

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended: September 30, 1997

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 34-0-26512

RenaissanceRe Holdings Ltd.

(Exact name of registrant as specified in its charter)

Bermuda 98-013-8020
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

Renaissance House
8--12 East Broadway
Pembroke, Bermuda HM 19
(Address of principal executive offices) (Zip Code)

(441) 295-4513
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last
report)

Indicate by check mark whether the registrant (1) has filed all reports required
to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during
the preceding 12 months (or such shorter period that the registrant was required
to file such reports), and (2) has been subject to such filing requirements for
the past 90 days. Yes X No

The number of outstanding shares of RenaissanceRe Holding Ltd.'s common stock,
par value US \$1.00 per share as of September 30, 1997 was 22,447,110

Total number of pages in this report: 15

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Part I - Financial Information
Item 1 - Financial Statements

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Balance Sheets
(United States Dollars)
(in thousands, except per share amounts)

	As at	
	September 30, 1997	December 31, 1996
	(Unaudited)	
Assets		
Fixed maturities available for sale, at fair value (Amortized cost \$674,496 and \$601,907, at September 30, 1997 and December 31, 1996, respectively)	\$ 678,408	\$ 603,484
Equity securities at market (Cost \$49,169)	55,544	--
Total investments	733,952	603,484
Cash and cash equivalents	123,828	198,982
Reinsurance premiums receivable	88,603	56,685
Ceded reinsurance balances	22,512	19,783
Accrued investment income	16,686	13,913
Deferred acquisition costs	10,656	6,819
Other assets	10,571	5,098
Total assets	\$ 1,006,808	\$ 904,764
Liabilities, Capital Securities, Minority Interest and Shareholders' Equity		
Liabilities		
Reserve for claims and claim adjustment expenses	\$ 113,748	\$ 105,421
Reserve for unearned premiums	103,407	65,617
Bank loan	50,000	150,000
Reinsurance balances payable	27,762	18,072
Other	5,547	4,215
Total liabilities	300,464	343,325
Company obligated mandatorily redeemable capital securities of a subsidiary trust holding solely junior subordinated debentures of the Company (Note 7)	100,000	--
Minority interest in consolidated subsidiary	10,672	15,236
Shareholders' Equity		
Common shares	22,447	23,531
Additional paid-in capital	53,423	102,902
Loans to officers	(3,364)	(3,868)
Net unrealized appreciation on investments	10,287	1,577
Retained earnings	512,879	422,061
Total shareholders' equity	595,672	546,203
Total liabilities, capital securities, minority interest, and shareholders' equity	\$ 1,006,808	\$ 904,764
Book value per Common Share	\$ 26.54	\$ 23.21
Common Shares outstanding	22,447	23,531

The accompanying notes are an integral part of these financial statements.

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Operations
(United States Dollars)
(in thousands, except per share amounts)
(Unaudited)

	Quarters Ended September 30,		Year-to-Date September 30,	
	1997	1996	1997	1996
Gross Premiums Written	\$ 60,411	\$ 73,591	\$ 215,574	\$ 253,157
Revenues				
Net premiums written	\$ 46,740	\$ 65,238	\$ 184,964	\$ 236,635
Decrease (increase) in unearned premiums	6,255	(1,785)	(24,605)	(49,468)
Net premiums earned	52,995	63,453	160,359	187,167
Net investment income	12,653	12,620	36,994	32,945
Net foreign exchange gains (losses)	(356)	266	(1,520)	(386)
Net realized gains (losses) on investments	1,053	(660)	917	(2,791)
Total revenues	66,345	75,679	196,750	216,935
Expenses				
Claims and claim expenses incurred	14,673	26,298	40,017	65,615
Acquisition costs	6,663	6,606	18,978	19,018
Operating expenses	6,116	4,456	18,133	11,594
Corporate expenses	295	307	2,857	1,440
Interest expense	786	1,453	3,488	4,246
Total expenses	28,533	39,120	83,473	101,913
Income before minority interest and taxes	37,812	36,559	113,277	115,022
Minority interest - Company obligated mandatorily redeemable capital securities of a subsidiary trust holding solely junior subordinated debentures of the Company (Note 7)	(2,088)	--	(4,816)	--
Minority interest - Glencoe	(316)	(96)	(611)	(107)
Income before taxes	35,408	36,463	107,850	114,915
Income tax expense	--	--	--	--
Net income	\$ 35,408	\$ 36,463	\$ 107,850	\$ 114,915
Net income per Common Share	\$ 1.55	\$ 1.40	\$ 4.66	\$ 4.41
Weighted average Common Shares and common equivalent shares outstanding	22,856	26,084	23,137	26,082
Claims and claim expense ratio	27.7%	41.5%	25.0%	35.1%
Expense ratio	24.1%	17.4%	23.1%	16.3%
Combined ratio	51.8%	58.9%	48.1%	51.4%

The accompanying notes are an integral part of these financial statements.

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
(United States Dollars in thousands)
(Unaudited)

	Year-to-Date September 30,	
	1997	1996
Cash Flows from Operating Activities		
Net income	\$ 107,850	\$ 114,915
Adjustments to reconcile net income to cash provided by operating activities		
Amortization and depreciation	797	398
Realized investment (gains) losses	(917)	2,791
Minority share of income	611	107
Change in:		
Reinsurance balances, net	(22,228)	(22,568)
Ceded reinsurance balances receivable	(2,729)	(21,347)
Deferred acquisition costs	(3,837)	(5,390)
Reserve for claims and claim adjustment expenses	8,327	5,729
Reserve for unearned premiums	37,790	49,467
Other	(337)	8,864
Cash provided by operating activities	125,327	132,966
Cash flows from investing activities		
Proceeds from sale of investments	359,530	237,135
Purchase of investments available for sale	(483,438)	(312,448)
Proceeds from sale of (purchase of) minority interest in Glencoe	(5,185)	15,126
Cash applied to investing activities	(129,093)	(60,187)
Cash flows from financing activities		
Proceeds from issuance of Company obligated mandatorily redeemable capital securities of a subsidiary trust holding solely junior subordinated debentures of the Company (Note 7)	98,500	--
Proceeds from (repayment of) bank loan	(100,000)	50,000
Dividends paid	(17,031)	(15,366)
Proceeds from repayment of officer loan	601	--
Purchase of Common Shares	(53,458)	(613)
Cash provided by (used in) financing activities	(71,388)	34,021
Net increase (decrease) in cash and cash equivalents	(75,154)	106,800
Cash and cash equivalents, balance at beginning of period	198,982	139,163
Cash and cash equivalents, balance at end of period	\$ 123,828	\$ 245,963

The accompanying notes are an integral part of these financial statements.

RenaissanceRe Holdings Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
(Expressed in United States Dollars)
(unaudited)

1. The consolidated financial statements have been prepared on the basis of United States generally accepted accounting principles ("GAAP") and include the accounts of RenaissanceRe Holdings Ltd. (the "Company") and its subsidiaries, including Renaissance Reinsurance Ltd. ("Renaissance Reinsurance") and Glencoe Insurance Ltd. ("Glencoe"). In the opinion of management, these financial statements reflect all the normal recurring adjustments necessary for a fair presentation of the Company's financial position at September 30, 1997, its results of operations for the three month and nine month periods ended September 30, 1997 and 1996 and cash flows for the nine month periods ended September 30, 1997 and 1996. These consolidated financial statements should be read in conjunction with the 1996 audited consolidated financial statements and related notes thereto. Certain comparative information has been reclassified to conform to current presentation. Because of the seasonality of the Company's business the results of operations for any interim period will not necessarily be indicative of results of operations for the full fiscal year.

2. Earnings Per Share is calculated by dividing net income by the weighted average number of common shares and common share equivalents outstanding.

For the three month period ended September 30, 1997, the Company had 22,856,000 weighted average common shares outstanding consisting of 22,409,000 weighted average common shares and 447,000 weighted average common share equivalents issuable pursuant to the Company's stock option plans. For the three month period ended September 30, 1996, the Company had 26,084,000 weighted average common shares outstanding consisting of 25,614,000 weighted average common shares and 470,000 weighted average common share equivalents issuable pursuant to the Company's stock option plans.

For the nine months ended September 30, 1997, the Company had 23,137,000 weighted average common shares outstanding, consisting of 22,704,000 weighted average common shares and 433,000 weighted average common share equivalents issuable pursuant to the Company's stock option plans. For the nine months ended September 30, 1996, the Company had 26,082,000 weighted average common shares outstanding, consisting of 25,609,000 weighted average common shares and 473,000 weighted average common share equivalents issuable pursuant to the Company's stock option plans. Total Common Shares outstanding as at September 30, 1997 and 1996 were 22,447,110 and 25,615,977, respectively.

3. The Board of Directors of the Company declared, and the Company paid, dividends of \$.25 per share to shareholders of record on each of August 20, May 22, and February 19, 1997. On October 22, 1997, the Board of Directors of the Company declared a dividend of \$.25 per share payable on December 5, 1997 to shareholders of record on November 20, 1997.

4. During the third quarter of 1997, the Company executed the First Amendment to the Third Amended and Restated Credit Agreement dated as of December 12, 1996 (the "Credit Facility"). The amendments became effective on September 8, 1997, except for the amendments relating to invested assets which were effective on June 30, 1997. The Credit Facility was amended to a) extend the termination date from December 1, 1999 to December 1, 2001, b) specifically define the Capital Securities as a component of Net

Worth, c) amend the definition of invested assets and the covenants related to invested assets, d) amend certain restrictions regarding acquisitions and e) amend certain fee schedules.

5. During the third quarter of 1997 the Company increased its ownership of Glencoe through the purchase of an additional 9.9 percent interest in Glencoe. The Company paid \$5.2 million for the additional shares in Glencoe and increased its ownership from 70.1 percent to 80 percent.

6. On June 23, 1997 the Company completed a secondary offering of 3.4 million common shares at \$38.00 per share. All shares sold were owned by the Company's founding institutional shareholders or their successors, and the Company did not receive any of the proceeds of the offering. Concurrent with the secondary offering on June 23, 1997, the Company also purchased, for cancellation, an aggregate of 700,000 common shares at \$36.29 per share or an aggregate purchase price of \$25.4 million from the Company's founding institutional shareholders or their successors (the "Company Purchase"). Expenses of \$700,000 related to the offerings were charged to additional paid in capital during the second quarter of 1997.

7. On March 7, 1997 the Company completed the sale of \$100 million of "Company Obligated, Mandatorily Redeemable Capital Securities of a Subsidiary Trust holding solely \$103,092,783.51 of the Company's 8.54% Junior Subordinated Debentures due March 1, 2027" ("Capital Securities") issued by RenaissanceRe Capital Trust (the "Trust"), a newly created subsidiary business trust of the Company. The Capital Securities pay cumulative cash distributions at an annual rate of 8.54 percent, payable semi-annually commencing September 1, 1997. Proceeds from the offering were used to repay a portion of the Company's outstanding indebtedness. Effective September 11, 1997 the Trust exchanged the Capital Securities for substantially the same securities registered under the Securities Act of 1933, as amended.

The Trust is a wholly owned subsidiary of the Company. The financial statements of the Trust are consolidated into the Company's consolidated financial statements, and the Capital Securities and the related accrued dividends are reflected in the financial statements as a minority interest.

8. In January 1997, the Company completed a fixed price tender offer and repurchased and cancelled 813,190 Common Shares from its public shareholders at \$34.50 per share, or an aggregate purchase price of \$28.1 million (the "Tender Offer").

9. Interest paid was \$3.1 million for the nine months ended September 30, 1997 and \$4.2 million for the same period in the previous year. On September 1, 1997 the Company paid \$4.1 million of dividends on the Capital Securities.

10. During 1997 the Company renegotiated and extended employment agreements with certain key employees.

11. In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard ("SFAS") No. 128, Earnings per Share. SFAS No. 128 simplifies the standards for computing earnings per share ("EPS") previously found in APB Opinion No. 15, Earnings per Share. It replaces the presentation of primary EPS with a presentation of basic EPS. It also requires dual presentation of basic and diluted EPS on the face of the income statement for all entities with complex capital structures. Management does not believe this new pronouncement will materially affect the Company's current disclosures as the Company's capital structure is not considered complex nor is there significant dilution from other securities or other contracts to issue

common stock.

SFAS No. 128 is effective for financial statements issued for periods ending after December 15, 1997, including interim periods and requires restatement of all prior-period EPS data presented. Earlier application is not permitted.

If SFAS No. 128 had been effective for the current reporting period, the pro forma affects would be as follows:

Three Months Ended September 30,

	1997	1996
	----	----
Basic EPS	\$1.58	\$1.42
Diluted EPS	\$1.55	\$1.40

Nine Months Ended September 30,

	1997	1996
	----	----
Basic EPS	\$4.75	\$4.49
Diluted EPS	\$4.66	\$4.41

Year Ended December 31,

	1996	1995
	----	----
Basic EPS	\$6.12	\$6.84
Diluted EPS	\$6.01	\$6.75

In June 1997 the Financial Accounting Standards Board issued SFAS 130 and SFAS 131.

SFAS 130 establishes standards for reporting and displaying comprehensive income and its components (revenues, expenses, gains, and losses) in a full set of general-purpose financial statements. This statement requires that an enterprise (a) classify items of other comprehensive income by their nature in a financial statement and (b) display the accumulated balance of other comprehensive income separately from retained earnings and additional paid-in capital in the equity section of a statement of financial position.

SFAS 130 is effective for fiscal years beginning after December 15, 1997. The Company is presently considering its disclosure alternatives.

SFAS 131 establishes standards for the way public business enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim financial reports issued to shareholders. Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

SFAS 131 is effective for financial periods beginning after December 15, 1997. The Company is presently considering its disclosure alternatives.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

For the quarter ended September 30, 1997 compared to the quarter ended September 30, 1996

For the quarter ended September 30, 1997, net income was \$35.4 million or \$1.55 per share, compared to \$36.5 million or \$1.40 per share for the same quarter in 1996. The decrease in reported net income was primarily related to lower net premiums earned, resulting from lower in force gross premiums as well as increased ceded reinsurance premiums resulting from the expansion of the Company's ceded retrocessional programs, offset by lower claims and claim expenses attributable to a light Atlantic hurricane season. Per share amounts for 1997 benefited from a lower number of common shares outstanding as a result of the Company's purchase of 3.6 million common shares since December 13, 1996.

