

# SULLIVAN & CROMWELL LLP

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September 30, 2015

By FedEx

Ms. Kristin L. Forsberg, CPA, CFE  
Insurance Financial Examiner/Company Licensing Specialist  
Bureau of Financial Analysis and Examinations  
Office of the Commissioner of Insurance, State of Wisconsin  
125 South Webster Street  
Madison, Wisconsin 53707-7873

Re: Form A Statement Regarding the Acquisition of Control of  
Pacific Indemnity Company (“Domestic Insurer”)  
by ACE Limited (the “Application”)

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Dear Ms. Forsberg:

On behalf of ACE Limited and certain of its subsidiaries (“ACE,” the “Applicant” or the “Acquiring Party”), we hereby refer to your letter to us, dated September 22, 2015 (the “September 22 Letter”), requesting additional information regarding the Application.

The numbered response that follows relates to the request set forth in the September 22 Letter. The request is reproduced below in bold print, and the response of the Applicant follows the reproduced request.

Enclosed please find two CD-ROM copies of the Annex to this Letter described below, one marked “**Public Copy**” and one marked “**Confidential Copy**.” The Confidential Copy includes Annex A to this Letter—the Domestic Insurer Statutory Cash Flow Statement and RBC Ratios Projections, as defined below, two hard copies of which are being provided separately to ensure confidential treatment of such information, as they contain certain confidential information and trade secrets, as described below.

- 1. Financial Projections – Pacific Indemnity Company: The Pacific Indemnity Company financial projections submitted with the Form A did not include the projected RBC ratios and the projected Cash Flows. Please submit projected RBC ratios and a projected Cash Flow Statement covering the years 2014 (actual), and 2015, 2016 and 2017 (projected).**

In response to the Department’s request, the Applicant hereby supplements Annex E to the Business Plan submitted to the Office as Exhibit 5 to the Application (the “Original Pro Forma Financial Projections”), by adding Annex A to this Letter (including the below Annex A cover page) immediately following the last page of the Original Pro Forma Financial Projections. Annex A to this Letter comprises projected RBC ratios and a projected Cash Flow Statement of Pacific Indemnity Company covering the years 2014 (actual) and 2015, 2016 and 2017 (projected) (collectively, the “Domestic Insurer Statutory Cash Flow Statement and RBC Ratios Projections”).

Please note that, unlike the Original Pro Forma Projections, the Domestic Insurer Statutory Cash Flow Statement and RBC Ratios Projections were prepared by the Applicant. However, the Domestic Insurer Statutory Cash Flow Statement and RBC Ratios Projections were prepared based on the same information and assumptions as described in the Original Pro Forma Projections.

The Applicant hereby requests that (i) the Domestic Insurer Statutory Cash Flow Statement and RBC Ratios Projections be afforded confidential treatment, (ii) the Applicant and the Domestic Insurer be notified in advance of any proposed disclosure by the Office and (iii) the Applicant and the Domestic Insurer be given a reasonable opportunity to seek a protective order or take other action to prevent or limit any such disclosure. Exception from disclosure afforded under applicable law, including, without limitation, ss. Ins. 40.02 and 40.05, Wis. Admin. Code, and ss. 601.42 and 601.465, Wis. Stats., and all relevant protections thereunder are hereby claimed with respect to the Domestic Insurer Statutory Cash Flow Statement and RBC Ratios Projections, as such information constitutes, among other things, trade secrets and includes information that, if released, would cause substantial injury to the competitive position of ACE and the Domestic Insurer. In particular, but by no means limited thereto, such projections contain highly confidential and sensitive proprietary and commercial information and trade secrets of ACE and the Domestic Insurer that, if released, would cause substantial injury to the competitive position of the parties in the marketplace.

\* \* \*

Ms. Kristin Forsberg

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Should you have any questions or comments concerning this letter, please do not hesitate to contact me at (212) 558-4751 or [fettmanr@sullcrom.com](mailto:fettmanr@sullcrom.com).

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert M. Fettman". The signature is written in a cursive style with a large, prominent initial "R".

Robert M. Fettman

Enclosures

cc: Ilana G. Hessing  
Kashyap C. Saraiya  
(ACE)