements	499.1

SECTION 6 : Exhibit 1, Page 1 | **Consolidated Total**

Valuation Date : December 31, 2012 | **Value in Thousands, USD**

GROSS	(1)	(2)	(3)	(4) = (2) + (3)	(5)	(6) = (4) + (5)	(7) = (6) / (1)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2003	1,088,165	317,138	28,871	346,008			
2004	1,515,269	746,582	54,373	800,954			
2005	1,959,948	2,269,151	85,124	2,354,274			
2006	1,977,590	655,661	91,673	747,334			
2007	1,834,366	770,873	152,993	923,866			
2008	1,799,462	942,689	211,064	1,153,753			
2009	2,058,089	600,096	274,490	874,586			
2010	2,086,363	582,056	338,789	920,846			
2011	2,154,633	655,055	480,726	1,135,782			
2012	2,271,847	208,613	479,264	687,877			
Total	18,745,731	7,747,914	2,197,367	9,945,281	2,534,402	12,479,683	66.6%

CEDED	(8)	(9)	(10)	(11) = (9) + (10)	(12)	(13) = (11) + (12)	(14) = (13) / (8)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2003	137,632	17,061	4,587	21,648			
2004	201,081	191,015	11,231	202,246			
2005	469,833	1,107,531	21,850	1,129,381			
2006	327,015	46,674	2,221	48,895			
2007	168,518	58,370	9,998	68,369			
2008	165,572	91,388	24,419	115,807			
2009	202,429	37,684	28,299	65,982			
2010	191,332	24,242	7,828	32,070			
2011	245,925	19,504	115,627	135,131			
2012	285,772	5,361	51,109	56,469			
Total	2,395,109	1,598,829	277,169	1,875,999	220,512	2,096,511	87.5%

NET	(15)	(16)	(17)	(18) = (16) + (17)	(19)	(20) = (18) + (19)	(21) = (20) / (15)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2003	950,532	300,077	24,283	324,360			
2004	1,314,188	555,567	43,142	598,709			
2005	1,490,115	1,161,620	63,274	1,224,894			
2006	1,650,575	608,987	89,452	698,439			
2007	1,665,847	712,503	142,995	855,497			
2008	1,633,890	851,301	186,645	1,037,946			
2009	1,855,660	562,412	246,192	808,604			
2010	1,895,031	557,815	330,961	888,775			
2011	1,908,708	635,551	365,099	1,000,651			
2012	1,986,075	203,252	428,155	631,407			
Total	16,350,622	6,149,085	1,920,197	8,069,282	2,313,890	10,383,172	63.5%

Exhibit 1, Page 2 **Consolidated Total**

Valuation Date : December 31, 2012 **Value in Thousands, USD**

Gross Paid Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	32,458	106,014	162,698	203,485	247,981	274,917	288,951	302,002	311,069	317,138
2004	85,882	396,764	526,201	596,426	652,302	695,456	716,005	737,869	746,582	
2005	220,143	1,184,109	1,669,510	1,936,777	2,096,585	2,190,781	2,232,535	2,269,151		
2006	136,199	293,836	402,437	494,962	573,981	621,943	655,661			
2007	128,291	341,037	512,056	637,026	716,945	770,873				
2008	190,877	463,464	658,567	826,650	942,689					
2009	106,243	292,660	440,410	600,096						
2010	124,983	412,740	582,056							
2011	250,583	655,055								
2012	208,613									

Paid Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	3.0%	9.7%	15.0%	18.7%	22.8%	25.3%	26.6%	27.8%	28.6%	29.1%
2004	5.7%	26.2%	34.7%	39.4%	43.0%	45.9%	47.3%	48.7%	49.3%	
2005	11.2%	60.4%	85.2%	98.8%	107.0%	111.8%	113.9%	115.8%		
2006	6.9%	14.9%	20.3%	25.0%	29.0%	31.4%	33.2%			
2007	7.0%	18.6%	27.9%	34.7%	39.1%	42.0%				
2008	10.6%	25.8%	36.6%	45.9%	52.4%					
2009	5.2%	14.2%	21.4%	29.2%						
2010	6.0%	19.8%	27.9%							
2011	11.6%	30.4%								
2012	9.2%									

Gross Case Incurred Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	157,203	254,727	290,036	313,731	342,207	346,104	353,825	343,031	346,073	346,008
2004	394,134	654,586	717,817	761,099	780,428	787,089	798,919	801,854	800,954	
2005	1,292,682	2,047,030	2,212,424	2,278,166	2,318,452	2,333,914	2,347,326	2,354,274		
2006	373,365	517,081	606,724	675,254	738,686	744,685	747,334			
2007	429,053	665,527	811,226	884,554	913,414	923,866				
2008	532,790	841,789	1,008,267	1,112,425	1,153,753					
2009	386,663	672,207	790,945	874,586						
2010	483,103	785,405	920,846							
2011	767,932	1,135,782								
2012	687,877									

Case Incurred Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	14.4%	23.4%	26.7%	28.8%	31.4%	31.8%	32.5%	31.5%	31.8%	31.8%
2004	26.0%	43.2%	47.4%	50.2%	51.5%	51.9%	52.7%	52.9%	52.9%	
2005	66.0%	104.4%	112.9%	116.2%	118.3%	119.1%	119.8%	120.1%		
2006	18.9%	26.1%	30.7%	34.1%	37.4%	37.7%	37.8%			
2007	23.4%	36.3%	44.2%	48.2%	49.8%	50.4%				
2008	29.6%	46.8%	56.0%	61.8%	64.1%					
2009	18.8%	32.7%	38.4%	42.5%						
2010	23.2%	37.6%	44.1%							
2011	35.6%	52.7%								
2012	30.3%									

Consolidated Total Reserving Notes

In total 63% (2011: 66%) of gross reserves arise from Reinsurance and 37% (2011: 34%) from Insurance.

Of the total reinsurance reserves, 46% (2011: 43%) are reported case reserves and 54% (2011: 57%) are IBNR. Additional case reserves amount to 6.8% of reported case reserves. Held reserves are $239 million (2011: $243 million) in excess of Aspen's internal actuarial mean best estimate and this equates to the 75th (2011 : 75th percentile) on our internal model of reserving risk.

Of the total Insurance reserves, 48% (2011: 49%) are reported case reserves and 52% (2011: 51% are IBNR). Held reserves are $179 million (2011: $145 million) in excess of Aspen's internal actuarial mean best estimate and this equates to the 72nd percentile (2011: 75th percentile) on our internal model of reserving risk.

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

Gross						Ceded						Net					
AY	Paid	Case	Incurred	IBNR	Ultimate	AY	Paid	Case	Incurred	IBNR	Ultimate	AY	Paid	Case	Incurred	IBNR	Ultimate
2004	370,454	1,836	372,290	2,302	374,592	2004	154,456	1,790	156,245	839	157,084	2004	215,999	47	216,045	1,463	217,508
2005	1,575,524	12,005	1,587,529	31,246	1,618,775	2005	1,002,451	11,563	1,014,014	4,298	1,018,312	2005	573,073	442	573,515	26,948	600,463
2006	0	0	0	0	0	2006	0	0	0	0	0	2006	0	0	0	0	0
2007	96,720	10,838	107,558	0	107,558	2007	11,137	11,117	22,254	0	22,254	2007	85,583	-279	85,303	0	85,303
2008	253,476	6,442	259,918	6,079	265,997	2008	66,763	2,244	69,007	-301	68,706	2008	186,713	4,198	190,911	6,380	197,291
2009	0	0	0	0	0	2009	0	0	0	0	0	2009	0	0	0	0	0
2010	107,930	52,012	159,943	13,405	173,348	2010	0	0	0	0	0	2010	107,930	52,012	159,943	13,405	173,348
2011	312,084	220,571	532,655	92,654	625,309	2011	11,700	87,281	98,980	30,424	129,404	2011	300,384	133,290	433,674	62,230	495,904
2012	18,368	160,241	178,609	81,951	260,560	2012	2,942	21,504	24,446	41,003	65,449	2012	15,426	138,738	154,164	40,947	195,111

2004 : Charley, Frances, Ivan, Jeanne, Songda; 2005 : Katrina, Rita, Wilma; 2007 : Kyrill, UK Floods, California Wildfires; 2008 : Ike, Gustav; 2010 : Chile, NZ1; 2011 : Australia Floods, NZ2, Japan, US Tornadoes, Thailand Floods; 2012 : Sandy

In total, held reserves are $418 million (2011: $398 million) in excess of Aspen's internal actuarial mean best estimate and this equates to the 87th percentile (2011: 90th percentile) on our internal model of reserving risk, this percentile reflecting the benefits of diversification across lines of business.

During 2012, there was an overall reduction of our estimate of the ultimate claims to be paid on 2011 and prior accident years of $137 million, $102 million of which was in the reinsurance segment and $35 million of which was in the insurance segment.

