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**Press
Release**

FOR IMMEDIATE RELEASE

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**ACE SPONSORED SURVEY REVEALS HUMAN CAPITAL RISK AS
A SIGNIFICANT THREAT TO COMPANIES**

SINGAPORE – July 16 2007 – International risk managers see human capital risk as being the most significant threat facing their global business operations, according to a new survey conducted by the Economist Intelligence Unit and sponsored by the ACE Group of Companies.

The survey report ‘Best practice in risk management – a function comes of age’ assesses how effectively companies think they are managing these risks and how they are changing their approach to risk management in order to keep pace with developments in the ever-evolving business environment. In February 2007, the Economist Intelligence Unit surveyed 218 executives around the world about their approach to risk management and their perception of the key challenges and opportunities facing the function. Respondents represent a wide range of industries and regions, with roughly one-third each from Asia and Australasia, North America and Western Europe.

The findings show that human capital risk such as skills shortages, succession issues and the loss of key personnel, are seen by respondents as being more challenging to manage than threats from reputational risk, information technology risk, political risk and regulatory risk.

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Sixty two percent of the respondents from Asia acknowledged this risk as a significant threat to their operations. However, only 32% of the survey respondents from Asia said that they manage the human capital risk effectively. The only areas where they felt less confident were risks associated with terrorism and climate change.

“The survey shows that human capital risks have emerged as one of the most challenging companies now face,” said John Bassetto, President & CEO ACE Asia Pacific. “Yet few respondents think that they are managing these risks effectively. In Asia Pacific, a growth region for many companies, ACE is cognizant of the war on talent and the need to position ourselves as an employer of choice, not just from a remuneration perspective, but also in having an enlightened understanding of human capital development and work-life balance.”

Among the survey’s other findings:

- **Corporate stakeholders are demanding improvement to risk management.** Efforts in risk management are being driven by internal and external factors. The board is seen as the most important internal driver for strengthening risk management, while the main external drivers are the demands of regulators and investors.
- **Risk permeates the organization.** The risk management function has evolved to become a core area of business practice, driven by the board but embedded at every level of the organization. Respondents identify strong culture and awareness of risk throughout the organization as the key determinant of success.
- **Companies are creating a C-level manager for risk.** The practice of appointing a Chief Risk Officer (CRO) to carry responsibility for developing and implementing the risk management framework is reaching maturity, with most of those companies that favor the approach having already adopted it. The approach is most popular in the financial sector, where two-thirds of firms have appointed, or plan to appoint, a CRO.



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- **An increase in investment is predicted.** Firms of all sizes and in all areas of the world are planning to increase investment in most areas of risk management over the coming years, suggesting that this business discipline, although evolving rapidly, will continue to expand and deepen its reach within organizations.

ABOUT ACE

The ACE Group of Companies is a global leader in insurance and reinsurance serving a diverse group of clients. Headed by ACE Limited (NYSE: ACE), a component of the Standard & Poor's 500 stock index, the ACE Group conducts its business on a worldwide basis with operating subsidiaries in more than 50 countries.

ACE Asia Pacific is a part of the ACE Group of Companies. The region comprises an extensive network of operations serving Australia, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan, Thailand and Vietnam. ACE's presence in China is driven by a strategic partnership with Huatai Insurance Company, in which ACE is the single largest shareholder.

ACE Asia Pacific offers a diversified product suite which has at its core an established Property & Casualty business which is increasingly balanced by Accident & Health offerings. Supplementing these primary lines of business is a growing array of small-to-medium enterprise (SME), and Personal Lines products.

Additional information can be found at www.ancelimited.com.