



Association of Bermuda Insurers and Reinsurers

# International (Re)Insurers' Global Underwriting Report

(IN THOUSANDS)

Six Months Ended June 30, 2011  
Prepared September 19, 2011

Reinsurer	Gross Premiums Written Jun-11	Direct Premiums Written Jun-11	Net Premiums Written Jun-11	Net Premiums Written Jun-10	Net Premiums Earned Jun-11	Losses & Loss Adj. Expenses Jun-11	Loss Ratio	Net Commission and Brokerage Jun-11	Other Underwriting Expense Jun-11	Expense Ratio	Combined Ratio	Net Underwriting Profit/(Loss) Jun-11	Net Investment Income Jun-11	Realized Gain/(Loss) Securities Jun-11	Other Revenue Jun-11	Other Expense Jun-11	Net Income Jun-11	Total Equity Jun-11
ACE Limited (1)	10,067,000	8,267,000	7,399,000	6,991,000	7,066,000	4,688,000	67.8%	1,159,000	1,009,000	30.6%	98.4%	210,000	1,113,000	(118,000)	0	120,000	866,000	24,113,000
Allied World Assurance Company Holdings	1,080,286	699,958	876,674	803,087	690,183	540,265	78.3%	81,053	135,157	31.3%	109.6%	(66,292)	102,576	109,254	0	29,762	102,420	3,044,417
Alterra Capital Holdings Limited (2)	1,191,755	474,490	917,772	537,185	728,828	545,819	70.9%	135,288	103,260	32.6%	103.5%	(55,539)	117,431	(25,974)	1,906	58,903	(14,052)	2,793,081
Arch Capital Group Ltd. (3)	1,876,505	1,254,152	1,470,821	1,392,012	1,276,574	925,502	72.5%	217,794	194,560	32.3%	104.8%	(61,282)	174,978	65,905	31,584	89,189	124,098	4,441,269
Argo Group International Holdings Ltd. (4)	754,545	586,858	511,427	600,483	532,668	464,777	87.3%	116,829	92,749	39.3%	126.6%	(141,687)	66,333	33,750	422	23,971	(71,729)	1,548,590
Ariel Holdings Limited (5)	437,185	78,163	390,087	408,989	262,705	169,596	64.6%	52,532	41,030	38.0%	102.6%	12,296	24,376	4,147	12,749	1,008	36,328	1,236,839
Aspen Insurance Holdings Limited (6)	1,253,500	528,400	1,035,300	1,118,900	912,200	855,300	93.8%	168,100	109,300	32.8%	126.6%	(220,500)	114,100	(7,200)	0	43,200	(141,500)	3,104,600
Assured Guaranty Ltd. (7)	113,807	163,501	109,809	345,196	591,269	97,436	16.5%	14,877	99,614	19.4%	35.9%	379,342	197,214	(2,284)	(418,219)	77,601	67,740	3,949,985
Axis Capital Holdings Limited (8)	2,594,593	1,107,088	2,250,919	2,032,573	1,628,215	1,584,759	97.3%	283,262	193,415	31.8%	129.1%	(432,332)	210,673	67,621	889	106,090	(264,254)	5,332,939
Catlin Group Limited (9)	2,683,027	1,432,223	2,269,144	1,893,073	1,762,986	1,497,925	85.0%	355,876	199,171	31.5%	116.5%	(289,985)	72,720	42,693	2,173	27,783	(196,912)	3,121,490
Endurance Specialty Holdings Ltd. (10)	1,503,282	851,581	1,240,630	1,153,745	869,411	763,823	87.9%	133,505	131,847	30.5%	118.4%	(159,745)	92,343	22,728	19	20,365	(46,340)	2,670,276
Flagstone Reinsurance Holdings, S.A. (11)	768,644	0	546,297	617,623	421,766	464,944	110.2%	90,813	54,278	34.4%	144.6%	(188,269)	22,507	16,439	7,131	45,403	(181,430)	946,904
Hardy Underwriting Bermuda Limited (12)	269,386	114,419	186,926	179,644	176,942	142,132	80.3%	55,984	16,646	41.0%	121.4%	(37,819)	6,956	(2,531)	0	0	(27,502)	204,626
Hiscox Ltd. (13)	1,369,481	876,494	1,078,779	1,043,325	896,343	708,374	78.8%	205,906	140,390	38.1%	116.9%	(158,326)	44,328	(3,180)	0	21,145	(140,658)	1,834,344
Lancashire Holdings Limited (14)	379,760	100,120	329,058	422,204	287,536	109,808	38.2%	50,099	1,580	31.3%	69.5%	126,049	23,847	9,030	872	56,431	101,486	1,380,437
Montpelier Re Holdings Ltd. (15)	471,324	85,141	420,800	457,878	318,527	352,779	110.7%	51,064	49,557	31.6%	142.3%	(134,873)	34,556	25,364	4,355	10,785	(80,767)	1,620,175
PartnerRe Ltd. (16)	2,639,766	0	2,526,887	2,896,899	2,172,034	2,421,740	118.0%	437,100	162,403	29.1%	147.1%	(849,209)	309,962	(34,000)	3,408	89,104	(682,771)	6,632,044
Platinum Underwriters Holdings, Ltd. (17)	354,915	0	320,672	399,145	355,317	478,952	134.8%	68,065	25,255	26.3%	161.1%	(216,955)	66,343	(7,455)	1,036	20,085	(177,593)	1,695,710
RenaissanceRe Holdings Ltd. (18)	1,252,068	15,561	880,570	736,493	522,716	779,798	149.2%	46,218	84,129	24.9%	174.1%	(387,429)	93,609	29,765	10,872	(28,089)	(223,269)	3,518,701
Torus Insurance Holdings Limited (19)	540,800	396,000	350,100	313,100	322,500	281,400	87.3%	48,300	78,100	39.2%	126.5%	(85,300)	16,300	12,100	0	7,200	(64,200)	887,300
Validus Holdings, Ltd. (20)	1,455,283	262,438	1,213,117	1,229,330	855,173	683,505	79.9%	155,526	128,995	33.3%	113.2%	(112,853)	56,469	23,629	2,201	32,478	(61,544)	3,408,317
XL Group plc (21)	4,059,503	2,429,783	3,202,207	2,901,889	2,759,722	2,303,096	78.8%	403,589	424,775	31.3%	110.1%	(371,738)	576,768	(83,364)	116,801	248,059	(1,621)	10,627,731
<b>Total Results</b>	<b>37,116,415</b>	<b>19,723,370</b>	<b>29,526,996</b>	<b>28,473,773</b>	<b>25,409,615</b>	<b>20,859,730</b>	<b>83.2%</b>	<b>4,330,780</b>	<b>3,475,211</b>	<b>31.5%</b>	<b>114.7%</b>	<b>(3,242,446)</b>	<b>3,537,389</b>	<b>178,437</b>	<b>(221,801)</b>	<b>1,100,473</b>	<b>(1,078,070)</b>	<b>88,112,775</b>

