UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For The Quarterly Period Ended June 30, 2004
Commission File No. 34-0-26512

RENAISSANCERE HOLDINGS LTD.

(Exact name of registrant as specified in its charter)

Bermuda	**98-014-1974**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

Renaissance House, 8-12 East Broadway, Pembroke HM 19 Bermuda

(Address of principal executive offices)

(441) 295-4513

(Registrant's telephone number, including area code)

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 for 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 ( )

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes (X) No ( )

The number of outstanding shares of RenaissanceRe Holdings Ltd.'s common shares, par value US $1.00 per share, as of July 31, 2004 was 70,775,614.

Total number of pages in this report: 39

RenaissanceRe Holdings Ltd.

INDEX TO FORM 10-Q

Part I — FINANCIAL INFORMATION

Part I — Financial Information

Item 1 — Financial Statements

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Balance Sheets
(in thousands of United States Dollars)

	At	
	June 30, 2004 (Unaudited)	**December 31, 2003** (Audited)
Assets		
Fixed maturity investments available for sale, at fair value	$ 3,117,925	$ 2,947,841
Short term investments	1,009,011	660,564
Other investments	503,884	369,242
Cash and cash equivalents	74,130	63,397
Total managed investment portfolio and cash	4,704,950	4,041,044
Equity investments in reinsurance company, at fair value	147,962	145,535
Investments in other ventures, under equity method	178,052	41,130
Total investments and cash	5,030,964	4,227,709
Premiums receivable	404,676	167,996
Ceded reinsurance balances	88,326	56,852
Losses recoverable	90,055	149,201
Accrued investment income	31,811	22,793
Deferred acquisition costs	107,718	75,261
Other assets	39,498	29,890
Total assets	$ 5,793,048	$ 4,729,702
Liabilities, Minority Interest and Shareholders' Equity		
Liabilities		
Reserve for claims and claim expenses	$ 1,100,159	$ 977,892
Reserve for unearned premiums	696,608	349,824
Debt	350,000	350,000
Subordinated obligation to capital trust	103,093	103,093
Reinsurance balances payable	88,741	131,629
Net payable on investments purchased	166,772	—
Other liabilities	88,773	52,123
Total liabilities	2,594,146	1,964,561
Minority Interest – DaVinciRe	398,214	430,498
Shareholders' Equity		
Preference shares	500,000	250,000
Common shares and additional paid-in capital	308,852	314,414
Accumulated other comprehensive income	75,168	113,382
Retained earnings	1,916,668	1,656,847
Total shareholders' equity	2,800,688	2,334,643
Total liabilities, minority interest, and shareholders' equity	$ 5,793,048	$ 4,729,702

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

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Income
For the three and six month periods ended June 30, 2004 and 2003
(in thousands of United States Dollars, except per share amounts)
(Unaudited)

	Three months ended		Six months ended	
	2004	2003	2004	2003
Revenues				
Gross premiums written	$ 326,876	$ 212,560	$ 1,107,164	$ 897,727
Net premiums written	$ 262,842	$ 160,223	$ 968,863	$ 750,593
Decrease (increase) in unearned premiums	81,142	115,312	(315,310)	(211,584)
Net premiums earned	343,984	275,535	653,553	539,009
Net investment income	29,833	34,109	64,883	65,543
Net foreign exchange gains	786	7,640	2,873	11,591
Equity in earnings of unconsolidated ventures	4,923	6,493	11,443	12,561
Other income (loss)	(689)	745	420	182
Net realized gains (losses) on investments	(26,920)	49,660	5,601	70,772
Total revenues	351,917	374,182	738,773	699,658
Expenses				
Claims and claim expenses incurred	120,737	100,076	232,915	182,856
Acquisition expenses	64,047	40,704	122,078	82,837
Operational expenses	16,502	16,332	28,878	31,239
Corporate expenses	4,986	4,677	9,538	8,145
Interest expense	6,334	5,335	12,605	9,834
Total expenses	212,606	167,124	406,014	314,911
Income before minority interest and taxes	139,311	207,058	332,759	384,747
Minority interest – Capital Securities	—	1,827	—	3,282
Minority interest – DaVinciRe	14,492	20,150	32,482	41,035
Income before taxes	124,819	185,081	300,277	340,430
Income tax benefit	—	—	—	55
Net income	124,819	185,081	300,277	340,485
Dividends on preference shares	8,609	4,917	13,713	9,036
Net income available to Common Shareholders	$ 116,210	$ 180,164	$ 286,564	$ 331,449
Net income available to common shareholders per Common Share – basic	$ 1.67	$ 2.62	$ 4.12	$ 4.82
Net income available to common shareholders per Common Share – diluted	$ 1.62	$ 2.54	$ 4.00	$ 4.68

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

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Changes in Shareholders' Equity
For the six months ended June 30, 2004 and 2003
(in thousands of United States Dollars)
(Unaudited)

	2004	2003
Preference Shares		
Balance — January 1	$ 250,000	$ 150,000
Issuance of Preference Shares	250,000	100,000
Balance — June 30	500,000	250,000
Common Stock and additonal paid-in capital		
Balance — January 1	314,414	320,936
Exercise of options, and issuance of stock and restricted	2,620	6,939

stock awards		
Offering expenses	(8,182)	(3,150)
Reversal of unearned stock grant compensation	—	(18,468)
Balance — June 30	308,852	306,257
Unearned stock grant compensation		
Balance — January 1	—	(18,468)
Reversal of unearned stock grant compensation	—	18,468
Balance — June 30	—	—
Accumulated other comprehensive income		
Balance — January 1	113,382	95,234
Net unrealized gains (losses) on securities, net of adjustment (see disclosure below)	(38,214)	17,713
Balance — June 30	75,168	112,947
Retained earnings		
Balance — January 1	1,656,847	1,094,333
Net income	300,277	340,485
Dividends paid on Common Shares	(26,743)	(21,021)
Dividends paid on Preference Shares	(13,713)	(9,036)
Balance — June 30	1,916,668	1,404,761
Total Shareholders' Equity	$ 2,800,688	$ 2,073,965
Comprehensive income (1)		
Net income	$ 300,277	$ 340,485
Other comprehensive income (loss)	(38,214)	17,713
Comprehensive income	$ 262,063	$ 358,198
Disclosure regarding net unrealized gains (losses)		
Net unrealized holding gains (losses) arising during period	$ (32,613)	$ 88,485
Net realized gains included in net income	(5,601)	(70,772)
Change in net unrealized gains (losses) on securities	$ (38,214)	$ 17,713

(1) Comprehensive income was $81.4 million and $202.0 million for the quarters ended June 30, 2004 and 2003, respectively.

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

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the six months ended June 30, 2004 and 2003
(in thousands of United States Dollars)
(Unaudited)

	2004	2003
Cash flows provided by operating activities		
Net income	$ 300,277	$ 340,485
Adjustments to reconcile net income to net cash provided by operating activities		
Amortization and depreciation	9,407	6,546
Net unrealized gains included in investment income	(4,906)	(9,381)
Net realized investment gains	(5,601)	(70,772)
Equity in earnings of unconsolidated ventures	(11,443)	(12,561)
Minority interest	32,482	41,035
Change in:		
Premiums receivable	(236,680)	(181,653)
Ceded reinsurance balances	(31,474)	(10,025)
Deferred acquisition costs	(32,457)	(30,893)
Reserve for claims and claim expenses, net	181,413	162,570
Reserve for unearned premiums	346,784	221,762
Reinsurance balances payable	(42,888)	27,074
Other	15,325	(15,325)
Net cash provided by operating activities	520,239	468,862
Cash flows used in investing activities		

Net purchases of short-term investments	(348,447)	(564,688)
Net purchases of other investments	(129,736)	(51,443)
Net sales (purchases) of investments in other ventures	(125,479)	22,685
Proceeds from sales of investments	8,885,301	6,128,817
Purchases of investments available for sale	(8,931,712)	(6,172,108)
Net cash used in investing activities	(650,073)	(636,737)
Cash flows provided by financing activities		
Sale of preference shares, net of expenses	242,259	96,850
DaVinciRe share repurchase	(61,236)	—
Dividends paid — common shares	(26,743)	(21,021)
Dividends paid — preference shares	(13,713)	(9,036)
Issuance of senior debt, net of expenses	—	99,144
Payment of bank loan — Glencoe U.S.	—	(25,000)
Net cash provided by financing activities	140,567	140,937
Net increase (decrease) in cash and cash equivalents	10,733	(26,938)
Cash and cash equivalents, beginning of period	63,397	87,067
Cash and cash equivalents, end of period	$ 74,130	$ 60,129

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

RenaissanceRe Holdings Ltd. and Subsidiaries
Notes to Unaudited Consolidated Financial Statements
(Expressed in U.S. Dollars)
(Unaudited)

1. The consolidated financial statements have been prepared on the basis of U.S. generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. This report on Form 10-Q should be read in conjunction with the Company's Annual Report on Form 10-K.

   RenaissanceRe Holdings Ltd. ("RenaissanceRe" or the "Company"), was formed under the laws of Bermuda on June 7, 1993. Through its subsidiaries, the Company provides reinsurance and insurance to a broad range of customers.

   - Renaissance Reinsurance Ltd. ("Renaissance Reinsurance") is the Company's principal subsidiary and provides property catastrophe and specialty reinsurance coverages to insurers and reinsurers on a worldwide basis.

   - The Company also manages property catastrophe and specialty reinsurance business written on behalf of joint ventures, principally including Top Layer Reinsurance Ltd. ("Top Layer Re") and DaVinci Reinsurance Ltd. ("DaVinci"). The results of DaVinci, and the results of DaVinci's parent, DaVinciRe Holdings Ltd. ("DaVinciRe"), are consolidated in the Company's financial statements. Renaissance Underwriting Managers, Ltd. ("Renaissance Underwriting Managers"), a wholly-owned subsidiary, acts as exclusive underwriting manager for these joint ventures in return for fee-based income and profit participation.

   - The Company's Individual Risk operations include direct insurance written on both an admitted basis through Stonington Insurance Company ("Stonington"), and on an excess and surplus lines basis through Glencoe Insurance Ltd. ("Glencoe") and Lantana Insurance Ltd. ("Lantana"), and also provide reinsurance coverage, principally on a quota share basis, which is analyzed on an individual risk basis.

   All intercompany transactions and balances have been eliminated on consolidation.

   The Company owns a minority equity interest in, but controls a majority of the outstanding voting power of, DaVinciRe. Minority interests represent the interests of external parties with respect to net income and shareholders' equity of DaVinciRe. The Company also invests in certain other investments, including an investment in ChannelRe Holdings Ltd. ("Channel Re"), which is reported using the equity method, and an investment in Platinum Underwriters Holdings, Ltd. ("Platinum"), which is publicly traded and reported at fair value.

   Certain comparative information has been reclassified to conform to the current presentation. Because of the seasonality of the Company's business, the results of operations and cash flows for any interim period will not necessarily be indicative of results of operations and cash flows for the full fiscal year or subsequent quarters.

2. The Company purchases reinsurance to reduce its exposure to large losses. The Company currently has in place contracts that provide for recovery of a portion of certain claims and claims expenses from reinsurers in excess of various retentions and loss warranties. The Company would remain liable to the extent that any third-party reinsurance company fails to meet its obligations. The earned reinsurance premiums ceded were $106.8 million and $137.0 million for the six month periods ended June 30, 2004 and 2003, respectively. In

addition to loss recoveries, certain of the Company's ceded reinsurance contracts provide for recoveries of additional premiums, reinstatement premiums and for unrecovered no claims bonuses which are unrecoverable when losses are ceded to other reinsurance contracts.

Total recoveries netted against claims and claim expenses incurred for the six months ended June 30, 2004 were $18.3 million compared to $13.0 million for the six months ended June 30, 2003.

3. Effective December 31, 2003, we adopted FASB Interpretation No. 46, "Consolidation of Variable Interest Entities — an interpretation of ARB No. 51" ("FIN 46"). FIN 46 requires consolidation of all Variable Interest Entities ("VIE") by the investor that will absorb a majority of the VIE's expected losses or residual returns. RenaissanceRe Capital Trust (the "Capital Trust") was determined to be a VIE under FIN 46 and the Company was determined not to be the primary beneficiary of the Capital Trust. Accordingly, the Capital Trust was deconsolidated effective December 31, 2003. As a result, the accounts of the Capital Trust, principally the Capital Securities previously classified as minority interest, are not included in our consolidated balance sheet at June 30, 2004 and December 31, 2003. Our $103.1 million subordinated obligation to the Capital Trust, previously eliminated in consolidation, is recorded on our consolidated balance sheet at June 30, 2004 and December 31, 2003 as a liability. The dividends from the Capital Trust that were previously reported as minority interest expense — Capital Securities have been reclassified with effect from December 31, 2003 and the dividends are currently reflected as interest expense.

4. Effective June 30, 2004, we adopted the recognition and measurement guidance of EITF Issue No. 03-01, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments" ("EITF 03-01"). EITF O3-01 is applicable to our debt and equity securities within the scope of Statement 115 that are classified as available for sale. EITF 03-01 provides guidance as to when an investment is considered impaired, whether the impairment is other than temporary and determining the amount of the impairment loss. The guidance also includes accounting considerations subsequent to the recognition of an other-than-temporary impairment and requires certain disclosures about unrealized losses that have not been recognized as other-than-temporary impairments. The adoption of EITF 03-01 did not have a material impact on our financial condition and results of operations. In accordance with EITF 03-01, we will adopt the disclosure provisions for our annual financial statements.

5. Basic earnings per share is based on weighted average common shares and excludes any dilutive effects of options and restricted stock. Diluted earnings per share assumes the exercise of all dilutive stock options and restricted stock grants. The following tables set forth the computation of basic and diluted earnings per share:

Three months ended June 30, (in thousands of U.S. dollars except share and per share data)	**2004**	**2003**
Numerator:		
Net income available to common shareholders	$ 116,210	$ 180,164
Denominator:		
Denominator for basic earnings per common share – Weighted average common shares	69,663,586	68,913,845
Per common share equivalents of employee stock options and restricted shares	2,019,615	2,141,980
Denominator for diluted earnings per common share – Adjusted weighted average common shares and assumed conversions	71,683,201	71,055,825
Basic earnings per common share	$ 1.67	$ 2.62
Diluted earnings per common share	$ 1.62	$ 2.54

Six months ended June 30, (in thousands of U.S. dollars except share and per share data)	**2004**	**2003**
Numerator:		
Net income available to common shareholders	$ 286,564	$ 331,449
Denominator:		
Denominator for basic earnings per common share – Weighted average common shares	69,553,758	68,753,500
Per common share equivalents of employee stock options and restricted shares	2,083,785	2,056,556
Denominator for diluted earnings per common share – Adjusted weighted average common shares and assumed conversions	71,637,543	70,810,056

Basic earnings per common share	$	4.12	$	4.82
Diluted earnings per common share	$	4.00	$	4.68

6. The Board of Directors of RenaissanceRe declared, and RenaissanceRe paid, a dividend of $0.19 per share to shareholders of record on each of March 9 and June 1, 2004. A dividend of $0.19 per share has been declared, payable on September 1, 2004 to shareholders of record on September 1, 2004.

   The Board of Directors has authorized a share repurchase program of $150 million. This authorization included the remaining amounts available under prior authorizations. RenaissanceRe's decision to repurchase common shares will depend on, among other matters, the market price of the common shares and capital requirements of RenaissanceRe (see Part II — Other Information — Item 2).

7. Effective January 1, 2003, the Company adopted, prospectively, the fair value recognition provisions of SFAS 123, "Accounting for Stock-Based Compensation" ("SFAS 123"), for all stock-based employee compensation granted, modified or settled after January 1, 2003. Under the fair value recognition provisions of SFAS 123, the Company estimates the fair value of employee stock options and other stock-based compensation on the date of grant and amortizes this value as an expense over the vesting period.

   Under the prospective method of adoption selected by the Company under the provisions of SFAS 148, "Accounting for Stock-Based Compensation — Transition and Disclosure," compensation cost recognized in 2003 includes all employee awards granted, modified, or settled after the beginning of the fiscal year. Results for prior periods have not been restated. The following tables illustrate the effect on net income and earnings per share as if the fair value based method had been applied to all outstanding and unvested awards in each period.

Three months ended June 30, (in thousands of U.S. dollars, except per share data)	**2004**	**2003**
Net income available to common shareholders, as reported	$ 116,210	$ 180,164
add: stock based employee compensation cost included in determination of net income	3,906	3,078
less: fair value compensation cost under SFAS 123	4,532	4,343
Pro forma net income available to common shareholders	$ 115,584	$ 178,899
Earnings per share		
Basic – as reported	$ 1.67	$ 2.62
Basic – pro forma	$ 1.66	$ 2.60
Diluted – as reported	$ 1.62	$ 2.54
Diluted – pro forma	$ 1.61	$ 2.52

Six months ended June 30, (in thousands of U.S. dollars, except per share data)	**2004**	**2003**
Net income available to common shareholders, as reported	$ 286,564	$ 331,449
add: stock based employee compensation cost included in determination of net income	7,366	5,201
less: fair value compensation cost under SFAS 123	9,025	7,660
Pro forma net income available to common shareholders	$ 284,905	$ 328,990
Earnings per share		
Basic – as reported	$ 4.12	$ 4.82
Basic – pro forma	$ 4.10	$ 4.79
Diluted – as reported	$ 4.00	$ 4.68
Diluted – pro forma	$ 3.98	$ 4.65

8. In March 2004, RenaissanceRe issued 10,000,000 $1.00 par value Series C preference shares at $25 per share. The shares may be redeemed at $25 per share at RenaissanceRe's option on or after March 23, 2009. Dividends are cumulative from the date of original issuance and are payable quarterly in arrears at 6.08% when, if, and as declared by the Board of Directors. If RenaissanceRe submits a proposal to our shareholders concerning an amalgamation or submits any proposal that, as a result of any changes to Bermuda law, requires approval of the holders of these preference shares to vote as a single class, RenaissanceRe may redeem the shares prior to March 23, 2009 at $26 per share. The preference shares have no stated maturity and are not convertible into any other securities of RenaissanceRe.

9. During the first quarter of 2004, RenaissanceRe amended its shareholders' agreement with Top Layer Re, and as a result RenaissanceRe is obligated to make a mandatory capital contribution of up to $50.0 million to Top Layer Re in the event that a loss reduces Top Layer Re's capital below a specified level.

10. On July 29, 2004, the Company filed a Proxy Statement on Schedule 14A relating to a Special General Meeting of Shareholders to be held on August 31, 2004. At the Special Meeting, shareholders will be asked to approve the Company's 2004 Stock Incentive Plan ("The 2004 Plan"), which has been approved by the

Company's Board of Directors as a means of retaining key executive personnel. Under The 2004 Plan, options in respect of 6,000,000 common shares could be issued, but exclusively at a price not less than 150% of fair market value at the time of grant. The 2004 Plan also provides that all of such options will not vest prior to the fourth anniversary of the date of grant.

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

The following is a discussion and analysis of our results of operations for the three and six months ended June 30, 2004 and 2003 and financial condition as of June 30, 2004. This discussion and analysis should be read in conjunction with the attached unaudited consolidated financial statements and notes thereto and the audited consolidated financial statements and notes thereto contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2003. We also caution readers regarding certain forward-looking statements made in this 10-Q and direct readers to the Safe Harbor Disclosure included in this filing.

GENERAL

RenaissanceRe was established in 1993 to write property catastrophe reinsurance. By pioneering the use of sophisticated computer models to construct our portfolio, we have become one of the world's largest and most successful catastrophe reinsurers. We are seeking to leverage our expertise to establish leading franchises in additional selected areas of insurance and reinsurance.

Since a substantial portion of the reinsurance and insurance we write provides protection from damages relating to natural and man-made catastrophes, our results depend to a large extent on the frequency and severity of such catastrophic events, and the coverages we offer to clients impacted by these events.

Our revenues are principally derived from three sources: 1) net premiums earned from the reinsurance and insurance policies we sell; 2) net investment income and realized gains and losses from investments; and 3) other income received from our joint ventures and other structured products.

Our expenses primarily consist of: 1) claims and claim expenses incurred on the policies of reinsurance and insurance we sell; 2) acquisition costs which consist principally of ceding commissions paid to ceding clients and brokerage expenses, and typically represent a negotiated percentage of the premiums on our reinsurance and insurance contracts written; 3) operational expenses which primarily consist of personnel expenses, rent and other operating expenses; and 4) interest and dividend costs related to our debt, preference shares and subordinated obligation to capital trust. Our operating and interest costs are relatively more fixed in nature and correlate less with the amount of our premiums written.

