ASPEN

2011 Loss Development Triangles

2011 Loss Development Triangle Cautionary Language

This report is for informational purposes only and is current as of December 31, 2011. 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 second 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, 2011.

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.
>
> 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, 2011 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 2011 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.

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.K. commercial property and construction business and U.S. property 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.S. Programs:* U.S. property also includes our program business which writes property insurance risks for a select group of U.S. program managers.

- *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.

Casualty

This reserving class comprises commercial liability, global excess casualty, U.S. casualty insurance and environmental liability, written on a primary, quota share 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. A new team based in Zurich writes public liability coverage for insureds domiciled in Switzerland.

- *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 and 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, professional liability (including management & technology liability), financial and political risks and U.S. surety risks, written on a primary, quota share 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, technology-related policies in the areas of network privacy, misuse of data and cyber liability and warranty and indemnity insurance in connection with, or to facilitate, corporate transactions.

- *Financial and Political Risks:* The financial and political risks team writes business covering the credit/default risk on a variety of project and trade transactions, as well as political risks, terrorism (including multi-year war on land cover), piracy and kidnap and ransom ("K&R"). We write financial and political risks worldwide but with concentrations in a number of countries, such as China, Egypt, Kazakhstan, Russia, South Korea, Switzerland, U.K. and Turkey.

- *U.S. 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 and our risk solutions business.

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.

Our risk solutions business writes predominantly property insurance risks for a select group of U.S. program managers. Effective January 1, 2012, management responsibility for the risk solutions business was moved from reinsurance to insurance although for Loss Triangulation purposes, for 2011 it 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 Committee 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.

The Reserve Committee is a management committee consisting of the Head of Risk (Chair of the Reserve Committee), the Group Chief Actuary, the Group Chief Financial Officer and senior members of our underwriting and claims staff. In the fourth quarter of 2011, we established two separate Reserve Committees for our reinsurance and insurance segments. There is a core membership of both committees consisting of the Group Head of Risk, the Group Chief Actuary, the Group Chief Financial Officer and the Underwriting Heads of insurance and reinsurance. 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. For example, in property reinsurance there is still the potential for adverse development from litigation associated with Hurricane Katrina. 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 line 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 and there is a specific area of uncertainty relating to a book of New York Contractor business. In each case, management believe 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, 2011						
Segment	**Management's Selected 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**

	Gross Reserves as at December 31, 2010						
Segment	**Management's Selected Reserve**	**Percentile**	**10th**	**25th**	**Mean**	**75th**	**90th**
	$M	**%**	**$M**	**$M**	**$M**	**$M**	**$M**
Reinsurance	2,304.6	74%	1,691.9	1,879.5	2,132.4	2,355.2	2,614.2
Insurance	1,515.9	72%	1,108.0	1,210.9	1,371.9	1,499.9	1,669.7
Diversification			379.7	225.2		-184.7	-413.8
Total	**3,820.5**	**88%**	**3,179.6**	**3,315.6**	**3,504.3**	**3,670.4**	**3,870.1**

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 $2,244.8 million. The 90th percentile represents a 1 in 10 chance that reserves will be at or greater than $3,240.2 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 $397.6 million (being the difference above between the selected loss reserves of $4,525.2 million and the mean value of $4,127.6 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 $3.9 million (being the difference between the selected loss reserves of $4,525.2 million and the 90th percentile value of $4,529.1 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 $3,428.7 million at the 10th percentile and $4,102.1 million at the 90th percentile. The actual net reserves established as at December 31, 2011 were $4,098.6 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, 2011 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	4,483.3
(2) 2002 Year Reserves	3.7
(3) ULAE	35.9
(4) Run-Off Reserves	2.4
(5) Reserves for Losses and loss expenses per December 31, 2011 consolidated financial statements	4,525.2

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, 2011 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	426.1
(2) 2002 Year Reserves	
(3) Run-Off Reserves	0.5
(5) Reserves for Losses and loss expenses per December 31, 2011 consolidated financial statements	426.6

Consolidated Total

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	1,079,074	309,682	34,098	343,780			
2004	1,504,845	734,114	63,032	797,146			
2005	1,955,087	2,223,550	115,447	2,338,997			
2006	1,975,719	614,054	120,415	734,469			
2007	1,830,476	722,185	198,457	920,641			
2008	1,797,282	826,349	276,896	1,103,245			
2009	2,059,606	450,088	343,236	793,324			
2010	2,070,307	400,192	366,628	766,820			
2011	2,097,285	243,496	509,827	753,323			
Total	16,369,682	6,523,709	2,028,036	8,551,745	2,455,233	11,006,978	67.2%

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	137,601	16,017	5,483	21,500			
2004	201,293	190,651	7,290	197,941			
2005	471,228	1,094,055	23,965	1,118,020			
2006	331,549	37,228	5,865	43,093			
2007	172,286	45,320	20,326	65,647			
2008	169,601	82,577	25,395	107,972			
2009	206,304	12,771	48,876	61,647			
2010	189,405	4,674	24,809	29,484			
2011	234,289	2,152	68,391	70,543			
Total	2,113,558	1,485,446	230,399	1,715,845	195,660	1,911,506	90.4%

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	941,473	293,665	28,615	322,280			
2004	1,303,552	543,463	55,742	599,205			
2005	1,483,859	1,129,495	91,482	1,220,977			
2006	1,644,169	576,826	114,550	691,377			
2007	1,658,190	676,864	178,130	854,995			
2008	1,627,681	743,771	251,502	995,273			
2009	1,853,301	437,317	294,360	731,677			
2010	1,880,902	395,518	341,818	737,336			
2011	1,862,996	241,344	441,436	682,780			
Total	14,256,124	5,038,264	1,797,637	6,835,900	2,259,572	9,095,473	63.8%

Exhibit 1, Page 2 **Consolidated Total**

Valuation Date : December 31, 2011 **Value in Thousands, USD**

Gross Paid Losses

	Months								
	12	24	36	48	60	72	84	96	108
2003	35,917	103,111	162,933	203,937	245,080	274,273	288,112	300,741	309,682
2004	84,815	398,820	535,495	596,583	646,096	689,350	710,130	734,114	
2005	209,696	1,180,813	1,677,884	1,926,741	2,088,611	2,184,635	2,223,550		
2006	131,808	274,977	391,659	489,460	567,464	614,054			
2007	121,424	343,488	517,303	643,977	722,185				
2008	179,332	453,452	653,428	826,349					
2009	102,173	293,016	450,088						
2010	121,590	400,192							
2011	243,496								

Paid Loss Ratio

	Months								
	12	24	36	48	60	72	84	96	108
2003	3.3%	9.6%	15.1%	18.9%	22.7%	25.4%	26.7%	27.9%	28.7%
2004	5.6%	26.5%	35.6%	39.6%	42.9%	45.8%	47.2%	48.8%	
2005	10.7%	60.4%	85.8%	98.6%	106.8%	111.7%	113.7%		
2006	6.7%	13.9%	19.8%	24.8%	28.7%	31.1%			
2007	6.6%	18.8%	28.3%	35.2%	39.5%				
2008	10.0%	25.2%	36.4%	46.0%					
2009	5.0%	14.2%	21.9%						
2010	5.9%	19.3%							
2011	11.6%								

Gross Case Incurred Losses

	Months								
	12	24	36	48	60	72	84	96	108
2003	167,839	251,843	286,548	313,909	338,166	342,731	345,648	340,294	343,780
2004	377,570	655,953	721,357	753,228	769,430	774,550	789,980	797,146	
2005	1,268,216	2,045,549	2,207,318	2,262,082	2,301,892	2,323,102	2,338,997		
2006	358,593	500,904	593,082	666,609	729,496	734,469			
2007	420,412	662,174	816,431	889,657	920,641				
2008	516,369	829,860	994,213	1,103,245					
2009	378,757	669,148	793,324						
2010	472,026	766,820							
2011	753,323								

Case Incurred Loss Ratio

	Months								
	12	24	36	48	60	72	84	96	108
2003	15.6%	23.3%	26.6%	29.1%	31.3%	31.8%	32.0%	31.5%	31.9%
2004	25.1%	43.6%	47.9%	50.1%	51.1%	51.5%	52.5%	53.0%	
2005	64.9%	104.6%	112.9%	115.7%	117.7%	118.8%	119.6%		
2006	18.2%	25.4%	30.0%	33.7%	36.9%	37.2%			
2007	23.0%	36.2%	44.6%	48.6%	50.3%				
2008	28.7%	46.2%	55.3%	61.4%					
2009	18.4%	32.5%	38.5%						
2010	22.8%	37.0%							
2011	35.9%								

Consolidated Total Reserving Notes

In total 66% (2010 : 62%) of gross reserves arise from Reinsurance and 34% (2010 : 38%) from Insurance.