- (1) The results are on a consolidated U.S. GAAP basis and include the results of ACE Limited. Major business units include: 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) Results include the major business units of Alterra Bermuda, Alterra Re USA, Alterra Europe, Alterra Specialty, and Alterra at Lloyd's. Loss ratio, expense ratio and combined ratio are calculated based on property and casualty business only, and exclude life and annuity business. Net underwriting profit includes life and annuity business.
- (3) Arch Capital Group Ltd. is a Bermuda public limited liability company which provides insurance and reinsurance on a worldwide basis through its wholly-owned subsidiaries.
- (4) Results are on a US GAAP consolidated basis. Argo Group is an international specialty underwriter of P&C insurance and reinsurance.
- (5) The results of Ariel Holdings Ltd. are on a consolidated U.S. GAAP basis and include the results of Ariel Reinsurance Company Ltd., and Atrium Underwriting Group Limited. As Ariel has adopted FAS 159 we have included \$3,055 of unrealized gains in realized gains and losses above.
- (6) The business of Aspen Insurance Holdings Limited is conducted through its wholly-owned subsidiaries: Aspen Insurance Limited (Bermuda Operating Company), Acorn Limited (Bermuda Company), Aspen Specialty Insurance Company (US Operating Company), Aspen American Insurance Company (US Operating Company), Aspen (UK) Holdings Limited (UK Holding Company), Aspen Managing Agency Limited (Managing Agent to Lloyd's Syndicate 4711) and Aspen Underwriting Limited (Lloyd's Corporate Member).
- (7) 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.
- (8) We are reporting on a consolidated basis, including the following subsidiaries: Axis Specialty Ltd. (Bermuda), Axis Reinsurance Co (NY), Axis Insurance Company (Illinois), Axis Surplus Insurance Co (Illinois), Axis Specialty Insurance Co (Connecticut), Axis Reinsurance Europe Ltd. (Dublin), Axis Specialty Europe Ltd. (Dublin).
- (9) 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 amortization charges, profit related bonuses, share option scheme costs and certain other Group corporate costs.
- (10) Endurance Specialty Insurance Ltd., Endurance Worldwide Insurance Limited, Endurance Reinsurance Corporation of America, Endurance American Insurance Company, Endurance Risk Solutions Assurance Co., American Agri-Business Insurance Company & ARMTech Insurance Services, Inc.
- (11) These results are on a consolidated U.S. GAAP basis and include the accounts of Flagstone Reinsurance Holdings, S.A. and its subsidiaries.
- (12) This filing is on a group consolidated basis representing the following individual companies: Hardy Underwriting Group PLC (UK Holding company), Hardy Re Limited (Bermudian reinsurance company), Hardy Bermuda Limited (Bermudian managing general agent), Hardy Underwriting Limited (UK Corporate member of Lloyd's), Hardy Names Limited (UK corporate member of Lloyd's), Hardy Underwriting Agencies Limited (UK managing agent), Hardy Services Limited (UK Service company), Hardy Underwriting Asia Pte Limited (Singapore service company), Hardy Guernsey Limited (Guernsey insurance company), Hardy Arig Insurance Management (50% share) of joint venture with the Arab Insurance Group (Arig) based in Bahrain. The income statement reflects foreign exchange including gains or losses on the retranslation of net non-monetary items in the balance sheet, where the accounting convention is to recognize underwriting profit or losses at the average rate of exchange for the period, the balance sheet is converted at closing rates, the retranslation of the result for the period recognized at average rates to closing rates is recognized as a foreign exchange loss.
- (13) Results presented in accordance with IFRS and include the Hiscox Ltd. owned portion of Syndicate 33, Hiscox Insurance Company (Bermuda) Limited, Hiscox Insurance Company (Guernsey) Limited, Hiscox Insurance Company Limited and Hiscox USA. Realized Loss On Securities includes \$25,656 of net fair value losses on financial investments at fair value. Ratios include foreign exchange gains, excluding foreign exchange impact expense ratio is 36.9% and combined ratio is 115.7%. Converted from GBP at average rate relevant for the period. (2011 : 1.616 ; 2010 : 1.526). Capital and surplus translated at closing USD rate of 1.60.
