

Reinsurance Market Overview

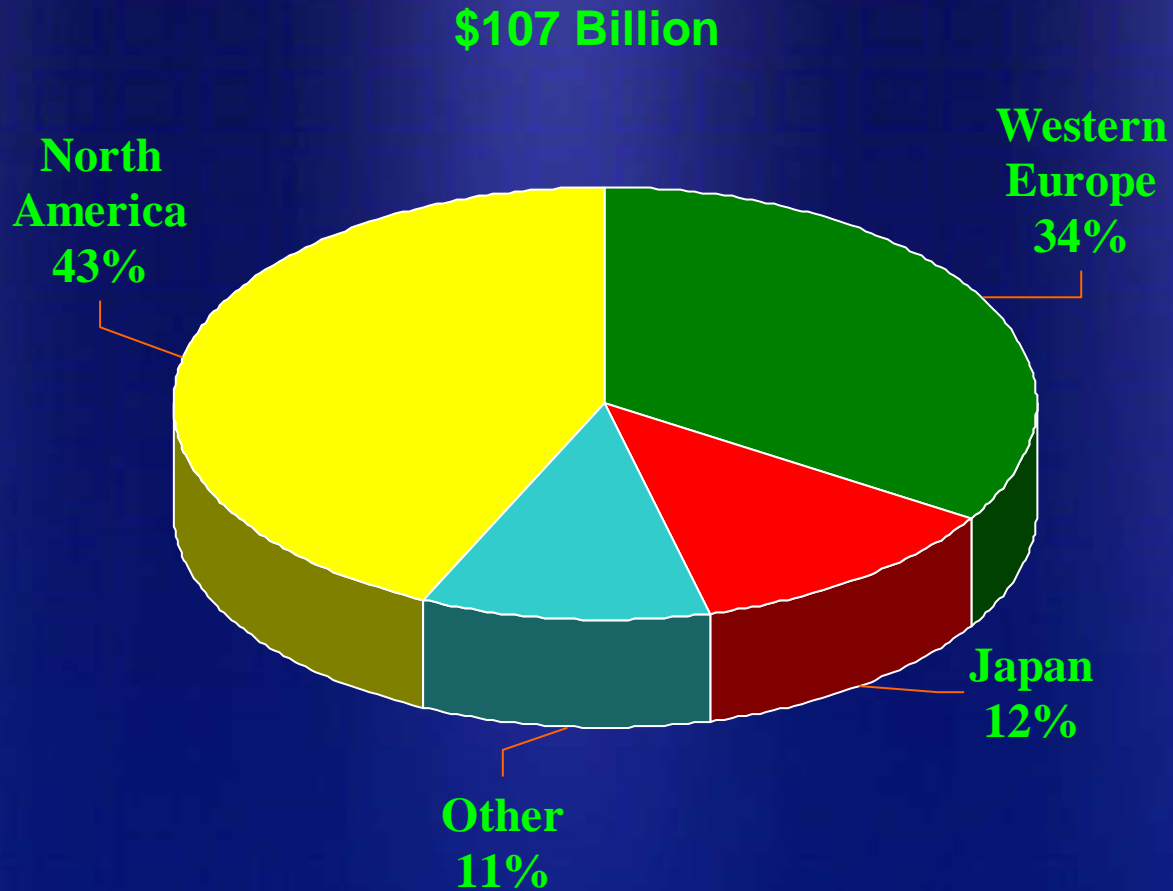
June 2003

Non-life and Life Premiums by Country

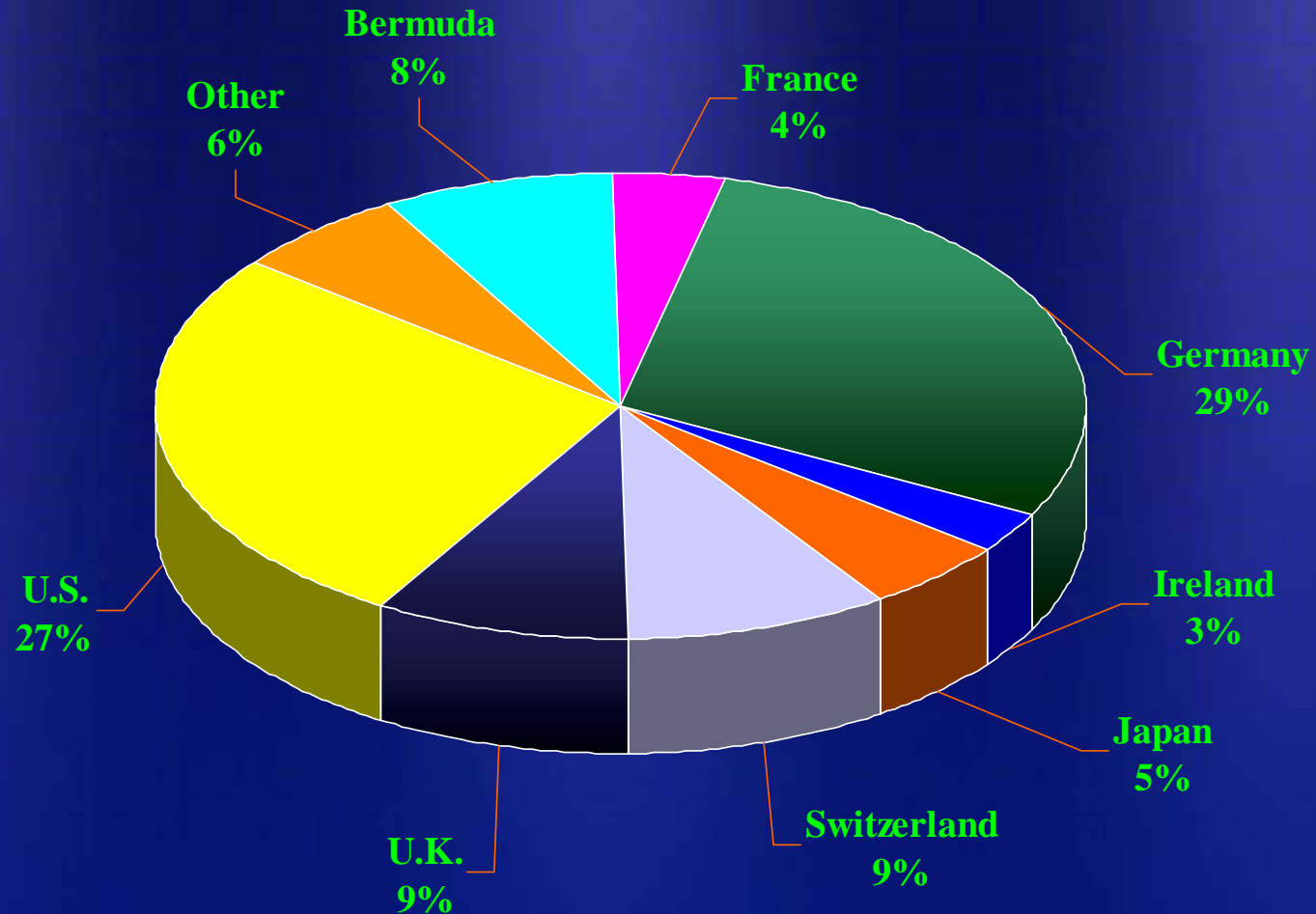
\$U.S. Billions (2001)