Of the total reinsurance reserves, 43% (2010 :41%) are reported case reserves and 57% (2010 :59%) are IBNR. Additional case reserves amount to 8.7% of reported case reserves. Held reserves are $243 million (2010 : $211 million) in excess of Aspen's internal actuarial mean best estimate and this equates to the 75th (2010 : 74th percentile) on our internal model of reserving risk.

Of the total Insurance reserves, 49% (2010 : 54%) are reported case reserves and 51% (2010 :46% are IBNR). Held reserves are $145 million (2010 : $105 million) in excess of Aspen's internal actuarial mean best estimate and this equates to the 75th percentile (2010 : 72nd percentile) on our internal model of reserving risk.

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

Gross					
AY	Paid	Case	Incurred	IBNR	Ultimate
2004	378,272	3,112	381,385	1,096	382,480
2005	1,563,493	17,798	1,581,291	37,882	1,619,173
2006	0	0	0	0	0
2007	96,292	10,999	107,291	0	107,291
2008	249,301	15,520	264,821	6,996	271,816
2009	0	0	0	0	0
2010	91,562	67,545	159,107	20,029	179,136
2011	117,055	283,717	400,772	244,054	644,826

Ceded					
AY	Paid	Case	Incurred	IBNR	Ultimate
2004	153,515	4,077	157,592	-506	157,087
2005	993,893	14,609	1,008,502	9,991	1,018,493
2006	0	0	0	0	0
2007	11,137	11,117	22,254	0	22,254
2008	65,820	5,819	71,639	2,084	73,723
2009	0	0	0	0	0
2010	0	0	0	0	0
2011	2,650	46,695	49,345	83,368	132,713

Net					
AY	Paid	Case	Incurred	IBNR	Ultimate
2004	224,757	-965	223,792	1,601	225,393
2005	569,600	3,189	572,789	27,892	600,680
2006	0	0	0	0	0
2007	85,154	-118	85,036	0	85,036
2008	183,481	9,701	193,182	4,911	198,093
2009	0	0	0	0	0
2010	91,562	67,545	159,107	20,029	179,136
2011	114,405	237,022	351,427	160,687	512,114

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

In total, held reserves are $398 million (2010 : $316 million) in excess of Aspen's internal actuarial mean best estimate and this equates to the 90th percentile (2010 : 88th percentile) on our internal model of reserving risk, this percentile reflecting the benefits of diversification across lines of business.

During 2011, there was an overall reduction of our estimate of the ultimate claims to be paid on 2010 and prior accident years of $92 million, $72 million of which was in the reinsurance segment and $20 million of which was in the nsurance segment.

Exhibit 2, Page 1
Valuation Date : December 31, 2011

Insurance Total

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	202,868	70,188	965	71,153			
2004	315,328	137,909	9,065	146,974			
2005	561,072	709,157	31,394	740,550			
2006	703,898	299,635	30,255	329,890			
2007	662,472	395,273	67,456	462,729			
2008	725,606	412,655	136,566	549,221			
2009	855,679	228,102	188,369	416,472			
2010	912,515	185,806	168,476	354,281			
2011	931,835	68,775	113,848	182,622			
Total	5,871,273	2,507,500	746,393	3,253,893	767,342	4,021,235	68.5%

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	22,666	4,599	0	4,599			
2004	45,988	24,704	2,512	27,216			
2005	149,580	457,513	14,932	472,445			
2006	130,291	26,012	5,595	31,607			
2007	92,474	31,167	20,701	51,868			
2008	110,897	79,750	24,995	104,744			
2009	151,871	12,138	48,736	60,874			
2010	148,542	1,645	23,661	25,306			
2011	153,849	1,093	3,949	5,042			
Total	1,006,157	638,619	145,080	783,700	109,204	892,903	88.7%

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	180,202	65,589	965	66,554			
2004	269,340	113,205	6,553	119,758			
2005	411,492	251,644	16,462	268,106			
2006	573,607	273,623	24,660	298,283			
2007	569,997	364,107	46,755	410,862			
2008	614,709	332,905	111,571	444,477			
2009	703,807	215,965	139,633	355,598			
2010	763,973	184,161	144,815	328,976			
2011	777,987	67,682	109,899	177,580			
Total	4,865,116	1,868,881	601,313	2,470,193	658,139	3,128,332	64.3%

Exhibit 2, Page 2

Insurance Total

Valuation Date : December 31, 2011

Value in Thousands, USD

Gross Paid Losses

	Months 12	24	36	48	60	72	84	96	108
2003	2,117	13,198	28,262	43,888	58,216	65,550	67,649	68,927	70,188
2004	10,351	48,212	86,807	107,959	124,298	131,771	135,883	137,909	
2005	76,813	321,474	472,297	567,965	651,379	690,166	709,157		
2006	85,026	152,061	200,775	249,052	285,277	299,635			
2007	67,525	188,278	302,002	358,962	395,273				
2008	61,085	215,379	330,381	412,655					
2009	45,775	143,048	228,102						
2010	52,419	185,806							
2011	68,775								

Paid Loss Ratio

	Months 12	24	36	48	60	72	84	96	108
2003	1.0%	6.5%	13.9%	21.6%	28.7%	32.3%	33.3%	34.0%	34.6%
2004	3.3%	15.3%	27.5%	34.2%	39.4%	41.8%	43.1%	43.7%	
2005	13.7%	57.3%	84.2%	101.2%	116.1%	123.0%	126.4%		
2006	12.1%	21.6%	28.5%	35.4%	40.5%	42.6%			
2007	10.2%	28.4%	45.6%	54.2%	59.7%				
2008	8.4%	29.7%	45.5%	56.9%					
2009	5.3%	16.7%	26.7%						
2010	5.7%	20.4%							
2011	7.4%								

Gross Case Incurred Losses

	Months 12	24	36	48	60	72	84	96	108
2003	39,375	71,718	75,031	77,662	78,175	69,931	70,082	70,705	71,153
2004	95,296	137,358	143,008	143,982	141,042	140,781	141,108	146,974	
2005	383,978	649,299	700,753	704,463	729,316	727,518	740,550		
2006	210,589	265,901	294,090	321,401	334,189	329,890			
2007	228,660	341,366	433,031	456,307	462,729				
2008	262,400	426,138	488,257	549,221					
2009	219,858	380,093	416,472						
2010	237,704	354,281							
2011	182,622								

Case Incurred Loss Ratio

	Months 12	24	36	48	60	72	84	96	108
2003	19.4%	35.4%	37.0%	38.3%	38.5%	34.5%	34.5%	34.9%	35.1%
2004	30.2%	43.6%	45.4%	45.7%	44.7%	44.6%	44.7%	46.6%	
2005	68.4%	115.7%	124.9%	125.6%	130.0%	129.7%	132.0%		
2006	29.9%	37.8%	41.8%	45.7%	47.5%	46.9%			
2007	34.5%	51.5%	65.4%	68.9%	69.8%				
2008	36.2%	58.7%	67.3%	75.7%					
2009	25.7%	44.4%	48.7%						
2010	26.0%	38.8%							
2011	19.6%								

Exhibit 3, Page 1 **Property Insurance**

Valuation Date : December 31, 2011 **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	43,965	8,946	24	8,970			
2004	86,580	46,122	29	46,151			
2005	138,065	278,533	2,786	281,319			
2006	126,707	63,772	71	63,843			
2007	94,800	30,032	38	30,071			
2008	91,298	35,879	388	36,267			
2009	123,926	24,573	5,084	29,657			
2010	164,702	34,586	12,247	46,832			
2011	179,079	19,521	35,412	54,933			
Total	1,049,122	541,964	56,079	598,043	44,773	642,816	61.3%

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	9,571	0	0	0			
2004	20,815	11,073	80	11,152			
2005	83,863	213,245	4,078	217,324			
2006	57,333	12,976	0	12,976			
2007	29,810	0	0	0			
2008	26,985	5,134	779	5,913			
2009	44,129	1,779	1,469	3,247			
2010	42,691	1,410	2,564	3,973			
2011	51,699	987	3,557	4,544			
Total	366,895	246,603	12,526	259,128	14,565	273,694	74.6%