Gross premiums written for the third quarter of 1997 declined 17.9 percent to \$60.4 million, and included \$2.6 million of premiums written by Glencoe. Gross premiums written for the same period in 1996 were \$73.6 million. The decline in gross premiums written was primarily related to the Company's decision not to renew certain contracts due to the competitive market for property catastrophe reinsurance as well as lower overall pricing on reinsurance contracts. The 17.9 percent premium decrease was the result of a 13.3 percent decrease in premiums due to the Company not renewing coverage and a 11.1 percent decrease related to changes in pricing, participation levels and coverage on renewed business, partially offset by a 6.5 percent increase in premiums related to new business.

Net premiums written for the third quarter of 1997 were \$46.7 million compared to \$65.2 million for the third quarter of 1996. Net premiums earned for the third quarter of 1997 were \$53.0 million, compared to \$63.5 million for the same quarter of 1996, a decrease of 16.5 percent. Total revenues for the third quarter of 1997 decreased to \$66.3 million from \$75.7 million reported for the same quarter of 1996.

During 1997, consistent with its risk diversification and risk management practices and the availability of coverage responsive to the Company's risk profile, the Company increased the level of property catastrophe reinsurance coverage purchased for its own account. During the third quarter of 1997, ceded premiums written were \$13.7 million compared to \$8.4 million for the same quarter in 1996.

The table below sets forth the Company's combined ratio and components thereof for the quarters ended September 30, 1997 and 1996:

	Quarters Ended September 30,	
	1997	1996
	----	----
Loss ratio	27.7%	41.5%
Expense ratio	24.1%	17.4%

Combined ratio	51.8%	58.9%
=====		

Claims and claim expenses incurred for the quarter ended September 30, 1997 were \$14.7 million or 27.7 percent of net premiums earned. In comparison, claims and claim expenses incurred for the quarter ended September 30, 1996 were \$26.3 million

or 41.5 percent of net premiums earned, and included a provision of \$15 million for Hurricane Fran.

Underwriting expenses are comprised of acquisition expenses and operational expenses. Acquisition expenses were \$6.7 million for the quarter ended September 30, 1997 compared to \$6.6 million for the same quarter in 1996. The increase in acquisition costs as a percentage of net premiums earned is primarily related to the increase in reinsurance purchased, which provides no reduction in the associated acquisition expenses, and an increase in premiums written by Glencoe, which have a higher ratio of acquisition costs. Operating expenses for the third quarter of 1997 increased to \$6.1 million compared with \$4.5 million for the same quarter of 1996 as a result of increased staffing at Renaissance Reinsurance, the development of Glencoe and the Company's continuing investment in modeling technology.

Net investment income (excluding net realized and unrealized investment gains and losses) was \$12.7 million for the quarter ended September 30, 1997 compared to \$12.6 million for the same period in 1996.

During the quarter ended September 30, 1997, the Company accrued \$2.1 million for dividends related to the Capital Securities that were issued in March 1997. Interest expense for the quarter ended September 30, 1997 decreased to \$.8 million from \$1.5 million for the same period in 1996 as a result of a decreased amount outstanding under the Company's Revolving Credit Facility.

For the nine months ended September 30, 1997 compared to the nine months ended September 30, 1996

For the nine months ended September 30, 1997, net income available to common shareholders was \$107.9 million or \$4.66 per share, compared to \$114.9 million or \$4.41 per share for the same period in 1996. The decrease in reported net income was primarily related to lower net premiums earned, resulting from lower in force gross premiums as well as higher ceded reinsurance premiums, partially offset by lower claims and claim expenses incurred. Per share amounts for 1997 benefited from a lower number of common shares outstanding as a result of the Company's purchase of 3.6 million common shares since December 13, 1996.

Gross premiums written for the first nine months of 1997 declined 14.8 percent to \$215.6 million, and included \$5.2 million of premiums written by Glencoe. Gross premiums written for the same period in 1996 were \$253.2 million. The decline in gross premiums written was primarily related to the Company's decision not to renew certain contracts due to the competitive market for property catastrophe reinsurance as well as lower overall pricing on reinsurance contracts. The premium decrease of 14.8 percent was the result of a 17.6 percent decrease in premiums due to the Company not renewing coverage and a 8.4 percent decrease related to changes in pricing, participation level and coverage on renewed business, partially offset by a 11.2 percent increase in premiums related to new business.

During 1997, consistent with its risk diversification and risk management practices and the availability of coverage responsive to the Company's risk profile, the Company increased the level of property catastrophe reinsurance coverage purchased for its own account. During the first nine months of 1997, ceded premiums written were \$30.6 million compared to \$16.5 million for the same period in 1996.

Net premiums written for the first nine months of 1997 were \$185.0 million compared with \$236.6 million for the same period in 1996. Net premiums earned for first nine

months of 1997 were \$160.4 million, compared to \$187.2 million for the same period in 1996, a decrease of 14.2 percent. Total revenues for the first nine months of 1997 decreased to \$196.8 million from \$216.9 million reported for the same period in 1996.

The table below sets forth the Company's combined ratio and components thereof for the nine months ended September 30, 1997 and 1996:

	Nine Months Ended September 30,	
	1997	1996
	----	----
Loss ratio	25.0%	35.1%
Expense ratio	23.1%	16.3%

Combined ratio	48.1%	51.4%
=====		

Claims and claim expenses incurred for the nine months ended September 30, 1997 were \$40.0 million or 25.0 percent of net premiums earned. In comparison, claims and claim expenses incurred for the nine months ended September 30, 1996 were \$65.6 million or 35.1 percent of net premiums earned.

Underwriting expenses are comprised of acquisition expenses and operational expenses. Acquisition expenses were \$19.0 million for the nine months ended September 30, 1997 and 1996. The increase in acquisition costs as a percentage of net premiums earned is primarily related to the increase in reinsurance purchased, which provides no reduction in the associated acquisition expenses, and an increase in premiums written by Glencoe, which have a higher ratio of acquisition costs. Operating expenses for the first nine months of 1997 increased to \$18.1 million compared with \$11.6 million for the same period in 1996 as a result of increased staffing at Renaissance Reinsurance, the continued development of Glencoe and the Company's continuing investment in modeling technology.

Corporate expenses for the first nine months of 1997 were \$2.9 million and included one-time fees of \$1.5 million related to the issuance of the \$100 million of Capital Securities in March of 1997.

Net investment income (excluding net realized and unrealized investment gains and losses) was \$37.0 million for the nine months ended September 30, 1997 compared to \$32.9 million for the same period in 1996. The increase in net investment income for the first nine months of 1997 was the result of higher average invested assets, primarily related to cash provided by operations, which was partially offset by amounts used to purchase common stock.

During the nine months ended September 30, 1997, the Company accrued \$4.8 million for dividends related to the Capital Securities that were issued in March 1997. Interest expense for the nine months ended September 30, 1997 decreased to \$3.5 million from \$4.2 million for the same period in 1996 as a result of a decreased amount outstanding under the Company's Revolving Credit Facility.

RECENT DEVELOPMENTS

On October 20, 1997, the Company announced that it intends to file a registration statement with the Securities and Exchange Commission for the sale of up to 4,600,000 common shares (including up to 600,000 shares solely to cover overallotment options) in an underwritten secondary offering, subject to market and other customary conditions, at the request of the Company's initial institutional investors. All of the shares to be sold in

the offering will be sold by the Company's initial institutional investors or their successors, and the Company will not receive any of the proceeds of the offering. The Company expects to incur approximately \$600,000 in expenses related to the offering, which will be charged to additional paid in capital.

LIQUIDITY AND CAPITAL RESOURCES

As a holding company, the Company relies on cash dividends and other permitted payments from its subsidiaries to make principal payments, interest payments and cash distributions on outstanding obligations and pay dividends, if any, to the Company's shareholders. The payment of dividends by the Company's subsidiaries to the Company is, under certain circumstances, limited under Bermuda insurance law. The Bermuda Insurance Act of 1978, amendments thereto and related regulations of Bermuda, require the Company's subsidiaries to maintain a minimum solvency margin and a minimum liquidity ratio. Presently, restrictions on the payment of dividends by the Company's subsidiaries to the Company are not material relative to the capital of the subsidiaries.

The Company anticipates that the primary insurance operations of Glencoe, combined with other primary insurance opportunities, may become an increasingly important element of the Company over time. The growth of the Company's primary insurance business may require additional capital, either to support organic growth of the business or possible acquisitions. The Company currently believes that internally generated capital will be sufficient to support this business, but external financing may be needed to facilitate a substantial strategic acquisition or significant growth of this business.

The Company periodically reviews strategic acquisition opportunities and from time to time engages in discussions regarding possible acquisitions. Any future acquisitions by the Company could result in, among other things, the incurrence of additional debt and/or amortization of expenses related to goodwill and intangible assets that could adversely affect the Company's liquidity and/or profitability. However, the Company has not presently entered into any definitive agreements with respect to future acquisitions and there can be no assurance that it will do so in the future.

Cash flows from operating activities resulted principally from premium and investment income, net of paid losses, acquisition costs and other related expenses. Because of the high severity and low frequency of the coverages written by the Company and the seasonality of the Company's business, it is not possible to accurately predict the future cash flows from operating activities. As a consequence, cash flows from operating activities may fluctuate between individual quarters and years.

Neither the Company nor its subsidiaries have material commitments for capital expenditures. Based on its current operating plans, the Company believes that its liquidity will be adequate in both the short and long term.

On June 23, 1997 the Company completed a secondary offering of 3.4 million common

shares at \$38.00 per share. All shares sold were owned by the Company's founding institutional shareholders or their successors, and the Company did not receive any of the proceeds of the offering. Concurrent with the secondary offering on June 23, 1997, the Company also purchased, for cancellation, an aggregate of 700,000 common shares at \$36.29 per share or an aggregate purchase price of \$25.4 million from the Company's founding institutional shareholders or their successors. Expenses of \$700,000 related to the offerings were charged to additional paid in capital during the second quarter of 1997.

On March 7, 1997 the Company completed the sale of \$100 million of Capital Securities issued by RenaissanceRe Capital Trust (the Trust), a newly created subsidiary business trust of the Company. The Capital Securities pay cumulative cash distributions at an annual rate of 8.54 percent, payable semi-annually commencing September 1, 1997. Proceeds from the offering were used to repay a portion of the Company's outstanding indebtedness.

In January 1997, the Company repurchased and cancelled 813,190 Common Shares for a total value of \$28.1 million through the completion of the Company's Tender Offer.

During 1997 the Company allocated \$50.0 million of its fixed maturity investments towards the purchase of non-U.S. equity securities. At September 30, 1997, the Company's investments in equity securities had a fair value of \$55.5 million and an unrealized gain position of \$6.4 million.

The Company's investment portfolio had a fair value of \$857.7 million at September 30, 1997 and consisted of fixed maturity investments of \$678.4 million, equity security investments of \$55.5 million, and cash and cash equivalents of \$123.8 million. At September 30, 1997, the fixed maturity investment portfolio had an average rating of AA as measured by Standard & Poor's Ratings Group, an average duration of 2.3 years and an average yield to maturity of 6.6 percent before investment expenses.

The Company's equity securities and its investment in cash and cash equivalents include \$55.1 million and \$16.9 million of investments denominated in currencies other than the U.S. Dollar, respectively, representing approximately 8.4 percent of total invested assets. The remaining 91.6 percent of the Company's invested assets are invested in U.S. Dollar denominated investments. The portfolio does not contain any direct investments in real estate or mortgage loans.

The Company believes that its readily marketable portfolio of investments and available credit line will provide it with adequate liquidity to fund its operating cash needs.

Part II -- OTHER INFORMATION

Item 1 -- Legal Proceedings

None.

Item 2 -- Changes in Securities

None

Item 3 -- Defaults Upon Senior Securities

None

Item 4 -- Submission of Matters to a Vote of Security Holders

None

Item 5 -- Other Information

None

Item 6 -- Exhibits and Reports on Form 8-K

a. Exhibits:

Exhibit 10 -- Material Contracts

- 10.1 Guaranty, dated as of June 23, 1997, between RenaissanceRe Holdings Ltd. and Bank of America National Illinois
- 10.2 First Amendment Agreement, dated as of September 8, 1997 to the Third Amended and Restated Credit Agreement, dated as of December 12, 1996.
- 10.3 Employment Agreement, dated as of June 23, 1997 between Renaissance Reinsurance Ltd. And James N. Stanard
- 10.4 Form of Employment Agreement, dated as of May 27, 1997 between Renaissance Reinsurance Ltd. And Keith S. Hynes*

* - A substantially similar Form of Employment Agreement has been entered into by Renaissance Reinsurance and each of Messrs. Riker & Eklund.

Exhibit 27.1 -- Financial Data Schedule

b. Current Reports on Form 8-K:

The Registrant filed a Current Report on Form 8-K on July 11, 1997.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed by the undersigned thereunto duly authorized.

RENAISSANCERE HOLDINGS LTD.

Date: October 22, 1997

By: /s/ John M. Lummis

John M. Lummis
Senior Vice President and
Chief Financial Officer

=====

GUARANTY

Dated as of June 23, 1997

among

RENAISSANCERE HOLDINGS LTD.,
as Guarantor,

and

BANK OF AMERICA NATIONAL ILLINOIS

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GUARANTY

THIS GUARANTY (this "Guaranty") is entered into as of June 23, 1997 between RENAISSANCERE HOLDINGS LTD., a Bermuda company ("Guarantor"), in favor of BANK OF AMERICA ILLINOIS (the "Bank"). Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to such terms pursuant to Article I.