<i>Developed Countries</i>	<i>Non-Life Prem</i>	<i>Life Prem</i>	<i>Total Prem</i>	<i>Mkt Share</i>
North America	485.0	464.4	949.4	39.4%
Western Europe	284.1	455.6	739.7	30.7%
Japan	89.1	356.7	445.8	18.5%
Australia & Nz	14.4	21.2	35.6	1.5%
Subtotal	872.6	1,297.9	2,170.5	90.1%
<i>Emerging Countries</i>				
South & East Asia	41.7	96.8	138.5	5.8%
Latin America & Caribbean	27.6	13.6	41.2	1.7%
Central & Eastern Europe	13.9	8.8	22.7	.9%
Middle East/Central Asia	7.0	3.9	10.9	.5%
Africa	6.3	18.2	24.5	1.0%
Subtotal	96.5	141.3	237.8	9.9%
World	969.1	1,439.2	2,408.3	100%

Worldwide P & C Reinsurance Demand



Market Share of Global Reinsurance Industry



Top 10 Largest Global Reinsurers

Ranked by 2001 Net Premiums Written

<i>Company</i>	<i>2001</i>	<i>2000</i>	<i>% Change</i>
Munich Re Group	\$16,610,700	\$15,276,600	8.7
Swiss Re Group	15,429,100	14,478,800	6.6
Berkshire Hathaway	9,991,000	8,591,000	16.3
Employers Re Group	7,047,000	7,924,000	-11.1
Hannover Ruck Group	6,287,200	4,994,300	25.9
Lloyd's of London	5,746,100	3,952,900	45.4
Gerling Global Re Group	4,408,300	4,117,000	7.1
SCOR Re Group	3,651,300	2,809,800	30.0
Allianz Re Group	3,118,500	3,726,500	-16.3
Axa Re Group	2,489,100	1,424,700	74.7

Top 10 Largest Global Reinsurers

Shareholders' Funds

<i>Company</i>	<i>2001</i>	<i>2000</i>	<i>% Change</i>
Munich Re Group	\$14,920,200	\$19,437,000	-23.2
Swiss Re Group	13,505,900	14,139,400	-4.5
Berkshire Hathaway	29,549,000	39,580,000	-25.3
Employers Re Group	6,362,000	6,025,000	5.6
Hannover Ruck Group	1,481,100	1,481,500	0.0
Lloyd's of London	6,140,500	8,268,400	-25.7
Gerling Global Re Group	680,100	1,452,300	-53.2
SCOR Re Group	1,167,500	1,212,800	-3.7
Allianz Re Group	51,886,300	53,414,300	-2.9
Axa Re Group	1,307,800	1,628,200	-19.7

