Arch Capital Group Ltd.®

2010 Loss Development Triangles

Published August 24, 2011

2010 Loss Development Triangle Cautionary Language

This report is for informational purposes only and is current as of December 31, 2010. 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 our filings with the U.S. Securities and Exchange Commission (the “SEC”) or otherwise. Although the loss payment and loss reporting 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. The information disclosed here represents a high-level summary of the data we use for our own reserve evaluations. Important details, such as specific loss development expectations for particular contracts, years or events, cannot be developed solely by analyzing the information provided in this report. In addition to analyzing loss development information, management incorporates additional information into the reserving process, such as pricing and 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 periodic reports filed by Arch Capital Group Ltd. (“ACGL”) with the SEC, including ACGL’s most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

Cautionary Note Regarding Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 (“PSLRA”) provides a “safe harbor” for forward-looking statements. This report or any other written or oral statements made by or on behalf of us may include forward-looking statements, which reflect our current views with respect to future events and financial performance. All statements other than statements of historical fact included in or incorporated by reference in this report are forward-looking statements. Forward-looking statements, for purposes of the PSLRA or otherwise, can generally be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” or “continue” and similar statements of a future or forward-looking nature or their negative or variations or similar terminology.

Forward-looking statements involve our current assessment of risks and uncertainties. Actual events and results may differ materially from those expressed or implied in these statements. Important factors that could cause actual events or results to differ materially from those indicated in such statements are discussed below, elsewhere in this report and in our periodic reports filed with the SEC, and include:

- our ability to successfully implement our business strategy during "soft" as well as "hard" markets;
- acceptance of our business strategy, security and financial condition by rating agencies and regulators, as well as by brokers and our insureds and reinsureds;
- our ability to maintain or improve our ratings, which may be affected by our ability to raise additional equity or debt financings, by ratings agencies' existing or new policies and practices, as well as other factors described herein;
- general economic and market conditions (including inflation, interest rates, foreign currency exchange rates, prevailing credit terms and the depth and duration of a recession) and conditions specific to the reinsurance and insurance markets (including the length and magnitude of the current "soft" market) in which we operate;
- competition, including increased competition, on the basis of pricing, capacity, coverage terms or other factors;
- developments in the world's financial and capital markets and our access to such markets;
- our ability to successfully integrate, establish and maintain operating procedures (including the implementation of improved computerized systems and programs to replace and support manual systems) to effectively support our underwriting initiatives and to develop accurate actuarial data;
- the loss of key personnel;
- the integration of businesses we have acquired or may acquire into our existing operations;
- accuracy of those estimates and judgments utilized in the preparation of our financial statements, including those related to revenue recognition, insurance and other reserves, reinsurance recoverables, investment valuations, intangible assets, bad debts, income taxes, contingencies and litigation, and any determination to use the deposit method of accounting, which for a relatively new insurance and reinsurance company, like our company, are even more difficult to make than those made in a mature company since relatively limited historical information has been reported to us;
- greater than expected loss ratios on business written by us and adverse development on claim and/or claim expense liabilities related to business written by our insurance and reinsurance subsidiaries;
- severity and/or frequency of losses;
- claims for natural or man-made catastrophic events in our insurance or reinsurance business could cause large losses and substantial volatility in our results of operations;
- acts of terrorism, political unrest and other hostilities or other unforecasted and unpredictable events;

- losses relating to aviation business and business produced by a certain managing underwriting agency for which we may be liable to the purchaser of our prior reinsurance business or to others in connection with the May 5, 2000 asset sale described in our periodic reports filed with the SEC;
- availability to us of reinsurance to manage our gross and net exposures and the cost of such reinsurance;
- the failure of reinsurers, managing general agents, third party administrators or others to meet their obligations to us;
- the timing of loss payments being faster or the receipt of reinsurance recoverables being slower than anticipated by us;
- our investment performance, including legislative or regulatory developments that may adversely affect the fair value of our investments;
- the impact of the continued weakness of the U.S. economy, projected budget deficits for the U.S. government and the possible downgrade of U.S. securities by credit rating agencies and the resulting effect on the value and liquidity of securities in our investment portfolio as well as the uncertainty in the market generally;
- material differences between actual and expected assessments for guaranty funds and mandatory pooling arrangements;
- changes in accounting principles or policies or in our application of such accounting principles or policies;
- changes in the political environment of certain countries in which we operate or underwrite business;
- statutory or regulatory developments, including as to tax policy and matters and insurance and other regulatory matters such as the adoption of proposed legislation that would affect Bermuda-headquartered companies and/or Bermuda-based insurers or reinsurers and/or changes in regulations or tax laws applicable to us, our subsidiaries, brokers or customers; and
- the other matters set forth under Item 1A “Risk Factors,” Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and other sections of the Annual Report on Form 10-K, as well as the other factors set forth in Arch Capital Group Ltd.’s other documents on file with the SEC, and management’s response to any of the aforementioned factors.

All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with other cautionary statements that are included herein or elsewhere. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

TABLE OF CONTENTS

I. INTRODUCTION

This report provides additional information on the loss development characteristics of Arch Capital Group Ltd. (“ACGL” and, together with its subsidiaries, “Arch,” the “Company,” “we,” or “us”) as of December 31, 2010. This report provides greater detail on Arch’s reserves by showing global loss triangles for paid and reported loss and allocated loss adjustment expenses (“ALAE”) at annual evaluation dates. The most recent evaluation is as of December 31, 2010. For insurance lines, the loss triangles are presented net of reinsurance on an accident year basis. For reinsurance lines, the loss triangles are presented net of retrocessions on an underwriting year basis.

In addition, summary exhibits are provided which further highlight the gross, ceded and net results by business segment and triangle classes as of December 31, 2010. These summaries include: written premiums; earned premiums; paid loss and ALAE; reported loss and ALAE; incurred but not reported (“IBNR”) loss and ALAE; ultimate unallocated loss adjustment expenses (“ULAE”); and the ultimate loss and loss adjustment expenses (“LAE”) ratios as of December 31, 2010 on an inception-to-date (“ITD”) basis from January 1, 2002 through December 31, 2010.

Section II provides a discussion of the means used to compile the data, as well as definitions for many of the terms used in this report. A more detailed description of the business underlying the triangle information is found in Section III. Section IV contains a summary description of management’s loss reserving methodology. Section V provides a reconciliation of the data presented in this report to our December 31, 2010 financial statements.

The inherent uncertainty associated with the estimation of loss and LAE reserves is a significant risk for property and casualty specialty insurance and reinsurance companies, including Arch. Management believes the triangles and corresponding summary exhibits along with the narrative in this report provide additional insight into the loss development characteristics of Arch’s diversified businesses.

The process of establishing and adjusting loss and LAE reserves is a complex process containing numerous management judgments related to the segmentation of data, methodologies utilized and their associated parameters, along with the weights applied to the various techniques used in the reserving process. Actuarial determinations of unpaid future losses and LAE are subject to potential errors of estimation, which could be significant, due to the fact that the ultimate disposition of claims incurred prior to the date of such estimation, whether reported to Arch or not, is subject to the outcome of events that have not yet occurred. Likewise, any estimate of future costs associated with claims settlement is subject to the inherent limitation on the ability to predict the course of future events. Consequently, it should be expected that the actual emergence of the ultimate loss and LAE will vary, perhaps materially, from any prior estimate. Readers should also review additional reserve disclosures and company risk factors that are provided in the Company’s most recent Annual Report on Form 10-K and other periodic reports filed with the SEC.

Readers of this report are strongly advised against projecting ultimate losses and LAE for Arch directly from the loss development triangles in this report, as these calculations rarely take into account fully the true underlying nature of the liabilities. The triangle classes contained in this report are the compilation of many discrete reserving groups within Arch that represent, among other things, different geographies, pricing environments, legislative climates and policy forms. Particular care should be used in comparison of specific class results to insurance industry results, such as industry U.S. Schedule P based benchmarks. This is especially true for classes incorporating a mix of loss development tails and for classes defined as “All Other,” “Other Specialty” and “Other Reinsurance.” Also, as reinsurance business includes additional delay in reported business from ceding companies, additional caution should be used when comparing industry U.S. Schedule P based benchmarks for insurance to reinsurance classes.

Depending upon which actuarial reserving method is utilized, the presence or absence of large losses and how they are treated may also have a significant impact on the estimated ultimate loss and LAE. In addition, changes to the premium volume, mix of business and the underlying exposures within a class may have significant effects on the resulting ultimate loss estimates and overall reserve levels. Without incorporating this critical information, the results derived from a mechanical extrapolation of the loss development triangles in this report have the potential of being materially inaccurate.

The triangles and summary exhibits are provided for both the insurance and reinsurance segments of the Company. The losses in the triangles represent the Company’s December 31, 2010 net reported losses, and the losses in the ITD exhibits represent the Company’s December 31, 2010 gross, ceded and net loss and LAE reserves. These exhibits represent the reserves in their entirety, with the exception of adjustments for changes in foreign currency and excluded business as shown in Section V of this report. Section V contains a reconciliation to select data from the Company’s financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

As discussed more fully in Section II, the losses reflected in these exhibits and triangles are adjusted for foreign exchange movements. As a result of these adjustments, which we would expect to continue, future versions of this information will not tie directly to the data included in this report.

II. DATA COMPILATION AND DEFINITIONS

Numerous data elements were incorporated to prepare this report. For insurance lines, the loss triangles are presented on an accident year basis. The summary exhibits for insurance display gross, ceded and net losses on an accident year basis. For reinsurance lines, the loss triangles are presented on an underwriting year basis, net of retrocessions. The summary exhibits for reinsurance display gross, ceded and net losses on an underwriting year basis.

Data Presented

The data presented in the triangles and summary exhibits is as follows:

- **Triangles**
  - Net paid loss and ALAE
  - Net reported loss and ALAE
- **Summary Exhibits**
  - Gross premium, paid, reported and ultimate loss and LAE
  - Ceded premium, paid, reported and ultimate loss and LAE
  - Net premium, paid, reported and ultimate loss and LAE

Basis of Presentation

Information presented herein may differ materially from that reported in Arch's financial statements prepared in accordance with GAAP due to a number of factors, including differences in foreign currency exchange rates, exclusion of commuted contracts within the reinsurance group, the impact of premium adjustments and other data adjustments, and other excluded business as shown in Section V.

All amounts are presented in thousands of U.S. dollars ("USD") and reflect the conversion from the original currency of the underlying business if not denominated in USD. The primary foreign currencies in which we operate are the Euro ("EUR") and the British Pound Sterling ("GBP"). Premiums and losses of foreign operations whose functional currency is not the USD are translated at average exchange rates during the year. Arch's reporting currency is USD. Fluctuations in currency exchange rates can cause material shifts in loss development. To eliminate distortions caused by such fluctuations, data in the exhibits has been restated using the year-end 2010 rate of exchange of EUR to 1.342 USD and GBP to 1.566 USD.

Some (re)insurance contracts contain provisions resulting in a variation of the premium or acquisition expenses as a result of loss experience under the contract. Within the analysis, estimated reinstatement premiums are included in the premium totals.

Ceded reinsurance transactions with affiliates of the Company have not been reflected in the triangles, other than reinsurance purchased as part of an overall treaty placement. The summary exhibits also include ceded reinsurance (third party) and net schedules.

Global Triangles Classes

Triangles and summary exhibits are provided in ten general classes, four for the insurance segment and six for the reinsurance segment. The classes are based on the loss development characteristics for the lines of business represented by the exposures in a given triangle class. The ten triangle classes included in this report are listed below.

Insurance Segment Classes

- Property, Energy, Marine and Aviation
- Third Party Occurrence Business
- Third Party Claims-Made Business
- All Other

Reinsurance Segment Classes

- Casualty
- Property Catastrophe
- Property Excluding Property Catastrophe
- Marine/Aviation/Space
- Other Specialty
- Other Reinsurance

Further detail of the types of business contained in each triangle class is provided in Section III of this report. Section V includes a mapping of the lines of business within the Company's segments to the associated triangle classes.

