



Association of Bermuda Insurers & Reinsurers

## ABIR's International (Re) Insurers' Global Underwriting Report

Twelve Months Ended December 31, 2014

Prepared March 26, 2014

(Thousands)

Reinsurer	Gross Premiums Written	Direct Premiums Written	Net Premiums Written	Prior Year Net Premiums Written	Net Premiums Earned	Net Losses & Loss Adj. Expenses	Loss Ratio	Net Commission and Brokerage	Other Underwriting Expense	Expense Ratio	Combined Ratio	Net Underwriting Profit/(Loss)	Net Investment Income	Realized Gain/(Loss) on Securities	Other Revenue	Other Expense	Net Income	Total Equity
ACE Group (1)	23,390,000	20,069,000	17,799,000	17,025,000	17,426,000	10,166,000	58.7%	3,075,000	2,245,000	29.4%	88.1%	1,940,000	2,252,000	(507,000)	0	198,000	2,853,000	29,587,000
Allied World Assurance Company Holdings, AG (2)	2,935,425	1,996,831	2,322,075	2,120,481	2,182,758	1,199,190	54.9%	295,122	365,736	30.3%	85.2%	322,710	176,874	88,957	2,064	69,823	490,259	3,778,291
Arch Capital Group Ltd. (3)	4,840,616	3,100,946	3,891,938	3,351,367	3,593,748	1,919,250	53.4%	647,120	556,280	33.8%	87.2%	471,098	302,585	72,767	9,631	11,834	821,260	6,130,053
Argo Group (4)	1,905,400	1,585,500	1,367,900	1,351,300	1,338,100	747,400	55.9%	231,100	308,100	40.3%	96.2%	51,500	86,600	94,000	7,800	23,900	183,200	1,646,700
Aspen Insurance Holdings Limited (5)	2,902,700	1,729,900	2,515,200	2,299,700	2,405,300	1,307,500	54.4%	451,200	351,900	37.3%	91.7%	294,700	190,300	18,400	0	135,500	355,800	3,419,300
Assured Guaranty Ltd. (6)	174,656	186,313	186,346	238,729	642,129	49,425	7.7%	23,531	209,308	36.3%	44.0%	359,865	403,326	(60,054)	257,824	(570,028)	1,088,304	5,757,768
AXIS Capital Holdings Limited (7)	4,711,519	2,535,414	3,906,975	3,928,200	3,870,999	2,186,722	56.5%	737,197	486,201	35.1%	91.6%	461,529	342,766	132,108	650	105,931	804,564	5,879,940
Catlin Group Limited (8)	5,965,609	3,734,974	4,345,307	4,051,522	4,160,393	2,183,224	52.5%	986,396	441,224	34.3%	86.8%	549,549	119,225	106,989	14,055	302,063	461,577	3,991,546
Endurance Specialty Holdings Ltd. (9)	2,894,076	1,716,128	1,934,206	2,048,933	1,863,978	970,162	52.1%	319,513	313,587	33.9%	86.0%	260,716	131,543	19,108	0	62,527	348,450	3,185,182
Hamilton Re, Ltd	152,857	11,921	132,981	89,952	118,490	69,330	58.5%	19,839	18,839	32.6%	91.1%	10,482	260,298	0	0	4,894	265,886	970,770
Hiscox Ltd. (10)	2,894,316	2,326,501	2,213,940	2,143,051	2,169,195	876,189	39.8%	525,079	444,515	44.1%	83.9%	323,412	74,401	18,237	2,442	37,680	356,219	2,268,561
Lancashire Holdings Limited (11)	907,625	644,681	742,846	557,640	715,557	226,517	31.7%	149,378	3,985	37.0%	68.7%	335,677	29,996	(7,937)	25,039	158,660	227,243	1,357,268
Montpelier Re Holdings Ltd. (12)	740,303	98,548	650,912	603,132	645,182	189,568	29.4%	110,178	123,753	36.2%	65.6%	221,683	46,833	5,432	(6,359)	22,284	247,999	1,914,472
PartnerRe Ltd. (13)	5,932,003	0	5,719,884	5,396,526	5,609,195	3,462,770	56.1%	1,213,822	320,133	30.0%	86.2%	612,471	479,696	371,796	16,190	185,673	1,054,974	7,104,412
Platinum Underwriters Holdings, Ltd. (14)	509,127	0	492,068	567,121	506,636	183,401	36.2%	113,804	54,419	33.2%	69.4%	155,012	69,421	1,922	3,692	48,045	164,768	1,738,025
RenaissanceRe Holdings Ltd. (15)	1,550,572	76,511	1,068,236	1,203,947	1,062,416	197,947	18.6%	144,476	190,639	31.6%	50.2%	529,354	124,316	41,433	31,912	216,070	510,337	3,865,715
Tokio Millennium Re AG (16)	1,172,166	0	1,009,259	779,005	799,803	463,431	56.6%	220,927	(12,601)	37.3%	93.9%	128,046	33,911	2,509	5,054	95,006	71,270	1,199,315
Validus Holdings Ltd. (17)	2,363,286	683,028	2,054,053	2,028,521	2,002,404	772,049	38.6%	340,556	362,865	35.1%	73.7%	526,934	100,076	23,095	83,580	252,195	481,335	4,046,553
XL Group plc (18)	8,094,926	5,450,868	5,944,841	6,199,404	5,895,070	3,501,356	57.0%	738,118	1,069,689	31.2%	88.2%	585,907	918,625	(350,874)	246,664	1,115,085	188,340	11,435,767
<b>Total Results</b>	<b>74,037,182</b>	<b>45,947,064</b>	<b>58,297,967</b>	<b>55,983,531</b>	<b>57,007,353</b>	<b>30,671,431</b>	<b>52.5%</b>	<b>10,342,356</b>	<b>7,853,572</b>	<b>33.0%</b>	<b>85.5%</b>	<b>8,140,645</b>	<b>6,142,792</b>	<b>70,888</b>	<b>700,238</b>	<b>2,475,142</b>	<b>10,974,785</b>	<b>99,276,638</b>