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	34,394	8,946	24	8,970			
2004	65,766	35,050	-51	34,999			
2005	54,202	65,287	-1,292	63,996			
2006	69,374	50,797	71	50,868			
2007	64,990	30,032	38	30,071			
2008	64,313	30,745	-391	30,355			
2009	79,797	22,794	3,615	26,409			
2010	122,011	33,176	9,683	42,859			
2011	127,380	18,535	31,855	50,389			
Total	682,227	295,362	43,553	338,915	30,207	369,122	54.1%

Exhibit 3, Page 2

Property Insurance

Valuation Date : December 31, 2011

Value in Thousands, USD

Gross Paid Losses

	Months								
	12	24	36	48	60	72	84	96	108
2003	1,147	4,719	7,470	8,478	8,556	8,878	8,946	8,946	8,946
2004	8,669	28,834	45,001	47,244	46,525	45,977	45,997	46,122	
2005	51,948	185,918	237,305	260,875	258,296	268,388	278,533		
2006	38,146	55,357	61,352	62,728	63,615	63,772			
2007	15,276	27,228	28,992	30,147	30,032				
2008	11,725	29,289	35,362	35,879					
2009	11,647	21,756	24,573						
2010	12,678	34,586							
2011	19,521								

Paid Loss Ratio

	Months								
	12	24	36	48	60	72	84	96	108
2003	2.6%	10.7%	17.0%	19.3%	19.5%	20.2%	20.3%	20.3%	20.3%
2004	10.0%	33.3%	52.0%	54.6%	53.7%	53.1%	53.1%	53.3%	
2005	37.6%	134.7%	171.9%	189.0%	187.1%	194.4%	201.7%		
2006	30.1%	43.7%	48.4%	49.5%	50.2%	50.3%			
2007	16.1%	28.7%	30.6%	31.8%	31.7%				
2008	12.8%	32.1%	38.7%	39.3%					
2009	9.4%	17.6%	19.8%						
2010	7.7%	21.0%							
2011	10.9%								

Gross Case Incurred Losses

	Months								
	12	24	36	48	60	72	84	96	108
2003	8,183	9,551	10,248	9,544	9,196	9,073	8,969	8,969	8,970
2004	43,677	49,287	47,394	47,847	46,704	46,101	46,094	46,151	
2005	168,156	243,187	254,956	251,474	266,167	271,870	281,319		
2006	59,492	63,500	64,364	65,028	65,590	63,843			
2007	29,919	30,427	30,440	30,215	30,071				
2008	25,778	37,865	36,850	36,267					
2009	28,808	29,859	29,657						
2010	38,207	46,832							
2011	54,933								

Case Incurred Loss Ratio

	Months								
	12	24	36	48	60	72	84	96	108
2003	18.6%	21.7%	23.3%	21.7%	20.9%	20.6%	20.4%	20.4%	20.4%
2004	50.4%	56.9%	54.7%	55.3%	53.9%	53.2%	53.2%	53.3%	
2005	121.8%	176.1%	184.7%	182.1%	192.8%	196.9%	203.8%		
2006	47.0%	50.1%	50.8%	51.3%	51.8%	50.4%			
2007	31.6%	32.1%	32.1%	31.9%	31.7%				
2008	28.2%	41.5%	40.4%	39.7%					
2009	23.2%	24.1%	23.9%						
2010	23.2%	28.4%							
2011	30.7%								

Property Insurance Reserving Notes

- This Reserving Class accounts for 2.3% (2010 : 2.3%) of gross reserves as at year-end 2011.

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

AY	Gross Earned Premium	%age UK	%age US
	$000s		
2003	43,965	100%	0%
2004	86,580	76%	24%
2005	138,065	42%	58%
2006	126,707	37%	63%
2007	94,800	43%	57%
2008	91,298	51%	49%
2009	123,926	44%	56%
2010	164,702	43%	57%
2011	179,079	38%	62%

- 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. We do not have any exposure in this reserving class to the major catastrophic earthquake events in 2010 and 2011. A summary of major catastrophes is as follows:-

Gross						Ceded						Net					
AY	Paid	Case	Incurred	IBNR	Ultimate	AY	Paid	Case	Incurred	IBNR	Ultimate	AY	Paid	Case	Incurred	IBNR	Ultimate
2004	14,780	0	14,780	0	14,780	2004	5,296	80	5,376	-29	5,347	2004	9,484	-80	9,404	29	9,433
2005	237,450	3,509	240,958	6,552	247,510	2005	211,973	4,078	216,051	4,044	220,095	2005	25,477	-569	24,907	2,508	27,416
2006	0	0	0	0	0	2006	0	0	0	0	0	2006	0	0	0	0	0
2007	5,030	0	5,030	0	5,030	2007	0	0	0	0	0	2007	5,030	0	5,030	0	5,030
2008	15,979	53	16,032	0	16,032	2008	3,620	560	4,180	0	4,180	2008	12,359	-507	11,852	0	11,852
2009	0	0	0	0	0	2009	0	0	0	0	0	2009	0	0	0	0	0
2010	0	0	0	0	0	2010	0	0	0	0	0	2010	0	0	0	0	0
2011	2,461	2,614	5,075	1,088	6,163	2011	66	322	388	414	802	2011	2,395	2,292	4,687	675	5,362

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

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

Valuation Date : December 31, 2011 | **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	158,903	61,242	941	62,183			
2004	217,265	85,271	8,361	93,632			
2005	220,006	91,670	6,063	97,734			
2006	186,743	94,507	11,650	106,156			
2007	152,192	64,101	19,765	83,865			
2008	162,844	88,314	39,180	127,495			
2009	186,002	27,819	44,963	72,782			
2010	151,586	10,860	35,838	46,699			
2011	116,881	1,821	15,114	16,935			
Total	1,552,422	525,605	181,876	707,480	284,125	991,605	63.9%

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	13,095	4,599	0	4,599			
2004	24,345	9,942	2,382	12,324			
2005	22,131	10,010	244	10,254			
2006	19,044	8,614	3,653	12,267			
2007	15,807	7,229	2,161	9,390			
2008	17,720	6,230	4,408	10,639			
2009	27,687	2,343	2,791	5,135			
2010	26,024	179	129	309			
2011	21,883	106	392	498			
Total	187,736	49,254	16,161	65,415	43,485	108,899	58.0%

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	145,808	56,643	941	57,584			
2004	192,919	75,329	5,979	81,308			
2005	197,875	81,660	5,820	87,480			
2006	167,699	85,893	7,997	93,890			
2007	136,384	56,871	17,604	74,475			
2008	145,124	82,084	34,772	116,856			
2009	158,316	25,476	42,172	67,647			
2010	125,562	10,681	35,709	46,390			
2011	94,998	1,714	14,722	16,436			
Total	1,364,686	476,351	165,714	642,066	240,640	882,706	64.7%

Exhibit 4, Page 2

Casualty Insurance

Valuation Date : December 31, 2011

Value in Thousands, USD

Gross Paid Losses

	Months								
	12	24	36	48	60	72	84	96	108
2003	970	8,479	20,792	35,410	49,660	56,672	58,703	59,981	61,242
2004	1,682	15,720	37,018	55,431	72,412	80,278	83,452	85,271	
2005	2,120	18,164	38,332	58,159	76,055	87,647	91,670		
2006	3,043	17,234	37,848	64,351	85,090	94,507			
2007	2,807	15,642	36,229	50,766	64,101				
2008	2,605	19,531	56,338	88,314					
2009	2,807	11,761	27,819						
2010	2,168	10,860							
2011	1,821								

Paid Loss Ratio

	Months								
	12	24	36	48	60	72	84	96	108
2003	0.6%	5.3%	13.1%	22.3%	31.3%	35.7%	36.9%	37.7%	38.5%
2004	0.8%	7.2%	17.0%	25.5%	33.3%	36.9%	38.4%	39.2%	
2005	1.0%	8.3%	17.4%	26.4%	34.6%	39.8%	41.7%		
2006	1.6%	9.2%	20.3%	34.5%	45.6%	50.6%			
2007	1.8%	10.3%	23.8%	33.4%	42.1%				
2008	1.6%	12.0%	34.6%	54.2%					
2009	1.5%	6.3%	15.0%						
2010	1.4%	7.2%							
2011	1.6%								