Large Losses and Other Adjustments

The triangles are unadjusted with respect to large losses and catastrophic losses, including losses related to the 2004, 2005 and 2008 hurricanes and 2010 catastrophic events. Losses from specified significant hurricanes in our Property and All Other segments (for insurance) and Property Catastrophe, Marine/Aviation/Space and Other Property segments (for reinsurance) are shown on pages 41 and 56. The insurance triangles are net of any external reinsurance recoveries. The reinsurance triangles are net of any retrocession recoveries and exclude losses from commuted contracts. The premium data is shown on a gross, ceded and net basis and includes any reinstatement premiums associated with the loss events and excludes premiums for commuted contracts within the reinsurance group.

Mix of Business

ACGL was formed in September 2000 and launched its underwriting initiative in October 2001. Arch commenced the substantial portion of its writings in 2002. Since that time, significant shifts in mix of business have occurred as types of business have been added or dropped, or have grown or shrunk. Typical actuarial methodologies assume homogeneity of business within the triangles and, as a result, simple actuarial projections derived from these triangles may lead to materially misleading conclusions.

Business Not Included

For the Company as a whole, the exhibits contain approximately 92% of the loss and ALAE reserves carried by the Company as of December 31, 2010.

The following data is not included within the loss development triangles and ITD exhibits: Surety insurance data, Bermuda insurance data, certain insurance business written in the United Kingdom, certain Denmark reinsurance data, and miscellaneous other adjustments. No other business has been excluded from the analysis.

For reinsurance, approximately 9% of net earned premiums is excluded due to commutations, but it is not evenly spread across segments. For Other Reinsurance, the commuted percentage is 46%; for Other Specialty, the commuted percentage is 40%; and for Property Catastrophe, the commuted percentage is 7%. The other reinsurance segments have a minimal amount of commuted business.

Discounting

The losses in the triangles do not include a provision to reflect the time value of money. The carried loss and ALAE IBNR, as shown in the ITD exhibits, include a provision to reflect the time value of money for a portion of excess workers' compensation and employers' liability loss reserves within the insurance segment.

Definitions

Several key definitions are highlighted below:

> **Accident Year** means the year in which the event occurred that triggered a claim to Arch. All years referred to are years ended December 31st.
>
> **Additional Case Reserves** are amounts that are held in the Reinsurance segment in addition to Case Reserves that result from Arch's claims professionals determining that the established Case Reserves (which are often established by cedents or third parties) are expected to be insufficient to meet the expected future settlement amounts.

ALAE means allocated loss adjustment expense, which is an estimate of the associated external expenses to be incurred in settling a claim. ALAE includes the costs of third party loss assessors or legal experts.

Case Reserves are amounts set aside for Loss and ALAE 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 Arch received or expects to receive from third party reinsurers to whom Arch has ceded premiums.

Ceded Premiums are those premiums paid by Arch to third party reinsurers or retrocessionaires.

Claims-Made coverage is a form of insurance contract under which only claims reported to the insurer during the contract period are covered.

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 or Underwriting Year as at December 31, 2010.

Earned Premium is the amount of total premiums written over a period that have been earned based on the ratio of the time passed on the policies to their effective life.

Gross Premiums and Gross Losses are shown before the impact of any third party external reinsurance or retrocession that Arch purchases.

IBNR, or IBNR Loss and ALAE, means incurred but not reported reserve. It includes a reserve amount held to cover expected future settlements in relation to all claims that have occurred but have not yet been reported to Arch as well as a reserve amount to cover expected development (upward or downward) in existing Case Reserves and Additional Case Reserves. Arch's process for establishing IBNR is discussed further in Section IV of this document.

LAE means loss adjustment expense, which is expense incurred in settling a claim. LAE includes the costs of third party loss assessors or legal experts and the cost of internal resources necessary to settle a claim. LAE is the sum of ALAE and ULAE.

Maturity (Age) is measured in months from the start of the Accident Year or Underwriting 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 equal Gross Losses less Ceded Losses.

Paid Losses are claim amounts paid to insureds or to ceding companies.

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

Reported Loss and ALAE is the sum of Paid Losses and ALAE, plus Case Reserves and any Additional Case Reserves.

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

ULAE stands for unallocated loss adjustment expenses and represents the internal expenses required to settle claims.

Ultimate Loss and LAE is the total of all expected settlement amounts, whether paid or reserved, together with any associated settlement expenses and is the estimated total amount of loss at the measurement date. For the purposes of this report, Ultimate Loss and LAE is calculated by adding: Reported Loss and ALAE, IBNR Loss and ALAE, and Ultimate ULAE.

Ultimate ULAE is the total of all expected ULAE, whether paid or reserved, and represents the estimated total amount of internal expenses required to settle claims at the measurement date.

Underwriting Year is the year in which an insurance policy or reinsurance treaty incepts. All years referred to are years ending December 31st.

III. CLASSIFICATION DETAILS

Our insurance group focuses on the areas described below.

Property, Energy, Marine and Aviation

This category includes:

> *Property, Energy, Marine and Aviation.* Our insurance group's property unit provides primary and excess general property insurance coverages, including catastrophe-exposed property coverage, for commercial clients and onshore and offshore property insurance coverages for commercial clients primarily in the energy industry. The property unit also provides contractors all risk and erection all risk, marine, aviation (which is currently in runoff) and stand-alone terrorism insurance coverage for commercial clients.

Of the data included in this category, on an ITD basis through December 31, 2010, the distribution of business by net earned premium and by financial reporting line is 100% Property, Energy, Marine and Aviation.

On an ITD basis through December 31, 2010, the distribution by net earned premium and by U.S. annual statement line of business is: 38% Fire, 22% Ocean Marine, 18% Allied Lines, 14% Aircraft, and 8% other lines.

The lines of business in this category are considered "short-tail" business.

Third Party Occurrence Business

This category includes:

> *Casualty.* Our insurance group's casualty unit writes primary and excess casualty insurance coverages, including railroad and middle market energy business.
>
> *Construction.* Our insurance group's construction unit provides primary and excess casualty coverages to middle and large accounts in the construction industry. The construction unit also provides coverage for environmental and design professionals, including policies for architectural and engineering firms and construction projects, pollution legal liability coverage for fixed sites, and alternative markets business, including captive insurance programs.
>
> *National Accounts Casualty.* Our insurance group's national accounts casualty unit provides a wide range of products for middle and large accounts and specializes in loss sensitive primary casualty insurance programs, including large deductible, self-insured retention and retrospectively rated programs.

Excess Workers' Compensation. Our insurance group's excess workers' compensation unit provides excess workers' compensation and employers' liability insurance coverages for qualified self-insured groups, associations and trusts in a wide range of businesses.

Of the data included in this category, on an ITD basis through December 31, 2010, the distribution of business by net earned premium and by financial reporting line is: 47% Casualty, 42% Construction, 8% National Accounts Casualty, and 3% Excess Workers' Compensation.

On an ITD basis through December 31, 2010, the distribution by net earned premium and by U.S. annual statement line of business is: 46% Other Liability – Occurrence, 26% Workers' Compensation, 10% Product Liability – Occurrence, 8% Other Liability – Claims-Made, 8% Commercial Auto – Other Liability, and 2% other liability lines.

The lines of business in this category are primarily considered "long-tail" business.

Third Party Claims-Made Business

This category includes:

Executive Assurance. Our insurance group's executive assurance unit focuses on directors' and officers' liability insurance coverages for corporate, private equity and financial institution clients of all sizes. This unit also writes financial institution and pension trust errors and omissions coverages, employment practices liability insurance, pension trust errors and omissions/fiduciary liability insurance and fidelity bonds.

Healthcare. Our insurance group's healthcare unit provides medical professional and general liability insurance coverages for the healthcare industry, including excess professional liability programs for large, integrated hospital systems, outpatient facilities, clinics and long-term care facilities.

Professional Liability. Our insurance group's professional liability unit has the following principal areas of focus: (i) large law firms and accounting firms and professional programs; and (ii) miscellaneous professional liability, including coverages for consultants, network security, securities broker-dealers, wholesalers, captive agents and managing general agents.

Of the data included in this category, on an ITD basis through December 31, 2010, the distribution of business by net earned premium and by financial reporting line is: 50% Professional Liability, 37% Executive Assurance and 13% Healthcare.

On an ITD basis through December 31, 2010, the distribution by net earned premium and by U.S. annual statement line of business is: 88% Other Liability – Claims-Made and 12% Medical Malpractice – Claims-Made business.

The lines of business in this category contain a mixture of business considered "medium-tail" and "long-tail". On an ITD basis through December 31, 2010, the distribution by net earned premium is 62% medium-tail and 38% long-tail.

All Other

This category includes:

> *Programs.* Our insurance group's programs unit targets program managers with unique expertise and niche products offering general liability, commercial automobile, inland marine and non-catastrophe-exposed property business. This unit offers primarily package policies, underwriting workers' compensation and umbrella liability business in support of desirable package programs.
>
> *Travel and Accident.* Our insurance group's travel and accident unit provides specialty travel and accident and related insurance products for individual and group travelers, as well as travel agents and suppliers.
>
> *Accident and Health.* Our insurance group's accident and health unit, which started writing business in 2010, provides accident, disability and medical plan insurance coverages for employer groups, medical plan members, students and other participant groups.
>
> *Lenders.* Our insurance group also includes the lenders unit which provides lenders products including collateral protection insurance coverages for financial institutions and specialty insurance coverage for automotive dealers.

Of the data included in this category, on an ITD basis through December 31, 2010, the distribution of business by net earned premium and by financial reporting line is: 76% Programs, 15% Lenders, and 9% Travel and Accident.

On an ITD basis through December 31, 2010, the distribution by net earned premium and by U.S. annual statement line of business is: 20% Other Liability – Occurrence, 19% Commercial Multi-Peril, 17% Commercial Auto – Other Liability, 15% Inland Marine, 11% Credit, 7% Workers' Compensation, and 11% other lines.

The lines of business in this category contain a mixture of business considered "short-tail," "medium-tail," and "long-tail." On an ITD basis through December 31, 2010, the distribution by net earned premium is 38% short-tail, 21% medium-tail, and 41% long-tail business.

Our reinsurance group focuses on the areas described below.

Casualty

Our reinsurance group reinsures third party liability exposures from ceding company clients on a quota share and excess of loss basis. The exposures that it reinsures include professional liability (including, among others, errors and omissions and medical malpractice), directors' and officers' liability and other liability (including, among others, excess and umbrella liability, motor third party liability, and workers' compensation). On an ITD basis through December 31, 2010, professional liability has comprised slightly more than 40% of the premium, but has shrunk in recent years so that the professional liability premium for the 2007 – 2010 underwriting years comprises slightly more than one-third of the total premium.

The underlying business is written on either a claims-made or occurrence basis. On an ITD basis through December 31, 2010, about 80% of the premium comes from quota shares. However, a significant part of the quota share business is proportional shares of excess business (such as umbrella quota shares). On an ITD basis through December 31, 2010, geographical origin of exposure is approximately 75% U.S.

The underlying business is approximately split evenly between medium and long-tail business, but some of the medium-tail business is risk attaching and the delay in reported business for reinsurance lengthens the development. Overall, this is considered "long-tail" business.

Casualty clash business is included in the "Other Reinsurance" segment and workers' compensation catastrophe business is included in the "Other Specialty" segment.

Property Catastrophe

Our reinsurance group reinsures catastrophic perils for our clients on a treaty basis. These treaties provide protection for most catastrophic losses that are covered in the underlying policies written by our reinsureds. The primary perils in our reinsurance group's portfolio include hurricane, earthquake, flood, tornado, hail and fire. Property catastrophe reinsurance provides coverage on an occurrence or aggregate excess of loss basis when losses and LAE from a single or multiple occurrences of a covered peril exceed the retention specified in the contract. This segment also includes retrocession business where the reinsured is a reinsurance company on a quota share or excess of loss basis.