- (1) The results are on a consolidated U.S. GAAP basis and include the results of ACE Limited, ACE Bermuda, ACE Global Markets, ACE Tempest Life Re (including ACE Tempest Re Bermuda) and ACE Group Holdings, Inc. The underwriting ratios are for the consolidated business, excluding the life segment.
- (2) The data provided are on a GAAP consolidated group basis.
- (3) Arch Capital Group Ltd. a Bermuda-based company with approximately \$7.03 billion in capital at December 31, 2014, provides insurance and reinsurance on a worldwide basis through its wholly owned subsidiaries.
- (4) These results are on a consolidated U.S. GAAP basis and include the following business segments: Commercial Specialty, Excess and Surplus Lines, International Specialty, Syndicate 1200 and Run-off Lines.
- (5) The business of Aspen Insurance Holdings Limited ("Aspen Holdings") is conducted through its principal operating subsidiaries.
- (6) Reported results are for Assured Guaranty Ltd, a Bermuda based holding company and include the results of its principal operating subsidiaries, Assured Guaranty Corp, Assured Guaranty Municipal Corp and Assured Guaranty Re Ltd. and their respective subsidiaries.
- (7) AXIS Capital Holdings Limited is reporting on a consolidated basis, including the following principal operating subsidiaries: AXIS Specialty Limited (Bermuda), AXIS Reinsurance Company (New York), AXIS Insurance Company (Illinois), AXIS Surplus Insurance Company (Illinois), AXIS Specialty Insurance Company (Connecticut), AXIS Re SE (Dublin), AXIS Specialty Europe SE (Dublin), AXIS Syndicate 1686 (United Kingdom).
- (8) Catlin Group Limited includes 4 reporting segments aligned to underwriting hubs, which correspond to where the business is written: London/UK, Bermuda, US and International, which comprises the Group's Asia-Pacific, Europe and Canada underwriting hubs. The Consolidated Results of Operations for the Group are presented on a US GAAP basis. The expense ratio does not include financing and amortisation charges, profit related bonuses, share option scheme costs and certain other Group corporate costs.
- (9) These results are on a consolidated U.S. GAAP basis and include the accounts of: Endurance Specialty Insurance Ltd.; Endurance Worldwide Insurance Limited; Endurance Reinsurance Corporation of America, Endurance American Insurance Company; Endurance American Specialty Insurance Company; Endurance Risk Solutions Assurance Co.; American Agri-Business Insurance Company; and ARMtech Insurance Services, Inc. Included in realized gain/loss on securities is \$625 of net investment impairment losses. Includes \$15,510 of general and administrative expenses and other expense includes \$4,750 of interest expenses incurred in relation to the Company's proposed acquisition of Aspen.
- (10) Results presented in accordance with IFRS and include the Hiscox Ltd owned portion of Syndicate 33, Syndicate 3624, Hiscox Insurance Company (Bermuda) Limited, Hiscox Insurance Company (Guernsey) Limited, Hiscox Insurance Company Limited and Hiscox USA. Realized Gain On Securities includes \$19,975 of net fair value gains on financial investments at fair value. Ratios include foreign exchange gains, excluding foreign exchange impact expense ratio is 44.9% and combined ratio is 84.7%. Converted from GBP at average rate relevant for the period. (2014 : 1.648 ; 2013 : 1.563). Capital and surplus translated at closing USD rate of 1.56.
- (11) The Group's consolidated financial information is prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The amount shown as a realized gain/(loss) on securities contains (\$2,083) which represents the net change in unrealized gains/losses on investments including tax recovery of \$88 for the twelve months ended 31, December 2014. Lancashire Holdings Limited ("LHL") and its subsidiaries operate primarily through the following subsidiaries: Lancashire Insurance Company Limited, Lancashire Insurance Company (UK) Limited, Kinesis Capital Management Limited ("KCML") and Cathedral Capital Limited. All ownership interests are 100% except for KCML which is 92.7% owned by LHL.