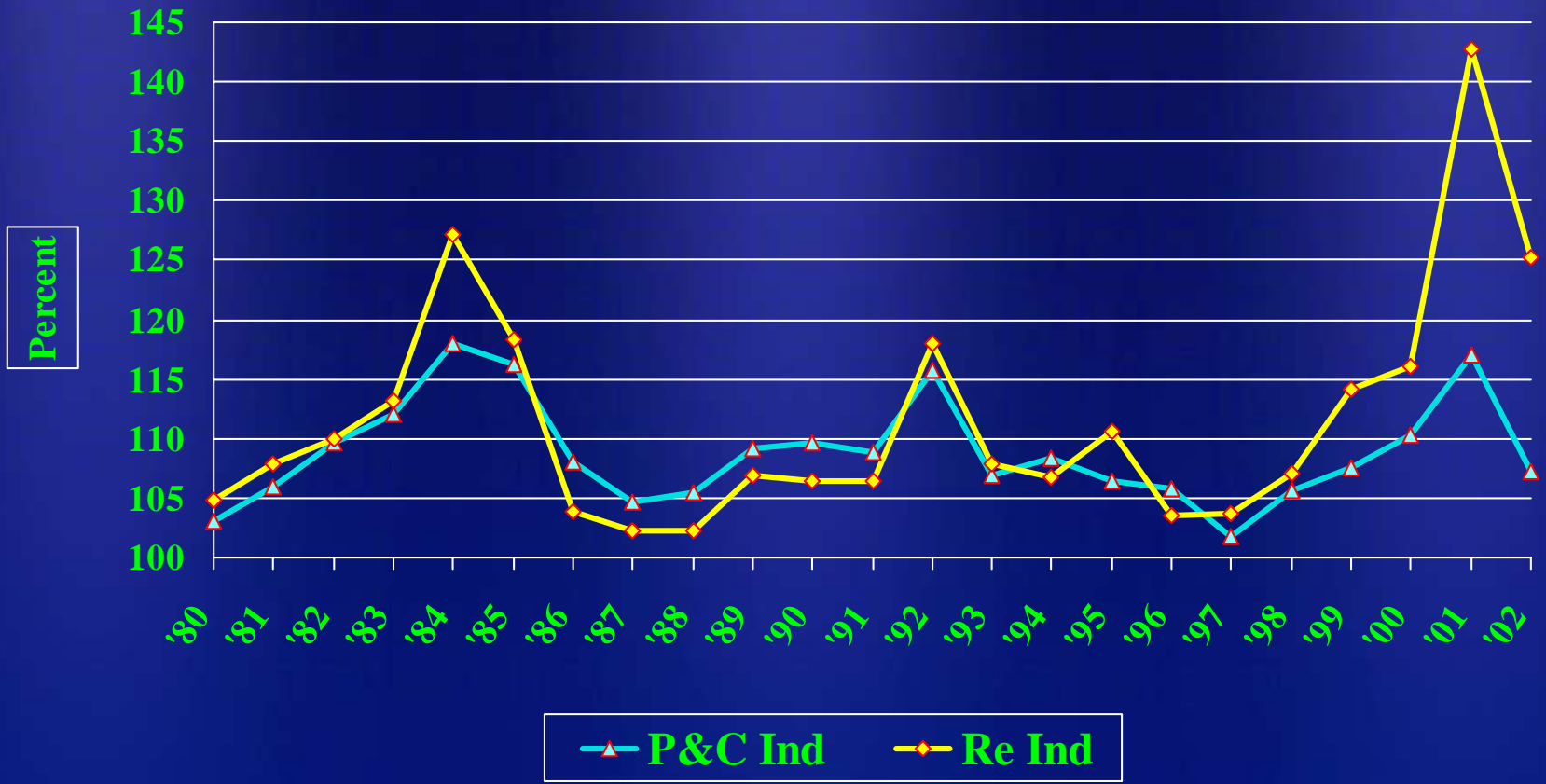
Top 10 Largest Global Reinsurers

Combined Ratio's

Company	2002	2001	2000
Munich Re Group	122.4%	135.1%	115.3%
Swiss Re Group	104.0	124.0	117.0
Berkshire Hathaway	100.0	138.0	110.7
Employers Re Group	163.6	139.3	115.8
Hannover Ruck Group	103.0	107.8	106.6
Lloyd's of London	98.6	140.0	N/A
Gerling Global Re Group		131.5	112.7
SCOR Re Group	120.1	124.0	121.0
Allianz Re Group		127.3	108.9
Axa Re Group		127.1	120.6