The operating results, also known as the underwriting results, of an insurance or reinsurance company are discussed frequently by reference to its claims and claim expense ratio, underwriting expense ratio and combined ratio. The claims and claim expense ratio is the result of dividing claims and claim expenses incurred by net premiums earned. The underwriting expense ratio is the result of dividing underwriting expenses (acquisition expenses and operational expenses) by net premiums earned. The combined ratio is the sum of the claims and claim expense ratio and the underwriting expense ratio. A combined ratio below 100% generally indicates profitable underwriting prior to the consideration of investment income. A combined ratio over 100% generally indicates unprofitable underwriting prior to the consideration of investment income.

We conduct our business through two reportable segments, Reinsurance and Individual Risk. Those segments are more fully described as follows:

Reinsurance

Our Reinsurance segment has three main components:

1) Property catastrophe reinsurance written for our own account — our traditional core business. Our subsidiary, Renaissance Reinsurance, is one of the world's premier providers of this coverage. This coverage protects against large natural catastrophes, such as earthquakes and hurricanes, as well as claims arising from other natural and man-made catastrophes such as winter storms, freezes, floods, fires, tornadoes and explosions. We offer this coverage to insurance companies and other reinsurers primarily on an excess of loss basis. This means that we begin paying when our customers' paid claims from a catastrophe exceed a certain retained amount.

---

2) Specialty reinsurance written for our own account covering certain targeted classes of business where we believe we have a sound basis for underwriting and pricing the risk that we assume; our portfolio includes various lines of business, such as catastrophe exposed workers' compensation, surety and terrorism. We believe that we are seen as a market leader in certain of these classes of business and that we have a growing reputation as a "first call" market in these lines.

3) Through Renaissance Underwriting Managers, we pursue joint ventures and other structured relationships. Our three principal business activities in this area are: 1) catastrophe-oriented joint ventures which we

manage, such as Top Layer Re and DaVinci; 2) specialized reinsurance transactions, such as offering non-traditional participations in our catastrophe portfolio; and 3) investments in initiatives directed at other classes of risk, where we partner with other market participants, such as our investments in Channel Re and Platinum. Only business activities that appear in our consolidated underwriting results, such as DaVinci and certain specialized reinsurance transactions, are included in our Reinsurance segment results; Top Layer Re, Channel Re and Platinum are included in the Other category of our segment results.

Individual Risk

We define our Individual Risk segment to include underwriting that involves understanding the characteristics of the original underlying insurance policy. Our principal products include: 1) commercial and homeowners property coverages, including catastrophe-exposed lines; 2) commercial liability coverages, including general, automobile, professional and various specialty lines; and 3) reinsurance to other insurers on a quota share basis.

Our Individual Risk business is primarily produced through three distribution channels: 1) Program Managers — where we write primary insurance through specialized program managers, who produce business pursuant to agreed-upon underwriting guidelines and provide related back-office functions; 2) Quota Share Reinsurance — where we write quota share reinsurance with primary insurers who, similar to our program managers, provide most of the back-office and support functions; and 3) Brokers — where we write primary insurance through brokers on a risk-by-risk basis.

Our Individual Risk business is written by the Glencoe Group through its operating subsidiaries Glencoe and Lantana, on an excess and surplus lines basis, and Stonington, on an admitted basis. We rely on third parties for services including the generation of premium, the issuance of policies and the processing of claims. We oversee our third-party partners through an operations review team at Glencoe Group Services Inc., which conducts initial due diligence as well as periodic reviews.

New Business

In addition to the potential growth of our existing reinsurance and insurance businesses, from time to time, we consider opportunistic diversification into new ventures, either through organic growth, the formation of new joint ventures, or the acquisition of other companies or books of business of other companies. This potential diversification includes opportunities to write targeted classes of non-catastrophe business, both directly for our own account and through possible new joint venture opportunities.

In evaluating such new ventures, we seek an attractive return on equity, the ability to develop or capitalize on a competitive advantage, and opportunities that will not detract from our core Reinsurance and Individual Risk operations. Accordingly, we regularly review strategic opportunities and periodically engage in discussions regarding possible transactions, although there can be no assurance that we will complete any such transactions or that any such transaction would contribute materially to our results of operations or financial condition.

SUMMARY OF CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Claims and Claim Expense Reserves

We believe that the most significant accounting judgment made by management is our estimate of our claims and claim expense reserves. Claims reserves represent estimates, including actuarial and statistical projections at a given point in time, of the ultimate settlement and administration costs of claims incurred, and it is likely that the ultimate liability will exceed or be less than such estimates. It is also possible that this variance will be material. Such estimates are not precise in that, among other things, they are based on predictions of future developments and estimates of future trends in claim severity and frequency and other variable factors such as inflation. Generally, the uncertainty inherent in the reserving process is even greater for reinsurance operations, which constitute the majority of our business, than it is for primary insurance operations. This is largely (but not exclusively) because of the dependence on information from the ceding company, the time lag inherent in reporting information from the primary insurer to the reinsurer, and differing reserving practices among ceding companies.

Adjustments to our prior year estimated ultimate claims reserves will impact our current year net income by increasing our net income if the prior year estimated ultimate claims reserves are determined to be overstated, or by reducing our net income if the prior year estimated ultimate claims reserves prove to be insufficient. During the six months ended June 30, 2004 and 2003, changes to prior year estimated ultimate claims reserves had the following impact on our net income: during the first six months of 2004, prior years estimated ultimate claims reserves were reduced by $51.4 million and accordingly, our net income for the first six months of 2004 was increased by $51.4 million; and during the first six months of 2003, prior years estimated ultimate claims reserves were reduced by $24.4 million, and our net income for the first six months of 2003 was increased by $24.4 million. (Also see — "Reserves for Claims and Claim Expenses")

For our property catastrophe reinsurance operations, we initially set our claims reserves based on case reserves and other reserve estimates reported by insureds and ceding companies. We then add to these case reserves, our estimates for additional case reserves, and an estimate for incurred but not reported reserves ("IBNR"). These estimates are generally based upon our experience with similar claims, our knowledge of potential industry loss levels for each loss, and industry information which we gather and retain in our REMS© modeling system. The estimation of claims resulting from catastrophic events is inherently difficult because of the variability and uncertainty associated with property catastrophe claims. During 2003, with the accumulation of 10 years of historical information on our claims and claim expenses, we adopted a new system to reassess our property catastrophe reserves on our older accident years.

The uncertainty inherent in loss estimation is greater for the casualty coverages we offer through our Specialty Reinsurance and Individual Risk operations, because these coverages are subject to greater uncertainties, over a longer period of time, relating to factors such as economic inflation and changes in the social and legal environment. In reserving for our specialty reinsurance and Individual Risk coverages we do not have the benefit of a significant amount of our own historical experience in these lines. We estimate our IBNR for these coverages by utilizing an actuarial method known as the Bornhuetter-Ferguson technique, a widely used method for lines of business in which a company may have limited historical loss experience. The utilization of the Bornhuetter-Ferguson technique requires a company to estimate an ultimate claims and claim expense ratio and select an estimated loss reporting pattern for each line of business that it offers. The expected loss ratio is modified to the extent that reported losses at a given point in time differ from what would be expected based on the selected loss reporting pattern. This method gives more weight to the actual reported loss experience as the underwriting period matures. We select our estimates of the ultimate claims and claim expense ratios and estimated loss reporting patterns by reviewing industry standards and adjusting these standards based upon the coverages and terms of the coverages we offer.

Because any reserve estimate is simply an insurer's estimate of its ultimate liability, and because there are numerous factors which affect reserves but can not be determined with certainty in advance, our

ultimate payments will vary, perhaps materially, from our initial estimate of reserves. Therefore, because of these inherent uncertainties, we have developed a reserving philosophy which attempts to incorporate prudent assumptions and estimates. During the remainder of 2004, assuming future reported and paid claims activity is consistent with that of recent quarters, and barring unforeseen circumstances, we believe that, as our reserves on older accident years continue to age, we may experience further reduction to our older accident year reserves.

All of our estimates are reviewed annually with an independent actuarial firm. We also review our assumptions and our methodologies on a quarterly basis. If we determine that an adjustment to an earlier estimate is appropriate, such adjustments are recorded in the quarter in which they are identified. Although we believe we are cautious in our assumptions, and in the application of our methodologies, we cannot be certain that our ultimate payments will not vary, perhaps materially, from the estimates we have made.

At June 30, 2004, our total gross reserves for claims and claim expenses was $1,100.2 million and our estimated IBNR reserve was $739.2 million. A 5% change in such IBNR reserves would equate to a $37.0 million adjustment to claims and claim expenses incurred, which would represent 1.3% of shareholders' equity at June 30, 2004.

Premiums

We recognize premiums as income over the terms of the related contracts and policies. Our written premiums are based on policy and contract terms and include estimates based on information received from both insureds and ceding companies. We record adjustment premiums in the period in which they occur.

We book premiums on non-proportional contracts in accordance with the contract terms. Premiums written on losses occurring contracts are typically earned over the contract period. Premiums on risks attaching contracts are generally earned as reported by the cedants, which may be over a period more than twice as long as the contract period. Management makes estimates based on judgment and historical experience for periods during which information has not yet been received. Such estimates are subject to adjustment in subsequent periods when actual figures are recorded.

The minimum and deposit premium on excess policies are usually set in the language of the contract. In the absence of defined amounts in the contract, management estimates written premium on these contracts based on historical experience and judgment. Actual amounts are determined in subsequent periods based on actual exposures and any adjustments are recorded in the period in which they occur.

In our Individual Risk business, it is often necessary to estimate portions of premiums written from quota-share contracts and by program managers. Management estimates this premium based on discussions with ceding companies and program managers and also based on historical experience and judgment. Total premiums estimated for the six months ended June 30, 2004 and 2003 were $30.1 million and $84.1 million, respectively.

We record ceded premiums on the same basis as assumed premiums. Reinstatement premiums are estimated by management, based on the contract terms, at the time of the loss occurrence giving rise to the reinstatement.

SUMMARY OF RESULTS OF OPERATIONS

For the three months ended June 30, 2004 compared to the three months ended June 30, 2003

A summary of the significant components of our revenues and expenses is as follows:

Three months ended June 30, 2004 (in thousands)	**Reinsurance**	**Individual Risk**	**Other**	**Total**
Gross premiums written (1)	$ 215,284	$ 111,592	$ —	$ 326,876
Net premiums written	$ 153,162	$ 109,680	—	$ 262,842

Net premiums earned	$ 235,862	$ 108,122	—	$ 343,984
Claims and claim expenses incurred	65,016	55,721	—	120,737
Acquisition expenses	27,936	36,111	—	64,047
Operational expenses	10,624	5,878	—	16,502
Underwriting income	$ 132,286	$ 10,412	—	142,698
Net investment income			29,833	29,833
Equity in earnings of unconsolidated ventures			4,923	4,923
Other income (loss)			(689)	(689)
Interest and preference share dividends			(14,943)	(14,943)
Minority interest — DaVinciRe			(14,492)	(14,492)
Other items, net			(4,200)	(4,200)
Net realized losses on investments			(26,920)	(26,920)
Net income available to common shareholders			$ (26,488)	$ 116,210
Claims and claim expense ratio	27.6%	51.6%		35.1%
Underwriting expense ratio	16.3%	38.8%		23.4%
Combined ratio	43.9%	90.4%		58.5%

(1) Reinsurance segment gross premiums written excludes $0.8 million of premiums ceded from the Individual Risk segment.

Three months ended June 30, 2003 (in thousands)	**Reinsurance**	**Individual Risk**	**Other**	**Total**
Gross premiums written (1)	$ 114,872	$ 97,688	$ —	$ 212,560
Net premiums written	$ 65,424	$ 94,799	—	$ 160,223
Net premiums earned	$ 208,905	$ 66,630	—	$ 275,535
Claims and claim expenses incurred	61,100	38,976	—	100,076
Acquisition expenses	22,220	18,484	—	40,704
Operational expenses	13,107	3,225	—	16,332
Underwriting income	$ 112,478	$ 5,945	—	118,423
Net investment income			34,109	34,109
Equity in earnings of unconsolidated ventures			6,493	6,493
Other income (loss)			745	745
Interest, preference share dividends, Capital Securities minority interest			(12,079)	(12,079)
Minority interest — DaVinciRe			(20,150)	(20,150)
Other items, net			2,963	2,963
Net realized gains on investments			49,660	49,660
Net income available to common shareholders			$ 61,741	$ 180,164
Claims and claim expense ratio	29.2%	58.5%		36.3%
Underwriting expense ratio	16.9%	32.6%		20.7%
Combined ratio	46.1%	91.1%		57.0%

(1) Reinsurance segment gross premiums written excludes $1.0 million of premiums ceded from the Individual Risk segment.

Summary Overview

For the three months ended June 30, 2004, our gross premiums written increased by $114.3 million or 53.8% compared to the same period in 2003, primarily due to certain timing differences of recording our property catastrophe premiums and an increase in certain lines of our specialty reinsurance premiums (see -— "Reinsurance" segment below).

Our net earned premiums increased by $68.4 million or 24.8% primarily as a result of the increases in gross premiums written noted above and also the growth in our net written premiums that we experienced in 2003.

The decline in our investment income was primarily due to a decrease in our return from our hedge fund and private equity investments.

Our net income was also negatively impacted by the $76.6 million decrease in net realized gains and losses on investments principally resulting from the rising interest rate environment of the second quarter. We do not view these gains and losses as part of our primary operating results since they result from the normal turnover of the investments in our investment portfolio and the realized gains or losses are typically the result of the prevailing investment market conditions which we have no ability to influence.

Underwriting Results by Segment

We conduct our business through two reportable segments, Reinsurance and Individual Risk. Our Reinsurance segment provides reinsurance through our catastrophe reinsurance and specialty reinsurance business units and through joint ventures and other activities managed by Renaissance Underwriting Managers. Our Individual Risk segment provides primary insurance and quota share reinsurance. The Company does not manage its assets by segment; accordingly, investment income and total assets are not allocated to the individual segments.

A discussion of our underwriting results by segment is provided below.

Reinsurance Segment

Our Reinsurance operations are comprised of three business units: 1) property catastrophe reinsurance, primarily written through Renaissance Reinsurance and DaVinci; 2) specialty reinsurance, also primarily written through Renaissance Reinsurance and DaVinci; and 3) certain activities of Renaissance Underwriting Managers.

The following table summarizes the underwriting results and ratios for the Reinsurance segment for the three months ended June 30, 2004 and 2003:

Three months ended June 30, (in thousands)	**2004**	**2003**
Property catastrophe premium (1)		
Renaissance	$ 120,405	$ 64,211
DaVinci (2)	29,885	16,402
Total property catastrophe premium	150,290	80,613
Specialty premium		
Renaissance	60,675	33,557
DaVinci	4,319	702
Total specialty premium	64,994	34,259
Total Reinsurance gross premium written	$ 215,284	$ 114,872
Net premium written	$ 153,162	$ 65,424
Net premium earned — property catastrophe	$ 121,958	$ 116,939
Net premium earned — specialty	113,904	91,966
Total net premium earned	235,862	208,905
Claims and claim expenses incurred	65,016	61,100
Acquisition expenses	27,936	22,220
Operational expenses	10,624	13,107
Underwriting income	$ 132,286	$ 112,478
Claims and claim expenses incurred — current accident year	$ 92,375	$ 66,270
Claims and claim expenses incurred — prior years	(27,359)	(5,170)
Net claims and claim expenses incurred — total	$ 65,016	$ 61,100
Claims and claim expense ratio — accident year	39.2%	31.7%
Claims and claim expense ratio — calendar year	27.6%	29.2%
Underwriting expense ratio	16.3%	16.9%
Combined ratio	43.9%	46.1%

(1) Excludes combined gross premiums assumed from the Individual Risk segment of $0.8 million and $1.0 million for the three months ended June 30, 2004 and 2003, respectively.

(2) Excludes premiums ceded to Renaissance of $3.5 million for the three months ended June 30, 2004.

Premiums

Property catastrophe — During the second quarter of 2004 our property catastrophe premiums increased by $69.7 million or 86.4%, primarily due to timing differences in the booking of premiums in 2004 versus 2003. We expect a portion of these timing differences to cause a decrease in our reported property catastrophe gross premiums written in the third quarter of 2004. These timing differences were primarily caused by: 1) late signings of second quarter 2003 premiums which were recorded in the third quarter of 2003 but were not delayed in 2004, and were therefore reported in the second quarter of 2004; 2) the late reporting of certain premiums incepting in the first quarter of 2004, but not recorded until the second quarter of 2004; and 3) an increase in the number of reinsurance programs restructured during the quarter.

Offsetting the impact of these timing differences, we continue to see price declines, and increasingly we have had to turn down business that does not meet our return requirements. We believe this declining price environment is the result of the relatively low level of catastrophe losses during 2002 and 2003 and increased competition in the market. Barring the occurrence of a large catastrophe loss or other

dislocating event, we expect that the pricing environment for the property catastrophe reinsurance market will remain under pressure for the remainder of 2004.

Specialty Reinsurance — During the second quarter of 2004 we experienced strong growth in our specialty reinsurance premiums, which increased by $30.7 million or 89.7%. This increase was primarily due to higher-than-expected growth across several of our existing lines of business, supported by our increased professional staff and market presence. We continue to focus on a few targeted areas of this market.

Underwriting Results

The $19.8 million or 17.6% increase in our net underwriting income from our Reinsurance segment was primarily the result of two factors: 1) an increase in net earned premiums, primarily due to the growth in written premiums during 2003; and 2) lower operating expenses, principally due to the reversal of an executive bonus accrual.

Also affecting our underwriting results is the increase in our accident year loss ratio. The accident year loss ratio increased due to the growth in our specialty reinsurance book of business, which in most years we would expect to produce a higher loss ratio than our property catastrophe book of business. Partially offsetting this increase are greater reductions of loss reserves related to older accident years which are the result of the reduced level of paid and reported losses from both our property catastrophe and specialty reinsurance books of business.

Individual Risk Segment

We define our Individual Risk segment to include underwriting that involves understanding the characteristics of the original underlying insurance policy. Our principal products include: 1) commercial and homeowners property coverages, including catastrophe-exposed lines; 2) commercial liability coverages, including general, automobile, professional and various specialty lines; and 3) reinsurance to other insurers on a quota share basis. We operate through the Glencoe Group of companies, whose principal operating subsidiaries are Glencoe, Stonington and Lantana.

The following table summarizes the underwriting results and ratios for the Individual Risk segment for the three months ended June 30, 2004 and 2003:

Three months ended June 30, (in thousands)	**2004**	**2003**
Gross premium written	$ 111,592	$ 97,688
Net premium written	$ 109,680	$ 94,799
Net premium earned	$ 108,122	$ 66,630
Claims and claim expenses incurred	55,721	38,976
Acquisition expenses	36,111	18,484
Operational expenses	5,878	3,225
Underwriting income	$ 10,412	$ 5,945
Claims and claim expenses incurred — current accident year	$ 58,060	$ 46,563
Claims and claim expenses incurred — prior years	(2,339)	(7,587)
Net claims and claim expenses incurred — total	$ 55,721	$ 38,976
Claims and claim expense ratio — accident year	53.7%	69.9%
Claims and claim expense ratio — calendar year	51.6%	58.5%
Underwriting expense ratio	38.8%	32.6%
Combined ratio	90.4%	91.1%

Premiums

The increase in gross written premiums from our Individual Risk operations of $13.9 million or 14.2% in the second quarter of 2004 was the result of our addition of new programs and expansion of existing programs compared to the prior year. This increase was affected by the timing of a one-time unearned premium transfer of $18.0 million in the second quarter of 2004 which decreased our gross written premium by the same amount.

Underwriting Results

The increase in underwriting income from $5.9 million to $10.4 million was a result of the growth in net earned premiums. The combined ratio decreased from 91.1% to 90.3% from the second quarter of 2003 to the second quarter of 2004. Our underwriting expense ratio has increased from 32.6% to 38.8% as our Individual Risk segment continues to grow and as we have built out our infrastructure and resources over the past year.

Other Income (Loss) and Equity in Earnings of Unconsolidated Ventures

The fee income, equity pick up and other items as reported in other income and in equity in earnings of unconsolidated ventures are detailed below:

Three months ended June 30, (in thousands)	**2004**	**2003**
Fee income	$ 1,074	$ 1,250
Other items	(1,763)	(505)
Total other income (loss)	(689)	745
Equity in earnings of unconsolidated ventures	4,923	6,493
Total	$ 4,234	$ 7,238

Our other income and equity in earnings of unconsolidated ventures is principally generated from the annual management fee we receive from Platinum, the equity pickup of our investments in our joint ventures Top Layer Re and Channel Re, earnings from a joint venture focused on trading weather-sensitive commodities and securities, the underwriting of contracts related to physical variables, and other miscellaneous activities.

