

ACE LTD

FORM 8-K (Current report filing)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

Current Report

**Pursuant To Section 13 or 15 (d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) – February 7, 2008

ACE Limited

(Exact name of registrant as specified in its charter)

Cayman Islands
(State or other jurisdiction)

001-11778
(Commission File Number)

98-0091805
(I.R.S. Employer of Incorporation
Identification No.)

ACE Global Headquarters
17 Woodbourne Avenue
Hamilton HM 08 Bermuda
(Address of principal executive offices)

Registrant's telephone number, including area code: (441) 295-5200

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On February 7, 2008, ACE INA Holdings Inc. agreed to sell in a public offering \$300 million of 5.80% Senior Notes due 2018. The notes will be fully and unconditionally guaranteed by ACE Limited.

Attached as Exhibits 1.1 and 1.2 are copies of the underwriting agreement and terms agreement relating to such public offering.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

- 1.1 Underwriting Agreement, dated as of February 7, 2008, between ACE INA Holdings Inc. and ACE Limited and the underwriters named in the related terms agreement
- 1.2 Terms Agreement, dated as of February 7, 2008, between ACE INA Holdings Inc. and ACE Limited and Banc of America Securities LLC, as representative of the several underwriters
- 4.1 Form of 5.80% Senior Notes due 2018
- 5.1 Opinion of Maples and Calder
- 5.2 Opinion of Mayer Brown LLP

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ACE LIMITED.

By: /s/ Robert Cusumano

Name: Robert Cusumano

Title: General Counsel

DATE: February 13, 2008

ACE INA HOLDINGS INC.
(a Delaware corporation)

UNDERWRITING AGREEMENT

Dated: February 7, 2008

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ACE INA HOLDINGS INC.
(a Delaware corporation)

Senior and Subordinated Debt Securities

Unconditionally Guaranteed as to Payment of
Principal, Premium, if any, and Interest by

ACE LIMITED

UNDERWRITING AGREEMENT

February 7, 2008

To: The Underwriters named in the
within-mentioned Terms Agreement

Ladies and Gentlemen:

ACE INA Holdings Inc., a Delaware corporation (the “Company”), proposes to issue and sell up to \$300,000,000 aggregate initial public offering price, or its equivalent based on the applicable exchange rate at the time of offering in such foreign or composite currencies as the Company shall designate at the time of offering, of its senior or subordinated debt securities (the “Debt Securities”), from time to time, in or pursuant to one or more offerings on terms to be determined at the time of sale. The Debt Securities will be unconditionally guaranteed as to payment of principal, premium, if any, and interest by ACE Limited, a Cayman Islands company (the “Guarantor”).

The Debt Securities will be issued in one or more series as senior indebtedness (the “Senior Debt Securities”) under an indenture, dated as of August 1, 1999 (the “Senior Indenture”), among the Company, the Guarantor and J.P. Morgan Trust Company, National Association (as successor to The First National Bank of Chicago), as trustee (the “Senior Trustee”), or as subordinated indebtedness (the “Subordinated Debt Securities”) under an indenture (the “Subordinated Indenture”, and collectively with the Senior Indenture, the “Indentures”, and each, an “Indenture”), dated as of December 1, 1999 among the Company, the Guarantor and J.P. Morgan Trust Company, National Association, as trustee (the “Subordinated Trustee”, and collectively with the Senior Trustee, the “Trustees”, and each, a “Trustee”). Each series of Debt Securities may vary, as applicable, as to title, aggregate principal amount, rank, interest rate or formula and timing of payments thereof, stated maturity date, redemption and/or repayment provisions, sinking fund requirements, conversion or exchange provisions and any other variable terms established by or pursuant to the applicable Indenture.

Whenever the Company determines to make an offering of Debt Securities, the Company and the Guarantor will enter into an agreement (each, a “Terms Agreement”) providing for the sale of such Debt Securities to, and the purchase and offering thereof by, the underwriters specified in the Terms Agreement (the “Underwriters”, which term shall include any Underwriter substituted pursuant to Section 10 hereof). The Terms Agreement relating to the offering of Debt Securities shall specify the aggregate principal amount of Debt Securities to be

issued (the “Underwritten Securities”), the name of each Underwriter participating in such offering (subject to substitution as provided in Section 10 hereof) and the name of any Underwriter acting as co-manager in connection with such offering, the aggregate principal amount of Underwritten Securities that each such Underwriter severally agrees to purchase, whether such offering is on a fixed or variable price basis and, if on a fixed price basis, the initial offering price, the price at which the Underwritten Securities are to be purchased by the Underwriters, the form, time, date and place of delivery and payment of the Underwritten Securities and any other material variable terms of the Underwritten Securities. The Terms Agreement, which shall be substantially in the form of Exhibit A hereto, may take the form of an exchange of any standard form of written telecommunication between the Company and one or more of the Underwriters, acting for themselves and, if applicable, as representative(s) of any other Underwriters. Each offering of Underwritten Securities will be governed by this Underwriting Agreement, as supplemented by the applicable Terms Agreement. As used herein, the term “Representative(s)” means, with respect to any offering of Debt Securities, any Underwriter(s) specified as the representative(s) of the Underwriters of such offering in the applicable Terms Agreement and if none is so designated, it means the Underwriters.

The Company and the Guarantor have filed with the Securities and Exchange Commission (the “Commission”) a joint automatic shelf registration statement on Form S-3 (No. 333-130378), for the registration of the Debt Securities and the guarantee thereof of the Guarantor (the “Guarantee”) under the Securities Act of 1933, as amended (the “1933 Act”), and the offering thereof from time to time in accordance with Rule 415 of the rules and regulations of the Commission under the 1933 Act (the “1933 Act Regulations”). Such registration statement became effective automatically upon filing on December 16, 2005, each Indenture has been duly qualified under the Trust Indenture Act of 1939, as amended (the “1939 Act”), and the Company and the Guarantor have filed such post-effective amendments to such registration statement as may be required prior to the execution of the applicable Terms Agreement and each such post-effective amendment became effective automatically upon filing with the Commission. At any given time, such registration statement (as so amended, if applicable, to such time), including any required information deemed to be a part thereof at such time pursuant to Rule 430B under the 1933 Act (the “Rule 430B Information”), is referred to herein as the “Registration Statement”; and the final base prospectus or prospectuses and the final prospectus supplement relating to the offering of the Underwritten Securities, in the form first furnished to the Underwriters by the Company and the Guarantor for use in connection with the offering of the Underwritten Securities, are collectively referred to herein as the “Prospectus”; provided, however, that at any given time references to the “Registration Statement” and the “Prospectus” shall also be deemed to include all documents incorporated therein by reference pursuant to the Securities Exchange Act of 1934, as amended (the “1934 Act”), as of, in the case of the Registration Statement, such given date, or, in the case of the Prospectus, as of the date of the Prospectus. A “preliminary prospectus” shall be deemed to refer to any prospectus used before the Registration Statement became effective and any prospectus that omitted information to be included upon pricing in a form of prospectus filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations and was used after such effectiveness and prior to the relevant Applicable Time (as defined in the applicable Terms Agreement), including in each case any base prospectus so used and the documents incorporated by reference therein. For purposes of this Underwriting Agreement, all references to the Registration Statement, Prospectus or preliminary prospectus or to any amendment or supplement to any of the foregoing shall be deemed to include any copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system (“EDGAR”).

The term “Disclosure Package” shall mean (i) each preliminary prospectus, as amended or supplemented, used in connection with the offer of the Underwritten Securities, (ii) the issuer free writing prospectuses as defined in Rule 433 of the Securities Act (each, an “Issuer Free Writing Prospectus”), if any, (iii) any other free writing prospectus that the parties hereto shall hereafter expressly agree in writing to treat as part of the Disclosure Package and (iv) the Final Term Sheet (as defined herein), which shall be identified in Schedule I to the applicable Terms Agreement.

All references in this Underwriting Agreement to financial statements and schedules and other information which is, at a given time, “contained,” “included” or “stated” (or other references of like import) in the Registration Statement, Prospectus or preliminary prospectus shall be deemed to mean and include all such financial statements and schedules and other information which is incorporated by reference or deemed to be included in the Registration Statement, Prospectus or preliminary prospectus, as the case may be, as of, in the case of the Registration Statement, such given time, or, in the case of the Prospectus, the date of the Prospectus, or, in the case of a preliminary prospectus, the relevant Applicable Time; and all references in this Underwriting Agreement to amendments or supplements to the Registration Statement, Prospectus or preliminary prospectus shall be deemed, at a given time, to mean and include the filing of any document under 1934 Act or the 1933 Act which is incorporated by reference or deemed to be included in the Registration Statement, Prospectus or preliminary prospectus, as the case may be, after, in the case of the Registration Statement, such given time, or, in the case of the Prospectus, the date of the Prospectus, or, in the case of a preliminary prospectus, the relevant Applicable Time.

SECTION 1. Representations and Warranties.

(a) *Representations and Warranties by the Company and the Guarantor.* The Company and the Guarantor represent and warrant to each Underwriter named in the applicable Terms Agreement, as of the date thereof, as of the Applicable Time and as of the Closing Time (as defined below) (in each case, a “Representation Date”), as follows:

(1) Compliance with Registration Requirements; Disclosure. (i) At the time of filing the Registration Statement, (ii) at the time of the most recent amendment thereto for the purposes of complying with Section 10(a)(3) of the 1933 Act (whether such amendment was by post-effective amendment, incorporated report filed pursuant to Section 13 or 15(d) of the 1934 Act or form of prospectus) and (iii) at the execution time of each of this Agreement and the applicable Terms Agreement (with each such date being used as the determination date for purposes of this clause (iii)), the Company was and is a “well known seasoned issuer” as defined in Rule 405 of the 1933 Act. The Registration Statement is an “automatic shelf registration statement”, as defined in Rule 405 of the 1933 Act, neither the Company nor the Guarantor has received from the Commission any notice pursuant to Rule 401(g)(2) of the 1933 Act objecting to use of the automatic shelf registration statement form and neither the Company nor the Guarantor has otherwise ceased to be eligible to use the automatic shelf registration statement form.

(i) At the earliest time after the filing of the Registration Statement relating to the Underwritten Securities that the Company, the Guarantor or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) of the 1933 Act) and (ii) as of the date of the execution and delivery of each of this Agreement and the applicable Terms Agreement (with each such date being used as the determination date for purposes of this clause (ii)), neither the Company nor the Guarantor was or is an Ineligible Issuer (as defined in Rule 405 of the 1933 Act), without taking account of any determination by the Commission pursuant to Rule 405 of the 1933 Act that it is not necessary that either the Company or the Guarantor be considered an Ineligible Issuer.

No stop order has been issued under the 1933 Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company or the Guarantor, are contemplated by the Commission, and any request on the part of the Commission for additional information has been complied with. In addition, each Indenture has been duly qualified under the 1939 Act.

At the respective times the Registration Statement became effective or was deemed effective with respect to the Underwriters pursuant to Rule 430B(f)(2) under the 1933 Act and at each Representation Date, the Registration Statement and any amendments thereto complied and will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and the 1939 Act and the rules and regulations of the Commission under the 1939 Act (the "1939 Act Regulations") and did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

At the date of the Prospectus and at the Closing Time, neither the Prospectus nor any amendments and supplements thereto included or will include an untrue statement of a material fact or omitted or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

As of the Applicable Time, the Disclosure Package did not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Neither any Issuer Free Writing Prospectus nor the Final Term Sheet, as of its issue date and at all subsequent times through the completion of the offering of the Underwritten Securities or until any earlier date that the Company or the Guarantor notified or notifies the Representatives as described in the next sentence, did not, does not and will not include any information that conflicted, conflicts or will conflict with the information contained in the Registration Statement, the Prospectus or any preliminary prospectus, including any document incorporated by reference therein that has not been superseded or modified. If at any time following issuance of an Issuer Free Writing Prospectus there occurred or occurs an event or development as a result of which such

Issuer Free Writing Prospectus conflicted or would conflict with the information contained in the Registration Statement, the Prospectus or any preliminary prospectus, the Company has promptly notified or will promptly notify the Representatives and has promptly amended or supplemented or will promptly amend or supplement, at its own expense, such Issuer Free Writing Prospectus to eliminate or correct such conflict.

The Company has not distributed and will not distribute, prior to the later of the Closing Time and the completion of the Underwriters' distribution of the Underwritten Securities, any offering material in connection with the offering and sale of the Underwritten Securities other than a preliminary prospectus, the Prospectus, any Issuer Free Writing Prospectus reviewed and consented to by the Representatives and included in Schedule I to the applicable Terms Agreement or the Registration Statement.

Notwithstanding the foregoing, the representations and warranties in this subsection shall not apply to statements in or omissions from the Registration Statement, the Disclosure Package or the Prospectus made in reliance upon and in conformity with information furnished to the Company or the Guarantor in writing by any Underwriter through the Representative(s) expressly for use in the Registration Statement, the Disclosure Package or the Prospectus.

To the Company's knowledge, the Registration Statement is not the subject of a pending proceeding or examination under Section 8 (d) or 8(e) of the 1933 Act, nor is the Company or the Guarantor the subject of a pending proceeding under Section 8A of the 1933 Act in connection with the offering of the Underwritten Securities.

Each preliminary prospectus and the Prospectus filed as part of the Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the 1933 Act, complied when so filed in all material respects with the 1933 Act Regulations and each preliminary prospectus and the Prospectus delivered to the Underwriters for use in connection with the offering of Underwritten Securities will, at the time of such delivery, be identical to any electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(2) Incorporated Documents. The documents incorporated or deemed to be incorporated by reference in the Registration Statement, the Disclosure Package and the Prospectus, at the time they were or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the 1934 Act and the rules and regulations of the Commission thereunder (the "1934 Act Regulations") and, when read together with the other information in the Disclosure Package or the Prospectus, as the case may be, at the Applicable Time or at the date of the Prospectus, as the case may be, and at the Closing Time, did not and will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(3) Independent Accountants. The accountants who certified or shall certify the financial statements and any supporting schedules thereto of the Guarantor included in each of the Registration Statement, the Disclosure Package and the Prospectus are independent public accountants with respect to the Guarantor and its subsidiaries as required by the 1933 Act and the 1933 Act Regulations.

(4) Financial Statements. The financial statements of the Guarantor included in each of the Registration Statement, the Disclosure Package and the Prospectus, together with the related schedules and notes, as well as those financial statements, schedules and notes of any other entity included therein, present fairly the financial position of the Guarantor and its consolidated subsidiaries, or such other entity, as the case may be, at the dates indicated and the statement of operations, stockholders' equity and cash flows of the Guarantor and its consolidated subsidiaries, or such other entity, as the case may be, for the periods specified. Such financial statements have been prepared in conformity with United States generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved, except as indicated therein or in the notes thereto. The supporting schedules, if any, included in each of the Registration Statement, the Disclosure Package and the Prospectus present fairly in accordance with GAAP the information required to be stated therein. The selected financial data and the summary financial information, if any, included in each of the Disclosure Package and the Prospectus present fairly the information shown therein and have been compiled on a basis consistent with that of the related audited financial statements included in the Registration Statement, the Disclosure Package and the Prospectus.