This is considered "short-tail" business.

Property Excluding Property Catastrophe

Property per risk and pro rata reinsurance treaties written by our treaty reinsurance group on a risks attaching and losses occurring basis cover claims from individual insurance policies issued by reinsureds. Treaties include both personal lines and commercial lines exposures (principally covering buildings, structures, equipment, contents, and time element). The primary perils in this business include fire, explosion, collapse, riot, vandalism, wind, tornado, flood and earthquake. Through our property facultative reinsurance group, we also write reinsurance on a facultative basis. Our property facultative reinsurance group focuses on commercial property risks on an excess of loss basis.

On an ITD basis through December 31, 2010, less than 20% of the premium has been written on a per-risk basis, with the remainder being on a quota share basis.

This is considered “short-tail” business.

Marine/Aviation/Space

Our reinsurance group writes marine business, which includes coverages for hull, cargo, transit, offshore oil and gas operations, and liability for protection and indemnity. Treaties can be written for individual coverages or on a whole account basis. The mix of business has changed over time where the older years included a large proportion of marine liability business and the more recent years covered largely offshore energy exposure on a quota share basis.

The aviation business includes coverages for airline and general aviation risks. On an ITD basis through December 31, 2010, about 90% is quota share business. Over time, the mix of business has generally shifted away from airline business and more towards general aviation.

Business written may also include space business, which includes coverages for satellite assembly, launch, and operation for commercial space programs.

Through 2006, aviation business made up approximately 50% to 60% of this segment, but in underwriting years 2007 – 2010 combined, it has fallen to about a fifth of the premium. Space business has been a very small part of the total.

This is considered “medium-tail” business.

Other Specialty

Our reinsurance group writes other specialty lines, including:

- surety – mostly U.S. business written on an excess-of-loss basis. On an ITD basis through December 31, 2010, this represents about 12% of the overall Other Specialty premium,
- accident and health catastrophe and risk – written on an excess of loss basis. On an ITD basis through December 31, 2010, this represents about 10% of the overall Other Specialty premium,
- personal accident and workers' compensation catastrophe – almost all workers' compensation exposure arises from losses that require more than one employee being injured in a workplace accident. On an ITD basis through December 31, 2010, this represents about 20% of the overall Other Specialty premium, with more recent calendar years representing over 30%,
- trade credit and political risk – written on a quota share and excess of loss basis. On an ITD basis through December 31, 2010, this represents about 25% of the overall Other Specialty premium,
- terrorism – mostly written on an excess of loss basis. On an ITD basis through December 31, 2010, this represents about 15% of the overall Other Specialty premium,
- crop/hail – On an ITD basis through December 31, 2010, this represents about 4% of the overall Other Specialty premium, and
- the balance of the overall Other Specialty premium comes from a variety of other disparate lines of business.

This is considered "short-tail" business, except for the workers' compensation catastrophe business, which is considered "long-tail."

Other Reinsurance

Our reinsurance group also writes casualty clash business and, in limited instances, writes nontraditional business which is intended to provide insurers with risk management solutions that complement traditional reinsurance. Through 2005, the majority of the premium in this segment consisted of nontraditional business, where the principal exposures were property catastrophe. Since 2006, the premium has largely been casualty clash business.

This category contains a mixture of "short-tail" and "long-tail" business.

IV. OVERVIEW OF RESERVING METHODOLOGY

We are required by applicable insurance laws and regulations and GAAP to establish reserves for losses and loss adjustment expenses ("Loss Reserves") that arise from the business we underwrite. Loss Reserves for our insurance and reinsurance operations are balance sheet liabilities representing estimates of future amounts required to pay losses and loss adjustment expenses for insured or reinsured events which have occurred at or before the balance sheet date. Loss Reserves do not reflect contingency reserve allowances to account for future loss occurrences. Losses arising from future events will be estimated and recognized at the time the losses are incurred and could be substantial.

At December 31, 2010 and 2009, our Loss Reserves, net of unpaid losses and loss adjustment expenses recoverable, by type and by operating segment were as follows:

	December 31,	
	2010	**2009**
Insurance:		
Case reserves	$ 1,251,896	$ 1,166,441
IBNR reserves	2,590,529	2,431,193
Total net reserves	$ 3,842,425	$ 3,597,634
Reinsurance:		
Case reserves.	$ 747,545	$ 812,455
Additional case reserves	93,110	61,226
IBNR reserves	1,712,173	1,742,597
Total net reserves	$ 2,552,828	$ 2,616,278
Total:		
Case reserves.	$ 1,999,441	$ 1,978,896
Additional case reserves	93,110	61,226
IBNR reserves	4,302,702	4,173,790
Total net reserves	$ 6,395,253	$ 6,213,912

Following is a discussion of the Company's reserving methodology for its insurance and reinsurance segments. Additional explanation of the Company's reserving methodology can be found in the Company's most recent Annual Report on Form 10-K and other periodic reports filed with the SEC.

Insurance Segment

The initial reserving method for our insurance operations to date has been, to a large extent, the expected loss method, which is commonly applied when limited loss experience exists. Our insurance operations employ a number of different reserving methods depending on the line of business, the availability of historical loss experience and the stability of that loss experience. Over time, such techniques have been given more weight in the reserving process due to the continuing maturation of their Loss Reserves and the increased availability and credibility of the historical experience. Any estimates and assumptions made as part of the reserving process could prove to be inaccurate due to several factors, including the fact that relatively limited historical information has been reported to our insurance operations through December 31, 2010 in some lines of business. See below for a discussion of the key assumptions in our insurance operations' reserving process.

Although Loss Reserves are initially determined based on underwriting and pricing analysis, our insurance operations apply several generally accepted actuarial methods, as discussed below, on a quarterly basis to evaluate their Loss Reserves, in addition to the expected loss method, in particular for Loss Reserves from more mature accident years (the year in which a loss occurred). As noted below, beginning in 2005, our insurance operations began to give a relatively small amount of weight to their own experience following reviews of open claims on lines of business written on a claims-made basis for which they developed a reasonable level of credible data. Each quarter, as part of the reserving process, actuaries at our insurance operations reaffirm that the assumptions used in the reserving process continue to form a sound basis for the projection of liabilities. If actual loss activity differs substantially from expectations based on historical information, an adjustment to Loss Reserves may be supported. Estimated Loss Reserves for more mature accident years are now based more on historical loss activity and patterns than on the initial assumptions based on pricing indications. More recent accident years rely more heavily on internal pricing assumptions. Our insurance operations place more or less reliance on a particular actuarial method based on the facts and circumstances at the time the estimates of Loss Reserves are made. These methods generally fall into one of the following categories or are hybrids of one or more of the following categories:

- *Expected loss methods* – these methods are based on the assumption that ultimate losses vary proportionately with premiums. Expected loss and LAE ratios are typically developed based upon the information derived by underwriters and actuaries during the initial pricing of the business, supplemented by industry data available from organizations, such as statistical bureaus and consulting firms, where appropriate. These ratios consider, among other things, rate increases and changes in terms and conditions that have been observed in the market. Expected loss methods are useful for estimating ultimate losses and LAE in the early years of long-tailed lines of business, when little or no paid or incurred loss information is available, and is commonly applied when limited loss experience exists for a company.

- *Historical incurred loss development methods* – these methods assume that the ratio of losses in one period to losses in an earlier period will remain constant in the future. These methods use incurred losses (*i.e.*, the sum of cumulative historical loss payments plus outstanding case reserves) over discrete periods of time to estimate future losses. Historical incurred loss development methods may be preferable to historical paid loss development methods because they explicitly take into account open cases and the claims adjusters' evaluations of the cost to settle all known claims. However, historical incurred loss development methods necessarily assume that case reserving practices are consistently applied over time. Therefore, when there have been significant changes in how case reserves are established, using incurred loss data to project ultimate losses may be less reliable than other methods.

- *Historical paid loss development methods* – these methods, like historical incurred loss development methods, assume that the ratio of losses in one period to losses in an earlier period will remain constant. These methods use historical loss payments over discrete periods of time to estimate future losses and necessarily assume that factors that have affected paid losses in the past, such as inflation or the effects of litigation, will remain constant in the future. Because historical paid loss development methods do not use incurred losses to estimate ultimate losses, they may be more reliable than the other methods that use incurred losses in situations where there are significant changes in how incurred losses are established by a company's claims adjusters. However, historical paid loss development methods are more leveraged (meaning that small changes in payments have a larger impact on estimates of ultimate losses) than actuarial methods that use incurred losses because cumulative loss payments take much longer to equal the expected ultimate losses than cumulative incurred amounts. In addition, and for similar reasons, historical paid loss development methods are often slow to react to situations when new or different factors arise than those that have affected paid losses in the past.

- *Adjusted historical paid and incurred loss development methods* – these methods take traditional historical paid and incurred loss development methods and adjust them for the estimated impact of changes from the past in factors such as inflation, the speed of claim payments or the adequacy of case reserves. Adjusted historical paid and incurred loss development methods are often more reliable methods of predicting ultimate losses in periods of significant change, provided the actuaries can develop methods to reasonably quantify the impact of changes. As such, these methods utilize more judgment than historical paid and incurred loss development methods.

- *Bornhuetter-Ferguson ("B-F") paid and incurred loss methods* – these methods utilize actual paid and incurred losses and expected patterns of paid and incurred losses, taking the initial expected ultimate losses into account to determine an estimate of expected ultimate losses. The B-F paid and incurred loss methods are useful when there are few reported claims and a relatively less stable pattern of reported losses.

- *Additional analyses* – other methodologies are often used in the reserving process for specific types of claims or events, such as catastrophic or other specific major events. These include vendor catastrophe models, which are typically used in the estimation of Loss Reserves at the early stage of known catastrophic events before information has been reported to an insurer or reinsurer, and analyses of specific industry events, such as large lawsuits or claims.

In the initial reserving process for Property, Energy, Marine and Aviation business, which are primarily short-tail exposures, our insurance operations rely on a combination of the reserving methods discussed above. For catastrophe-exposed business, our insurance operations' reserving process also includes the usage of catastrophe models for known events and a heavy reliance on analysis of individual catastrophic events and management judgment. The development of property losses can be unstable, especially for policies characterized by high severity, low frequency losses. As time passes, for a given accident year, additional weight is given to the paid and incurred B-F loss development methods and historical paid and incurred loss development methods in the reserving process. Our insurance operations make a number of key assumptions in their reserving process, including that historical paid and reported development patterns are stable, catastrophe models provide useful information about our exposure to catastrophic events that have occurred and our underwriters' judgment as to potential loss exposures can be relied on. The expected loss ratios used in the initial reserving process for our insurance operations' property business have varied over time due to changes in pricing, reinsurance structure, estimates of catastrophe losses, policy changes (such as attachment points, class and limits) and geographical distribution. As losses in property lines are reported relatively quickly, expected loss ratios are selected for the current accident year based upon actual attritional loss ratios for earlier accident years, adjusted for rate changes, inflation, changes in reinsurance programs and expected attritional losses based on modeling. Due to the short-tail nature of property business, reported loss experience emerges quickly and ultimate losses are known in a reasonably short period of time.

In the initial reserving process for Third Party Occurrence business, primarily consisting of primary and excess exposures written on an occurrence basis, our insurance operations primarily rely on the expected loss method. The development of our insurance operations' Third Party Occurrence business may be unstable due to its long-tail nature and the occurrence of high severity events, as a portion of our insurance operations' Third Party Occurrence business is in high excess layers. As time passes, for a given accident year, additional weight is given to the paid and incurred B-F loss development methods and historical paid and incurred loss development methods in the reserving process. Our insurance operations make a number of key assumptions in reserving for Third Party Occurrence business, including that the pricing loss ratio is the best estimate of the ultimate loss ratio at the time the policy is entered into, that our insurance operations' loss development patterns, which are based on a combination of company and industry loss development patterns and adjusted to reflect differences in our insurance operations' mix of business, are reasonable and that our insurance operations' claims personnel and underwriters analyses of our exposure to major events are assumed to be our best estimate of our exposure to the known claims on those events. As noted earlier, due to the long claims reporting and settlement period for this business, additional facts regarding coverages written in prior accident years, as well as about actual claims and trends may become known and, as a result, our insurance operations may be required to adjust their casualty reserves. The expected loss ratios used in the initial reserving process for our insurance operations' Third Party Occurrence business for recent accident years have varied, in some cases significantly, from earlier accident years. As the credibility of historical experience for earlier accident years increases, the experience from these accident years will be given a greater weighting in the actuarial analysis to determine future accident year expected loss ratios, adjusted for changes in pricing, loss trends, terms and conditions and reinsurance structure.