Gross Case Incurred Losses

	Months								
	12	24	36	48	60	72	84	96	108
2003	31,192	62,167	64,784	68,118	68,979	60,858	61,113	61,736	62,183
2004	51,415	83,201	88,838	89,363	87,228	87,566	87,874	93,632	
2005	51,487	84,841	90,004	96,402	97,867	96,425	97,734		
2006	57,320	70,549	80,251	96,582	104,933	106,156			
2007	43,369	54,117	65,494	77,183	83,865				
2008	38,203	81,997	109,867	127,495					
2009	28,593	67,510	72,782						
2010	29,007	46,699							
2011	16,935								

Case Incurred Loss Ratio

	Months								
	12	24	36	48	60	72	84	96	108
2003	19.6%	39.1%	40.8%	42.9%	43.4%	38.3%	38.5%	38.9%	39.1%
2004	23.7%	38.3%	40.9%	41.1%	40.1%	40.3%	40.4%	43.1%	
2005	23.4%	38.6%	40.9%	43.8%	44.5%	43.8%	44.4%		
2006	30.7%	37.8%	43.0%	51.7%	56.2%	56.8%			
2007	28.5%	35.6%	43.0%	50.7%	55.1%				
2008	23.5%	50.4%	67.5%	78.3%					
2009	15.4%	36.3%	39.1%						
2010	19.1%	30.8%							
2011	14.5%								

Casualty Insurance Reserving Notes

- This Reserving Class accounts for 10.4% (2010 : 13.4%) of gross reserves as at year-end 2011. Note that since last year's report an element of U.S. Casualty Liability has been reclassified into the Financial & Professional Line segment.

- 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 $000s	%age Of Gross Earned Premium UK	US	Excess Casualty
2003	158,903	100%	0%	0%
2004	217,265	96%	4%	0%
2005	220,006	78%	22%	0%
2006	186,743	67%	33%	0%
2007	152,192	55%	44%	1%
2008	162,844	40%	39%	21%
2009	186,002	27%	36%	37%
2010	151,586	28%	30%	42%
2011	116,881	31%	20%	49%

- 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 has been better than we expected.

- Case reserving methodology in US Insurance was strengthened in 2010 which can be seen in the penultimate diagonal of the case incurred loss triangle which had stronger than typical expected development.

- The development in the 2004 accident year during the last 12 months is 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. This is summarised in the following table:-

Accident year 2004				*$000s*
As At Year-end :	Incurred Claim	Gross Ultimate Claim	Reinsurance Ultimate Claims	Net Ultimate Claims
2010	6,298	6,298	1,595	4,704
2011	11,504	11,507	5,519	5,988
Change	5,206	5,209	3,924	1,284

We are not aware of any other Periodic Payment Order in this reserving class as at December 31, 2011.

Exhibit 5, Page 1
Valuation Date : December 31, 2011

Marine, Energy & Transportation

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	8,899	5,445	674	6,119			
2005	189,965	334,171	22,408	356,579			
2006	371,733	135,330	18,217	153,547			
2007	399,475	292,584	46,819	339,402			
2008	414,560	258,170	43,666	301,835			
2009	433,379	135,586	63,961	199,547			
2010	454,754	130,193	93,441	223,634			
2011	432,350	42,727	48,176	90,903			
Total	2,705,115	1,334,205	337,362	1,671,567	225,439	1,897,006	70.1%

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	828	3,690	50	3,739			
2005	43,586	234,257	10,610	244,867			
2006	53,914	4,423	1,942	6,365			
2007	46,589	23,937	18,540	42,477			
2008	50,122	62,200	6,909	69,109			
2009	49,958	4,806	12,286	17,092			
2010	40,575	56	20,968	21,023			
2011	40,649	0	0	0			
Total	326,220	333,368	71,305	404,673	-715	403,958	123.8%

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	8,071	1,756	625	2,380			
2005	146,379	99,914	11,798	111,712			
2006	317,820	130,907	16,275	147,182			
2007	352,886	268,647	28,279	296,925			
2008	364,438	195,969	36,757	232,726			
2009	383,421	130,779	51,676	182,455			
2010	414,179	130,137	72,473	202,610			
2011	391,701	42,727	48,176	90,903			
Total	2,378,895	1,000,836	266,057	1,266,894	226,154	1,493,048	62.8%

Exhibit 5, Page 2 **Marine, Energy & Transportation**

Valuation Date : December 31, 2011 **Value in Thousands, USD**

Gross Paid Losses

	Months								
	12	24	36	48	60	72	84	96	108
2003	0	0	0	0	0	0	0	0	0
2004	0	3,659	3,946	4,267	4,318	4,445	5,362	5,445	
2005	22,745	116,216	193,598	244,879	312,626	329,393	334,171		
2006	43,193	76,891	98,287	117,302	130,795	135,330			
2007	48,872	141,111	231,036	270,972	292,584				
2008	46,117	162,067	224,068	258,170					
2009	29,187	95,782	135,586						
2010	34,527	130,193							
2011	42,727								

Paid Loss Ratio

	Months								
	12	24	36	48	60	72	84	96	108
2003	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%	49.9%	60.3%	61.2%	
2005	12.0%	61.2%	101.9%	128.9%	164.6%	173.4%	175.9%		
2006	11.6%	20.7%	26.4%	31.6%	35.2%	36.4%			
2007	12.2%	35.3%	57.8%	67.8%	73.2%				
2008	11.1%	39.1%	54.0%	62.3%					
2009	6.7%	22.1%	31.3%						
2010	7.6%	28.6%							
2011	9.9%								

Gross Case Incurred Losses

	Months								
	12	24	36	48	60	72	84	96	108
2003	0	0	0	0	0	0	0	0	0
2004	205	4,870	5,572	5,615	5,986	6,031	6,069	6,119	
2005	164,335	317,969	351,979	350,986	360,145	354,172	356,579		
2006	90,138	128,052	144,513	154,862	157,737	153,547			
2007	152,431	250,375	329,056	340,191	339,402				
2008	183,145	264,260	287,790	301,835					
2009	112,111	189,070	199,547						
2010	160,211	223,634							
2011	90,903								

Case Incurred Loss Ratio

	Months								
	12	24	36	48	60	72	84	96	108
2003	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%	
2005	86.5%	167.4%	185.3%	184.8%	189.6%	186.4%	187.7%		
2006	24.2%	34.4%	38.9%	41.7%	42.4%	41.3%			
2007	38.2%	62.7%	82.4%	85.2%	85.0%				
2008	44.2%	63.7%	69.4%	72.8%					
2009	25.9%	43.6%	46.0%						
2010	35.2%	49.2%							
2011	21.0%								

Marine, Energy & Transportation Reserving Notes

- This Reserving Class accounts for 12.6% (2010 : 15.7%) of gross reserves as at year-end 2011.

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

AY	Gross Earned Premium $000s	%age Of Gross Earned Premium: MEC Liability	Energy PD	Marine Hull	Specie	Aviation	Inland Marine
2004	8,899	72%	12%	16%	0%	0%	0%
2005	189,965	51%	12%	21%	0%	15%	0%
2006	371,733	38%	20%	15%	0%	26%	0%
2007	399,475	35%	26%	15%	0%	24%	0%
2008	414,560	37%	24%	15%	0%	24%	0%
2009	433,379	39%	20%	15%	1%	25%	0%
2010	454,754	42%	16%	14%	2%	25%	0%
2011	432,689	41%	18%	11%	3%	27%	1%

- 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	11	3,676	0	3,676
2005	201,935	3,998	205,934	2,363	208,297
2006	0	0	0	0	0
2007	54,928	10,317	65,245	0	65,245
2008	86,217	6,347	92,564	2,141	94,705
2009	0	0	0	0	0
2010	4,655	174	4,829	1,543	6,371
2011	644	709	1,354	0	1,354

Ceded

AY	Paid	Case	Incurred	IBNR	Ultimate
2004	3,630	48	3,679	-23	3,655
2005	191,982	1,618	193,599	881	194,481
2006	0	0	0	0	0
2007	11,137	11,117	22,254	0	22,254
2008	62,200	5,259	67,459	2,084	69,543
2009	0	0	0	0	0
2010	0	0	0	0	0
2011	0	0	0	0	0