Despite including the earnings from the equity pickup of our investments in Channel Re and the joint venture focused on trading weather-sensitive commodities and securities, overall equity in earnings of unconsolidated ventures has decreased largely due to a decrease in Top Layer Re's earnings, caused by higher costs for ceded reinsurance and foreign exchange losses. Therefore, our equity pickup has decreased in the second quarter of 2004 compared to the second quarter of 2003.

In February 2004 we consummated our $119.7 million investment in Channel Re. This investment has been reflected in the balance sheet under the caption "investments in other ventures, under the equity method", which also includes our investment in Top Layer Re. The earnings on our investment in Channel Re are recorded one quarter in arrears; our second quarter results reflect $1.0 million in earnings from Channel Re, which represents our pro-rata share of the net income of Channel Re from its initial one and a half months of operations, including some non-recurring start-up costs.

We also generate fees from our joint venture with DaVinci; however, because DaVinci is consolidated in our financial statements, these fees are not recorded in other income, but are instead recorded in our consolidated underwriting results. We also receive fees from certain placements of structured quota share reinsurance agreements for participations in our property catastrophe book of business. These fees are also not recorded in other income, but instead are recorded as reductions to acquisition costs and underwriting expenses.

Other Items

A description of the changes in other non-underwriting income and expense items is as follows:

- Net investment income decreased by $4.3 million to $29.8 million from $34.1 million primarily due to a reduction in investment income and mark-to-market adjustments of our hedge funds and private equity fund investments.

- The $2.9 million increase in interest, preferred share dividends, and, in 2003, Capital Securities minority interest is due to the issuance of $250 million of 6.08% Series C preference shares in March 2004. We expect these costs to stabilize at this level for the remainder of 2004.

- Minority interest — DaVinciRe decreased by $5.7 million, from $20.2 million to $14.5 million due to lower net income in DaVinciRe driven primarily by higher profit commissions expense and net realized losses on investments in the second quarter of 2004 compared to net realized gains in the second quarter of 2003. Partially offsetting the higher profit commissions was a lower loss ratio in DaVinci in the second quarter of 2004 compared to the second quarter of 2003.

- Our corporate expenses have increased, driven by factors including the costs of compliance with the requirements of the Sarbanes-Oxley Act of 2002 and related regulation and developments, and as a result of the increased complexity and scale of our businesses, including higher staffing levels.

- See — "Summary Overview" above for discussion of changes in net realized investment gains (losses).

For the six months ended June 30, 2004 compared to the six months ended June 30, 2003

A summary of the significant components of our revenues and expenses is as follows:

Six months ended June 30, 2004 (in thousands)	**Reinsurance**	**Individual Risk**	**Other**	**Total**
Gross premiums written (1)	$ 875,634	$ 231,530	$ —	$ 1,107,164
Net premiums written	$ 749,400	$ 219,463	—	$ 968,863
Net premiums earned	$ 444,655	$ 208,898	—	$ 653,553
Claims and claim expenses incurred	123,555	109,360	—	232,915
Acquisition expenses	51,747	70,331	—	122,078
Operational expenses	16,750	12,128	—	28,878
Underwriting income	$ 252,603	$ 17,079	—	269,682
Net investment income			64,883	64,883
Equity in earnings of unconsolidated ventures			11,443	11,443
Other income (loss)			420	420
Interest and preference share dividends			(26,318)	(26,318)
Minority interest — DaVinciRe			(32,482)	(32,482)
Other items, net			(6,665)	(6,665)
Net realized gains on investments			5,601	5,601
Net income available to common shareholders			$ 16,882	$ 286,564
Claims and claim expense ratio	27.8%	52.4%		35.6%

Underwriting expense ratio	15.4%	39.5%	23.1%
Combined ratio	43.2%	91.9%	58.7%

(1) Reinsurance segment gross premiums written excludes $0.8 million of premiums ceded from the Individual Risk segment.

Six months ended June 30, 2003 (in thousands)	Reinsurance	Individual Risk	Other	Total
Gross premiums written (1)	$ 736,196	$ 161,531	$ —	$ 897,727
Net premiums written	$ 623,277	$ 127,316	—	$ 750,593
Net premiums earned	$ 409,338	$ 129,671	—	$ 539,009
Claims and claim expenses incurred	117,996	64,860	—	182,856
Acquisition expenses	45,077	37,760	—	82,837
Operational expenses	25,191	6,048	—	31,239
Underwriting income	$ 221,074	$ 21,003	—	242,077
Net investment income			65,543	65,543
Equity in earnings of unconsolidated ventures			12,561	12,561
Other income (loss)			182	182
Interest, preference share dividends, Capital Securities minority interest			(22,152)	(22,152)
Minority interest — DaVinciRe			(41,035)	(41,035)
Other items, net			3,501	3,501
Net realized gains on investments			70,772	70,772
Net income available to common shareholders			$ 89,372	$ 331,449
Claims and claim expense ratio	28.8%	50.0%		33.9%
Underwriting expense ratio	17.2%	33.8%		21.2%
Combined ratio	46.0%	83.8%		55.1%

(1) Reinsurance segment gross premiums written excludes $5.7 million of premiums ceded from the Individual Risk segment.

Summary Overview

For the six months ended June 30, 2004, our gross and net premiums written have increased due to: 1) timing differences in the reporting of our property catastrophe premiums (see discussion of the three month results of our Reinsurance segment above); 2) an increase in premiums written in our specialty reinsurance book of business due to growth across several of our existing lines of business; and 3) the addition of new programs and expansion of existing programs in our Individual Risk segment.

Our net earned premiums increased by $114.5 million or 21.3% due to the growth in gross and net premiums written discussed above, as well as our growth in gross premiums written during 2003.

Our net income was negatively impacted by the $65.2 million decrease in net realized gains on investments (see discussion of the three month results above).

Underwriting Results by Segment

A discussion of our underwriting results by segment is provided below.

Reinsurance Segment

The following table summarizes the underwriting results and ratios for the Reinsurance segment for the six months ended June 30, 2004 and 2003:

Six months ended June 30, (in thousands)	2004	2003
Property catastrophe premium (1)		
Renaissance	$ 419,541	$ 372,930
DaVinci (2)	133,081	123,218
Total property catastrophe premium	552,622	496,148
Specialty premium		
Renaissance	291,130	219,639
DaVinci	31,882	20,409
Total specialty premium	323,012	240,048
Total Reinsurance gross premium written	$ 875,634	$ 736,196

Net premium written	$ 749,400	$ 623,277
Net premium earned – property catastrophe	$ 254,132	$ 236,080
Net premium earned – specialty	190,523	173,258
Total net premium earned	444,655	409,338
Claims and claim expenses incurred	123,555	117,996
Acquisition expenses	51,747	45,077
Operational expenses	16,750	25,191
Underwriting income	$ 252,603	$ 221,074
Claims and claim expenses incurred – current accident year	$ 167,785	$ 135,784
Claims and claim expenses incurred – prior years	(44,230)	(17,788)
Net claims and claim expenses incurred – total	$ 123,555	$ 117,996
Claims and claim expense ratio – accident year	37.7%	33.2%
Claims and claim expense ratio – calendar year	27.8%	28.8%
Underwriting expense ratio	15.4%	17.2%
Combined ratio	43.2%	46.0%

(1) Excludes combined gross premiums assumed from the Individual Risk segment of $0.8 million and $5.7 million for the six months ended June 30, 2004 and 2003, respectively.

(2) Excludes premium ceded to Renaissance of $8.4 million for the six months ended June 30, 2004

Premiums

Property catastrophe — During the first six months of 2004 our property catastrophe premiums increased by $56.5 million or 11.4%, primarily due to timing differences in the booking of premiums in 2004 versus 2003 (see discussion of three month Reinsurance segment results above). Offsetting the impact of these timing differences, we continue to see price declines, and increasingly we have had to turn down business that does not meet our return requirements. We believe this declining price environment is the result of the relatively low level of catastrophe losses during 2002 and 2003 and increased competition in the market. We expect that the declining price environment and the impact of the timing differences will cause third quarter premium to decrease relative to the third quarter of 2003 and, barring the occurrence of a large catastrophe loss, we expect that the pricing environment for the property catastrophe reinsurance market will remain under pressure for the remainder of 2004.

Specialty Reinsurance — During the first six months of 2004 our specialty reinsurance premiums increased by $83.0 million or 34.6%. This increase was primarily due to higher-than-expected growth across several of our existing lines of business. We continue to focus on a few targeted areas of this market and also continue to hire additional resources in our specialty underwriting group, which has facilitated our expansion into select lines of business.

Underwriting Results

The $31.5 million or 14.3% increase in our net underwriting income from our Reinsurance segment was primarily the result of two factors: 1) an increase in net earned premiums, primarily due to the growth in our written premiums during 2003 and the timing differences on catastrophe premiums as noted above; and 2) lower operating expenses, principally due to the benefit of reversals of accruals for incentive compensation expense. In future periods we would expect our expense ratio to return to higher levels.

Also affecting our underwriting results are the reductions of our loss reserves related to prior accident years (see our three month Reinsurance segment results above).

Individual Risk Segment

The following table summarizes the underwriting results and ratios for the Individual Risk segment for the six months ended June 30, 2004 and 2003:

Six months ended June 30, (in thousands)	**2004**	**2003**
Gross premium written	$ 231,530	$ 161,531
Net premium written	$ 219,463	$ 127,316
Net premium earned	$ 208,898	$ 129,671
Claims and claim expenses incurred	109,360	64,860
Acquisition expenses	70,331	37,760
Operational expenses	12,128	6,048
Underwriting income	$ 17,079	$ 21,003
Claims and claim expenses incurred – current accident year	$ 116,517	$ 71,555
Claims and claim expenses incurred – prior years	(7,157)	(6,695)
Net claims and claim expenses incurred – total	$ 109,360	$ 64,860
Claims and claim expense ratio – accident year	55.8%	55.2%

Claims and claim expense ratio – calendar year	52.4%	50.0%
Underwriting expense ratio	39.5%	33.8%
Combined ratio	91.9%	83.8%

Premiums

The increase in gross written premiums from our Individual Risk operations of $70.0 million or 43.3% in the first six months of 2004 was primarily the result of our addition of new programs and expansion of existing programs compared to the prior year, and continuing improvement in the market environment.

Underwriting Results

The decrease in underwriting income from $21.0 million to $17.1 million was a result of the increase in the combined ratio from 83.8% to 91.9% reflecting the growth in the infrastructure to support this business.

Other Income (Expenses) and Equity in Earnings of Unconsolidated Ventures

The fee income, equity pick up and other items as reported in other income and in equity in earnings of unconsolidated ventures are detailed below:

Six months ended June 30, (in thousands)	2004	2003
Fee income	$ 2,189	$ 2,478
Other items	(1,769)	(2,296)
Total other income	420	182
Equity in earnings of unconsolidated ventures	11,443	12,561
Total	$ 11,863	$ 12,743

Despite including the earnings from the equity pickup of our investments in Channel Re and the joint venture focused on trading weather-sensitive commodities and securities, overall equity in earnings of unconsolidated ventures has decreased due to a decrease in Top Layer Re's earnings, caused by higher costs for ceded reinsurance and foreign exchange losses.

Other Items

A description of the changes in other non-underwriting income and expense items is as follows:

- The $4.2 million increase in interest, preferred share dividends, and, in 2003, Capital Securities minority interest is due to the issuance of the Series B preference shares and the 5.875% Senior Notes in January and February 2003, respectively. A full six months of expense is included in the 2004 results whereas only a partial expense was included in the 2003 six month results. Also increasing the cost is the issuance of $250 million 6.08% Series C preference shares in March 2004.

- Minority interest – DaVinciRe decreased by $8.6 million, from $41.0 million to $32.5 million due to lower net income in DaVinciRe driven primarily by driven primarily by higher profit commissions expense and net realized losses on investments in the second quarter of 2004 compared to net realized gains in the second quarter of 2003.

- Our corporate expenses have increased, driven by factors including the costs of compliance with the requirements of the Sarbanes-Oxley Act of 2002 and related regulation and developments, and as a result of the increased complexity and scale of our businesses, including higher staffing levels.

- See – "Summary Overview" above for a discussion of changes in net realized gains (losses) on investments.

FINANCIAL CONDITION

RenaissanceRe is a holding company, and we therefore rely on dividends from our subsidiaries and investment income to make principal, interest and dividend payments on our debt and capital securities, and to make dividend payments to our preference shareholders and common shareholders.

The payment of dividends by our Bermuda subsidiaries is, under certain circumstances, limited under Bermuda insurance law, which requires our Bermuda insurance subsidiaries to maintain certain measures of solvency and liquidity. At June 30, 2004, the statutory capital and surplus of our Bermuda insurance subsidiaries was $2,249.0 million, and the amount of capital and surplus required to be maintained was $425.4 million. Our U.S. insurance subsidiary, Stonington, is also required to maintain certain measures of solvency and liquidity. At June 30, 2004, the statutory capital and surplus of Stonington was $30.1 million and the maximum dividend it could pay without prior approval was $2.7 million.

In total, our operating subsidiaries have historically produced sufficient cash flows to meet their expected claims payments and operational expenses and to provide dividend payments to us. Our subsidiaries also maintain a concentration of investments in high quality liquid securities, which

management believes will provide sufficient liquidity to meet extraordinary claims payments should the need arise. Additionally, we maintain a $400.0 million revolving credit facility to meet additional capital requirements, if necessary.

CASH FLOWS

Cash flows from operations in the first six months of 2004 were $520.2 million, which principally consisted of net income (prior to dividends on preference shares) of $300.3 million, plus $346.8 million for increases in reserves for unearned premiums, plus $181.4 million for increases in reserves for claims and claim expenses (net), partially offset by an increase of $236.7 million in premiums receivable.

Because a large portion of the coverages we provide typically can produce losses of high severity and low frequency, it is not possible to accurately predict our future cash flows from operating activities. As a consequence, cash flows from operating activities may fluctuate, perhaps significantly, between individual quarters and years.

We have generated cash flows from operations in 2003 and the first six months of 2004, significantly in excess of our operating commitments. To the extent that capital is not utilized in our Reinsurance or Individual Risk segments, we will consider using such capital to invest in new opportunities. We would also consider returning capital to shareholders in the form of share repurchases under certain circumstances.

RESERVES FOR CLAIMS AND CLAIM EXPENSES

As discussed in the Summary of Critical Accounting Policies and Estimates, for insurance and reinsurance companies, the most significant accounting judgment made by management is the estimation of the claims and claim expense reserves. Because of the variability and uncertainty associated with loss estimation, it is possible that our individual case reserves are incorrect, possibly materially.

A large portion of our coverages provide protection from natural and man-made catastrophes which are generally infrequent, but can be significant, such as losses from hurricanes and earthquakes. Our claims and claim expense reserves will generally fluctuate, sometimes materially, based upon the occurrence of a significant natural or man-made catastrophic loss for which we provide reinsurance. Our claims reserves will also fluctuate based on the payments we make for these large loss events. The timing of our payments on loss events can be affected by the event causing the loss, the location of the loss, and whether our losses are from policies with insurers or reinsurers.

During 2003 and continuing in the first six months of 2004, we increased our specialty reinsurance and Individual Risk gross written premiums (see — "Summary of Results of Operations"). The addition of these lines of business adds complexity to our claims reserving process and therefore adds uncertainty to our claims reserve estimates, as the reporting of information, the setting of initial reserves and the loss settlement process for these lines of business vary from our traditional property catastrophe line of business.

For our Reinsurance and Individual Risk operations, our estimates of claims reserves include case reserves reported to us as well as our estimate additional case reserves and IBNR. Our case reserves and our estimates for IBNR reserves are based on 1) claims reports from insureds and program managers, 2) our underwriters' experience in setting claims reserves, 3) the use of computer models where applicable and 4) historical industry claims experience. For some classes of business we also use statistical and actuarial methods to estimate ultimate expected claims and claim expenses. We review our claims reserves on a regular basis. (Also see — "Summary of Critical Accounting Policies and Estimates".)

CAPITAL RESOURCES

Our total capital resources as at June 30, 2004 and December 31, 2003 were as follows:

(in thousands of U.S. dollars)	At June 30, 2004	At December 31, 2003
Common shareholders' equity	$ 2,300,688	$ 2,084,643
Preference shares	500,000	250,000
Total shareholders' equity	2,800,688	2,334,643
7.0% Senior Notes	150,000	150,000
5.875% Senior Notes	100,000	100,000
DaVinci revolving credit facility – borrowed	100,000	100,000
8.54% subordinated obligation to capital trust	103,093	103,093
Revolving credit facility – unborrowed	400,000	400,000
Total Capital Resources	$ 3,653,781	$ 3,187,736

During the first six months of 2004, our capital resources increased primarily as a result of: 1) our net income available to common shareholders of $286.6 million; and 2) the issuance of $250 million of Series C preference shares.

In March 2004, we raised $250 million through the issuance of 10 million Series C preference shares, in February 2003, we raised $100 million through the issuance of 4 million Series B preference shares, and in November 2001, we raised $150 million through the issuance of 6 million Series A preference shares. The Series C, Series B and Series A preference shares may be redeemed at $25 per share at our option on or after March 23, 2009,

February 4, 2008 and November 19, 2006, respectively; however, we have no current intentions to redeem the shares. Dividends on the Series C, Series B and Series A preference shares are cumulative from the date of original issuance and are payable quarterly in arrears at 6.08%, 7.3% and 8.1%, respectively, when, if, and as declared by the Board of Directors. If RenaissanceRe submits a proposal to our shareholders concerning an amalgamation or submit any proposal that, as a result of any changes to Bermuda law, requires approval of the holders of RenaissanceRe preference shares to vote as a single class, RenaissanceRe may redeem the Series C, Series B and Series A preference shares prior to March 23, 2009, February 4, 2008 and November 19, 2006, respectively, at $26 per share. The preference shares have no stated maturity and are not convertible into any other of our securities.

In January 2003, RenaissanceRe issued $100 million of 5.875% Senior Notes due February 15, 2013, with interest on the notes payable on February 15 and August 15 of each year. In July 2001, RenaissanceRe issued $150 million of 7.0% Senior Notes due July 15, 2008 with interest on the notes payable on January 15 and July 15 of each year. The notes can be redeemed by RenaissanceRe prior to maturity subject to payment of a "make-whole" premium; however, we have no current intentions of calling the notes. The notes, which are senior obligations, contain various covenants, including limitations on mergers and consolidations, restriction as to the disposition of stock of designated subsidiaries and limitations on liens on the stock of designated subsidiaries. RenaissanceRe was in compliance with the related covenants at June 30, 2004.

Our Capital Trust has issued Capital Securities which pay cumulative cash distributions at an annual rate of 8.54%, payable semi-annually. During the first six months of 2004 and the year ended December 31, 2003, RenaissanceRe did not purchase any of the Capital Securities. RenaissanceRe has purchased an aggregate $15.4 million of the Capital Securities since their issuance in 1997. The sole asset of the Capital Trust consists of our junior subordinated debentures. The Indenture relating to these junior subordinated debentures contains certain covenants, including a covenant prohibiting us from the payment of dividends if we are in default under the Indenture. We were in compliance with all of the covenants of the Indenture at June 30, 2004. The Capital Securities mature on March 1, 2027.

During May 2004, DaVinciRe amended and restated its credit agreement providing for a $100 million committed revolving credit facility and maintained as outstanding the full $100 million available under

---

this facility. Neither RenaissanceRe nor Renaissance Reinsurance is a guarantor of this facility and the lenders have no recourse against us or our subsidiaries other than DaVinciRe and its subsidiary under the DaVinciRe facility. Pursuant to the terms of the $400 million facility maintained by RenaissanceRe, a default by DaVinciRe on its obligations will not result in a default under the RenaissanceRe facility. Interest rates on the facility are based on a spread above LIBOR, and averaged approximately 2.0% during the first six months of 2004 (2003 – 2.3%). As amended, the credit agreement contains certain covenants requiring DaVinciRe to maintain a debt to capital ratio of 30% or below and a minimum net worth of $250 million. At June 30, 2004, DaVinciRe was in compliance with the covenants of this agreement. The amended and restated agreement extended the term of the facility to May 25, 2007.