- (14) 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 \$4,038 which represents the net change in unrealized gains/losses on investments including tax expense of \$342 for the six months ended 30 June 2011. The information above includes Lancashire Holdings Limited and its five wholly owned subsidiaries: Lancashire Insurance Company Limited, Lancashire Insurance Holdings (UK) Limited ("LIHL"), Lancashire Insurance Marketing Services Limited, Lancashire Insurance Services Limited and Lancashire Marketing Services (Middle East) Limited. LIHL is a holding company for a wholly owned operating subsidiary, Lancashire Insurance Company (UK) Limited.
- (15) Montpellier Re Holdings consolidated results include major operating segments Montpellier Bermuda, Montpellier Syndicate 5151 and Montpellier US Insurance Company.
- (16) 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 Limited and Partner Reinsurance Company of the U.S. Realized losses on securities for the six months ended June 30, 2011 of \$34,000 includes changes in unrealized losses on investments of \$28,225 and realized losses on investments of \$5,775.
- (17) The financial information is presented on a consolidated basis. Platinum Underwriters Holdings, Ltd. and its subsidiaries operate primarily through two licensed reinsurance subsidiaries: Platinum Underwriters Bermuda, Ltd. and Platinum Underwriters Reinsurance, Inc.
- (18) On November 18, 2010, RenaissanceRe Holdings Ltd. entered into a definitive stock purchase agreement (the "Stock Purchase Agreement") with QBE Holdings, Inc. ("QBE") to sell substantially all of its U.S.-based insurance operations, including its U.S. property and casualty business underwritten through managing general agents, its crop insurance business underwritten through Agro National Inc., its commercial property insurance operations and its claims operations. RenaissanceRe Holdings Ltd. has three reportable segments: (1) Reinsurance, which includes catastrophe reinsurance, specialty reinsurance and certain property catastrophe and specialty joint ventures, (2) Lloyd's, which includes reinsurance and insurance business written through RenaissanceRe Syndicate 1458, and (3) Insurance, which includes the operations of the Company's former Insurance segment that were not sold pursuant to the Stock Purchase Agreement with QBE. Included in realized gain on securities of \$29,765 is realized gains on fixed maturity investments of \$9,219; unrealized gains on fixed maturity investments of \$20,970; and unrealized losses on equity investments of \$424. Following the strategic decision to divest substantially all of our U.S.-based insurance operations, the financial results for these operations have been presented in RenaissanceRe Holdings Ltd.'s financial statements as discontinued operations, and the reportable segments revised as noted above. Prior periods presented in the RenaissanceRe Holdings Ltd.'s financial statements for the year ended December 31, 2010 were reclassified to conform to the new presentation. For the six months ended June 30, 2010 the gross premiums written, direct premiums and net premiums written are as follows: gross premium written \$1,022,551, direct premiums \$4,079 and net premiums written \$736,493.
- (19) The results are presented on a consolidated US GAAP basis and include the results of Torus Insurance (Bermuda) Limited, Torus Insurance (UK) Limited, Torus Specialty Insurance Company, Torus National Insurance Company, Torus Insurance (Europe) AG and Torus Corporate Capital Limited. Included in realized gains on securities of \$12,100 is \$1,500 of net unrealized gains on securities.
- (20) These numbers are on a consolidated basis and include the following companies: Validus Reinsurance, Ltd. and Talbot Holdings, Ltd. Realized gains on securities includes \$5,698 of unrealized gains on securities. Total equity of \$3,408,317 represents total shareholders' equity available to Validus. Total Shareholders' equity including noncontrolling interest is \$3,543,212.
- (21) XL Group plc, through its operating subsidiaries, (collectively the "Company"), is a leading provider of insurance and reinsurance coverages to industrial, commercial, and professional firms, insurance companies and other enterprises on a worldwide basis. The Company operates in three business segments: Insurance, Reinsurance, and Life operations. These unaudited consolidated financial results include the accounts of the Company and all of its subsidiaries and have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information. Other underwriting expenses exclude corporate operating expenses. Ratios are based on net premiums earned from property and casualty operations. The underwriting expense ratio excludes foreign exchange gains and losses.