Net

AY	Paid	Case	Incurred	IBNR	Ultimate
2004	35	-37	-2	23	21
2005	9,954	2,381	12,334	1,482	13,816
2006	0	0	0	0	0
2007	43,790	-800	42,990	0	42,990
2008	24,017	1,088	25,105	57	25,162
2009	0	0	0	0	0
2010	4,655	174	4,829	1,543	6,371
2011	644	709	1,354	0	1,354

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

- 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, 2011 **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	0	0	0	0			
2004	2,584	1,071	0	1,071			
2005	13,036	4,782	136	4,918			
2006	18,714	6,027	317	6,344			
2007	16,005	8,556	834	9,391			
2008	56,904	30,292	53,332	83,624			
2009	112,371	40,125	74,361	114,486			
2010	141,474	10,167	26,950	37,117			
2011	203,187	4,706	15,146	19,852			
Total	564,275	105,726	171,076	276,803	212,959	489,761	86.8%

CEDED	**(8)**	**(9)**	**(10)**	**(11)**	**(12)**	**(13)**	**(14)**
				= (9) + (10)		= (11) + (12)	= (13) / (8)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
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	16,070	6,185	12,898	19,084			
2009	30,098	3,209	32,190	35,400			
2010	39,253	0	0	0			
2011	39,034	0	0	0			
Total	124,722	9,395	45,089	54,483	51,869	106,352	85.3%

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	0	0	0	0			
2004	2,584	1,071	0	1,071			
2005	13,036	4,782	136	4,918			
2006	18,714	6,027	317	6,344			
2007	15,738	8,556	834	9,391			
2008	40,834	24,107	40,434	64,540			
2009	82,273	36,915	42,171	79,086			
2010	102,221	10,167	26,950	37,117			
2011	164,153	4,706	15,146	19,852			
Total	439,553	96,331	125,988	222,319	161,090	383,409	87.2%

Financial & Professional

Valuation Date : December 31, 2011

Value in Thousands, USD

Gross Paid Losses

	Months								
	12	24	36	48	60	72	84	96	108
2003	0	0	0	0	0	0	0	0	0
2004	0	0	842	1,018	1,044	1,071	1,071	1,071	
2005	0	1,176	3,062	4,052	4,402	4,737	4,782		
2006	644	2,579	3,287	4,670	5,776	6,027			
2007	570	4,297	5,745	7,077	8,556				
2008	639	4,492	14,613	30,292					
2009	2,134	13,750	40,125						
2010	3,047	10,167							
2011	4,706								

Paid Loss Ratio

	Months								
	12	24	36	48	60	72	84	96	108
2003	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%	39.4%	40.4%	41.4%	41.5%	41.5%	
2005	0.0%	9.0%	23.5%	31.1%	33.8%	36.3%	36.7%		
2006	3.4%	13.8%	17.6%	25.0%	30.9%	32.2%			
2007	3.6%	26.8%	35.9%	44.2%	53.5%				
2008	1.1%	7.9%	25.7%	53.2%					
2009	1.9%	12.2%	35.7%						
2010	2.2%	7.2%							
2011	2.3%								

Gross Case Incurred Losses

	Months								
	12	24	36	48	60	72	84	96	108
2003	0	0	0	0	0	0	0	0	0
2004	0	0	1,203	1,157	1,124	1,083	1,071	1,071	
2005	0	3,302	3,814	5,600	5,137	5,051	4,918		
2006	3,640	3,800	4,962	4,928	5,929	6,344			
2007	2,941	6,447	8,042	8,718	9,391				
2008	15,275	42,016	53,752	83,624					
2009	50,346	93,653	114,486						
2010	10,280	37,117							
2011	19,852								

Case Incurred Loss Ratio

	Months								
	12	24	36	48	60	72	84	96	108
2003	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2004	0.0%	0.0%	46.6%	44.8%	43.5%	41.9%	41.5%	41.5%	
2005	0.0%	25.3%	29.3%	43.0%	39.4%	38.7%	37.7%		
2006	19.4%	20.3%	26.5%	26.3%	31.7%	33.9%			
2007	18.4%	40.3%	50.2%	54.5%	58.7%				
2008	26.8%	73.8%	94.5%	147.0%					
2009	44.8%	83.3%	101.9%						
2010	7.3%	26.2%							
2011	9.8%								

Financial and Professional Reserving Notes

- This Reserving Class accounts for 8.5% (2010 : 6.5%) of gross reserves as at year-end 2011.

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

AY	Gross Earned Premium	%age Of Gross Earned Premium			
		Professional Liability	Financial Institutions	Financial & Political Risk	Management & Technology
	$000s				
2004	2,584	100%			
2005	13,036	100%			
2006	18,714	100%			
2007	16,005	100%			
2008	56,904	54%	30%	16%	1%
2009	114,001	46%	28%	20%	6%
2010	146,215	44%	17%	28%	11%
2011	211,113	35%	15%	39%	12%

- 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
Valuation Date : December 31, 2011

Reinsurance Total

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	876,206	239,494	33,133	272,627			
2004	1,189,517	596,205	53,967	650,172			
2005	1,394,015	1,514,393	84,054	1,598,447			
2006	1,271,821	314,418	90,160	404,579			
2007	1,168,005	326,912	131,001	457,912			
2008	1,071,676	413,693	140,331	554,024			
2009	1,203,927	221,986	154,867	376,852			
2010	1,157,791	214,387	198,152	412,539			
2011	1,165,450	174,721	395,979	570,701			
Total	10,498,409	4,016,210	1,281,643	5,297,852	1,687,891	6,985,743	66.5%

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	114,935	11,418	5,483	16,901			
2004	155,305	165,947	4,778	170,725			
2005	321,648	636,542	9,034	645,575			
2006	201,259	11,215	270	11,485			
2007	79,812	14,154	-375	13,779			
2008	58,704	2,827	400	3,227			
2009	54,433	634	140	773			
2010	40,863	3,029	1,149	4,178			
2011	80,441	1,059	64,442	65,501			
Total	1,107,400	846,826	85,319	932,145	86,457	1,018,602	92.0%

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	761,271	228,076	27,650	255,726			
2004	1,034,212	430,258	49,189	479,447			
2005	1,072,367	877,851	75,020	952,871			
2006	1,070,562	303,203	89,890	393,093			
2007	1,088,193	312,758	131,376	444,133			
2008	1,012,972	410,866	139,931	550,797			
2009	1,149,494	221,352	154,727	376,079			
2010	1,116,928	211,357	197,003	408,361			
2011	1,085,009	173,662	331,538	505,200			
Total	9,391,008	3,169,383	1,196,324	4,365,707	1,601,434	5,967,141	63.5%

Exhibit 7, Page 2

Valuation Date : December 31, 2011

Reinsurance Total

Value in Thousands, USD

Gross Paid Losses

	Months								
	12	24	36	48	60	72	84	96	108
2003	33,800	89,912	134,671	160,049	186,864	208,723	220,463	231,815	239,494
2004	74,464	350,607	448,688	488,623	521,798	557,579	574,247	596,205	
2005	132,882	859,339	1,205,588	1,358,775	1,437,232	1,494,468	1,514,393		
2006	46,782	122,916	190,884	240,408	282,187	314,418			
2007	53,899	155,210	215,302	285,015	326,912				
2008	118,247	238,073	323,047	413,693					
2009	56,398	149,968	221,986						
2010	69,171	214,387							
2011	174,721								

Paid Loss Ratio

	Months								
	12	24	36	48	60	72	84	96	108
2003	3.9%	10.3%	15.4%	18.3%	21.3%	23.8%	25.2%	26.5%	27.3%
2004	6.3%	29.5%	37.7%	41.1%	43.9%	46.9%	48.3%	50.1%	
2005	9.5%	61.6%	86.5%	97.5%	103.1%	107.2%	108.6%		
2006	3.7%	9.7%	15.0%	18.9%	22.2%	24.7%			
2007	4.6%	13.3%	18.4%	24.4%	28.0%				
2008	11.0%	22.2%	30.1%	38.6%					
2009	4.7%	12.5%	18.4%						
2010	6.0%	18.5%							
2011	15.0%								

