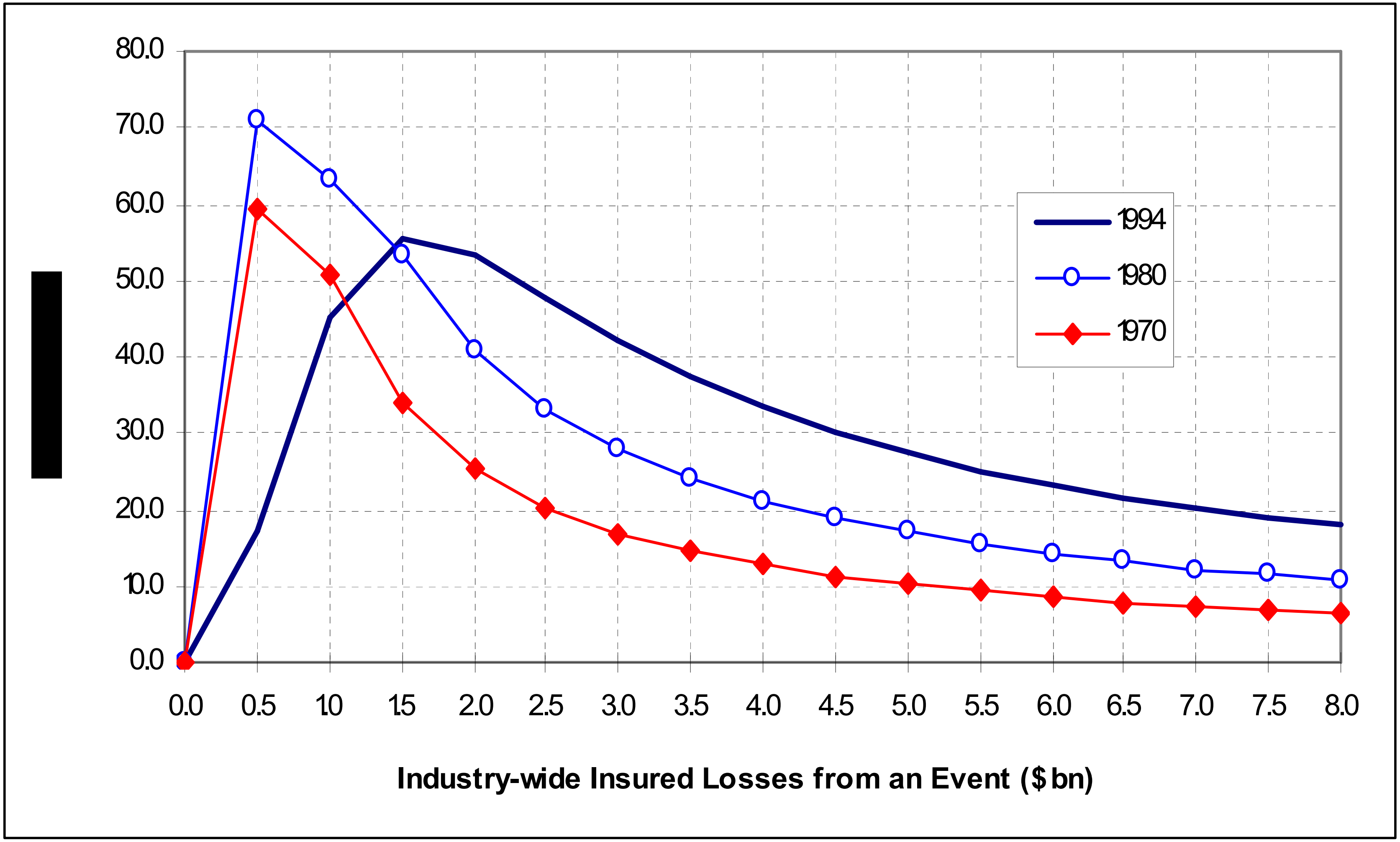