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W I T N E S S E T H:

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WHEREAS, pursuant to a Credit Agreement, dated as of June 23, 1997 (as from time to time, in whole or in part, the same may be amended, modified, supplemented, restated, refinanced, refunded or renewed, the "Credit Agreement"), among the individuals listed as borrowers on the signature pages thereto (herein, collectively called, the "Borrowers" and each individually, a "Borrower") and the Bank, the Bank has extended a Commitment to make Loans to each of the Borrowers on the terms and subject to the conditions contained in the Credit Agreement;

WHEREAS, as a condition precedent to the making of the initial Loans and any subsequent Loans under the Credit Agreement, the Bank has requested that Guarantor execute and deliver this Guaranty;

WHEREAS, Guarantor has been duly authorized to execute, deliver and perform this Guaranty; and

WHEREAS, it is in the best interest of Guarantor to execute this Guaranty inasmuch as Guarantor will derive substantial direct and indirect benefits from the Loans made from time to time to the Borrowers or any of them by the Bank pursuant to the Credit Agreement;

NOW THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, and in order to induce the Bank to make Loans (as defined in the Credit Agreement) (including the initial Loans) to the Borrowers or any of them pursuant to the Credit Agreement, Guarantor agrees, for the benefit of the Bank and any holder of any Loan (individually a "Guarantied Party" and collectively the "Guarantied Parties"), as follows:

ARTICLE I.

DEFINITIONS

SECTION 1.1. Certain Terms. Capitalized terms used herein, unless

otherwise defined herein, shall have the meanings assigned thereto in the Credit Agreement; provided that such definitions shall survive any termination of the

Credit Agreement. In addition, when used herein the following terms

shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"Bank" - see Preamble.

"Borrowers" or "Borrower" - see Recitals.

"Cash Collateral Account" shall mean the custody account, account number 72-81129 maintained in the name of, and subject to the sole dominion and control of the Bank for the purpose of holding prepayments of the Obligations of the Borrowers by the Guarantor pursuant to Section 6.1.

"Credit Agreement" - see Recitals.

"Guarantied Party" - see Preamble.

"Guaranty" - see Preamble.

"Indemnified Parties" - see Section 6.2.

"Obligations" - see Section 2.1.

"Subrogation Rights" - see Section 5.6.

"UCC" shall mean the Uniform Commercial Code or comparable statute or any successor statutes thereto, as in effect from time to time in the relevant jurisdiction.

ARTICLE II.

GUARANTY PROVISIONS

SECTION 2.1. Guaranty. Guarantor hereby absolutely, unconditionally and irrevocably:

(a) guaranties to the Guarantied Parties the full and punctual payment when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, and at all times thereafter, of all obligations of each Borrower to the Guarantied Parties, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or hereafter existing, or due or to become due under the Credit Agreement whether for principal, interest, fees, expenses or otherwise (including all such amounts which would become due but for the operation of the automatic stay provisions under Section 362(a) of the United States Bankruptcy Code, 11 U.S.C. (S)362(a), and the operation of Sections 502(b) and 506(b) of the United States Bankruptcy Code, 11 U.S.C. (S)502(b) and (S)506(b)) (all such obligations hereinafter collectively called the "Obligations"); and

(b) indemnifies and holds harmless each Guarantied Party for any and all costs and expenses (including, without

limitation, reasonable attorneys' fees and expenses) incurred by such Guaranteed Party in enforcing any rights under this Guaranty;

This Guaranty constitutes a guaranty of payment when due and not of collection, and Guarantor specifically agrees that except as provided in Article V it shall not be necessary or required that any Guaranteed Party exercise any right, assert any claim or demand or enforce any remedy whatsoever against any Borrower or any other obligor (or any other Person) before the performance of, or as a condition to, the obligations of Guarantor hereunder.

SECTION 2.2. Acceleration of Guaranty. Guarantor agrees that, upon the

occurrence of an Event of Default under Section 10.1.2 of the Credit Agreement with respect to any Borrower or Guarantor, if such event shall occur at a time when any of the Obligations of such Borrower may not then be due and payable, Guarantor will pay to the Banks forthwith (a) if such event relates to such Borrower, the full amount which would be payable hereunder by Guarantor if all Obligations of such Borrower were then due and payable and (b) if such event relates to Guarantor or any other obligor with respect to the obligations of Guarantor, the full amount which would be payable hereunder by Guarantor if all the Obligations of all Borrowers were then due and payable.

SECTION 2.3. Guaranty Absolute, etc. This Guaranty shall in all respects

be a continuing, absolute, unconditional and irrevocable guaranty of payment, and shall remain in full force and effect until all Obligations of the Borrowers have been paid in full, all obligations of Guarantor hereunder shall have been paid in full and all Commitments shall have terminated. Guarantor guarantees that the Obligations of the Borrowers will be paid strictly in accordance with the terms of the Credit Agreement and each other Loan Document under which they arise, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of any Guaranteed Party with respect thereto. The liability of Guarantor under this Guaranty shall be absolute, unconditional and irrevocable irrespective of:

(a) any lack of validity, legality or enforceability of the Credit Agreement, any Note or any other Loan Document;

(b) the failure of any Guaranteed Party:

(i) to assert any claim or demand or to enforce any right or remedy against any Borrower, any other obligor or any other Person under the provisions of the Credit Agreement, any Note, any other Loan Document or otherwise; or

(ii) to exercise any right or remedy against any other guarantor of, or collateral securing, any Obligations of any Borrower or any other obligor;

(c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations of any Borrower or any other obligor, or any other extension, compromise or renewal of any Obligations of any Borrower or any other obligor;

(d) any reduction, limitation, impairment or termination of the Obligations of any Borrower or any other obligor for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to (and Guarantor hereby waives any right to or claim of) any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, the Obligations of any Borrower, any other obligor or otherwise;

(e) any amendment to, rescission, waiver, or other modification of, or any consent to any departure from, any of the terms of the Credit Agreement, any Note or any other Loan Document;

(f) any addition, exchange, release, surrender or non-perfection of any collateral, or any amendment to or waiver or release or addition of, or consent to any departure from, any other guaranty, held by any Guaranteed Party securing any of the Obligations of any Borrower or any other obligor; or

(g) any other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of, any Borrower, any other obligor, any surety or any guarantor other than payment in full of the Obligations.

SECTION 2.4. Reinstatement, etc. Guarantor agrees that this Guaranty

shall continue to be effective or be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is rescinded or must otherwise be restored by any Guaranteed Party, upon the insolvency, bankruptcy or reorganization of any Borrower, any other obligor or otherwise, all as though such payment had not been made.

SECTION 2.5. Waiver, etc. Guarantor hereby waives promptness, diligence,

notice of acceptance and any other notice with respect to any of the Obligations of any Borrower or any other obligor, and this Guaranty and any requirement that the Bank or any other Guaranteed Party protect, secure, perfect or insure any security interest or Lien, or any property subject thereto, or exhaust any right or take any action against any Borrower, any other obligor or any other Person (including any other guarantor) or entity or any collateral securing the

Obligations of any Borrower or any other obligor, as the case may be.

SECTION 2.6 Waiver of Subrogation; Subordination. Guarantor hereby

irrevocably waives with respect to any Borrower, until termination of the Commitment of the Bank with respect to such Borrower and thereafter until the prior indefeasible payment in full in cash of all Obligations of such Borrower under the Loan Documents, any claim or other rights which it may now or hereafter acquire against such Borrower or any other obligor that arises from the existence, payment, performance or enforcement of Guarantor's obligations under this Guaranty or any other Loan Document or otherwise, including any right of subrogation, reimbursement, exoneration, or indemnification, any right to participate in any claim or remedy of the Guaranteed Parties against such Borrower or any other obligor or any collateral which the Bank now has or hereafter acquires, whether or not such claim, remedy or right (all such claims, remedies and rights being collectively called "Subrogation Rights") arises in equity, or under contract, statute or common law, including the right to take or receive from such Borrower or any other obligor, directly or indirectly, in cash or other property or by set-off or in any manner, payment or security on account of such claim or other rights. If any amount shall be paid to Guarantor in violation of the preceding sentence and the Obligations shall not have been paid in cash, in full, and the Commitments of the Banks with respect to such Borrower have not been terminated, such amount shall be deemed to have been paid to Guarantor for the benefit of, and held in trust for, the Guaranteed Parties, and shall forthwith be paid to the Guaranteed Parties to be credited and applied upon the obligations of such Borrower, whether matured or unmatured. Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Credit Agreement and that the waiver set forth in this Section is knowingly made in contemplation of such benefits.

SECTION 2.7. Successors, Transferees and Assigns; Transfers of Notes, etc.

This Guaranty shall:

(a) be binding upon Guarantor, and its successors, transferees and assigns; and

(b) inure to the benefit of and be enforceable by the Bank and each other Guaranteed Party.

Without limiting the generality of clause (b), the Bank may assign or otherwise

transfer (in whole or in part) any Note or Loan held by it to any other Person, and such other Person shall thereupon become vested with all rights and benefits in respect thereof granted to such Bank under any Loan Document (including this Guaranty) or otherwise. Notwithstanding anything contained in this Section 2.7

to the contrary, this Section 2.7 shall not be deemed to enlarge or create

additional rights with respect to

the Bank's ability to assign its Loans or rights under any Note or any other Loan Document pursuant to Section 11 of the Credit Agreement, and this Section -----

2.7 is expressly made subject thereto.
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SECTION 2.8. Payments Free and Clear of Taxes, etc. Guarantor hereby -----
agrees that:

(a) any and all payments made by such Guarantor hereunder shall be made in accordance with Section 4.7 of the Credit Agreement free and clear of, and without deduction for, any and all Taxes, to the same extent as if Guarantor were a Borrower.

(b) Guarantor hereby indemnifies and holds harmless each Guaranteed Party for the full amount of any Taxes paid by such Guaranteed Party in connection with any payments under this Guaranty and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally asserted.

(c) Without prejudice to the survival of any other agreement of Guarantor hereunder, the agreements and obligations of Guarantor contained in this Section 2.8 shall survive the payment in full of the principal of and -----
interest on the Loans.

SECTION 2.9. Right of Offset. In addition to and not in limitation of all -----
rights of offset that any Guaranteed Party may have under applicable law or any other Loan Document, subject to the terms of the Credit Agreement, each Guaranteed Party shall upon the occurrence of any Event of Default with respect to the Guarantor and whether or not such Guaranteed Party has made any demand or Guarantor's obligations are matured, have the right to appropriate and apply to the payment of Guarantor's obligations hereunder all deposits (general or special, time or demand, provisional or final) then or thereafter held by, and other indebtedness or property then or thereafter owing to, such Guaranteed Party whether or not related to this Guaranty or any transaction hereunder.

ARTICLE III.

REPRESENTATIONS AND WARRANTIES; INCORPORATION BY REFERENCE

To induce the Bank to enter into the Credit Agreement and to make the Loans thereunder, Guarantor represents and warrants to the Bank that:

SECTION 3.1. Organization, etc. Guarantor and each of its Subsidiaries is -----
a company duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation and each of Guarantor and its Subsidiaries is duly qualified to transact business and in good standing as a foreign corporation, authorized to do business in each jurisdiction where the nature of its business makes such

qualification necessary except where the failure to so qualify could reasonably be expected to have a Material Adverse Effect.

SECTION 3.2. Authorization. The Guarantor (a) has the power to execute, -----
deliver and perform this Guaranty, and (b) has taken all necessary action to authorize the execution, delivery and performance by it of this Guaranty and the other Loan Documents to which it is a party.

SECTION 3.3. No Conflict. The execution, delivery and performance by -----
Guarantor of this Guaranty does not and will not (a) contravene or conflict with any provision of any law, statute, rule or regulation, (b) contravene or conflict with, result in any breach of, or constitute a default under, any material agreement or instrument binding on Guarantor or any of its Subsidiaries (including, without limitation, any writ, judgment, injunction or other similar court order), (c) result in the creation or imposition of or the obligation to create or impose any Lien upon any of the property or assets of the Guarantor or any of its Subsidiaries or (d) contravene or conflict with any provision of the memorandum of incorporation or bye-laws of Guarantor.

SECTION 3.4. Margin Regulations. -----

(a) None of the transactions contemplated hereunder or in connection herewith will in any way contravene or conflict with any of the provisions of Regulation G or Regulation U;

(b) None of the obligations of any Borrower to the Guarantor is or will be directly or indirectly secured by "margin stock" (as defined in Regulation G and Regulation U);

(c) The Guarantor does not and will not have any right to prohibit any Borrower from selling, pledging, encumbering or otherwise disposing of any margin stock owned by such Borrower so long as this Guaranty is in effect or any of the Obligations of the Borrowers or the obligations of the Guarantor under the Loan Documents remain outstanding;

(d) None of the Borrowers have granted or will grant the Guarantor or any third party acting on behalf of the Guarantor the right to accelerate repayment of any of the Obligations of such Borrower if any of the margin stock owned by such Borrower is sold by such Borrower or otherwise; and

SECTION 3.5. Incorporation by Reference. Guarantor agrees that the -----
representations and warranties of Guarantor set forth in Section 4 of the Revolving Credit Agreement (other than Sections 4.2, 4.3 and 4.8,) shall be incorporated by reference in this Guaranty in their entirety as if fully set forth herein with the same effect as if applied to this Guaranty. All capitalized terms set forth in such Sections shall have the meanings provided in the Revolving Credit Agreement; provided that for purposes of -----

this Guaranty, to the extent set forth in the Revolving Credit Agreement (a) the term "Borrower" shall be deemed to refer to Guarantor and (b) the terms "Agent", "Lenders", and "Required Lenders" shall be deemed to refer to the Bank. Such representations and warranties shall not be affected in any manner by the termination of the Revolving Credit Agreement.

ARTICLE IV.

COVENANTS

SECTION 4.1. Guarantor agrees that, on and after the Closing Date until the termination or expiration of the Commitments and for so long thereafter as any of the Obligations or the obligations of Guarantor hereunder remain unpaid or outstanding (except Obligations which by the terms hereof survive the payment in full of the Loans and termination of this Guaranty), the Guarantor will comply with the covenants set forth in Sections 5 and 6 of the Revolving Credit Agreement and the terms and provisions set forth therein shall be incorporated by reference in this Guaranty in their entirety as if fully set forth herein with the same effect as if applied to this Guaranty. All capitalized terms set forth in Sections 5 and 6 of the Revolving Credit Agreement shall have the meanings provided in the Revolving Credit Agreement; provided that for purposes

of this Guaranty, to the extent set forth in the Revolving Credit Agreement (a) the term "Borrower" shall be deemed to refer to Guarantor and (b) the terms "Agent", "Lenders", and "Required Lenders", shall be deemed to refer to the Bank. Such covenants shall not be affected in any manner by any amendment or modification of or the termination of the Revolving Credit Agreement.