Exhibit 2, Page 1 | | | **Insurance Total**
Valuation Date : December 31, 2012 | | | | | | **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
2003	209,674	71,792	835	72,627			
2004	324,652	141,125	8,739	149,864			
2005	567,171	720,338	27,297	747,635			
2006	705,627	311,650	18,142	329,792			
2007	661,233	426,161	43,516	469,677			
2008	724,279	483,446	86,553	569,999			
2009	853,506	328,303	119,005	447,308			
2010	923,917	275,507	141,400	416,906			
2011	964,187	187,821	127,832	315,653			
2012	1,132,686	122,130	269,410	391,540			
Total	7,066,932	3,068,272	842,728	3,911,000	917,678	4,828,678	68.3%

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
2003	22,702	4,761	0	4,761			
2004	45,759	26,520	6,319	32,838			
2005	148,311	465,887	14,626	480,513			
2006	126,878	35,883	1,961	37,844			
2007	88,104	44,437	9,973	54,410			
2008	106,628	88,130	24,419	112,549			
2009	147,947	37,454	28,280	65,734			
2010	150,819	22,728	7,522	30,250			
2011	170,509	7,450	6,938	14,388			
2012	208,638	5,361	51,109	56,469			
Total	1,216,295	738,610	151,147	889,757	176,427	1,066,184	87.7%

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
2003	186,972	67,031	835	67,866			
2004	278,893	114,605	2,421	117,026			
2005	418,860	254,452	12,671	267,122			
2006	578,749	275,767	16,181	291,947			
2007	573,128	381,724	33,543	415,267			
2008	617,651	395,316	62,133	457,450			
2009	705,559	290,849	90,725	381,575			
2010	773,098	252,779	133,878	386,656			
2011	793,678	180,371	120,894	301,265			
2012	924,048	116,769	218,301	335,070			
Total	5,850,637	2,329,662	691,581	3,021,243	741,250	3,762,494	64.3%

Exhibit 2, Page 2

Insurance Total

Valuation Date : December 31, 2012

Value in Thousands, USD

Gross Paid Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	2,015	12,808	27,960	43,537	62,884	66,537	68,815	70,169	71,247	71,792
2004	10,136	47,809	84,668	108,585	126,015	133,581	137,213	140,266	141,125	
2005	76,662	321,196	472,546	568,795	652,155	691,245	710,979	720,338		
2006	84,894	151,894	201,244	250,055	286,680	301,462	311,650			
2007	67,421	188,990	302,883	359,762	396,892	426,161				
2008	61,087	215,713	330,750	414,215	483,446					
2009	45,909	143,387	228,288	328,303						
2010	52,656	186,542	275,507							
2011	69,524	187,821								
2012	122,130									

Paid Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	1.0%	6.1%	13.3%	20.8%	30.0%	31.7%	32.8%	33.5%	34.0%	34.2%
2004	3.1%	14.7%	26.1%	33.4%	38.8%	41.1%	42.3%	43.2%	43.5%	
2005	13.5%	56.6%	83.3%	100.3%	115.0%	121.9%	125.4%	127.0%		
2006	12.0%	21.5%	28.5%	35.4%	40.6%	42.7%	44.2%			
2007	10.2%	28.6%	45.8%	54.4%	60.0%	64.4%				
2008	8.4%	29.8%	45.7%	57.2%	66.7%					
2009	5.4%	16.8%	26.7%	38.5%						
2010	5.7%	20.2%	29.8%							
2011	7.2%	19.5%								
2012	10.8%									

Gross Case Incurred Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	37,098	73,284	76,835	77,783	79,782	71,486	71,445	72,158	72,332	72,627
2004	93,836	139,642	146,008	147,048	143,701	143,377	143,368	149,463	149,864	
2005	382,193	651,079	702,817	706,333	732,214	730,045	742,455	747,635		
2006	208,816	268,594	296,958	323,419	336,619	332,031	329,792			
2007	228,000	343,193	434,839	458,113	463,947	469,677				
2008	261,609	428,543	490,763	551,513	569,999					
2009	219,323	381,631	418,319	447,308						
2010	238,590	356,228	416,906							
2011	184,368	315,653								
2012	391,540									

Case Incurred Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	17.7%	35.0%	36.6%	37.1%	38.1%	34.1%	34.1%	34.4%	34.5%	34.6%
2004	28.9%	43.0%	45.0%	45.3%	44.3%	44.2%	44.2%	46.0%	46.2%	
2005	67.4%	114.8%	123.9%	124.5%	129.1%	128.7%	130.9%	131.8%		
2006	29.6%	38.1%	42.1%	45.8%	47.7%	47.1%	46.7%			
2007	34.5%	51.9%	65.8%	69.3%	70.2%	71.0%				
2008	36.1%	59.2%	67.8%	76.1%	78.7%					
2009	25.7%	44.7%	49.0%	52.4%						
2010	25.8%	38.6%	45.1%							
2011	19.1%	32.7%								
2012	34.6%									

Exhibit 3, Page 1 — **Property & Programs Insurance**

Valuation Date : December 31, 2012 — **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
2003	45,461	9,259	25	9,285			
2004	88,858	47,210	8	47,218			
2005	140,080	283,843	627	284,470			
2006	128,306	64,262	-23	64,238			
2007	96,185	30,519	-9	30,510			
2008	92,854	36,528	132	36,660			
2009	125,755	27,472	2,864	30,336			
2010	166,728	39,959	6,172	46,131			
2011	181,941	50,191	16,989	67,180			
2012	273,980	45,107	122,267	167,374			
Total	1,340,149	634,350	149,051	783,401	81,769	865,171	64.6%

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
2003	9,584	0	0	0			
2004	20,551	12,285	32	12,318			
2005	83,874	217,721	4,819	222,540			
2006	57,347	13,080	0	13,080			
2007	29,831	0	0	0			
2008	27,056	5,189	827	6,016			
2009	44,453	2,612	1,183	3,795			
2010	43,140	3,195	3,622	6,816			
2011	53,035	6,958	6,493	13,452			
2012	66,231	2,422	26,911	29,334			
Total	435,101	263,463	43,889	307,351	40,722	348,073	80.0%

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
2003	35,878	9,259	25	9,285			
2004	68,308	34,925	-25	34,900			
2005	56,206	66,123	-4,193	61,930			
2006	70,959	51,182	-23	51,158			
2007	66,354	30,519	-9	30,510			
2008	65,798	31,339	-695	30,644			
2009	81,303	24,860	1,681	26,541			
2010	123,588	36,764	2,550	39,315			
2011	128,906	43,232	10,496	53,728			
2012	207,749	42,684	95,356	138,040			
Total	905,048	370,888	105,163	476,050	41,047	517,098	57.1%

Exhibit 3, Page 2 **Property & Programs Insurance**

Valuation Date : December 31, 2012 **Value in Thousands, USD**

Gross Paid Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	1,188	4,885	7,733	8,777	8,857	9,193	9,273	9,263	9,262	9,259
2004	8,829	29,543	46,081	48,394	47,646	47,063	47,084	47,209	47,210	
2005	52,141	186,319	237,739	261,901	258,752	268,845	278,985	283,843		
2006	38,427	55,738	61,777	63,152	64,043	64,203	64,262			
2007	15,426	27,639	29,420	30,607	30,491	30,519				
2008	11,882	29,712	35,869	36,400	36,528					
2009	11,973	22,348	25,246	27,472						
2010	12,877	35,204	39,959							
2011	19,722	50,191								
2012	45,107									

Paid Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	2.6%	10.7%	17.0%	19.3%	19.5%	20.2%	20.4%	20.4%	20.4%	20.4%
2004	9.9%	33.2%	51.9%	54.5%	53.6%	53.0%	53.0%	53.1%	53.1%	
2005	37.2%	133.0%	169.7%	187.0%	184.7%	191.9%	199.2%	202.6%		
2006	29.9%	43.4%	48.1%	49.2%	49.9%	50.0%	50.1%			
2007	16.0%	28.7%	30.6%	31.8%	31.7%	31.7%				
2008	12.8%	32.0%	38.6%	39.2%	39.3%					
2009	9.5%	17.8%	20.1%	21.8%						
2010	7.7%	21.1%	24.0%							
2011	10.8%	27.6%								
2012	16.5%									

Gross Case Incurred Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	8,471	9,887	10,608	9,880	9,520	9,506	9,305	9,288	9,288	9,285
2004	44,862	50,418	48,550	49,010	47,877	47,188	47,181	47,239	47,218	
2005	169,061	244,050	255,513	251,937	266,628	272,330	281,776	284,470		
2006	59,911	63,967	64,797	65,463	66,029	64,274	64,238			
2007	30,395	30,901	30,912	30,677	30,531	30,510				
2008	26,308	38,452	37,395	36,801	36,660					
2009	29,583	30,663	30,456	30,336						
2010	39,123	47,824	46,131							
2011	55,845	67,180								
2012	167,374									

Case Incurred Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	18.6%	21.7%	23.3%	21.7%	20.9%	20.9%	20.5%	20.4%	20.4%	20.4%
2004	50.5%	56.7%	54.6%	55.2%	53.9%	53.1%	53.1%	53.2%	53.1%	
2005	120.7%	174.2%	182.4%	179.9%	190.3%	194.4%	201.2%	203.1%		
2006	46.7%	49.9%	50.5%	51.0%	51.5%	50.1%	50.1%			
2007	31.6%	32.1%	32.1%	31.9%	31.7%	31.7%				
2008	28.3%	41.4%	40.3%	39.6%	39.5%					
2009	23.5%	24.4%	24.2%	24.1%						
2010	23.5%	28.7%	27.7%							
2011	30.7%	36.9%								
2012	61.1%									

Property & Programs Insurance Reserving Notes

- This Reserving Class accounts for 4.9% (2011 : 2.3%) of gross reserves as at year-end 2012.