(5) No Material Adverse Change in Business. Since the respective dates as of which information is given in the Registration Statement, the Disclosure Package and the Prospectus, except as otherwise stated therein (i) neither the Guarantor nor any of its subsidiaries (including the Company) has sustained any material loss or material interference with its business from any action, notice, order or decree from an insurance regulatory authority and (ii) there has been (A) no material adverse change in case reserves or losses or loss expense of the Guarantor and its consolidated subsidiaries (including the Company) and (B) no material adverse change, nor any development or event involving a prospective material adverse change, in the financial condition, business, or results of operations of the Guarantor and its subsidiaries (including the Company) considered as one enterprise, in either case whether or not arising in the ordinary course of business (a "Material Adverse Change").

(6) Good Standing of the Company. The Company has been duly incorporated and is subsisting and in good standing under the laws of the State of Delaware, with corporate power and authority to own, lease and operate its properties and to conduct its business as described in each of the Disclosure Package and the Prospectus and to enter into and perform its obligations under, or as contemplated under, this Underwriting Agreement and the applicable Terms Agreement. The Company is duly qualified to transact business as a foreign corporation and is in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to so qualify or be in good standing would not reasonably be expected to result in a Material Adverse Change.

(7) Good Standing of the Guarantor. The Guarantor has been duly incorporated and is existing and in good standing under the laws of the Cayman Islands, with corporate power and authority to own, lease and operate its properties and to conduct its business as described in each of the Disclosure Package and the Prospectus and to enter into and perform its obligations under, or as contemplated under, this Underwriting Agreement and the applicable Terms Agreement. The Guarantor is duly qualified to transact business as a foreign corporation and is in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to so qualify or be in good standing would not reasonably be expected to result in a Material Adverse Change.

(8) Good Standing of Corporate Subsidiaries. Each subsidiary of the Guarantor, other than such subsidiaries as would not, individually or in the aggregate, constitute a “significant subsidiary” as such term is defined in Rule 1-02 of Regulation S-X promulgated under the 1933 Act (each, a “Significant Subsidiary”) (including the Company) that is a corporation has been duly incorporated or organized and is an existing corporation in good standing (with respect to jurisdictions that recognize such concept) under the laws of the jurisdiction of its incorporation, with corporate power and authority to own, lease and operate its properties and to conduct its business as described in each of the Disclosure Package and the Prospectus; and each such Significant Subsidiary of the Guarantor is duly qualified to transact business as a foreign corporation and is in good standing (with respect to jurisdictions that recognize such concept) in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to so qualify or be in good standing would not reasonably be expected to result in a Material Adverse Change; all of the issued and outstanding capital stock of each such Significant Subsidiary of the Guarantor has been duly authorized and validly issued and is fully paid and nonassessable; and all of the issued and outstanding capital stock of each such Significant Subsidiary is owned by the Guarantor, directly or through subsidiaries, except for de minimis shareholdings as required to comply with applicable law, and such capital stock is owned free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity (except for restrictions on transferability of the shares of insurance subsidiaries, under applicable law).

(9) Good Standing of Partnership Subsidiaries. Each Significant Subsidiary of the Guarantor that is a partnership has been duly formed and is an existing partnership in good standing (with respect to jurisdictions that recognize such concept) under the laws of the jurisdiction of its formation, with power and authority to own, lease and operate its properties and to conduct its business as described in each of the Disclosure Package and the Prospectus; and each such Significant Subsidiary of the Guarantor is duly qualified to transact business and is in good standing (with respect to jurisdictions that recognize such concept) in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to so qualify or be in good standing would not reasonably be expected to result in a Material Adverse Change; all of the outstanding equity interests of each such Significant Subsidiary of the Guarantor have been duly authorized and validly issued; and all of the equity interests of each such Significant Subsidiary are owned by the Guarantor,

directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity (other than immaterial amounts necessary to comply with applicable law).

(10) Capitalization . If the Disclosure Package or the Prospectus contains a “Capitalization” section, the authorized, issued and outstanding shares of capital stock of the Guarantor are as set forth in the column entitled “Actual” under such section (except for subsequent issuances thereof, if any, pursuant to reservations, agreements or employee benefit plans or pursuant to the exercise of convertible securities or options). Such shares of capital stock have been duly authorized and validly issued by the Guarantor and are fully paid and non-assessable, and none of such shares of capital stock was issued in violation of preemptive or other similar rights of any securityholder of the Guarantor.

(11) Authorization of this Underwriting Agreement and Terms Agreement . This Underwriting Agreement has been, and the applicable Terms Agreement as of the date thereof will have been, duly authorized, executed and delivered by each of the Company and the Guarantor.

(12) Authorization of Underwritten Securities . The Underwritten Securities have been, or as of the date of the applicable Terms Agreement will have been, duly authorized by the Company for issuance and sale pursuant to this Underwriting Agreement and such Terms Agreement. Such Underwritten Securities, when issued and authenticated in the manner provided for in the applicable Indenture and delivered against payment of the consideration therefor specified in such Terms Agreement, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or other similar laws affecting the enforcement of creditors’ rights generally or by general equitable principles (regardless of whether enforcement is considered in a proceeding in equity or at law), and except further as enforcement thereof may be limited by requirements that a claim with respect to any Underwritten Securities payable in a foreign or composite currency (or a foreign or composite currency judgment in respect of such claim) be converted into U.S. dollars at a rate of exchange prevailing on a date determined pursuant to applicable law or by governmental authority to limit, delay or prohibit the making of payments outside the United States. Such Underwritten Securities will be in the form contemplated by, and each registered holder thereof will be entitled to the benefits of, the applicable Indenture.

(13) Authorization of Guarantee . The Guarantee has been, or as of the date of such Terms Agreement will have been, duly authorized by the Guarantor for issuance pursuant to this Underwriting Agreement and the applicable Terms Agreement. Such Guarantee, when issued and delivered in the manner provided for in the applicable Indenture, will constitute a valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or other similar laws

affecting the enforcement of creditors' rights generally or by general equitable principles (regardless of whether enforcement is considered in a proceeding in equity or at law), and will be in the form contemplated by, and entitled to the benefits of, the Indenture.

(14) Authorization of the Indentures. The applicable Indenture has been, or prior to the issuance of the Debt Securities thereunder will have been, duly authorized, executed and delivered by the Company and the Guarantor and, upon such authorization, execution and delivery, will constitute a valid and binding agreement of the Company and the Guarantor, enforceable against each of them in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally or by general equitable principles (regardless of whether enforcement is considered in a proceeding in equity or at law).

(15) Descriptions of the Underwritten Securities, the Guarantee and the Indentures. The Underwritten Securities being sold pursuant to the applicable Terms Agreement, the Guarantee and each applicable Indenture, as of each Representation Date, will conform in all material respects to the statements relating thereto contained in each of the Disclosure Package and the Prospectus and will be in substantially the form filed or incorporated by reference, as the case may be, as an exhibit to the Registration Statement.

(16) Non-Taxation of Interest. Except as disclosed in the Disclosure Package and the Prospectus, under current laws and regulations of the Cayman Islands and Bermuda and any political subdivision thereof, all interest payable on the Underwritten Securities may be paid by the Guarantor pursuant to the Guarantee to the holders thereof in United States dollars and freely transferred out of the Cayman Islands or Bermuda and all such payments made to holders thereof or therein who are non-residents of the Cayman Islands or Bermuda will not be subject to income, withholding or other taxes under laws and regulations of the Cayman Islands or Bermuda or any political subdivision or taxing authority thereof or therein and will otherwise be free and clear of any other tax, duty, withholding or deduction in the Cayman Islands or Bermuda or any political subdivision or taxing authority thereof or therein and without the necessity of obtaining any governmental authorization in the Cayman Islands or Bermuda or any political subdivision or taxing authority thereof or therein.

(17) Reserves. The description of the Guarantor's reserves and reserving methodology and assumptions described in each of the Disclosure Package and the Prospectus is accurate and fairly presents the information set forth therein in all material respects and, since the date of the latest financial statements included in each of the Disclosure Package and the Prospectus, no loss experience has developed which would require or make it appropriate for the Guarantor to alter or modify such methodology.

(18) Absence of Defaults and Conflicts. Neither the Guarantor or any of its subsidiaries (including the Company) is in violation of its charter or by-laws, partnership agreement or other constitutive documents or in default in the performance or observance

of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Guarantor or any of its subsidiaries (including the Company) is a party or by which it or any of them may be bound, or to which any of the assets, properties or operations of the Guarantor or any of its subsidiaries (including the Company) is subject (collectively, "Agreements and Instruments"), except for such defaults that would not reasonably be expected to result in a Material Adverse Change. The execution, delivery and performance of this Underwriting Agreement, the applicable Terms Agreement and each applicable Indenture and any other agreement or instrument entered into or issued or to be entered into or issued by the Company or the Guarantor in connection with the transactions contemplated hereby or thereby or in the Registration Statement, the Disclosure Package and the Prospectus, and the consummation of the transactions contemplated herein and in the Registration Statement, the Disclosure Package and the Prospectus (including, without limitation, the issuance and sale of the Underwritten Securities, the issuance of the Guarantee, and the use of the proceeds from the sale of the Underwritten Securities, together with the Guarantee, as described under the caption "Use of Proceeds") and compliance by the Company and the Guarantor, as applicable, with their respective obligations hereunder and thereunder have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any assets, properties or operations of the Guarantor or any of its subsidiaries (including the Company) pursuant to, any Agreements and Instruments (except for such conflicts, breaches, defaults or Repayment Events or liens, charges or encumbrances that would not reasonably be expected to result in a Material Adverse Change), nor will such action result in any violation of the provisions of the charter, by-laws, partnership agreement or other constitutive document of the Guarantor or any of its subsidiaries (including the Company) or, to the best of the Company's and the Guarantor's knowledge, any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Guarantor or any of its subsidiaries (including the Company) or over any of the assets, properties or operations of the Guarantor or any of its subsidiaries (including the Company), except for such violations under applicable law, statute, rule, regulation, judgment, order, writ or decree as would not reasonably be expected to result in a Material Adverse Change. As used herein, a "Repayment Event" means any event or condition that gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Guarantor or any of its subsidiaries (including the Company).

(19) Absence of Proceedings. There is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, now pending, or to the knowledge of the Company or the Guarantor threatened or contemplated, against or affecting the Guarantor or any of its subsidiaries (including the Company) that is required to be disclosed in the Registration Statement, the Disclosure Package or the Prospectus (other than as stated therein), or that would

reasonably be expected to result in a Material Adverse Change, or that would reasonably be expected to materially and adversely affect the ability of the Company or the Guarantor to perform its obligations under this Agreement or the applicable Terms Agreement.

(20) Accuracy of Exhibits. There are no contracts or documents that are required to be described in the Registration Statement, the Disclosure Package, the Prospectus or the documents incorporated by reference therein or to be filed as exhibits thereto that have not been so described and filed as required.

(21) Absence of Further Requirements. No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court, domestic or foreign, is required for the due authorization, execution or delivery by the Company or the Guarantor of this Underwriting Agreement or the applicable Terms Agreement or for the performance by the Company or the Guarantor of the transactions contemplated under the Prospectus, this Underwriting Agreement, such Terms Agreement or the applicable Indenture, as applicable, except such as have been obtained and made under the 1933 Act, such filing of the Prospectus as has been made with the Bermuda Registrar of Companies under the Companies Act 1981 of Bermuda and such as may be required under state securities laws.

(22) Possession of Licenses and Permits. The Guarantor and its subsidiaries (including the Company) possess such permits, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct the business now operated by them, except where the failure to so possess any such Governmental Licenses would not, singly or in aggregate, reasonably be expected to result in a Material Adverse Change. The Guarantor and its subsidiaries (including the Company) are in compliance with the terms and conditions of all such Governmental Licenses, except where the failure so to comply would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Change. All of the Governmental Licenses are valid and in full force and effect, except where the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not reasonably be expected to result in a Material Adverse Change. Neither the Guarantor nor any of its subsidiaries (including the Company) has received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses that, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would reasonably be expected to result in a Material Adverse Change.

(23) Insurance Laws. Each of the Guarantor and its insurance subsidiaries (including insurance holding companies) is duly registered, licensed or admitted as an insurer or an insurance holding company (as applicable) in each jurisdiction where it is required to be so licensed or admitted to conduct its business as presently conducted, except where the failure to be so registered, licensed or admitted would not reasonably be expected to result in a Material Adverse Change; each of the Guarantor and its insurance subsidiaries has all other necessary authorizations, approvals, orders, certificates and permits, of and from, and has made all declarations and filings with, all insurance

authorities, commissions or other insurance regulatory bodies to conduct their respective businesses as described in each of the Disclosure Package and the Prospectus, except for where the failure to have such authorizations, approvals, orders, certificates and permits, or to make such declarations and filings, would not reasonably be expected to result in a Material Adverse Change; all of such authorizations, approvals, orders, certificates and permits are in full force and effect, except where the failure to be in full force and effect would not reasonably be expected to result in a Material Adverse Change; and neither the Guarantor nor its insurance subsidiaries has received any notification from any insurance authority, commission or other insurance regulatory body to the effect that any additional authorization, approval, order, license, certificate or permit from such authority, commission or body is needed to be obtained by any of the Guarantor or its insurance subsidiaries, except for any authorization, approval, order, license, certificate or permit from any such authority, commission or body the failure of which to obtain, singly or in the aggregate, would not reasonably be expected to result in a Material Adverse Change. Each of the Guarantor and its insurance subsidiaries is in compliance with all applicable insurance statutes and regulations and has filed all reports, documents or other information required to be filed under such statutes and regulations, except where the failure to comply or file would not reasonably be expected to result in a Material Adverse Change; and each of the Guarantor and its insurance subsidiaries is in compliance with the insurance laws and regulations of other jurisdictions which are applicable to the Guarantor and its insurance subsidiaries (as the case may be), except where the failure to comply would not reasonably be expected to result in a Material Adverse Change.

(24) Governmental Authorization. Except as set forth in the Registration Statement, the Disclosure Package and the Prospectus, no authorization, approval or consent of any governmental authority or agency is required (other than any license as an insurer or insurance holding company and other than those that have already been obtained) under the laws of any jurisdiction in which the Guarantor or any of its subsidiaries (including the Company) conduct their respective businesses in connection with the ownership, directly or indirectly, by the Guarantor of equity interests in any subsidiary (including the Company) or the repatriation of any amount from or to the Guarantor or any of its subsidiaries (including the Company), except to the extent that the failure to obtain such authorization, approval or consent would not reasonably be expected to result in a Material Adverse Change.

(25) Commodity Exchange Act. The Underwritten Securities, upon issuance, will be excluded or exempted under, or beyond the purview of, the Commodity Exchange Act, as amended (the “Commodity Exchange Act”), and the rules and regulations of the Commodity Futures Trading Commission under the Commodity Exchange Act (the “Commodity Exchange Act Regulations”).

(26) Investment Company Act. The Company and the Guarantor are not, and upon the issuance and sale of the Underwritten Securities as herein contemplated and the application of the net proceeds therefrom as described in each of the Disclosure Package and the Prospectus they will not be, an “investment company” within the meaning of the Investment Company Act of 1940, as amended (the “1940 Act”).

(27) Internal Controls and Procedures. The Guarantor maintains a system of internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) designed by, or under the supervision of, the Company's principal executive officer and principal financial officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Guarantor's internal control over financial reporting was effective as of the end of the quarter ended December 31, 2006, and the Guarantor was not aware of any material weaknesses in its internal control over financial reporting at such time.