In the initial reserving process for Third Party Claims-Made business, primarily consisting of medium-tail exposures written on a claims-made basis, our insurance operations primarily rely on the expected loss method. As time passes, for a given accident year, additional weight is given to the paid and incurred B-F loss development methods and historical paid and incurred loss development methods in the reserving process. Beginning in 2005, our insurance operations began to give a relatively small amount of weight to their own experience following reviews of open claims, in particular for lines of business written on a claims-made basis for which they developed a reasonable level of credible data. Over the last few years, our insurance operations have increased their reliance on reviews of open claims. In general, the expected loss ratios established for executive assurance, professional liability and healthcare business for recent accident years vary, in some cases materially, from earlier accident years based on analysis of pricing, loss cost trends and changes in policy coverage. Since this business is primarily written on a claims-made basis and is subject to high severity, low frequency losses, a great deal of uncertainty exists in setting these initial reserves. In addition, only a limited number of years of historical experience is available for use in projecting loss experience using standard actuarial methods. As the credibility of historical experience for earlier accident years increases, the experience from these accident years will be given a greater weighting in the actuarial analysis to determine future accident year expected loss ratios, adjusted for the occurrence or lack of large losses, changes in pricing, loss trends, terms and conditions and reinsurance structure.

In the initial reserving process for All Other business, consisting primarily of property and liability exposures which are primarily written for programs on an occurrence basis, our insurance operations primarily rely on the expected loss method. As time passes, for a given accident year, additional weight is given to the paid and incurred B-F loss development methods and historical paid and incurred loss development methods in the reserving process. The expected loss ratios used in the initial reserving process for our insurance operations' program business have varied over time depending on the type of exposures written (casualty or property) and changes in pricing, loss trends, reinsurance structure and changes in the underlying business.

In addition to the assumptions and development characteristics noted above, our insurance operations authorize managing general agents, general agents and other producers to write program business on their behalf within prescribed underwriting authorities. This adds additional complexity to the reserving process. To monitor adherence to the underwriting guidelines given to such parties, our insurance operations periodically perform claims due diligence reviews.

Reinsurance Segment

Loss Reserves for our reinsurance operations are comprised of (1) Case Reserves for claims reported, (2) Additional Case Reserves ("ACRs") and (3) IBNR reserves. Our reinsurance operations receive reports of claims notices from ceding companies and record Case Reserves based upon the amount of reserves recommended by the ceding company. Case Reserves on known events may be supplemented by ACRs, which are often estimated by our reinsurance operations' claims personnel ahead of official notification from the ceding company, or when our reinsurance operations' judgment regarding the size or severity of the known event differs from the ceding company. In certain instances, our reinsurance operations establish ACRs even when the ceding company does not report any liability on a known event. In addition, specific claim information reported by ceding companies or obtained through claim audits can alert our reinsurance operations to emerging trends such as changing legal interpretations of coverage and liability, claims from unexpected sources or classes of business, and significant changes in the frequency or severity of individual claims. Such information is often used in the process of estimating IBNR reserves.

The estimation of Loss Reserves for our reinsurance operations is subject to the same risk factors as the estimation of Loss Reserves for our insurance operations. In addition, the inherent uncertainties of estimating such reserves are even greater for reinsurers, due primarily to the following factors: (1) the claim-tail for reinsurers is generally longer because claims are first reported to the ceding company and then to the reinsurer through one or more intermediaries, (2) the reliance on premium estimates, where reports have not been received from the ceding company, in the reserving process, (3) the potential for writing a number of reinsurance contracts with different ceding companies with the same exposure to a single loss event, (4) the diversity of loss development patterns among different types of reinsurance contracts, (5) the necessary reliance on the ceding companies for information regarding reported claims and (6) the differing reserving practices among ceding companies.

As with our insurance operations, the process of estimating Loss Reserves for our reinsurance operations involves a considerable degree of judgment by management and, as of any given date, is inherently uncertain. As discussed above, such uncertainty is greater for reinsurers compared to insurers. As a result, our reinsurance operations obtain information from numerous sources to assist in the process. Pricing actuaries from our reinsurance operations devote considerable effort to understanding and analyzing a ceding company's operations and loss history during the underwriting of the business, using a combination of ceding company and industry statistics. Such statistics normally include historical premium and loss data by class of business, individual claim information for larger claims, distributions of insurance limits provided, loss reporting and payment patterns, and rate change history. This analysis is used to project expected loss ratios for each treaty during the upcoming contract period.

As mentioned above, there can be a considerable time lag from the time a claim is reported to a ceding company to the time it is reported to the reinsurer. The lag can be several years in some cases and may be attributed to a number of reasons, including the time it takes to investigate a claim, delays associated with the litigation process, the deterioration in a claimant's physical condition many years after an accident occurs, the case reserving approach of the ceding company, etc. In the reserving process, our reinsurance operations assume that such lags are predictable, on average, over time and therefore the lags are contemplated in the loss reporting patterns used in their actuarial methods. This means that our reinsurance operations must rely on estimates for a longer period of time than does an insurance company.

Backlogs in the recording of assumed reinsurance can also complicate the accuracy of loss reserve estimation. As of December 31, 2010, there were no significant backlogs related to the processing of assumed reinsurance information at our reinsurance operations.

Any estimates and assumptions made as part of the reserving process could prove to be inaccurate due to several factors, including the fact that relatively limited historical information has been reported to our reinsurance operations through December 31, 2010 in some lines of business. See below for a discussion of the key assumptions in our reinsurance operations' reserving process.

Although Loss Reserves are initially determined based on underwriting and pricing analysis, our reinsurance operations apply several generally accepted actuarial methods, as discussed above, on a quarterly basis to evaluate their Loss Reserves in addition to the expected loss method, in particular for Loss Reserves from more mature underwriting years (the year in which business is underwritten). Each quarter, as part of the reserving process, actuaries at our reinsurance operations reaffirm that the assumptions used in the reserving process continue to form a sound basis for projection of liabilities. If actual loss activity differs substantially from expectations based on historical information, an adjustment to Loss Reserves may be supported. Estimated Loss Reserves for more mature underwriting years are now based more on actual loss activity and historical patterns than on the initial assumptions based on pricing indications. More recent underwriting years rely more heavily on internal pricing assumptions. Our reinsurance operations place more or less reliance on a particular actuarial method based on the facts and circumstances at the time the estimates of Loss Reserves are made.

In the initial reserving process for medium-tail and long-tail lines, consisting of casualty, other specialty, marine and aviation and other exposures, our reinsurance operations primarily rely on the expected loss method. The development of medium-tail and long-tail business may be unstable, especially if there are high severity major events, with business written on an excess of loss basis typically having a longer tail than business written on a pro rata basis. As time passes, for a given underwriting year, additional weight is given to the paid and incurred B-F loss development methods and historical paid and incurred loss development methods in the reserving process. Our reinsurance operations make a number of key assumptions in reserving for medium-tail and long-tail lines, including that the pricing loss ratio is the best estimate of the ultimate

loss ratio at the time the contract is entered into, historical paid and reported development patterns are stable and our reinsurance operations' claims personnel and underwriters analyses of our exposure to major events are assumed to be our best estimate of our exposure to the known claims on those events. The expected loss ratios used in our reinsurance operations' initial reserving process for medium-tail and long-tail contracts have varied over time due to changes in pricing, terms and conditions and reinsurance structure. As the credibility of historical experience for earlier underwriting years increases, the experience from these underwriting years will be used in the actuarial analysis to determine future underwriting year expected loss ratios, adjusted for changes in pricing, loss trends, terms and conditions and reinsurance structure.
The process of estimating Loss Reserves for our reinsurance operations involves a considerable degree of judgment by management and, as of any given date, is inherently uncertain. The inherent uncertainties of estimating such reserves are even greater for reinsurers than for insurers due to the longer claim-tail for reinsurers, the reliance on premium estimates in the reserving process, the diversity and instability of loss development patterns, the necessary reliance on the ceding companies for information regarding reported claims and the differing reserving practices among ceding companies.

In the initial reserving process for short-tail lines, consisting of property excluding property catastrophe and property catastrophe exposures, our reinsurance operations rely on a combination of the reserving methods discussed above. For known catastrophic events, our reinsurance operations' reserving process also includes the usage of catastrophe models and a heavy reliance on analysis which includes ceding company inquiries and management judgment. The development of property losses may be unstable, especially where there is high catastrophic exposure, may be characterized by high severity, low frequency losses for excess and catastrophe-exposed business and may be highly correlated across contracts. As time passes, for a given underwriting year, additional weight is given to the paid and incurred B-F loss development methods and historical paid and incurred loss development methods in the reserving process. Our reinsurance operations make a number of key assumptions in reserving for short-tail lines, including that historical paid and reported development patterns are stable, catastrophe models provide useful information about our exposure to catastrophic events that have occurred and our underwriters' judgment and guidance received from ceding companies as to potential loss exposures may be relied on. The expected loss ratios used in the initial reserving process for our reinsurance operations' property exposures have varied over time due to changes in pricing, reinsurance structure, estimates of catastrophe losses, terms and conditions and geographical distribution. As losses in property lines are reported relatively quickly, expected loss ratios are selected for the current underwriting year incorporating the experience for earlier underwriting years, adjusted for rate changes, inflation, changes in reinsurance programs, expectations about present and future market conditions and expected attritional losses based on modeling. Due to the short-tail nature of property business, reported loss experience emerges quickly and ultimate losses are known in a reasonably short period of time.

V. RECONCILIATIONS

i) Reconciliation of Unpaid Losses

The following table reconciles the reserves for loss and loss expenses as of December 31, 2010 as reported in the Arch consolidated financial statements in accordance with GAAP to the reserves for loss and loss expenses published in the triangles (all amounts in thousands, on a net basis).

Consolidated Net Unpaid Losses and ALAE	$ 5,753,282
ULAE Reserves	$ 116,764
Excluded Business and Other Adjustments:	
Surety Insurance	$ 79,255
Bermuda Insurance	$ 174,991
Certain United Kingdom Insurance	$ 282,205
Certain Denmark Reinsurance	$ 1,394
Other Adjustments	($ 12,638)
Net Reserves for Losses and LAE per December 31, 2010 Consolidated Financial Statements	$ 6,395,253

ii) Reconciliation to Prior Triangles

The following tables reconcile the paid and reported loss and loss expenses published in the 2009 Loss Development Triangles Report with the amounts published in this report. As described in Section II of this report, fluctuations in currency exchange rates can cause material shifts in loss development. To eliminate such distortions, data in the exhibits has been restated using the year-end rate of exchange to USD. In addition, business commuted within 2010 has been excluded from the 2010 Loss Development Triangles Report. No other adjustments have been made to the prior data.