Under the terms of certain reinsurance contracts, we may be required to provide letters of credit to reinsureds in respect of reported claims and/or unearned premiums. Our principal letter of credit facility is a $600 million syndicated secured facility which accepts as collateral shares issued by our subsidiary Renaissance Investment Holdings Ltd. ("RIHL"), whose assets consist of high grade fixed income securities. Our participating operating subsidiaries and our managed joint ventures have pledged (and must maintain) RIHL shares issued to them with a sufficient collateral value to support their respective obligations under the facility, including reimbursement obligations for outstanding letters of credit. The participating subsidiaries and joint ventures also have the option to post alternative forms of collateral. In addition, for liquidity purposes, each participating subsidiary and joint venture must maintain additional unpledged RIHL shares that have a net asset value at least equal to 15% of its facility usage, and in the aggregate the net asset value of all unpledged RIHL shares must be maintained at least equal to 15% of all of the outstanding RIHL shares. In the case of a default under the facility, or in other circumstances in which the rights of our lenders to collect on their collateral may be impaired, the lenders may exercise certain remedies under the facility agreement, in accordance with and subject to its terms, including redemption of pledged shares and conversion of the collateral into cash or eligible marketable securities. The redemption of shares by the collateral agent takes priority over any pending redemption of unpledged shares by us or other holders. In March 2004, the facility was increased to $600 million from $485 million and the term was extended to March 30, 2005. At June 30, 2004, we had outstanding letters of credit aggregating $386.6 million.

Also, in connection with our Top Layer Re joint venture we have committed $37.5 million of collateral to support a letter of credit and are obligated to make a mandatory capital contribution of up to $50.0 million in the event that a loss reduces Top Layer Re's capital below a specified level.

During August 2003, we amended and restated our committed revolving credit agreement to increase the facility from $310 million to $400 million and to make certain other changes. The interest rates on this facility are based on a spread above LIBOR. No balance was outstanding at June 30, 2004. As amended, the agreement contains certain financial covenants. These covenants generally provide that consolidated debt to capital shall not exceed the ratio (the "Debt to Capital Ratio") of 0.35:1 and that the consolidated net worth (the "Net Worth Requirements") of RenaissanceRe and Renaissance Reinsurance shall equal or exceed $1 billion and $500 million, respectively, subject to certain adjustments under certain circumstances in the case of the Debt to Capital Ratio and certain grace periods in the case of the Net Worth Requirements, all as more fully set forth in the agreement. The scheduled commitment termination date under the amended agreement was August 8, 2006. On August 6, 2004, we closed an amended and restated facility that increased the size of the facility to $500 million and extended the term to August 6, 2009. We have the right, subject to certain conditions, to increase the size of the facility to $600 million.

SHAREHOLDERS' EQUITY

During the first six months of 2004, our consolidated shareholders' equity, including preference shares, increased by $466.0 million to $2.8 billion as of June 30, 2004, from $2.3 billion as of December 31, 2003. The significant components of the change in shareholders' equity included net income available to common shareholders of $286.6 million and the issuance of $250 million of Series C preference shares.

INVESTMENTS AND CASH

At June 30, 2004, we held investments and cash totaling $5.0 billion, compared to $4.2 billion at December 31, 2003.

The table below shows the aggregate amounts of our invested assets:

(in thousands of U.S. dollars)	At June 30, 2004	At December 31, 2003
Fixed maturity investments available for sale, at fair value	$ 3,117,925	$ 2,947,841
Short term investments	1,009,011	660,564
Other investments	503,884	369,242
Cash and cash equivalents	74,130	63,397
Total managed investments and cash	4,704,950	4,041,044
Equity investments in reinsurance company, at fair value	147,962	145,535
Investments in other ventures, under equity method	178,052	41,130
Total investments and cash	$ 5,030,964	$ 4,227,709

The $803.3 million growth in our total investments and cash for the six months ended June 30, 2004 resulted primarily from net cash provided by operating activities of $520.2 million and the proceeds from our sale of $250 million of Series C preference shares.

Because our coverages include substantial protection for damages resulting from natural and man-made catastrophes, we may become liable for substantial claim payments on short-term notice. Accordingly, our investment portfolio is structured to preserve capital and provide a high level of liquidity which means that the large majority of our investment portfolio consists of highly rated fixed income securities, including U.S. Treasuries, highly-rated sovereign and supranational securities, high-grade corporate securities and mortgage-backed and asset-backed securities. At June 30, 2004, our invested asset portfolio of fixed maturities and short term investments had a dollar weighted average rating of AA, an average duration of 2.2 years and an average yield to maturity of 3.5%.

The other investments consist mainly of investments in hedge funds, private equity funds, a fund that invests in senior secured bank loans, a high yield credit fund, an investment in a medium term note which, represent an interest in a pool of European fixed income securities, and catastrophe bonds. During the quarter, the increase in such investments was primarily the result of additional investments in hedge funds and the fund that invests in senior secured bank loans. At June 30, 2004, we have committed capital to private equity partnerships of $180.9 million, of which $42.8 million has been contributed at June 30, 2004.

The equity investments in reinsurance company relates to our November 1, 2002 purchase of 3,960,000 common shares of Platinum in a private placement transaction. In addition, we received a 10-year warrant to purchase up to 2.5 million additional common shares of Platinum for $27.00 per share. We purchased the common shares and warrant for an aggregate price of $84.2 million. At June 30, 2004, we own 9.2% of Platinum's outstanding common shares. We have recorded our investments in Platinum at fair value, and at June 30, 2004 the aggregate fair value was $148.0 million, compared to $145.5 million at December 31, 2003. The aggregate unrealized gain of $63.8 million on the Platinum investments is included in accumulated other comprehensive income, of which $27.5 million represents our estimate of the value of the warrant.

The investments in other ventures, under equity method primarily represents our investments in Channel Re, Top Layer Re and other unconsolidated ventures. The increase in this balance is primarily due to our $119.7 million funding of Channel Re in February 2004.

At June 30, 2004, $22.2 million of cash and cash equivalents were invested in currencies other than the U.S. dollar, which represented less than 1% of our total investments and cash.

A portion of our investment assets are directly held by our subsidiary RIHL, a Bermuda company we organized for the primary purpose of holding the investments in high quality marketable securities for

RenaissanceRe, our operating subsidiaries and certain of our joint venture affiliates. We believe that RIHL permits us to consolidate and substantially facilitate our investment management operations. RenaissanceRe and each of our participating operating subsidiaries and affiliates have transferred to RIHL marketable securities or other assets, in return for a subscription of RIHL equity interests. Each RIHL share is redeemable by the subscribing companies for cash or in marketable securities. Over time, the subsidiaries and joint ventures which participate in RIHL are expected to both subscribe for additional shares and redeem outstanding shares, as our and their respective liquidity needs change. RIHL is currently rated AAAf/S2 by S&P.

NON-INDEMNITY INDEX TRANSACTIONS

We have assumed risk through derivative instruments under which losses could be triggered by an industry loss index or geological or physical variables. During the first six months of 2004, we recorded a loss on non-indemnity index transactions of $0.2 million, compared to a loss of $1.6 million for the same period in 2003. We report these gains or losses in other income.

EFFECTS OF INFLATION

The effects of inflation could cause the severity of claims to rise in the future. The Company's estimates for losses and loss expenses include assumptions about future payments for settlement of claims and claims handling expenses, such as litigation costs and the costs of medical treatments. To the extent inflation causes these costs to increase above reserves established for these claims, the Company will be required to increase the reserve for losses and loss expenses with a corresponding reduction in its earnings in the period in which the deficiency is identified. With respect to our catastrophe exposed businesses, the potential exists, after a catastrophe loss, for the development of inflationary pressures in a local or regional economy. The anticipated effects on us are considered in our catastrophe loss models. The effects of inflation are also considered in pricing and in estimating reserves for unpaid claims and claim expenses. The actual effects of this post-event inflation on our results cannot be accurately known until claims are ultimately settled. Inflation could also impair the value of our investment assets.

OFF-BALANCE SHEET AND SPECIAL PURPOSE ENTITY ARRANGEMENTS

As of June 30, 2004, we have not entered into any off-balance sheet arrangements, as defined by Item 303(a)(4) of Regulation S-K.

CONTRACTUAL OBLIGATIONS

At June 30, 2004, there have been no material changes in the Company's significant contractual obligations as disclosed in its Annual Report on Form 10-K for the year ended December 31, 2003.

CURRENT OUTLOOK

Although prices in the property insurance and reinsurance markets are continuing to decline, and the prices of the casualty insurance and reinsurance markets are flattening and in some cases are beginning to decline, we believe that the principal components of our operations continue to display strong fundamentals. We currently anticipate the following developments in our business:

Reinsurance segment

While pricing in the property markets generally increased significantly after the World Trade Center disaster, the property markets are becoming increasingly competitive, partially due to the lack of catastrophic losses during 2002 and 2003 and partially due to the increase in the new capital which entered the market subsequent to the World Trade Center disaster. Accordingly, we believe prices in these markets will continue to decline. As a result, we expect that our property catastrophe reinsurance premium will continue to decline because the declining price environment will result in fewer transactions that meet our hurdle rate.

Following a period of rate increases, prices in many but not all lines of the specialty market are beginning to show signs of softening. However, conditions vary significantly by line of business and certain lines are attractive to us while others are not. We expect that our 2004 specialty reinsurance premium will reflect significant growth compared to 2003 but currently expect our 2005 specialty premium to be roughly flat compared to 2004.

Individual Risk segment

We expect prices in the property insurance markets to decrease in 2004, and prices in certain specialty casualty insurance markets to be stable in 2004, having increased significantly in 2003. Accordingly, in 2004 we expect our property insurance premiums to decrease but we expect our premiums from the casualty insurance market to increase as we increase our capacity to serve this market. We believe that our infrastructure, our strong credit ratings and our financial strength will enable us to attract additional program managers who control attractive books of business and who, among other things, are currently concerned with the credit ratings of their current insurance carriers. Because of these opportunities, we believe that our premiums in our Individual Risk segment for the full year 2004 will increase significantly as compared to the total Individual Risk premiums for 2003.

Because of our desire to be selective in which programs we choose to accept and our focus on programs with large premium volumes, it is probable that our quarterly premiums in our Individual Risk segment will reflect the timing of entering, or exiting, into these agreements and therefore we can expect to experience fluctuations in the comparison of our premiums written from quarter to quarter.

New Business

We believe that our position in the reinsurance and insurance markets we target is increasingly strong as a result of our reputation for service, prompt claims payments, proprietary analytic tools and financial strength. Additionally, the long term credit quality of insurance and reinsurance companies, and the related credit ratings of those companies are becoming an increasing concern of many insurance and reinsurance customers. We believe that these factors will continue to offer opportunities to companies such as ours with strong credit ratings, a seasoned management team, and a history of successful performance.

The current market environment is also providing us with selective opportunities for our joint venture and structured product initiatives. In evaluating these initiatives, we may consider opportunities in other areas of the insurance and reinsurance markets, or in other financial markets, either through organic growth, the formation of

new joint ventures, or the acquisition of other companies or books of business of other companies. We are currently in the process of reviewing certain opportunities and periodically engage in discussions regarding possible transactions, although there can be no assurance that we will complete any such transactions or that any such transaction would contribute materially to our results of operations or financial condition. It is also possible that new ventures we pursue will have different return characteristics than our traditional businesses, including greater volatility.

Safe Harbor Disclosure

In connection with, and because it desires to take advantage of, the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company cautions readers regarding certain forward-looking statements contained in this report.

This Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which, with respect to future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, us.

In particular, statements using words such as "may", "should", "estimate", "expect", "anticipate", "intends", "believe", "predict" or words of similar import generally involve forward-looking statements. In light of the risks and uncertainties inherent in all future projections, the inclusion of forward-looking statements in this report should not be considered as a representation by the Company or any other person that its objectives or plans will be achieved. Numerous factors could cause the Company's actual results to differ materially from those addressed by the forward-looking statements, including the following:

1. the occurrence of natural or man-made catastrophic events with a frequency or severity exceeding our estimates;

2. risks associated with implementing our business strategies and initiatives for organic growth, including risks relating to managing that growth;

3. risks associated with the growth of our specialty reinsurance and Individual Risk businesses, particularly the development of our infrastructure to support this growth;

4. risks relating to our strategy of relying on program managers, third party administrators, and other vendors to support our Individual Risk operations;

5. other risks of doing business with program managers, including the risk we might be bound to policyholder obligations beyond our underwriting intent, and the risk that our program managers or agents may elect not to continue or renew their programs with us;

6. possible challenges in maintaining our fee-based operations, including risks associated with retaining our existing partners and attracting potential new partners;

7. acts of terrorism, war or political unrest;

8. the inherent uncertainties in our reserving process, which we believe are increasing as we diversify into new product classes;

9. emerging claim and coverage issues, which could expand our obligations beyond the amount we intend to underwrite;

10. a decrease in the level of demand for our reinsurance or insurance business, or increased competition in the industry;

11. changes in economic conditions, including interest rate, currency, equity and credit conditions which could affect our investment portfolio;

12. extraordinary events affecting our clients, such as bankruptcies and liquidations, and the risk that we may not retain or replace our large clients;

13. a contention by the U.S. Internal Revenue Service that our Bermuda subsidiaries, including Renaissance Reinsurance and Glencoe, are subject to U.S. taxation;

14. the lowering or loss of any of the financial or claims-paying ratings of RenaissanceRe or of one or more of our subsidiaries or changes in the policies or practices of the rating agencies;

15. loss of services of any one of our key executive officers;

16. risks relating to the collectibility of our reinsurance, including both our Reinsurance and Individual Risk operations, as well as risks relating to the availability of coverage from creditworthy providers;

17. failures of our reinsurers, brokers or program managers to honor their obligations, including their obligations to make third party payments for which we might be liable;

18. changes in insurance regulations in the U.S. or other jurisdictions in which we operate, including potential challenges to Renaissance Reinsurance's claim of exemption from insurance regulation under current laws, and the risk of increased global regulation of the insurance and reinsurance industry;

19. the passage of federal or state legislation subjecting Renaissance Reinsurance to supervision or regulation, including additional tax regulation, in the U.S. or other jurisdictions in which we operate; and

20. actions of competitors, including industry consolidation, the launch of new entrants and the development of competing financial products.

The factors listed above should not be construed as exhaustive. Certain of these factors are described in more detail from time to time in our filings with the Securities and Exchange Commission. We undertake no obligation to release publicly the results of any future revisions we may make to forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are principally exposed to four types of market risk: interest rate risk, equity price risk, foreign currency risk and credit risk. The Company's investment guidelines permit, subject to specific approval, investments in derivative instruments such as futures, options and foreign currency forward contracts for purposes other than trading. The Company anticipates that any such investments would be limited to duration management, foreign currency exposure management or to obtain an exposure to a particular financial market.

Interest Rate Risk

Our investment portfolio includes fixed maturity investments available for sale and short-term investments, whose market values will fluctuate with changes in interest rates. We attempt to maintain adequate liquidity in our fixed maturities investment portfolio to fund operations, pay reinsurance and insurance liabilities and claims and provide funding for unexpected events. We seek to manage our credit risk through means including industry and issuer diversification, and interest rate risk by monitoring the duration and structure of our investment portfolio.

The aggregate hypothetical loss generated from an immediate adverse parallel shift in the treasury yield curve of 100 basis points would cause a decrease in total return of 2.2%, which equated to a decrease in market value of approximately $90.8 million on a portfolio valued at $4,126.9 million at June 30, 2004. At December 31, 2003, the decrease in total return would have been 2.0%, which equated to a decrease in market value of approximately $72.2 million on a portfolio valued at $3,608.4 million. The foregoing reflects the use of an immediate time horizon, since this presents the worst-case scenario. Credit spreads are assumed to remain constant in these hypothetical examples.

Equity Price Risk

We are exposed to equity price risk due to our investment in the common shares and warrant to purchase additional common shares of Platinum (see "Management's Discussion and Analysis of Financial Condition and Results of Operations" — "Investments"), which we carry on our balance sheet at fair value. The risk is the potential for loss in fair value resulting from the adverse changes in Platinum's common stock. The aggregate fair value of this investment in Platinum was $148.0 million as at June 30, 2004 compared to $145.5 million as at December 31, 2003. A hypothetical 10% decline in the price of Platinum stock, holding all other factors constant, would have resulted in a $18.2 million decline in fair value, which would be recorded in net unrealized gains (losses) on securities and included in other comprehensive income in shareholders' equity.

Foreign Currency Risk

Our functional currency is the U.S. dollar. We write a substantial portion of our business in currencies other than U.S. dollars and may, from time to time, experience exchange gains and losses and incur underwriting losses in currencies other than U.S. dollars, which will in turn affect our consolidated financial statements.

Our foreign currency policy is generally to hold foreign currency assets, including cash, investments and receivables, that approximate the foreign currency liabilities, including claims and claim expense reserves and reinsurance balances payable. We may have short-term accumulations of non-dollar assets or liabilities. All changes in exchange rates are recognized currently in our statements of income. When necessary, the Company will use foreign currency forward and option contracts to minimize the effect of fluctuating foreign currencies on the value of non-U.S. dollar denominated assets and liabilities. As of June 30, 2004, the Company had notional exposure of $186.6 million related to foreign currency forward and option contracts. These contracts are recorded at fair value which is determined principally by obtaining quotes from independent dealers and counterparties. The fair value of these contracts as of June 30, 2004 was gain of $1.1 million. The Company had no investments in these foreign currency derivative instruments as of December 31, 2003.

Credit Risk

Our exposure to credit risk is primarily due to our fixed maturity investments available for sale and short term investments, and to a lesser extent, reinsurance premiums receivable and ceded reinsurance

balances. At June 30, 2004, our invested asset portfolio had a dollar weighted average rating of AA. From time to time we purchase credit default swaps to hedge our exposures in the insurance industry and to assist in managing the credit risk associated with ceded reinsurance. At June 30, 2004, the maximum payments we were obligated to make under these credit default swaps was $6.6 million. We account for these credit derivatives at fair value and record them on our consolidated balance sheet as other assets or other liabilities depending on the rights or obligations. The fair value of these credit derivatives, as recognized in other liabilities in our balance sheet, at June 30, 2004 and 2003 was a liability of $3.2 million and $0.8 million, respectively. During the first six months of 2004 and 2003, we recorded losses of $0.5 million and $0.9 million, respectively, in our consolidated statement of income, which are included in the $3.2 million and $0.8 million liability on the balance sheets at June 30, 2004 and 2003, respectively. The fair value of the credit derivatives are determined using industry valuation models. The fair value of these credit derivatives can change based on a variety of factors including changes in credit spreads, default rates and recovery rates, the correlation of credit risk between the referenced credit and the counterparty, and market rate inputs such as interest rates.

Item 4. CONTROLS AND PROCEDURES

Disclosure Controls and Internal Controls: We have designed various disclosure controls and procedures (as defined in Rules 13a-15(e) and Rule 15d-15(e) under the Exchange Act, to help ensure that information required to be disclosed in our periodic Exchange Act reports, such as this quarterly report, is recorded, processed, summarized and reported on a timely and accurate basis. Our disclosure controls are also designed with the objective of ensuring that such information is accumulated and communicated to our senior management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the issuer; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets that could have a material effect on financial statements.

Limitations on the effectiveness of controls: Our Board of Directors and management, including our Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls or internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, we believe that the design of any prudent control system must reflect appropriate resource constraints, such that the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, there can be no absolute assurance that all control issues and instances of fraud, if any, applicable to us have been or will be detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some individuals, by collusion of more than one person, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Evaluation: An evaluation was performed under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as required by Rule 13a-15(b) and 15d-15(b) of the Exchange Act. Based upon that evaluation, the Company's management, including our Chief Executive Officer and Chief Financial Officer, concluded, subject to the limitations noted above, that at June 30, 2004, the Company's disclosure controls and procedures are effective in ensuring that all material information required to be filed in this Report has been made known to them in a timely fashion. There has been no change in the Company's internal controls over financial reporting during the six months ended June 30, 2004 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II — OTHER INFORMATION

Item 1 — Legal Proceedings

We are, from time to time, a party to litigation and arbitration that arises in the normal course of our business operations. We are also subject to other potential litigation, disputes, and regulatory or governmental inquiry. While any proceeding contains an element of uncertainty, we believe that we are not presently a party to any such litigation or arbitration that is likely to have a material adverse effect on our business or operations.

Item 2 — Changes in Securities, Use of Proceeds and Issuer Repurchases of Equity Securities

Below is a summary of stock repurchases for the quarter ended June 30, 2004 (in thousands, except average price per share). RenaissanceRe's Board has authorized a share repurchase program of $150 million. No shares were repurchased under this program in the quarter ended June 30, 2004. See Note 6 of our Notes to Condensed Consolidated Financial Statements for information regarding RenaissanceRe's stock repurchase plan.