(b) *Officers' Certificates*. Any certificate signed by any officer of the Company, the Guarantor or any of their respective subsidiaries and delivered to the Representative(s) or to counsel for the Underwriters in connection with the offering of the Underwritten Securities shall be deemed a representation and warranty by the Company, the Guarantor or such subsidiary, as the case may be, to each Underwriter as to the matters covered thereby on the date of such certificate and, unless subsequently amended or supplemented, at each Representation Date subsequent thereto.

SECTION 2. Sale and Delivery to Underwriters; Closing.

(a) *Underwritten Securities*. The several commitments of the Underwriters to purchase the Underwritten Securities pursuant to the applicable Terms Agreement shall be deemed to have been made on the basis of the representations, warranties and agreements herein contained and shall be subject to the terms and conditions herein set forth.

(b) *Payment*. Payment of the purchase price for, and delivery of, the Underwritten Securities shall be made at the offices of Sidley Austin LLP, 787 Seventh Avenue, New York, New York 10019, or at such other place as shall be agreed upon by the Representative(s) and the Company, at 9:00 A.M. (Eastern time) on the third (fourth, if the pricing occurs after 4:30 P.M. (Eastern time) on any given day) business day after the date of the applicable Terms Agreement (unless postponed in accordance with the provisions of Section 10 hereof), or such other time not later than ten business days after such date as shall be agreed upon by the Representative(s) and the Company (such time and date of payment and delivery being herein called "Closing Time").

Payment shall be made to the Company by wire transfer of immediately available funds to a bank account designated by the Company, against delivery to the Representative(s) for the respective accounts of the Underwriters of the Underwritten Securities to be purchased by them. It is understood that each Underwriter has authorized the Representative(s), for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Underwritten Securities which it has severally agreed to purchase. Any Representative, individually and not as representative of the Underwriters, may (but shall not be obligated to) make payment of the purchase price for the Underwritten Securities to be purchased by any Underwriter whose funds have not been received by the Closing Time, but such payment shall not relieve such Underwriter from its obligations hereunder.

(c) *Denominations; Registration*. If the Underwritten Securities are issued other than in book-entry form, certificates for the Underwritten Securities shall be in such denominations and

registered in such names as the Representative(s) may request in writing at least one full business day prior to the Closing Time. If the Underwritten Securities are issued other than in book-entry form, certificates for the Underwritten Securities will be made available for examination and packaging by the Representative(s) in The City of New York not later than 10:00 A.M. (Eastern time) on the business day prior to the Closing Time.

SECTION 3. Covenants of the Company and the Guarantor. The Company and the Guarantor covenant with the Representative(s) and with each Underwriter participating in the offering of Underwritten Securities, as follows:

(a) *Compliance with Securities Regulations and Commission Requests; Payment of Filing Fees*. The Company and the Guarantor, subject to Section 3(b), will comply with the requirements of Rule 430B of the 1933 Act Regulations, if and as applicable, and they will notify the Representative(s) immediately, and confirm the notice in writing, of (i) the filing and effectiveness of any post-effective amendment to the Registration Statement or the filing of any supplement or amendment to the Prospectus, (ii) the receipt of any comments from the Commission, (iii) any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information, (iv) the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of any order preventing or suspending the use of any preliminary prospectus, or of the suspension of the qualification of the Underwritten Securities for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes or of any examination pursuant to Section 8(e) of the 1933 Act concerning the Registration Statement and (v) if the Company or the Guarantor becomes the subject of a proceeding under Section 8A of the 1933 Act in connection with the offering of the Underwritten Securities. The Company and the Guarantor will effect the filings required under Rule 424(b) of the 1933 Act Regulations, in the manner and within the time period required by Rule 424(b) (without reliance on Rule 424(b)(8)), and will take such steps as they deem necessary to ascertain promptly whether each preliminary prospectus and the Prospectus transmitted for filing under Rule 424 was received for filing by the Commission and, in the event that it was not, they will promptly file such preliminary prospectus or the Prospectus. The Company and the Guarantor will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment. The Company and the Guarantor agree to pay the required Commission filing fees relating to the Underwritten Securities within the time required by Rule 456(b)(1) of the 1933 Act Regulations without regard to the proviso therein and otherwise in accordance with Rules 456 (b) and 457(r) of the 1933 Act Regulations.

(b) *Filing of Amendments and Exchange Act Documents; Preparation of Final Term Sheet*. The Company and the Guarantor will give the Representative(s) notice of their intention to file or prepare any amendment to the Registration Statement or any amendment, supplement or revision to either any preliminary prospectus or to the Prospectus, whether pursuant to the 1933 Act, the 1934 Act or otherwise, and the Company and the Guarantor will furnish the Representative(s) with copies of any such documents a reasonable amount of time prior to such proposed filing or use, as the case may be, and will give the Representative(s) a reasonable opportunity to comment on any such document prior to such proposed filing or use, as the case may be. The Company will prepare a final term sheet (the "Final Term Sheet") reflecting the

final terms of the Underwritten Securities, in form and substance satisfactory to the Representative(s) and attached as Schedule II to the applicable Terms Agreement, and shall file such Final Term Sheet as an “issuer free writing prospectus” pursuant to Rule 433 under the 1933 Act Regulations within the time required by such rule.

(c) *Delivery of Registration Statements.* The Company and the Guarantor have furnished or will deliver to the Representative(s) and counsel for the Underwriters, without charge, signed copies of the Registration Statement as originally filed and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein and documents incorporated or deemed to be incorporated by reference therein or deemed to be a part thereof) and signed copies of all consents and certificates of experts, and will also deliver to the Representative (s), without charge, a conformed copy of the Registration Statement as originally filed and of each amendment thereto (without exhibits) for each of the Underwriters. The Registration Statement and each amendment thereto furnished to the Underwriters will be identical to any electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(d) *Delivery of Prospectuses.* The Company and the Guarantor will deliver to each Underwriter, without charge, as many copies of each preliminary prospectus and each Permitted Free Writing Prospectus (as defined below) as such Underwriter may reasonably request, and the Company and the Guarantor hereby consent to the use of such copies for purposes permitted by the 1933 Act. The Company and the Guarantor will furnish to each Underwriter, without charge, during the period when the Prospectus is required to be delivered under the 1933 Act or the 1934 Act, such number of copies of the Prospectus as such Underwriter may reasonably request. The Prospectus and any amendments or supplements thereto furnished to the Underwriters will be identical to any electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(e) *Continued Compliance with Securities Laws.* The Company and the Guarantor will comply with the 1933 Act and the 1933 Act Regulations and the 1934 Act and the 1934 Act Regulations so as to permit the completion of the distribution of the Underwritten Securities as contemplated in this Underwriting Agreement and the applicable Terms Agreement and in the Registration Statement and the Prospectus. If at any time when the Prospectus is required by the 1933 Act or the 1934 Act to be delivered in connection with sales of the Underwritten Securities, any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for the Underwriters or for the Company and the Guarantor, to amend the Registration Statement in order that the Registration Statement will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or to amend or supplement the Prospectus in order that the Prospectus will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, or if it shall be necessary, in the opinion of such counsel, at any such time to amend the Registration Statement or amend or supplement the Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company and the Guarantor will promptly prepare and file with the Commission, at its own expense, subject to Section 3(b), such amendment or supplement as may be necessary to correct such statement or omission or to comply with such requirements, the

Company and the Guarantor will use their best efforts to have such amendment declared effective as soon as practicable (if it is not automatically effective with respect to the Underwritten Securities), and the Company and the Guarantor will furnish to the Underwriters, without charge, such number of copies of such amendment or supplement as the Underwriters may reasonably request. Neither the Representatives' consent to, nor any Underwriters' delivery of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 5. If at any time following issuance of an Issuer Free Writing Prospectus there occurred or occurs an event or development as a result of which such Issuer Free Writing Prospectus conflicted or would conflict with the information contained in the Registration Statement or the Prospectus or any preliminary prospectus or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances prevailing at that subsequent time, not misleading, the Company and the Guarantor will promptly notify the Representative(s) and will promptly amend or supplement, at its own expense, such Issuer Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission and will promptly file such amendment or supplement with the Commission.

(f) *Blue Sky Qualifications.* The Company and the Guarantor will use their best efforts, in cooperation with the Underwriters, to qualify the Underwritten Securities for offering and sale under the applicable securities laws of such states and other jurisdictions (domestic or foreign) as the Representative(s) may designate and to maintain such qualifications in effect for a period of not less than one year from the date of the applicable Terms Agreement; provided, however, that the Company and the Guarantor shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which they are not so qualified or to subject themselves to taxation in respect of doing business in any jurisdiction in which they are not otherwise so subject. In each jurisdiction in which the Underwritten Securities have been so qualified, the Company and the Guarantor will file such statements and reports as may be required by the laws of such jurisdiction to continue such qualification in effect for a period of not less than one year from the date of such Terms Agreement.

(g) *Earnings Statement.* The Guarantor and, to the extent separately required pursuant to Rule 158 under the 1933 Act, the Company will timely file such reports pursuant to the 1934 Act as are necessary in order to make generally available to its securityholders as soon as practicable an earnings statement for the purposes of, and to provide the benefits contemplated by, the last paragraph of Section 11(a) of the 1933 Act.

(h) *Use of Proceeds.* The Company will use the net proceeds received by it from the sale of the Underwritten Securities in the manner specified under "Use of Proceeds" in each of the Disclosure Package and the Prospectus.

(i) *Listing.* The Company and the Guarantor will use their best efforts to effect the listing of the Underwritten Securities, prior to the Closing Time, on any national securities exchange or quotation system if and as specified in the applicable Terms Agreement.

(j) *Restriction on Sale of Debt Securities.* Between the date of the applicable Terms Agreement and the Closing Time or such other date specified in such Terms Agreement, neither

the Company nor the Guarantor will, without the prior written consent of the Representative(s), directly or indirectly, issue, sell, offer or contract to sell, grant any option for the sale of, or otherwise dispose of, the debt securities specified in such Terms Agreement.

(k) *Reporting Requirements.* The Guarantor, during the period when the Prospectus is required to be delivered under the 1933 Act or the 1934 Act, will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods required by the 1934 Act and the 1934 Act Regulations.

(l) *Documentary, Stamp or Similar Issue Taxes.* The Company and the Guarantor will jointly and severally indemnify and hold harmless the Underwriters against any documentary, stamp or similar issue tax, including any interest and penalties, on the creation, issue and sale of the Underwritten Securities and on the execution and delivery of this Underwriting Agreement or the applicable Terms Agreement. All payments to be made by the Company or the Guarantor hereunder shall be made without withholding or deduction for or on account of any present or future taxes, duties or governmental charges whatsoever unless the Company or the Guarantor is compelled by law to deduct or withhold such taxes, duties or charges. In that event, the Company or the Guarantor shall pay such additional amounts as may be necessary in order that the net amounts received after such withholding or deduction shall equal the amounts that would have been received if no withholding or deduction had been made.

(m) *Permitted Free Writing Prospectuses.* Each of the Company and the Guarantor represents that it has not made, and agrees that, unless it obtains the prior written consent of the Representative(s), it will not make, any offer relating to the Underwritten Securities that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a “free writing prospectus” (as defined in Rule 405 of the 1933 Regulations) required to be filed by the Company or the Guarantor with the Commission or retained by the Company or the Guarantor under Rule 433 of the 1933 Act Regulations; provided that the prior written consent of the Representative(s) shall be deemed to have been given in respect of the free writing prospectuses listed in Schedule I to the applicable Terms Agreement. Any such free writing prospectus consented to by the Representative(s) is hereinafter referred to as a “Permitted Free Writing Prospectus”. Each of the Company and the Guarantor agrees that (i) it has treated and will treat, as the case may be, each Permitted Free Writing Prospectus as an Issuer Free Writing Prospectus, and (ii) has complied and will comply, as the case may be, with the requirements of Rules 164 and 433 of the 1933 Act Regulations applicable to any Permitted Free Writing Prospectus, including in respect of timely filing with the Commission, legending and record keeping. Each of the Company and the Guarantor consents to the use by any Underwriter of a free writing prospectus that (a) is not an “issuer free writing prospectus” as defined in Rule 433, and (b) contains only (i) information describing the preliminary terms of the Underwritten Securities or their offering, (ii) information permitted by Rule 134 of the 1933 Act Regulations or (iii) information that describes the final terms of the Underwritten Securities or their offering and that is included in the Final Term Sheet

(n) *Registration Statement Renewal Deadline.* If immediately prior to the third anniversary (the “Renewal Deadline”) of the initial effective date of the Registration Statement, any of the Underwritten Securities remain unsold by the Underwriters, the Company and the Guarantor will prior to the Renewal Deadline file, if it has not already done so and is eligible to

do so, a new automatic shelf registration statement relating to the Underwritten Securities, in a form satisfactory to the Representative(s). If the Company or the Guarantor is no longer eligible to file an automatic shelf registration statement, the Company and the Guarantor will prior to the Renewal Deadline, if it has not already done so, file a new shelf registration statement relating to the Underwritten Securities, in a form satisfactory to the Representative(s), and will use its best efforts to cause such registration statement to be declared effective within 60 days after the Renewal Deadline. The Company and the Guarantor will take all other action necessary or appropriate to permit the public offering and sale of the Underwritten Securities to continue as contemplated in the expired registration statement relating to the Underwritten Securities. References herein to the Registration Statement shall include such new automatic shelf registration statement or such new shelf registration statement, as the case may be.

(o) *Notice of Inability to Use Automatic Shelf Registration Statement Form.* If at any time when Underwritten Securities remain unsold by the Underwriters either the Company or the Guarantor receives from the Commission a notice pursuant to Rule 401(g)(2) of the 1933 Act Regulations or otherwise ceases to be eligible to use the automatic shelf registration statement form, the Company or the Guarantor will (i) promptly notify the Representative(s), (ii) promptly file a new registration statement or post-effective amendment on the proper form relating to the Underwritten Securities, in a form satisfactory to the Representative(s), (iii) use its best efforts to cause such registration statement of post-effective amendment to be declared effective and (iv) promptly notify the Representative(s) of such effectiveness. The Company and the Guarantor will take all other action necessary or appropriate to permit the public offering and sale of the Underwritten Securities to continue as contemplated in the registration statement that was the subject of the Rule 401(g)(2) notice or for which the Company or the Guarantor has otherwise become ineligible. References herein to the Registration Statement shall include such new registration statement or post-effective amendment, as the case may be.

SECTION 4. Payment of Expenses .

(a) *Expenses.* The Company and the Guarantor will pay all expenses incidental to the performance of their obligations under this Underwriting Agreement or the applicable Terms Agreement, including (i) the preparation, printing and filing of the Registration Statement (including financial statements and exhibits) as originally filed and of each amendment thereto, (ii) the preparation, printing and delivery to the Underwriters of this Underwriting Agreement, any Terms Agreement, any Agreement among Underwriters, the Indentures, and such other documents as may be required in connection with the offering, purchase, sale, issuance or delivery of the Underwritten Securities, (iii) the preparation, issuance and delivery of the Underwritten Securities and any certificates for the Underwritten Securities, to the Underwriters, including any transfer taxes and any stamp or other duties payable upon the sale, issuance or delivery of the Underwritten Securities to the Underwriters, (iv) the fees and disbursements of the Company's and the Guarantor's counsel, accountants and other advisors or agents (including transfer agents and registrars), as well as the fees and disbursements of the Trustees, and their respective counsel, (v) the qualification of the Underwritten Securities under state securities laws in accordance with the provisions of Section 3(f) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection therewith and in connection with the preparation, printing and delivery of the Blue Sky Survey, and any amendment thereto, (vi) the printing and delivery to the Underwriters and filing of copies of each

preliminary prospectus, the Prospectus, any free writing prospectus and any amendments or supplements thereto, (vii) the fees charged by nationally recognized statistical rating organizations for the rating of the Underwritten Securities, if applicable, (viii) the fees and expenses incurred with respect to the listing of the Underwritten Securities, if applicable, and (ix) the filing fees incident to, and the reasonable fees and disbursements of counsel to the Underwriters in connection with, the review, if any, by the Financial Industry Regulatory Authority, Inc. (the “FINRA”) of the terms of the sale of the Underwritten Securities.