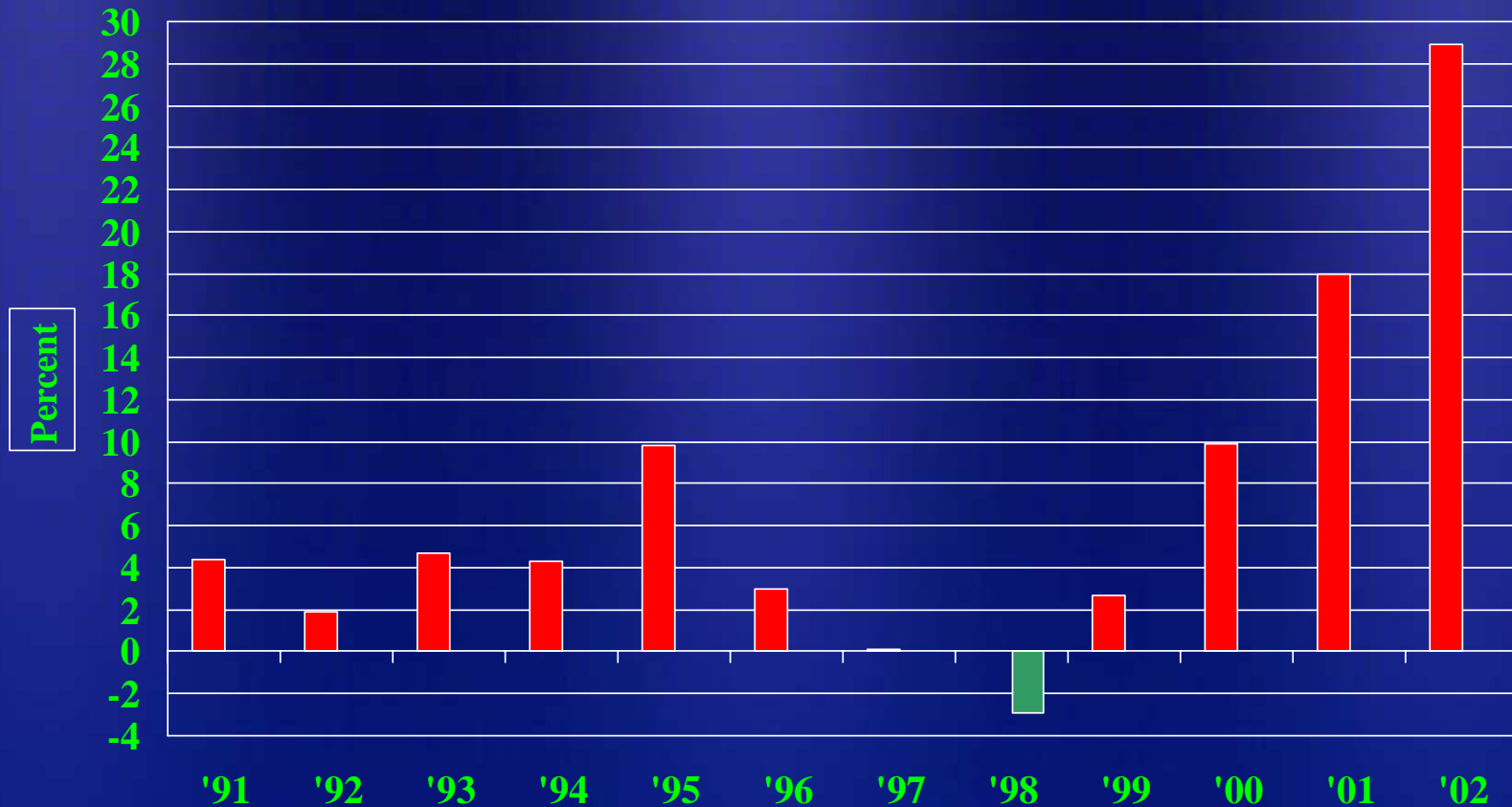
Combined Ratio

U.S. P & C vs. Reinsurance Industry



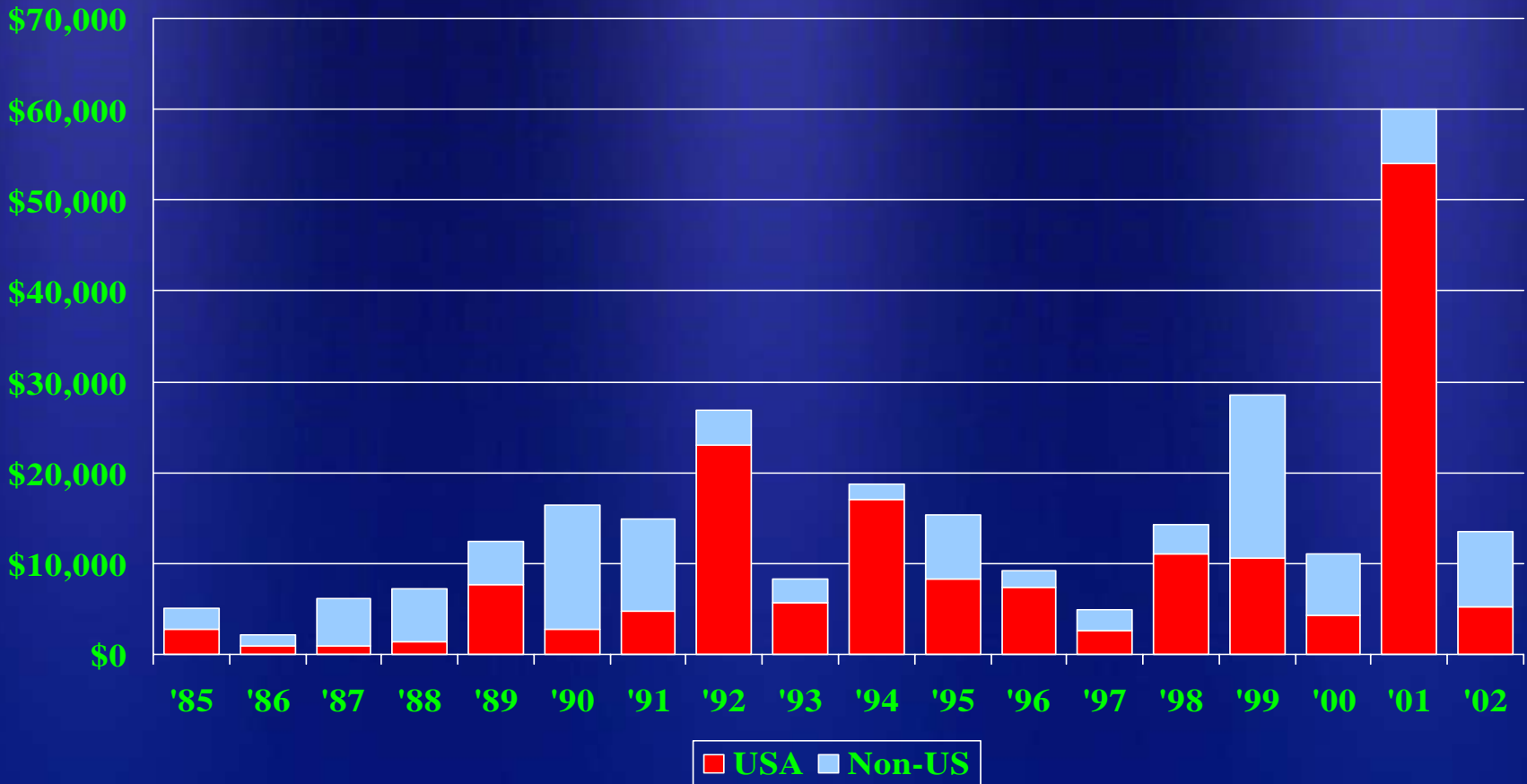
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U.S. Reinsurance Composite- One Year Loss Development / NPE



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Worldwide Property Catastrophe Losses



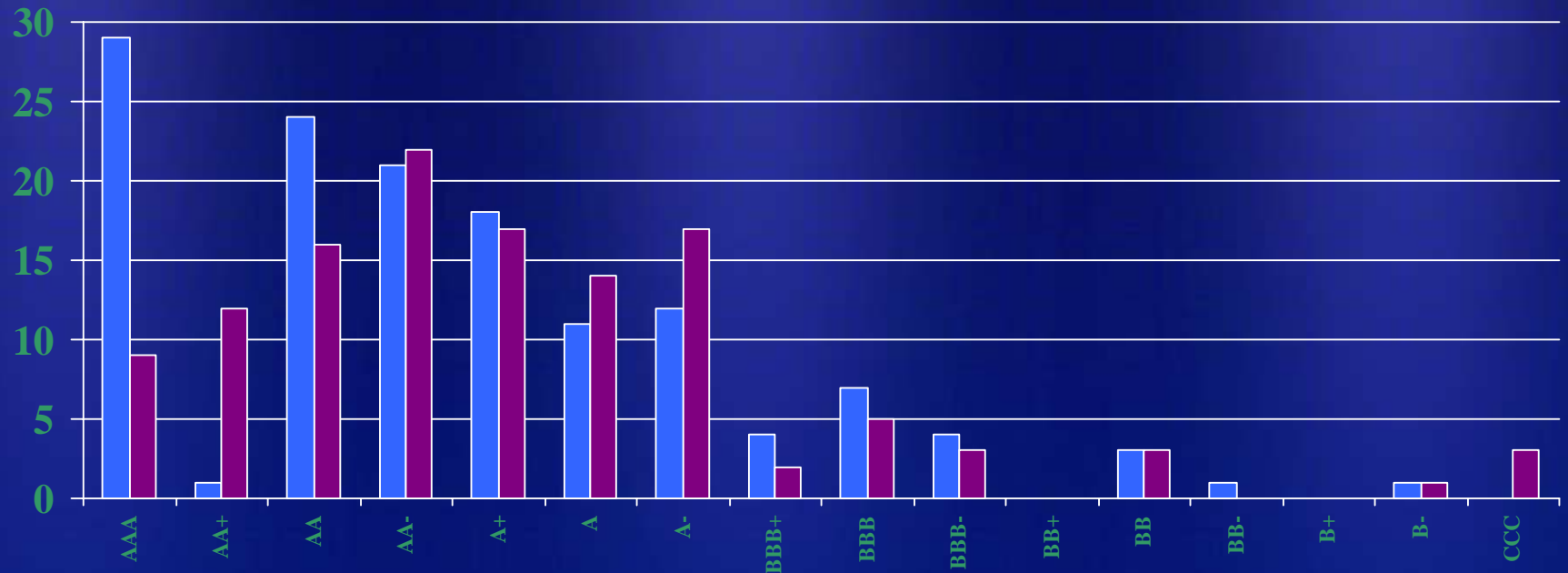
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Source: Sigma