- The split of Gross Earned Premium by territory has been as follows:-

AY	Gross Earned Premium	%age	
	$000s	UK	US
2003	45,461	100%	0%
2004	88,858	76%	24%
2005	140,080	42%	58%
2006	128,306	37%	63%
2007	96,185	43%	57%
2008	92,854	51%	49%
2009	125,755	44%	56%
2010	166,728	43%	57%
2011	181,941	38%	62%
2012	273,980	28%	72%

- 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. A summary of major catastrophes is as follows:-

Gross					
AY	Paid	Case	Incurred	IBNR	Ultimate
2004	14,781	0	14,781	0	14,781
2005	242,421	694	243,115	3,257	246,372
2006	0	0	0	0	0
2007	5,166	0	5,166	0	5,166
2008	16,011	78	16,089	0	16,089
2009	0	0	0	0	0
2010	0	0	0	0	0
2011	3,735	107	3,842	1,302	5,144
2012	6,793	55,633	62,426	15,055	77,481

Ceded					
AY	Paid	Case	Incurred	IBNR	Ultimate
2004	5,297	47	5,344	4	5,348
2005	214,875	3,404	218,279	414	218,693
2006	0	0	0	0	0
2007	0	0	0	0	0
2008	4,003	0	4,003	0	4,003
2009	0	0	0	0	0
2010	0	0	0	0	0
2011	0	0	0	0	0
2012	460	11,101	11,561	23,909	35,471

Net					
AY	Paid	Case	Incurred	IBNR	Ultimate
2004	9,484	-47	9,438	-4	9,434
2005	27,546	-2,710	24,836	2,844	27,679
2006	0	0	0	0	0
2007	5,166	0	5,166	0	5,166
2008	12,007	78	12,085	0	12,085
2009	0	0	0	0	0
2010	0	0	0	0	0
2011	3,735	107	3,842	1,302	5,144
2012	6,333	44,532	50,865	-8,854	42,011

Exhibit 4, Page 1 | **Casualty Insurance**

Valuation Date : December 31, 2012 | **Value in Thousands, USD**

GROSS	(1)	(2)	(3)	(4) = (2) + (3)	(5)	(6) = (4) + (5)	(7) = (6) / (1)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2003	164,212	62,532	810	63,342			
2004	224,295	87,390	8,070	95,460			
2005	224,225	95,740	4,264	100,005			
2006	186,370	103,166	6,594	109,761			
2007	149,970	77,396	7,949	85,345			
2008	157,864	111,968	25,685	137,653			
2009	180,605	46,545	32,752	79,298			
2010	152,381	29,345	30,675	60,020			
2011	122,802	7,462	17,754	25,215			
2012	146,366	2,144	17,537	19,681			
Total	1,709,090	623,690	152,090	775,780	327,399	1,103,179	64.5%

CEDED	(8)	(9)	(10)	(11) = (9) + (10)	(12)	(13) = (11) + (12)	(14) = (13) / (8)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2003	13,118	4,761	0	4,761			
2004	24,387	10,544	6,260	16,805			
2005	20,874	12,519	248	12,767			
2006	15,955	17,994	1,312	19,306			
2007	11,463	7,877	2,106	9,983			
2008	13,097	7,420	5,972	13,393			
2009	22,161	2,446	1,570	4,015			
2010	21,985	135	191	326			
2011	24,593	95	103	198			
2012	28,545	42	100	142			
Total	196,178	63,832	17,863	81,695	45,563	127,258	64.9%

NET	(15)	(16)	(17)	(18) = (16) + (17)	(19)	(20) = (18) + (19)	(21) = (20) / (15)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2003	151,094	57,772	810	58,581			
2004	199,908	76,846	1,809	78,655			
2005	203,351	83,221	4,016	87,237			
2006	170,415	85,172	5,283	90,455			
2007	138,507	69,519	5,843	75,362			
2008	144,766	104,548	19,713	124,261			
2009	158,445	44,099	31,183	75,282			
2010	130,396	29,211	30,484	59,694			
2011	98,209	7,367	17,650	25,017			
2012	117,821	2,102	17,437	19,540			
Total	1,512,912	559,858	134,227	694,085	281,837	975,922	64.5%

Exhibit 4, Page 2 — **Casualty Insurance**

Valuation Date : December 31, 2012 — **Value in Thousands, USD**

Gross Paid Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	827	7,922	20,227	34,761	54,027	57,345	59,542	60,906	61,985	62,532
2004	1,307	14,607	33,798	54,905	73,003	80,995	83,687	86,533	87,390	
2005	1,735	17,227	37,825	57,699	76,066	87,956	92,725	95,740		
2006	2,376	16,321	37,491	64,528	85,644	95,452	103,166			
2007	2,428	15,174	36,037	50,325	64,472	77,396				
2008	2,271	19,086	55,525	88,500	111,968					
2009	2,536	11,525	27,563	46,545						
2010	1,763	10,409	29,345							
2011	1,441	7,462								
2012	2,144									

Paid Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	0.5%	4.8%	12.3%	21.2%	32.9%	34.9%	36.3%	37.1%	37.7%	38.1%
2004	0.6%	6.5%	15.1%	24.5%	32.5%	36.1%	37.3%	38.6%	39.0%	
2005	0.8%	7.7%	16.9%	25.7%	33.9%	39.2%	41.4%	42.7%		
2006	1.3%	8.8%	20.1%	34.6%	46.0%	51.2%	55.4%			
2007	1.6%	10.1%	24.0%	33.6%	43.0%	51.6%				
2008	1.4%	12.1%	35.2%	56.1%	70.9%					
2009	1.4%	6.4%	15.3%	25.8%						
2010	1.2%	6.8%	19.3%							
2011	1.2%	6.1%								
2012	1.5%									

Gross Case Incurred Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	28,627	63,397	66,227	67,903	70,262	61,980	62,140	62,871	63,045	63,342
2004	48,767	84,353	90,679	91,261	88,705	89,066	89,039	95,023	95,460	
2005	48,493	85,467	91,250	97,589	99,983	98,168	98,860	100,005		
2006	54,774	72,362	82,336	97,741	106,491	107,414	109,761			
2007	41,573	54,593	66,503	77,908	83,950	85,345				
2008	36,423	82,609	110,513	127,368	137,653					
2009	26,746	67,605	72,711	79,298						
2010	27,908	46,593	60,020							
2011	16,597	25,215								
2012	19,681									

Case Incurred Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	17.4%	38.6%	40.3%	41.4%	42.8%	37.7%	37.8%	38.3%	38.4%	38.6%
2004	21.7%	37.6%	40.4%	40.7%	39.5%	39.7%	39.7%	42.4%	42.6%	
2005	21.6%	38.1%	40.7%	43.5%	44.6%	43.8%	44.1%	44.6%		
2006	29.4%	38.8%	44.2%	52.4%	57.1%	57.6%	58.9%			
2007	27.7%	36.4%	44.3%	51.9%	56.0%	56.9%				
2008	23.1%	52.3%	70.0%	80.7%	87.2%					
2009	14.8%	37.4%	40.3%	43.9%						
2010	18.3%	30.6%	39.4%							
2011	13.5%	20.5%								
2012	13.4%									

Casualty Insurance Reserving Notes

- This Reserving Class accounts for 10.1% (2011 : 10.4%) of gross reserves as at year-end 2012.

- There are three main components to this class – UK primary liability business, US primary casualty business and worldwide excess casualty business. The proportions have changed significantly in the last few years with less UK primary liability business being written and, with new underwriting teams, more excess casualty business in the last two years. This will impact development patterns observed at the Reserving Class level.

AY	Gross Earned Premium		%age Of Gross Earned Premium		
			UK	US	Excess Casualty
	$000s				
2003	164,212		100%	0%	0%
2004	224,295		96%	4%	0%
2005	224,225		79%	21%	0%
2006	186,370		69%	31%	0%
2007	149,970		57%	42%	1%
2008	157,864		42%	37%	22%
2009	180,605		28%	33%	38%
2010	152,381		29%	26%	44%
2011	122,802		32%	18%	50%
2012	146,366		36%	17%	47%

- The US primary casualty insurance and the non marine & transportation element of worldwide 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 US casualty and trucking and pharmaceutical sub classes of the non marine & transportation book. The experience in 2011 and 2012 has been better than we expected.

- Case reserving methodology in US 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.

- The development in the 2004 accident year between year 7 and 8 was primarily the result of one U.K. periodic payment order claim which resulted in an increase in the gross reserve offset largely by an increase in reinsurance recoveries. We are not aware of any other Periodic Payment Order in this reserving class as at December 31, 2012.