	Shares purchased	Average price per share	Maximum shares still available for repurchase (1)
Beginning shares available to be repurchased	—	—	2,900
April 1 – 30, 2004	—	—	N/A
May 1 – 31, 2004			
From employees (2)	34	$ 51.00	N/A
Open market	—	—	N/A
June 1 – 30, 2004			
From employees (2)	6	$ 53.61	N/A
Open market	—	—	N/A
Total	40	$ 51.38	2,900

1. Calculated with reference to the closing price of RenaissanceRe's common shares on August 4, 2004.
2. These repurchases exclusively represent withholdings from employees surrendered in respect of withholding tax obligations on the vesting of restricted stock, or in lieu of cash payments for the exercise price of employee stock options.

Item 3 — Defaults Upon Senior Securities

None

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

(a) Our 2004 Annual General Meeting of Shareholders was held on May 28, 2004.

(b) Proxies were solicited by our management pursuant to Regulation 14A under the Exchange Act; there was no solicitation of opposition to our nominees listed in the proxy statement; the reelected directors were re-elected for three year terms as described in item (c)(1) below.

The other directors, whose term of office as a director continued after the meeting are:

James N. Stanard
Thomas A. Cooper
Edmund B. Greene
Brian R. Hall
W. James MacGinnitie
Scott E. Pardee

(c) The following matters were voted upon at the Annual General Meeting with the voting results indicated:

(1) The Board Nominees Proposal

Our Bye-laws provide for a classified Board, divided into three classes of approximately equal size. At the 2004 Annual Meeting, the shareholders elected three of Class III Directors, who shall serve until our 2007 Annual Meeting.

Nominee	Votes For	Votes Abstained	Votes Against
William I. Riker	58,472,037	24,760	266,001
William F. Hecht	58,471,396	25,401	266,642
Nicholas L. Trivisonno	58,493,469	3,328	244,569

(2) The Auditors Proposal

Our shareholders voted to approve the appointment of Ernst & Young as our independent auditors for the 2004 fiscal year.

Votes For	Votes Against	Votes Abstained
57,430,578	320,160	987,200

Item 5 — Other Information

None

Item 6 — Exhibits and Reports on Form 8-K

a. Exhibits:

10.1 Sixth Amended and Restated Employment Agreement, dated as of May 19, 2004, between RenaissanceRe Holdings Ltd. and James N. Stanard.

10.2 Amended and Restated Employment Agreement, dated as of June 30, 2004, between RenaissanceRe Holdings Ltd. and John M. Lummis.

10.3 Letter of Resignation of David A. Eklund, dated June 22, 2004.

10.4 Amended and Restated Credit Agreement, dated as of May 25, 2004, by and among DaVinciRe Holdings Ltd., as borrower, the lenders named therein, Citigroup Global Markets Inc., as sole lead arranger and book manager, and Citibank, N.A., as administrative agent for the lenders.

31.1 Certification of James N. Stanard, Chief Executive Officer of RenaissanceRe Holdings Ltd., pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.

31.2 Certification of John M. Lummis, Chief Financial Officer of RenaissanceRe Holdings Ltd., pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.

32.1 Certification of James N. Stanard, Chief Executive Officer of RenaissanceRe Holdings Ltd., pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of John M. Lummis, Chief Financial Officer of RenaissanceRe Holdings Ltd., pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.

b. Current Reports on Form 8-K:

On May 5, 2004, the Company furnished a report on Form 8-K containing the Company's press release, issued on May 4, 2004, reporting its preliminary results for its first quarter ended March 31, 2004. In accordance with Item 12 of Form 8-K, the Form 8-K and the press release attached as an exhibit thereto were furnished and not filed with the Securities and Exchange Commission.

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.

By: */s/ John M. Lummis*
John M. Lummis
Executive Vice President and
Chief Financial Officer

SIXTH AMENDED AND RESTATED

EMPLOYMENT AGREEMENT

This Sixth Amended and Restated Employment Agreement (the "Agreement") is dated as of May 19, 2004, and is entered into between RenaissanceRe Holdings Ltd., a Bermuda Company (the "Company"), and James N. Stanard ("Executive").

WHEREAS, Executive and the Company are parties to that certain Fifth Amended and Restated Employment Agreement, dated November 8, 2002 (the "Prior Agreement"); and

WHEREAS, Executive and the Company have agreed to amend the Prior Agreement as set forth herein, effective as of the date hereof, but subject to the condition that the Company's shareholders subsequently approve the Company's 2004 Stock Option Incentive Plan (the "2004 Plan").

NOW, THEREFORE, the parties hereby agree 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 Directors of the Company (the "Board") and its subsidiary, Renaissance Reinsurance Ltd. 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 Board.

ARTICLE II.

TERM

2.01. Term. The term of Executive's employment pursuant to this Agreement (the "Term") shall be deemed to have commenced on May 19, 2004 and, unless terminated earlier as provided in Article V, shall continue until the earlier of (i) June 30, 2007, or (ii) the date which is one year following a "Change in Control" (as defined in the 2004 Plan).

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) Prior Agreement Compensation. Executive hereby acknowledges that in consideration of entering into this Agreement, subject to Article VIII below, except with respect to base salary accrued through the date hereof, Executive shall have no further rights with respect to cash compensation under the Prior Agreement.

(b) Awards. Subject to the approval by the Company's shareholders of the 2004 Plan at a Special General Meeting of Shareholders to be called for such purpose (the "Special Meeting"), Executive shall be granted options (the "Premium Options") as of the date of the Special Meeting to purchase 2.5 million shares of full voting common stock of the Company (the "Stock"), 1.25 million of which shall have an exercise price equal to 150% of the Fair Market Value (as defined in the 2004 Plan) of the Stock on the date of the Special Meeting, and

1.25 million of which shall have an exercise price equal to 200% of the Fair Market Value (as defined in the 2004 Plan) of the Stock on the date of the Special Meeting (in each case subject to the adjustment provisions contained in the 2004 Plan). Subject to Executive's continued employment or as otherwise provided in Section 5.05(a) of this Agreement, the Premium Options shall vest on the fifth anniversary of the date of grant, and shall otherwise be subject to the terms and conditions of the 2004 Plan and a stock option agreement between the Company and Executive evidencing the grant of the Premium Options; provided, however, that 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, vesting of the Premium Options shall be accelerated. Upon any exercise of vested Premium Options, unless otherwise determined by the Compensation Committee of the Board, Executive shall be required to use the "net exercise" procedure described in Section 7(b) of the 2004 Plan, and payment of taxes required to be withheld shall be paid by having shares of Stock withheld by the Company, as described in Section 8(d) of the 2004 Plan; provided, however, that Executive may use other permissible methods under the 2004 Plan to pay for exercise price and/or withholding tax if such "net exercise" and/or share withholding methods would materially disadvantage Executive's personal tax position and Executive takes reasonable steps to cooperate with the Company so as to ensure that the Company will not be treated as a "controlled foreign corporation" for U.S. tax purposes.

(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 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.

(d) 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.

(e) 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.

3.02. Expenses; Perquisites.

(a) General. During the Term, the Company shall provide Executive with customary perquisites for housing, automobile, travel and other expenses as agreed to by the Company, subject to the limitation set forth in Section 3.02(c).

(b) Incentive Gross-Up. To the extent that perquisites provided to Executive under subsection 3.02(a) 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.

(c) Maximum Amount Payable. The maximum annual amount payable pursuant to Sections 3.02(a) and (b) with respect to perquisites shall not, in the aggregate, exceed $100,000 for 2004. The maximum annual amount payable for subsequent years with respect to perquisites shall be adjusted as agreed with the Compensation Committee of the Board.

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 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 that Executive knows to be confidential or proprietary. 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 June 30, 2007 or the date one year following a Change in Control), Executive shall not, for a period extending until the earlier of (x) two years from the date of such termination, or (y) June 30, 2008, 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 (clauses (i) through (iii) being, "Competitive Activities"). In addition, Executive shall be prohibited from engaging in Competitive Activities until the later of (i) the expiration or cancellation of all Premium Options, or (ii) one year following Executive's exercise of his last remaining Premium Options. The determination of whether Executive has engaged in Competitive Activities shall be made in accordance with the procedure set forth in Section 5.05(a) hereof.

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) Premium Options. (i) Executive's rights with respect to the Premium Options upon any termination of his employment with the Company shall be governed exclusively by this Agreement, the terms and conditions of the 2004 Plan, and any agreement executed by Executive in connection with the grant of the Premium Options. In the event of termination of Executive's employment by reason of his resignation upon the expiration of this Agreement on June 30, 2007, Executive shall continue to be treated as employed by the Company for purposes of vesting in Premium Options for so long as Executive has not engaged in any Competitive Activities, provided that, if following such resignation and while such Premium Options are unvested and outstanding (A) Executive dies, all such Premium Options shall vest immediately, or (B) Executive voluntarily resigns from the position of Chairman of the Board prior to June 30, 2008, the Compensation Committee of the Board may cause Executive to forfeit that number of Premium Options which it deems appropriate under the circumstances, taking into account Executive's obligation not to engage in Competitive Activities. In addition, following such resignation, or following his resignation one year after a Change in Control (if earlier than June 30, 2007), or following any 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, Premium Options shall remain outstanding and exercisable (to the extent vested) for their full term as evidenced in any agreement executed by Executive in connection with the grant of Premium Options but, subject to Subsection 5.05(a)(ii), shall immediately expire and terminate if Executive engages in any Competitive Activities in violation of Section 4.04 of this Agreement.

(ii) Executive's Premium Options shall not expire and terminate by reason of his engaging in Competitive Activities unless the Company has first given Executive (A) written notice of the specific activities which the Company believes to constitute Competitive Activities, and (B) an opportunity for Executive to be heard before the Board and/or to cure or cease such activities within 30 days following the receipt of such notice. Executive's Premium Options shall expire and terminate only if Executive fails to cure or cease such activities within such 30-day period. In addition, if Executive notifies the

Board prior to engaging in a business activity and provides the Board with reasonable detail as to the nature of such business activity, the Board shall be required to determine whether such activity is a Competitive Activity and so notify Executive of its determination within 60 days of its receipt of such notice from Executive. If the Board determines that such activity is not a Competitive Activity, or if it does not notify Executive of its determination within such 60-day period, the Company shall thereafter be precluded from asserting that such activity is a Competitive Activity for purposes of this Agreement.

(b) Awards under the 1993 and 2001 Plans. Executive's rights with respect to awards granted under Company's Second Amended and Restated 1993 Stock Incentive Plan (the "1993 Plan") and 2001 Plan upon any termination of his employment with the Company shall be

governed the terms and conditions of the 1993 Plan and 2001 Plan, as applicable to such award, and any agreement executed by Executive in connection with such awards; provided, however, that for awards granted on or after March 31, 2001, Executive's rights shall be determined in a manner consistent with the requirements of Section 5.05(b) of the Prior Agreement with respect to continued vesting and exercisability upon certain terminations of employment, except that, (i) with respect to awards granted after January 1, 2004, (x) there shall be no requirement that Executive continue to serve on the Board, and (y) with respect to any determination regarding Executive's engagement in a Competitive Activity, Executive shall have the same notice and cure period rights as provided with respect to the Premium Options, as described in subsection (a) above, and (ii) the reference in Section 5.05(b) of the Prior Agreement to "termination of Executive's employment by reason of expiration of this Agreement on July 1, 2005" is hereby modified to read "termination of Executive's employment by reason of expiration of his Sixth Amended and Restated Employment Agreement on June 30, 2007".

(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.

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 RenaissanceRe Holdings Ltd., Renaissance House, East Broadway, P.O. Box HM 2527, Hamilton HMGX, 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. Except as otherwise provided in Section 5.05(b) and Article VIII, 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. 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.

ARTICLE VII.

INDEMNIFICATION OF EXECUTIVE

7.01. Indemnification. The Company shall defend, hold harmless and indemnify Executive to the fullest extent permitted by Bermuda law, as currently in effect or as it may hereafter be amended, from and against any and all damages, losses, liabilities, obligations, claims of any kind, costs, interest or expense (including, without limitation, reasonable attorneys' fees and expenses) (collectively, "Losses") that may be incurred or suffered by Executive in connection with or arising out of his service with the Company (whether prior to or following the date hereof), subject only to the provisions of Section 7.02 below.

7.02. Exceptions to Right of Indemnification. No indemnification shall be made under this Article VII in respect of the following:

(a) Losses relating to the disgorgement remedy contemplated by Section 16 of the US Securities Exchange Act of 1934;

(b) Losses arising out of a knowing violation by Executive of a material provision of this Article VII or any other agreement to which Executive is a party with the Company; and

(c) Losses arising out of a final, nonappealable conviction of Executive by a court of competent jurisdiction for a knowing violation of criminal law.

Moreover, the Company shall not effect any advances, or advance any costs, relating to any proceeding (or part thereof) initiated by Executive unless the initiation thereof was approved by the Board of Directors of the Company, or as may be approved or ordered by a competent tribunal.

7.03. Prepayment of Expenses. Unless Executive otherwise elects via written notice to the Company, expenses incurred in defending any civil or criminal action, suit or proceeding shall be paid by the Company in advance of the final disposition of such action, suit or proceeding upon receipt by the Company of a written affirmation of Executive's good faith belief that his conduct does not constitute the sort of behavior that would preclude his indemnification under this Article VII and Executive furnishes the Company a written undertaking, executed personally or on his behalf, to repay any advances if it is ultimately determined that he is not entitled to be indemnified by the Company under this Article VII.

7.04 Continuation of Indemnity. All agreements and obligations of the Company contained in this Article VII shall continue during the period in which Executive is employed the Company and shall continue thereafter so long as Executive shall be subject to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, by reason of the fact that Executive was a employed by the Company.

7.05 Indemnification Hereunder Not Exclusive. The indemnification and prepayment of expenses provided by this Article VII is in addition to and shall not be deemed exclusive of any other right to which Executive may be entitled under the Company's Memorandum of Association, the Company's Bye-Laws, any agreement, any vote of shareholders or disinterested directors, Bermuda law, any other law (common or statutory) or otherwise. Nothing contained in this Article VII shall be deemed to prohibit the Company from purchasing and maintaining insurance, at its expense, to protect itself or Executive against any expense, liability or loss incurred by it or him, whether or not Executive would be indemnified against such expense, liability or loss under this Article VII; provided that the Company shall not be liable under this Article VII to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Executive has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise. In the event the Company makes any indemnification payments to Executive and Executive is subsequently reimbursed from the proceeds of insurance, Executive shall promptly refund such indemnification payments to the Company to the extent of such insurance reimbursement.

ARTICLE VIII.

SHAREHOLDER APPROVAL OF THE 2004 PLAN

8.01. This Agreement remains subject to the condition that Company's shareholders approve the 2004 Plan in accordance with the rules of the New York Stock Exchange not later than December 15, 2004. In the event the Company's shareholders fail to approve the 2004 Plan, this Agreement shall be void ab initio, and the Prior Agreement shall be reinstated effective as of the date of this Agreement, and Executive shall be entitled to recoup all compensation that would have been payable to him under the Prior Agreement in respect of 2004, to the extent not previously paid to Executive. Notwithstanding the foregoing, in

no event shall Executive be entitled to any bonus compensation otherwise payable in respect of the Company's 2003 fiscal year under the Prior Agreement.

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

RENAISSANCERE HOLDINGS LTD.

By: /s/ John M. Lummis

Name: John M. Lummis
Title: Executive Vice President and Chief Financial Officer

/s/ James N. Stanard

James N. Stanard

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement is dated as of June 30, 2004 and is entered into between RenaissanceRe Holdings Ltd., a Bermuda company (the "Company"), and John M. Lummis ("Employee").

WHEREAS, the Company and Employee are presently parties to an Employment Agreement (the "Prior Agreement"), dated as of June 30, 2003; and

WHEREAS, the Company desires to enter into an amended and restated agreement embodying the terms of Employee's continued employment (this "Agreement"), and the Employee desires to enter into this Agreement and to accept such continued employment, subject to the terms and provisions of this Agreement.

NOW, THEREFORE, the parties hereby agree:

ARTICLE I.

Employment, Duties and Responsibilities

1.01. Employment. During the Term (as defined below), Employee shall serve as a key employee of the Company with the title Chief Financial Officer, Executive Vice President of the Company. Employee agrees to devote his full time and efforts to promote the interests of the Company.

1.02. Duties and Responsibilities. Employee shall have such duties and responsibilities as specified by the Company's Chief Executive Officer, who shall be the person to which the Employee directly reports and who supervises the Employee's work on a regular basis (the "Direct Supervisor"). These duties and responsibilities may be modified from time to time and as are consistent with the Employee's position.

1.03. Base of Operation. Employee's principal base of operation for the performance of his duties and responsibilities under this Agreement shall be the offices of the Company in Bermuda; provided, however, that Employee shall perform such duties and responsibilities outside of Bermuda as shall from time to time be reasonably necessary to fulfill his obligations hereunder. Employee's performance of any duties and responsibilities outside of Bermuda shall be conducted in a manner consistent with any guidelines provided to Employee by the Board of Directors of the Company (the "Company's Board").

ARTICLE II.

Term

2.01. Term. Subject to Article V, the employment of the Employee under this Agreement shall be for a term (the "Term") commencing as of the date first written above and

continuing until the second anniversary of the date first written above; provided, however, that the Term shall be extended as may be mutually agreed by the parties.

ARTICLE III.

Compensation and Expenses

3.01. Salary, Incentive Awards and Benefits. As compensation and consideration for the performance by Employee of his obligations under this Agreement, Employee 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 Employee a base salary at a rate to be determined by the Company's Board, upon recommendation of the Direct Supervisor, or if such Direct Supervisor is not an officer of the Company, an officer of the Company. The Company shall pay Employee a bonus of $1.7 million in March 2005, and a bonus of $1.7 million in March 2006 (such amounts being the "Bonus Amounts"). Salary shall be payable in accordance with the normal payment procedures of the Company. Salary and bonuses shall be subject to such withholding and other normal employee deductions as may be required by law. Employee shall be entitled to payments pursuant to the Company's long term incentive program.

(b) Awards. Employee shall participate in the stock incentive plans of the Company, as amended through the date hereof and hereafter from time

to time (the "Plans"). Employee may receive grants from time to time as determined by the Compensation Committee of the Company's Board. Employee shall enter into separate award agreements with respect to such awards granted to him ("Awards") under the Plans, and his rights with respect to such Awards shall be governed by the Plans and such award agreements.

(c) Benefits. Employee 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 employees of the Company, subject to the terms and provisions of such plan or program.

(d) Vacation. Employee shall be entitled to reasonable paid vacation periods, in accordance with Company policy, 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 Employee's supervisor at the Company.

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

(a) Business Expenses. The Company will reimburse Employee 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) Other Benefits. The Company may also provide for other benefits for Employee as it determines from time to time.

ARTICLE IV.

Exclusivity, Etc.

4.01. Exclusivity. Employee agrees to perform his duties, responsibilities and obligations hereunder efficiently and to the best of his ability. Employee agrees that he will devote his entire working time, care and attention and best efforts to such duties, responsibilities and obligations throughout the Term.

4.02. Other Business Ventures. Employee 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, Employee 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. Employee 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 include, but shall not be limited to, any confidential or proprietary information, trade secrets, customer lists, drawings, designs, information regarding product development, marketing plans, sales plans, manufacturing plans, management organization information, operating policies or manuals, business plans, financial records, packaging design or other financial, commercial, business or technical information relating to the Company or any of its divisions, subsidiaries or affiliates, or that the Company or any of its subsidiaries or affiliates may receive belonging to suppliers, customers or others who do business with the Company or any of its divisions, subsidiaries or affiliates. Employee'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 Employee; (iii) is known to Employee prior to his receipt of such information from the Company or any of its divisions, subsidiaries or affiliates, as evidenced by written records of Employee or (iv) is hereafter disclosed to Employee by a third party not under an obligation of confidence to the Company or any of its divisions, subsidiaries or affiliates. Employee agrees not to remove from the premises of the Company, or as applicable, the premises of any of its divisions, subsidiaries or affiliates, except as an employee of the Company in pursuit of the business of the Company, its divisions, subsidiaries or affiliates, or except as specifically permitted in writing by the Company's Board, any document or other object containing or reflecting any such confidential information.

