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**News  
Release**

## **FOR IMMEDIATE RELEASE**

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### **ACE ANNOUNCES DETAILS FROM BRANDYWINE LOSS RESERVE STUDIES**

HAMILTON, Bermuda – December 15, 2006 -- ACE Limited (NYSE: ACE) announced today additional details from the annual internal and biennial external reviews of the Company's Brandywine run-off loss reserves, including asbestos and environmental liabilities:

- As a result of the internal review, the Company concluded that its net loss reserves for the Brandywine operations were adequate and, therefore, no change to the carried net reserve was required, while the gross loss reserves increased by approximately \$200 million.
- The conclusions of the external review provided estimates of ultimate gross and net Brandywine liabilities that are lower than the same study two years ago. As a result, the difference in net loss reserves between the internal and external studies has narrowed to approximately \$100 million after-tax from \$180 million after-tax two years ago.
- The Company's best estimate falls comfortably within the range of outcomes produced by the external actuarial firm.

Philip Bancroft, ACE Limited Chief Financial Officer, commented: "The evaluation process for our direct gross and ceded exposures is ground-up, detailed and methodical. The process to model our ceded exposures includes refined estimates of third party reinsurance after allocation

of detailed account and policy level information. This approach allows a detailed assessment of the collectibility of our reinsurance recoverable asset. The external actuaries both reviewed our model and subsequently used it when developing their estimate.”

The Company conducts an annual internal review of Brandywine loss reserves that includes an extensive ground-up evaluation of direct asbestos and environmental exposures. In addition, a biennial review is conducted by an independent actuarial consulting firm, as required by the Pennsylvania Insurance Department, as a condition of the 1996 Brandywine restructuring order.

The ACE Group of Companies is a global leader in insurance and reinsurance serving a diverse group of clients. Headed by ACE Limited, a component of the Standard & Poor’s 500 stock index, the ACE Group conducts its business on a worldwide basis with operating subsidiaries in more than 50 countries. Additional information can be found at: [www.ancelimited.com](http://www.ancelimited.com).

**Cautionary Statement Regarding Forward-Looking Statements:**

*Any forward-looking statements made in this press release reflect the Company’s current views with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties, which may cause actual results to differ materially from those set forth in these statements. For example, the Company’s forward-looking statements concerning the sufficiency of its Brandywine run-off reserves, including asbestos and environmental liabilities, is subject to a number of potential adverse developments including, among others, the willingness of parties, including the Company, to settle disputes, the impact of aggregate policy coverage limits, the impact of bankruptcies of various asbestos producers and related businesses, new theories of liability, uncertainties in the loss reserving and claims settlement process, and actual loss experience. The Company’s forward-looking statements could also be affected by judicial, legislative, regulatory and other governmental developments, litigation tactics and developments, investigation developments, competition, pricing and policy term trends, the levels of new and renewal business achieved, market acceptance, changes in demand, the frequency and severity of catastrophic events, the amount and timing of reinsurance recoverables, credit developments among reinsurers, changes in the cost or availability of reinsurance, market developments, rating agency action, possible terrorism or the outbreak and effects of war and economic, political, regulatory, insurance and reinsurance business conditions, as well as management’s response to these factors, and other factors identified in the Company’s filings with the Securities and Exchange Commission. 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. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

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