Exhibit 5, Page 1 | **Marine, Energy & Transportation**

Valuation Date : December 31, 2012 | **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
2003	0	0	0	0			
2004	8,911	5,453	665	6,118			
2005	190,075	336,214	22,354	358,568			
2006	372,213	138,111	11,370	149,481			
2007	399,367	309,563	35,156	344,720			
2008	414,266	277,399	30,098	307,497			
2009	431,399	163,556	36,823	200,379			
2010	458,272	173,825	87,719	261,543			
2011	444,247	97,737	69,323	167,060			
2012	473,918	50,275	116,678	166,953			
Total	3,192,668	1,552,133	410,186	1,962,318	259,236	2,221,554	69.6%

	(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
2003	0	0	0	0			
2004	821	3,690	26	3,716			
2005	43,563	235,647	9,559	245,205			
2006	53,576	4,809	649	5,458			
2007	46,542	36,560	7,867	44,427			
2008	50,159	62,760	3,894	66,654			
2009	50,384	8,128	6,024	14,152			
2010	40,102	18,037	3	18,040			
2011	41,048	0	0	0			
2012	49,390	2,242	21,677	23,919			
Total	375,585	371,874	49,698	421,572	20,649	442,221	117.7%

	(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
2003	0	0	0	0			
2004	8,090	1,763	639	2,402			
2005	146,513	100,567	12,795	113,362			
2006	318,637	133,302	10,721	144,022			
2007	352,825	273,003	27,290	300,293			
2008	364,107	214,639	26,204	240,843			
2009	381,015	155,429	30,799	186,228			
2010	418,169	155,787	87,716	243,503			
2011	403,199	97,737	69,323	167,060			
2012	424,528	48,032	95,002	143,034			
Total	2,817,083	1,180,259	360,487	1,540,747	238,586	1,779,333	63.2%

Exhibit 5, Page 2

Marine, Energy & Transportation

Valuation Date : December 31, 2012

Value in Thousands, USD

Gross Paid Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	0	0	0	0	0	0	0	0	0	0
2004	0	3,659	3,946	4,269	4,322	4,452	5,370	5,453	5,453	
2005	22,786	116,474	193,919	245,142	312,935	329,707	334,486	336,214		
2006	43,447	77,256	98,690	117,704	131,217	135,781	138,111			
2007	48,997	141,880	231,678	271,747	293,366	309,563				
2008	46,292	162,358	224,395	258,443	277,399					
2009	29,243	95,471	134,637	163,556						
2010	34,962	130,638	173,825							
2011	43,591	97,737								
2012	50,275									

Paid Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2004	0.0%	41.1%	44.3%	47.9%	48.5%	50.0%	60.3%	61.2%	61.2%	
2005	12.0%	61.3%	102.0%	129.0%	164.6%	173.5%	176.0%	176.9%		
2006	11.7%	20.8%	26.5%	31.6%	35.3%	36.5%	37.1%			
2007	12.3%	35.5%	58.0%	68.0%	73.5%	77.5%				
2008	11.2%	39.2%	54.2%	62.4%	67.0%					
2009	6.8%	22.1%	31.2%	37.9%						
2010	7.6%	28.5%	37.9%							
2011	9.8%	22.0%								
2012	10.6%									

Gross Case Incurred Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	0	0	0	0	0	0	0	0	0	0
2004	207	4,871	5,575	5,620	5,995	6,040	6,077	6,129	6,118	
2005	164,639	318,259	352,241	351,206	360,466	354,496	356,901	358,568		
2006	90,490	128,464	144,863	155,287	158,170	153,999	149,481			
2007	153,091	251,252	329,373	340,792	340,053	344,720				
2008	183,480	264,568	288,095	302,131	307,497					
2009	112,284	188,127	198,172	200,379						
2010	161,168	224,134	261,543							
2011	91,924	167,060								
2012	166,953									

Case Incurred Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2004	2.3%	54.7%	62.6%	63.1%	67.3%	67.8%	68.2%	68.8%	68.7%	
2005	86.6%	167.4%	185.3%	184.8%	189.6%	186.5%	187.8%	188.6%		
2006	24.3%	34.5%	38.9%	41.7%	42.5%	41.4%	40.2%			
2007	38.3%	62.9%	82.5%	85.3%	85.1%	86.3%				
2008	44.3%	63.9%	69.5%	72.9%	74.2%					
2009	26.0%	43.6%	45.9%	46.4%						
2010	35.2%	48.9%	57.1%							
2011	20.7%	37.6%								
2012	35.2%									

Marine, Energy & Transportation Reserving Notes

- This Reserving Class accounts for 14.1% (2011 : 12.6%) of gross reserves as at year-end 2012.

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

	Gross	%age Of Gross Earned Premium					
	Earned	MEC	Energy	Marine			Inland
AY	Premium	Liability	PD	Hull	Specie	Aviation	Marine
	$000s						
2004	8,911	72%	12%	16%	0%	0%	0%
2005	190,075	52%	12%	21%	0%	15%	0%
2006	372,213	38%	20%	15%	0%	26%	0%
2007	399,367	35%	26%	15%	0%	24%	0%
2008	414,266	37%	24%	15%	0%	24%	0%
2009	431,399	40%	20%	15%	1%	25%	0%
2010	458,272	43%	16%	13%	2%	25%	0%
2011	444,247	42%	18%	11%	3%	26%	1%
2012	473,918	42%	18%	10%	3%	24%	4%

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

Gross					
AY	Paid	Case	Incurred	IBNR	Ultimate
2004	3,665	0	3,665	0	3,665
2005	202,714	5,234	207,947	-32	207,915
2006	0	0	0	0	0
2007	55,057	10,189	65,246	0	65,246
2008	86,995	1,135	88,130	1,733	89,863
2009	0	0	0	0	0
2010	49	1	51	0	51
2011	2,020	764	2,784	54	2,838
2012	2,173	17,989	20,162	8,838	29,000

Ceded					
AY	Paid	Case	Incurred	IBNR	Ultimate
2004	3,630	25	3,655	0	3,655
2005	192,598	1,051	193,649	479	194,128
2006	0	0	0	0	0
2007	11,137	11,117	22,254	0	22,254
2008	62,760	2,244	65,004	-301	64,703
2009	0	0	0	0	0
2010	0	0	0	0	0
2011	0	0	0	0	0
2012	0	8,323	8,323	11,627	19,950

Net					
AY	Paid	Case	Incurred	IBNR	Ultimate
2004	35	-25	10	0	10
2005	10,116	4,183	14,299	-511	13,788
2006	0	0	0	0	0
2007	43,920	-928	42,992	0	42,992
2008	24,235	-1,109	23,126	2,034	25,160
2009	0	0	0	0	0
2010	49	1	51	0	51
2011	2,020	764	2,784	54	2,838
2012	2,173	9,666	11,839	-2,789	9,050

- The 2007 accident year has strong development between month 12 and month 36 which is attributable to a combination of events including wild fires in California, late advised marine liability claims in respect of an excess of loss reinsurance program that normally has a shorter reporting pattern and a peak exposure period in construction projects which have now passed. We do not believe that this aggregation of independent causes should be interpreted as systematic or representative of the development pattern for the whole of this reserving class.

Exhibit 6, Page 1 | **Financial & Professional**

Valuation Date : December 31, 2012 | **Value in Thousands, USD**

GROSS

Accident Year	(1) Earned Premium	(2) Paid Losses	(3) Case Reserves	(4) = (2) + (3) Case Incurred Losses	(5) IBNR	(6) = (4) + (5) Ultimate Losses	(7) = (6) / (1) Ultimate Loss Ratio
2003	0	0	0	0			
2004	2,588	1,071	-3	1,069			
2005	12,791	4,540	52	4,593			
2006	18,739	6,111	201	6,312			
2007	15,711	8,683	420	9,102			
2008	59,295	57,551	30,638	88,189			
2009	115,746	90,729	46,566	137,295			
2010	146,536	32,378	16,834	49,212			
2011	215,197	32,432	23,766	56,198			
2012	238,422	24,604	12,927	37,531			
Total	825,025	258,099	131,401	389,500	249,274	638,774	77.4%

CEDED

Accident Year	(8) Earned Premium	(9) Paid Losses	(10) Case Reserves	(11) = (9) + (10) Case Incurred Losses	(12) IBNR	(13) = (11) + (12) Ultimate Losses	(14) = (13) / (8) Ultimate Loss Ratio
2003	0	0	0	0			
2004	0	0	0	0			
2005	0	0	0	0			
2006	0	0	0	0			
2007	268	0	0	0			
2008	16,316	12,761	13,725	26,486			
2009	30,949	24,268	19,503	43,771			
2010	45,592	1,361	3,706	5,068			
2011	51,833	397	341	738			
2012	64,472	654	2,421	3,075			
Total	209,431	39,441	39,697	79,138	69,493	148,632	71.0%

NET

Accident Year	(15) Earned Premium	(16) Paid Losses	(17) Case Reserves	(18) = (16) + (17) Case Incurred Losses	(19) IBNR	(20) = (18) + (19) Ultimate Losses	(21) = (20) / (15) Ultimate Loss Ratio
2003	0	0	0	0			
2004	2,588	1,071	-3	1,069			
2005	12,791	4,540	52	4,593			
2006	18,739	6,111	201	6,312			
2007	15,443	8,683	420	9,102			
2008	42,979	44,790	16,912	61,702			
2009	84,797	66,461	27,062	93,524			
2010	100,944	31,017	13,128	44,145			
2011	163,363	32,035	23,425	55,460			
2012	173,950	23,950	10,506	34,456			
Total	615,594	218,658	91,704	310,362	179,780	490,142	79.6%

Exhibit 6, Page 2 **Financial & Professional**

Valuation Date : December 31, 2012 **Value in Thousands, USD**

Gross Paid Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	0	0	0	0	0	0	0	0	0	0
2004	0	0	842	1,018	1,044	1,071	1,071	1,071	1,071	
2005	0	1,176	3,062	4,052	4,402	4,737	4,782	4,540		
2006	644	2,579	3,287	4,670	5,776	6,027	6,111			
2007	570	4,297	5,749	7,082	8,563	8,683				
2008	642	4,556	14,962	30,871	57,551					
2009	2,157	14,043	40,843	90,729						
2010	3,054	10,291	32,378							
2011	4,770	32,432								
2012	24,604									