(b) *Termination of Agreement.* If the applicable Terms Agreement is terminated by the Representative(s) in accordance with the provisions of Section 5 or Section 9(a)(i) or 9(a)(ii) hereof, the Company and the Guarantor shall reimburse the Underwriters for all of their out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Underwriters.

SECTION 5. Conditions of Underwriters’ Obligations. The obligations of the Underwriters to purchase and pay for the Underwritten Securities pursuant to the applicable Terms Agreement are subject to the accuracy of the representations and warranties of the Company and the Guarantor contained in Section 1(a) hereof or in certificates of any officer of the Company, the Guarantor or any of their respective subsidiaries delivered pursuant to the provisions hereof, to the performance by the Company and the Guarantor of their covenants and other obligations hereunder, and to the following further conditions:

(a) *Effectiveness of Registration Statement; No Objection from the FINRA; Filings.* The Registration Statement has become effective under the 1933 Act; no stop order suspending the effectiveness of the Registration Statement shall have been issued under the 1933 Act and no proceedings for that purpose shall have been instituted or be pending or threatened by the Commission; any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of counsel to the Underwriters; no notice pursuant to Rule 401(g)(2) of the 1933 Act Regulations shall have been received by the Company or the Guarantor objecting to the use of the automatic shelf registration statement form; the Registration Statement is not the subject of a pending proceeding or examination under Section 8(d) or 8(e) of the 1933 Act, and neither the Company nor the Guarantor is the subject of a pending proceeding under Section 8A of the 1933 Act in connection with the offering of the Underwritten Securities. Each preliminary prospectus and the Prospectus shall have been filed with the Commission (including the information required by Rule 430B of the 1933 Act Regulations) in the manner and within the time period required by Rule 424(b) of the 1933 Act Regulations without reliance on Rule 424(b)(8) of the 1933 Act Regulations, or a post-effective amendment to the Registration Statement containing the information required by such Rule 430B shall have been filed, and such post-effective amendment shall have become effective. The Final Term Sheet and any other material required to be filed by the Company or the Guarantor pursuant to Rule 433(d) of the 1933 Act Regulations, shall have been filed with the Commission within the applicable time periods prescribed for such filings under such Rule 433.

(b) *Opinions of Counsel for Company and Guarantor.* At Closing Time, the Representative(s) shall have received the favorable opinions, each dated as of Closing Time, of Maples and Calder, Cayman Islands counsel for the Guarantor, Conyers Dill & Pearman, Bermuda Counsel for the Guarantor, the Guarantor’s General Counsel, and Mayer Brown LLP,

United States counsel for the Company and the Guarantor, in form and substance satisfactory to counsel for the Underwriters, together with signed or reproduced copies of such letters for each of the other Underwriters, to the effect set forth in: Exhibit B hereto with respect to the opinion of Maples and Calder; Exhibit C hereto with respect to the opinion of Conyers Dill & Pearman; Exhibit D hereto with respect to the opinion of the Guarantor's General Counsel and Exhibit E hereto with respect to the opinion of Mayer Brown LLP, and, as to each opinion, to such further effect as the Underwriters may reasonably request.

(c) *Opinion of Counsel for Underwriters.* At Closing Time, the Representative(s) shall have received the favorable opinion, dated as of Closing Time, of Sidley Austin LLP, counsel for the Underwriters, in form and substance reasonably satisfactory to the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters. In giving such opinion, such counsel may rely, as to all matters governed by the laws of jurisdictions other than the law of the State of New York, the federal law of the United States and the General Corporation Law of the State of Delaware, upon the opinions of counsel satisfactory to the Representative(s). Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Company, the Guarantor and their respective subsidiaries and certificates of public officials.

(d) *Company Officers' Certificate.* At Closing Time, the Representative(s) shall have received a certificate of the President or a Vice President of the Company and of the chief financial officer or chief accounting officer of the Company, dated as of Closing Time, to the effect that (i) there has not been, since the date of the applicable Terms Agreement or since the respective dates as of which information is given in the Disclosure Package or the Prospectus, any material adverse change, or any development or event involving a prospective material adverse change, in the financial condition, business or results of operations of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, (ii) the representations and warranties of the Company in Section 1(a) are true and correct with the same force and effect as though expressly made at and as of the Closing Time, (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Time, and (iv) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted, are pending or, to the best of such officer's knowledge, are threatened by the Commission.

(e) *Guarantor Officers' Certificate.* At Closing Time, the Representative(s) shall have received a certificate of either the Chairman, the President and Chief Executive Officer or the General Counsel and Secretary of the Guarantor and of either the chief financial officer, chief accounting officer or chief investment officer of the Guarantor, dated as of Closing Time, to the effect that, to the best of their knowledge and after reasonable investigation, (i) there has not been, since the date of the applicable Terms Agreement or since the respective dates as of which information is given in the Disclosure Package or the Prospectus, any material adverse change, or any development or event involving a prospective material adverse change, in the financial condition, business or results of operations of the Guarantor and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, (ii) the representations and warranties of the Guarantor in Section 1(a) are true and correct with the same force and effect as though expressly made at and as of the Closing Time, (iii) the Guarantor has complied

with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Time, and (iv) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted, are pending or are threatened by the Commission.

(f) *Accountant's Comfort Letters.* At the time of the execution of the applicable Terms Agreement, the Representative(s) shall have received from Pricewaterhouse Coopers LLP letters, each dated such date, in form and substance satisfactory to the Representative(s), together with signed or reproduced copies of such letters for each of the other Underwriters, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the preliminary prospectus or prospectuses that are part of the Disclosure Package and the Prospectus.

(g) *Bring-down Comfort Letters.* At Closing Time, the Representative(s) shall have received from Pricewaterhouse Coopers LLP letters, each dated as of Closing Time, to the effect that they reaffirm the statements made in the letters furnished pursuant to subsection (f) of this Section 5, except that the specified date referred to shall be a date not more than three business days prior to the Closing Time.

(h) *Ratings.* At Closing Time, the Underwritten Securities shall have the ratings accorded by any "nationally recognized statistical rating organization", as defined by the Commission for purposes of Rule 436(g)(2) of the 1933 Act Regulations (each, a "Rating Organization"), if and as specified in the applicable Terms Agreement, and the Company and the Guarantor shall have delivered to the Representative(s) a letter, dated as of such date, from each such rating organization, or other evidence satisfactory to the Representative(s), confirming that the Underwritten Securities have such ratings. Since the time of execution of such Terms Agreement, there shall not have occurred a downgrading in, or withdrawal of, the rating assigned to the Underwritten Securities or any of the Guarantor's other securities or the Guarantor's financial strength or claims paying ability by any such Rating Organization, and no such Rating Organization shall have publicly announced that it has under surveillance or review with negative implications its rating of the Underwritten Securities or any of the Guarantor's other securities or the Guarantor's financial strength or claims paying ability.

(i) *Approval of Listing.* At Closing Time, the Underwritten Securities shall have been approved for listing, subject only to official notice of issuance, on the securities exchanges, if any, specified in the applicable Terms Agreement.

(j) *Guarantor's Officer's Certificate.* At Closing Time, the Representative(s) shall have received from the Guarantor a certificate, dated as of Closing Time and in form and substance satisfactory to the Representative(s), relating to certain financial and accounting matters.

(k) *Additional Documents.* At Closing Time, counsel for the Underwriters shall have been furnished with such documents and opinions as they may require for the purpose of enabling them to pass upon the issuance and sale of the Underwritten Securities as herein contemplated, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the

Company and the Guarantor in connection with the issuance and sale of the Underwritten Securities and the Guarantee as herein contemplated shall be satisfactory in form and substance to the Representative(s) and counsel for the Underwriters.

(l) *Termination of Terms Agreement.* If any condition specified in this Section 5 shall not have been fulfilled when and as required to be fulfilled, the applicable Terms Agreement may be terminated by the Representative(s) by notice to the Company and the Guarantor at any time at or prior to the Closing Time, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Sections 1, 6, 7 and 8 shall survive any such termination and remain in full force and effect.

SECTION 6. Indemnification.

(a) *Indemnification of Underwriters.* The Company and the Guarantor agree to jointly and severally indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(1) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), including the Rule 430B Information deemed to be a part thereof, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact included in any preliminary prospectus, the Prospectus (or any amendment or supplement thereto), any Issuer Free Writing Prospectus or the information contained in the Final Term Sheet, or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(2) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that (subject to Section 6(d) below) any such settlement is effected with the written consent of the Company and the Guarantor; and

(3) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by the Representative(s)), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (1) or (2) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company or the Guarantor by any Underwriter through the Representative(s) expressly for use in the Registration Statement (or any amendment thereto), including the Rule 430B Information deemed to be a part thereof or any preliminary prospectus or the Prospectus (or any amendment or supplement thereto).

(b) *Indemnification of Company, Guarantor, Directors and Officers.* Each Underwriter severally and not jointly agrees to indemnify and hold harmless the Company, the Guarantor, their respective directors, each of their respective officers who signed the Registration Statement, and each person, if any, who controls the Company or the Guarantor within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), including the Rule 430B Information deemed to be a part thereof or any preliminary prospectus or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company or the Guarantor by such Underwriter through the Representative(s) expressly for use in the Registration Statement (or any amendment thereto) or such preliminary prospectus or the Prospectus (or any amendment or supplement thereto).

(c) *Actions against Parties; Notification.* Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to Section 6(a) above, counsel to the indemnified parties shall be selected by the Representative(s), and, in the case of parties indemnified pursuant to Section 6(b) above, counsel to the indemnified parties shall be selected by the Guarantor. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 6 or Section 7 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) *Settlement without Consent if Failure to Reimburse.* If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 6(a)(2) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

SECTION 7. Contribution. If the indemnification provided for in Section 6 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Guarantor, on the one hand, and the Underwriters, on the other hand, from the offering of the Underwritten Securities pursuant to the applicable Terms Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Guarantor, on the one hand, and the Underwriters, on the other hand, in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company and the Guarantor, on the one hand, and the Underwriters, on the other hand, in connection with the offering of the Underwritten Securities pursuant to the applicable Terms Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of such Underwritten Securities (before deducting expenses) received by the Company and the total underwriting discount received by the Underwriters, in each case as set forth on the cover of the Prospectus bear to the aggregate initial public offering price of such Underwritten Securities as set forth on such cover.

The relative fault of the Company and the Guarantor, on the one hand, and the Underwriters, on the other hand, shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or the Guarantor or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company, the Guarantor and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 7 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 7, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Underwritten Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 7, each person, if any, who controls an Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such Underwriter, and each director of the Company and the Guarantor, each officer of the Company and the Guarantor who signed the Registration Statement, and each person, if any, who controls the Company or the Guarantor within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company and the Guarantor. The Underwriters' respective obligations to contribute pursuant to this Section 7 are several in proportion to the aggregate principal amount of Initial Underwritten Securities set forth opposite their respective names in the applicable Terms Agreement, and not joint.

SECTION 8. Representations, Warranties and Agreements to Survive Delivery . All representations, warranties and agreements contained in this Underwriting Agreement or the applicable Terms Agreement or in certificates of officers of the Company, the Guarantor or any of their respective subsidiaries submitted pursuant hereto or thereto shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or controlling person, or by or on behalf of the Company or the Guarantor, and shall survive delivery of and payment for the Underwritten Securities.

SECTION 9. Termination .

(a) *Terms Agreement*. The Representative(s) may terminate this Agreement and the applicable Terms Agreement, by notice to the Company and the Guarantor, at any time at or prior to the Closing Time, if (i) there has been, since the time of execution of such Terms Agreement or since the respective dates as of which information is given in the Disclosure Package or the Prospectus, any material adverse change, or any development or event involving a prospective material adverse change, in the financial condition, business or results of operations of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, (ii) there has been, since the time of execution of such Terms Agreement or since the respective dates as of which information is given in the Prospectus, any material adverse change, or any development or event involving a prospective material adverse change, in the financial condition, business or results of operations of the Guarantor and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, (iii) there has occurred any material adverse change in the financial markets in the United States or any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international

political, financial or economic conditions, in each case referred to in this clause (iii), the effect of which is such as to make it, in the judgment of the Representative(s), impracticable or inadvisable to market the Underwritten Securities or to enforce contracts for the sale of the Underwritten Securities, (iv) any downgrading in the rating of any debt securities of the Guarantor or the Company or the insurance claims paying ability rating or other insurance rating of the Guarantor or any of its Significant Subsidiaries, in each case by any “nationally recognized statistical rating organization” (as defined for purposes of Rule 436 (g) under the 1933 Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Guarantor or the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating) or of the insurance claims paying ability or other insurance rating of the Guarantor or any of its Significant Subsidiaries, (v) trading in any securities of the Company or the Guarantor has been suspended or materially limited by the Commission or the New York Stock Exchange, or if trading generally on the New York Stock Exchange or the American Stock Exchange or in the Nasdaq National Market has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by either of said exchanges or by such system or by order of the Commission, the FINRA or any other governmental authority or a material disruption has occurred in commercial banking or securities settlement or clearance services in the United States or (vi) a banking moratorium has been declared by either U.S. Federal, New York or Bermuda authorities or, if the Underwritten Securities are denominated or payable in, or indexed to, one or more foreign or composite currencies, by the relevant authorities in the related foreign country or countries.

(b) *Liabilities.* If this Underwriting Agreement or the applicable Terms Agreement is terminated pursuant to this Section 9, such termination shall be without liability of any party to any other party except as provided in Section 4 hereof, and provided further that Sections 1, 6, 7 and 8 shall survive such termination and remain in full force and effect.

SECTION 10. Default by One or More of the Underwriters . If one or more of the Underwriters shall fail at the Closing Time to purchase the Underwritten Securities which it or they are obligated to purchase under the applicable Terms Agreement (the “Defaulted Securities”), then the Representative(s) shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Underwriters, or any other underwriters, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if, however, the Representative(s) shall not have completed such arrangements within such 24-hour period, then:

(a) if the number or aggregate principal amount, as the case may be, of Defaulted Securities does not exceed 10% of the number or aggregate principal amount, as the case may be, of Underwritten Securities to be purchased on such date pursuant to such Terms Agreement, the non-defaulting Underwriters shall be obligated, severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations under such Terms Agreement bear to the underwriting obligations of all non-defaulting Underwriters, or

(b) if the number or aggregate principal amount, as the case may be, of Defaulted Securities exceeds 10% of the number or aggregate principal amount, as the case may be, of Underwritten Securities to be purchased on such date pursuant to such Terms Agreement, such Terms Agreement shall terminate without liability on the part of any non-defaulting Underwriter.

No action taken pursuant to this Section 10 shall relieve any defaulting Underwriter from liability in respect of its default.