INSURANCE – CONSOLIDATED TOTAL

Data as of 12/31/2009

		2009 GT	Currency Adjustment	2010 GT
Paid Loss & ALAE	**2002**	64,931	0	64,931
	2003	349,375	0	349,375
	2004	547,258	-70	547,188
	2005	544,786	-664	544,122
	2006	450,192	-1,220	448,971
	2007	429,541	-722	428,819
	2008	308,653	-483	308,170
	2009	113,545	-93	113,452

		2009 GT	Currency Adjustment	2010 GT
Reported Loss & ALAE	**2002**	72,592	0	72,592
	2003	401,140	0	401,140
	2004	600,791	-70	600,721
	2005	629,180	-1,072	628,108
	2006	557,534	-1,342	556,192
	2007	596,922	-1,301	595,621
	2008	600,899	-2,446	598,453
	2009	279,584	-1,230	278,354

REINSURANCE – CONSOLIDATED TOTAL

Data as of 12/31/2009

		2009 GT	Currency Adjustment	Additional Commutations	2010 GT
Paid Loss & ALAE	**2002**	427,649	47	0	427,696
	2003	404,995	245	-2,173	403,068
	2004	551,074	-779	-20,110	530,184
	2005	522,827	1,352	-30,909	493,270
	2006	266,097	-1,228	-506	264,364
	2007	181,648	-1,311	0	180,337
	2008	275,581	-1,233	-313	274,035
	2009	24,880	-135	0	24,745

		2009 GT	Currency Adjustment	Additional Commutations	2010 GT
Reported Loss & ALAE	**2002**	479,485	13	0	479,498
	2003	467,395	-45	-2,180	465,169
	2004	697,998	-3,844	-22,882	671,272
	2005	617,545	308	-31,782	586,071
	2006	364,278	-2,336	-513	361,430
	2007	308,232	-4,345	0	303,887
	2008	510,011	-4,622	-337	505,052
	2009	83,811	-1,402	0	82,408

iii) Reconciliation of Triangle Classes to Reported Lines of Business

The following tables reconcile triangle classes in this report to the lines of business categories which are included in our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q.

Insurance Segment

	Triangle Classes			
Reported Lines of Business	Property, Energy, Marine and Aviation	Third Party Occurrence Business	Third Party Claims-Made Business	All Other
Property, Energy, Marine and Aviation	X			
Casualty		X		
Construction		X		
National Accounts Casualty		X		
Other - Excess Workers' Compensation		X		
Executive Assurance			X	
Healthcare			X	
Professional Liability			X	
Programs				X
Travel and Accident				X
Other - Lenders				X

Reinsurance Segment

	Triangle Classes					
Reported Lines of Business	Casualty	Property Catastrophe	Other Property	Marine/ Aviation/ Space	Other Specialty	Other Reinsur-ance
Casualty	X					
Property Catastrophe		X				
Other Property			X			
Marine/Aviation/Space				X		
Other Specialty					X	
Other Reinsurance						X

ACGL GLOBAL TRIANGLES
Development Triangles - Net Basis **INSURANCE - CONSOLIDATED TOTAL**
Data as of 12/31/2010 in $US thousands

ACCIDENT YEAR TRIANGLE

Age in Months

		12	24	36	48	60	72	84	96	108
Paid Loss & ALAE	**2002**	3,928	7,964	28,858	35,963	48,706	59,452	62,124	64,931	72,025
	2003	55,701	129,682	184,964	237,416	287,721	326,622	349,375	393,691	
	2004	89,073	229,395	326,696	411,569	471,699	547,188	587,851		
	2005	79,606	291,508	379,320	476,341	544,122	587,547			
	2006	92,828	227,006	344,450	448,971	505,128				
	2007	107,403	274,506	428,819	522,159					
	2008	125,313	308,170	458,041						
	2009	113,452	276,065							
	2010	107,141								

		12	24	36	48	60	72	84	96	108
Reported Loss & ALAE	**2002**	9,300	16,677	42,853	50,151	59,499	68,485	71,162	72,592	78,640
	2003	113,842	203,371	270,687	320,935	349,323	377,280	401,140	448,549	
	2004	210,216	358,802	451,182	514,257	559,984	600,721	638,503		
	2005	211,918	488,419	527,885	594,652	628,108	670,475			
	2006	235,356	394,707	485,371	556,192	597,156				
	2007	249,135	474,480	595,621	668,431					
	2008	357,729	598,453	689,284						
	2009	278,354	473,760							
	2010	235,094								

ACGL GLOBAL TRIANGLES
ITD Accident Year Exhibit
Data as of 12/31/2010 in $US thousands

INSURANCE - CONSOLIDATED TOTAL

GROSS

Accident Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	638,380	331,763	172,139	183,744				
2003	1,491,884	1,152,012	533,673	625,426				
2004	1,817,705	1,732,433	831,298	901,617				
2005	2,013,773	1,982,807	1,349,073	1,491,327				
2006	2,220,825	2,185,500	749,142	867,426				
2007	2,257,648	2,276,529	805,667	994,847				
2008	2,089,071	2,127,810	681,435	1,065,347				
2009	2,169,421	2,223,785	370,549	678,171				
2010	1,985,809	1,854,996	155,052	337,609				
All Years	**16,684,515**	**15,867,635**	**5,648,028**	**7,145,516**	**3,123,692**	**318,892**	**10,588,099**	**66.7%**

CEDED

Accident Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	327,776	224,936	100,114	105,105				
2003	426,071	350,770	139,982	176,878				
2004	569,803	505,535	243,447	263,115				
2005	715,240	737,733	761,526	820,852				
2006	829,063	819,699	244,014	270,269				
2007	790,633	834,237	283,508	326,416				
2008	712,748	754,987	223,394	376,063				
2009	725,001	747,184	94,484	204,412				
2010	634,500	624,968	47,911	102,515				
All Years	**5,730,835**	**5,600,051**	**2,138,381**	**2,645,624**	**974,796**	**8,175**	**3,628,595**	**64.8%**

NET

Accident Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	310,604	106,827	72,025	78,640				
2003	1,065,812	801,241	393,691	448,549				
2004	1,247,902	1,226,898	587,851	638,503				
2005	1,298,533	1,245,074	587,547	670,475				
2006	1,391,763	1,365,801	505,128	597,156				
2007	1,467,014	1,442,291	522,159	668,431				
2008	1,376,323	1,372,823	458,041	689,284				
2009	1,444,420	1,476,601	276,065	473,760				
2010	1,351,309	1,230,027	107,141	235,094				
All Years	**10,953,681**	**10,267,584**	**3,509,647**	**4,499,892**	**2,148,896**	**310,716**	**6,959,503**	**67.8%**

ACGL GLOBAL TRIANGLES
Development Triangles - Net Basis
Data as of 12/31/2010 in $US thousands

INSURANCE - PROPERTY, ENERGY, MARINE AND AVIATION

ACCIDENT YEAR TRIANGLE

Age in Months

Paid Loss & ALAE

	12	24	36	48	60	72	84	96	108
2002	9	742	1,099	1,100	1,098	1,098	1,098	1,101	1,101
2003	2,930	6,154	10,027	11,640	12,457	13,173	13,361	14,036	
2004	13,493	64,872	98,370	106,064	109,648	111,196	112,481		
2005	18,609	148,457	168,186	195,406	213,490	213,755			
2006	22,136	74,217	103,245	124,560	137,222				
2007	42,144	100,555	150,745	163,856					
2008	44,436	115,774	173,605						
2009	34,811	92,690							
2010	30,161								

Reported Loss & ALAE

	12	24	36	48	60	72	84	96	108
2002	1,181	1,155	1,116	1,100	1,098	1,098	1,098	1,101	1,101
2003	6,974	11,606	14,403	14,497	14,495	14,147	14,261	15,379	
2004	70,056	100,904	115,974	115,727	114,664	115,425	116,134		
2005	87,719	265,571	222,206	224,068	222,225	219,574			
2006	102,362	148,322	148,028	152,175	154,066				
2007	115,525	183,659	192,648	192,591					
2008	194,035	248,971	240,821						
2009	113,828	154,895							
2010	82,465								

ACGL GLOBAL TRIANGLES
ITD Accident Year Exhibit **INSURANCE - PROPERTY, ENERGY, MARINE AND AVIATION**
Data as of 12/31/2010 in $US thousands

GROSS

Accident Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	49,732	14,929	4,243	4,243				
2003	176,653	123,824	23,003	24,347				
2004	314,513	264,288	209,453	217,593				
2005	441,486	421,221	793,684	817,718				
2006	695,985	627,564	227,406	249,006				
2007	725,718	729,530	313,927	351,721				
2008	680,665	684,909	304,757	458,006				
2009	713,341	763,052	142,494	268,051				
2010	604,433	546,069	60,843	142,151				
All Years	**4,402,525**	**4,175,385**	**2,079,811**	**2,532,837**	**482,774**	**42,831**	**3,058,442**	**73.2%**

CEDED

Accident Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	16,474	5,167	3,143	3,143				
2003	73,132	55,605	8,968	8,968				
2004	158,241	122,794	96,972	101,459				
2005	231,054	236,315	579,929	598,144				
2006	405,752	376,380	90,184	94,940				
2007	418,928	442,771	150,071	159,130				
2008	382,360	403,820	131,151	217,186				
2009	386,631	400,309	49,804	113,156				
2010	282,913	287,865	30,682	59,686				
All Years	**2,355,486**	**2,331,027**	**1,140,903**	**1,355,811**	**238,420**	**3,057**	**1,597,288**	**68.5%**

NET

Accident Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	33,258	9,762	1,101	1,101				
2003	103,520	68,218	14,036	15,379				
2004	156,272	141,494	112,481	116,134				
2005	210,432	184,906	213,755	219,574				
2006	290,233	251,184	137,222	154,066				
2007	306,790	286,759	163,856	192,591				
2008	298,305	281,088	173,605	240,821				
2009	326,709	362,743	92,690	154,895				
2010	321,520	258,204	30,161	82,465				
All Years	**2,047,039**	**1,844,359**	**938,908**	**1,177,025**	**244,354**	**39,774**	**1,461,154**	**79.2%**

ACGL GLOBAL TRIANGLES
Development Triangles - Net Basis
Data as of 12/31/2010 in $US thousands

INSURANCE - THIRD PARTY OCCURRENCE BUSINESS

ACCIDENT YEAR TRIANGLE

Age in Months

		12	24	36	48	60	72	84	96	108
Paid Loss & ALAE	2002	502	1,941	5,371	8,171	16,869	22,747	25,285	26,337	29,792
	2003	4,078	18,490	35,464	60,469	85,223	105,274	121,192	142,019	
	2004	4,582	18,426	36,474	68,808	102,454	159,641	187,801		
	2005	5,791	20,287	43,271	76,130	112,889	136,058			
	2006	7,746	25,055	46,581	77,288	101,784				
	2007	6,287	29,901	62,365	98,584					
	2008	6,849	22,462	51,672						
	2009	6,101	22,707							
	2010	7,144								

		12	24	36	48	60	72	84	96	108
Reported Loss & ALAE	2002	1,167	5,377	10,145	16,817	23,801	27,489	31,331	30,715	31,392
	2003	13,369	33,969	69,915	96,286	114,318	129,862	145,136	166,491	
	2004	11,392	42,002	76,902	117,726	153,553	187,200	209,039		
	2005	20,546	51,662	87,578	128,206	160,254	183,295			
	2006	22,147	54,874	86,696	118,412	137,310				
	2007	23,313	74,085	118,210	157,704					
	2008	34,009	69,636	111,028						
	2009	21,972	55,250							
	2010	21,729								

ACGL GLOBAL TRIANGLES
ITD Accident Year Exhibit
Data as of 12/31/2010 in $US thousands

INSURANCE - THIRD PARTY OCCURRENCE BUSINESS

GROSS

Accident Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	168,337	51,407	47,218	48,986				
2003	504,153	363,565	212,843	256,849				
2004	621,707	576,499	279,096	303,204				
2005	624,630	633,450	214,287	278,951				
2006	580,696	610,052	161,361	205,051				
2007	595,656	593,738	172,638	241,826				
2008	532,310	574,507	112,455	194,361				
2009	526,813	547,963	62,471	113,964				
2010	519,146	512,611	23,654	58,224				
All Years	4,673,447	4,463,792	1,286,023	1,701,417	1,318,997	105,291	3,125,705	70.0%