S&P Rating Migrations Among the Top 150 Reinsurers*

No. of reinsurers

Rating as at Dec. 31, 2001 Rating as at Feb. 2003



AM Best Rating Distribution-2001

Domestic Property/Casualty

<i>Rating Category</i>	<i>Personal Lines</i>	<i>Commercial Lines</i>	<i>Reinsurers</i>	<i>Total P/C</i>
A++, A+	11%	10%	47%	12%
A, A-	44	53	47	49
B++, B+	27	23	6	25
Secure	82	87	100	86
Vulnerable	18	13	0	14
Total	100%	100%	100%	100%
Total Group Ratings	433	577	30	1040
Rating Outlook	Negative	Negative	Mixed	Negative

AM Best Rating Distribution-2002

Domestic Property/Casualty

<i>Rating Category</i>	<i>Personal Lines</i>	<i>Commercial Lines</i>	<i>Reinsurers</i>	<i>Total P/C</i>
A++, A+	11%	7%	30%	9%
A, A-	47	57	54	53
B++, B+	23	23	13	23
Secure	81	87	97	85
Vulnerable	19	13	3	15
Total	100%	100%	100%	100%
Total Group Ratings	417	551	30	998
Rating Outlook	Mixed	Mixed	Mixed	Mixed

2002 US Reinsurance Recoverables

Reinsurance Recoverables on:

<i>Paid Losses</i>	<i>\$18,205 M</i>
<i>Unpaid Losses</i>	<i>89,303 M</i>
<i>IBNR Losses</i>	<i>95,831 M</i>
<i>Unearned Premiums</i>	<i><u>32,861 M</u></i>
<i>Sub-total</i>	<i>236,200 M</i>
<i>Funds Withheld</i>	<i>-28,106 M</i>
<i>Total Recoverable</i>	<i>\$208,591 M</i>

2002 US Reinsurance Recoverables

Reinsurance Recoverables \$209 B

Admitted Assets \$1,034 B

Reins. Recov / Ad. assets 20%

Industry Surplus \$287 B

Reins. Recov / Surplus 72%

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Security Assessment

Quantitative Factors

- *Profitability*
- *Liquidity*
- *Leverage*
- *Capital adequacy*
- *Ratings*

**Trend oriented
compared to peer norms**

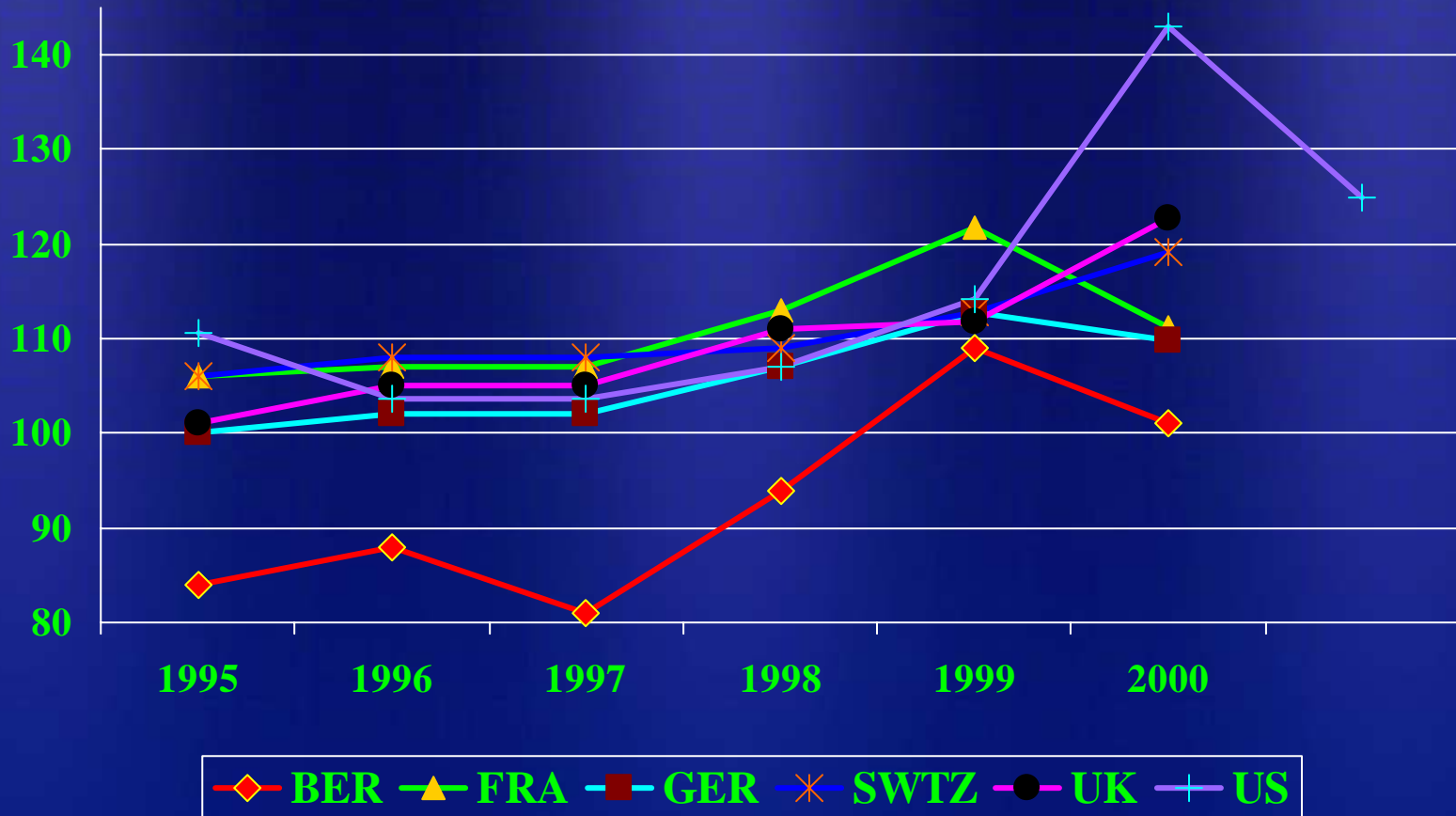
Qualitative Factors

- *Management experience*
- *Spread of risk — catastrophic exposure*
- *Asset quality & diversity*
- *Adequacy of reinsurance program*
- *Exposure to uncollectible reinsurance*
- *Adequacy of loss reserves*
- *Capital structure*