In the event of any such default which does not result in a termination of the applicable Terms Agreement, either the Representative(s) or the Company shall have the right to postpone the Closing Time for a period not exceeding seven days in order to effect any required changes in the Registration Statement, the Disclosure Package or the Prospectus or in any other documents or arrangements.

SECTION 11. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriters shall be directed to the Representatives at the address specified in the applicable Terms Agreement; notices to the Company shall be directed to it at 436 Walnut Street, Philadelphia, PA 19106, attention of General Counsel; and notices to the Guarantor shall be directed to it at ACE Global Headquarters, 17 Woodbourne Avenue, Hamilton HM 08 Bermuda, attention of General Counsel and Secretary.

SECTION 12. Parties. This Underwriting Agreement and the applicable Terms Agreement shall each inure to the benefit of and be binding upon the Company and the Guarantor and, upon execution of such Terms Agreement, any Underwriters named therein and their respective successors. Nothing expressed or mentioned in this Underwriting Agreement or such Terms Agreement is intended or shall be construed to give any person, firm or corporation, other than the Underwriters, the Company, the Guarantor and their respective successors and the controlling persons and officers and directors referred to in Sections 6 and 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Underwriting Agreement or such Terms Agreement or any provision herein or therein contained. This Underwriting Agreement and such Terms Agreement and all conditions and provisions hereof and thereof are intended to be for the sole and exclusive benefit of the parties hereto and thereto and their respective successors, and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Underwritten Securities from any Underwriter shall be deemed to be a successor by reason merely of such purchase.

SECTION 13. Consent to Jurisdiction; Miscellaneous. Each of the parties hereto hereby expressly and irrevocably submits to the non-exclusive jurisdiction of any competent court in the place of its domicile and any United States Federal or New York State court sitting in the Borough of Manhattan in The City of New York in any action, suit or proceeding arising out of or relating to this Underwriting Agreement or the applicable Terms Agreement or the transactions contemplated hereby or thereby to the extent that such court has subject matter jurisdiction over the controversy, and expressly and irrevocably waives, to the extent permitted under applicable law, any immunity from the jurisdiction thereof and any claim or defense in

such action, suit or proceeding based on a claim of improper venue, forum non conveniens or any similar basis to which it might otherwise be entitled in any such action, suit or proceeding. Each of the Company and the Guarantor irrevocably appoints ACE USA, Inc., 1133 Avenue of the Americas, 32nd Floor, New York, New York 10036, as its authorized agent in the Borough of Manhattan in The City of New York upon which process may be served in any such action, suit or proceeding, and agrees that service of process upon such agent, and written notice of said service to the Company or the Guarantor by the person serving the same to the address provided in Section 11, shall be deemed in every respect effective service of process upon the Company or the Guarantor, as the case may be, in any such action, suit or proceeding. Each of the Company and the Guarantor further agrees to take any and all action as may be necessary to maintain such designation and appointment of such agent in full force and effect for a period of seven years from the date of this Underwriting Agreement.

SECTION 14. Waiver of Immunities. To the extent that the Company or the Guarantor or any of their respective properties, assets or revenues may have or may hereafter become entitled to, or have attributed to them, any right of immunity, on the grounds of sovereignty, from any legal action, suit or proceeding, from set-off or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, or from attachment in aid of execution of judgment, or from execution of judgment, other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any jurisdiction in which proceedings may at any time be commenced, with respect to their obligations, liabilities or any other matter under or arising out of or in connection with this Underwriting Agreement or any additional agreement, each of the Company and the Guarantor hereby irrevocably and unconditionally, to the extent permitted by applicable law, waives and agrees not to plead or claim any such immunity and consents to such relief and enforcement.

SECTION 15. Judgment Currency. The Company and the Guarantor jointly and severally agree to indemnify each Underwriter against any loss incurred by such Underwriter as a result of any judgment or order being given or made for any amount due hereunder and such judgment or order being expressed and paid in a currency (the "Judgment Currency") other than United States dollars and as a result of any variation as between (i) the rate of exchange at which the United States dollar amount is converted into the Judgment Currency for the purpose of such judgment or order, and (ii) the rate of exchange at which such Underwriter is able to purchase United States dollars with the amount of the Judgment Currency actually received by such Underwriter. The foregoing indemnity shall constitute a separate and independent obligation of each of the Company and the Guarantor and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of, or conversion into, the relevant currency.

SECTION 16. No Advisory or Fiduciary Responsibility. The Company and the Guarantor acknowledge and agree that (i) the purchase and issuance of the Underwritten Securities pursuant to this Agreement is an arm's-length commercial transaction between the Company and the Guarantor, on the one hand, and the several Underwriters, on the other, (ii) in connection therewith and with the process leading to such transaction each Underwriter is acting solely as a principal and not the agent or fiduciary of the Company or the Guarantor, (iii) no Underwriter has assumed an advisory or fiduciary responsibility in favor of the Company or the

Guarantor with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company or the Guarantor on other matters) or any other obligation to the Company or the Guarantor except the obligations expressly set forth in this Agreement and (iv) the Company and the Guarantor have consulted their own legal and financial advisors to the extent they deemed appropriate. The Company and the Guarantor agree that they will not claim that the Underwriters, or any of them, has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Company or the Guarantor, in connection with such transaction or the process leading thereto.

SECTION 17. GOVERNING LAW AND TIME. THIS UNDERWRITING AGREEMENT AND ANY APPLICABLE TERMS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME.

SECTION 18. Effect of Headings. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

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Very truly yours,

ACE INA HOLDINGS INC.

By: /s/ Ken Koreyva

Name: Ken Koreyva

Title: Treasurer

ACE LIMITED

By: /s/ Philip V. Bancroft

Name: Philip V. Bancroft

Title: Chief Financial Officer

ACE INA HOLDINGS INC.
(a Delaware corporation)

Debt Securities

Unconditionally Guaranteed as to Payment of
Principal, Premium, if any, and Interest by

ACE LIMITED

TERMS AGREEMENT

[-]

To: ACE INA HOLDINGS INC.
436 Walnut Street, WB12B
Philadelphia, PA 19106

ACE LIMITED
ACE Global Headquarters
17 Woodbourne Avenue
Hamilton HM 08, Bermuda

Ladies and Gentlemen:

We understand that ACE INA Holdings Inc., a Delaware company (the “Company”), proposes to issue and sell \$ aggregate principal amount of its [senior] [subordinated] debt securities (the “Underwritten Securities”), which will be unconditionally guaranteed as to payment of principal, premium, if any, and interest by ACE Limited, a Cayman Islands company. Subject to the terms and conditions set forth or incorporated by reference herein, the underwriter[s] named below (the “Underwriters”) offer[s] to purchase [, severally and not jointly,] the principal amount of Underwritten Securities opposite [its] [their] name[s] set forth below at the purchase price set forth below.

A-1

Underwriter

Principal Amount of
Underwritten Securities

Total

[\$]

The Underwritten Securities shall have the following terms:

Title:

Rank:

Ratings:

Aggregate principal amount:

Denominations:

Currency of payment:

Interest rate or formula:

Interest payment dates:

Regular record dates:

Stated maturity date:

Redemption provisions:

Sinking fund requirements:

Conversion or exchange provisions:

Guarantee Provisions:

Listing requirements:

Black-out provisions:

Fixed or Variable Price Offering: [Fixed] [Variable] Price Offering

If Fixed Price Offering, initial public offering price: % of the principal amount, plus accrued interest [amortized original issue discount], if any, from _____.

Purchase price: ___% of principal amount, plus accrued interest [amortized original issue discount], if any, from _____.

Form:

Applicable Time:

Other terms and conditions:

Closing date and location:

Notices: Notice to the Underwriters shall be directed to the Representative(s) c/o:

[

]

All of the provisions contained in the document attached as Annex I hereto entitled "ACE INA HOLDINGS INC.—Senior and Subordinated Debt Securities – Unconditionally Guaranteed

as to Payment of Principal, Premium, if any, and Interest by ACE LIMITED—Underwriting Agreement” are hereby incorporated by reference in their entirety herein and shall be deemed to be a part of this Terms Agreement to the same extent as if such provisions had been set forth in full herein. Terms defined in such document are used herein as therein defined.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Please accept this offer no later than ___o’clock P.M. (New York City time) on _____by signing a copy of this Terms Agreement in the space set forth below and returning the signed copy to us.

Very truly yours,

[REPRESENTATIVE(S)]

By _____
Authorized Signatory

[Acting on behalf of [itself] [themselves] and as
Representative(s) of the other named Underwriters.]

Accepted:

ACE INA HOLDINGS INC.

By _____
Name:
Title:

ACE LIMITED

By _____
Name:
Title:

[ISSUER FREE WRITING PROSPECTUS(ES)]

Final Term Sheet dated [-] (attached hereto as Schedule II)

ACE INA HOLDINGS INC.

FINAL TERM SHEET

Dated: [-]

Issuer: ACE INA Holdings Inc.
Guarantor: ACE Limited
Size:
Maturity:
Coupon (Interest Rate):
Yield to Maturity:
Spread to Benchmark Treasury:
Benchmark Treasury:
Benchmark Treasury Price and Yield:
Interest Payment Dates:
Redemption Provision:
Price to Public:
Settlement Date:

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, [REPRESENTATIVE(S)] can arrange to send you the prospectus if you request it by calling or e-mailing [___] at 1-800-[___] or [___]@[___].

FORM OF OPINION OF MAPLES AND CALDER, GUARANTOR'S
CAYMAN ISLANDS COUNSEL, TO BE DELIVERED
PURSUANT TO SECTION 5(b)

(i) The Guarantor has been duly incorporated and is validly existing and in good standing as an exempted company, under the laws of the Cayman Islands, and has the corporate power and corporate authority to own, lease and operate its property, and to conduct its business, as described in the Registration Statement, the Disclosure Package and the Prospectus, and to enter into and perform its obligations under, or as contemplated under, the Underwriting Agreement and the applicable Terms Agreement.

(ii) The authorized share capital of the Guarantor, as set out in its Memorandum and Articles of Association, conforms as to legal matters to the description thereof contained in each of the Registration Statement, the Disclosure Package and the Prospectus. All of the Guarantor's Ordinary Shares have been duly and validly authorized and issued by the Guarantor and are registered in the books of the Guarantor as fully paid. On the basis that the contractual subscription price of all such Ordinary Shares is fully paid in cash (or equivalent consideration approved by the Directors), such Ordinary Shares issued may properly be credited as fully paid under Cayman Islands law and, as the Guarantor has been established on the basis that the liability of its shareholders is limited to the amount, if any, unpaid on their Ordinary Shares (see Clause 5 of the Memorandum and Articles of Association), there is no rule of Cayman Islands law that would impose any further liability on persons holding Ordinary Shares in the Guarantor, merely by reason of such shareholding. So far as Cayman Islands law is concerned, the registered holders have good and valid title to their respective Ordinary Shares on the assumption that they have not entered into any liens, encumbrances, equities or claims which could give rise to any equitable interest on the part of any third party in respect of such Ordinary Shares. The holders of Ordinary Shares are not subject to any pre-emptive rights under the laws of the Cayman Islands or the Guarantor's Memorandum and Articles of Association.

(iii) The Underwriting Agreement and the applicable Terms Agreement have been duly authorized, executed and delivered by the Guarantor.

(iv) The Guarantee has been duly authorized and delivered by the Guarantor for issuance and sale pursuant to the Underwriting Agreement and the applicable Terms Agreement.

(v) Each applicable Indenture has been duly authorized, executed and delivered by the Guarantor.

(vi) The execution and delivery by the Guarantor of, and the performance by the Guarantor of its obligations under, the Underwriting Agreement and the applicable Terms Agreement and each applicable Indenture and any other agreement or instrument

entered into or issued or to be entered into or issued by the Guarantor in connection with the transactions contemplated by the Registration Statement and the Prospectus and the consummation by the Guarantor of the transactions contemplated by the Underwriting Agreement and such Terms Agreement do not and will not (A) violate any provision of the Memorandum and Articles of Association of the Guarantor; (B) contravene any provision of any law, public rule or regulation of the Cayman Islands applicable to the Guarantor; (C) to the best of such counsel's knowledge, contravene any existing published order or decree of the courts of the Cayman Islands by which the Guarantor is bound or by which its properties or assets may be affected; or (D) require any consent, approval or authorization or order of, or qualification with, any Cayman Islands governmental agency in connection with the offer and sale of the Underwritten Securities and the Guarantee.

(vii) To the best of such counsel's knowledge, but based only upon a search of the cause list at the offices of the Grand Courts of the Cayman Islands, there was no action, suit or proceeding to which the Guarantor or any of its subsidiaries is a party or to which the assets, properties or operations of the Guarantor or any of its subsidiaries is subject, before the courts of the Cayman Islands at the close of business on [specify a recent date].

(viii) All statements made in the Disclosure Package and the Prospectus with regard to statutes, regulations, rules, treaties and other laws of the Cayman Islands (including, but not limited to, insurance, regulatory and tax matters and the Companies Law (2002 Revision) of the Cayman Islands) and enforcement of judgments in the Cayman Islands are accurate.

(ix) Pursuant to the Underwriting Agreement, and to the extent that the laws of the Cayman Islands are relevant, the Guarantor has legally, validly, effectively and irrevocably submitted to the jurisdiction of the United States Federal and New York State courts sitting in the Borough of Manhattan in The City of New York, State of New York, and has legally, validly and effectively appointed ACE USA, Inc. as the authorized agent of the Guarantor for the purposes described in Section 13 of the Underwriting Agreement assuming this to be the case as a matter of the applicable United States Federal and New York State laws.

(x) The choice of the laws of the State of New York, United States of America as the governing law of the Underwriting Agreement is a valid and effective choice of law and in an action brought before a court of competent jurisdiction in the Cayman Islands, the laws of the State of New York would, to the extent specifically pleaded and proved as a fact by expert evidence, be recognized and applied by such court to all issues concerning the formal and essential validity of each of the Underwriting Agreement and the Indenture and the interpretation thereof, except that in any such action such court will apply those laws of the Cayman Islands as such court characterizes as procedural, and will not apply those laws of the State of New York as such court characterizes as procedural.

(xi) Although there is no statutory enforcement in the Cayman Islands of a

judgment obtained in New York, the courts of the Cayman Islands will recognize and enforce a foreign judgment of a court of competent jurisdiction, based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided such judgment is final, for a liquidated sum, not in respect of taxes or a fine or penalty, and was not obtained in a manner and is not of a kind the enforcement of which is contrary to the public policy of the Cayman Islands. A Cayman Islands court may stay proceedings if concurrent proceedings are being brought elsewhere. For the purposes of enforcement of a judgment granted against the Guarantor in respect of the Underwriting Agreement or the Indenture, a court in the Cayman Islands would recognize the jurisdiction of the applicable federal or state court to the jurisdiction of which the Guarantor has submitted rendering such judgment if service of process on the Guarantor is effected pursuant to and in accordance with the provisions of the Underwriting Agreement.

(xii) On the basis that the Guarantor carries on its business as set forth in the Disclosure Package and the Prospectus, there is no requirement that it be licensed under the Insurance Law, 1979, as amended, of the Cayman Islands.

In rendering such opinion, such counsel may rely (A) as to matters involving the application of laws other than the laws of the Cayman Islands, to the extent such counsel deems proper and specified in such opinion, upon the opinion of other counsel whom such counsel believes to be reliable (which opinion shall be dated and furnished to the Representative(s) at the Closing Time, shall be satisfactory in form and substance to counsel for the Underwriters and shall expressly state that the Underwriters may rely on such opinion as if it were addressed to them), provided that such counsel shall state in their opinion that they believe that they and the Underwriters are justified in relying upon such opinion, and (B) as to matters of fact (but not as to legal conclusions), to the extent such counsel deems proper, on certificates of responsible officers of the Guarantor, its subsidiaries and public officials.