CEDED

Accident Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	70,344	23,887	17,426	17,593				
2003	159,073	134,486	70,824	90,358				
2004	202,083	184,873	91,295	94,166				
2005	199,798	202,083	78,229	95,656				
2006	185,631	193,969	59,577	67,742				
2007	171,442	180,292	74,054	84,121				
2008	156,678	166,034	60,783	83,333				
2009	151,797	155,459	39,765	58,714				
2010	183,151	169,987	16,510	36,495				
All Years	1,479,996	1,411,069	508,462	628,178	347,966	1,242	977,386	69.3%

NET

Accident Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	97,993	27,520	29,792	31,392				
2003	345,081	229,079	142,019	166,491				
2004	419,624	391,627	187,801	209,039				
2005	424,832	431,367	136,058	183,295				
2006	395,064	416,082	101,784	137,310				
2007	424,213	413,446	98,584	157,704				
2008	375,632	408,473	51,672	111,028				
2009	375,016	392,504	22,707	55,250				
2010	335,995	342,624	7,144	21,729				
All Years	3,193,450	3,052,724	777,561	1,073,239	971,031	104,048	2,148,319	70.4%

ACGL GLOBAL TRIANGLES
Development Triangles - Net Basis
Data as of 12/31/2010 in $US thousands

INSURANCE - THIRD PARTY CLAIMS-MADE BUSINESS

ACCIDENT YEAR TRIANGLE

Age in Months

		12	24	36	48	60	72	84	96	108
Paid Loss & ALAE	**2002**	2	297	618	525	471	478	469	2,002	1,915
	2003	1,074	6,761	9,117	11,442	16,172	19,024	22,469	26,728	
	2004	6,777	23,422	42,521	61,868	70,153	72,965	79,948		
	2005	640	27,972	52,186	67,281	73,329	78,080			
	2006	6,229	37,250	84,085	122,278	137,868				
	2007	7,020	43,080	85,969	112,225					
	2008	13,283	53,941	100,429						
	2009	6,956	38,624							
	2010	9,237								

		12	24	36	48	60	72	84	96	108
Reported Loss & ALAE	**2002**	59	638	3,563	870	578	2,135	2,362	4,674	4,623
	2003	7,651	16,791	19,860	26,686	28,849	32,148	41,219	43,775	
	2004	28,035	51,606	70,553	82,135	83,082	87,252	99,512		
	2005	24,421	51,955	76,871	82,345	83,271	97,082			
	2006	30,596	76,468	116,356	142,919	166,429				
	2007	30,842	76,334	121,379	151,054					
	2008	40,904	125,240	164,227						
	2009	32,659	87,916							
	2010	39,119								

ACGL GLOBAL TRIANGLES
ITD Accident Year Exhibit
Data as of 12/31/2010 in $US thousands

INSURANCE - THIRD PARTY CLAIMS-MADE BUSINESS

GROSS

Accident Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	104,112	33,937	2,505	7,808				
2003	350,254	253,703	38,949	69,308				
2004	461,620	441,296	98,966	129,760				
2005	513,913	485,741	106,727	145,217				
2006	547,430	542,717	191,125	231,203				
2007	525,352	528,218	159,134	220,228				
2008	479,956	482,421	125,963	231,422				
2009	493,748	506,425	40,921	117,236				
2010	432,788	427,942	9,681	45,171				
All Years	**3,909,173**	**3,702,400**	**773,972**	**1,197,352**	**931,231**	**92,537**	**2,221,121**	**60.0%**

CEDED

Accident Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	27,665	10,275	591	3,185				
2003	134,057	87,681	12,221	25,533				
2004	153,984	148,787	19,018	30,248				
2005	167,004	164,610	28,647	48,135				
2006	154,813	156,483	53,256	64,773				
2007	160,479	161,045	46,909	69,173				
2008	156,411	158,204	25,534	67,194				
2009	177,413	180,382	2,296	29,320				
2010	160,504	159,971	444	6,052				
All Years	**1,292,330**	**1,227,438**	**188,917**	**343,613**	**355,345**	**793**	**699,751**	**57.0%**

NET

Accident Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	76,446	23,662	1,915	4,623				
2003	216,197	166,022	26,728	43,775				
2004	307,635	292,510	79,948	99,512				
2005	346,909	321,131	78,080	97,082				
2006	392,617	386,234	137,868	166,429				
2007	364,873	367,173	112,225	151,054				
2008	323,545	324,217	100,429	164,227				
2009	316,336	326,043	38,624	87,916				
2010	272,284	267,971	9,237	39,119				
All Years	**2,616,844**	**2,474,963**	**585,055**	**853,739**	**575,886**	**91,745**	**1,521,369**	**61.5%**

ACGL GLOBAL TRIANGLES
Development Triangles - Net Basis **INSURANCE - ALL OTHER**
Data as of 12/31/2010 in $US thousands

ACCIDENT YEAR TRIANGLE

Age in Months

		12	24	36	48	60	72	84	96	108
Paid Loss & ALAE	**2002**	3,415	4,985	21,770	26,167	30,267	35,129	35,271	35,492	39,218
	2003	47,619	98,277	130,356	153,866	173,869	189,152	192,352	210,908	
	2004	64,221	122,675	149,332	174,829	189,444	203,385	207,621		
	2005	54,565	94,792	115,677	137,524	144,414	159,654			
	2006	56,718	90,485	110,539	124,846	128,253				
	2007	51,952	100,971	129,741	147,493					
	2008	60,746	115,993	132,335						
	2009	65,584	122,044							
	2010	60,599								

		12	24	36	48	60	72	84	96	108
Reported Loss & ALAE	**2002**	6,893	9,507	28,030	31,364	34,021	37,764	36,371	36,102	41,523
	2003	85,848	141,004	166,510	183,466	191,661	201,123	200,524	222,903	
	2004	100,733	164,291	187,753	198,669	208,686	210,844	213,818		
	2005	79,231	119,232	141,230	160,033	162,359	170,525			
	2006	80,252	115,044	134,291	142,685	139,351				
	2007	79,455	140,403	163,385	167,082					
	2008	88,780	154,606	173,208						
	2009	109,895	175,698							
	2010	91,781								

ACGL GLOBAL TRIANGLES
ITD Accident Year Exhibit
Data as of 12/31/2010 in $US thousands

INSURANCE - ALL OTHER

GROSS

Accident Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	316,199	231,490	118,172	122,707				
2003	460,824	410,920	258,877	274,923				
2004	419,865	450,349	243,784	251,060				
2005	433,744	442,395	234,375	249,441				
2006	396,714	405,168	169,250	182,165				
2007	410,922	425,043	159,968	181,073				
2008	396,140	385,973	138,260	181,558				
2009	435,519	406,345	124,662	178,920				
2010	429,443	368,373	60,874	92,062				
All Years	**3,699,370**	**3,526,057**	**1,508,223**	**1,713,910**	**390,689**	**78,233**	**2,182,832**	**61.9%**

CEDED

Accident Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	213,292	185,607	78,955	81,184				
2003	59,810	72,999	47,969	52,020				
2004	55,494	49,081	36,163	37,242				
2005	117,384	134,725	74,722	78,917				
2006	82,866	92,867	40,997	42,814				
2007	39,784	50,130	12,475	13,992				
2008	17,298	26,928	5,925	8,350				
2009	9,160	11,034	2,618	3,222				
2010	7,933	7,145	276	281				
All Years	**603,022**	**630,517**	**300,099**	**318,021**	**33,066**	**3,083**	**354,170**	**56.2%**

NET

Accident Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	102,907	45,883	39,218	41,523				
2003	401,014	337,922	210,908	222,903				
2004	364,371	401,268	207,621	213,818				
2005	316,360	307,670	159,654	170,525				
2006	313,848	312,300	128,253	139,351				
2007	371,138	374,913	147,493	167,082				
2008	378,841	359,045	132,335	173,208				
2009	426,359	395,311	122,044	175,698				
2010	421,510	361,228	60,599	91,781				
All Years	**3,096,348**	**2,895,540**	**1,208,124**	**1,395,889**	**357,624**	**75,149**	**1,828,661**	**63.2%**

ACGL GLOBAL TRIANGLES
ITD Large Loss Exhibit
Data as of 12/31/2010 in $US thousands

INSURANCE LARGE LOSS EXHIBIT

Accident Year Basis

		Paid Loss & ALAE			Reported Loss & ALAE		
GROSS	**Accident Year**	**Property Segment***	**"All Other" Segment**	**Total**	**Property Segment***	**"All Other" Segment**	**Total**
	2005	622,111	3,977	626,088	627,043	3,980	631,023
	2008	115,805	1,595	117,400	163,918	1,623	165,541
	2010	1,911	0	1,911	7,941	0	7,941
	All Acc Years	**739,827**	**5,572**	**745,399**	**798,902**	**5,603**	**804,504**
CEDED	**Accident Year**	**Property Segment***	**"All Other" Segment**	**Total**	**Property Segment***	**"All Other" Segment**	**Total**
	2005	508,739	531	509,270	513,570	531	514,100
	2008	57,403	42	57,445	89,762	46	89,808
	2010	26	0	26	2,379	0	2,379
	All Acc Years	**566,168**	**573**	**566,740**	**605,710**	**577**	**606,287**
NET	**Accident Year**	**Property Segment***	**"All Other" Segment**	**Total**	**Property Segment***	**"All Other" Segment**	**Total**
	2005	113,372	3,446	116,818	113,474	3,449	116,922
	2008	58,402	1,553	59,956	74,156	1,577	75,733
	2010	1,885	0	1,885	5,562	0	5,562
	All Acc Years	**173,659**	**4,999**	**178,658**	**193,192**	**5,026**	**198,217**

Note:
* Refers to the Property, Energy, Marine and Aviation Insurance segment
Specific Accident Year 2005 events include: Katrina, Rita and Wilma
Specific Accident Year 2008 events include: Gustav and Ike
Specific Accident Year 2010 events include: Chilean Earthquake

ACGL GLOBAL TRIANGLES
Development Triangles - Net Basis
Data as of 12/31/2010 in $US thousands

REINSURANCE - CONSOLIDATED TOTAL

UNDERWRITING YEAR TRIANGLE

Age in Months

		12	24	36	48	60	72	84	96	108
Paid Loss & ALAE	**2002**	28,546	123,237	197,421	270,107	331,298	372,512	400,257	427,696	446,120
	2003	43,782	154,866	230,734	291,351	349,363	380,279	403,067	423,962	
	2004	96,385	236,428	332,669	412,017	481,420	530,184	576,603		
	2005	86,354	220,728	345,889	435,130	493,270	526,843			
	2006	30,638	122,172	193,703	264,364	306,964				
	2007	32,976	104,323	180,338	232,373					
	2008	92,588	274,035	392,829						
	2009	24,746	107,313							
	2010	13,209								

		12	24	36	48	60	72	84	96	108
Reported Loss & ALAE	**2002**	121,871	242,529	335,108	409,344	447,849	472,131	480,511	479,498	482,252
	2003	111,478	260,151	337,002	408,258	436,381	454,279	465,169	480,555	
	2004	157,712	425,944	522,441	604,483	649,877	671,272	681,365		
	2005	229,691	404,909	496,343	559,126	586,071	613,715			
	2006	78,428	210,613	301,293	361,430	385,348				
	2007	84,823	187,757	303,887	340,509					
	2008	207,236	505,052	588,948						
	2009	82,408	221,791							
	2010	88,581								

REINSURANCE - CONSOLIDATED TOTAL

GROSS

Underwriting Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	1,174,079	1,174,082	457,265	493,737				
2003	1,461,423	1,461,424	437,243	495,577				
2004	1,504,626	1,504,532	674,296	784,960				
2005	1,453,751	1,453,543	739,696	833,036				
2006	1,482,389	1,482,075	377,438	478,595				
2007	1,396,963	1,396,519	310,091	437,354				
2008	1,116,172	1,112,788	396,733	608,146				
2009	985,229	930,868	108,046	223,038				
2010	773,190	461,170	15,221	104,052				
All Years	**11,347,822**	**10,977,002**	**3,516,030**	**4,458,497**	**1,794,637**	**13,655**	**6,266,789**	**57.1%**