SECTION 4.2. Certain Indebtedness. Guarantor shall not, and shall not permit any of its Insurance Subsidiaries to amend or modify any provision of the Revolving Credit Agreement if such amendment or modification could have an adverse effect on the Bank or any material provision of the Loan Documents.

SECTION 4.3. Margin Regulations. Guarantor shall take such actions from time to time as the Bank shall reasonably request to maintain continuous compliance with Regulation G and U.

ARTICLE V.

SALE AND RELEASE OF PLEDGED SHARES; CASH COLLATERAL

SECTION 5.1. Sale of Pledged Shares. Notwithstanding any provision set forth herein or in any of the Loan Documents to the contrary, the Bank agrees that (a) after the occurrence and during the continuance of a Default under Section 10.1.2 of the Credit Agreement (it being understood that upon the occurrence of an Event of Default under Section 10.1.2 of the Credit Agreement

with respect to any Borrower, the provisions of Section 2.2(a) shall be

applicable) or Section 10.1.7 of the Credit Agreement or (b) after the occurrence and during the continuation of any Event of Default (other than an Event of Default under Section 10.1.2 of the Credit Agreement) with respect to any Borrower the effect of which is to cause the Obligations of such Borrower to be due and payable under the Credit Agreement (a "Borrower Default"), subject to the provisions of Section 5.2 and 5.4 below, it will not demand that the

Guarantor pay the Obligations of such Borrower (constituting outstanding principal and interest of such Borrower), until after the Bank has used its reasonable efforts, in good faith, to sell the Pledged Shares of such Borrower, such sale to be consummated in one or a series of open market transactions through one or more reputable broker-dealers at the then fair market value of such Pledged Shares.

SECTION 5.2. Conditions. The obligation of the Bank not to demand payment

hereunder pursuant to Section 5.1 is subject to the following conditions:

(a) the Guarantor, within five (5) Business Days after receipt of written notice of a Borrower Default from the Bank, shall deposit with the Bank in the Cash Collateral Account an amount equal to the then outstanding Obligations of the Borrower related to such Borrower Default and, thereafter, upon written notice from the Bank, the Guarantor continues to deposit funds in the Cash Collateral Account in sufficient amounts to pay in full any additional interest accrued on the Loans of such Borrower after the date of the initial deposit to the Cash Collateral Account; and

(b) none of the following has occurred at the time of such Borrower Default or shall occur thereafter:

(i) a suspension or material limitation in trading in securities generally or trading in the common shares of the Guarantor on the New York Stock Exchange or such other U.S. exchange or quotation system on which such shares may be primarily listed;

(ii) a general moratorium on commercial banking activities in New York is declared by any Federal or New York State authorities;

(iii) the Bank is prohibited or materially limited from selling the Pledged Shares as a result of any Federal or state securities laws (including, without limitation, the rules promulgated thereunder relating to the disclosure of material information);

(iv) the sale of the Pledged Shares shall require the approval of the Bermuda Monetary Authority or any other Governmental Authority;

(v) any other event (including, without limitation, commencement of any suit, action or litigation, filing of any claim or any other similar proceeding or any change in any applicable law) has occurred which, in the reasonable opinion of the Bank, would prohibit, have a material adverse effect on, or materially limit the Bank's ability to sell the Pledged Shares as contemplated by the terms of Section 6.1; or

(vi) an Event of Default under the Credit Agreement affecting the Guarantor or any Insurance Subsidiary has occurred and is continuing.

The Guarantor agrees that in any sale of any of the Pledged Shares, the Bank is authorized to comply with any limitation or restriction in connection with such sale as counsel may advise the Bank is necessary, in the reasonable opinion of such counsel, in order to avoid any violation of applicable law (including, without limitation, compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications, and restrict such prospective bidders and purchasers to persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Collateral), or in order to obtain any required approval of the sale or of the purchaser by any governmental regulatory authority or official, and the Guarantor further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall the Bank be liable or accountable to the Guarantor for any discount allowed by reason of the fact that such Pledged Shares are sold in compliance with any such limitation or restriction.

The Guarantor further agrees to indemnify and hold harmless the Bank, its officers, directors, employees, agents, successors and assigns, and any Person in control of any thereof, from and against any loss, liability, claim, damage and expense, including, without limitation, reasonable attorneys' fees actually incurred (in this paragraph collectively called the "Indemnified Liabilities"), under federal and state securities laws or otherwise resulting from the action or failure to act by the Guarantor or any Borrower.

SECTION 5.3. Release of Pledged Shares. The Bank agrees that, except as

provided in Section 5.4 of the Credit Agreement, so long as the Guarantor is in compliance with Section 5.2(a) and none of the events set forth in Section

5.2(b) has occurred, it shall not release any of the Pledged Shares of any

Borrower from the Lien granted under the Pledge Agreement until after the termination of this Guaranty and the obligations of the Guarantor hereunder with respect to such Borrower. Notwithstanding the foregoing, the Bank shall be entitled to release the Pledged

Shares of such Borrower if such Pledged Shares are replaced by additional common shares of the Guarantor.

SECTION 5.4. Borrower Event of Default. The Guarantor hereby acknowledges

and agrees that Sections 5.1 and 5.3 shall not apply to any Default or Event of

Default relating to the Guarantor or any of its Insurance Subsidiaries and, upon the occurrence of an Event of Default relating to the Guarantor or any of its Insurance Subsidiaries, the Bank expressly reserves its rights and remedies under this Guaranty to demand payment hereunder to satisfy the Obligations of all Borrowers and the obligations of Guarantor hereunder whether or not the Bank has sold or attempted to sell the Pledged Shares of any Borrower or otherwise exercised its rights and remedies under the Pledge Agreement.

SECTION 5.5. Application of Cash Collateral. If after compliance by the

Bank with the provisions set forth in Section 5.1 any Obligations remain unpaid

with respect to any applicable Borrower, any funds held in the Cash Collateral Account may be applied by the Bank against the payment of the Obligations of such Borrower. The Bank, prior to applying such funds against the Obligations of such Borrower, will certify to the Guarantor (a) if the Pledged Shares of such Borrower are sold pursuant to Section 5.1, the net proceeds (including a

calculation thereof in reasonable detail) received by the Bank from the sale of such Pledged Shares and (b) if the Pledged Shares of such Borrower are not sold pursuant to Section 5.1, the reason or reasons why such sale could not be

accomplished. Any funds remaining in the Cash Collateral Account after application thereof to the Obligations as set forth above shall be returned to the Guarantor. The Bank agrees that it shall deliver to the Guarantor, after the application of such funds to the Obligations of such Borrower, a calculation in reasonable detail of the Obligations of such Borrower (including principal and interest of the Loans of such Borrower) and the application of such funds thereto.

ARTICLE VI.

MISCELLANEOUS

SECTION 6.1. The Guarantor agrees to pay on demand all reasonable expenses of the Bank (including the non-duplicative fees and reasonable expenses of counsel (including allocated costs and expenses of in-house counsel) and of local counsel, if any, who may be retained by such counsel) in connection with:

(a) the negotiation, preparation, execution and delivery of the Credit Agreement, this Guaranty and the other Loan Documents, including schedules and exhibits, and any amendments, waivers, consents, supplements or other modifications to the Credit Agreement, this Guaranty or the other Loan Documents as may from time to time hereafter be required, whether or not the transactions contemplated hereby or thereby are consummated; and

(b) the preparation and/or review of the form of any document or instrument relevant to the Credit Agreement, this Guaranty or any other Loan Document.

The Guarantor further agrees to pay, and to save the Bank harmless from all liability for, any stamp or other Taxes (other than income taxes of the Bank) which may be payable in connection with the execution or delivery of the Credit Agreement, any Borrowing thereunder, the issuance of the Notes, this Guaranty or any other Loan Document. The Guarantor also agrees to reimburse the Bank upon demand for all reasonable expenses (including attorneys' fees and legal expenses) incurred by the Bank in connection with the enforcement of any Obligations or obligations hereunder and the consideration of legal issues relevant hereto and thereto. All obligations of the Guarantor provided for in this Section 6.1 shall survive termination of this Agreement. Notwithstanding

the foregoing, the Bank shall not have the right to reimbursement under this Section 6.1 for amounts determined by a court of competent jurisdiction to have

arisen from the gross negligence or willful misconduct of the Bank.

SECTION 6.2. The Guarantor agrees to indemnify the Bank and the Bank's directors, officers, employees, persons controlling or controlled by any of them or their respective agents, consultants, attorneys and advisors (the "Indemnified Parties") and hold each Indemnified Party harmless from and against any and all liabilities, losses, claims, damages, costs and expenses of any kind to which any of the Indemnified Parties may become subject, whether directly or indirectly (including, without limitation, the reasonable fees and disbursements of counsel for any Indemnified Party), relating to or arising out of the Credit Agreement, this Guaranty, the other Loan Documents, or any actual or proposed use of the proceeds of the Loans hereunder; provided, that no Indemnified Party

shall have the right to be indemnified hereunder for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction. All obligations of the Borrowers and the Guarantor provided for in this Section 6.2

shall survive termination of the Credit Agreement and this Guaranty.

SECTION 6.3. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile) and shall be given to such party at its address or facsimile number set forth on the signature page hereof in the case of the Guarantor and on its signature page to the Credit Agreement in the case of the Bank or such other address or facsimile or telex number as such party may hereafter specify for the purpose by written notice to the Bank or the Guarantor, as the case may be. Each such notice, request or other communication shall be effective (a) if given by facsimile when such facsimile is transmitted in legible form to the facsimile number specified in this Section, receipt confirmed and (b) if given by overnight delivery, when delivered for overnight (next day) delivery, addressed as specified in this Section.

SECTION 6.4. This Guaranty, and the terms, covenants and conditions hereof, shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns, except Guarantor shall not be permitted to assign this Guaranty nor any interest herein nor in the Collateral, nor any part thereof, nor otherwise pledge, encumber or grant any option with respect to the Collateral, nor any part thereof, except in accordance with the terms of the Credit Agreement.

SECTION 6.5. EACH OF GUARANTOR AND THE BANK (I) HEREBY IRREVOCABLY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF ANY ILLINOIS STATE OR FEDERAL COURT SITTING IN THE NORTHERN DISTRICT OF ILLINOIS OVER ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE OTHER LOAN DOCUMENTS, AND EACH OF GUARANTOR AND THE BANK HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH ILLINOIS STATE OR FEDERAL COURT, AND (II) AGREES NOT TO INSTITUTE ANY LEGAL ACTION OR PROCEEDING AGAINST THE OTHER PARTY HERETO OR THE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR PROPERTY OF ANY THEREOF, ARISING OUT OF OR RELATING TO THIS GUARANTY, IN ANY COURT OTHER THAN AS HEREINABOVE SPECIFIED IN THIS SECTION 6.5. EACH OF GUARANTOR

AND THE BANK HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE IN ANY ACTION OR PROCEEDING (WHETHER BROUGHT BY GUARANTOR, ANY OF ITS SUBSIDIARIES, THE BANK OR OTHERWISE) IN ANY COURT HEREINABOVE SPECIFIED IN THIS SECTION 6.5 AS WELL AS

ANY RIGHT IT MAY NOW OR HEREAFTER HAVE TO REMOVE ANY SUCH ACTION OR PROCEEDING, ONCE COMMENCED, TO ANOTHER COURT ON THE GROUNDS OF FORUM NON CONVENIENS OR

OTHERWISE.

SECTION 6.6. The provisions of this Guaranty may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to by Guarantor and by the Bank, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 6.7. The section headings in this Guaranty are inserted for convenience of reference and shall not be considered a part of this Guaranty or used in its interpretation.

SECTION 6.8. No action of the Bank permitted hereunder shall in any way affect or impair the rights of the Bank and the obligations of Guarantor under this Guaranty. Guarantor hereby acknowledges that there are no conditions to the effectiveness of this Guaranty.

SECTION 6.9. All obligations of Guarantor and rights of the Bank or obligation expressed in this Guaranty shall be in addition to and not in limitation of those provided in applicable law or in any other written instrument or agreement relating to any of the Obligations.

SECTION 6.10. GOVERNING LAW. THIS GUARANTY SHALL BE A CONTRACT MADE UNDER

AND GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES. ALL OBLIGATIONS OF THE BORROWERS AND THE GUARANTOR AND RIGHTS OF THE BANK IN RESPECT OF THE OBLIGATIONS AND THE OBLIGATIONS OF THE GUARANTOR EXPRESSED HEREIN OR IN THE OTHER LOAN DOCUMENTS SHALL BE IN ADDITION TO AND NOT IN LIMITATION OF THOSE PROVIDED BY APPLICABLE LAW.

SECTION 6.11. This Guaranty may be executed in any number of counterparts, each of which shall for all purposes be deemed an original, but all such counterparts shall constitute but one and the same agreement. Guarantor hereby acknowledges receipt of a true, correct and complete counterpart of this Guaranty.

SECTION 6.12. The Bank acts herein as agent for itself and any and all future holders of the Obligations.

SECTION 6.13. WAIVER OF JURY TRIAL. EACH OF GUARANTOR AND THE BANK HEREBY

KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM CONCERNING ANY RIGHTS UNDER THIS GUARANTY, ANY OTHER LOAN DOCUMENT OR ANY OTHER DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR THEREWITH, OR ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS GUARANTY AND AGREES THAT ANY SUCH ACTION, PROCEEDING OR COUNTERCLAIM SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY; THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THIS GUARANTY.

SECTION 6.14. Nonrecourse Obligations. Guarantor acknowledges that it has

reviewed Section 12.10 of the Credit Agreement, understands that the Borrowers have no personal liability to the Bank for the Obligations and that the Bank's sole recourse is to the Pledged Shares of such Borrower and under this Guaranty.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

RENAISSANCERE HOLDINGS LTD.