FORM OF OPINION OF CONYERS DILL & PEARMAN,
GUARANTOR'S BERMUDA COUNSEL, TO BE DELIVERED
PURSUANT TO SECTION 5(b)

(i) Each of ACE Bermuda Insurance Ltd., Corporate Officers and Directors Assurance Ltd., ACE Tempest Reinsurance Ltd., ACE Tempest Life Reinsurance Ltd. and ACE INA Overseas Insurance Company Ltd. (collectively, the "Bermuda Insurance Subsidiaries") (A) is validly existing under the laws of Bermuda as a company with limited liability and is in good standing under the laws of Bermuda (meaning that such company has not failed to make any filing with any Bermuda government authority or to pay any Bermuda government fee or tax, the failure of which would make such company immediately liable to be struck off the Register of Companies and thereby cease to exist under the laws of Bermuda) and (B) the corporate objects and powers contained in the Memorandum of Association of each of the Bermuda Insurance Subsidiaries are sufficient to allow them to carry on their business and to own, lease and operate its properties as both are described in each of the Disclosure Package and the Prospectus.

(ii) Based solely upon a certified copy of the Register of Members for each of the Bermuda Insurance Subsidiaries, and without further inquiry, (a) all of the issued shares in the share capital of each of the Bermuda Insurance Subsidiaries have been duly and validly authorized and issued and are fully paid and nonassessable (meaning that no further sums are required to be paid by the holders thereof in connection with the issue of such shares); and (b) the Guarantor is the direct or indirect registered holder of all the issued shares of each of the Bermuda Insurance Subsidiaries; and (c) based solely upon the Register of Charges, and without further inquiry, there are no registered liens, encumbrances, equities or claims in the Register of Charges in respect of those shares.

(iii) Each of the Bermuda Insurance Subsidiaries is duly registered as an insurer under the Insurance Act of 1978 (Bermuda) and the regulations promulgated thereunder (together, the "Insurance Act") and as so registered, each Bermuda Insurance Subsidiary may conduct that insurance business which it is described in each of the Disclosure Package and the Prospectus as carrying on; and, based solely on the Certificates of Compliance and without independent inquiry, each of the Bermuda Insurance Subsidiaries has filed with the appropriate Bermuda governmental authority all reports, documents or other information required to be filed under the Insurance Act.

(iv) The execution and delivery by the Guarantor of, and the performance by the Guarantor of its obligations under, the Underwriting Agreement and the applicable Terms Agreement and each applicable Indenture and any other agreement or instrument entered into or issued or to be entered into or issued by the Guarantor in connection with the transactions contemplated by the Registration Statement and the Prospectus and the consummation by the Guarantor of the transactions contemplated by the Underwriting Agreement and such Terms Agreement do not and will not (A) violate any provision of the Memorandum of Association or Bye-laws of each of the Bermuda Insurance

Subsidiaries; (B) contravene any provision of any of those laws, rules and regulations of Bermuda which, in such counsel's opinion, based upon such counsel's experience, are normally applicable to transactions of the type contemplated by the Underwriting Agreement and such Terms Agreement, except that such counsel need not express any opinion in this paragraph with respect to Bermuda securities laws; (C) based solely upon the Cause Book and without further inquiry, contravene any judgment, order or decree by the Bermuda Supreme Court against the Guarantor or any of the Bermuda Insurance Subsidiaries; (D) based solely upon the Register of Charges and without further inquiry, conflict with, result in any breach of or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or give rise to any right to accelerate the maturity or require the prepayment of any registered charge recorded in the Register of Charges against the Guarantor or any of the Bermuda Insurance Subsidiaries; or (E) require any consent, approval or authorization or order of, or qualification with any Bermuda governmental agency, except such as have been obtained under the applicable securities laws of Bermuda in connection with the offer and sale of the Underwritten Securities.

(v) Based solely upon the Cause Book and without further inquiry, there is no action, suit or proceeding now pending before the Bermuda Supreme Court to which the Guarantor or any of its subsidiaries is a party or to which the assets, properties or operations of the Guarantor or any of its subsidiaries is subject, other than certain actions set out in the opinion.

(vi) All statements (but excluding those statements forming a part of financial information or accounts) made in the Registration Statement, the Disclosure Package and Prospectus with respect to statutes, regulations, rules, treaties and other laws of Bermuda (including, but not limited to, statements made with respect to the Insurance Act and Bermuda tax matters) are accurate in all material respects.

(vii) The choice of the law of the State of New York as the governing law of the Underwriting Agreement and the applicable Indenture is a valid choice of law and would be recognized and given effect to in any action brought before a court of competent jurisdiction in Bermuda, except for those laws (A) that such court considers to be procedural in nature, (B) that are revenue or penal laws or (C) the application of which would be inconsistent with public policy, as such term is interpreted under the laws of Bermuda.

(viii) The courts of Bermuda would recognize as a valid judgment, a final and conclusive judgment in personam obtained in the courts of the State of New York and of the United States of America against the Guarantor based upon the Underwriting Agreement and the applicable Indenture under which a sum of money is payable (other than a sum of money payable in respect of multiple damages, taxes or other charges of a like nature or in respect of a fine or other penalty) and would give a judgment based thereon provided that (A) such courts had proper jurisdiction over the parties subject to such judgment, (B) such courts did not contravene the rules of natural justice of Bermuda, (C) such judgment was not obtained by fraud, (D) the enforcement of the judgment would not be contrary to the public policy of Bermuda, (E) no new admissible

evidence relevant to the action is submitted prior to the rendering of the judgment by the courts of Bermuda and (F) there is due compliance with the correct procedures under the laws of Bermuda.

In rendering such opinion, such counsel may rely (A) as to matters involving the application of laws other than the laws of Bermuda, to the extent such counsel deems proper and specified in such opinion, upon the opinion of other counsel whom such counsel believes to be reliable (which opinion shall be dated and furnished to the Representative(s) at the Closing Time, shall be satisfactory in form and substance to counsel for the Underwriters and shall expressly state that the Underwriters may rely on such opinion as if it were addressed to them), provided that such counsel shall state in their opinion that they believe that they and the Underwriters are justified in relying upon such opinion, and (B) as to matters of fact (but not as to legal conclusions), to the extent such counsel deems proper, on certificates of responsible officers of the Guarantor, its subsidiaries and public officials.

FORM OF OPINION OF THE
GENERAL COUNSEL OF THE GUARANTOR,
TO BE DELIVERED PURSUANT TO SECTION 5(b)

(i) The Guarantor is qualified to do business, and is in good standing, as a foreign corporation, under the laws of each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or to be in good standing would not singly or in the aggregate result in a Material Adverse Change.

(ii) Each “significant subsidiary” of the Company (as such term is defined in Rule 1-02 of Regulation S-X promulgated under the 1933 Act) and the Company is qualified to transact business and is in good standing (with respect to jurisdictions which recognize such concept) in each jurisdiction in which it owns or leases real property or in which the conduct of its business requires such qualification, except where the failure to be so qualified or to be in good standing (with respect to jurisdictions which recognize such concept) would not singly or in the aggregate result in a Material Adverse Change;

(iii) Except as set forth in each of the Registration Statement, the Disclosure Package and the Prospectus, such counsel does not know of any outstanding (A) securities or obligations of the Guarantor convertible into or exchangeable for any shares of capital stock of the Guarantor or any of its subsidiaries; (B) rights, warrants or options to acquire or purchase from the Guarantor any shares of capital stock of the Guarantor or any such convertible or exchangeable securities or obligations; or (C) obligations or understandings of the Guarantor to issue or sell any shares of capital stock of the Guarantor or any of its subsidiaries, any such convertible or exchangeable securities or obligations, or any such warrants, rights or obligations.

(iv) To the best of such counsel’s knowledge, and other than as disclosed in each of the Disclosure Package and the Prospectus, there are no threatened legal proceedings against the Guarantor or any of its subsidiaries that, if determined adversely to the Guarantor or such subsidiary, would result in a Material Adverse Change.

In rendering such opinion, such counsel may rely as to matters of fact (but not as to legal conclusions), to the extent such counsel deems proper, on certificates of responsible officers of the Company, the Guarantor, their respective subsidiaries and public officials.

FORM OF OPINION OF MAYER BROWN LLP,
UNITED STATES COUNSEL FOR THE COMPANY AND THE
GUARANTOR, TO BE DELIVERED PURSUANT TO SECTION 5(b)

(i) Each of the Company and ACE USA, Inc. is duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware.

(ii) The execution and delivery by the Company of, and the performance by the Company of its obligations under, the Underwriting Agreement and the applicable Terms Agreement and the [each] applicable [Indenture] and any other agreement or instrument entered into or issued or to be entered into or issued by the Company in connection with the transactions contemplated by the Registration Statement and the Prospectus and the consummation by the Company of the transactions contemplated by the Underwriting Agreement and such Terms Agreement do not and will not (A) contravene any provision of any United States federal or New York State law, rule or regulation, in each case which, in such counsel's opinion, based on such counsel's experience, are normally applicable to transactions of the type contemplated by the Underwriting Agreement and such Terms Agreement ("United States Applicable Laws"), except that such counsel need not express any opinion in this paragraph with respect to state securities laws; (B) contravene any judgment, order or decree known to such counsel without independent inquiry of any United States federal or New York State court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or by which the Company or any of its subsidiaries is bound or by which their properties or assets may be affected; (C) conflict with, result in any breach of or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or give rise to any right to accelerate the maturity or require the prepayment of any indebtedness or the purchase of any capital stock under, or result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Company or any of its subsidiaries, pursuant to the terms of, any agreement or instrument filed as an exhibit to the Guarantor's most recent Annual Report on Form 10-K or any agreement or instrument otherwise known to such counsel to which the Guarantor or any of its subsidiaries (including the Company) is a party or by which it or any of them may be bound, or to which any of the assets, properties or operations of the Guarantor or any of its subsidiaries (including the Company) is subject, or the certificate of incorporation or bylaws of the Company or ACE USA, except for such conflicts, breaches, violations, defaults, accelerations, repayments, repurchases, liens, charges or encumbrances that would not singly or in the aggregate result in a Material Adverse Change; or (D) based upon such counsel's review of the United States Applicable Laws, require any consent, approval or authorization or order of, or qualification with, any United States federal or state governmental agency or authority or court, except such as have been obtained under the 1933 Act, the 1933 Act Regulations, the 1939 Act and the 1939 Act Regulations and such as may be required under state securities or blue sky laws or state insurance laws in connection with the offer and sale of the Underwritten Securities.

(iii) The Underwriting Agreement and the applicable Terms Agreement have been duly authorized, executed and delivered by the Company.

(iv) The Underwritten Securities have been duly authorized, executed and delivered by the Company for issuance and sale pursuant to the Underwriting Agreement and the applicable Terms Agreement.

(v) The Underwritten Securities, when issued and authenticated in the manner provided for in the applicable Indenture and delivered against payment of the consideration therefor specified in such Terms Agreement, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally or by general equitable principles (regardless of whether enforcement is considered in a proceeding in equity or at law), and except further as enforcement thereof may be limited by requirements that a claim with respect to any Debt Securities payable in a foreign or corporate currency (or a foreign or composite currency judgment in respect of such claim) be converted into U.S. dollars at a rate of exchange prevailing on a date determined pursuant to applicable law or by governmental authority to limit, delay or prohibit the making of payments outside the United States. The Underwritten Securities are in the form contemplated by, and each registered holder thereof is entitled to the benefits of, the [each] applicable Indenture.

(vi) Assuming the Guarantee has been duly authorized by the Guarantor for issuance and sale pursuant to the Underwriting Agreement and the applicable Terms Agreement, the Guarantee, when issued and delivered to the Underwriters in accordance with the provisions of the Underwriting Agreement, will constitute a legal, valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally or by general equitable principles (regardless of whether enforcement is considered in a proceeding in equity or at law).

(vii) The [each] applicable Indenture has been duly authorized, executed and delivered by the Company and the Guarantor and (assuming the Indenture has been duly authorized, executed and delivered by the Guarantor and the applicable Trustee), the [each] applicable Indenture constitutes a valid and binding agreement of the Company and the Guarantor, enforceable against the Company and the Guarantor in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally or by general equitable principles (regardless of whether enforcement is considered in a proceeding in equity or at law).

(viii) The Underwritten Securities, the Guarantee and the [each] applicable Indenture conform in all material respects to the statements relating thereto contained in

each of the Disclosure Package and the Prospectus and are in substantially the form filed or incorporated by reference, as the case may be, as an exhibit to the Registration Statement.

(ix) Such counsel does not know, after inquiry of officers of the Company and the Guarantor and based solely on such inquiry, of any action, suit or proceeding before or by any United States federal or state government, governmental instrumentality or court now pending or threatened against or affecting the Guarantor or any of its subsidiaries (including the Company) or any of their respective assets or properties that is required to be described in the Registration Statement, the Disclosure Package or the Prospectus and is not so described or of any contract or other document that is required to be described in the Registration Statement, the Disclosure Package or the Prospectus, or to be filed as an exhibit to the Registration Statement, that is not described or filed, as required.

(x) The statements in the Registration Statement, the Disclosure Package and the Prospectus insofar as they are descriptions of contracts, agreements, instruments or the Company's Certificate of Incorporation or legal proceedings, or constitute statements or summaries of United States federal or New York State laws or legal conclusions with respect thereto, are accurate and present fairly the information required to be shown.

(xi) The discussion of tax matters set forth under the heading "Certain Tax Consequences" in each of the Disclosure Package and the Prospectus contains the relevant and material provisions of present United States tax law applicable to the Underwritten Securities and the Guarantee and the statements thereunder are true and correct (subject to the qualifications and assumptions set forth in such discussion) as of the Closing Date.

(xii) The Registration Statement, including without limitation the Rule 430B Information, and the Prospectus, excluding the documents incorporated by reference therein, and each amendment or supplement to the Registration Statement and the Prospectus, excluding the documents incorporated by reference therein, as of their respective effective or issue dates (including without limitation each deemed effective date with respect to the Underwriters pursuant to Rule 430B(f)(2) of the 1933 Act Regulations), other than the financial statements and supporting schedules and other financial data included therein or omitted therefrom, complied as to form in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and the 1939 Act and the 1939 Act Regulations.

(xiii) The documents incorporated by reference in each of the Disclosure Package and the Prospectus (other than the financial statements and supporting schedules and other financial data included therein or omitted therefrom, as to which such counsel need express no opinion), when they became effective or were filed with the Commission, as the case may be, complied as to form in all material respects with the requirements of the 1933 Act or the 1934 Act, as applicable, and the rules and regulations of the Commission thereunder.

(xiv) The [each] applicable Indenture has been duly qualified under the 1939 Act.

(xv) The Underwritten Securities, upon issuance, will be excluded or exempted under, or beyond the purview of, the Commodity Exchange Act, as amended (the “Commodity Exchange Act”), and the rules and regulations of the Commodity Futures Trading Commission under the Commodity Exchange Act (the “Commodity Exchange Act Regulations”).