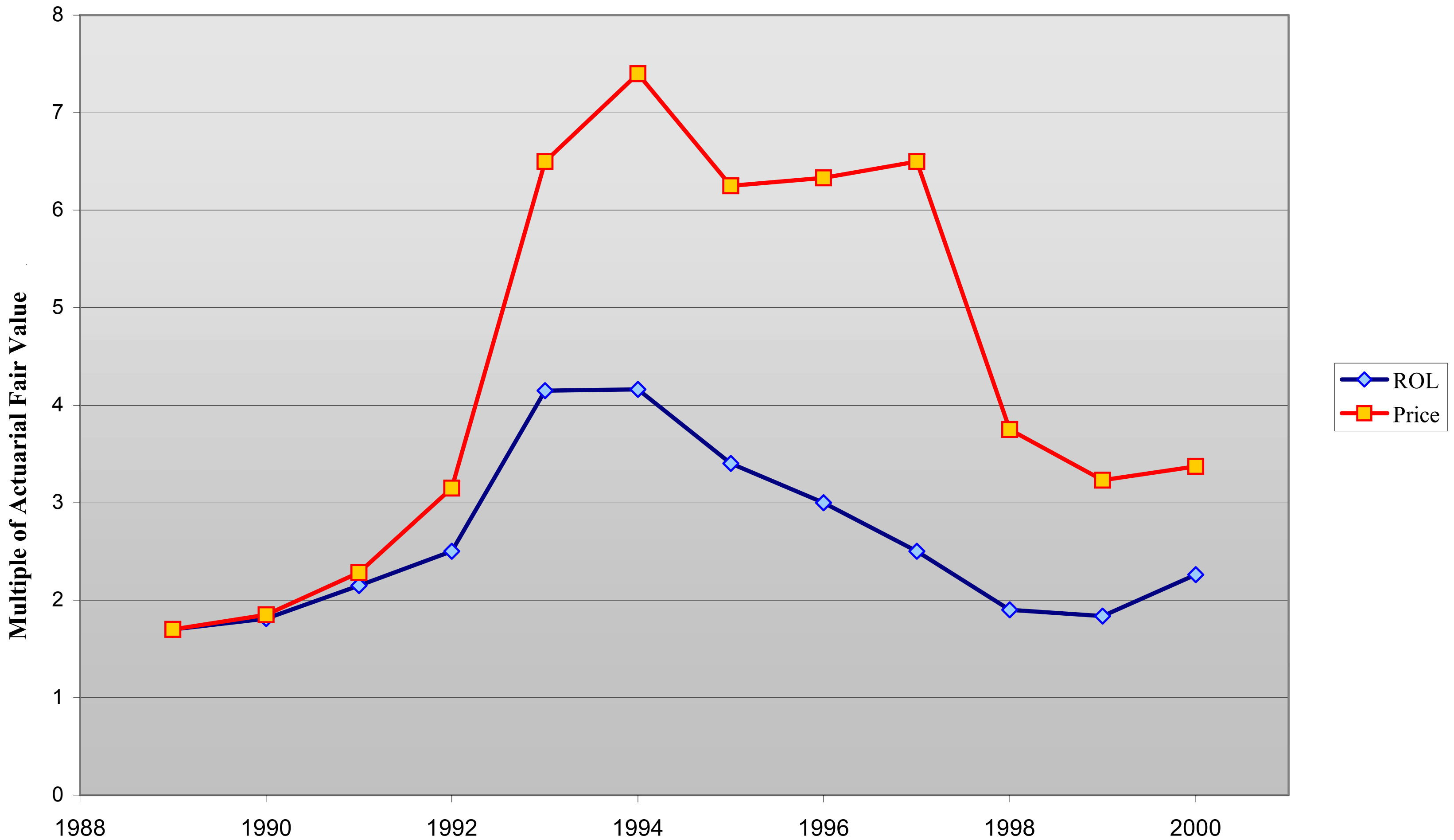