Profitability Measures One & Five Year

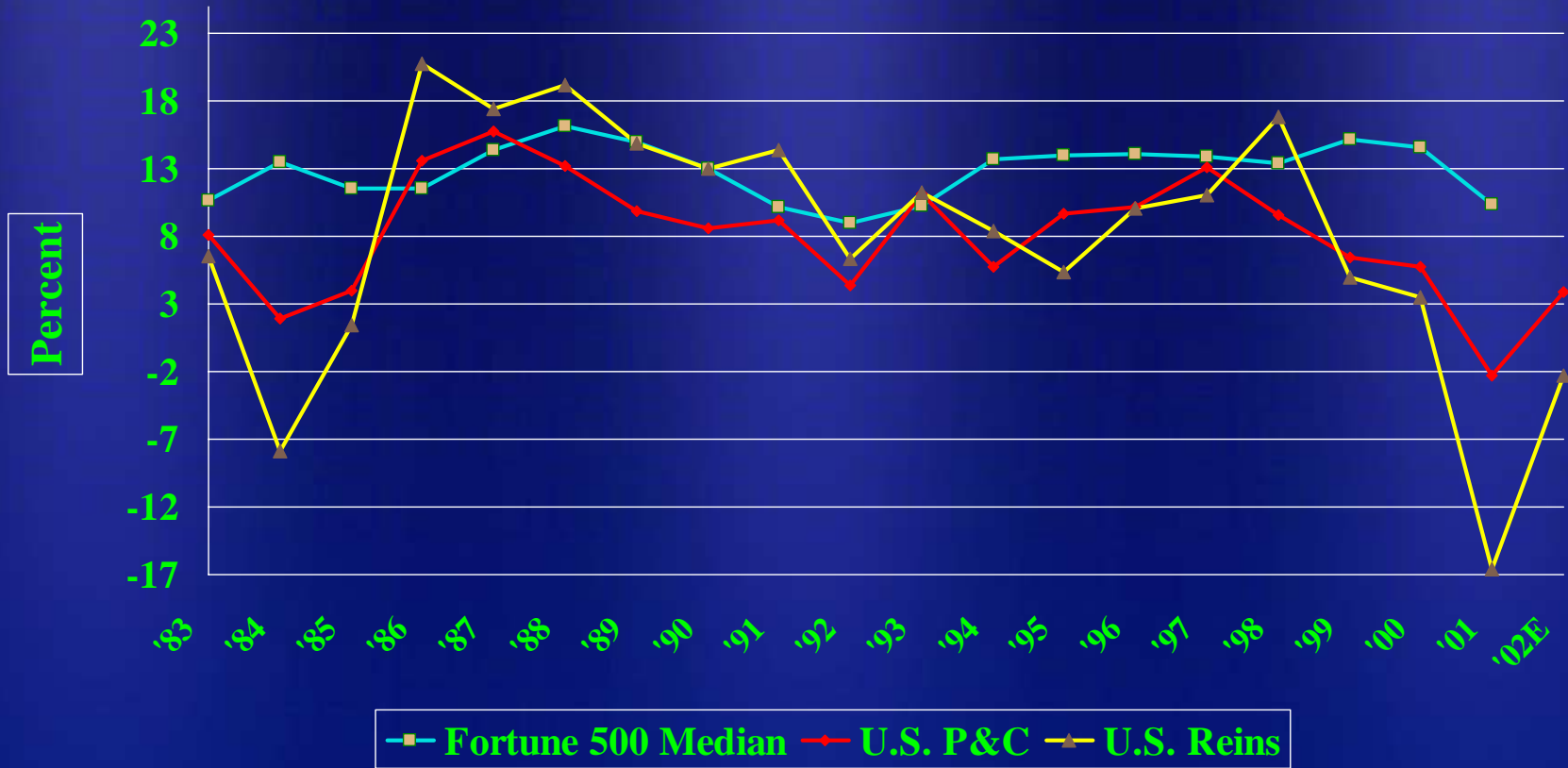
- *Combined ratio*
- *Operating ratio*
- *Pre-tax income to NPE*
- *Investment yield*
- *Return on PHS*
- *Unassigned funds to assets*
- *Long term capital growth*

Reinsurance Combined Ratios Worldwide



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US Reinsurance Composite Return on Equity (Surplus)

