



Re-Domestication of ACE Limited

Why is ACE Limited re-domesticating?

- ◆ ACE has grown considerably in past 23 years; Cayman domicile was more suitable for smaller enterprise
- ◆ Current domicile is incompatible with ACE as a major, global NYSE-listed company with significant presence in the U.S., Europe, Asia and Latin America
- ◆ Re-domicile reduces potential regulatory, political, financial risks
- ◆ Re-domicile increases strategic and capital flexibility with no significant downside risks and little impact on business operations



Why re-domesticate to Zurich, Switzerland?

- ◆ Major financial center, home to many global financial and insurance companies
- ◆ Great stability – political, economic and regulatory
- ◆ A tradition of respecting the rule of law
- ◆ Relatively sophisticated financial regulation
- ◆ A network of excellent relations with major developed and developing countries around the world
- ◆ Reliable tax treaties
- ◆ A centuries-old tradition of capitalism



What are the benefits to the Company?

- ◆ A highly reputable jurisdiction with an image that is more in keeping with ACE
- ◆ Enhanced corporate structure
- ◆ Strategic flexibility
- ◆ Predictable legal and tax environment
- ◆ Costs little to nothing in net expense
- ◆ No material change to effective tax rate



What are the benefits to Shareholders?

- ◆ More shareholder-friendly jurisdiction: Swiss legal and regulatory system well-established and respected
- ◆ Financial reporting still in U.S. GAAP and in U.S. dollars
- ◆ Shares still listed on NYSE
- ◆ Dividend still paid in U.S. dollars
- ◆ Increased shareholder rights:
 - Shareholder approval of capital changes and dividends
 - No poison pill
 - Shareholder pre-emptive rights



What will ACE look like after re-domestication?

Switzerland

Strategic Holding Company

ACE Limited

Swiss Insurance & Reinsurance
Subsidiaries

Bermuda

Executive Offices

ACE Limited (branch)

ACE Group Management and Holdings

Bermuda Insurance & Reinsurance
Subsidiaries

New York

Executive Offices

ACE Group Holdings

US & International Insurance &
Reinsurance Subsidiaries



Re-domestication and the S&P 500 Index

- ◆ Consequence of re-domestication – removal from S&P 500 stock index
- ◆ Eligibility rules consider place of incorporation
- ◆ Short term – share price volatility as index-based investors sell ACE and are replaced by other investors
- ◆ Analysts have upgraded stock and signaled buying opportunity while rotation process occurs
- ◆ Long term – share price ultimately will reflect company's strength and performance