By: /s/ John D. Nichols, Jr.

Name: John D. Nichols, Jr.

Title: Vice President, Treasurer and

Secretary

Notice Address:

Renaissance House
8-12 E. Broadway
Hamilton HM19, Bermuda
Attention: Keith S. Hynes,
Chief Financial Officer
Telephone: 441-295-4513
Facsimile: 441-292-9453

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FIRST AMENDMENT AGREEMENT

THIS FIRST AMENDMENT AGREEMENT (this "Amendment"), dated as of September 8, 1997, is among RENAISSANCERE HOLDINGS LTD. (the "Borrower"), the Lenders listed on the signature pages hereto, and BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION as Administrative Agent for the Lenders;

W I T N E S S E T H:
 - - - - -

WHEREAS, the parties hereto are parties to that certain Third Amended and Restated Credit Agreement dated as of December 12, 1996 (the "Credit Agreement");

WHEREAS, the parties hereto wish to amend the Credit Agreement as hereinafter set forth;

NOW, THEREFORE, the parties hereto, in consideration of the premises and the mutual agreements herein contained, hereby agree as follows:

Section 1. Credit Agreement Definitions Capitalized terms used herein that

 are defined in the Credit Agreement shall have the same meaning when used herein unless otherwise defined herein.

Section 2. Amendments To Credit Agreement. Effective on (and subject to

 the occurrence of) the First Amendment Effective Date (as defined below), the Credit Agreement shall be amended as follows:

2.1. Amendment to Section 1.1. Section 1.1 of the Credit Agreement is

 amended as follows:

(a) The definition of "Commitment Termination Date" is amended by deleting "December 1, 1999" and inserting "December 1, 2001" therefor.

(b) The definition of "Invested Assets" is amended by inserting the following at the end thereof: "provided that Catastrophe Bonds shall not be deemed to be Invested Assets."

(c) The definition of "Net Worth" is amended in its entirety to read as follows:

"Net Worth means the sum of (a) the shareholders equity, calculated in

 accordance with GAAP, plus (b) the outstanding 8.54% Mandatorily Redeemable

 Capital Securities issued by the Borrower in March, 1997, plus (c) any

 other preferred shares of the Borrower and its consolidated Subsidiaries
 which shall not be redeemable before the Commitment Termination Date.

(d) The definition of "Reinsurance Agreements" is amended by inserting the following at the end thereof: ", including (for purposes of this Agreement) Catastrophe Bonds."

(e) The following new definition is inserted in Section 1.1 in its proper alphabetical order:

"Catastrophe Bonds means (a) any note, bond or other Debt instrument

which has a catastrophe risk feature linked to interest payments, principal payments or both and is issued with the purpose of transferring traditional reinsurance risk to the capital markets and (b) any equity interest in a Person controlled by the Borrower formed for the sole purpose of investing in Debt of the type described in clause (a), in each case which are purchased by the Borrower in accordance with its customary reinsurance underwriting procedures.

2.2. Amendment to Section 5.9. Section 5.9 of the Credit Agreement is

amended as follows:

(a) Clause (ii) of Section 5.9 is amended by deleting "95%" and inserting "80%" therefor.

(b) The last sentence of Section 5.9 beginning "Notwithstanding the foregoing" is deleted in its entirety.

2.3. Amendment to Section 6.3. Section 6.3(ii) of the Credit Agreement is

amended in its entirety to read as follows:

(ii) purchases or acquisitions which comply with Section 5.10 provided (x) no Default or Event of Default has occurred and is continuing or would result therefrom and (y) the purchase price for any single purchase or acquisition does not exceed 50% of Net Worth minus all amounts which in accordance with GAAP would be characterized as intangible assets (including goodwill) as of the date of such purchase or acquisition (calculated on a proforma basis giving effect to such acquisition or purchase) and (z) the aggregate purchase price of all purchases and acquisitions after the First Amendment Effective Date do not exceed 100% of Net Worth minus all amounts which in accordance with GAAP would be characterized as intangible assets (including goodwill).

2.4. Schedule 1.2. Schedule 1.2 of the Credit Agreement is deleted in its

entirety and Schedule 1.2 to this Amendment is substituted therefor.

Section 3. Representation And Warranties. In order to induce the Lenders

and the Administrative Agent to execute and deliver this Amendment, the Borrower hereby represents and warrants to the Lenders and to the Administrative Agent that:

(a) No Event of Default or Default has occurred and is continuing or will result from the execution and delivery or effectiveness of this Amendment; and

(b) the warranties of the Borrower contained in Article IV of the Credit Agreement are true and correct as of the date hereof, with the same effect as though made on such date; provided that (i) with respect to clause (a) of Section 4.2, the reference to "1995 Fiscal Year" therein shall instead be a reference to "1996 Fiscal Year" and (ii) with respect to clause (a) of Section 4.3, the reference to "December 31, 1995" shall instead be a reference to "December 31, 1996" and the reference to the nine months ended September 30, 1996 shall instead be a reference to "the six months ended June 30, 1997".

Section 4. Conditions to Effectiveness. The Amendment set forth in Section

2 hereof shall become effective on the date (the "First Amendment Effective Date") when the Administrative Agent shall have received all of the following, each in form and substance satisfactory to the Administrative Agent:

(a) eight counterparts of this Amendment executed by all of the parties hereto;

(b) a certificate of an authorized officer of the Borrower as to the satisfaction of the conditions set forth in Section 3 of this Amendment;

and

(c) such other documents as the Administrative Agent or any Lender may reasonably request;

provided, however, that the amendment set forth in Section 2.2 hereof

[AMENDMENT TO SECTION 5.9] shall be effective as of June 30, 1997.

Section 5. Reaffirmation of Loan Documents. From and after the date hereof,

each reference that appears in any other Loan Document to the Credit Agreement shall be deemed to be a reference to the Credit Agreement as amended hereby. As amended hereby, the Credit Agreement, is hereby reaffirmed, approved and confirmed in every respect and shall remain in full force and effect.

Section 6. Counterparts; Effectiveness. This Amendment may be executed by

the parties hereto in any number of counterparts and by the different parties on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same agreement.

Section 7. Governing Law; Entire Agreement. This Amendment shall be deemed

a contract made under and governed by the laws of the State of Illinois, without giving effect to conflicts of laws principles. This agreement constitutes the entire understanding among the parties hereto with respect to the subject matter hereof and supersedes any prior agreements with respect thereto.

Section 8. Loan Document. This Amendment is a Loan Document.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

RENAISSANCERE HOLDINGS LTD.

By: _____

Title:

BANK OF AMERICA NATIONAL TRUST AND SAVINGS
ASSOCIATION, as Administrative Agent and
Lender

By: _____

Title:

FLEET NATIONAL BANK

By: _____

Title:

MELLON BANK, N.A.

By: _____

Title:

THE BANK OF N.T. BUTTERFIELD & SON LIMITED

By: _____

Title:

BANK OF MONTREAL

By: _____

Title:

DEUTSCHE BANK AG, New York and/or Cayman
Islands Branch

By: -----

Title:

By: -----

Title:

BANK OF BERMUDA

By: -----

Title:

SCHEDULE 1.2

Pricing Grid

	PRICING LEVEL I	PRICING LEVEL II	PRICING LEVEL III	PRICING LEVEL IV	PRICING LEVEL V
S & P Claims Rating	BBB+ or below	A-	A	A+	AA- or above
Offshore Rate	0.500%	0.400%	0.350%	0.300%	0.250%
Non-Use Fee Rate	0.150%	0.125%	0.100%	0.090%	0.080%

SECOND AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

This Second Amended and Restated Employment Agreement (the "Agreement") is dated as of July 1, 1997, and is entered into between Renaissance Reinsurance Ltd., a Bermuda Company (the "Company"), and James N. Stanard ("Executive").

WHEREAS, Executive and the Company are parties to an Amended and Restated Employment Agreement, dated March 26, 1995 (the "Prior Agreement"); and

WHEREAS, Executive and the Company have agreed to amend the Prior Agreement as set forth herein.

NOW, THEREFORE, the parties hereby agree to amend and restate the Prior Agreement as follows:

ARTICLE I

Employment, Duties and Responsibilities

1.01. Employment. The Executive shall continue to serve as Chief

Executive Officer and Chairman of the Board of the Company and its parent, RenaissanceRe Holdings Ltd. ("Holdings"). Executive agrees to devote his full time and efforts to promote the interests of the Company.

1.02. Duties and Responsibilities. Executive shall have such duties and

responsibilities as are consistent with his position.

1.03. Base of Operation. Executive's principal base of operation for the

performance of his duties and responsibilities under this Agreement shall be the offices of the Company in Hamilton, Bermuda; provided, however, that Executive

shall perform such duties and responsibilities outside of Bermuda as shall from time to time be reasonably necessary to fulfill his obligations hereunder. Executive's performance of any duties and responsibilities outside of Bermuda shall be conducted in a manner consistent with any guidelines provided to Executive by the Holdings' Board of Directors (the "Holdings Board").

ARTICLE II

Term

2.01. Term. The term of this Agreement (the "Term") shall commence on

June 23, 1997 and, unless terminated earlier as provided in Article V, shall continue until the earlier of (i) July 1, 2001, or (ii) the date which is one year following a "Change in Control" (as defined in Section 5.06 below).

ARTICLE III

Compensation and Expenses

3.01. Salary, Incentive Awards and Benefits. As compensation and

consideration for the performance by Executive of his obligations under this Agreement, Executive shall be entitled, during the Term, to the following (subject, in each case, to the provisions of ARTICLE V hereof):

(a) Salary; Bonus. The Company shall pay Executive a base salary at the

rate of \$412,000 per year ("Base Salary"), payable in accordance with the normal payment procedures of the Company and subject to such withholding and other normal employee deductions as may be required by law. The Company shall review the base salary annually. In addition, not later than January 1, 1998, the Company shall pay executive a one-time bonus of \$162,500. Annual bonuses shall be payable at the discretion of the Company and shall be determined in a manner consistent with the treatment of other executive officers of the Company.

(b) Additional Bonus.

(i) Except as provided in clause (ii) below, each year during the Term, the Company shall pay Executive, in addition to any discretionary bonus, an additional annual bonus of \$815,000 (the "Additional Bonus") payable on each of June 30, 1998, June 30, 1999, June 30, 2000 and June 30, 2001. In addition, on each such date, Executive shall receive an additional payment (the "Gross-Up Payment") in an amount which, after reduction of all applicable income taxes incurred by Executive in connection with such Gross-Up Payment, is equal to the amount of income tax payable by the Executive in respect of the Additional Bonus payable on such date. For this purpose, the income taxes payable by Executive shall be computed based on the effective combined Federal and State income tax rate then applicable to the Executive.

(ii) The foregoing notwithstanding, in the event of (x) a termination of Executive's employment by reason of Executive's death or disability (as defined in Section 5.03) or (y) a termination of Executive's employment by the Company without "Cause" (as defined in Section 5.04 below) or by Executive for "Good Reason" (as defined in Section 5.01 below) prior to a Change in Control, the Additional Bonus and the Gross-Up Payment shall be accelerated and shall be paid on the date of such termination pursuant to clause (i) above. In the event of a termination of Executive's employment by the Company without Cause or by Executive for Good Reason on or after a Change in Control, or in the event of an expiration of this Agreement one year following a Change in Control, any portion of the Additional Bonus and the Gross-Up Payment not previously paid shall be accelerated and paid on the last day of the "Non-Competition Period" (as defined in Section 4.04 below) pursuant to clause (i) above. No payments of Additional Bonus or Gross-Up Payment shall be made following a termination of Executive's employment for Cause, or by Executive without Good Reason, regardless of whether a Change in Control has occurred.

(c) Awards.

(i) Executive shall participate in the Second Amended and Restated 1993 Stock Incentive Plan of RenaissanceRe Holdings Ltd., as amended from time to time and any successor plan thereto (the "Plan"). Executive shall enter into separate award agreements with respect to awards granted to him under the Plan ("Awards").

(ii) Effective as of the date of this Agreement, the Company, by action of the Section 162(m) Subcommittee of the Stock Option Committee of the Board of Directors, has granted to Executive 111,111 shares of restricted common stock of Holdings ("Restricted Stock") and options ("Options") to purchase 66,667 shares of unrestricted common stock of Holdings ("Common Stock"). The Restricted Stock and the Options shall vest at the rate of 25% a year commencing as of the date hereof, with the first vesting date being June 23, 1998, and shall be governed by the terms and conditions of the Plan. The vesting of such Awards and any future Awards shall be accelerated in the event of a termination of Executive's employment by the Company without

Cause, or by Executive for Good Reason, or by reason of Executive's death or disability unless, with respect only to future Awards, Executive is otherwise notified by the Company at the time of grant. The Options shall be exercisable at a price of \$38 per share. The Company and the Executive will enter into customary Award agreements with respect to such Awards.

(iii) (A) To the extent that the Executive borrows funds under the Credit Agreement between Bank of America Illinois and Executive dated June 23, 1997 (the "Credit Agreement") to pay for taxes incurred in respect of the Restricted Stock (whether incurred by reason of an election under Section 83(b) of the Internal Revenue Code, or under Section 83(a) of the Internal Revenue Code upon the vesting of such Restricted Stock), the Executive will be eligible to earn an additional bonus (the "Tax Loan Bonus"). The potential Tax Loan Bonus will be determined each fiscal year based on the amount borrowed by the Executive during that year under the Credit Agreement to pay taxes in respect of the Restricted Stock (the "Borrowed Amount"), and shall be payable in a maximum amount of 25% of the Borrowed Amount (including interest paid or accrued thereon) over each of the four years following the year in which such amounts were borrowed.

(B) In general, a Tax Loan Bonus will be paid only if the Company meets cumulative Return on Equity ("ROE") targets for each fiscal year established under the Company's business plan adopted by the Holdings Board. A Tax Loan Bonus which is not payable for a given fiscal year as a result of the Company's failure to meet the cumulative ROE target for that year shall be payable in a subsequent year if the Company meets the cumulative ROE target for that subsequent year. The base year for determining cumulative ROE targets shall be 1997.