Paid Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2004	0.0%	0.0%	32.6%	39.3%	40.3%	41.4%	41.4%	41.4%	41.4%	
2005	0.0%	9.2%	23.9%	31.7%	34.4%	37.0%	37.4%	35.5%		
2006	3.4%	13.8%	17.5%	24.9%	30.8%	32.2%	32.6%			
2007	3.6%	27.3%	36.6%	45.1%	54.5%	55.3%				
2008	1.1%	7.7%	25.2%	52.1%	97.1%					
2009	1.9%	12.1%	35.3%	78.4%						
2010	2.1%	7.0%	22.1%							
2011	2.2%	15.1%								
2012	10.3%									

Gross Case Incurred Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	0	0	0	0	0	0	0	0	0	0
2004	0	0	1,203	1,157	1,124	1,083	1,071	1,071	1,069	
2005	0	3,302	3,814	5,600	5,137	5,051	4,918	4,593		
2006	3,640	3,800	4,962	4,928	5,929	6,344	6,312			
2007	2,941	6,447	8,051	8,736	9,414	9,102				
2008	15,398	42,914	54,760	85,213	88,189					
2009	50,711	95,236	116,978	137,295						
2010	10,392	37,677	49,212							
2011	20,001	56,198								
2012	37,531									

Case Incurred Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2004	0.0%	0.0%	46.5%	44.7%	43.4%	41.9%	41.4%	41.4%	41.3%	
2005	0.0%	25.8%	29.8%	43.8%	40.2%	39.5%	38.5%	35.9%		
2006	19.4%	20.3%	26.5%	26.3%	31.6%	33.9%	33.7%			
2007	18.7%	41.0%	51.2%	55.6%	59.9%	57.9%				
2008	26.0%	72.4%	92.4%	143.7%	148.7%					
2009	43.8%	82.3%	101.1%	118.6%						
2010	7.1%	25.7%	33.6%							
2011	9.3%	26.1%								
2012	15.7%									

Financial and Professional Reserving Notes

- This Reserving Class accounts for 8.0% (2011: 8.5%) of gross reserves as at year-end 2012.

- The split of Gross Earned Premium by sub-class is

			%age Of Gross Earned Premium				
	Gross						
	Earned		Professional	Financial	Financial &	Management &	
AY	Premium		Liability	Institutions	Political Risk	Technology	Surety
	$000s						
2004	2,588		100%				
2005	12,791		100%				
2006	18,739		100%				
2007	15,711		100%				
2008	59,295		55%	29%	16%	1%	
2009	115,746		45%	28%	20%	6%	
2010	146,536		42%	18%	29%	11%	
2011	215,197		32%	15%	42%	11%	0%
2012	238,422		33%	14%	35%	15%	2%

- 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 have worked closely with claims personnel to ensure that sufficient understanding of potential development is factored into determining the actuarial mean best estimate reserve and the margin to the selected reserve in the accounts.

Exhibit 7, Page 1 | **Reinsurance Total**

Valuation Date : December 31, 2012 | **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
2003	878,491	245,346	28,036	273,381			
2004	1,190,617	605,457	45,633	651,090			
2005	1,392,777	1,548,813	57,827	1,606,640			
2006	1,271,963	344,012	73,531	417,543			
2007	1,173,133	344,713	109,477	454,189			
2008	1,075,183	459,243	124,511	583,754			
2009	1,204,583	271,793	155,485	427,278			
2010	1,162,446	306,550	197,390	503,939			
2011	1,190,446	467,234	352,895	820,129			
2012	1,139,161	86,483	209,854	296,337			
Total	11,678,799	4,679,642	1,354,639	6,034,281	1,616,724	7,651,005	65.5%

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
2003	114,930	12,300	4,587	16,887			
2004	155,321	164,495	4,912	169,407			
2005	321,522	641,644	7,224	648,868			
2006	200,137	10,791	260	11,051			
2007	80,414	13,933	25	13,959			
2008	58,944	3,258	0	3,258			
2009	54,482	230	19	249			
2010	40,513	1,514	307	1,820			
2011	75,416	12,054	108,689	120,743			
2012	77,134	0	0	0			
Total	1,178,814	860,219	126,023	986,242	44,085	1,030,327	87.4%

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
2003	763,560	233,046	23,448	256,494			
2004	1,035,295	440,962	40,721	481,683			
2005	1,071,254	907,168	50,603	957,772			
2006	1,071,826	333,220	73,271	406,492			
2007	1,092,719	330,779	109,452	440,231			
2008	1,016,239	455,985	124,511	580,496			
2009	1,150,100	271,563	155,466	427,029			
2010	1,121,933	305,036	197,083	502,119			
2011	1,115,030	455,180	244,206	699,386			
2012	1,062,027	86,483	209,854	296,337			
Total	10,499,984	3,819,423	1,228,616	5,048,039	1,572,639	6,620,678	63.1%

Exhibit 7, Page 2

Reinsurance Total

Valuation Date : December 31, 2012

Value in Thousands, USD

Gross Paid Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	30,443	93,207	134,738	159,948	185,097	208,379	220,136	231,833	239,822	245,346
2004	75,746	348,955	441,533	487,841	526,287	561,875	578,792	597,603	605,457	
2005	143,481	862,913	1,196,964	1,367,983	1,444,430	1,499,536	1,521,556	1,548,813		
2006	51,306	141,942	201,193	244,907	287,301	320,481	344,012			
2007	60,871	152,047	209,173	277,264	320,053	344,713				
2008	129,791	247,751	327,817	412,435	459,243					
2009	60,334	149,273	212,122	271,793						
2010	72,327	226,198	306,550							
2011	181,058	467,234								
2012	86,483									

Paid Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	3.5%	10.6%	15.3%	18.2%	21.1%	23.7%	25.1%	26.4%	27.3%	27.9%
2004	6.4%	29.3%	37.1%	41.0%	44.2%	47.2%	48.6%	50.2%	50.9%	
2005	10.3%	62.0%	85.9%	98.2%	103.7%	107.7%	109.2%	111.2%		
2006	4.0%	11.2%	15.8%	19.3%	22.6%	25.2%	27.0%			
2007	5.2%	13.0%	17.8%	23.6%	27.3%	29.4%				
2008	12.1%	23.0%	30.5%	38.4%	42.7%					
2009	5.0%	12.4%	17.6%	22.6%						
2010	6.2%	19.5%	26.4%							
2011	15.2%	39.2%								
2012	7.6%									

Gross Case Incurred Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	120,105	181,444	213,201	235,948	262,425	274,618	282,379	270,873	273,740	273,381
2004	300,298	514,944	571,809	614,051	636,727	643,712	655,551	652,391	651,090	
2005	910,489	1,395,951	1,509,607	1,571,834	1,586,238	1,603,869	1,604,872	1,606,640		
2006	164,550	248,487	309,766	351,835	402,067	412,654	417,543			
2007	201,052	322,334	376,387	426,440	449,467	454,189				
2008	271,181	413,246	517,504	560,912	583,754					
2009	167,340	290,576	372,626	427,278						
2010	244,513	429,177	503,939							
2011	583,565	820,129								
2012	296,337									

Case Incurred Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	13.7%	20.7%	24.3%	26.9%	29.9%	31.3%	32.1%	30.8%	31.2%	31.1%
2004	25.2%	43.3%	48.0%	51.6%	53.5%	54.1%	55.1%	54.8%	54.7%	
2005	65.4%	100.2%	108.4%	112.9%	113.9%	115.2%	115.2%	115.4%		
2006	12.9%	19.5%	24.4%	27.7%	31.6%	32.4%	32.8%			
2007	17.1%	27.5%	32.1%	36.4%	38.3%	38.7%				
2008	25.2%	38.4%	48.1%	52.2%	54.3%					
2009	13.9%	24.1%	30.9%	35.5%						
2010	21.0%	36.9%	43.4%							
2011	49.0%	68.9%								
2012	26.0%									

Exhibit 8, Page 1 — **Reinsurance - Property Catastrophe**

Valuation Date : December 31, 2012 — **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
2003	187,046	16,210	303	16,514			
2004	285,180	157,612	844	158,456			
2005	309,873	555,250	3,179	558,428			
2006	275,202	16,002	183	16,185			
2007	274,151	41,642	1,076	42,718			
2008	259,011	141,791	1,618	143,409			
2009	260,304	17,383	1,183	18,566			
2010	285,931	117,680	53,589	171,269			
2011	293,755	194,393	154,267	348,660			
2012	313,847	13,263	83,087	96,350			
Total	2,744,299	1,271,226	299,330	1,570,556	107,686	1,678,242	61.2%

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
2003	49,967	0	0	0			
2004	53,164	41,030	795	41,825			
2005	130,701	227,341	2,931	230,271			
2006	84,230	4,060	0	4,060			
2007	60,651	10,259	0	10,259			
2008	42,308	3,258	0	3,258			
2009	41,453	127	0	127			
2010	24,804	0	0	0			
2011	45,301	5,285	49,122	54,407			
2012	52,396	0	0	0			
Total	584,975	291,360	52,848	344,208	16,380	360,588	61.6%

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
2003	137,079	16,210	303	16,514			
2004	232,016	116,582	49	116,631			
2005	179,172	327,909	248	328,157			
2006	190,972	11,941	183	12,125			
2007	213,500	31,383	1,076	32,459			
2008	216,702	138,533	1,618	140,151			
2009	218,851	17,255	1,183	18,439			
2010	261,128	117,680	53,589	171,269			
2011	248,454	189,109	105,144	294,253			
2012	261,450	13,263	83,087	96,350			
Total	2,159,325	979,865	246,482	1,226,347	91,307	1,317,654	61.0%