CEDED

Underwriting Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	28,595	28,602	11,145	11,486				
2003	38,947	38,903	13,281	15,022				
2004	70,257	70,259	97,693	103,595				
2005	97,071	97,065	212,854	219,321				
2006	349,179	349,192	70,474	93,247				
2007	320,605	320,605	77,718	96,845				
2008	19,699	19,689	3,904	19,197				
2009	28,836	28,516	733	1,247				
2010	13,853	8,486	2,011	15,472				
All Years	**967,041**	**961,316**	**489,814**	**575,432**	**37,344**	**0**	**612,776**	**63.7%**

NET

Underwriting Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	1,145,485	1,145,480	446,120	482,252				
2003	1,422,476	1,422,521	423,962	480,555				
2004	1,434,369	1,434,272	576,603	681,365				
2005	1,356,679	1,356,478	526,843	613,715				
2006	1,133,209	1,132,883	306,964	385,348				
2007	1,076,359	1,075,915	232,373	340,509				
2008	1,096,473	1,093,100	392,829	588,948				
2009	956,393	902,352	107,313	221,791				
2010	759,338	452,684	13,209	88,581				
All Years	**10,380,781**	**10,015,686**	**3,026,216**	**3,883,065**	**1,757,293**	**13,655**	**5,654,013**	**56.5%**

ACGL GLOBAL TRIANGLES
Development Triangles - Net Basis **REINSURANCE - CASUALTY**
Data as of 12/31/2010 in $US thousands

UNDERWRITING YEAR TRIANGLE

Age in Months

		12	24	36	48	60	72	84	96	108
Paid Loss & ALAE	**2002**	9,210	29,510	47,005	80,982	122,675	150,872	174,674	196,534	213,067
	2003	4,677	20,387	36,376	67,017	108,561	133,474	152,393	171,120	
	2004	3,283	28,878	56,433	98,924	145,208	183,770	225,336		
	2005	1,656	20,480	45,935	75,907	106,191	128,972			
	2006	2,066	21,695	42,762	76,962	103,261				
	2007	163	12,805	35,678	69,876					
	2008	-545	10,699	27,093						
	2009	29	9,668							
	2010	-6,531								

		12	24	36	48	60	72	84	96	108
Reported Loss & ALAE	**2002**	26,977	65,669	111,129	160,186	196,285	223,782	234,584	236,959	238,749
	2003	13,801	51,181	91,387	139,787	169,140	189,175	202,399	218,019	
	2004	19,769	131,436	156,254	232,741	277,914	304,344	315,689		
	2005	43,034	45,446	91,460	136,702	161,686	187,542			
	2006	14,572	51,229	87,100	133,821	157,728				
	2007	12,115	35,008	101,265	144,838					
	2008	6,340	58,374	91,351						
	2009	18,149	52,293							
	2010	2,364								

ACGL GLOBAL TRIANGLES
ITD Underwriting Year Exhibit
Data as of 12/31/2010 in $US thousands

REINSURANCE - CASUALTY

GROSS

Underwriting Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	465,922	465,922	220,976	246,879				
2003	730,164	730,164	174,073	220,978				
2004	843,277	843,182	232,576	324,481				
2005	705,741	705,533	151,928	213,091				
2006	505,780	505,466	105,509	173,240				
2007	461,220	460,899	88,044	167,777				
2008	312,380	309,411	27,142	102,758				
2009	268,188	245,616	9,668	52,293				
2010	143,821	73,268	-6,531	2,364				
All Years	**4,436,492**	**4,339,462**	**1,003,384**	**1,503,861**	**1,352,564**	**8,818**	**2,865,244**	**66.0%**

CEDED

Underwriting Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	9,480	9,488	7,909	8,131				
2003	5,839	5,839	2,953	2,959				
2004	6,827	6,827	7,240	8,792				
2005	14,648	14,648	22,956	25,549				
2006	8,573	8,573	2,247	15,512				
2007	7,228	7,228	18,168	22,939				
2008	3,495	3,495	49	11,407				
2009	112	112	0	0				
2010	52	39	0	0				
All Years	**56,252**	**56,247**	**61,522**	**95,288**	**1,045**	**0**	**96,333**	**171.3%**

NET

Underwriting Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	456,442	456,434	213,067	238,749				
2003	724,325	724,325	171,120	218,019				
2004	836,450	836,356	225,336	315,689				
2005	691,093	690,886	128,972	187,542				
2006	497,208	496,893	103,261	157,728				
2007	453,992	453,671	69,876	144,838				
2008	308,885	305,916	27,093	91,351				
2009	268,076	245,504	9,668	52,293				
2010	143,769	73,229	-6,531	2,364				
All Years	**4,380,240**	**4,283,215**	**941,862**	**1,408,573**	**1,351,519**	**8,818**	**2,768,911**	**64.6%**

ACGL GLOBAL TRIANGLES
Development Triangles - Net Basis
Data as of 12/31/2010 in $US thousands

REINSURANCE - PROPERTY CATASTROPHE

UNDERWRITING YEAR TRIANGLE

Age in Months

		12	24	36	48	60	72	84	96	108
Paid Loss & ALAE	**2002**	8,245	19,370	23,701	25,174	26,292	26,540	26,689	26,691	26,801
	2003	9,432	25,102	27,500	27,847	27,826	28,546	28,689	28,993	
	2004	26,765	55,204	63,947	64,380	64,258	64,103	64,111		
	2005	25,633	45,062	71,956	79,126	83,935	85,465			
	2006	6,590	11,401	13,624	14,418	14,631				
	2007	10,854	21,447	26,231	26,637					
	2008	50,168	84,944	96,267						
	2009	2,714	9,494							
	2010	5,124								

		12	24	36	48	60	72	84	96	108
Reported Loss & ALAE	**2002**	37,497	35,489	33,485	32,791	30,095	29,198	28,382	27,480	27,341
	2003	36,410	34,629	30,289	30,283	29,699	28,918	28,938	29,161	
	2004	52,231	72,051	73,711	68,356	66,681	64,792	64,609		
	2005	52,055	103,539	102,578	97,891	93,634	93,993			
	2006	11,210	18,990	17,546	15,440	15,094				
	2007	26,213	28,453	31,163	28,370					
	2008	84,679	116,003	126,707						
	2009	8,749	30,022							
	2010	47,249								

ACGL GLOBAL TRIANGLES
ITD Underwriting Year Exhibit
Data as of 12/31/2010 in $US thousands

REINSURANCE - PROPERTY CATASTROPHE

GROSS

Underwriting Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	128,423	128,423	26,801	27,341				
2003	115,161	115,161	28,993	29,161				
2004	118,285	118,285	82,447	83,414				
2005	114,678	114,678	133,045	141,831				
2006	276,017	276,017	19,793	20,682				
2007	344,143	344,150	40,491	43,515				
2008	229,262	229,097	96,267	126,707				
2009	237,350	228,450	9,494	30,022				
2010	208,207	150,445	5,124	60,584				
All Years	**1,771,525**	**1,704,704**	**442,456**	**563,256**	**62,828**	**432**	**626,516**	**36.8%**

CEDED

Underwriting Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	575	575	0	0				
2003	3,837	3,837	0	0				
2004	12,423	12,423	18,336	18,805				
2005	19,780	19,780	47,580	47,838				
2006	138,471	138,471	5,161	5,587				
2007	144,698	144,698	13,854	15,145				
2008	0	0	0	0				
2009	2,500	2,500	0	0				
2010	5,691	5,691	0	13,335				
All Years	**327,974**	**327,974**	**84,932**	**100,711**	**2,974**	**0**	**103,685**	**31.6%**

NET

Underwriting Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	127,848	127,848	26,801	27,341				
2003	111,324	111,324	28,993	29,161				
2004	105,862	105,862	64,111	64,609				
2005	94,898	94,898	85,465	93,993				
2006	137,545	137,545	14,631	15,094				
2007	199,446	199,452	26,637	28,370				
2008	229,262	229,097	96,267	126,707				
2009	234,850	225,950	9,494	30,022				
2010	202,516	144,754	5,124	47,249				
All Years	**1,443,551**	**1,376,730**	**357,525**	**462,545**	**59,854**	**432**	**522,831**	**38.0%**

ACGL GLOBAL TRIANGLES
Development Triangles - Net Basis **REINSURANCE - OTHER PROPERTY**
Data as of 12/31/2010 in $US thousands

UNDERWRITING YEAR TRIANGLE

Age in Months

		12	24	36	48	60	72	84	96	108
Paid Loss & ALAE	**2002**	5,417	36,707	57,452	74,339	81,464	83,884	84,818	87,109	87,048
	2003	23,665	72,718	100,206	118,260	127,201	130,833	133,328	134,255	
	2004	64,036	114,100	136,468	156,498	162,927	169,874	171,990		
	2005	52,432	101,806	137,401	158,549	172,154	176,357			
	2006	20,633	68,470	96,838	118,679	127,543				
	2007	20,382	53,714	72,349	79,103					
	2008	39,917	134,672	177,131						
	2009	19,949	64,819							
	2010	14,772								

		12	24	36	48	60	72	84	96	108
Reported Loss & ALAE	**2002**	29,286	70,854	91,288	89,214	91,411	90,408	89,469	90,647	89,920
	2003	44,101	113,565	123,718	139,448	137,875	137,948	137,502	137,922	
	2004	63,980	134,702	165,658	173,913	174,676	175,765	175,472		
	2005	66,861	142,401	167,032	180,634	185,152	186,481			
	2006	45,187	103,949	133,518	140,521	138,875				
	2007	38,623	80,827	91,362	90,098					
	2008	80,024	181,423	206,444						
	2009	51,665	106,304							
	2010	30,240								

ACGL GLOBAL TRIANGLES
ITD Underwriting Year Exhibit
Data as of 12/31/2010 in $US thousands

REINSURANCE - OTHER PROPERTY

GROSS

Underwriting Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	264,041	264,044	90,284	93,274				
2003	317,920	317,921	141,412	145,104				
2004	269,277	269,277	219,694	223,794				
2005	359,090	359,090	272,106	284,547				
2006	442,935	442,935	179,130	197,352				
2007	344,529	344,514	102,672	118,207				
2008	400,934	400,685	177,687	207,161				
2009	315,813	297,644	65,470	107,468				
2010	211,672	117,345	14,772	30,240				
All Years	**2,926,211**	**2,813,455**	**1,263,226**	**1,407,148**	**178,571**	**2,694**	**1,588,412**	**56.5%**

CEDED

Underwriting Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	12,981	12,981	3,237	3,355				
2003	15,061	15,061	7,157	7,182				
2004	26,228	26,228	47,704	48,323				
2005	31,122	31,122	95,749	98,066				
2006	158,256	158,256	51,587	58,476				
2007	112,423	112,423	23,569	28,109				
2008	11,928	11,928	556	717				
2009	12,933	12,617	650	1,164				
2010	7,004	1,667	0	0				
All Years	**387,937**	**382,284**	**230,209**	**245,392**	**22,882**	**0**	**268,274**	**70.2%**

NET

Underwriting Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	251,060	251,063	87,048	89,920				
2003	302,859	302,860	134,255	137,922				
2004	243,048	243,048	171,990	175,472				
2005	327,967	327,967	176,357	186,481				
2006	284,679	284,679	127,543	138,875				
2007	232,107	232,091	79,103	90,098				
2008	389,006	388,757	177,131	206,444				
2009	302,879	285,027	64,819	106,304				
2010	204,667	115,678	14,772	30,240				
All Years	**2,538,273**	**2,431,171**	**1,033,017**	**1,161,756**	**155,689**	**2,694**	**1,320,139**	**54.3%**

ACGL GLOBAL TRIANGLES
Development Triangles - Net Basis
Data as of 12/31/2010 in $US thousands