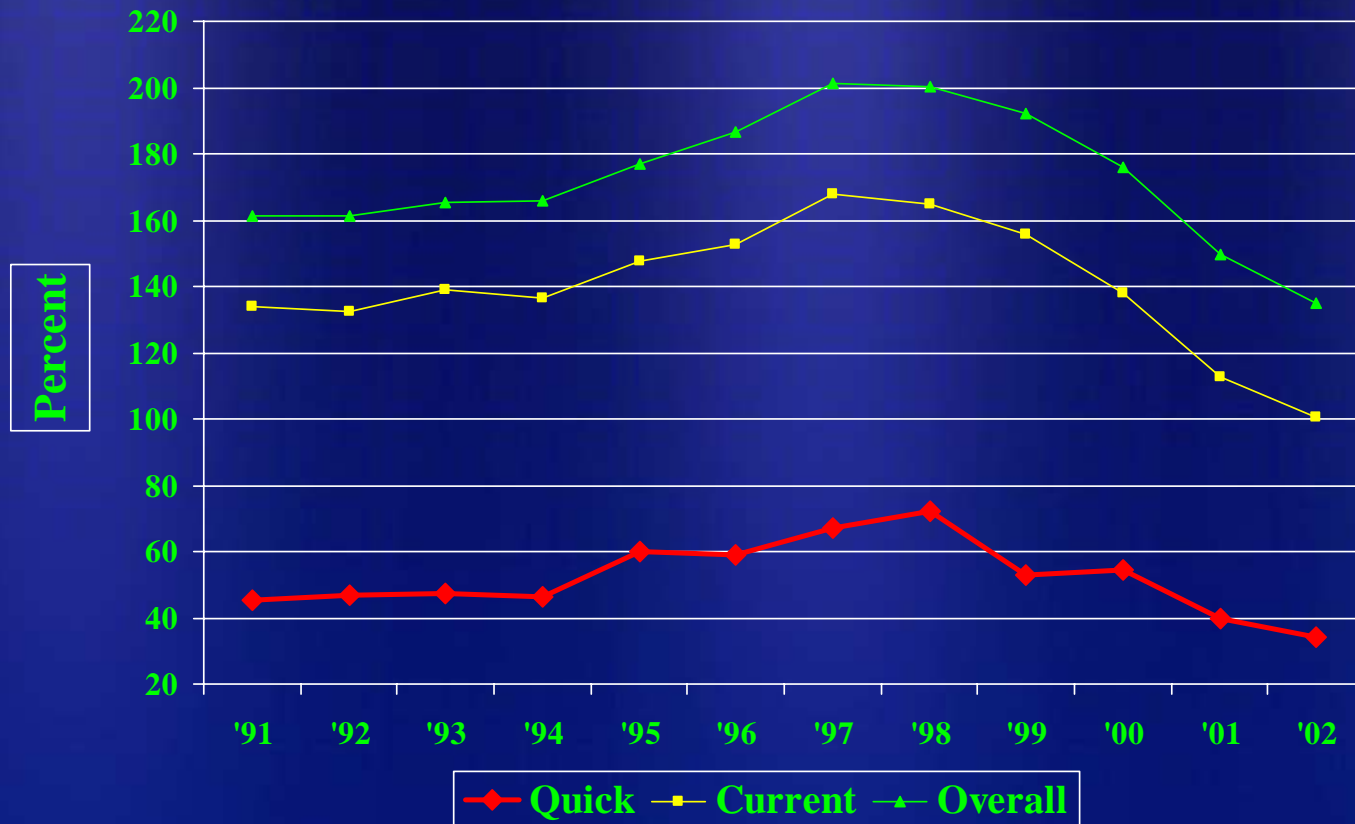


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Liquidity Measures

- *Quick liquidity*
- *Current liquidity*
- *Overall liquidity*
- *Operating cash flow*
- *High risk assets to PHS*

U.S. Reinsurance Composite Invested Assets / Liabilities



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U.S. Reinsurance Composite Nonaffiliated Invested Assets