Employee recognizes that all such documents and objects, whether developed by him or by

someone else, will be the sole exclusive property of the Company and its divisions, subsidiaries or affiliates, as applicable. Upon termination of his employment hereunder, Employee 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 of the Employee, upon any termination of the employment of the Employee (including a termination upon expiration of the Term), the Employee shall not, during the Non-Competition Period (as defined below), directly or indirectly, whether as an employee consultant, independent contractor, partner, joint venturer or otherwise, (A) engage in any business activities relating to catastrophe modeling, or underwriting catastrophe risks, on behalf of any person that competes, to a material extent, with the Company or its affiliates, or engage in other 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 affiliates at the time of 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 any termination of employment by the Company or the Employee, the Company may elect within 30 days after such termination, to waive the Employee's non-competition obligations. Non-Competition Period means the period of one year following the date of termination of employment, or such shorter period as the Company may elect within 30 days after such termination.

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

5.02. Death. In the event Employee dies during the Term, the Employee's employment shall automatically terminate, such termination to be effective on

the date of Employee's death.

5.03. Disability. In the event that Employee 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 Employee becomes eligible for the Company's long-term disability plan, the Company shall have the right to terminate the Employee's employment, such termination to be effective upon the giving of notice to Employee in accordance with Section 6.03 of this Agreement.

5.04. Termination Without Cause. The Company may at any time terminate Employee's employment for reasons other than Cause.

5.05. Effect of Termination.

(a) Obligations of Company. In the event of any termination of the Employee's employment hereunder, other than a Termination for Cause or an election by the Employee to terminate his employment, (i) the Company shall pay the Employee his base salary and the Bonus Amounts in the amounts and at the times specified in Section 3.01, thru the end of the Term, and (ii) in addition, if the Company does not waive the Non-Competition Obligation, then the Company shall pay 175% of Employee's base salary during each month or portion thereof in the Non-Competition Period that extends beyond the Term. In the event of a termination of the Employee's employment hereunder due to a Termination for Cause or an election by the Employee to terminate his employment, if the Company does not waive the Non-Competition Obligation, then the Company shall pay 175% of Employee's base salary during each month or portion thereof in the Non-Competition Period.

(b) Awards. Except as otherwise provided in Section 5.05(a) and Section 5.06, Employee'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 Plans and any award agreements executed by Employee in connection with the Plans.

(c) Obligations of Employee. Employee may terminate his employment at any time by 10 days' written notice to the Company. Employee shall have no obligations to the Company under this Agreement after the termination of his employment other that as provided in Section 5.07, and 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 Employee's employment is terminated by the Company, or the Employee terminates his employment voluntarily for "Good Reason" (as hereinafter defined), then, in lieu of the payments described in Section 5.05(a), the Company shall pay the Employee, within fifteen days following the date of such termination, a lump sum cash amount equal to the sum of:

(i) An amount equal to Employee's base salary at the highest rate in effect, through the end of the Term;

(ii) the full amount of the Bonus Amounts not previously paid; and

(iii) 175% of the Employee's base salary as in effect on the termination date for any month, or part thereof, that the Non-Competition Period extends beyond the end of the Term.

For purposes of this Agreement, "Good Reason" means

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

(B) 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 Employee;

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

(D) 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" shall have the meaning ascribed thereto in the Company's 2001 Stock Incentive Plan.

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

5.07. Post-Termination Cooperation. Following any termination of Employee's employment for any reason, Employee shall reasonably cooperate with the Company to assist with existing or future investigations, proceedings, litigations or examinations involving the Company or any of its affiliates. For each day, or part thereof, that Employee provides assistance to the Company as contemplated hereunder, the Company shall pay Employee an amount equal to (x) divided by (y), where (x) equals the sum of Employee's annual base salary and target bonus as in effect on the date of Employee's termination of employment, and (y) equals 200. In addition, upon presentment of satisfactory documentation, the Company will reimburse Employee for reasonable out-of-pocket travel, lodging and other incidental expenses he incurs in providing such assistance. Employee shall not be required to travel to Bermuda to provide any assistance contemplated hereunder, but, if requested by the Company, shall make reasonable good faith efforts to travel to such locations as the Company may reasonably request.

ARTICLE VI.

Miscellaneous

6.01. Life Insurance. Employee agrees that the Company or any of its divisions, subsidiaries or affiliates may apply for and secure and own insurance on Employee's life (in amounts determined by the Company). Employee agrees to cooperate fully in the application for and securing of such insurance, including the submission by Employee to such physical and other examinations, and the answering of such questions and furnishing of such information by Employee, 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 Employee.

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, Employee 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 Services 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 Employee; and (b) in the case of Employee, to Employee at his then current home address as shown on the Company's books, or to such other address as Employee 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 Employee'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, 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. Employee 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. Employee 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 Employee.

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 Employee'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. Employee 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 Employee serves as an employee under this Agreement, to the extent such obligations relate to Employee'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 Employee serves as an employee under this Agreement, to the extent such rights relate to Employee'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.

ARTICLE VII.

Indemnification of Employee

7.01. Indemnification. The Company shall defend, hold harmless and indemnify Employee to the fullest extent permitted by Bermuda law, as currently

in effect or as it may hereafter be amended, from and against any and all damages, losses, liabilities, obligations, claims of any kind, costs, interest or expense (including, without limitation, reasonable attorneys' fees and expenses) (collectively, "Losses") that may be incurred or suffered by Employee in

connection with or arising out of his service with the Company (whether prior to or following the date hereof), subject only to the provisions of Section 7.02 below.

7.02. Exceptions to Right of Indemnification. No indemnification shall be made under this Article VII in respect of the following:

(a) Losses relating to the disgorgement remedy contemplated by Section 16 of the US Securities Exchange Act of 1934;

(b) Losses arising out of a knowing violation by Employee of a material provision of this Article VII or any other agreement to which Employee is a party with the Company; and

(c) Losses arising out of a final, nonappealable conviction of Employee by a court of competent jurisdiction for a knowing violation of criminal law. Moreover, the Company shall not effect any advances, or advance any costs, relating to any proceeding (or part thereof) initiated by Employee unless the initiation thereof was approved by the Board of Directors of the Company, or as may be approved or ordered by a competent tribunal.

7.03. Prepayment of Expenses. Unless Employee otherwise elects via written notice to the Company, expenses incurred in defending any civil or criminal action, suit or proceeding shall be paid by the Company in advance of the final disposition of such action, suit or proceeding upon receipt by the Company of a written affirmation of Employee's good faith belief that his conduct does not constitute the sort of behavior that would preclude his indemnification under this Article VII and Employee furnishes the Company a written undertaking, executed personally or on his behalf, to repay any advances if it is ultimately determined that he is not entitled to be indemnified by the Company under this Article VII.

7.04. Continuation of Indemnity. All agreements and obligations of the Company contained in this Article VII shall continue during the period in which Employee is employed the Company and shall continue thereafter so long as Employee shall be subject to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, by reason of the fact that Employee was a employed by the Company.

7.05. Indemnification Hereunder Not Exclusive. The indemnification and prepayment of expenses provided by this Article VII is in addition to and shall not be deemed exclusive of any other right to which Employee may be entitled under the Company's Memorandum of Association, the Company's By-Laws, any agreement, any vote of shareholders or disinterested directors, Bermuda law, any other law (common or statutory) or otherwise. Nothing contained in this Article VII shall be deemed to prohibit the Company from purchasing and maintaining insurance, at its expense, to protect itself or Employee against any expense, liability or loss incurred by it or him, whether or not Employee would be indemnified against such expense, liability or loss under this Article VII; provided that the Company shall not be liable under this Article VII to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Employee has otherwise actually received such payment under any insurance policy,

contract, agreement or otherwise. In the event the Company makes any indemnification payments to Employee and Employee is subsequently reimbursed from the proceeds of insurance, Employee shall promptly refund such indemnification payments to the Company to the extent of such insurance reimbursement.

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

RENAISSANCERE HOLDINGS LTD.

By: /s/ James N. Stanard

Name: James N. Stanard
Title: Chief Executive Officer

EMPLOYEE

By: /s/ John M. Lummis

Name: John M. Lummis

[LETTERHEAD OF RENAISSANCERE HOLDINGS LTD.]

June 22, 2004

Re: David A. Eklund Resignation

Dear Dave:

This letter will set forth our agreement with respect to your resignation from RenaissanceRe Holdings Ltd. (the "Company") effective June 30, 2004.

You hereby resign as Executive Vice President of the Company, and from all other titles or positions you now hold with the Company or any of its subsidiaries or affiliates, such resignation to be effective as of June 30, 2004. The respective rights and obligations of the you and the Company in connection with such resignation shall be governed by the terms and conditions of your employment agreement with the Company dated June 30, 2003 (the "Employment Agreement"), except that the "Non-Competition Period", as defined in Section 4.04 of the Employment Agreement, shall continue until June 30, 2006. From the date of your resignation through the end of the Non-Competition Period, in lieu of any payments to which you would otherwise have been entitled under Section 5.05(a) of the Employment Agreement, the Company shall pay you $375,000 per year, such amount to be payable in equal monthly installments as provided in Section 5.05(a) of the Employment Agreement.

Your rights with respect to options and restricted stock awards presently held by you will be governed by the terms and conditions of the Company's stock plans under which such awards were granted, and any award agreements relating thereto.

Except as provided in this letter, the respective rights and obligations of you and the Company under the Employment Agreement shall remain unchanged.

Sincerely,

RENAISSANCERE HOLDINGS LTD.

By: /s/ James N. Stanard

James N. Stanard
Chief Executive Officer

AGREED TO AND ACCEPTED:

/s/ David A. Eklund
- ---
David A. Eklund

22 June 2004
- ---
Date

Exhibit 10.4

CONFORMED COPY

AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of May 25, 2004

Among

DAVINCIRE HOLDINGS LTD.

as Borrower

and

THE INITIAL LENDERS NAMED HEREIN

as Initial Lenders

and

CITIGROUP GLOBAL MARKETS INC.

as Sole Lead Arranger and Book Manager

and

CITIBANK, N.A.

as Administrative Agent

TABLE OF CONTENTS

Exhibit 10.4

AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of May 25, 2004

DAVINCIRE HOLDINGS LTD., a corporation organized under the laws of Bermuda (the "Borrower"), the banks, financial institutions and other institutional lenders (the "Initial Lenders") listed on the signature pages hereof, CITIGROUP GLOBAL MARKETS INC., as sole lead arranger and book manager, and CITIBANK, N.A. ("Citibank"), as administrative agent (the "Agent") for the Lenders (as hereinafter defined), agree as follows:

PRELIMINARY STATEMENT. The Borrower, the lenders party thereto and Citibank, as agent, are parties to a Credit Agreement dated as of April 19,

2002 (the "Existing Credit Agreement"). Subject to the satisfaction of the conditions set forth in Section 3.01, the Borrower, the Lenders party hereto and Citibank, as Agent, desire to amend and restate the Existing Credit Agreement as herein set forth.

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Advance" means an advance by a Lender to the Borrower as part of a Borrowing and refers to a Base Rate Advance or a Eurodollar Rate Advance (each of which shall be a "Type" of Advance).

"Affiliate" of any Person means any other Person which, directly or indirectly, controls or is controlled by or is under common control with such Person (excluding any trustee under, or any committee with responsibility for administering, any Plan). A Person shall be deemed to be:

(a) "controlled by" any other Person if such other Person possesses, directly or indirectly, power: (i) to vote 20% or more of the securities having at the time of any determination hereunder voting power for the election of directors of such Person; or (ii) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise; or

(b) "controlled by" or "under common control with" such other Person if such other Person is the executor, administrator, or other personal representative of such Person.

"Agent's Account" means the account of the Agent maintained by the Agent at Citibank at its office at 388 Greenwich Street, New York, New York 10013, Account No. 36852248, Attention: Bank Loan Syndications.

"Annual Statement" means the annual financial statement of an Insurance Subsidiary as required to be filed with the Authority (or similar Governmental Authority) of such Subsidiary's domicile, together with all exhibits or schedules filed therewith, prepared in conformity with SAP.

"Applicable Lending Office" means, with respect to each Lender, such Lender's Domestic Lending Office in the case of a Base Rate Advance and such Lender's Eurodollar Lending Office in the case of a Eurodollar Rate Advance.

"Applicable Margin" means (a) for Base Rate Advances, 0% per annum and (b) for Eurodollar Rate Advances, as of any date, a percentage per annum determined by reference to the Public Debt Rating in effect on such date as set forth below:

Public Debt Rating S&P/Moody's	Applicable Margin for Eurodollar Rate Advances
Level 1 A/A2 or above	0.625%
Level 2 A-/A3	0.750%
Level 3 BBB+/Baa1	0.850%
Level 4 BBB/Baa2	1.000%
Level 5 BBB-/Baa3 or below	1.255%

"Applicable Percentage" means, as of any date a percentage per

annum determined by reference to the Public Debt Rating in effect on such date as set forth below:

Public Debt Rating S&P/Moody's	Applicable Percentage
Level 1 A/A2 or above	0.125%
Level 2 A-/A3	0.150%
Level 3 BBB+/Baa1	0.200%
Level 4 BBB/Baa2	0.250%
Level 5 BBB-/Baa3 or below	0.350%

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Agent, in substantially the form of Exhibit C hereto.

"Assuming Lender" has the meaning specified in Section 2.17(d).

"Assumption Agreement" has the meaning specified in Section 2.17(d)(ii).

"Authority" means the Bermuda Monetary Authority or similar Governmental Authority in the applicable jurisdiction.

"Base Rate" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the highest of:

(a) the rate of interest announced publicly by Citibank in New York, New York, from time to time, as Citibank's base rate;

(b) the sum (adjusted to the nearest 1/4 of 1% or, if there is no nearest 1/4 of 1%, to the next higher 1/4 of 1%) of (i)1/2 of 1% per annum, plus (ii) the rate obtained by dividing (A) the latest three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major United States money market banks, such three-week moving average (adjusted to the basis of a year of 360 days) being determined weekly on each Monday (or, if such day is not a Business Day, on the next succeeding Business Day) for the three-week period ending on the previous Friday by Citibank on the basis of such rates reported by certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be suspended or terminated, on the basis of quotations for such rates

received by Citibank from three New York certificate of deposit dealers of recognized standing selected by Citibank, by (B) a percentage equal to 100% minus the average of the daily percentages specified during such three-week period by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, but not limited to, any emergency, supplemental or other marginal reserve requirement) for Citibank with respect to liabilities consisting of or including (among other liabilities) three-month U.S. dollar non-personal time deposits in the United States, plus (iii) the average during such three-week period of the annual assessment rates estimated by Citibank for determining the then current annual assessment payable by Citibank to the Federal Deposit Insurance Corporation (or any successor) for insuring U.S. dollar deposits of Citibank in the United States; and

(c) 1/2 of one percent per annum above the Federal Funds Rate.

"Base Rate Advance" means an Advance that bears interest as provided in Section 2.06(a)(i).

"Borrowing" means a borrowing consisting of simultaneous Advances of the same Type made by each of the Lenders pursuant to Section 2.01.

"Business Day" means a day of the year on which banks are not required or authorized by law to close in New York City or Hamilton, Bermuda and, if the applicable Business Day relates to any Eurodollar Rate Advances, on which dealings are carried on in the London interbank market.

"Capitalized Lease" means, as to any Person, any lease which is or should be capitalized on the balance sheet of such Person in accordance with GAAP, together with any other lease which is in substance a financing lease, including, without limitation, any lease under which (a) such Person has or will have an option to purchase the property subject thereto at a nominal amount or an amount less than a reasonable estimate of the fair market value of such property as of the date the lease is entered into or (b) the term of the lease approximates or exceeds the expected useful life of the property leased thereunder.

"Catastrophe Bond" means (a) any note, bond or other Debt instrument or any swap or other similar agreement which has a catastrophe, weather or other risk feature linked to payments thereunder and (b) any equity interest in a Person that is not a Subsidiary controlled, directly or indirectly, by the Borrower for the sole purpose of investing in Debt of the type described in clause (a), which, in the case of Catastrophe Bonds purchased by the Borrower or any of its Subsidiaries, are purchased in accordance with its customary reinsurance underwriting procedures.

"Change in Control" shall be deemed to have occurred if (a) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Borrower occurs; (b) any "person" as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") other than RenaissanceRe Holdings Ltd., is or becomes, directly or indirectly, the "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, of securities of the Borrower that represent 51% or more of the combined voting power of the Borrower's then outstanding securities; (c) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of the Borrower (together with any new directors whose nomination by the Board of Directors or whose election by the stockholders of the Borrower was approved by a vote of the directors of the Borrower then still in office who are either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Borrower's Board of Directors then in office; or (d) Renaissance Re Holdings Ltd. shall cease for any reason to own, directly or indirectly, the power to exercise voting control of the Borrower.

"Commitment" means as to any Lender (a) the amount set forth opposite such Lender's name on the signature pages hereof, (b) if such Lender has become a Lender hereunder pursuant to an Assumption Agreement, the amount set forth in such Assumption Agreement or (c) if such Lender has entered into any Assignment and Acceptance, the amount set forth for such Lender in the Register maintained by the Agent

pursuant to Section 8.07(d), as such amount may be reduced pursuant to Section 2.04 or increased pursuant to Section 2.17.

"Commitment Date" has the meaning specified in Section 2.17(b).

"Commitment Increase" has the meaning specified in Section 2.17(a).

"Compliance Certificate" means a certificate substantially in the form of Exhibit F but with such changes as the Agent may from time to time request for purposes of monitoring the Borrower's compliance herewith.

"Consenting Lender" has the meaning specified in Section 2.18(b).

"Consolidated" refers to the consolidation of accounts in accordance with GAAP.

"Consolidated Debt" means the consolidated Debt of the Borrower and its Subsidiaries, including without limitation the principal amount of the Advances.

"Contingent Liability" means any agreement, undertaking or arrangement by which any Person (outside the ordinary course of business) guarantees, endorses, acts as surety for or otherwise becomes or is contingently liable for (by direct or indirect agreement, contingent or otherwise, to provide funds for payment by, to supply funds to, or otherwise to invest in, a debtor, or otherwise to assure a creditor against loss) the Debt, obligation or other liability of any other Person (other than by endorsements of instruments in the course of collection), or for the payment of dividends or other distributions upon the shares of any other Person or undertakes or agrees (contingently or otherwise) to purchase, repurchase, or otherwise acquire or become responsible for any Debt, obligation or liability or any security therefor, or to provide funds for the payment or discharge thereof (whether in the form of loans, advances, stock purchases, capital contributions or otherwise), or to maintain solvency, assets, level of income, or other financial condition of any other Person, or to make payment or transfer property to any other Person other than for fair value received; provided, however, that obligations of the Borrower or any of its Subsidiaries under Primary Policies or Reinsurance Agreements which are entered into in the ordinary course of business (including security posted to secure obligations thereunder) shall not be deemed to be Contingent Liabilities of such Person for the purposes of this Agreement. The amount of any Person's obligation under any Contingent Liability shall (subject to any limitation set forth therein) be deemed to be the lesser of (i) the outstanding principal amount (or maximum permitted principal amount, if larger) of the Debt, obligation or other liability guaranteed or supported thereby or (ii) the maximum stated amount so guaranteed or supported.

"Contractual Obligation" means, relative to any Person, any obligation, commitment or undertaking under any agreement or other instrument to which such Person is a party or by which it or any of its property is bound or subject.

"Convert", "Conversion" and "Converted" each refers to a conversion of Advances of one Type into Advances of the other Type pursuant to Section 2.07 or 2.08.

"DaVinciRe Catastrophe-Linked Security" means any Catastrophe Bond (of the type described in clause (a) of the definition of Catastrophe Bond) issued or otherwise entered into by the Borrower or any of its Insurance Subsidiaries to cede risk which (a) has a scheduled maturity date after the Termination Date and (b) upon the occurrence of catastrophe claims under the terms thereof in excess of a predefined level that is no more remote than a one in 100 (or 1.00%) year or event, is subject to either (i) mandatory forgiveness of repayment at least to the extent of such excess or (ii) mandatory conversion into equity of the Borrower or such Subsidiary at least to the extent of such excess. The occurrence of forgiveness or conversion prior to the Termination Date shall not be deemed to violate clause (a) of the preceding sentence.