Gross Case Incurred Losses

	Months								
	12	24	36	48	60	72	84	96	108
2003	128,465	180,125	211,517	236,247	259,991	272,800	275,566	269,589	272,627
2004	282,274	518,595	578,349	609,246	628,388	633,769	648,873	650,172	
2005	884,238	1,396,250	1,506,564	1,557,619	1,572,576	1,595,584	1,598,447		
2006	148,004	235,004	298,992	345,208	395,307	404,579			
2007	191,752	320,808	383,400	433,350	457,912				
2008	253,969	403,722	505,956	554,024					
2009	158,899	289,055	376,852						
2010	234,322	412,539							
2011	570,701								

Case Incurred Loss Ratio

	Months								
	12	24	36	48	60	72	84	96	108
2003	14.7%	20.6%	24.1%	27.0%	29.7%	31.1%	31.4%	30.8%	31.1%
2004	23.7%	43.6%	48.6%	51.2%	52.8%	53.3%	54.5%	54.7%	
2005	63.4%	100.2%	108.1%	111.7%	112.8%	114.5%	114.7%		
2006	11.6%	18.5%	23.5%	27.1%	31.1%	31.8%			
2007	16.4%	27.5%	32.8%	37.1%	39.2%				
2008	23.7%	37.7%	47.2%	51.7%					
2009	13.2%	24.0%	31.3%						
2010	20.2%	35.6%							
2011	49.0%								

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

Valuation Date : December 31, 2011 **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	187,890	17,994	84	18,078			
2004	285,884	160,524	1,698	162,222			
2005	310,640	556,279	2,767	559,047			
2006	275,996	12,618	735	13,353			
2007	273,214	46,062	1,526	47,588			
2008	255,921	133,208	2,436	135,644			
2009	261,022	15,644	3,203	18,847			
2010	288,588	95,906	65,837	161,742			
2011	290,733	75,531	205,625	281,156			
Total	2,429,889	1,113,767	283,910	1,397,677	160,005	1,557,682	64.1%

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	49,949	0	0	0			
2004	53,192	39,550	2,492	42,042			
2005	130,699	224,940	2,965	227,906			
2006	84,230	4,467	0	4,467			
2007	60,651	10,449	-400	10,049			
2008	42,285	2,742	400	3,142			
2009	41,413	123	0	123			
2010	24,784	0	0	0			
2011	50,703	0	23,246	23,246			
Total	537,906	282,272	28,704	310,975	46,134	357,109	66.4%

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	137,941	17,994	84	18,078			
2004	232,692	120,974	-795	120,180			
2005	179,941	331,339	-198	331,141			
2006	191,766	8,151	735	8,886			
2007	212,563	35,613	1,926	37,539			
2008	213,636	130,466	2,036	132,502			
2009	219,609	15,521	3,203	18,724			
2010	263,804	95,906	65,837	161,742			
2011	240,030	75,531	182,379	257,910			
Total	1,891,983	831,496	255,207	1,086,702	113,871	1,200,573	63.5%

Exhibit 8, Page 2

Reinsurance - Property Catastrophe

Valuation Date : December 31, 2011

Value in Thousands, USD

Gross Paid Losses

	Months								
	12	24	36	48	60	72	84	96	108
2003	1,703	9,174	11,231	11,225	11,558	17,787	17,917	17,981	17,994
2004	30,774	117,875	141,478	148,283	153,132	157,614	158,182	160,524	
2005	49,605	350,416	496,894	531,334	547,917	552,339	556,279		
2006	3,430	9,518	11,310	12,062	12,229	12,618			
2007	17,606	47,017	44,803	46,471	46,062				
2008	78,335	109,781	121,659	133,208					
2009	4,429	11,934	15,644						
2010	31,360	95,906							
2011	75,531								

Paid Loss Ratio

	Months								
	12	24	36	48	60	72	84	96	108
2003	0.9%	4.9%	6.0%	6.0%	6.2%	9.5%	9.5%	9.6%	9.6%
2004	10.8%	41.2%	49.5%	51.9%	53.6%	55.1%	55.3%	56.2%	
2005	16.0%	112.8%	160.0%	171.0%	176.4%	177.8%	179.1%		
2006	1.2%	3.4%	4.1%	4.4%	4.4%	4.6%			
2007	6.4%	17.2%	16.4%	17.0%	16.9%				
2008	30.6%	42.9%	47.5%	52.1%					
2009	1.7%	4.6%	6.0%						
2010	10.9%	33.2%							
2011	26.0%								

Gross Case Incurred Losses

	Months								
	12	24	36	48	60	72	84	96	108
2003	10,449	11,506	11,893	11,533	11,646	17,890	18,052	18,112	18,078
2004	88,502	148,828	157,045	157,617	159,575	163,212	162,545	162,222	
2005	427,339	541,587	539,018	548,640	556,072	557,516	559,047		
2006	5,481	11,247	12,879	13,107	13,158	13,353			
2007	59,176	64,610	50,960	51,567	47,588				
2008	124,800	114,632	131,448	135,644					
2009	16,653	20,119	18,847						
2010	128,852	161,742							
2011	281,156								

Case Incurred Loss Ratio

	Months								
	12	24	36	48	60	72	84	96	108
2003	5.6%	6.1%	6.3%	6.1%	6.2%	9.5%	9.6%	9.6%	9.6%
2004	31.0%	52.1%	54.9%	55.1%	55.8%	57.1%	56.9%	56.7%	
2005	137.6%	174.3%	173.5%	176.6%	179.0%	179.5%	180.0%		
2006	2.0%	4.1%	4.7%	4.7%	4.8%	4.8%			
2007	21.7%	23.6%	18.7%	18.9%	17.4%				
2008	48.8%	44.8%	51.4%	53.0%					
2009	6.4%	7.7%	7.2%						
2010	44.6%	56.0%							
2011	96.7%								

Property Catastrophe Reserving Notes

- This Reserving Class accounts for 9.9% (2010 : 5.6%) of gross reserves as at year-end 2011.

- 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	152,670	1,474	154,144	503	154,647	2004	39,550	2,492	42,042	-25	42,017	2004	113,120	-1,018	112,102	528	112,630
2005	535,355	2,767	538,122	22,512	560,634	2005	218,690	2,965	221,655	2,934	224,589	2005	316,665	-198	316,467	19,578	336,045
2006	0	0	0	0	0	2006	0	0	0	0	0	2006	0	0	0	0	0
2007	28,736	648	29,384	0	29,384	2007	0	0	0	0	0	2007	28,736	648	29,384	0	29,384
2008	118,318	1,673	119,990	1,537	121,527	2008	0	0	0	0	0	2008	118,318	1,673	119,990	1,537	121,527
2009	0	0	0	0	0	2009	0	0	0	0	0	2009	0	0	0	0	0
2010	83,872	61,576	145,448	15,022	160,470	2010	0	0	0	0	0	2010	83,872	61,576	145,448	15,022	160,470
2011	61,082	186,981	248,063	104,639	352,703	2011	0	23,246	23,246	43,096	66,342	2011	61,082	163,735	224,817	61,544	286,361

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

- Case incurred claims of the 2007 year between months 24 and 36 reduced from $64.6 million to $51.0 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, 2011

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	234,095	68,240	2,597	70,838			
2004	415,744	293,697	3,912	297,609			
2005	467,563	675,116	7,112	682,227			
2006	354,691	129,996	4,326	134,322			
2007	282,261	94,742	4,711	99,453			
2008	260,469	100,400	10,558	110,957			
2009	304,948	73,545	13,834	87,379			
2010	275,044	65,275	38,002	103,278			
2011	280,824	70,780	142,425	213,205			
Total	2,875,639	1,571,791	227,477	1,799,268	233,472	2,032,740	70.7%

CEDED	(8)	(9)	(10)	(11)	(12)	(13)	(14)
				= (9) + (10)		= (11) + (12)	= (13) / (8)
Accident Year	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2003	46,189	7,625	0	7,625			
2004	88,227	105,369	1,237	106,606			
2005	157,194	306,215	5,315	311,530			
2006	93,218	3,412	0	3,412			
2007	8,270	2,996	0	2,996			
2008	13,059	0	0	0			
2009	11,733	511	140	650			
2010	14,048	3,029	1,149	4,178			
2011	28,182	1,059	41,196	42,255			
Total	460,118	430,217	49,036	479,252	40,010	519,263	112.9%