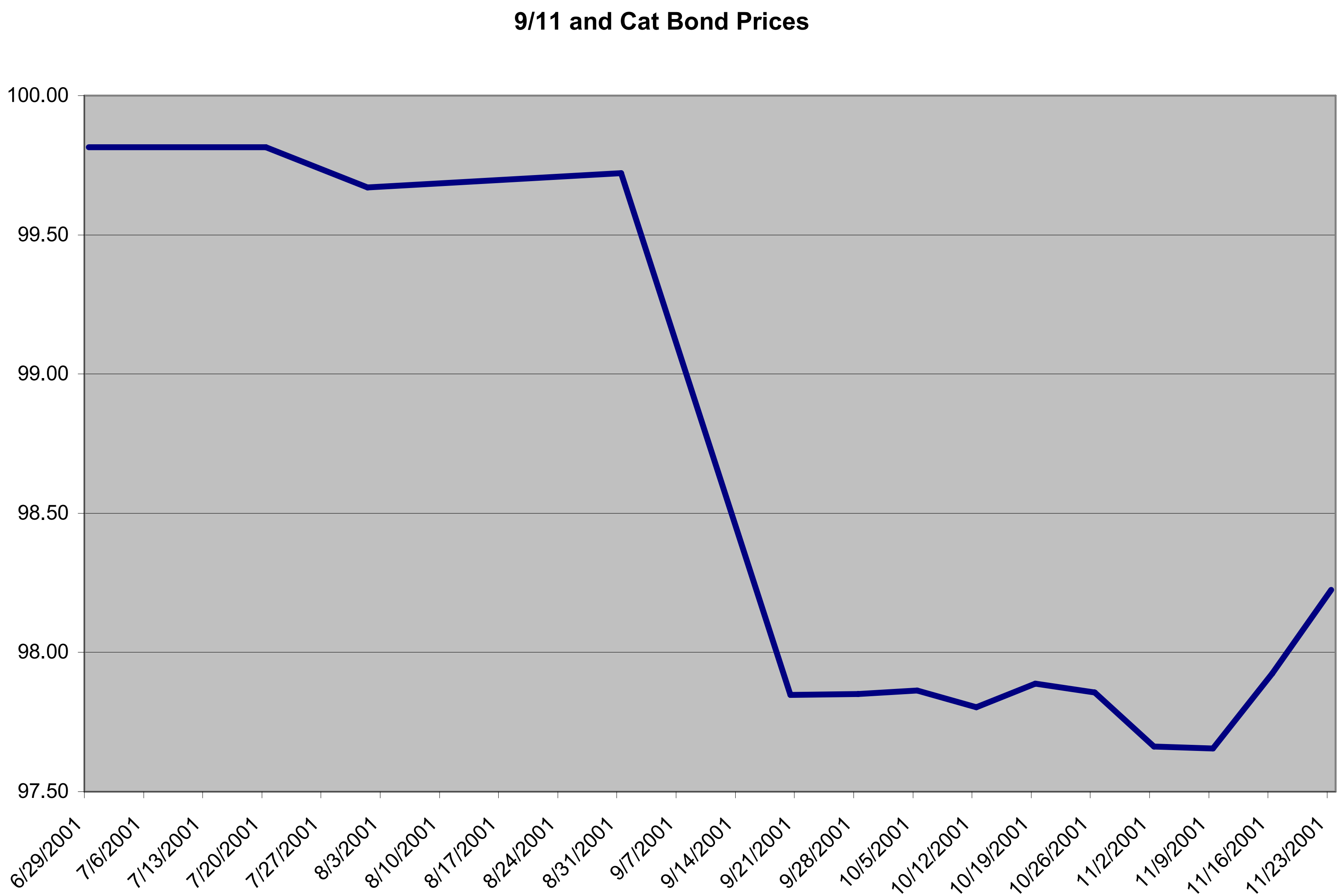