"Debt" means, with respect to any Person, at any date, without duplication, (a) all obligations of such Person for borrowed money or in respect of loans or advances (including, without limitation, any such obligation issued by such Person that qualify as Catastrophe Bonds described in clause (a) of the definition thereof net of any escrow established (whether directly or to secure any letter of credit issued to back such Catastrophe Bonds) in connection with such Catastrophe Bonds); (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (c) all obligations in respect of letters of credit which have been drawn but not reimbursed by the Person for whose account such letter of credit was issued, and bankers' acceptances issued for the account of such Person; (d) all obligations in respect of Capitalized Leases of such Person; (e) all net Hedging Obligations of such Person; (f) whether or not so included as liabilities in accordance with GAAP, all obligations of such Person to pay the deferred purchase price of property or services; (g) Debt of such Person secured by a Lien on property owned or being purchased by such Person (including Debt arising under conditional sales or other title retention agreements) whether or not such Debt is limited in

recourse (it being understood, however, that if recourse is limited to such property, the amount of such Debt shall be limited to the lesser of the face amount of such Debt and the fair market value of all property of such Person securing such Debt); (h) any Debt of another Person secured by a Lien on any assets of such first Person, whether or not such Debt is assumed by such first Person (it being understood that if such Person has not assumed or otherwise become personally liable for any such Debt, the amount of the Debt of such person in connection therewith shall be limited to the lesser of the face amount of such Debt and the fair market value of all property of such Person securing such Debt); and (i) any Debt of a partnership in which such Person is a general partner unless such Debt is nonrecourse to such Person; provided that, notwithstanding anything to contrary contained herein, Debt shall not include (w) Contingent Liabilities, (x) issued, but undrawn, letters of credit which have been issued to reinsurance cedents in the ordinary course of business, (y) unsecured current liabilities incurred in the ordinary course of business and paid within 90 days after the due date (unless contested diligently in good faith by appropriate proceedings and, if requested by the Agent, reserved against in conformity with GAAP) other than liabilities that are for money borrowed or are evidenced by bonds, debentures, notes or other similar instruments (except as described in clauses (w) or (x) above) or (z) any obligations of such Person under any Reinsurance Agreement or any Primary Policy.

"Debt to Capital Ratio" means the ratio of (a) Consolidated Debt to (b) the sum of Net Worth plus Consolidated Debt.

"Default" means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

"Domestic Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Domestic Lending Office" opposite its name on Schedule I hereto or in the Assumption Agreement or the Assignment and Acceptance pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Agent.

"Effective Date" has the meaning specified in Section 3.01.

"Eligible Assignee" means (i) a Lender; (ii) an Affiliate of a Lender; (iii) a commercial bank organized under the laws of the United States, or any State thereof, and having total assets in excess of $500,000,000; (iv) a savings and loan association or savings bank organized under the laws of the United States, or any State thereof, and having total assets in excess of $500,000,000; (v) a commercial bank organized under the laws of any other country that is a member of the Organization for Economic Cooperation and Development or has concluded special lending arrangements with the International Monetary Fund associated with its General Arrangements to Borrow, or a political subdivision of any such country, and having total assets in excess of $500,000,000, so long as such bank is acting through a branch or agency located in the country in which it is organized or another country that is described in this clause (v); (vi) the central bank of any country that is a member of the Organization for Economic Cooperation and Development; (vii) a finance company, insurance company or other financial institution or fund (whether a corporation, partnership, trust or other entity) that is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and having total assets in excess of $500,000,000; and (viii) any other Person approved by the Agent and, unless an Event of Default

has occurred and is continuing at the time any assignment is effected in accordance with Section 8.07, the Borrower, such approval not to be unreasonably withheld or delayed; provided, however, that neither the Borrower nor an Affiliate of the Borrower shall qualify as an Eligible Assignee.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor statute, and all rules and regulations from time to time promulgated thereunder.

"ERISA Affiliate" means any Person (including any trade or business, whether or not incorporated) that would be deemed to be under "common control" with, or a member of the same "controlled group" as, the Borrower or any of its Subsidiaries, within the meaning of Sections 414(b), (c), (m) or (o) of the Internal Revenue Code or Section 4001 of

ERISA.

"ERISA Event" means any of the following with respect to a Plan or Multiemployer Plan, as applicable: (a) a Reportable Event with respect to a Plan or a Multiemployer Plan, (b) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan that results in liability under Section 4201 or 4204 of ERISA, or the receipt by the Borrower or any ERISA Affiliate of notice from a Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA or that it intends to terminate or has terminated under Section 4041A of ERISA, (c) the distribution by the Borrower or any ERISA Affiliate under Section 4041 or 4041A of ERISA of a notice of intent to terminate any Plan or the taking of any action to terminate any Plan, (d) the commencement of proceedings by the PBGC under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Borrower or any ERISA Affiliate of a notice from any Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan, (e) the institution of a proceeding by any fiduciary of any Multiemployer Plan against the Borrower or any ERISA Affiliate to enforce Section 515 of ERISA, which is not dismissed within thirty (30) days, or (f) the imposition upon the Borrower or any ERISA Affiliate of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, or the imposition or threatened imposition of any Lien upon any assets of the Borrower or any ERISA Affiliate as a result of any alleged failure to comply with the Internal Revenue Code or ERISA in respect of any Plan.

"Eurocurrency Liabilities" has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurodollar Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Eurodollar Lending Office" opposite its name on Schedule I hereto or in the Assumption Agreement or the Assignment and Acceptance pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Agent.

"Eurodollar Rate" means, for any Interest Period for each Eurodollar Rate Advance comprising part of the same Borrowing, an interest rate per annum equal to the rate per annum obtained by dividing (a) the rate per annum (rounded upward to the nearest whole multiple of 1/16 of 1% per annum) appearing on Moneyline Telerate Markets Page 3750 (or any successor page) as the London interbank offered rate for deposits in U.S. dollars at approximately 11:00 A.M. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period or, if for any reason such rate is not available, the rate per annum at which deposits in U.S. dollars are offered by the principal office of Citibank in London, England to prime banks in the London interbank market at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to Citibank's Eurodollar Rate Advance comprising part of such Borrowing to be outstanding during such Interest Period and for a period equal to such Interest Period by (b) a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage for such Interest Period. If the Moneyline Telerate Markets Page 3750 (or any successor page) is unavailable, the Eurodollar Rate for any Interest Period for each Eurodollar Rate Advance comprising part of the same Borrowing shall be determined by the Agent on the basis of the applicable rate furnished to and received by the Agent from Citibank two Business Days before the first day of such Interest Period, subject, however, to the provisions of Section 2.07.

"Eurodollar Rate Advance" means an Advance that bears interest as provided in Section 2.06(a)(ii).

"Eurodollar Rate Reserve Percentage" for any Interest Period for all Eurodollar Rate Advances comprising part of the same Borrowing means the reserve percentage applicable two Business Days before the first day of such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for a member bank of the Federal Reserve System in New York City with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by reference to which

the interest rate on Eurodollar Rate Advances is determined) having a term equal to such Interest Period.

"Events of Default" has the meaning specified in Section 6.01.

"Executive Officer" means, as to any Person, the president, the chief financial officer, the chief executive officer, the general counsel, the treasurer or the secretary.

"Existing Credit Agreement" has the meaning specified in the Preliminary Statement.

"Extension Date" has the meaning specified in Section 2.18(b).

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it.

"Fiscal Quarter" means any quarter of a Fiscal Year.

"Fiscal Year" means any period of twelve consecutive calendar months ending on the last day of December.

"Foreign Plan" has the meaning specified in Section 4.01(e)(ii).

"FRB" means the Board of Governors of the Federal Reserve System, and any Governmental Authority succeeding to any of its principal functions.

"GAAP" means generally accepted accounting principles in the United States set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative powers or functions of or pertaining to government.

"Hedging Obligations" means, with respect to any Person, the net liability of such Person under any futures contract or options contract (including property catastrophe futures and options), interest rate swap agreements and interest rate collar agreements and all other agreements or arrangements (other than Retrocession Agreements and Catastrophe Bonds) designed to protect such Person against catastrophic events, fluctuations in interest rates or currency exchange rates.

"Increase Date" has the meaning specified in Section 2.17(a).

"Increasing Lender" has the meaning specified in Section 2.17(b).

"Insurance Code" means, with respect to any Insurance Subsidiary, the Insurance Code or law of such Insurance Subsidiary's domicile and any successor statute of similar import, together with the regulations thereunder, as amended or otherwise modified and in effect from time to time. References to sections of the Insurance Code shall be construed to also refer to successor sections.

"Insurance Policies" means policies purchased from insurance companies by the Borrower or any of its Subsidiaries, for its own account to insure against its own liability and property loss (including, without limitation, casualty, liability and workers' compensation insurance), other than Retrocession Agreements.

"Interest Period" means, for each Eurodollar Rate Advance comprising part of the same Borrowing, the period commencing on the

date of such Eurodollar Rate Advance or the date of the Conversion of any Base Rate Advance into such Eurodollar Rate Advance and ending on the last day of the period selected by the Borrower pursuant to the provisions below and, thereafter, with respect to Eurodollar Rate Advances, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period selected by the Borrower pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three or six months, as the Borrower may, upon notice received by the Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the first day of such Interest Period, select; provided, however, that:

(a) the Borrower may not select any Interest Period with respect to any Eurodollar Rate Advance that ends after any principal repayment installment date unless, after giving effect to such selection, the aggregate principal amount of Base Rate Advances and of Eurodollar Rate Advances having Interest Periods that end on or prior to such principal repayment installment date shall be at least equal to the aggregate principal amount of Advances due and payable on or prior to such date;

(b) Interest Periods commencing on the same date for Eurodollar Rate Advances comprising part of the same Borrowing shall be of the same duration;

(c) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided, however, that, if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day; and

(d) whenever the first day of any Interest Period occurs on a day of an initial calendar month for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by the number of months equal to the number of months in such Interest Period, such Interest Period shall end on the last Business Day of such succeeding calendar month.

"Insurance Subsidiary" means any Subsidiary of the Borrower which is licensed by any Governmental Authority to engage in the insurance business by issuing Primary Policies or entering into Reinsurance Agreements.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"Invested Assets" means cash, cash equivalents, short term investments, investments held for sale and any other assets which are treated as investments under GAAP, provided that Catastrophe Bonds shall not be deemed to be Invested Assets.

"Lenders" means the Initial Lenders, each Assuming Lender that shall become a party hereto pursuant to Section 2.17 and each Person that shall become a party hereto pursuant to Section 8.07.

"Lien" means, when used with respect to any Person, any interest in any real or personal property, asset or other right held, owned or being purchased or acquired by such Person for its own use, consumption or enjoyment which secures payment or performance of any obligation and shall include any mortgage, lien, pledge, encumbrance, charge, retained title of a conditional vendor or lessor, or other security agreement, mortgage, deed of trust, chattel mortgage, assignment, pledge, retention of title, financing or similar statement or notice, or other encumbrance arising as a matter of law, judicial process or otherwise.

"Loan Documents" means this Agreement, each Note, the Pledge Agreement and all other agreements, instruments, certificates, documents, schedules or other written indicia delivered by the Borrower or any of its Subsidiaries in connection with any of the foregoing.

"Material Adverse Effect" means the occurrence of an event (including any adverse determination in any litigation, arbitration, or governmental investigation or proceeding) which has or could reasonably be expected to have a materially adverse effect on (a) the assets, business, financial condition or operations of the Borrower and its

Subsidiaries taken as a whole; or (b) the ability of the Borrower to perform any of its payment or other material obligations under any of the Loan Documents; or (c) the legality, validity, binding effect or enforceability against the Borrower of any Loan Document that by its terms purports to bind the Borrower.

"Material Insurance Subsidiary" means an Insurance Subsidiary that is also a Material Subsidiary.

"Material Subsidiary" means (a) DaVinci Reinsurance Ltd. and (b) each other Subsidiary of the Borrower that either (i) as of the end of the most recently completed Fiscal Year of the Borrower for which audited financial statements are available, has assets that exceed 10% of the total consolidated assets of the Borrower and all its Subsidiaries as of the last day of such period or (ii) for the most recently completed Fiscal Year of the Borrower for which audited financial statements are available, has revenues that exceed 10% of the consolidated revenue of the Borrower and all of its Subsidiaries for such period.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan as defined in section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate is making or accruing an obligation to make, contributions, or has within any of the preceding five plan years made or accrued an obligation to make, contributions.

"Net Worth" means, as to any Person, the sum (without duplication) of (a) the shareholders equity, calculated in accordance with GAAP, plus (b) any preferred shares of the such Person and its consolidated Subsidiaries which shall not be redeemable before the Termination Date.

"Non-Consenting Lender" has the meaning specified in Section 2.18(b).

"Note" means a promissory note of the Borrower payable to the order of any Lender, delivered pursuant to a request made under Section 2.15 in substantially the form of Exhibit A hereto, evidencing the aggregate indebtedness of the Borrower to such Lender resulting from the Advances made by such Lender.

"Notice of Borrowing" has the meaning specified in Section 2.02(a).

"Ordinary Course Litigation" is defined in Section 4.01(d).

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation, and the bylaws (or equivalent of comparable constitutive documents with respect to any non-U.S. jurisdiction), any certificate of determination or instrument relating to the rights of preferred shareholders of such corporation, and any shareholder rights agreement; (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"PBGC" means the Pension Benefit Guaranty Corporation (or any successor).

"Permitted Investment" means, at any time:

(a) any evidence of Debt issued or guaranteed by the United States Government;

(b) commercial paper, maturing not more than one year from the date of issue, which is issued by (i) a corporation (except an Affiliate of the Borrower) rated at least A-2 by S&P, P-2 by Moody's or D-2 by Duff & Phelps Credit Rating Company, or (ii) any Lender (or its holding company);

(c) any certificate of deposit or bankers' acceptance or eurodollar time deposit, maturing not more than one year

after the date of issue, which is issued by either (i) a financial institution which is rated at least BBB- by S&P or Duff & Phelps Credit Rating Company or Baa3 by Moody's or 2 or above by the National Association of Insurance Commissioners, or (ii) any Lender;

(d) any repurchase agreement with a term of one year or less which (i) is entered into with (A) any Lender, or (B) any other commercial banking institution of the stature referred to in clause (c)(i), and (ii) is secured by a fully perfected Lien in any obligation of the type described in any of clauses (a) through (c) that has a market value at the time such repurchase agreement is entered into of not less than 100% of the repurchase obligation of such Lender (or other commercial banking institution) thereunder;

(e) investments in money market funds that invest solely in Permitted Investments described in clauses (a) through (d);

(f) investments in short-term asset management accounts offered by any Lender for the purpose of investing in loans to any corporation (other than an Affiliate of the Borrower) organized under the laws of any state of the United States or of the District of Columbia and rated at least A-1 by S&P or P-1 by Moody's;

(g) investments in non-equity securities which are rated at least BBB- by S&P or Duff & Phelps Credit Rating Company or Baa3 by Moody's or 2 or above by the National Association of Insurance Commissioners;

(h) investments in non-equity securities which are not rated but are determined by the Borrower's investment managers to be of comparable quality to investments permitted under clause (g); provided, however, that as promptly as practicable upon receipt of a written notice from the Agent or the Required Lenders stating that an investment is not permitted under this clause (h), the Borrower shall sell such investment; and

(i) investments in preferred equity interests issued by Renaissance Investment Holdings Ltd., provided that the assets thereof are invested solely in Permitted Investments described in clauses (a) through (h).

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

"Plan" means any "employee pension benefit plan", within the meaning of Section 3(2) of ERISA that is subject to the provisions of Title IV of ERISA (other than a Multiemployer Plan) and to which the Borrower or any ERISA Affiliate may have any liability.

"Pledge Agreement" has the meaning specified in Section 3.01.

"Primary Policies" means any insurance policies issued by an Insurance Subsidiary.

"Public Debt Rating" means, as of any date, the lowest rating that has been most recently announced by either S&P or Moody's, as the case may be, for any class of non-credit enhanced long-term senior unsecured debt issued by the Borrower. For purposes of the foregoing, (a) if only one of S&P and Moody's shall have in effect a Public Debt Rating, the Applicable Margin and the Applicable Percentage shall be determined by reference to the available rating; (b) if neither S&P nor Moody's shall have in effect a Public Debt Rating, the Applicable Margin and the Applicable Percentage will be set two levels below the Financial Strength Rating for DaVinci Reinsurance Ltd. issued by either S&P or Moody's (e.g., a Financial Strength Rating of "A" issued by S&P would equate to an implied senior unsecured debt rating of BBB+); (c) if the ratings established by S&P and Moody's shall fall within different levels, the Applicable Margin and the Applicable Percentage shall be based upon the higher rating, unless the difference between such ratings is two or more levels, in which case the Applicable Margin and the Applicable Percentage shall be based upon the rating that is one level below the higher of such ratings; (d) if any rating

established by S&P or Moody's shall be changed, such change shall be effective as of the date on which such change is first announced publicly by the rating agency making such change; and (e) if S&P or Moody's shall change the basis on which ratings are established, each reference to the Public Debt Rating announced by S&P or Moody's, as the case may be, shall refer to the then equivalent rating by S&P or Moody's, as the case may be.

"Register" has the meaning specified in Section 8.07(d).

"Regulator" means (a) with respect to Bermuda, the Bermuda Monetary Authority and (b) with respect to any other jurisdiction, the similar Governmental Authority in the applicable jurisdiction.

"Reinsurance Agreements" means any agreement, contract, treaty, certificate or other arrangement whereby the Borrower or any Subsidiary agrees to assume from or reinsure an insurer or reinsurer all or part of the liability of such insurer or reinsurer under a policy or policies of insurance issued by such insurer or reinsurer, including (for purposes of this Agreement) Catastrophe Bonds.

"Reportable Event" means (a) any "reportable event" within the meaning of Section 4043(c) of ERISA for which the 30-day notice under Section 4043(a) of ERISA has not been waived by the PBGC (including any failure to meet the minimum funding standard of, or timely make any required installment under, Section 412 of the Code or Section 302 of ERISA, regardless of the issuance of any waivers in accordance with Section 412(d) of the Internal Revenue Code), (b) any such "reportable event" subject to advance notice to the PBGC under Section 4043(b)(3) of ERISA, (c) any application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code, and (d) a cessation of operations described in Section 4062(e) of ERISA.

"Required Lenders" means at any time Lenders owed at least a majority in interest of the then aggregate unpaid principal amount of the Advances owing to Lenders, or, if no such principal amount is then outstanding, Lenders having at least a majority in interest of the Commitments.

"Requirement of Law" for any Person means the Organization Documents of such Person, and any law, treaty, rule, ordinance or regulation or determination of an arbitrator or a court or other governmental authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Retrocession Agreement" means any agreement, treaty, certificate or other arrangement whereby any Insurance Subsidiary cedes to another insurer all or part of such Insurance Subsidiary's liability under a policy or policies of insurance reinsured by such Insurance Subsidiary.

"S&P" means Standard & Poor's, a division of The McGraw-Hill Companies, Inc.

"SAP" means, as to each Insurance Subsidiary, the statutory accounting practices prescribed or permitted by the Authority (or other similar authority) in such Insurance Subsidiary's domicile for the preparation of Annual Statements and other financial reports by insurance corporations of the same type as such Insurance Subsidiary.

"Shareholders Agreement" means the Amended and Restated Shareholders Agreement dated as of December 20, 2001 among the Borrower, DaVinci Reinsurance Ltd. and the shareholders listed form time to time to Schedule I thereto.

"Statutory Financial Statements" is defined in Section 4.01(b).

"Subsidiary" means a Person of which the indicated Person and/or its other Subsidiaries, individually or in the aggregate, own, directly or indirectly, such number of outstanding shares or other equity interests as have at the time of any determination hereunder more than 50% of the ordinary voting power. Unless otherwise specified, "Subsidiary" means a Subsidiary of the Borrower.

"Termination Date" means the earlier of May 25, 2007, as such date may be extended pursuant to Section 2.18 and the date of termination in whole of the Commitments pursuant to Section 2.04 or

6.01; provided, however, that the Termination Date of any Lender that is a Non-Consenting Lender to any requested extension pursuant to Section 2.18 shall be the Termination Date in effect immediately prior to the applicable Extension Date for all purposes of this Agreement.

Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Accounting Terms. Unless otherwise defined or the context otherwise requires, all financial and accounting terms used herein or in any of the Loan Documents or any certificate or other document made or delivered pursuant hereto shall be defined in accordance with GAAP or SAP, as the context may require. When used in this Agreement, the term "financial statements" shall include the notes and schedules thereto. In addition, when used herein, the terms "best knowledge of" or "to the best knowledge of" any Person shall mean matters within the actual knowledge of such Person (or an Executive Officer or general partner of such Person) or which should have been known by such Person after reasonable inquiry.

ARTICLE II

AMOUNTS AND TERMS OF THE ADVANCES

The Advances. Each Lender severally agrees, on the terms and conditions hereinafter set forth, to make Advances to the Borrower from time to time on any Business Day during the period from the Effective Date until the Termination Date in an aggregate amount not to exceed at any time outstanding such Lender's Commitment. Each Borrowing shall be in an aggregate amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof and shall consist of Advances of the same Type made on the same day by the Lenders ratably according to their respective Commitments. Within the limits of each Lender's Commitment, the Borrower may borrow under this Section 2.01, prepay pursuant to Section 2.09 and reborrow under this Section 2.01.