REINSURANCE - MARINE/AVIATION/SPACE

UNDERWRITING YEAR TRIANGLE

Age in Months

		12	24	36	48	60	72	84	96	108
Paid Loss & ALAE	2002	140	6,248	11,849	15,034	17,236	19,169	20,417	21,100	21,257
	2003	344	6,982	15,443	21,949	26,170	27,425	28,396	28,718	
	2004	1,141	19,963	38,782	50,242	55,516	59,119	61,780		
	2005	2,015	32,225	59,542	84,828	93,508	99,180			
	2006	805	12,099	26,655	35,540	40,931				
	2007	774	9,659	32,763	42,459					
	2008	2,419	29,695	62,815						
	2009	1,706	12,056							
	2010	-1,879								

		12	24	36	48	60	72	84	96	108
Reported Loss & ALAE	2002	8,079	17,819	20,725	23,350	24,810	24,621	24,660	24,112	24,384
	2003	5,735	16,808	28,583	35,352	34,768	33,770	33,304	32,632	
	2004	11,843	46,850	67,027	69,844	72,295	71,259	70,876		
	2005	46,548	79,473	96,278	104,278	106,444	107,692			
	2006	2,911	23,888	47,030	50,859	51,488				
	2007	5,350	33,036	63,848	60,549					
	2008	34,237	120,827	131,965						
	2009	2,621	20,490							
	2010	4,140								

ACGL GLOBAL TRIANGLES
ITD Underwriting Year Exhibit
Data as of 12/31/2010 in $US thousands

REINSURANCE - MARINE/AVIATION/SPACE

GROSS

Underwriting Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	69,903	69,903	21,257	24,384				
2003	103,279	103,279	31,870	37,494				
2004	111,962	111,962	86,177	98,534				
2005	148,626	148,626	145,748	155,559				
2006	142,355	142,355	52,409	65,159				
2007	154,415	154,415	64,586	91,201				
2008	93,668	93,667	66,114	139,039				
2009	80,729	76,562	12,056	20,490				
2010	73,893	36,886	131	6,150				
All Years	978,830	937,656	480,349	638,011	67,530	883	706,424	75.3%

CEDED

Underwriting Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	1,039	1,039	0	0				
2003	8,405	8,361	3,153	4,862				
2004	20,147	20,149	24,397	27,658				
2005	31,490	31,484	46,568	47,868				
2006	43,782	43,794	11,478	13,671				
2007	56,237	56,237	22,126	30,652				
2008	4,269	4,259	3,299	7,074				
2009	9,738	9,738	0	0				
2010	1,069	1,056	2,010	2,010				
All Years	176,177	176,119	113,031	133,795	9,798	0	143,592	81.5%

NET

Underwriting Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	68,864	68,864	21,257	24,384				
2003	94,874	94,919	28,718	32,632				
2004	91,815	91,813	61,780	70,876				
2005	117,136	117,142	99,180	107,692				
2006	98,573	98,560	40,931	51,488				
2007	98,178	98,178	42,459	60,549				
2008	89,398	89,408	62,815	131,965				
2009	70,990	66,824	12,056	20,490				
2010	72,824	35,829	-1,879	4,140				
All Years	802,653	761,538	367,318	504,216	57,732	883	562,831	73.9%

ACGL GLOBAL TRIANGLES
Development Triangles - Net Basis **REINSURANCE - OTHER SPECIALTY**
Data as of 12/31/2010 in $US thousands

UNDERWRITING YEAR TRIANGLE

Age in Months

		12	24	36	48	60	72	84	96	108
Paid Loss & ALAE	**2002**	5,395	28,227	49,319	58,134	62,331	62,753	63,214	65,414	65,787
	2003	5,664	29,678	48,206	52,372	52,219	52,462	52,701	53,111	
	2004	1,160	18,283	37,030	38,390	39,412	38,828	38,729		
	2005	4,617	19,772	28,153	30,897	31,765	31,152			
	2006	545	8,507	13,425	18,363	20,120				
	2007	803	6,697	13,317	14,298					
	2008	630	14,024	29,524						
	2009	347	11,276							
	2010	1,722								

		12	24	36	48	60	72	84	96	108
Reported Loss & ALAE	**2002**	14,802	44,858	62,965	69,026	66,127	66,423	66,335	67,205	67,459
	2003	11,111	42,887	57,816	56,939	55,234	54,497	54,398	54,095	
	2004	9,889	35,904	46,675	45,954	43,612	40,248	39,774		
	2005	15,226	30,794	32,743	33,800	33,438	32,291			
	2006	4,547	12,558	15,625	20,387	21,678				
	2007	2,523	10,433	16,250	16,654					
	2008	1,956	28,420	32,461						
	2009	1,224	12,682							
	2010	4,588								

ACGL GLOBAL TRIANGLES
ITD Underwriting Year Exhibit
Data as of 12/31/2010 in $US thousands

REINSURANCE - OTHER SPECIALTY

GROSS

Underwriting Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	178,434	178,434	65,787	67,459				
2003	163,793	163,793	53,111	54,095				
2004	135,231	135,231	38,729	39,774				
2005	103,875	103,876	31,152	32,291				
2006	110,088	110,088	20,120	21,678				
2007	87,454	87,340	14,298	16,654				
2008	75,603	75,603	29,524	32,461				
2009	78,955	78,401	11,358	12,765				
2010	131,301	79,785	1,724	4,714				
All Years	**1,064,736**	**1,012,551**	**265,803**	**281,892**	**89,663**	**438**	**371,993**	**36.7%**

CEDED

Underwriting Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	1,843	1,843	0	0				
2003	3,240	3,240	0	0				
2004	3,252	3,252	0	0				
2005	0	0	0	0				
2006	0	0	0	0				
2007	0	0	0	0				
2008	0	0	0	0				
2009	3,546	3,542	83	83				
2010	37	32	1	126				
All Years	**11,917**	**11,909**	**84**	**210**	**425**	**0**	**635**	**5.3%**

NET

Underwriting Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	176,591	176,591	65,787	67,459				
2003	160,554	160,554	53,111	54,095				
2004	131,979	131,979	38,729	39,774				
2005	103,875	103,876	31,152	32,291				
2006	110,088	110,088	20,120	21,678				
2007	87,454	87,340	14,298	16,654				
2008	75,603	75,603	29,524	32,461				
2009	75,410	74,859	11,276	12,682				
2010	131,264	79,753	1,722	4,588				
All Years	**1,052,819**	**1,000,642**	**265,719**	**281,682**	**89,238**	**438**	**371,359**	**37.1%**

ACGL GLOBAL TRIANGLES
Development Triangles - Net Basis
Data as of 12/31/2010 in $US thousands

REINSURANCE - OTHER REINSURANCE

UNDERWRITING YEAR TRIANGLE

Age in Months

		12	24	36	48	60	72	84	96	108
Paid Loss & ALAE	2002	138	3,175	8,094	16,443	21,300	29,295	30,444	30,847	32,160
	2003	0	0	3,003	3,906	7,385	7,539	7,561	7,765	
	2004	0	0	8	3,584	14,100	14,491	14,657		
	2005	0	1,384	2,901	5,822	5,717	5,717			
	2006	0	0	399	401	477				
	2007	0	0	0	0					
	2008	0	0	0						
	2009	0	0							
	2010	0								

		12	24	36	48	60	72	84	96	108
Reported Loss & ALAE	2002	5,231	7,842	15,516	34,777	39,119	37,699	37,081	33,094	34,399
	2003	320	1,081	5,210	6,449	9,665	9,972	8,628	8,727	
	2004	0	5,000	13,116	13,675	14,699	14,865	14,946		
	2005	5,966	3,256	6,253	5,822	5,717	5,717			
	2006	0	0	474	401	484				
	2007	0	0	0	0					
	2008	0	5	21						
	2009	0	0							
	2010	0								

ACGL GLOBAL TRIANGLES
ITD Underwriting Year Exhibit
Data as of 12/31/2010 in $US thousands

REINSURANCE - OTHER REINSURANCE

GROSS

Underwriting Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	67,356	67,356	32,160	34,399				
2003	31,106	31,106	7,784	8,746				
2004	26,595	26,595	14,673	14,963				
2005	21,741	21,741	5,717	5,717				
2006	5,213	5,213	477	484				
2007	5,201	5,201	0	0				
2008	4,325	4,325	0	21				
2009	4,195	4,195	0	0				
2010	4,297	3,441	0	0				
All Years	**170,029**	**169,173**	**60,811**	**64,329**	**43,481**	**390**	**108,200**	**64.0%**

CEDED

Underwriting Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	2,677	2,677	0	0				
2003	2,566	2,566	19	19				
2004	1,380	1,380	16	17				
2005	31	31	0	0				
2006	97	97	0	0				
2007	19	19	0	0				
2008	7	7	0	0				
2009	7	7	0	0				
2010	0	0	0	0				
All Years	**6,784**	**6,784**	**35**	**36**	**221**	**0**	**257**	**3.8%**

NET

Underwriting Year	Written Premium	Earned Premium	Paid Loss & ALAE	Reported Loss & ALAE	IBNR Loss & ALAE	Ultimate ULAE	Ultimate Loss & LAE	Ultimate Loss & LAE %
2002	64,680	64,680	32,160	34,399				
2003	28,540	28,540	7,765	8,727				
2004	25,215	25,215	14,657	14,946				
2005	21,709	21,709	5,717	5,717				
2006	5,116	5,116	477	484				
2007	5,182	5,182	0	0				
2008	4,318	4,318	0	21				
2009	4,188	4,188	0	0				
2010	4,297	3,441	0	0				
All Years	**163,245**	**162,389**	**60,775**	**64,293**	**43,260**	**390**	**107,943**	**66.5%**

ACGL GLOBAL TRIANGLES
ITD Property Large Loss Exhibit
Data as of 12/31/2010 in $US thousands

REINSURANCE LARGE LOSS EXHIBIT

Underwriting Year Basis

GROSS

	Reported Loss & ALAE			
Underwriting Year	**Property Catastrophe**	**Marine/Aviation/ Space**	**Other Property**	**Total**
2002	0	0	217	217
2003	0	1,485	6,486	7,971
2004	51,582	48,698	111,848	212,128
2005	103,072	98,511	177,771	379,354
2006	0	78	5,275	5,353
2007	28	32,770	14,117	46,914
2008	97,940	109,368	30,212	237,521
2009	13,325	0	4,641	17,966
2010	40,462	0	1,198	41,660
All Years	**306,409**	**290,910**	**351,765**	**949,084**

CEDED

Underwriting Year	**Property Catastrophe**	**Marine/Aviation/ Space**	**Other Property**	**Total**
2002	0	0	0	0
2003	0	154	0	154
2004	52,381	19,824	170	72,375
2005	105,069	40,957	61,055	207,082
2006	0	38	2,374	2,411
2007	12	15,818	6,353	22,183
2008	0	6,562	0	6,562
2009	0	0	0	0
2010	0	0	0	0
All Years	**157,462**	**83,353**	**69,951**	**310,766**

NET

Underwriting Year	**Property Catastrophe**	**Marine/Aviation/ Space**	**Other Property**	**Total**
2002	0	0	217	217
2003	0	1,331	6,486	7,817
2004	-799	28,874	111,679	139,754
2005	-1,997	57,554	119,159	174,717
2006	0	40	2,901	2,941
2007	15	16,952	7,764	24,732
2008	97,940	102,807	30,212	230,959
2009	13,325	0	4,641	17,966
2010	40,462	0	1,198	41,660
All Years	**148,947**	**207,558**	**284,258**	**640,762**

Note: Underwriting Year 2002 - Ivan, Jeanne
Underwriting Year 2003 - Charley, Frances, Ivan, Jeanne, Katrina, Rita
Underwriting Year 2004 - Charley, Frances, Ivan, Jeanne, Katrina, Rita, Wilma
Underwriting Year 2005 - Katrina, Rita, Wilma
Underwriting Year 2006 - Gustav, Ike
Underwriting Year 2007 - Gustav, Ike
Underwriting Year 2008 - Gustav, Ike, Chilean EQ, NZ (Darfield) Quake
Underwriting Year 2009 - Chilean EQ, NZ (Darfield) Quake
Underwriting Year 2010 - Chilean EQ, NZ (Darfield) Quake