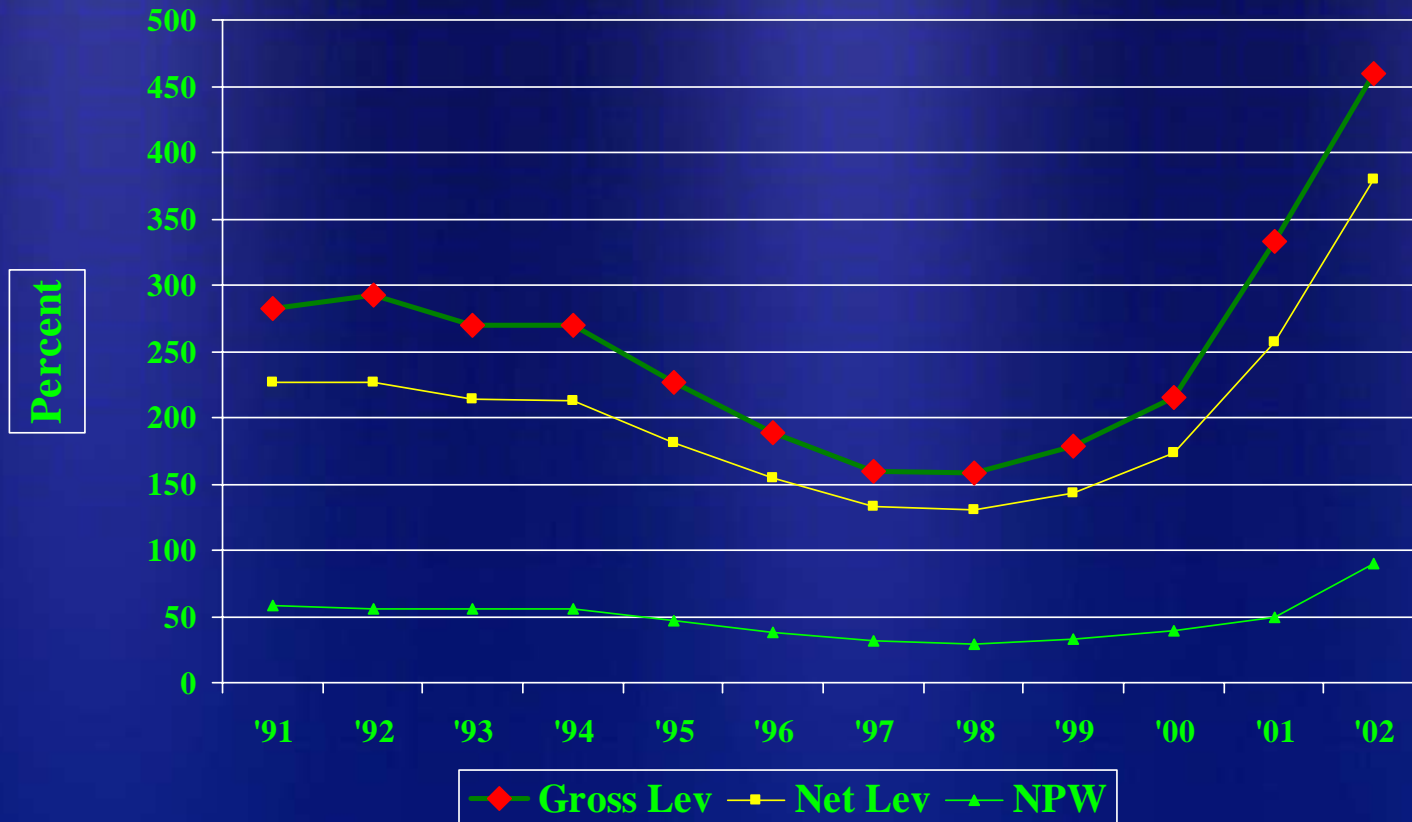


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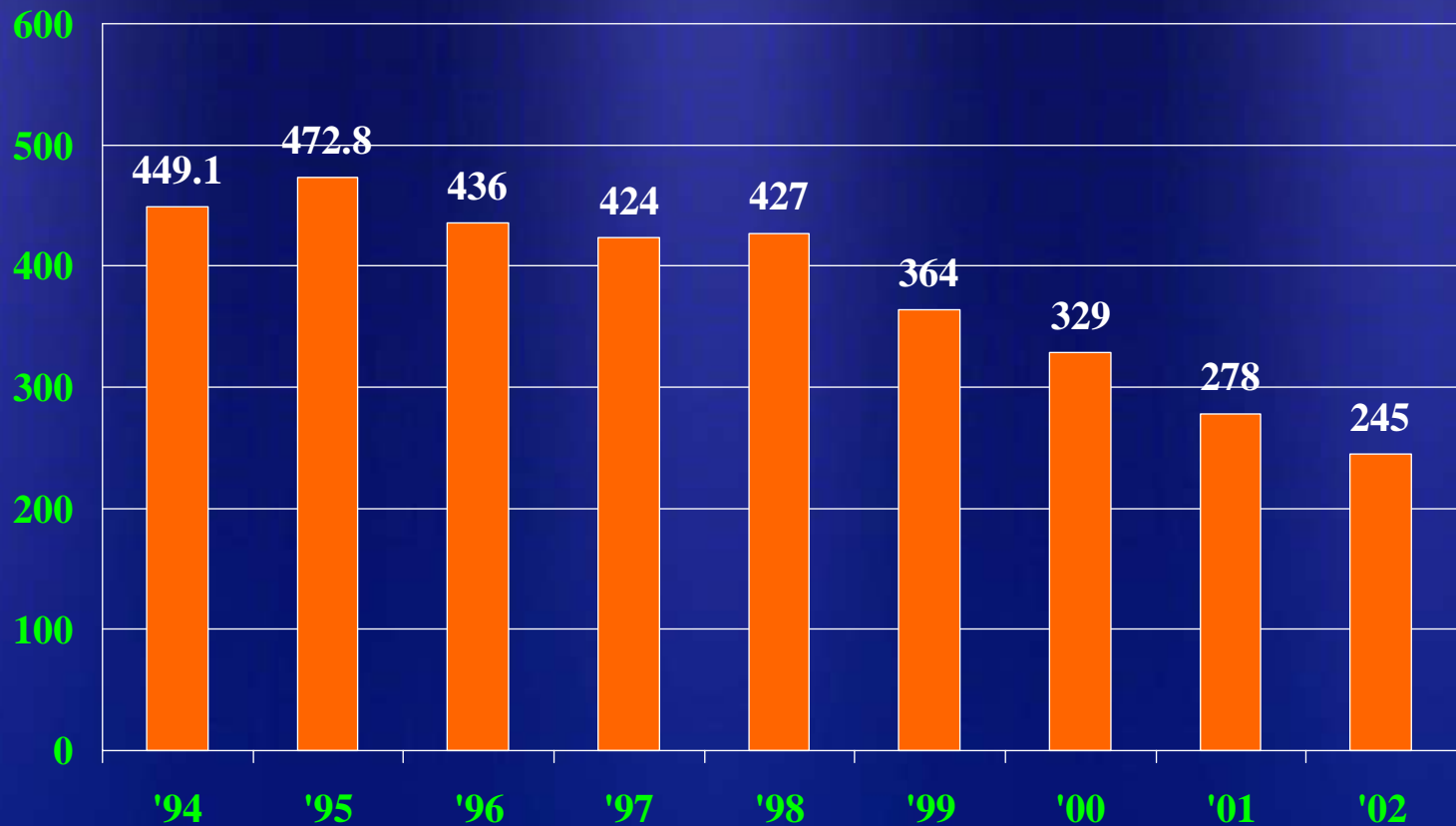
Leverage Measures

- *Net premiums to surplus*
- *Liabilities to surplus*
- *Net leverage*
- *Reinsurance recoverables to surplus*
- *Gross leverage*
- *Capital Adequacy Ratio*
- *Financial leverage*

U.S. Reinsurance Composite Leverage

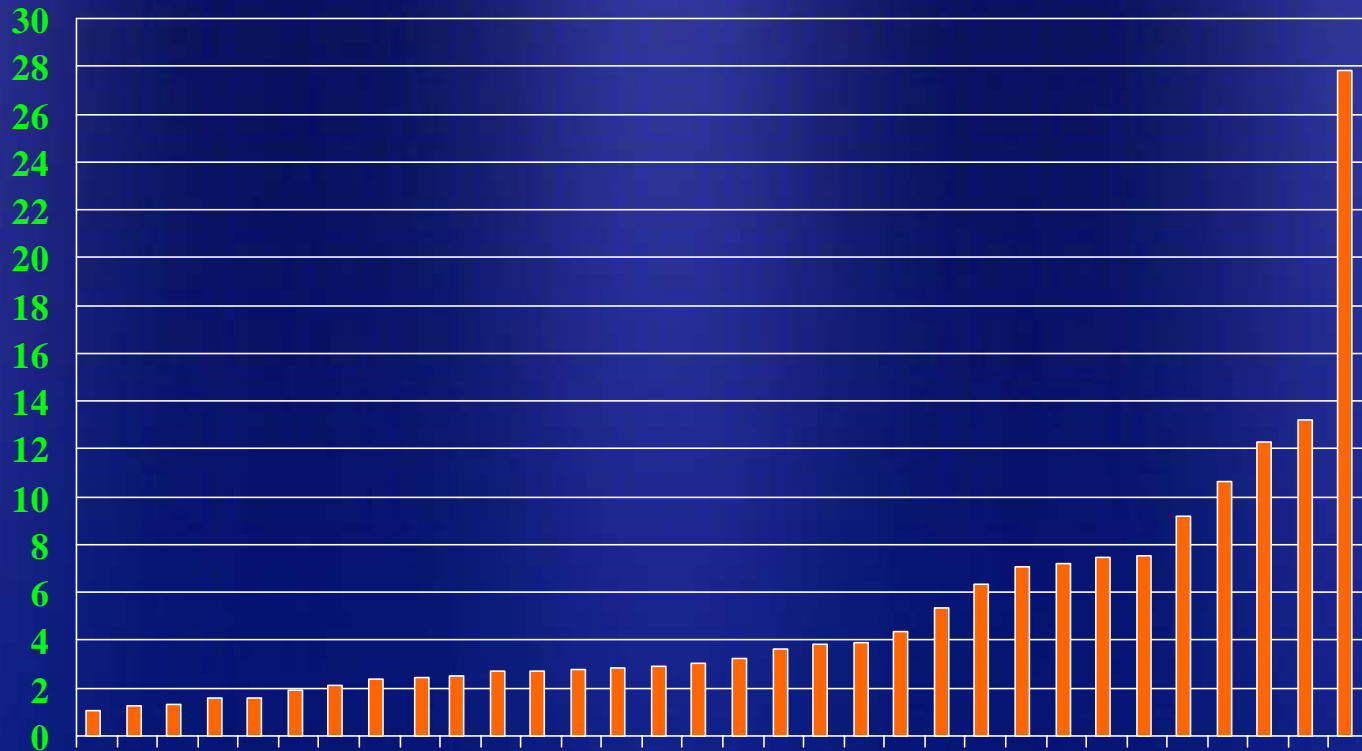


U.S. Reinsurance Composite RBC Composite Weighted Average



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U.S. Reinsurance RBC Composite Companies - 2002



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June 2003