(C) In the event of a termination of Executive's employment without Cause, or by Executive for Good Reason, which occurs prior to a Change in Control, Executive shall be paid a Tax Loan Bonus equal to the aggregate Borrowed Amount (including interest paid or accrued thereon), reduced by the aggregate amount of all previous Tax Loan Bonuses paid to Executive (the "Remaining Tax Loan Balance"), such amount to be paid on the date of such termination. In the event of a termination of Executive's employment by the Company without Cause, or by Executive for Good Reason, which occurs on or after a Change in Control or upon expiration of this Agreement one year following a Change in Control, Executive shall be paid a Tax Loan Bonus equal to the Remaining Tax Loan Balance, such amount to be paid on the last day of the Non-Competition Period. In the event of a termination of Executive's employment by reason of Executive's death or disability, regardless of whether a Change in Control has occurred, Executive shall be paid a Tax Loan Bonus equal to the Remaining Tax Loan Balance, such amount to be paid on the date of such termination. The amounts described in this

subsection (c)(iii)(C) shall be paid irrespective of whether applicable ROE targets have been met.

(D) No Tax Loan Bonus shall be paid following a termination of Executive's employment for Cause, or by Executive without Good Reason, regardless of whether a Change in Control has occurred.

(iv) The Company acknowledges that the Executive will incur obligations under the Credit Agreement in respect of taxes payable on the Restricted Stock and in respect of the purchase price paid for certain shares of Common Stock purchased by Executive, and may incur additional obligations under the Credit Agreement in the future. In the event that Executive's obligations under the Credit Agreement become due and Executive is precluded from selling shares of Common Stock owned by the Executive by reason of Company-imposed transfer restrictions (other than Restricted Stock which has not vested), the Company shall waive such transfer restrictions to the extent necessary to allow Executive to sell his shares and apply the proceeds thereof toward the repayment of his obligations under the Credit Agreement.

(d) Benefits. Executive shall be eligible to participate in such life insurance, health, disability and major medical insurance benefits, and in such other employee benefit plans and programs for the benefit of the employees of the Company, as may be maintained from time to time during the Term, in each case to the extent and in the manner available to other officers of the Company and subject to the terms and provisions of such plan or program, except that Executive shall not be entitled to participate in any plan or program maintained for the purpose of providing retirement income to participants other than the RenaissanceRe Holdings Ltd. Retirement Plan.

(e) Vacation. Executive shall be entitled to reasonable paid vacation periods, to be taken at his discretion, in a manner consistent with his obligations to the Company under this Agreement.

(f) Indemnification/Liability Insurance. The Company shall indemnify Executive as required by the By-laws, and may maintain customary insurance policies providing for indemnification of Executive.

3.02. Expenses; Perquisites. During the Term, the Company shall provide Executive with the following expense reimbursements and perquisites:

(a) Housing. The Company shall reimburse Executive for all reasonable expenses incurred in connection with Executive's maintenance of a place of residence in Bermuda, as approved from time to time by the Board.

(b) Business Expenses. The Company will reimburse Executive for

reasonable business-related expenses incurred by him in connection with the
performance of his duties hereunder, subject, however, to the Company's policies
relating to business-related expenses as in effect from time to time.

(c) Automobile. The Company shall provide Executive with an

automobile with a value comparable to automobiles customarily provided to Chief
Executive Officers of comparable Bermuda-based companies.

(d) Personal Travel. The Company shall provide Executive with first-

class air travel between Bermuda and the United States for the personal purposes
of Executive and members of his immediate family, up to a maximum of 40 visits
by Executive and 12 visits for his family during each year of employment.

(e) Financial Services. The Company shall provide Executive with the

services of a professional tax and financial planning company.

(f) Tax Gross-Up. To the extent that benefits provided to Executive

under subsections 3.02(a), (c) and (d) of this Agreement result in imputed
income and a resulting increased income tax liability to Executive, the Company
shall pay Executive a tax reimbursement benefit in an amount such that, after
deduction of all income taxes payable with respect to such tax reimbursement
benefit, the amount retained by Executive will be equal to the amount of such
increased income tax liability.

ARTICLE IV

Exclusivity, Etc. -----

4.01. Exclusivity; Non-Competition. Executive agrees to perform his

duties, responsibilities and obligations hereunder efficiently and to the best
of his ability. Executive agrees that he will devote his entire working time,
care and attention and best efforts to such duties, responsibilities and
obligations throughout the Term, it being understood that Executive anticipates
spending three-day weekends with his family during non-peak periods. Executive
also agrees that during the Term he will not engage in any business activities
that are competitive with the business activities of the Company or any of its
divisions, subsidiaries or affiliates.

4.02. Other Business Ventures. Executive agrees that during the Term he

will not own, directly or indirectly, any controlling or substantial stock or
other beneficial interest in any business enterprise which is engaged in
business activities that are competitive with the business activities of the
Company or any of its divisions, subsidiaries or affiliates. The

preceding sentence notwithstanding, Executive may own, directly or indirectly, up to 1% of the outstanding capital stock of any business having a class of capital stock which is traded on any major stock exchange or in the over-the-counter market.

4.03. Confidential Information. Executive agrees that he will not, at any

time during or after the Term, make use of or divulge to any other person, firm or corporation any trade or business secret, process, method or means, or any other confidential information concerning the business or policies of the Company or any of its divisions, subsidiaries or affiliates, which he may have learned in connection with his employment hereunder. For purposes of this Agreement, a "trade or business secret, process, method or means, or any other confidential information" shall mean any information designated as confidential by the Board of Directors of the Company (the "Board") and as to which Executive receives notice, provided that Executive shall be obligated to confer periodically with and assist the Board in determining which information should, in the best interests of the Company, be so designated. Executive's obligation under this Section 4.03(a) shall not apply to any information which (i) is known publicly; (ii) is in the public domain or hereafter enters the public domain without the fault of Executive; (iii) is known to Executive prior to his receipt of such information from the Company, as evidenced by written records of Executive or (iv) is hereafter disclosed to Executive by a third party not under an obligation of confidence to the Company. Executive agrees not to remove from the premises of the Company, except as an employee of the Company in pursuit of the business of the Company or except as specifically permitted in writing by the Board, any document or other object containing or reflecting any such confidential information. Executive recognizes that all such documents and objects, whether developed by him or by someone else, will be the sole exclusive property of the Company. Upon termination of his employment hereunder, Executive shall forthwith deliver to the Company all such confidential information, including without limitation all lists of customers, correspondence, accounts, records and any other documents or property made or held by him or under his control in relation to the business or affairs of the Company or its subsidiaries or affiliates, and no copy of any such confidential information shall be retained by him.

4.04. Non-Competition Obligations. During Executive's employment and,

upon any termination of Executive's employment (including upon the expiration of the Term on the earlier of July 1, 2001 or the date one year following a Change in Control), other than (a) a termination of Executive's employment by reason of his death or disability, or (b) a termination of Executive's employment by the Company without Cause, or by Executive for Good Reason, which occurs prior to a Change in Control, the Executive shall not, for a period of one year from the date of such termination (the "Non-Competition Period"), directly or indirectly, whether as an employee consultant, independent

contractor, partner, joint venturer or otherwise, (i) engage in any business activities reasonably determined by the Board to be competitive, to a material extent, with any substantial type or kind of business activities conducted by the Company or any of its divisions, subsidiaries or affiliates at the time of such termination; (ii) on behalf of any person or entity engaged in business activities competitive with the business activities of the Company or any of its divisions, subsidiaries or affiliates, solicit or induce, or in any manner attempt to solicit or induce, any person employed by, or as agent of, the Company or any of its divisions, subsidiaries or affiliates to terminate such person's contract of employment or agency, as the case may be, with the Company or with any such division, subsidiary or affiliate or (iii) divert, or attempt to divert, any person, concern, or entity from doing business with the Company or any of its divisions, subsidiaries or affiliates, nor will he attempt to induce any such person, concern or entity to cease being a customer or supplier of the Company or any of its divisions, subsidiaries or affiliates. The preceding sentence notwithstanding, (I) in the event of a termination of Executive's employment by the Company for Cause, or by Executive without Good Reason, which occurs within one year following a Change in Control, the Non-Competition Period shall be one year from the date of such termination, plus a number of days equal to (x) 365, minus (y) the number of days which have elapsed from the date of such Change in Control until the date of such termination, provided that it shall expire no later than June 30, 2002; and (II) irrespective of whether a Change in Control has occurred, in the case of (A) a voluntary termination of employment by the Executive which is not for Good Reason, (B) a termination by the Company for Cause, or (C) a termination which occurs by reason of the expiration of the Term on the earlier of July 1, 2001 or the date one year following a Change in Control, the Company may elect, within 14 days after the date of such termination, to waive the Executive's non-competition obligations, in which case it shall not be required to make payments to the Executive during the Non-Competition Period, as provided in Section 5.05(a) of this Agreement.

4.05. Remedies. Executive acknowledges that the Company's remedy at law

for a breach by him of the provisions of this Article IV will be inadequate. Accordingly, in the event of the breach or threatened breach by Executive of any provision of this Article IV, the Company shall be entitled to injunctive relief in addition to any other remedy it may have. If any of the provisions of, or covenants contained in, this Article IV are hereafter construed to be invalid or unenforceable in any jurisdiction, the same shall not affect the remainder of the provisions or the enforceability thereof in any other jurisdiction, which shall be given full effect, without regard to the invalidity or unenforceability in such other jurisdiction. If any of the provisions of, or covenants contained in, this Article IV are held to be unenforceable in any jurisdiction because of the duration or geographical scope thereof, the

parties agree that the court making such determination shall have the power to reduce the duration or geographical scope of such provision or covenant and, in its reduced form, such provision or covenant shall be enforceable; provided, -----
however, that the determination of such court shall not affect the
- -----
enforceability of this Article IV in any other jurisdiction.

ARTICLE V

Termination -----

5.01. Termination for Cause. The Company shall have the right to

terminate Executive's employment at any time for "Cause". For purposes of this Agreement, "Cause" shall mean (a) Executive's willful and continued failure to substantially perform his duties under this Agreement, (b) the engaging by Executive in willful misconduct which is demonstrably and materially injurious to the Company or any of its divisions, subsidiaries or affiliates, monetarily or otherwise, (c) the commission by Executive of an act of fraud or embezzlement against the Company or any of its divisions, subsidiaries or affiliates, (d) the conviction of Executive of a felony, or (e) Executive's material breach of the provisions of any of Sections 4.01, 4.02, 4.03 or 4.04 of this Agreement, provided Executive has received prior written notice of such breach.

5.02. Death. In the event Executive dies during the Term, this Agreement

shall automatically terminate, such termination to be effective on the date of Executive's death.

5.03. Disability. In the event that Executive suffers a disability which

prevents him from substantially performing his duties under this Agreement for a period of at least 90 consecutive days, or 180 non-consecutive days within any 365-day period, the Company shall have the right to terminate this Agreement, such termination to be effective upon the giving of notice to Executive in accordance with Section 6.03 of this Agreement.

5.04. Termination for Good Reason. For purposes of this Agreement, the

following circumstances shall constitute "Good Reason":

(a) the assignment to Executive of any duties materially inconsistent with his authority, duties or responsibilities, or any other action by the Company which results in a material diminution or material adverse change in such authority, duties or responsibilities, excluding for this purpose an isolated action not taken in bad faith and which is remedied promptly after receipt of notice thereof given by Executive;

(b) any material breach of this Agreement by the Company, other than an isolated failure not occurring in bad

faith and which is remedied promptly after receipt of written notice thereof given by Executive;

(c) any failure by the Company to require any successor to be bound by the terms of this Agreement as required by Section 6.02(b) of this Agreement; or

(d) any decision by the Board to effect a winding down and eventual dissolution of the Company.

5.05. Effect of Termination.

(a) Obligations of Company. In the event of any termination of the

Executive's employment hereunder, the Company shall pay Executive any earned but unpaid Base Salary. In addition, except as provided in Section 5.06 of this Agreement, upon a termination of Executive's employment for any reason other than the Executive's death or disability (including the expiration of this Agreement on July 1, 2001 or one year following a Change in Control), the Company shall continue to pay Executive for a period of twelve (12) months his then current Base Salary, and an amount equal to the highest regular discretionary bonus paid or payable to Executive over the preceding three fiscal years (excluding the Additional Bonus, the Tax Loan Bonus and any extraordinary or non-recurring bonus), such amounts to be payable in equal monthly installments commencing on the date which is one month after the date of such termination. The preceding sentence notwithstanding, in the event of a termination of employment described in the last sentence of Section 4.04 of this Agreement, if the Company elects to waive the Executive's non-competition obligations within 14 days after the date of such termination, the Company shall not be required to make the additional payments set forth in the preceding sentence.

(b) Awards. The Executive's rights with respect to Awards, upon any

termination of his employment with the Company, shall be governed exclusively by this Agreement, the terms and conditions of the Plan and any agreement executed by Executive in connection with such Awards. With respect to the Award of Options to purchase 66,667 shares of Common Stock described in Section 3.01(c) hereof, and any Awards granted prior or subsequent to the date hereof, the Award agreements shall provide (or shall be amended to provide) that in the event of termination of Executive's employment by reason of the expiration of this Agreement on July 1, 2001 or one year following a Change in Control, Executive shall continue to be treated as employed by the Company for purposes of vesting in such Awards, for so long as (i) Executive has not engaged in conduct which would be inconsistent with the non-competition obligations described in Section 4.04 of this Agreement, and (ii) Executive has not voluntarily resigned from the

Holdings Board, and (iii) with respect only to Awards granted prior to the date hereof, Executive is either serving on the Holdings Board or providing

substantial services to the Company and/or Holdings in a consulting capacity. With respect to Executive's Options to purchase 66,667 shares of Common Stock described in Section 3.01(c), and any options granted prior or subsequent to the date hereof, the Award agreements shall provide (or shall be amended to provide) that during the applicable period described in the preceding sentence, such Options shall remain outstanding and exercisable. The Award agreements shall further provide (or shall be amended to provide) that, in the event Executive (A) resigns from the Holdings Board, (B) has engaged in conduct which is inconsistent with the non-competition obligations described in Section 4.04 of this Agreement, or (C) with respect only to options granted prior to the date hereof, is not serving on the Holdings Board and is not providing (or has ceased providing) substantial services to the Company and/or Holdings in a consulting capacity, such options shall remain exercisable for a period of no more than thirty days following the date Executive receives notice from the Company of such occurrence, to the extent exercisable on that date, and shall thereafter terminate.