Exhibit 8, Page 2 | **Reinsurance - Property Catastrophe**

Valuation Date : December 31, 2012 | **Value in Thousands, USD**

Gross Paid Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	1,703	9,185	11,243	11,235	11,567	16,017	16,127	16,176	16,213	16,210
2004	30,534	112,861	136,071	142,785	149,408	153,927	154,502	156,847	157,612	
2005	50,240	352,128	495,710	527,670	544,251	548,670	552,606	555,250		
2006	8,029	17,116	15,026	15,519	15,603	15,813	16,002			
2007	19,099	43,887	40,383	41,696	41,187	41,642				
2008	82,987	115,882	128,200	140,032	141,791					
2009	4,601	12,266	16,035	17,383						
2010	31,777	97,080	117,680							
2011	72,840	194,393								
2012	13,263									

Paid Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	0.9%	4.9%	6.0%	6.0%	6.2%	8.6%	8.6%	8.6%	8.7%	8.7%
2004	10.7%	39.6%	47.7%	50.1%	52.4%	54.0%	54.2%	55.0%	55.3%	
2005	16.2%	113.6%	160.0%	170.3%	175.6%	177.1%	178.3%	179.2%		
2006	2.9%	6.2%	5.5%	5.6%	5.7%	5.7%	5.8%			
2007	7.0%	16.0%	14.7%	15.2%	15.0%	15.2%				
2008	32.0%	44.7%	49.5%	54.1%	54.7%					
2009	1.8%	4.7%	6.2%	6.7%						
2010	11.1%	34.0%	41.2%							
2011	24.8%	66.2%								
2012	4.2%									

Gross Case Incurred Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	14,357	11,708	12,002	11,792	12,113	16,412	16,487	16,525	16,517	16,514
2004	86,438	144,123	152,052	152,736	156,354	159,929	159,219	158,881	158,456	
2005	429,029	543,648	538,051	545,222	552,653	553,868	555,390	558,428		
2006	10,282	18,519	16,347	16,449	16,218	16,291	16,185			
2007	61,737	61,080	46,176	46,654	42,672	42,718				
2008	130,520	121,620	138,644	142,926	143,409					
2009	17,043	20,582	19,298	18,566						
2010	131,240	166,537	171,269							
2011	280,056	348,660								
2012	96,350									

Case Incurred Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	7.7%	6.3%	6.4%	6.3%	6.5%	8.8%	8.8%	8.8%	8.8%	8.8%
2004	30.3%	50.5%	53.3%	53.6%	54.8%	56.1%	55.8%	55.7%	55.6%	
2005	138.5%	175.4%	173.6%	176.0%	178.3%	178.7%	179.2%	180.2%		
2006	3.7%	6.7%	5.9%	6.0%	5.9%	5.9%	5.9%			
2007	22.5%	22.3%	16.8%	17.0%	15.6%	15.6%				
2008	50.4%	47.0%	53.5%	55.2%	55.4%					
2009	6.5%	7.9%	7.4%	7.1%						
2010	45.9%	58.2%	59.9%							
2011	95.3%	118.7%								
2012	30.7%									

Property Catastrophe Reserving Notes

- This Reserving Class accounts for 8.4% (2011: 9.9%) of gross reserves as at year-end 2012.

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

Gross						Ceded						Net					
AY	Paid	Case	Incurred	IBNR	Ultimate	AY	Paid	Case	Incurred	IBNR	Ultimate	AY	Paid	Case	Incurred	IBNR	Ultimate
2004	145,824	550	146,374	498	146,872	2004	41,030	795	41,825	176	42,001	2004	104,793	-245	104,549	322	104,870
2005	538,144	3,165	541,309	22,588	563,897	2005	221,090	2,931	224,020	1,984	226,004	2005	317,054	234	317,289	20,604	337,893
2006	0	0	0	0	0	2006	0	0	0	0	0	2006	0	0	0	0	0
2007	29,228	620	29,848	0	29,848	2007	0	0	0	0	0	2007	29,228	620	29,848	0	29,848
2008	119,738	836	120,574	931	121,505	2008	0	0	0	0	0	2008	119,738	836	120,574	931	121,505
2009	0	0	0	0	0	2009	0	0	0	0	0	2009	0	0	0	0	0
2010	103,692	51,572	155,264	6,964	162,227	2010	0	0	0	0	0	2010	103,692	51,572	155,264	6,964	162,227
2011	163,511	149,587	313,098	46,609	359,707	2011	5,285	49,122	54,407	12,388	66,795	2011	158,226	100,465	258,691	34,221	292,912
2012	1,919	73,770	75,688	9,728	85,416	2012	0	0	0	0	0	2012	1,919	73,770	75,688	9,728	85,416

2004 : Charley, Frances, Ivan, Jeanne, Songda; **2005** : Katrina, Rita, Wilma; **2007** : Kyrill, UK Floods, California Wildfires; **2008** : Ike, Gustav; **2010** : Chile, NZ1; **2011** : Australia Floods, NZ2, Japan, US Tornadoes, Thailand Floods; **2012** : Sandy

- Case incurred claims of the 2007 year between months 24 and 36 reduced from $61.1 million to $46.2 million. This was primarily a result of successful subrogation actions by the first party insurers in respect of the California Wildfires.

Exhibit 9, Page 1 — **Reinsurance - Property Other**

Valuation Date : December 31, 2012 — **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
2003	234,404	69,488	1,981	71,469			
2004	412,530	296,592	1,928	298,520			
2005	462,140	686,753	4,884	691,637			
2006	351,761	133,345	2,195	135,539			
2007	282,346	95,592	4,252	99,844			
2008	256,747	102,458	6,184	108,642			
2009	301,098	79,907	6,536	86,443			
2010	281,342	87,350	20,132	107,482			
2011	283,425	184,782	105,371	290,153			
2012	261,203	39,142	73,323	112,465			
Total	3,126,997	1,775,408	226,786	2,002,194	168,997	2,171,191	69.4%

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
2003	46,208	7,625	0	7,625			
2004	88,264	104,876	811	105,687			
2005	157,198	308,878	3,780	312,658			
2006	93,217	3,393	0	3,393			
2007	8,270	2,965	0	2,965			
2008	13,057	0	0	0			
2009	11,502	103	19	121			
2010	13,644	1,514	307	1,820			
2011	28,556	6,769	59,567	66,336			
2012	23,147	0	0	0			
Total	483,062	436,122	64,483	500,605	26,681	527,287	109.2%

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
2003	188,196	61,863	1,981	63,844			
2004	324,266	191,716	1,117	192,833			
2005	304,943	377,875	1,103	378,979			
2006	258,544	129,952	2,195	132,147			
2007	274,076	92,626	4,252	96,879			
2008	243,691	102,458	6,184	108,642			
2009	289,595	79,804	6,517	86,322			
2010	267,698	85,836	19,826	105,662			
2011	254,869	178,013	45,804	223,817			
2012	238,057	39,142	73,323	112,465			
Total	2,643,935	1,339,286	162,303	1,501,589	142,316	1,643,905	62.2%

Exhibit 9, Page 2 **Reinsurance - Property Other**

Valuation Date : December 31, 2012 — Value in Thousands, USD

Gross Paid Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	6,002	35,956	53,838	59,348	63,556	66,120	68,405	68,199	69,334	69,488
2004	36,120	200,554	254,435	273,952	283,239	292,945	295,081	296,444	296,592	
2005	79,073	432,533	560,662	636,799	663,530	679,958	684,257	686,753		
2006	31,466	90,527	107,102	121,822	127,607	131,775	133,345			
2007	29,304	62,270	83,852	92,905	95,624	95,592				
2008	27,765	66,533	87,485	98,425	102,458					
2009	27,497	54,955	71,785	79,907						
2010	26,786	66,400	87,350							
2011	77,322	184,782								
2012	39,142									

Paid Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	2.6%	15.3%	23.0%	25.3%	27.1%	28.2%	29.2%	29.1%	29.6%	29.6%
2004	8.8%	48.6%	61.7%	66.4%	68.7%	71.0%	71.5%	71.9%	71.9%	
2005	17.1%	93.6%	121.3%	137.8%	143.6%	147.1%	148.1%	148.6%		
2006	8.9%	25.7%	30.4%	34.6%	36.3%	37.5%	37.9%			
2007	10.4%	22.1%	29.7%	32.9%	33.9%	33.9%				
2008	10.8%	25.9%	34.1%	38.3%	39.9%					
2009	9.1%	18.3%	23.8%	26.5%						
2010	9.5%	23.6%	31.0%							
2011	27.3%	65.2%								
2012	15.0%									

Gross Case Incurred Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	40,316	67,314	69,114	72,889	77,052	75,602	78,062	71,667	72,013	71,469
2004	160,121	269,954	292,809	295,052	299,453	302,011	305,251	300,520	298,520	
2005	370,067	630,861	669,277	692,894	697,489	693,550	690,071	691,637		
2006	99,501	113,429	127,332	132,613	135,058	136,358	135,539			
2007	62,011	95,025	101,169	99,990	99,598	99,844				
2008	71,020	106,499	109,484	110,049	108,642					
2009	58,582	78,727	87,149	86,443						
2010	64,644	101,003	107,482							
2011	217,253	290,153								
2012	112,465									

Case Incurred Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	17.2%	28.7%	29.5%	31.1%	32.9%	32.3%	33.3%	30.6%	30.7%	30.5%
2004	38.8%	65.4%	71.0%	71.5%	72.6%	73.2%	74.0%	72.8%	72.4%	
2005	80.1%	136.5%	144.8%	149.9%	150.9%	150.1%	149.3%	149.7%		
2006	28.3%	32.2%	36.2%	37.7%	38.4%	38.8%	38.5%			
2007	22.0%	33.7%	35.8%	35.4%	35.3%	35.4%				
2008	27.7%	41.5%	42.6%	42.9%	42.3%					
2009	19.5%	26.1%	28.9%	28.7%						
2010	23.0%	35.9%	38.2%							
2011	76.7%	102.4%								
2012	43.1%									

Property Reinsurance Other Reserving Notes

- This Reserving Class accounts for 8.4% (2011: 10.2%) of gross reserves as at year-end 2012.