(xvi) The Company is not, and upon the issuance and sale of the Underwritten Securities as herein contemplated and the application of the net proceeds therefrom as described in each of the Disclosure Package and the Prospectus will not be, an “investment company” within the meaning of the Investment Company Act of 1940, as amended (the “1940 Act”).

Such counsel shall also state that it has been advised by the Commission that the Registration Statement has become effective under the 1933 Act; that any required filings of each prospectus (including the Prospectus) pursuant to Rule 424(b) have been made in the manner and within the time period required by Rule 424(b) (without reference to Rule 424(b)(8)); any required filing of each Issuer Free Writing Prospectus pursuant to Rule 433 has been made in the manner and within the time period required by Rule 433(d); that, based solely on conversations with the Commission, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for the purpose have been instituted, are pending or, to such counsel’s knowledge, are contemplated under the 1933 Act; and that, to the best of such counsel’s knowledge, neither the Company nor the Guarantor has received from the Commission any notice pursuant to Rule 401(g)(2) of the 1933 Act objecting to the uses of the automatic shelf registration form, the Registration Statement is not the subject of a pending proceeding or examination under Section 8(d) or 8(e) of the 1933 Act and neither the Company nor the Guarantor is the subject of a pending proceeding under Section 8A of the 1933 Act in connection with the offering of the Underwritten Securities.

Such counsel shall also state that they have examined various documents and participated in conferences with representatives of the Company and the Guarantor and their accountants and with representatives of the Representative(s) and their counsel at which times the contents of the Registration Statement, the Disclosure Package and the Prospectus and related matters were discussed, and that, although they are not passing upon and assume no responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement, the Disclosure Package or the Prospectus or making any representation that they have independently verified or checked the accuracy, completeness or fairness of such statements, except as set forth above, no facts have come to such counsel’s attention that cause such counsel to believe that (i) the Registration Statement, at the most recent date with respect to the Underwriters pursuant to Rule 430B(f)(2) of the 1933 Act Regulations, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; (ii) the Prospectus or any amendment or supplement thereto, at the date of the Prospectus, at the date of any such amendment or supplement or at the Closing Time, included or includes any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or (iii) the Disclosure Package, as of the Applicable Time, included any untrue statement of a material fact or omitted

to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (such counsel need not express a belief with respect to the financial statements and supporting schedules and other financial data included in or omitted from the Registration Statement, the Disclosure Package or the Prospectus or any amendment or supplement thereto).

In rendering such opinion, such counsel may rely (A) as to matters involving the application of laws other than the laws of the State of New York, the corporate laws of the State of Delaware or the federal laws of the United States of America, to the extent such counsel deems proper and specified in such opinion, upon the opinion of other counsel whom such counsel believes to be reliable (which opinion shall be dated and furnished to the Representative(s) at the Closing Time, shall be satisfactory in form and substance to counsel for the Underwriters and shall expressly state that the Underwriters may rely on such opinion as if it were addressed to them), provided that such counsel shall state in their opinion that they believe that they and the Underwriters are justified in relying upon such opinion, and (B) as to matters of fact (but not as to legal conclusions), to the extent such counsel deems proper, on certificates of responsible officers of the Company, its subsidiaries and public officials.

ACE INA HOLDINGS INC.
(a Delaware corporation)

Debt Securities

Unconditionally Guaranteed as to Payment of
Principal, Premium, if any, and Interest by

ACE LIMITED

TERMS AGREEMENT

February 7, 2008

To: ACE INA HOLDINGS INC.
436 Walnut Street, WB12B
Philadelphia, PA 19106

ACE LIMITED
ACE Global Headquarters
17 Woodbourne Avenue
Hamilton HM 08, Bermuda

Ladies and Gentlemen:

We understand that ACE INA Holdings Inc., a Delaware company (the "Company"), proposes to issue and sell \$300,000,000 aggregate principal amount of its senior debt securities (the "Underwritten Securities"), which will be unconditionally guaranteed as to payment of principal, premium, if any, and interest by ACE Limited, a Cayman Islands company. Subject to the terms and conditions set forth or incorporated by reference herein, the underwriters named below (the "Underwriters") offer to purchase, severally and not jointly, the principal amount of Underwritten Securities opposite their names set forth below at the purchase price set forth below.

<u>Underwriter</u>	<u>Percentage</u>	<u>Principal Amount of Underwritten Securities</u>
Banc of America Securities LLC	40.0%	\$ 120,000,000
Citigroup Global Markets Inc.	12.0%	36,000,000
Deutsche Bank Securities Inc.	12.0%	36,000,000
J.P. Morgan Securities Inc.	12.0%	36,000,000
Mitsubishi UFJ Securities International plc	12.0%	36,000,000
Wachovia Capital Markets, LLC	12.0%	36,000,000
Settlement Date (T+5 days):	<u>100%</u>	<u>\$ 300,000,000</u>

The Underwritten Securities shall have the following terms:

Title:	5.80% Senior Notes due 2018
Rank:	Senior Debt
Ratings:	A3 / A- / A (stable/ stable / stable)
Aggregate principal amount:	\$300,000,000
Denominations:	\$2,000 and integral multiples of \$1,000 in excess of \$2,000
Currency of payment:	United States dollars
Interest rate or formula:	5.80% per annum
Interest payment dates:	Each March 15 and September 15, commencing September 15, 2008
Regular record dates:	Each March 1 and September 1
Stated maturity date:	March 15, 2018
Redemption provisions:	As disclosed in the Company's Prospectus Supplement dated February 7, 2008 to Prospectus dated February 7, 2008
Sinking fund requirements:	None
Conversion or exchange provisions:	None
Listing requirements:	None
Black-out provisions:	None
Fixed or Variable Price Offering:	Fixed Price Offering
Initial public offering price:	99.916% of the principal amount, plus accrued interest, if any, from February 14, 2008.
Purchase price:	99.266% of principal amount.
Form:	Global certificate representing the Underwritten Securities registered in the name of Cede & Co., as nominee of The Depository Trust Company.
Applicable Time:	8 P.M.
Other terms and conditions:	The Underwritten Securities will be issued under an indenture dated as of August 1, 1999, among the Company, the Guarantor and J.P. Morgan Trust Company, National Association, as trustee (the "Senior Indenture"). All references in the Underwriting Agreement (as defined below) to the "applicable Indenture" shall be deemed to refer to the Senior Indenture.
Closing date and location:	February 14, 2008; Sidley Austin LLP, 787 Seventh Avenue, New York, New York, 10019

Notices: Notice to the Underwriters shall be directed to the Representative(s) c/o:

Banc of America Securities LLC
Attention: High Grade Transaction Management/Legal
9 West 57th Street
NY1-040-27-03
New York, New York 10019

All of the provisions contained in the document attached as Annex I hereto entitled “ACE INA HOLDINGS INC.—Senior and Subordinated Debt Securities – Unconditionally Guaranteed as to Payment of Principal, Premium, if any, and Interest by ACE LIMITED — Underwriting Agreement” are hereby incorporated by reference in their entirety herein and shall be deemed to be a part of this Terms Agreement to the same extent as if such provisions had been set forth in full herein. Terms defined in such document are used herein as therein defined.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Please accept this offer no later than 8 o'clock P.M. (New York City time) on February 7, 2008 by signing a copy of this Terms Agreement in the space set forth below and returning the signed copy to us.

Very truly yours,

BANC OF AMERICA SECURITIES LLC

By /s/ Peter Carbone

Authorized Signatory

Acting on behalf of itself and as Representative of the other named Underwriters.

Accepted:

ACE INA HOLDINGS INC.

By /s/ Francis W. McDonnell

Name: Francis W. McDonnell

Title: Chief Financial Officer

ACE LIMITED

By /s/ Paul Medini

Name: Paul Medini

Title: Chief Accounting Officer

ISSUER FREE WRITING PROSPECTUS

Final Term Sheet dated February 7, 2008 (attached hereto as Schedule II)

\$300,000,000
 ACE INA Holdings Inc.
 5.80% Senior Notes due 2018
 Fully and Unconditionally Guaranteed by
 ACE Limited

FINAL TERM SHEET

Dated: February 7, 2008

Issuer:	ACE INA Holdings Inc.
Guarantor:	ACE Limited
Issue Ratings:	A3 / A- / A (stable / stable / stable)
Security Type:	SEC Registered Senior Unsecured Notes
Size:	\$300,000,000
Maturity:	March 15, 2018
Coupon (Interest Rate):	5.80%
Price:	99.916%
Yield:	5.81%
Spread to Benchmark Treasury:	+215 bps
Benchmark Treasury:	3.50% due 2/15/18
Benchmark Treasury Price and Yield:	98-21+ (3.66% yield)
Interest Payment Dates:	The 15 th day of each March and September, commencing September 15, 2008
Redemption Provision:	Make Whole Call - UST +35 bps Redemption for Changes in Withholding Taxes - Par
Net Proceeds to ACE INA (before expenses):	\$297,798,000
Settlement:	T+5 (February 14, 2008)
Sole Book-Running Manager:	Banc of America Securities LLC
Co-Managers:	Citigroup Global Markets Inc. Deutsche Bank Securities Inc. J.P. Morgan Securities Inc. Mitsubishi UFJ Securities International plc Wachovia Capital Markets, LLC

Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

The issuer and the guarantor have filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer and the guarantor have filed with the SEC for more complete information about the issuer, the guarantor and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Banc of America Securities LLC toll-free at 1-800-294-1322 or you may e-mail a request to dg.prospectus_distribution@bofasecurities.com.

Any disclaimers or other notices that may appear below are not applicable to this communication and should be disregarded. Such disclaimers or other notices were automatically generated as a result of this communication being sent via Bloomberg or another email system.

[Form of Note]

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY (AS DEFINED IN THE INDENTURE) OR A NOMINEE THEREOF. THIS GLOBAL SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE AND, UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE FORM, THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY, OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY, OR BY THE DEPOSITORY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY.

UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE COMPANY (AS DEFINED BELOW) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC) ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. 001
CUSIP No. 00440E AK3

\$300,000,000

ACE INA Holdings Inc.

5.80% Senior Note due 2018

ACE INA Holdings Inc., a Delaware corporation (hereinafter called the “Company”, which term includes any successor corporation under the Indenture referred to below), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of Three Hundred Million Dollars (\$300,000,000) on March 15, 2018 and to pay interest thereon from February 14, 2008 or from the most recent interest payment date to which interest has been paid or duly provided for, payable semi-annually on March 15 and September 15 in each year (each, an “Interest Payment Date”), commencing September 15, 2008, at the rate of 5.80% per annum, until the principal hereof (and any Additional Amounts (as defined below)) is paid or duly made available for payment. Interest on this Note shall be computed on the basis of a 360-day year of twelve 30-day months. If any Interest Payment Date or the maturity date falls on a day that is not a Business Day, the required payment shall be made on the next Business Day as if it were

made on the date such payment was due and no interest shall accrue on the amount so payable for the period from and after such Interest Payment Date or the maturity date, as the case may be, to such next Business Day. The interest so payable and punctually paid or duly provided for on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on the regular record date for such interest, which shall be March 1 or September 1 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date shall forthwith cease to be payable to the registered Holder hereof on the relevant regular record date by virtue of having been such Holder, and may be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a subsequent special record date (which shall be at least 10 days before the payment date) for the payment of such defaulted interest to be fixed by the Company, notice whereof shall be given to the Holders of Notes of this series not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in such Indenture. Any interest paid on this Note shall be increased to the extent necessary to pay Additional Amounts as set forth in this Note.

Payment of the principal of, interest on or any Redemption Price or Additional Amounts in respect of this Note will be made at the office or agency of the Company and the Guarantor (as defined below) maintained for that purpose in The Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that, at the option of the Company or the Guarantor, interest may be paid by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register; provided, further, that payment to DTC or any successor Depository may be made by wire transfer to the account designated by DTC or such successor depository in writing.

This Note is one of a duly authorized issuance of securities of the Company (herein called the "Notes"), fully and unconditionally guaranteed as to payment of principal, premium, if any, and interest by ACE Limited, a Cayman Islands company (the "Guarantor"), issued and to be issued in one or more series under an Indenture, dated as of August 1, 1999 (herein called, together with all indentures supplemental thereto, the "Indenture"), among the Company, the Guarantor and The Bank of New York Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association and The First National Bank of Chicago), as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which the Indenture and all indentures supplemental thereto referenced is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Guarantor, the Trustee and the Holders of the Notes, and of the terms upon which the Notes are, and are to be, authenticated and delivered. This Note is one of the series designated on the face hereof, initially limited (subject to exceptions provided in the Indenture) to the aggregate principal amount specified in the Officer's Certificate, dated February 14, 2008, establishing the terms of the Notes pursuant to the Indenture.

The Notes are senior unsecured obligations of the Company. The Company's obligation to pay the principal of, interest on or any Additional Amounts in respect of the Notes is unconditionally guaranteed on a senior unsecured basis by the Guarantor pursuant to Article 16 of the Indenture.

If an Event of Default with respect to the Notes shall occur and be continuing, the principal of the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture contains provisions permitting, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company or the Guarantor and the rights of the Holders of the Securities of each series issued under the Indenture at any time by the Company, the Guarantor and the Trustee with the written consent of the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding of each series affected thereby. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Securities of any series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company or the Guarantor with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Notes issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

This Note is not subject to any sinking fund.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, interest on or any Redemption Price or any Additional Amounts in respect of this Note, at the times, place and rate, and in the coin or currency, herein and in the Indenture prescribed.

As provided in the Indenture and subject to certain limitations set forth therein and in this Note, the transfer of this Note may be registered on the Security Register upon surrender of this Note for registration of transfer at the office or agency of the Company and the Guarantor maintained for that purpose in any place where the principal of, interest on or any Additional Amounts in respect of this Note are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or by his attorney duly authorized in writing, and thereupon one or more new Notes of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Notes are issuable only in registered form without coupons in the denominations specified in the Officer's Certificate, dated February 14, 2008, establishing the terms of the Notes, all as more fully provided in the Indenture and such Officer's Certificate. As provided in the Indenture and in such Officer's Certificate, and subject to certain limitations set forth in the Indenture, such Officer's Certificate and in this Note, the Notes are exchangeable for a like

aggregate principal amount of Notes of this series in different authorized denominations, as requested by the Holders surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith, other than in certain cases provided in the Indenture.

Prior to due presentment of this Note for registration of transfer, the Company, the Guarantor, the Trustee and any agent of the Company, the Guarantor or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Company, the Guarantor, the Trustee nor any such agent shall be affected by notice to the contrary.

The Notes are redeemable as a whole or in part, at the Company's option at any time, at a Redemption Price equal to the greater of (i) 100 percent of the principal amount of the Notes to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon (excluding interest accrued to the Redemption Date) and discounted to Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Rate plus 35 basis points, plus, in each case, accrued and unpaid interest on the principal amount being redeemed to the Redemption Date.

"Treasury Rate" means, with respect to any Redemption Date, (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the Remaining Life, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield-to-maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date. The Treasury Rate will be calculated on the third Business Day preceding the Redemption Date.

"Business Day" means any calendar day that is not a Saturday, Sunday or legal holiday in New York, New York, and on which commercial banks are open for business in New York, New York.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the notes to be redeemed.

“Comparable Treasury Price” means (1) the average of four Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

“Independent Investment Banker” means Banc of America Securities LLC and its respective successors, or, if the firm is unwilling or unable to select the Comparable Treasury Issue, an independent investment banking institution of national standing appointed by the Company.