(c) Obligations of Executive. Subject to this Section 5.05 of this

Agreement, Executive may terminate this Agreement at any time. Except as otherwise provided in Sections 4.03 and 4.04 of this Agreement, Executive shall not have obligations to the Company hereunder by reason of the termination of his employment.

5.06. Termination Following a Change in Control.

(a) In the event that a Change in Control occurs and, on or within one year following the date of such Change in Control: (i) the Executive's employment is terminated by the Company without Cause, or (ii) the Executive terminates his employment voluntarily for Good Reason, then in lieu of the payments described in the second sentence of Section 5.05(a) of this Agreement, the Company shall pay the Executive, within fifteen days following the date of such termination, a lump sum cash amount equal to two times the sum of:

- (A) Executive's annual Base Salary at the highest rate in effect during the Term; and
- (B) the highest regular discretionary bonus paid or payable to the Executive over the preceding three fiscal years (excluding the Additional Bonus, the Tax Loan Bonus and any extraordinary or non-recurring bonus).

(b) For purposes of this Agreement, "Change in Control" means the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of securities

representing more than 50% of the value and voting power of all of the outstanding equity securities of Holdings (the "Outstanding Equity Securities"); provided, however, that the following acquisitions shall not constitute a Change

of Control: (i) any acquisition by Holdings, (ii) any acquisition by one or more of the "Investors" (as such term is defined in the Plan) or any entity directly or indirectly controlling, controlled by, or under common control with, one or more of the Investors (an "Investor Affiliate"), or (iii) any acquisition by a corporation pursuant to a merger, consolidation or other similar transaction (a "Corporate Event") if, as a result of such Corporate Event, (A) substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Equity Securities immediately prior to such Corporate Event beneficially own, directly or indirectly, securities representing more than 50% of the value and voting power of the then outstanding equity securities of the corporation resulting from such Corporate Event (including a corporation which, as a result of such transaction, owns Holdings or all or substantially all of Holdings' assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Event, of the Outstanding Equity Securities, and (B) no Person other than (1) one or more of the Investors or any Investor

Affiliate, or (2) any corporation resulting from such Corporate Event, beneficially owns, directly or indirectly, securities representing more than 50% of the value and voting power of the then outstanding equity securities of the corporation resulting from such Corporate Event.

(c) Except as specifically provided in this Section 5.06, the provisions of this Agreement, including, but not limited to, Sections 4.04, shall not be effected by a termination of Executive's employment following a Change in Control.

ARTICLE VI

Miscellaneous

6.01. Life Insurance. Executive agrees that the Company or any of its

divisions, subsidiaries or affiliates may apply for and secure and own insurance on Executive's life (in amounts determined by the Company). Executive agrees to cooperate fully in the application for and securing of such insurance, including the submission by Executive to such physical and other examinations, and the answering of such questions and furnishing of such information by Executive, as may be required by the carrier(s) of such insurance. Notwithstanding anything to the contrary contained herein, neither the Company nor any of its divisions, subsidiaries or affiliates shall be required to obtain any insurance for or on behalf of Executive, except as provided in Section 3.01(c) of this Agreement.

6.02. Benefit of Agreement; Assignment; Beneficiary.

(a) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns, including, without limitation, any corporation or person which may acquire all or substantially all of the Company's assets or business, or with or into which the Company may be consolidated or merged. This Agreement shall also inure to the benefit of, and be enforceable by, Executive and his personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

(b) The Company shall require any successor (whether direct or indirect, by operation of law, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

6.03. Notices. Any notice required or permitted hereunder shall be in

writing and shall be sufficiently given if personally delivered or if sent by telegram or telex or by registered or certified mail, postage prepaid, with return receipt requested, addressed: (a) in the case of the Company to Renaissance Reinsurance Ltd., Sofia House, 48 Church Street, Hamilton, Bermuda, Attention: Board of Directors, or to such other address and/or to the attention

of such other person as the Company shall designate by written notice to Executive; and (b) in the case of Executive, to James N. Stanard, at the address shown on the Company's records, or to such other address as Executive shall designate by written notice to the Company. Any notice given hereunder shall be deemed to have been given at the time of receipt thereof by the person to whom such notice is given.

6.04. Entire Agreement; Amendment. This Agreement contains the entire

agreement of the parties hereto with respect to the terms and conditions of Executive's employment during the Term and supersedes any and all prior agreements and understandings, whether written or oral, between the parties hereto with respect to compensation due for services rendered hereunder including, without limitation, the Prior Agreement. This Agreement may not be changed or modified except by an instrument in writing signed by both of the parties hereto.

6.05. Waiver. The waiver by either party of a breach of any provision of

this Agreement shall not operate or be construed as a continuing waiver or as a consent to or waiver of any subsequent breach hereof.

6.06. Headings. The Article and Section headings herein are for

convenience of reference only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

6.07. Enforcement. If any action at law or in equity is brought by either

party hereto to enforce or interpret any of the terms of this Agreement, the prevailing party shall be entitled to reimbursement by the other party of the reasonable costs and expenses incurred in connection with such action (including reasonable attorneys' fees), in addition to any other relief to which such party may be entitled. Executive shall have no right to enforce any of his rights hereunder by seeking or obtaining injunctive or other equitable relief and acknowledges that damages are an adequate remedy for any breach by the Company of this Agreement.

6.08. Governing Law. This Agreement shall be governed by, and construed

and interpreted in accordance with, the internal laws of Bermuda without reference to the principles of conflict of laws.

6.09. Agreement to Take Actions. Each party to this Agreement shall

execute and deliver such documents, certificates, agreements and other instruments, and shall take such other actions, as may be reasonably necessary or desirable in order to perform his or its obligations under this Agreement or to effectuate the purposes hereof.

6.10. No Mitigation; No Offset. Executive shall not be required to

mitigate damages or the amount of any payment provided for under this Agreement by seeking (and, without limiting the generality of this sentence, no payment otherwise required under this Agreement shall be reduced on account of) other employment or otherwise, and payments under this Agreement shall not be subject to offset in respect of any claims which the Company may have against Executive.

6.11. Attorneys' Fees. Each party to this Agreement will bear its own

expenses in connection with any dispute or legal proceeding between the parties arising out of the subject matter of this Agreement, including any proceeding to enforce any right or provision under this Agreement.

6.12. Survivorship. The respective rights and obligations of the parties

under this Agreement shall survive any termination of this Agreement to the extent necessary to the intended preservation of such rights and obligations.

6.13. Validity. The invalidity or unenforceability of any provision or

provisions of this Agreement shall not affect the validity or enforceability of any other provision or provisions of this Agreement, which shall remain in full force and effect.

6.14. Other Agreements. Executive represents and warrants to the Company

that to the best of his knowledge, neither the execution and delivery of this Agreement nor the performance of his duties hereunder violates or will violate the provisions of

any other agreement to which he is a party or by which he is bound.

6.15. Subsidiaries, etc. (a) The obligations of the Company under this

Agreement may be satisfied by any subsidiary or affiliate of the Company for which Executive serves as an employee under this Agreement, to the extent such obligations relate to Executive's employment by such subsidiary or affiliate.

(b) The rights of the Company under this Agreement may be enforced by any Subsidiary or affiliate of the Company for which Executive serves as an employee under this Agreement, to the extent such rights relate to Executive's employment by such subsidiary or affiliate.

6.16. Counterparts. This Agreement may be executed in one or more

counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the Company and Executive have duly executed this Agreement as of the date first above written.

RENAISSANCE REINSURANCE LTD.

By: /s/ Keith S. Hynes

Name: Keith S. Hynes
Title: Senior Vice President and
Chief Financial Officer

/s/ James N. Stanard

James N. Stanard

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EMPLOYMENT AGREEMENT

This Employment Agreement is dated as of May 27, 1997 and is entered into between Renaissance Reinsurance Ltd., a Bermuda company (the "Company"), and _____ ("Executive").

WHEREAS, Executive is currently employed as a Senior Vice President and Chief Financial Officer of the Company; and

WHEREAS, Executive and the Company desire to embody in this Agreement the terms and conditions under which Executive shall continue to be employed by the Company.

NOW, THEREFORE, the parties hereby agree:

ARTICLE I.

Employment, Duties and Responsibilities

1.01. Employment. During the Term (as defined below), Executive

shall serve as a Senior Vice President and Chief Financial Officer of the Company and its parent, RenaissanceRe Holdings Ltd. ("Holdings"). Executive agrees to devote his full time and efforts to promote the interests of the Company.

1.02. Duties and Responsibilities. Executive shall have such duties

and responsibilities as specified by the Company's Board of Directors (the "Company's Board") from time to time and as are consistent with his position.

1.03. Base of Operation. Executive's principal base of operation for

the performance of his duties and responsibilities under this Agreement shall be the offices of the Company in Hamilton, Bermuda; provided, however, that

Executive shall perform such duties and responsibilities outside of Bermuda as shall from time to time be reasonably necessary to fulfill his obligations hereunder. Executive's performance of any duties and responsibilities outside of Bermuda shall be conducted in a manner consistent with any guidelines provided to Executive by Holdings' Board of Directors (the "Holdings Board").

ARTICLE II.

Term

2.01. Term. Subject to Article V, the employment of the Executive

under this Agreement shall be for a term (the "Term") commencing as of the date first written above and continuing until July 1, 1998; provided, however, that

the Term shall be extended for successive one-year periods as of July 1st of each year commencing with July 1, 1998 (each, a "Renewal Date") unless, with respect to any such Renewal Date, either party hereto gives the other party at least 30 days prior written notice of its election not to so extend the Term.

ARTICLE III.

Compensation and Expenses

3.01. Salary, Incentive Awards and Benefits. As compensation and

consideration for the performance by Executive of his obligations under this Agreement, Executive shall be entitled, during the Term, to the following (subject, in each case, to the provisions of ARTICLE V hereof):

(a) Salary; Bonus. The Company shall pay Executive a base

salary at a rate to be determined by the Board, upon recommendation of the Chief Executive Officer, payable in accordance with the normal payment procedures of the Company and subject to such withholding and other normal employee deductions as may be required by law. Bonuses shall be payable at the discretion of the Company.

(b) Awards. Executive may participate in the Second Amended and

Restated 1993 Stock Incentive Plan of RenaissanceRe Holdings Ltd. (the "Plan"). Executive may receive grants from time to time as determined by the Compensation Committee of the Holdings Board. Executive shall enter into separate award agreements with respect to such awards granted to him ("Awards") under the Plan, and his rights with respect to such Awards shall be governed by the Plan and such award agreements.

(c) Benefits. Executive shall be eligible to participate in

such life insurance, health, disability and major medical insurance benefits, and in such other employee benefit plans and programs for the benefit of the employees and officers of the Company, as may be maintained from time to time during the Term, in each case to the extent and in the manner available to

other officers of the Company and subject to the terms and provisions of such plan or program.

(d) Vacation. Executive shall be entitled to reasonable paid

vacation periods, not to exceed five weeks for each full year during the Term, to be taken at his discretion, in a manner consistent with his obligations to the Company under this Agreement, and subject, with respect to timing, to the reasonable approval of the Chief Executive Officer of the Company.

(e) Indemnification/Liability Insurance. The Company shall

indemnify Executive as required by the Bye-laws, and may maintain customary insurance policies providing for indemnification of Executive.

3.02. Expenses; Perquisites. During the Term, the Company shall

provide Executive with the following expense reimbursements and perquisites:

(a) Business Expenses. The Company will reimburse Executive for

reasonable business-related expenses incurred by him in connection with the performance of his duties hereunder, subject, however, to the Company's policies relating to business-related expenses as in effect from time to time.

(b) Automobile. The Company shall provide Executive with an

automobile with a value comparable to automobiles customarily provided to executive officers of comparable Bermuda-based companies.

(c) Tax Gross-Up. To the extent that benefits provided to

Executive under subsections 3.02(b) of this Agreement result in imputed income and a resulting increased income tax liability to Executive, the Company shall pay Executive a tax reimbursement benefit in an amount such that, after deduction of all income taxes payable with respect to such tax reimbursement benefit, the amount retained by Executive will be equal to the amount of such increased income tax liability.

ARTICLE IV.

Exclusivity, Etc.

4.01. Exclusivity; Non-Competition. Executive agrees to perform his

duties, responsibilities and obligations hereunder efficiently and to the best of his ability. Executive agrees that he will devote his entire working time, care and attention and best efforts to such duties, responsibilities and

obligations throughout the Term. Executive also agrees that during the Term he will not engage in any business activities that are competitive with the business activities of the Company or any of its divisions, subsidiaries or affiliates.

4.02. Other Business Ventures. Executive agrees that during the Term

he will not own, directly or indirectly, any controlling or substantial stock or other beneficial interest in any business enterprise which is engaged in business activities that are competitive with the business activities of the Company or any of its divisions, subsidiaries or affiliates. The preceding sentence notwithstanding, Executive may own, directly or indirectly, up to 1% of the outstanding capital stock of any business having a class of capital stock which is traded on any major stock exchange or in a national over-the-counter market.

