

PRESS RELEASE

ACE Limited Sued Policyholder to Deny Insurance Coverage for BP Oil Spill, Reports ACE Insurance Litigation Watch

December 16, 2010, New York- ACE Insurance Litigation Watch, the online repository for lawsuits against the ACE Insurance Group, today reported that ACE American Insurance Company (NYSE: ACE) has sued its policyholder, M-I LLC., to deny coverage related to the BP Oil Spill. M-I is a global offshore oil drilling professional services provider that was working under contract to BP on the Deepwater Horizon offshore drilling platform. ACE sold general commercial liability and Workers' Compensation policies to M-I that were in effect when the oil rig caught fire with M-I personnel onboard. M-I has been named in numerous lawsuits in the oil spill's aftermath.

In its suit, ACE American seeks to deny coverage to M-I because ACE, among other things, is classifying the massive Deepwater Horizon drilling platform as a "Watercraft" which triggers ACE's watercraft policy exclusion. ACE is also attempting to claim that the services M-I performed on the oil rig triggers ACE's "Professional Services" policy exclusion.

For its part, M-I contends that since such a primary component of its business involves professional services relating to offshore oil rigs, if ACE American's policy interpretations are correct, "ACE took substantial premiums from M-I for years in return for illusory coverage".

In its counter claim, M-I states that, "When faced with the largest disaster in the history of oil and gas exploration in the Gulf of Mexico, M-I turned to its primary insurer, ACE. Rather than honor its contractual obligations, ACE ignored M-I with a willful disregard for the harm inflicted upon its insured or ACE's own responsibilities under its policies of insurance and the Texas Insurance Code."

ACE American Insurance Company is under the management of ACE Insurance Group executive Brian E. Dowd. ACE Ltd. (NYSE:ACE), which was recently added to the S&P 500 index, is the ultimate parent of companies in the ACE Insurance Group.

Kenneth Engerrand, a shareholder of the Brown Sims law firm, is representing ACE American Insurance Company. The firm's website boasts that Engerrand "utilizes all the weapons available within the legal system to benefit his clients." This is not the first time that ACE has engaged Engerrand in a dispute with a policyholder.

ACE filed suit against M-I on August 16, 2010 in U.S. District Court in Houston (case: 4:10-cv-02931) seeking a declaratory judgment that ACE American Insurance Company has no duty to defend nor indemnify M-I. M-I has counter claimed that ACE has breached its policy and violated Texas "bad faith" insurance laws relating to deceptive and unfair trade practices.

ACE Insurance Litigation Watch is currently tracking more than 149 cases in Federal courts alone. Many of those lawsuits include efforts by ACE to deny coverage very similar to the tactics being employed by lawyers on behalf of ACE Limited in the BP oil spill litigation.

Visit www.ACEinsurancewatch.com for more information, including files related to this case.