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

	Gross	%age Of Gross Earned Premium				
	Earned	Risk			Risk	
AY	Premium	Excess	Pro-Rata	Facultative	Solutions	Other
	$000s					
2003	234,404	63%	24%	0%	0%	13%
2004	412,530	61%	29%	0%	0%	11%
2005	462,140	61%	33%	1%	0%	6%
2006	351,761	50%	44%	5%	0%	1%
2007	282,346	42%	47%	12%	0%	0%
2008	256,747	35%	50%	15%	0%	0%
2009	301,098	29%	55%	16%	0%	0%
2010	281,342	30%	50%	17%	3%	0%
2011	283,425	25%	49%	18%	8%	0%
2012	261,203	26%	51%	18%	5%	0%

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

Gross					
AY	Paid	Case	Incurred	IBNR	Ultimate
2004	189,646	1,271	190,917	1,792	192,708
2005	500,995	2,291	503,286	5,274	508,560
2006	0	0	0	0	0
2007	1,438	0	1,438	0	1,438
2008	20,013	2,139	22,153	-315	21,838
2009	0	0	0	0	0
2010	2,778	349	3,127	6,445	9,572
2011	125,319	56,877	182,196	41,431	223,628
2012	7,310	9,798	17,108	36,716	53,825

Ceded					
AY	Paid	Case	Incurred	IBNR	Ultimate
2004	88,090	811	88,901	657	89,558
2005	299,821	3,780	303,601	1,330	304,931
2006	0	0	0	0	0
2007	0	0	0	0	0
2008	0	0	0	0	0
2009	0	0	0	0	0
2010	0	0	0	0	0
2011	6,415	38,158	44,573	18,036	62,609
2012	2,482	2,080	4,561	5,467	10,028

Net					
AY	Paid	Case	Incurred	IBNR	Ultimate
2004	101,556	460	102,016	1,134	103,150
2005	201,174	-1,489	199,685	3,944	203,629
2006	0	0	0	0	0
2007	1,438	0	1,438	0	1,438
2008	20,013	2,139	22,153	-315	21,838
2009	0	0	0	0	0
2010	2,778	349	3,127	6,445	9,572
2011	118,904	18,719	137,623	23,396	161,019
2012	4,829	7,718	12,547	31,249	43,796

- There was a significant impact on pro-rata and risk excess contracts from hurricane losses in 2004 and 2005 with a subsequent change in the underwriting of these classes including a significant reduction in gross earned premium and reinsurance costs.

Exhibit 10, Page 1			Reinsurance - Casualty				
Valuation Date : December 31, 2012							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
2003	195,318	71,456	21,360	92,817			
2004	364,178	104,328	41,585	145,913			
2005	447,135	112,394	47,525	159,919			
2006	439,152	114,468	64,301	178,769			
2007	416,917	121,264	97,197	218,461			
2008	359,556	116,835	104,145	220,981			
2009	381,939	74,957	133,593	208,550			
2010	369,737	35,768	89,392	125,160			
2011	328,141	14,274	49,482	63,756			
2012	308,308	993	29,022	30,015			
Total	3,610,381	766,737	677,602	1,444,340	988,697	2,433,037	67.4%

	(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
2003	7,537	186	1,097	1,283			
2004	11,591	732	1,018	1,750			
2005	17,432	93	115	208			
2006	14,236	260	260	521			
2007	5,855	44	25	69			
2008	3,127	0	0	0			
2009	1,276	0	0	0			
2010	1,039	0	0	0			
2011	1,559	0	0	0			
2012	1,591	0	0	0			
Total	65,244	1,316	2,516	3,832	956	4,788	7.3%

	(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
2003	187,781	71,271	20,263	91,533			
2004	352,587	103,596	40,567	144,163			
2005	429,703	112,301	47,410	159,710			
2006	424,916	114,207	64,041	178,248			
2007	411,062	121,220	97,172	218,392			
2008	356,428	116,835	104,145	220,981			
2009	380,663	74,957	133,593	208,550			
2010	368,698	35,768	89,392	125,160			
2011	326,582	14,274	49,482	63,756			
2012	306,717	993	29,022	30,015			
Total	3,545,137	765,421	675,087	1,440,508	987,741	2,428,248	68.5%

Exhibit 10, Page 2

Reinsurance - Casualty

Valuation Date : December 31, 2012

Value in Thousands, USD

Gross Paid Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	127	5,495	11,873	22,281	32,003	42,669	50,528	62,031	67,298	71,456
2004	1,818	10,516	19,690	32,965	53,100	71,235	83,947	97,968	104,328	
2005	619	5,883	20,074	44,168	65,081	88,179	98,899	112,394		
2006	849	12,578	30,272	52,107	74,899	100,037	114,468			
2007	2,786	12,665	34,844	69,753	100,092	121,264				
2008	1,718	12,650	41,116	80,925	116,835					
2009	1,078	12,530	34,045	74,957						
2010	1,268	11,249	35,768							
2011	3,670	14,274								
2012	993									

Paid Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	0.1%	2.8%	6.1%	11.4%	16.4%	21.8%	25.9%	31.8%	34.5%	36.6%
2004	0.5%	2.9%	5.4%	9.1%	14.6%	19.6%	23.1%	26.9%	28.6%	
2005	0.1%	1.3%	4.5%	9.9%	14.6%	19.7%	22.1%	25.1%		
2006	0.2%	2.9%	6.9%	11.9%	17.1%	22.8%	26.1%			
2007	0.7%	3.0%	8.4%	16.7%	24.0%	29.1%				
2008	0.5%	3.5%	11.4%	22.5%	32.5%					
2009	0.3%	3.3%	8.9%	19.6%						
2010	0.3%	3.0%	9.7%							
2011	1.1%	4.3%								
2012	0.3%									

Gross Case Incurred Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	9,329	32,118	51,571	66,063	80,294	88,087	92,623	88,426	92,352	92,817
2004	31,569	62,955	83,332	116,630	128,109	128,535	142,287	144,581	145,913	
2005	32,152	76,328	131,985	145,786	144,426	161,457	163,906	159,919		
2006	23,480	69,614	103,901	137,504	166,274	174,742	178,769			
2007	57,319	114,774	164,862	192,468	209,557	218,461				
2008	40,933	103,331	161,861	200,761	220,981					
2009	29,700	89,193	153,366	208,550						
2010	21,931	72,073	125,160							
2011	24,129	63,756								
2012	30,015									

Case Incurred Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	4.8%	16.4%	26.4%	33.8%	41.1%	45.1%	47.4%	45.3%	47.3%	47.5%
2004	8.7%	17.3%	22.9%	32.0%	35.2%	35.3%	39.1%	39.7%	40.1%	
2005	7.2%	17.1%	29.5%	32.6%	32.3%	36.1%	36.7%	35.8%		
2006	5.3%	15.9%	23.7%	31.3%	37.9%	39.8%	40.7%			
2007	13.7%	27.5%	39.5%	46.2%	50.3%	52.4%				
2008	11.4%	28.7%	45.0%	55.8%	61.5%					
2009	7.8%	23.4%	40.2%	54.6%						
2010	5.9%	19.5%	33.9%							
2011	7.4%	19.4%								
2012	9.7%									

Casualty Reinsurance Reserving Notes

- This Reserving Class accounts for 35.2% (2011: 35.7%) of gross reserves as at year-end 2012 and is the largest class as measured by reserves held.

- We project 40 sub-sets of data which can be grouped broadly into Medical Malpractice, Professional Indemnity, Workers Compensation, Workers Compensation Catastrophe, Motor, General Liability and Miscellaneous all of which have different claim characteristics ranging from short-tail (workers compensation catastrophe) through medium-tail (Medical Malpractice, Professional Indemnity, Motor and Miscellaneous) to long-tail (General Liability, Umbrella and Workers Comp).

- A split of Gross Earned Premium into these categories is as follows:-

AY	Gross Earned Premium $000s		Proportion of GEP: Workers Comp. Cat	Medical Malpractice	Professional Indemnity	Motor	General Liability	Umbrella	Workers Comp	Misc
2003	195,318		5%	10%	10%	13%	43%	2%	7%	10%
2004	364,178		5%	11%	15%	6%	40%	3%	11%	8%
2005	447,135		4%	14%	19%	4%	37%	2%	11%	8%
2006	439,152		5%	17%	20%	4%	34%	2%	11%	7%
2007	416,917		5%	20%	20%	5%	33%	2%	9%	7%
2008	359,556		4%	21%	20%	5%	33%	4%	7%	6%
2009	381,939		4%	20%	19%	7%	32%	6%	6%	4%
2010	369,737		5%	18%	20%	10%	33%	6%	5%	3%
2011	328,141		6%	19%	19%	11%	31%	7%	5%	2%
2012	308,308		5%	20%	18%	11%	33%	7%	5%	2%

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

- The 2007 to 2009 accident years are potentially impacted by claims that may arise consequent to the global financial crisis. We have conducted detailed analyses of our cedants' exposures to these potential claims and established specific additional reserves. These exposures arise principally from excess of loss reinsurance provided to certain Lloyd's syndicates writing US and international casualty accounts in the London market.