4.03. Confidential Information. Executive agrees that he will not,

at any time during or after the Term, make use of or divulge to any other person, firm or corporation any trade or business secret, process, method or means, or any other confidential information concerning the business or policies of the Company or any of its divisions, subsidiaries or affiliates, which he may have learned in connection with his employment hereunder. For purposes of this Agreement, a "trade or business secret, process, method or means, or any other confidential information" shall mean any information designated as confidential by the Board and as to which Executive receives notice, provided that Executive shall be obligated to confer periodically with and assist the Board in determining which information should, in the best interests of the Company, be so designated. Executive's obligation under this Section 4.03 shall not apply to any information which (i) is known publicly; (ii) is in the public domain or hereafter enters the public domain without the fault of Executive; (iii) is known to Executive prior to his receipt of such information from the Company, as evidenced by written records of Executive or (iv) is hereafter disclosed to Executive by a third party not under an obligation of confidence to the Company. Executive agrees not to remove from the premises of the Company, except as an employee of the Company in pursuit of the business of the Company or except as specifically permitted in writing by the Board, any document or other object containing or reflecting any such confidential information. Executive recognizes that all such documents and objects, whether developed by him or by someone else, will be the sole exclusive property of the Company. Upon termination of his employment hereunder, Executive shall forthwith deliver to the Company all such confidential information, including without limitation all lists of customers, correspondence, accounts, records and any other documents or property made or held by him or under his control in relation to the business or affairs of

the Company or its subsidiaries or affiliates, and no copy of any such confidential information shall be retained by him.

4.04. Non-Competition Obligations. During the Term and, other than

in the case of the death or disability of the Executive, upon any termination of the employment of the Executive (including a termination by reason of either party's election not to extend the Term as provided in Section 2.01), the Executive shall not, for a period of one year from the date of such termination (the "Non-Competition Period"), directly or indirectly, whether as an employee, consultant, independent contractor, partner, joint venturer or otherwise, (A) engage in any business activities reasonably determined by the Company's Board to be competitive, to a material extent, with any substantial type or kind of business activities conducted by the Company or any of its divisions, subsidiaries or affiliates at the time of such termination; (B) on behalf of any person or entity engaged in business activities competitive with the business activities of the Company or any of its divisions, subsidiaries or affiliates, solicit or induce, or in any manner attempt to solicit or induce, any person employed by, or as agent of, the Company or any of its divisions, subsidiaries or affiliates to terminate such person's contract of employment or agency, as the case may be, with the Company or with any such division, subsidiary or affiliate or (C) divert, or attempt to divert, any person, concern, or entity from doing business with the Company or any of its divisions, subsidiaries or affiliates, nor will he attempt to induce any such person, concern or entity to cease being a customer or supplier of the Company or any of its divisions, subsidiaries or affiliates. The preceding sentence notwithstanding, in the case of (i) a voluntary termination of employment by the Executive which is not for "Good Reason" following a "Change in Control" (each as hereinafter defined), (ii) a termination by the Company for Cause (as hereinafter defined), or (iii) an election by the Executive not to extend the term as provided in Section 2.01, the Company may elect, within 14 days after the date of such termination, to waive the Executive's non-competition obligations, in which case it shall not be required to make payments to the Executive during the Non-Competition Period, as provided in Section 5.05(a).

4.05. Remedies. Executive acknowledges that the Company's remedy at

law for a breach by him of the provisions of this Article IV will be inadequate. Accordingly, in the event of a breach or threatened breach by Executive of any provision of this Article IV, the Company shall be entitled to injunctive relief in addition to any other remedy it may have. If any of the provisions of, or covenants contained in, this Article IV are hereafter construed to be invalid or unenforceable in any jurisdiction, the same shall not affect the remainder of the

provisions or the enforceability thereof in any other jurisdiction, which shall be given full effect, without regard to the invalidity or unenforceability in such other jurisdiction. If any of the provisions of, or covenants contained in, this Article IV are held to be unenforceable in any jurisdiction because of the duration or geographical scope thereof, the parties agree that the court making such determination shall have the power to reduce the duration or geographical scope of such provision or covenant and, in its reduced form, such provision or covenant shall be enforceable; provided, however, that the determination of such court shall not affect the enforceability of this Article IV in any other jurisdiction.

ARTICLE V.

Termination -----

5.01. Termination for Cause. The Company shall have the right to -----

terminate Executive's employment at any time for "Cause". For purposes of this Agreement, "Cause" shall mean (a) Executive's failure to substantially perform his duties under this Agreement, (b) the engaging by Executive in misconduct which is injurious to the Company or any of its divisions, subsidiaries or affiliates, monetarily or otherwise, (c) the commission by Executive of an act of fraud or embezzlement against the Company or any of its divisions, subsidiaries or affiliates, (d) the conviction of Executive of a felony, or (e) Executive's material breach of the provisions of any of Sections 4.01, 4.02 or 4.03 of this Agreement, provided Executive has received prior written notice of such breach.

5.02. Death. In the event Executive dies during the Term, the -----

Executive's employment shall automatically terminate, such termination to be effective on the date of Executive's death.

5.03. Disability. In the event that Executive suffers a disability -----

which prevents him from substantially performing his duties under this Agreement for a period of at least 90 consecutive days, or 180 non-consecutive days within any 365-day period, and Executive becomes eligible for the Company's long-term disability plan, the Company shall have the right to terminate the Executive's employment, such termination to be effective upon the giving of notice to Executive in accordance with Section 6.03 of this Agreement.

5.04. Termination Without Cause. The Company may at any time -----

terminate Executive's employment for reasons other than Cause.

5.05. Effect of Termination.

(a) Obligations of Company. In the event of any termination

of the Executive's employment hereunder, the Company shall pay Executive any earned but unpaid base salary. In addition, except as provided in Section 5.06, upon a termination of Executive's employment for any reason other than the Executive's death or disability (including a termination by reason of either party's election not to extend the Term as provided in Section 2.01), the Company shall continue to pay Executive during the Non-Competition Period, his then current base salary, and an amount equal to the highest regular annual bonus paid or payable to the Executive over the preceding three fiscal years (excluding any extraordinary or non-recurring bonus), such amounts to be payable in equal monthly installments commencing on the date which is one month after the date of such termination. The preceding sentence notwithstanding, in the event of a termination of employment described in the last sentence of Section 4.04 of this Agreement, if the Company elects to waive the Executive's non-competition obligations within 14 days after the date of such termination, the Company shall not be required to make such additional payments.

(b) Awards. Executive's rights with respect to Awards, upon any

termination of his employment with the Company, shall be governed exclusively by the terms and conditions of the Plan and any award agreements executed by Executive in connection with the Plan.

(c) Obligations of Executive. Executive may terminate his

employment at any time by 10 days' written notice to the Company. Executive shall have no obligations to the Company under this Agreement after the termination of his employment, except and to the extent Sections 4.03, 4.04 or 4.05 shall apply.

5.06. Termination Following a Change in Control. In the event that a

Change in Control occurs (as hereinafter defined) and, on or within one year following the date of such Change in Control, the Executive's employment is terminated by the Company without Cause, or the Company elects not to extend the Term as provided in Section 2.01, or the Executive terminates his employment voluntarily for "Good Reason" (as hereinafter defined), then in lieu of the payments described in the second sentence of Section 5.05(a), the Company shall pay the Executive, within fifteen days following the date of such termination, a lump sum cash amount equal to two times the sum of:

- (i) Executive's annual base salary at the highest rate in effect during the Term; and
- (ii) the highest regular annual bonus paid or payable to the Executive over the preceding three fiscal years (excluding any extraordinary or non-recurring bonus).

For purposes of this Agreement, "Good Reason" means

(i) any action taken or failed to be taken by the Company or any of its officers which, without Executive's prior written consent, changes Executive's position (including titles), authority, duties or responsibilities from those in effect prior to the Change in Control, or reduces Executive's ability to carry out such duties and responsibilities;

(ii) any failure by the Company to comply with any of the provisions of Section 3 of this Agreement, other than an insubstantial or inadvertent failure which is remedied by the Company promptly after receipt of notice thereof from Executive;

(iii) the Company's requiring Executive to be employed at any location more than 35 miles further from his current principal residence than the location at which Executive was employed immediately preceding the Change in Control; or

(iv) any failure by the Company to obtain the assumption of and agreement to perform this Agreement by a successor as contemplated by Section 6.02(b) of this Agreement.

For purposes of this Agreement, "Change of Control" means the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act") (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of securities representing more than 50% of the value and voting power of all of Holdings' outstanding equity securities (the "Outstanding Equity Securities"); provided, however, that the

following acquisitions shall not constitute a Change of Control: (i) any acquisition by the Holdings (ii) any acquisition by one or more of the "Investors" (as such term is defined in the Plan) or any entity directly or indirectly controlling, controlled by, or

under common control with, one or more of the Investors (an "Investor Affiliate"), or (iii) any acquisition by a corporation pursuant to a merger, consolidation or other similar transaction (a "Corporate Event") if, as a result of such Corporate Event, (a) substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Equity Securities immediately prior to such Corporate Event beneficially own, directly or indirectly, securities representing more than 50% of the value and voting power of the then outstanding equity securities of the corporation resulting from such Corporate Event (including a corporation which, as result of such transaction, owns Holdings or all or substantially all of Holding's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Corporate Event, of the Outstanding Equity Securities, and (b) no Person other than (1) one of more of

the Investors or any Investor Affiliate, or (2) any corporation resulting from such Corporate Event, beneficially owns, directly or indirectly, securities representing more than 50% of the value and voting power of the then outstanding equity securities of the corporation resulting from such Corporate Event.

Except as specifically provided in this Section 5.06, the effect of a termination of Executive's employment following a Change in Control shall be governed by the provisions of Section of 5.05.

ARTICLE VI.

Miscellaneous

6.01. Life Insurance. Executive agrees that the Company or any of

its divisions, subsidiaries or affiliates may apply for and secure and own insurance on Executive's life (in amounts determined by the Company). Executive agrees to cooperate fully in the application for and securing of such insurance, including the submission by Executive to such physical and other examinations, and the answering of such questions and furnishing of such information by Executive, as may be required by the carrier(s) of such insurance.

Notwithstanding anything to the contrary contained herein, neither the Company nor any of its divisions, subsidiaries or affiliates shall be required to obtain any insurance for or on behalf of Executive.

6.02. Benefit of Agreement; Assignment; Beneficiary. (a) This

Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns, including, without limitation, any corporation or person which may acquire all or substantially all of the Company's assets or business, or with or into which the Company may be consolidated or merged.

This Agreement shall also inure to the benefit of, and be enforceable by, Executive and his personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

(b) The Company shall require any successor (whether direct or indirect, by operation of law, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

6.03. Notices. Any notice required or permitted hereunder shall be in writing and shall be sufficiently given if personally delivered or if sent by telegram or telex or by registered or certified mail, postage prepaid, with return receipt requested, addressed: (a) in the case of the Company to Renaissance Reinsurance Ltd., Renaissance House, East Broadway, Hamilton, Bermuda, Attention: Secretary, or to such other address and/or to the attention of such other person as the Company shall designate by written notice to Executive; and (b) in the case of Executive, to Executive at his then current home address as shown on the Company's books, or to such other address as Executive shall designate by written notice to the Company. Any notice given hereunder shall be deemed to have been given at the time of receipt thereof by the person to whom such notice is given.

6.04. Entire Agreement; Amendment. This Agreement contains the entire agreement of the parties hereto with respect to the terms and conditions of Executive's employment and supersedes any and all prior agreements and understandings, whether written or oral, between the parties hereto with respect to compensation due for services rendered hereunder. This Agreement may not be changed or modified except by an instrument in writing signed by both of the parties hereto.

6.05. Waiver. The waiver by either party of a breach of any provision of this Agreement shall not operate or be construed as a continuing waiver or as a consent to or waiver of any subsequent breach hereof.

6.06. Headings. The Article and Section headings herein are for convenience of reference only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

6.07. Enforcement. If any action at law or in equity is brought by either party hereto to enforce or interpret any of

the terms of this Agreement, the prevailing party shall be entitled to reimbursement by the other party of the reasonable costs and expenses incurred in connection with such action (including reasonable attorneys' fees), in addition to any other relief to which such party may be entitled. Executive shall have no right to enforce any of his rights hereunder by seeking or obtaining injunctive or other equitable relief and acknowledges that damages are an adequate remedy for any breach by the Company of this Agreement.

6.08. Governing Law. This Agreement shall be governed by, and

construed and interpreted in accordance with, the internal laws of Bermuda without reference to the principles of conflict of laws. The parties submit to the non-exclusive jurisdiction of the courts of Bermuda.

6.09. Agreement to Take Actions. Each party to this Agreement shall

execute and deliver such documents, certificates, agreements and other instruments, and shall take such other actions, as may be reasonably necessary or desirable in order to perform his or its obligations under this Agreement or to effectuate the purposes hereof.

6.10. No Mitigation; No Offset. Executive shall not be required to

mitigate damages or the amount of any payment provided for under this Agreement by seeking (and, without limiting the generality of this sentence, no payment otherwise required under this Agreement shall be reduced on account of) other employment or otherwise, and payments under this Agreement shall not be subject to offset in respect of any claims which the Company may have against Executive.

6.11. Attorneys' Fees. Each party to this Agreement will bear its

own expenses in connection with any dispute or legal proceeding between the parties arising out of the subject matter of this Agreement, including any proceeding to enforce any right or provision under this Agreement.

6.12. Termination; Survivorship. This Agreement shall terminate upon

termination of the Executive's employment, except that the respective rights and obligations of the parties under this Agreement as set forth herein shall survive any termination of this Agreement to the extent necessary to the intended preservation of such rights and obligations.

6.13. Validity. The invalidity or unenforceability of any provision

or provisions of this Agreement shall not affect the validity or enforceability of any other provision or provisions of this Agreement, which shall remain in full force and effect.

6.14. Other Agreements. Executive represents and warrants to the

Company that to the best of his knowledge, neither the execution and delivery of this Agreement nor the performance of his duties hereunder violates or will violate the provisions of any other agreement to which he is a party or by which he is bound.

6.15. Subsidiaries, etc. (a) The obligations of the Company under

this Agreement may be satisfied by any subsidiary or affiliate of the Company for which Executive serves as an employee under this Agreement, to the extent such obligations relate to Executive's employment by such subsidiary or affiliate.

(b) The rights of the Company under this Agreement may be enforced by any Subsidiary or affiliate of the Company for which Executive serves as an employee under this Agreement, to the extent such rights relate to Executive's employment by such subsidiary or affiliate.

6.16. Counterparts. This Agreement may be executed in one or more

counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the Company and Executive have duly executed this Agreement as of the date first above written.

RENAISSANCE REINSURANCE LTD.

By: _____
Name:
Title:

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