“Reference Treasury Dealer” means each of (1) Banc of America Securities LLC and its respective successors; provided, however, that if the foregoing shall cease to be a primary U.S. Government securities dealer in New York City, which we refer to as a “Primary Treasury Dealer,” the Company will substitute another Primary Treasury Dealer and (2) any two other Primary Treasury Dealers selected by the Independent Investment Banker after consultation with the Company.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and Redemption Date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

All payments on this Note will be made without withholding of any present or future taxes or governmental charges of the jurisdiction of the Company’s organization or principal executive offices (each, a “Taxing Jurisdiction”), unless the Company is required to do so by applicable law or regulation.

If the Company is required to withhold amounts, it will, subject to the limitations described below, pay to the Holder of this Note additional amounts so that every net payment made to the Holder of this Note, after the withholding, will be the same amount provided for in this Note and the Indenture (“Additional Amounts”).

The Company will not be required to pay any Additional Amounts for (1) any tax or governmental charge which would not have been imposed but for the fact that the Holder of this Note: (a) was a resident of, or engaged in business or maintained a permanent establishment or was physically present in, the relevant Taxing Jurisdiction or otherwise had some connection with the relevant Taxing Jurisdiction other than the mere ownership of, or receipt of payment on, this Note, (b) presented this Note for payment in the relevant Taxing Jurisdiction, unless this Note could not have been presented for payment elsewhere, or (c) presented this Note for payment more than 30 days after the date on which the payment became due unless the Holder of this Note would have been entitled to these Additional Amounts if the Holder of this Note had presented this Note for payment within the 30-day period; (2) any estate, inheritance, gift, sale, transfer, personal property or similar tax or other governmental charge; (3) any tax or other governmental charge that is imposed or withheld because of failure by the Holder of this Note to comply with any reasonable request by the Company: (a) to provide information concerning the nationality, residence or identity of the Holder of this Note or that of the beneficial owner of this

Note; or (b) to make any claim or satisfy any information or reporting requirement, which in either case is required by the relevant Taxing Jurisdiction as a precondition to exemption from all or part of the tax or other governmental charge; or (4) any combination of items (1), (2) or (3) above.

The Company will not pay Additional Amounts if the Holder of this Note is a fiduciary or partnership or other than the sole beneficial owner of this Note if the beneficiary or partner or settlor would not have been entitled to the Additional Amounts had it been the holder of this Note.

The Company will be entitled to redeem this Note, at its option, at any time as a whole but not in part, upon not less than 30 nor more than 60 days' notice, at 100% of the principal amount thereof, plus accrued and unpaid interest (if any) to the Redemption Date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date), in the event that the Company or the Guarantor has become or would become obligated to pay, on the next date on which any amount would be payable with respect to this Note, any Additional Amounts as a result of: (1) a change in or an amendment to the laws (including any regulations promulgated thereunder) of a Taxing Jurisdiction, which change or amendment is announced after February 7, 2008; or (2) any change in or amendment to any official position regarding the application or interpretation of such laws or regulations, which change or amendment is announced after February 7, 2008, and, in each case, the Company or the Guarantor, as applicable, cannot avoid such obligation by taking reasonable measures available to it.

The Indenture contains provisions whereby (i) the Company and the Guarantor may be discharged from their obligations with respect to the Notes (subject to certain exceptions) or (ii) the Company and the Guarantor may be released from their obligations under specified covenants and agreements in the Indenture, in each case if the Company or the Guarantor irrevocably deposits with the Trustee money or Government Obligations, or a combination thereof, in an amount sufficient, without consideration of any reinvestment, to pay and discharge the entire indebtedness on all Notes of this series, and satisfies certain other conditions, all as more fully provided in the Indenture.

This Note shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements and instruments made and to be performed wholly within such State.

All terms used in this Note without definition that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

[Remainder of Page Intentionally Left Blank]

Unless the Certificate of Authentication hereon has been executed by or on behalf of the Trustee under the Indenture by the manual signature of one of its authorized officers, this Note shall not be entitled to any benefits under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

ATTEST:

ACE INA HOLDINGS INC.

[SEAL]

Name: George D. Mulligan
Title: Secretary

By: _____
Name: Brian E. Dowd
Title: President

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: February 14, 2008

THE BANK OF NEW YORK TRUST COMPANY,
N.A., as Trustee

By: _____
Authorized Officer

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM — as tenants in common

TEN ENT — as tenants by the entireties

JT TEN — as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT — _____
(Minor)

Custodian _____
(Cust)

Under Uniform Gifts to Minors Act _____
(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned registered holder hereby sell(s), assign(s) and transfer(s) unto

[Redacted box]

[PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE]

[PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF ASSIGNEE]

the within Note and all rights thereunder, hereby irrevocably constituting and appointing _____
_____ to transfer said Note on the books of the
Company with full power of substitution in the premises.

Dated: _____

Signature: _____

Notice: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranty:

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Our ref GWG/011166/13646319v1
Your ref

ACE Limited
The Ace Building
30 Woodbourne Building
Hamilton, HM 08
Bermuda

Direct: +1 345 814 5464
Cell: +1 345 525 5464
E-mail: gareth.griffiths@maplesandcalder.com

13 February 2008

Dear Sirs

ACE Limited

We have acted as Cayman Islands legal advisers to ACE Limited (the “**Company**”) in connection with the Company’s registration statement on Form S-3, including all amendments or supplements thereto (the “**Registration Statement**”), filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, relating, to the offering and sale, inter alia, of debt securities of ACE INA Holdings Inc. (“**ACE INA**”) guaranteed by the Company, in one or more offerings up to an aggregate initial offering price of US\$1,500,000,000 and in connection with the offer and sale by ACE INA of \$300,000,000 aggregate principal amount of its 5.80% Senior Notes due 2018 (the “**Notes**”) fully and unconditionally guaranteed by the Company.

We are furnishing this opinion as Exhibit 5.1 to the Registration Statement.

1 Documents Reviewed

For the purposes of this opinion, we have reviewed only originals, copies or final drafts of the following documents:

- 1.1 the Memorandum and Articles of Association of the Guarantor as adopted on 14 January 1993 and amended on 6 February 1998 and 22 January 2002;
- 1.2 the corporate records of the Guarantor maintained at its registered office in the Cayman Islands;
- 1.3 a Certificate of the Assistant Secretary of the Company (the “**Secretary’s Certificate**”) certifying, inter alia, that certain resolutions were passed by the Board of Directors of the Company at meetings held on 29 December 1998 and 14 November 2007 (the “**Resolutions**”);
- 1.4 the Registration Statement;

-
- 1.5 the Indenture dated as of 1 August 1999 between the Company, ACE INA and The Bank of New York Trust Company, N.A., (as successor to J.P. Morgan Trust Company, National Association and The First National Bank of Chicago) as trustee (the “ **Indenture** ”);
 - 1.6 a Certificate of Good Standing issued by the Registrar of Companies (the “ **Certificate of Good Standing** ”); and
 - 1.7 a Certificate of an officer of the Company in the form attached (the “ **Officer’s Certificate** ”).

2 **Assumptions**

The following opinion is given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this opinion. This opinion only relates to the laws of the Cayman Islands which are in force on the date of this opinion. In giving this opinion we have relied (without further verification) upon the completeness and accuracy of the Officer’s Certificate and the Certificate of Good Standing. We have also relied upon the following assumptions, which we have not independently verified:

- 2.1 the due authorisation, execution and delivery of the Indenture by the parties thereto other than the Guarantor and the execution and delivery of the Indenture by an Authorised Officer (as defined in the Resolutions) of the Guarantor;
- 2.2 copy documents, conformed copies or drafts of documents provided to us are true and complete copies of, or in the final forms of, the originals;
- 2.3 all signatures, initials and seals are genuine;
- 2.4 each director of the Guarantor who voted in favour of the Resolutions considered the transactions contemplated by the Resolutions to be of commercial benefit to the Guarantor and acted bona fide in the best interests of the Guarantor, and for a proper purpose of the Company, in relation to the transactions the subject of the Guarantor; and
- 2.5 there is nothing under any law (other than the law of the Cayman Islands) which would or might affect the opinions hereinafter appearing. Specifically, we have made no independent investigation of the laws of New York or Bermuda.

3 **Opinion**

Based upon, and subject to, the foregoing assumptions and the qualifications set out below, and having regard to such legal considerations as we deem relevant, we are of the opinion that:

- 3.1 The Company has been duly incorporated and is validly existing and in good standing as an exempted company under the laws of the Cayman Islands.
- 3.2 The Indenture has been duly authorised, executed and delivered by the Company.
- 3.3 The guarantee by the Company of the Notes has been authorised.

Except as specifically stated herein, we make no comment with respect to any representations and warranties which may be made by or with respect to the Company in any of the documents or instruments cited in this opinion or otherwise with respect to the commercial terms of the transactions the subject of this opinion.

We hereby consent to the incorporation by reference of this opinion as an exhibit to the Registration Statement. In the giving our consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the Rules and Regulations of the Commission thereunder.

Yours faithfully,

Maples and Calder

ACE Limited
PO Box 309, Uglan House
Grand Cayman
KY1-1104
Cayman Islands

13 February 2008

To: Maples and Calder
PO Box 309
Grand Cayman
KY1-1104
Cayman Islands

Dear Sirs

ACE Limited (the “**Company**”)

I, _____, being an officer of the Company, am aware that you are being asked to provide a legal opinion (the “**Opinion**”) in relation to certain aspects of Cayman Islands law. Capitalised terms used in this certificate have the meaning given to them in the Opinion. I hereby certify that:

- 1 The Memorandum and Articles of Association of the Company as adopted on 14 January 1993 remain in full force and effect and are unamended save for the amendments made by special resolution passed on 6 February 1998 and 22 January 2002.
- 2 The minutes of the meeting of the board of directors held on 29 December 1998 and 14 November 2007 (the “**Meetings**”) are a true and correct record of the proceedings of the Meetings, which were duly convened and held, and at which a quorum was present throughout and at which each director disclosed his interest (if any), in the manner prescribed in the Articles of Association.
- 3 The shareholders of the Company have not restricted or limited the powers of the directors in any way. There is no contractual or other prohibition (other than as arising under Cayman Islands law) binding on the Company prohibiting it from entering into and performing its obligations under the Indenture.
- 4 The resolutions set forth in the minutes of the Meetings were duly adopted, are in full force and effect at the date hereof and have not been amended, varied or revoked in any respect.

-
- 5 Prior to, at the time of, and immediately following execution of the Indenture the Company was able to pay its debts as they fell due and entered into the Indenture for proper value and not with an intention to defraud or hinder its creditors or by way of fraudulent preference.
 - 6 To the best of my knowledge and belief, having made due inquiry, the Company is not the subject of legal, arbitral, administrative or other proceedings in the Cayman Islands. Nor have the directors or shareholders taken any steps to have the Company struck off or placed in liquidation, nor have any steps been taken to wind up the Company. Nor has any receiver been appointed over any of the Company's property or assets.
 - 7 Any two of the President and Chief Executive Officer, the Chief Financial Officer, the Chief Accounting Officer and the General Counsel and Secretary of the Company (each an "**Authorized Officer**") have approved the guaranty by the Company of the Notes in accordance with the Resolutions. The Indenture has been executed and delivered by persons authorised to execute and deliver the Indenture by the Resolutions.

I confirm that you may continue to rely on this Certificate as being true and correct on the day that you issue the Opinion unless I shall have previously notified you personally to the contrary.

Signature: _____
Officer

Mayer Brown LLP
71 South Wacker Drive
Chicago, Illinois 60606-4637

Main Tel (312) 782-0600
Main Fax (312) 701-7711
www.mayerbrown.com

February 13, 2008

ACE Limited
ACE World Headquarters
17 Woodbourne Avenue
Hamilton, HM 08, Bermuda

ACE INA Holdings Inc.
Two Liberty Place
1601 Chestnut Street
Philadelphia, Pennsylvania 19192

Re: ACE Limited
ACE INA Holdings Inc.
Registration Statement on Form S-3

Dear Ladies and Gentlemen:

We have represented ACE Limited (“ACE”), a Cayman Islands company limited by shares, and ACE INA Holdings, Inc., a Delaware corporation (“ACE INA”) in connection (i) with the preparation and filing with the Securities and Exchange Commission under the Securities Act of 1933, as amended, of a Registration Statement on Form S-3 (the “Registration Statement”) relating to, among other things ACE INA’s Debt Securities, which are fully and unconditionally guaranteed (the “Guarantee”) by ACE and (ii) the offer and sale of \$300,000,000 aggregate principal amount of ACE INA’s 5.80% Senior Notes due 2018 (the “Notes”).

In rendering the opinions expressed herein, we have examined (i) the Indenture, dated as of August 1, 1999 (the “Indenture”), among ACE, ACE INA and The Bank of New York Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association and The First National Bank of Chicago), as trustee (the “Trustee”); (ii) the Notes and (iii) the Guarantee.

In addition, we have examined such other documents, certificates and opinions, and have made such further investigation as we have deemed necessary or appropriate for the purposes of the opinions expressed below. In expressing the opinions set forth below, we have assumed the genuineness of all signatures, the conformity to the originals of all documents reviewed by us as copies, the authenticity and completeness of all original documents reviewed by us in original or copy form and the legal competence of each individual executing any document. As to all parties other than ACE INA, we have assumed the due authorization, execution and delivery of all documents, and, with respect to all parties other than ACE INA and ACE, we have assumed the validity and enforceability of all documents against all parties thereto, other than the ACE INA and ACE, in accordance with their respective terms.

Mayer Brown LLP operates in combination with our associated English limited liability partnership
and Hong Kong partnership (and its associated entities in Asia).

As to questions of fact material to our opinions (but not as to legal conclusions), we have, to the extent we deemed such reliance appropriate, relied upon certificates and other statements of officers of ACE INA and ACE and of public officials issued with respect to ACE INA and ACE.

Based upon and subject to the foregoing, and having regard for legal considerations which we deem relevant, we are of the opinion that:

- (i) ACE INA is duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware;
- (ii) The Indenture has been duly authorized, executed and delivered by ACE INA and (assuming the Indenture has been duly authorized, executed and delivered by ACE and the Trustee), the Indenture constitutes a valid and binding agreement of ACE INA and ACE, enforceable against ACE INA and ACE in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally or by general equitable principles (regardless of whether enforcement is considered in a proceeding in equity or at law);
- (iii) The Notes have been duly authorized and executed by ACE INA and, assuming the due authentication thereof in the manner provided for in the Indenture and delivery against payment of the consideration therefor, constitute valid and binding obligations of ACE INA, enforceable against ACE INA in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally or by general equitable principles (regardless of whether enforcement is considered in a proceeding in equity or at law);
- (iv) Assuming the Guarantee has been duly authorized by ACE under Cayman Islands law, the Guarantee constitutes a legal, valid and binding obligation of ACE enforceable against ACE in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally or by general equitable principles (regardless of whether enforcement is considered in a proceeding in equity or at law);

We are admitted to practice in the States of Illinois and New York and our opinions expressed herein are limited solely to the Federal laws of the United States of America and the laws of the States of Illinois and New York, and we express no opinion herein concerning the laws of any other jurisdiction.

Mayer Brown LLP

February 13, 2008

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The opinions and statements expressed herein are as of the date hereof. We assume no obligation to update or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in applicable law which may hereafter occur.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to all references to this firm in such Registration Statement.

Very truly yours,

MAYER BROWN LLP

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