- 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, 2012, these were :-

AY	Additional Case Reserves
	$000s
2003	1,427
2004	3,948
2005	11,229
2006	5,947
2007	20,331
2008	14,777
2009	17,021
2010	9,244
2011	3,539
2012	4,045
Total	91,508

Exhibit 11, Page 1			**Reinsurance - Specialty**				
Valuation Date : December 31, 2012							**Value in Thousands, USD**

GROSS	(1)	(2)	(3)	(4)	(5)	(6)	(7)
				= (2) + (3)		= (4) + (5)	= (6) / (1)
Accident	Earned		Case	Case Incurred		Ultimate	Ultimate
Year	Premium	Paid Losses	Reserves	Losses	IBNR	Losses	Loss Ratio
2003	261,722	88,192	4,391	92,582			
2004	128,728	46,925	1,276	48,202			
2005	173,629	194,416	2,240	196,656			
2006	205,848	80,198	6,852	87,050			
2007	199,719	86,214	6,952	93,166			
2008	199,869	98,159	12,563	110,722			
2009	261,241	99,547	14,173	113,719			
2010	225,436	65,752	34,277	100,028			
2011	285,125	73,784	43,775	117,560			
2012	255,803	33,084	24,422	57,506			
Total	2,197,121	866,271	150,921	1,017,191	351,344	1,368,535	62.3%

CEDED	(8)	(9)	(10)	(11)	(12)	(13)	(14)
				= (9) + (10)		= (11) + (12)	= (13) / (8)
Accident	Earned		Case	Case Incurred		Ultimate	Ultimate
Year	Premium	Paid Losses	Reserves	Losses	IBNR	Losses	Loss Ratio
2003	11,219	4,489	3,490	7,979			
2004	2,302	17,857	2,288	20,145			
2005	16,192	105,332	398	105,730			
2006	8,454	3,078	0	3,078			
2007	5,638	665	0	665			
2008	452	0	0	0			
2009	250	0	0	0			
2010	1,026	0	0	0			
2011	0	0	0	0			
2012	0	0	0	0			
Total	45,533	131,421	6,176	137,597	67	137,664	302.3%

NET	(15)	(16)	(17)	(18)	(19)	(20)	(21)
				= (16) + (17)		= (18) + (19)	= (20) / (15)
Accident	Earned		Case	Case Incurred		Ultimate	Ultimate
Year	Premium	Paid Losses	Reserves	Losses	IBNR	Losses	Loss Ratio
2003	250,503	83,702	901	84,603			
2004	126,427	29,069	-1,012	28,057			
2005	157,437	89,084	1,842	90,926			
2006	197,394	77,120	6,852	83,972			
2007	194,081	85,550	6,952	92,501			
2008	199,417	98,159	12,563	110,722			
2009	260,991	99,547	14,173	113,719			
2010	224,410	65,752	34,277	100,028			
2011	285,125	73,784	43,775	117,560			
2012	255,803	33,084	24,422	57,506			
Total	2,151,588	734,850	144,745	879,595	351,276	1,230,871	57.2%

Exhibit 11, Page 2

Reinsurance - Specialty

Valuation Date : December 31, 2012

Value in Thousands, USD

Gross Paid Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	22,611	42,571	57,784	67,084	77,972	83,573	85,076	85,427	86,977	88,192
2004	7,275	25,024	31,338	38,138	40,540	43,767	45,263	46,345	46,925	
2005	13,549	72,369	120,517	159,346	171,567	182,729	185,793	194,416		
2006	10,962	21,721	48,793	55,460	69,192	72,856	80,198			
2007	9,682	33,225	50,095	72,910	83,149	86,214				
2008	17,321	52,687	71,016	93,053	98,159					
2009	27,158	69,522	90,256	99,547						
2010	12,496	51,469	65,752							
2011	27,227	73,784								
2012	33,084									

Paid Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	8.6%	16.3%	22.1%	25.6%	29.8%	31.9%	32.5%	32.6%	33.2%	33.7%
2004	5.7%	19.4%	24.3%	29.6%	31.5%	34.0%	35.2%	36.0%	36.5%	
2005	7.8%	41.7%	69.4%	91.8%	98.8%	105.2%	107.0%	112.0%		
2006	5.3%	10.6%	23.7%	26.9%	33.6%	35.4%	39.0%			
2007	4.8%	16.6%	25.1%	36.5%	41.6%	43.2%				
2008	8.7%	26.4%	35.5%	46.6%	49.1%					
2009	10.4%	26.6%	34.5%	38.1%						
2010	5.5%	22.8%	29.2%							
2011	9.5%	25.9%								
2012	12.9%									

Gross Case Incurred Losses

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	56,102	70,303	80,514	85,204	92,966	94,518	95,207	94,254	92,859	92,582
2004	22,170	37,912	43,617	49,632	52,811	53,238	48,794	48,409	48,202	
2005	79,241	145,114	170,294	187,931	191,670	194,993	195,505	196,656		
2006	31,287	46,925	62,186	65,268	84,517	85,262	87,050			
2007	19,984	51,455	64,181	87,328	97,640	93,166				
2008	28,708	81,796	107,515	107,176	110,722					
2009	62,015	102,074	112,813	113,719						
2010	26,699	89,565	100,028							
2011	62,127	117,560								
2012	57,506									

Case Incurred Loss Ratio

	Months									
	12	24	36	48	60	72	84	96	108	120
2003	21.4%	26.9%	30.8%	32.6%	35.5%	36.1%	36.4%	36.0%	35.5%	35.4%
2004	17.2%	29.5%	33.9%	38.6%	41.0%	41.4%	37.9%	37.6%	37.4%	
2005	45.6%	83.6%	98.1%	108.2%	110.4%	112.3%	112.6%	113.3%		
2006	15.2%	22.8%	30.2%	31.7%	41.1%	41.4%	42.3%			
2007	10.0%	25.8%	32.1%	43.7%	48.9%	46.6%				
2008	14.4%	40.9%	53.8%	53.6%	55.4%					
2009	23.7%	39.1%	43.2%	43.5%						
2010	11.8%	39.7%	44.4%							
2011	21.8%	41.2%								
2012	22.5%									

Specialty Reinsurance Reserving Notes

- This Reserving Class accounts for 10.6% (2011: 10.4%) of gross reserves as at year-end 2012.

- The mix of business between specialty lines (marine, aviation, satellite), structured risks, credit and surety reinsurance, agriculture and quota shares of the Wellington Syndicates[1], is shown in the following table:

		%age Of Gross Earned Premium				
AY	Gross Earned Premium	Specialty Lines	Structured Risks	Credit & Surety	Agriculture	Quota Shares Of Wellington Syndicates
	$000s					
2003	261,722	19%	0%	0%	0%	81%
2004	128,728	69%	0%	0%	0%	31%
2005	173,629	58%	42%	0%	0%	0%
2006	205,848	47%	53%	0%	0%	0%
2007	199,719	50%	50%	0%	0%	0%
2008	199,869	50%	50%	0%	0%	0%
2009	261,241	42%	51%	7%	0%	0%
2010	225,436	50%	18%	26%	7%	0%
2011	285,125	44%	19%	30%	7%	0%
2012	255,803	51%	2%	36%	11%	0%

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

Gross						Ceded						Net					
AY	Paid	Case	Incurred	IBNR	Ultimate	AY	Paid	Case	Incurred	IBNR	Ultimate	AY	Paid	Case	Incurred	IBNR	Ultimate
2004	16,538	15	16,553	13	16,566	2004	16,408	112	16,520	1	16,522	2004	130	-97	33	11	44
2005	91,250	622	91,871	159	92,030	2005	74,067	398	74,465	92	74,556	2005	17,183	224	17,407	67	17,474
2006	0	0	0	0	0	2006	0	0	0	0	0	2006	0	0	0	0	0
2007	5,831	28	5,859	0	5,859	2007	0	0	0	0	0	2007	5,831	28	5,859	0	5,859
2008	10,720	2,254	12,973	3,730	16,703	2008	0	0	0	0	0	2008	10,720	2,254	12,973	3,730	16,703
2009	0	0	0	0	0	2009	0	0	0	0	0	2009	0	0	0	0	0
2010	1,411	90	1,501	-4	1,498	2010	0	0	0	0	0	2010	1,411	90	1,501	-4	1,498
2011	17,499	13,236	30,735	3,257	33,992	2011	0	0	0	0	0	2011	17,499	13,236	30,735	3,257	33,992
2012	173	3,052	3,225	11,613	14,838	2012	0	0	0	0	0	2012	173	3,052	3,225	11,613	14,838

[1] Wellington Underwriting plc was an initial investor and with which Aspen had certain arrangements at its formation including a quota share of Syndicate 2020

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 expects to receive 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, 2012.

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.

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.

Inception to Date means the period from 2003 through 2012, 2002 is considered immaterial for the purposes of this document.

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 – Paid losses, case reserves and IBNR are net of actual and expected subrogation recoveries.

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).

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.

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).