[redacted]
80.0
70.0
60.0
50.0
40.0
30.0
20.0
10.0
0.0
0.0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 4.0 4.5 5.0 5.5 6.0 6.5 7.0 7.5 8.0
1994
1980
1970
Industry-wide Insured Losses from an Event ($ bn)

Price: Premium / Expected Loss

Figure : Price of Reinsurance Relative to Actuarial Value, 1989-2000

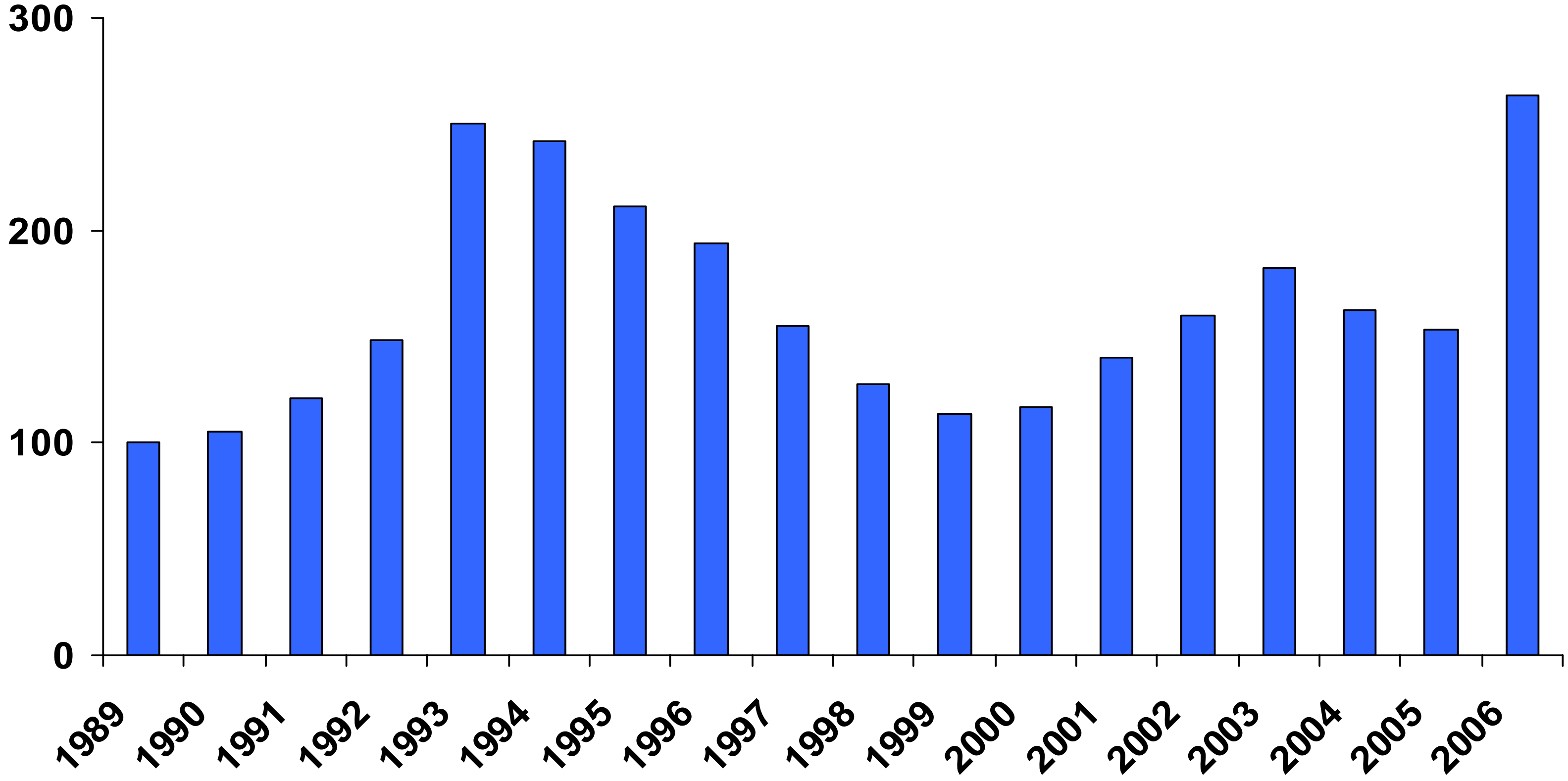


The Impact of Unrelated Perils on Prices



U.S. Cat Property: Rate On Line*

(Premiums for a call spread for a given limit and retention)



*1989=100

Impact of KRW on Rate on Line

Region	Strike	Expected Loss	2005	2006
US hurricane	$50B	2.5%	1.4x	6x*
US hurricane	$30B	4.9%	1x	5.1x
US hurricane	$20B	8.1%	1.4x*	4x
US earthquake	$15B	4.3%	1.7x	3.5x
US earthquake	$20B	3.2%	1.8x	3.6x
US 2^{nd} event	$10B	5.2%	1.4x	4.8x
US 2^{nd} event	$20B	1.2%	n/a	10.4x

Pricing shown as a spread to risk-free (typically 3m UST)

Expected losses shown as market standard model output (not NCL estimates)