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	187,907	60,615	2,597	63,213			
2004	327,517	188,328	2,675	191,003			
2005	310,370	368,901	1,797	370,697			
2006	261,473	126,583	4,326	130,909			
2007	273,991	91,746	4,711	96,457			
2008	247,410	100,400	10,558	110,957			
2009	293,215	73,034	13,694	86,728			
2010	260,997	62,246	36,854	99,100			
2011	252,642	69,721	101,229	170,950			
Total	2,415,521	1,141,574	178,441	1,320,016	193,462	1,513,478	62.7%

Exhibit 9, Page 2

Valuation Date : December 31, 2011

Reinsurance - Property Other

Value in Thousands, USD

Gross Paid Losses

	Months 12	24	36	48	60	72	84	96	108
2003	9,557	32,817	53,335	59,315	63,505	65,456	67,442	67,488	68,240
2004	35,262	200,236	256,952	270,186	277,102	287,051	289,120	293,697	
2005	70,860	432,745	567,546	624,545	654,906	672,882	675,116		
2006	31,457	79,567	101,407	121,366	126,889	129,996			
2007	23,740	59,179	83,111	91,934	94,742				
2008	25,428	64,936	88,889	100,400					
2009	26,764	55,534	73,545						
2010	26,304	65,275							
2011	70,780								

Paid Loss Ratio

	Months 12	24	36	48	60	72	84	96	108
2003	4.1%	14.0%	22.8%	25.3%	27.1%	28.0%	28.8%	28.8%	29.2%
2004	8.5%	48.2%	61.8%	65.0%	66.7%	69.0%	69.5%	70.6%	
2005	15.2%	92.6%	121.4%	133.6%	140.1%	143.9%	144.4%		
2006	8.9%	22.4%	28.6%	34.2%	35.8%	36.7%			
2007	8.4%	21.0%	29.4%	32.6%	33.6%				
2008	9.8%	24.9%	34.1%	38.5%					
2009	8.8%	18.2%	24.1%						
2010	9.6%	23.7%							
2011	25.2%								

Gross Case Incurred Losses

	Months 12	24	36	48	60	72	84	96	108
2003	44,572	64,702	68,322	73,011	76,176	74,531	72,146	70,197	70,838
2004	143,581	269,342	291,602	290,984	295,167	295,571	297,908	297,609	
2005	363,741	636,562	668,338	681,088	686,453	683,458	682,227		
2006	87,599	110,026	125,232	132,541	134,319	134,322			
2007	57,153	94,497	101,011	99,467	99,453				
2008	68,176	108,458	110,293	110,957					
2009	57,277	78,083	87,379						
2010	61,479	103,278							
2011	213,205								

Case Incurred Loss Ratio

	Months 12	24	36	48	60	72	84	96	108
2003	19.0%	27.6%	29.2%	31.2%	32.5%	31.8%	30.8%	30.0%	30.3%
2004	34.5%	64.8%	70.1%	70.0%	71.0%	71.1%	71.7%	71.6%	
2005	77.8%	136.1%	142.9%	145.7%	146.8%	146.2%	145.9%		
2006	24.7%	31.0%	35.3%	37.4%	37.9%	37.9%			
2007	20.2%	33.5%	35.8%	35.2%	35.2%				
2008	26.2%	41.6%	42.3%	42.6%					
2009	18.8%	25.6%	28.7%						
2010	22.4%	37.5%							
2011	75.9%								

Property Reinsurance Other Reserving Notes

- This Reserving Class accounts for 10.2% (2010 : 6.7%) of gross reserves as at year-end 2011.

- 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.

AY	Gross Earned Premium	%age Of Gross Earned Premium				
		Risk Excess	Pro-Rata	Facultative	Risk Solutions	Other
	$000s					
2003	234,095	63%	24%	0%	0%	13%
2004	415,744	60%	29%	0%	0%	11%
2005	467,563	60%	33%	1%	0%	6%
2006	354,691	50%	44%	5%	0%	1%
2007	282,261	42%	46%	12%	0%	0%
2008	260,469	34%	50%	16%	0%	0%
2009	304,948	28%	53%	16%	1%	2%
2010	275,044	29%	46%	17%	4%	4%
2011	280,824	25%	47%	16%	6%	6%

- 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	191,462	1,559	193,021	590	193,610	2004	88,583	1,237	89,820	-323	89,497	2004	102,879	322	103,201	912	104,113
2005	501,254	2,819	504,073	5,713	509,787	2005	297,219	5,315	302,534	1,975	304,509	2005	204,035	-2,496	201,539	3,739	205,278
2006	0	0	0	0	0	2006	0	0	0	0	0	2006	0	0	0	0	0
2007	1,742	0	1,742	0	1,742	2007	0	0	0	0	0	2007	1,742	0	1,742	0	1,742
2008	19,054	3,562	22,616	323	22,939	2008	0	0	0	0	0	2008	19,054	3,562	22,616	323	22,939
2009	0	0	0	0	0	2009	0	0	0	0	0	2009	0	0	0	0	0
2010	1,933	5,424	7,357	2,878	10,235	2010	0	0	0	0	0	2010	1,933	5,424	7,357	2,878	10,235
2011	44,270	76,824	121,094	121,079	242,173	2011	2,584	23,127	25,711	39,858	65,569	2011	41,687	53,696	95,383	81,221	176,604

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

- 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

Valuation Date : December 31, 2011

Reinsurance - Casualty

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	193,809	66,373	24,673	91,046			
2004	359,393	97,071	46,145	143,216			
2005	442,371	97,971	63,876	161,847			
2006	435,352	98,711	73,429	172,140			
2007	412,871	99,738	110,156	209,894			
2008	355,952	80,579	117,934	198,514			
2009	375,739	33,736	115,383	149,119			
2010	365,548	11,190	59,988	71,178			
2011	313,360	3,660	20,272	23,932			
Total	3,254,395	589,029	631,857	1,220,886	965,462	2,186,347	67.2%

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	7,533	1,070	221	1,291			
2004	11,585	1,617	140	1,757			
2005	17,563	92	121	212			
2006	14,276	258	270	528			
2007	5,851	44	25	69			
2008	3,122	0	0	0			
2009	1,274	0	0	0			
2010	1,037	0	0	0			
2011	1,556	0	0	0			
Total	63,799	3,081	777	3,857	261	4,118	6.5%

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	186,276	65,304	24,452	89,756			
2004	347,808	95,454	46,005	141,458			
2005	424,807	97,879	63,756	161,635			
2006	421,076	98,453	73,159	171,612			
2007	407,020	99,694	110,131	209,825			
2008	352,830	80,579	117,934	198,514			
2009	374,465	33,736	115,383	149,119			
2010	364,511	11,190	59,988	71,178			
2011	311,804	3,660	20,272	23,932			
Total	3,190,596	585,948	631,080	1,217,028	965,200	2,182,229	68.4%

Exhibit 10, Page 2 **Reinsurance - Casualty**

Valuation Date : December 31, 2011 **Value in Thousands, USD**

Gross Paid Losses

	Months								
	12	24	36	48	60	72	84	96	108
2003	127	5,715	12,632	22,160	31,668	42,233	49,991	61,209	66,373
2004	1,544	9,599	19,511	32,837	52,744	70,676	83,242	97,071	
2005	618	5,857	19,955	43,862	64,581	87,381	97,971		
2006	845	12,481	29,672	51,330	73,827	98,711			
2007	2,749	12,938	34,946	69,682	99,738				
2008	1,709	12,578	40,913	80,579					
2009	1,068	12,384	33,736						
2010	1,259	11,190							
2011	3,660								

Paid Loss Ratio

	Months								
	12	24	36	48	60	72	84	96	108
2003	0.1%	2.9%	6.5%	11.4%	16.3%	21.8%	25.8%	31.6%	34.2%
2004	0.4%	2.7%	5.4%	9.1%	14.7%	19.7%	23.2%	27.0%	
2005	0.1%	1.3%	4.5%	9.9%	14.6%	19.8%	22.1%		
2006	0.2%	2.9%	6.8%	11.8%	17.0%	22.7%			
2007	0.7%	3.1%	8.5%	16.9%	24.2%				
2008	0.5%	3.5%	11.5%	22.6%					
2009	0.3%	3.3%	9.0%						
2010	0.3%	3.1%							
2011	1.2%								