- (12) Montpelier Re Holdings Ltd. consolidated results include three reportable segments: Montpelier Bermuda, Collateralised Reinsurance and Montpelier at Lloyd's .
- (13) Results for PartnerRe Ltd. (PartnerRe) are on a U.S. GAAP basis and include the results of its principal wholly-owned subsidiaries, including Partner Reinsurance Company Ltd., Partner Reinsurance Europe SE and Partner Reinsurance Company of the U.S. Realized gains on securities for the year ended December 31, 2014 of \$371,796 includes changes in net unrealized gains on investments of \$171,003 and net realized gains on investments of \$200,793. Loss ratio, expense ratio and combined ratio are for non-life results only.
- (14) The results for Platinum Underwriters Holdings, Ltd. and its subsidiaries are presented on a consolidated U.S. GAAP basis. We operate primarily through two licensed reinsurance subsidiaries: Platinum Underwriters Bermuda, Ltd. and Platinum Underwriters Reinsurance, Inc.
- (15) RenaissanceRe Holdings Ltd. is a global provider of reinsurance and insurance. The Company's business consists of three reportable segments: (1) Catastrophe Reinsurance, which includes catastrophe reinsurance and certain property catastrophe joint ventures managed by the Company's ventures unit; (2) Specialty Reinsurance, which includes specialty reinsurance and certain specialty joint ventures managed by the Company's ventures unit; and (3) Lloyd's, which includes reinsurance and insurance business written through RenaissanceRe Syndicate 1458. On November 23, 2014, the Company entered into a definitive merger agreement with Platinum Underwriters Holdings, Ltd. ("Platinum"), under which RenaissanceRe would acquire Platinum. The transaction closed on March 2, 2015. The aggregate consideration for the transaction was approximately \$1.9 billion. The Company will account for the acquisition of Platinum under the acquisition method of accounting in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 805 Business Combinations.
- (16) The results are on a consolidated IFRS basis and include the results of Tokio Millennium Re AG (Switzerland, Bermuda, US and Australia) and its three wholly-owned subsidiaries; Tokio Solution Management Ltd., Shima Reinsurance Ltd. and TMR Management, Inc.
- (17) Results include the operating segments of Validus Re, AlphaCat, Talbot and Western World. Corporate and Eliminations are also included. Other Expense includes transaction expenses incurred in connection with the acquisition of Western World of \$8,096.
- (18) Realized gain(loss) on securities, net investment income and net gains and losses on life retrocession derivatives related to the sale of life reinsurance subsidiary of (\$15,529), \$129,575 and (\$488,222) are included in the results. Also included \$666.4 loss on sale of life reinsurance subsidiary and related tax benefit of \$45.1. As a result of this transaction, XL ceded the majority of its life reinsurance business to Grey Castle Life Reinsurance(SAC) LTD via 100% quota share reinsurance. Designated investments that support the life retrocession arrangement written on a funds withheld basis are known as ("Life Funds Withheld Assets"). Although XL's net income(loss) is subject to variability related to the Life Retro Arrangement, there is no recurring net impact on future comprehensive income in any period. See XL's 10k and 10Qs for further details. \* Designated investments that support the life retrocession arrangements written on a funds withheld basis are known as ("Life Funds Withheld Assets")