Gross Case Incurred Losses

	Months								
	12	24	36	48	60	72	84	96	108
2003	9,190	32,288	51,214	66,367	79,455	86,781	91,229	87,137	91,046
2004	30,656	61,860	81,199	115,093	126,988	127,346	140,947	143,216	
2005	31,636	75,258	130,140	143,935	142,684	159,297	161,847		
2006	23,154	68,679	102,166	135,246	163,727	172,140			
2007	56,844	113,783	163,373	190,837	209,894				
2008	40,561	102,390	160,440	198,514					
2009	29,244	87,818	149,119						
2010	21,713	71,178							
2011	23,932								

Case Incurred Loss Ratio

	Months								
	12	24	36	48	60	72	84	96	108
2003	4.7%	16.7%	26.4%	34.2%	41.0%	44.8%	47.1%	45.0%	47.0%
2004	8.5%	17.2%	22.6%	32.0%	35.3%	35.4%	39.2%	39.8%	
2005	7.2%	17.0%	29.4%	32.5%	32.3%	36.0%	36.6%		
2006	5.3%	15.8%	23.5%	31.1%	37.6%	39.5%			
2007	13.8%	27.6%	39.6%	46.2%	50.8%				
2008	11.4%	28.8%	45.1%	55.8%					
2009	7.8%	23.4%	39.7%						
2010	5.9%	19.5%							
2011	7.6%								

Casualty Reinsurance Reserving Notes

- This Reserving Class accounts for 35.7% (2010 : 39.7%) of gross reserves as at year-end 2011 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	193,809	5%	11%	8%	15%	41%	2%	10%	9%
2004	359,393	5%	11%	13%	7%	41%	3%	13%	7%
2005	442,371	4%	15%	16%	4%	39%	2%	13%	6%
2006	435,352	5%	17%	15%	5%	37%	2%	13%	6%
2007	412,871	5%	20%	15%	6%	34%	2%	11%	8%
2008	355,952	4%	23%	15%	6%	31%	4%	9%	7%
2009	375,739	5%	21%	16%	8%	27%	7%	8%	8%
2010	365,548	5%	19%	18%	10%	26%	7%	7%	8%
2011	313,360	5%	18%	19%	11%	24%	8%	7%	8%

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, 2011, these were :-

AY	Additional Case Reserves $000s
2003	1,977
2004	7,257
2005	18,876
2006	12,100
2007	22,903
2008	17,921
2009	21,217
2010	3,430
2011	3,658
Total	105,681

Exhibit 11, Page 1
Valuation Date : December 31, 2011

Reinsurance - Specialty

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	260,412	86,886	5,779	92,665			
2004	128,496	44,913	2,213	47,126			
2005	173,442	185,028	10,298	195,326			
2006	205,782	73,093	11,671	84,764			
2007	199,659	86,370	14,607	100,977			
2008	199,334	99,506	9,402	108,908			
2009	262,218	99,061	22,447	121,508			
2010	228,610	42,015	34,325	76,340			
2011	280,533	24,751	27,657	52,408			
Total	1,938,486	741,622	138,399	880,021	328,952	1,208,973	62.4%

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	11,265	2,724	5,262	7,985			
2004	2,302	19,411	909	20,320			
2005	16,192	105,295	632	105,927			
2006	9,535	3,078	0	3,078			
2007	5,040	665	0	665			
2008	238	85	0	85			
2009	13	0	0	0			
2010	994	0	0	0			
2011	0	0	0	0			
Total	45,578	131,257	6,803	138,060	52	138,112	303.0%

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	249,147	84,162	517	84,679			
2004	126,195	25,502	1,304	26,806			
2005	157,250	79,733	9,666	89,398			
2006	196,247	70,015	11,671	81,686			
2007	194,619	85,705	14,607	100,312			
2008	199,096	99,421	9,402	108,823			
2009	262,206	99,061	22,447	121,508			
2010	227,617	42,015	34,325	76,340			
2011	280,533	24,751	27,657	52,408			
Total	1,892,908	610,365	131,596	741,961	328,900	1,070,861	56.6%

Exhibit 11, Page 2

Valuation Date : December 31, 2011

Reinsurance - Specialty

Value in Thousands, USD

Gross Paid Losses

	Months								
	12	24	36	48	60	72	84	96	108
2003	22,413	42,206	57,473	67,349	80,134	83,247	85,112	85,137	86,886
2004	6,884	22,897	30,748	37,317	38,819	42,238	43,702	44,913	
2005	11,799	70,321	121,192	159,035	169,828	181,866	185,028		
2006	11,050	21,350	48,495	55,651	69,242	73,093			
2007	9,804	36,076	52,442	76,928	86,370				
2008	12,774	50,778	71,586	99,506					
2009	24,137	70,117	99,061						
2010	10,247	42,015							
2011	24,751								

Paid Loss Ratio

	Months								
	12	24	36	48	60	72	84	96	108
2003	8.6%	16.2%	22.1%	25.9%	30.8%	32.0%	32.7%	32.7%	33.4%
2004	5.4%	17.8%	23.9%	29.0%	30.2%	32.9%	34.0%	35.0%	
2005	6.8%	40.5%	69.9%	91.7%	97.9%	104.9%	106.7%		
2006	5.4%	10.4%	23.6%	27.0%	33.6%	35.5%			
2007	4.9%	18.1%	26.3%	38.5%	43.3%				
2008	6.4%	25.5%	35.9%	49.9%					
2009	9.2%	26.7%	37.8%						
2010	4.5%	18.4%							
2011	8.8%								

Gross Case Incurred Losses

	Months								
	12	24	36	48	60	72	84	96	108
2003	64,254	71,629	80,088	85,336	92,713	93,598	94,138	94,142	92,665
2004	19,536	38,565	48,503	45,551	46,657	47,641	47,473	47,126	
2005	61,522	142,843	169,068	183,955	187,366	195,314	195,326		
2006	31,771	45,051	58,716	64,315	84,103	84,764			
2007	18,579	47,918	68,055	91,479	100,977				
2008	20,433	78,242	103,775	108,908					
2009	55,725	103,034	121,508						
2010	22,278	76,340							
2011	52,408								

Case Incurred Loss Ratio

	Months								
	12	24	36	48	60	72	84	96	108
2003	24.7%	27.5%	30.8%	32.8%	35.6%	35.9%	36.1%	36.2%	35.6%
2004	15.2%	30.0%	37.7%	35.4%	36.3%	37.1%	36.9%	36.7%	
2005	35.5%	82.4%	97.5%	106.1%	108.0%	112.6%	112.6%		
2006	15.4%	21.9%	28.5%	31.3%	40.9%	41.2%			
2007	9.3%	24.0%	34.1%	45.8%	50.6%				
2008	10.3%	39.3%	52.1%	54.6%					
2009	21.3%	39.3%	46.3%						
2010	9.7%	33.4%							
2011	18.7%								

Specialty Reinsurance Reserving Notes

- This Reserving Class accounts for 10.4% (2010 : 10.1%) of gross reserves as at year-end 2011.

- 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	260,412	19%	0%	0%	0%	81%
2004	128,496	69%	0%	0%	0%	31%
2005	173,442	58%	42%	0%	0%	0%
2006	205,782	45%	55%	0%	0%	0%
2007	199,659	51%	49%	0%	0%	0%
2008	199,334	51%	49%	0%	0%	0%
2009	262,218	42%	50%	8%	0%	0%
2010	228,610	48%	17%	27%	8%	0%
2011	280,533	43%	17%	31%	8%	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	15,696	68	15,763	2	15,766	2004	16,456	220	16,676	-106	16,570	2004	-760	-152	-912	108	-804
2005	87,499	4,704	92,203	742	92,945	2005	74,029	632	74,662	157	74,819	2005	13,469	4,072	17,541	584	18,126
2006	0	0	0	0	0	2006	0	0	0	0	0	2006	0	0	0	0	0
2007	5,856	34	5,890	0	5,890	2007	0	0	0	0	0	2007	5,856	34	5,890	0	5,890
2008	9,734	3,885	13,619	2,995	16,614	2008	0	0	0	0	0	2008	9,734	3,885	13,619	2,995	16,614
2009	0	0	0	0	0	2009	0	0	0	0	0	2009	0	0	0	0	0
2010	1,102	372	1,474	586	2,060	2010	0	0	0	0	0	2010	1,102	372	1,474	586	2,060
2011	8,597	16,589	25,186	17,247	42,433	2011	0	0	0	0	0	2011	8,597	16,589	25,186	17,247	42,433

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

[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, 2011.

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 2011, 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).