Making the Advances. (a) Each Borrowing shall be made on notice, given not later than (x) 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Borrowing in the case of a Borrowing consisting of Eurodollar Rate Advances or (y) 11:00 A.M. (New York City time) on the first Business Day prior to the date of the proposed Borrowing in the case of a Borrowing consisting of Base Rate Advances, by the Borrower to the Agent, which shall give to each Lender prompt notice thereof by telecopier or telex. Each such notice of a Borrowing (a "Notice of Borrowing") shall be by telephone, confirmed immediately in writing, or telecopier or telex in substantially the form of Exhibit B hereto, specifying therein the requested (i) date of such Borrowing, (ii) Type of Advances comprising such Borrowing, (iii) aggregate amount of such Borrowing, and (iv) in the case of a Borrowing consisting of Eurodollar Rate Advances, initial Interest Period for each such Advance. Each Lender shall, before 11:00 A.M. (New York City time) on the date of such Borrowing make available for the account of its Applicable Lending Office to the Agent at the Agent's Account, in same day funds, such Lender's ratable portion of such Borrowing. After the Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Agent will make such funds available to the Borrower at the Agent's address referred to in Section 8.02.

(b) Anything in subsection (a) above to the contrary notwithstanding, (i) the Borrower may not select Eurodollar Rate Advances for any Borrowing if the aggregate amount of such Borrowing is less than $5,000,000 or if the obligation of the Lenders to make Eurodollar Rate Advances shall then be suspended pursuant to Section 2.07 or 2.11 and (ii) the Eurodollar Rate Advances may not be outstanding as part of more than six separate Borrowings.

(c) Each Notice of Borrowing shall be irrevocable and binding on the Borrower. In the case of any Borrowing that the related Notice of Borrowing specifies is to be comprised of Eurodollar Rate Advances, the Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in such Notice of Borrowing for such Borrowing the applicable conditions set forth in Article III, including, without limitation, any loss (excluding loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing when such Advance, as a result of such failure, is not made on such date.

(d) Unless the Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Agent such Lender's ratable portion of such Borrowing, the Agent may assume that such Lender has made such portion available to the Agent on the date of such

Borrowing in accordance with subsection (a) of this Section 2.02 and the Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Agent, such Lender and the Borrower severally agree to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Agent, at (i) in the case of the Borrower, the interest rate applicable at the time to Advances comprising such Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Agent such corresponding amount, such amount so repaid shall constitute such Lender's Advance as part of such Borrowing for purposes of this Agreement.

(e) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

Fees. (f) Commitment Fee. The Borrower agrees to pay to the Agent for the account of each Lender a commitment fee on the aggregate amount of such Lender's unused Commitment from the date hereof in the case of each Initial Lender and from the effective date specified in the Assumption Agreement or in the Assignment and Acceptance pursuant to which it became a Lender in the case of each other Lender until the Termination Date at a rate per annum equal to the Applicable Percentage in effect from time to time, payable in arrears quarterly on the last day of each March, June, September and December, commencing June 30, 2004, and on the Termination Date.

(g) Agent's Fees. The Borrower shall pay to the Agent for its own account such fees as may from time to time be agreed between the Borrower and the Agent.

Termination or Reduction of the Commitments. (a) Optional. The Borrower shall have the right, upon at least three Business Days' notice to the Agent, to terminate in whole or permanently reduce ratably in part the unused portions of the respective Commitments of the Lenders, provided that each partial reduction shall be in the aggregate amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof.

(b) Mandatory. On the second anniversary of the Effective Date, if the Required Lenders have made the amortization election in accordance with Section 2.05 prior to such date, and on each date that is three months or a multiple of three months after such second anniversary, the Commitments of the Lenders shall be automatically and permanently reduced on a pro rata basis by $5,000,000 on each such date.

Repayment of Advances. The Borrower shall repay to the Agent for the ratable account of the Lenders on the Termination Date the aggregate principal amount of the Advances then outstanding. In addition, if the Agent, at the direction of the Required Lenders, gives the Borrower notice not later than 60 days prior to the second anniversary of the Effective Date that the Commitments of the Lenders will amortize as set forth in Section 2.04(b), the Borrower shall, on each such Business Day, repay to the Agent for the ratable account of the Lenders the amount by which the aggregate principal amount of the Advances exceeds the aggregate Commitments after giving effect to such reduction on such day, together with accrued interest to the date of such payment on the principal amount so repaid.

Interest on Advances. (h) Scheduled Interest. The Borrower shall pay interest on the unpaid principal amount of each Advance owing to each Lender from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(i) Base Rate Advances. During such periods as such Advance is a Base Rate Advance, a rate per annum equal at all times to the sum of (x) the Base Rate in effect from time to time plus (y) the Applicable Margin in effect from time to time, payable in arrears quarterly on the last day of each March, June, September and December during such periods and on the date such Base Rate Advance shall be Converted or paid in full.

(ii) Eurodollar Rate Advances. During such periods as such Advance is a Eurodollar Rate Advance, a rate per annum equal at all times during each Interest Period for such Advance to the sum of (x) the Eurodollar Rate for such Interest Period for such Advance plus (y) the Applicable Margin in effect from time to time, payable in arrears on the last day of such Interest Period and, if such Interest Period

has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such Interest Period and on the date such Eurodollar Rate Advance shall be Converted or paid in full.

(i) Default Interest. Upon the occurrence and during the continuance of an Event of Default, the Agent may, and upon the request of the Required Lenders shall, require the Borrower to pay interest ("Default

Interest") on (i) the unpaid principal amount of each Advance owing to each Lender, payable in arrears on the dates referred to in clause (a)(i) or (a)(ii) above, at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid on such Advance pursuant to clause (a)(i) or (a)(ii) above and (ii) to the fullest extent permitted by law, the amount of any interest, fee or other amount payable hereunder that is not paid when due, from the date such amount shall be due until such amount shall be paid in full, payable in arrears on the date such amount shall be paid in full and on demand, at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid on Base Rate Advances pursuant to clause (a)(i) above, provided, however, that following acceleration of the Advances pursuant to Section 6.01, Default Interest shall accrue and be payable hereunder whether or not previously required by the Agent.

Interest Rate Determination. (j) Citibank agrees to furnish to the Agent timely information for the purpose of determining each Eurodollar Rate. The Agent shall give prompt notice to the Borrower and the Lenders of the applicable interest rate determined by the Agent for purposes of Section 2.06(a)(i) or (ii), and the rate, if any, furnished by Citibank for the purpose of determining the interest rate under Section 2.06(a)(ii).

(k) If, with respect to any Eurodollar Rate Advances, the Required Lenders notify the Agent that the Eurodollar Rate for any Interest Period for such Advances will not adequately reflect the cost to such Required Lenders of making, funding or maintaining their respective Eurodollar Rate Advances for such Interest Period, the Agent shall forthwith so notify the Borrower and the Lenders, whereupon (i) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and (ii) the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended until the Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

(l) If the Borrower shall fail to select the duration of any Interest Period for any Eurodollar Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Agent will forthwith so notify the Borrower and the Lenders and such Advances will automatically, on the last day of the then existing Interest Period therefor, Convert into Base Rate Advances.

(m) On the date on which the aggregate unpaid principal amount of Eurodollar Rate Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than $5,000,000, such Advances shall automatically Convert into Base Rate Advances.

(n) Upon the occurrence and during the continuance of any Event of Default, (i) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (ii) the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended.

(o) If Moneyline Telerate Markets Page 3750 (or any successor page) is unavailable and Citibank shall fail to furnish timely information to the Agent for determining the Eurodollar Rate for any Eurodollar Rate Advances,

(i) the Agent shall forthwith notify the Borrower and the Lenders that the interest rate cannot be determined for such Eurodollar Rate Advances,

(ii) each such Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance (or if any Advance is then a Base Rate Advance, will continue as a Base Rate Advance), and

(iii) the obligation of the Lenders to make Eurodollar Rate Advances or to Convert Advances into Eurodollar Rate Advances shall be suspended until the Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

Optional Conversion of Advances. The Borrower may on any Business Day, upon

notice given to the Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Conversion

and subject to the provisions of Sections 2.07 and 2.11, Convert all Advances of one Type comprising the same Borrowing into Advances of the other Type; provided, however, that any Conversion of Eurodollar Rate Advances into Base Rate Advances shall be made only on the last day of an Interest Period for such Eurodollar Rate Advances, any Conversion of Base Rate Advances into Eurodollar Rate Advances shall be in an amount not less than the minimum amount specified in Section 2.02(b) and no Conversion of any Advances shall result in more separate Borrowings than permitted under Section 2.02(b). Each such notice of a Conversion shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the Advances to be Converted, and (iii) if such Conversion is into Eurodollar Rate Advances, the duration of the initial Interest Period for each such Advance. Each notice of Conversion shall be irrevocable and binding on the Borrower.

Prepayments of Advances. The Borrower may, upon notice at least two Business Days' prior to the date of such prepayment, in the case of Eurodollar Rate Advances, and not later than 11:00 A.M. (New York City time) on the date of such prepayment, in the case of Base Rate Advances, to the Agent stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given the Borrower shall, prepay the outstanding principal amount of the Advances comprising part of the same Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; provided, however, that (x) each partial prepayment shall be in an aggregate principal amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof and (y) in the event of any such prepayment of a Eurodollar Rate Advance, the Borrower shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 8.04(c).

Increased Costs. (p) If, after the Effective Date, due to either (i) the introduction of or any change in or in the interpretation of any law or regulation or (ii) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law), there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining Eurodollar Rate Advances (excluding for purposes of this Section 2.10 any such increased costs resulting from (i) Taxes or Other Taxes (as to which Section 2.13 shall govern) and (ii) changes in the basis of taxation of overall net income or overall gross income by the United States or by the foreign jurisdiction or state under the laws of which such Lender is organized or has its Applicable Lending Office or any political subdivision thereof), then the Borrower shall from time to time, upon demand by such Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost. A certificate as to the amount of such increased cost, submitted to the Borrower and the Agent by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

(q) If any Lender determines that compliance with any law or regulation or any guideline or request from any central bank or other governmental authority (whether or not having the force of law) introduced after the Effective Date affects or would affect the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender and that the amount of such capital is increased by or based upon the existence of such Lender's commitment to lend hereunder and other commitments of this type, then, upon demand by such Lender (with a copy of such demand to the Agent), the Borrower shall pay to the Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender or such corporation in the light of such circumstances, to the extent that such Lender reasonably determines such increase in capital to be allocable to the existence of such Lender's commitment to lend hereunder. A certificate as to such amounts submitted to the Borrower and the Agent by such Lender shall be conclusive and binding for all purposes, absent manifest error.

(r) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred more than 90 days prior to the date that such Lender notifies the Borrower and the Agent of any event described in paragraph (a) or (b) of this Section (a "Change in Law") which gives rise to such increased costs and of such Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs is retroactive, then the 90-day period referred to above shall be extended to include the period of retroactive effect thereof.

Illegality. Notwithstanding any other provision of this Agreement, if any Lender shall notify the Agent that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or any central bank

or other governmental authority asserts that it is unlawful, for any Lender or its Eurodollar Lending Office to

perform its obligations hereunder to make Eurodollar Rate Advances or to fund or maintain Eurodollar Rate Advances hereunder, (a) each Eurodollar Rate Advance of such Lender will automatically, upon such demand, Convert into a Base Rate Advance and (b) the obligation of such Lender to make Eurodollar Rate Advances or to Convert Advances into Eurodollar Rate Advances shall be suspended until the Agent shall notify the Borrower and such Lender that the circumstances causing such suspension no longer exist.

Payments and Computations. (s) The Borrower shall make each payment hereunder, irrespective of any right of counterclaim or set-off, not later than 1:00 P.M. (New York City time) on the day when due in U.S. dollars to the Agent at the Agent's Account in same day funds. The Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest or fees ratably (other than amounts payable pursuant to Section 2.10, 2.11, 2.13 or 8.04(c)) to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon any Assuming Lender becoming a Lender hereunder as a result of a Commitment Increase pursuant to Section 2.17 or an extension of the Termination Date pursuant to Section 2.18, and upon the Agent's receipt of such Lender's Assumption Agreement and recording of the information contained therein in the Register, from and after the applicable Increase Date or Extension Date, as the case may be, the Agent shall make all payments hereunder and under any Notes issued in connection therewith in respect of the interest assumed thereby to the Assuming Lender. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 8.07(c), from and after the effective date specified in such Assignment and Acceptance, the Agent shall make all payments hereunder and under the Notes in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(t) The Borrower hereby authorizes each Lender, if and to the extent payment owed to such Lender is not made when due hereunder or under the Note held by such Lender, to charge from time to time against any or all of the Borrower's accounts with such Lender any amount so due.

(u) All computations of interest based on the Base Rate shall be made by the Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the Eurodollar Rate or the Federal Funds Rate and of fees shall be made by the Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable. Each determination by the Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(v) Whenever any payment hereunder or under the Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fee, as the case may be; provided, however, that, if such extension would cause payment of interest on or principal of Eurodollar Rate Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(w) Unless the Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Agent may assume that the Borrower has made such payment in full to the Agent on such date and the Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the Borrower shall not have so made such payment in full to the Agent, each Lender shall repay to the Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Agent, at the Federal Funds Rate.

Taxes. (x) Any and all payments by the Borrower to or for the account of any Lender or the Agent hereunder or under the Notes or any other documents to be delivered hereunder shall be made, in accordance with Section 2.12 or the applicable provisions of such other documents, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender and the Agent, taxes imposed on its overall net income,

and taxes imposed on it in lieu of net income taxes, by the jurisdiction under the laws of which such Lender or the Agent (as the case may be) is

organized or any political subdivision thereof and, in the case of each Lender, taxes imposed on its overall net income, and taxes imposed on it in lieu of net income taxes, by the jurisdiction of such Lender's Applicable Lending Office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities in respect of payments hereunder or under the Notes being hereinafter referred to as "Taxes"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under any Note or any other documents to be delivered hereunder to any Lender or the Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.13) such Lender or the Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(y) In addition, the Borrower shall pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made hereunder or under the Notes or any other documents to be delivered hereunder or from the execution, delivery or registration of, performing under, or otherwise with respect to, this Agreement or the Notes or any other documents to be delivered hereunder (hereinafter referred to as "Other Taxes").

(z) The Borrower shall indemnify each Lender and the Agent for and hold it harmless against the full amount of Taxes or Other Taxes (including, without limitation, taxes of any kind imposed or asserted by any jurisdiction on amounts payable under this Section 2.13) imposed on or paid by such Lender or the Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. This indemnification shall be made within 30 days from the date such Lender or the Agent (as the case may be) makes written demand therefor.

(aa) Within 30 days after the date of any payment of Taxes, the Borrower shall furnish to the Agent, at its address referred to in Section 8.02, the original or a certified copy of a receipt evidencing such payment to the extent such a receipt is issued therefor, or other written proof of payment thereof that is reasonably satisfactory to the Agent.

(bb) Each Lender organized under the laws of a jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement in the case of each Initial Lender and on the date of the Assumption Agreement or the Assignment and Acceptance pursuant to which it becomes a Lender in the case of each other Lender, and from time to time thereafter as reasonably requested in writing by the Borrower (but only so long as such Lender remains lawfully able to do so), shall provide each of the Agent and the Borrower with two original Internal Revenue Service forms W-8BEN or W-8ECI, as appropriate, or any successor or other form prescribed by the Internal Revenue Service, certifying that such Lender is exempt from or entitled to a reduced rate of United States withholding tax on payments pursuant to this Agreement or the Notes. If the form provided by a Lender at the time such Lender first becomes a party to this Agreement indicates a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be considered excluded from Taxes unless and until such Lender provides the appropriate forms certifying that a lesser rate applies, whereupon withholding tax at such lesser rate only shall be considered excluded from Taxes for periods governed by such form; provided, however, that, if at the date of the Assignment and Acceptance pursuant to which a Lender assignee becomes a party to this Agreement, the Lender assignor was entitled to payments under subsection (a) in respect of United States withholding tax with respect to interest paid at such date, then, to such extent, the term Taxes shall include (in addition to withholding taxes that may be imposed in the future or other amounts otherwise includable in Taxes) United States withholding tax, if any, applicable with respect to the Lender assignee on such date. If any form or document referred to in this subsection (e) requires the disclosure of information, other than information necessary to compute the tax payable and information required on the date hereof by Internal Revenue Service form W-8BEN or W-8ECI, that the Lender reasonably considers to be confidential, the Lender shall give notice thereof to the Borrower and shall not be obligated to include in such form or document such confidential information.

(cc) For any period with respect to which a Lender has failed to provide the Borrower with the appropriate form, certificate or other document described in Section 2.13(e) (other than if such failure is due to a change in

law, or in the interpretation or application thereof, occurring subsequent to the date on which a form, certificate or other document originally was required to be provided, or if such form, certificate or other document

otherwise is not required under subsection (e) above), such Lender shall not be entitled to indemnification under Section 2.13(a) or (c) with respect to Taxes imposed by the United States by reason of such failure; provided, however, that should a Lender become subject to Taxes because of its failure to deliver a form, certificate or other document required hereunder, the Borrower shall take such steps as the Lender shall reasonably request to assist the Lender to recover such Taxes.

(g) Any Lender claiming any additional amounts payable pursuant to this Section 2.13 agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its Eurodollar Lending Office if the making of such a change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

Sharing of Payments, Etc. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Advances owing to it (other than pursuant to Section 2.10, 2.11, 2.13 or 8.04(c)) in excess of its ratable share of payments on account of the Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the Advances owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.14 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

Evidence of Debt. (dd) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Advance owing to such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder in respect of Advances. The Borrower agrees that upon notice by any Lender to the Borrower (with a copy of such notice to the Agent) to the effect that a Note is required or appropriate in order for such Lender to evidence (whether for purposes of pledge, enforcement or otherwise) the Advances owing to, or to be made by, such Lender, the Borrower shall promptly execute and deliver to such Lender a Note payable to the order of such Lender in a principal amount up to the Commitment of such Lender.

(ee) The Register maintained by the Agent pursuant to Section 8.07(d) shall include a control account, and a subsidiary account for each Lender, in which accounts (taken together) shall be recorded (i) the date and amount of each Borrowing made hereunder, the Type of Advances comprising such Borrowing and, if appropriate, the Interest Period applicable thereto, (ii) the terms of each Assumption Agreement and each Assignment and Acceptance delivered to and accepted by it, (iii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iv) the amount of any sum received by the Agent from the Borrower hereunder and each Lender's share thereof.

(ff) Entries made in good faith by the Agent in the Register pursuant to subsection (b) above, and by each Lender in its account or accounts pursuant to subsection (a) above, shall be prima facie evidence of the amount of principal and interest due and payable or to become due and payable from the Borrower to, in the case of the Register, each Lender and, in the case of such account or accounts, such Lender, under this Agreement, absent manifest error; provided, however, that the failure of the Agent or such Lender to make an entry, or any finding that an entry is incorrect, in the Register or such account or accounts shall not limit or otherwise affect the obligations of the Borrower under this Agreement.

Use of Proceeds. The proceeds of the Advances shall be available (and the Borrower agrees that it shall use such proceeds) solely for general corporate purposes of the Borrower and its Subsidiaries.

Increase in the Aggregate Commitments. (a) The Borrower may, at any time but in any event not more than once, by notice to the Agent, request that the aggregate amount of the Commitment be increased by an amount of not less than $10,000,000 (a "Commitment Increase") to be effective as of a date (the "Increase Date") that is at least 90 days prior to the scheduled Termination Date then in effect, as specified in the related notice to the Agent; provided, however that (i) in no event shall the aggregate amount of the Commitments at any time exceed $125,000,000 and (ii) on the date of any request by the Borrower for a Commitment Increase and on the related Increase Date, (A) the Borrower's Public Debt Rating shall be not lower than A from S&P and A2 from Moody's and (B) the conditions set forth in Section 3.02 shall be satisfied.

(b) The Agent shall promptly notify the Lenders of a request by the Borrower for a Commitment Increase, which notice shall include (i) the proposed amount of such requested Commitment Increase, (ii) the proposed Increase Date and (iii) the date (the "Commitment Date") by which Lenders wishing to participate in the Commitment Increase must commit to an increase in the amount of their respective Commitments. Each Lender that is willing to participate in such requested Commitment Increase (each an "Increasing Lender") shall, in its sole discretion, give written notice to the Agent on or prior to the Commitment Date of the amount by which it is willing to increase its Commitment. If the Lenders notify the Agent that they are willing to increase the amount of their respective Commitments by an aggregate amount that exceeds the amount of the requested Commitment Increase, the requested Commitment Increase shall be allocated among the Lenders willing to participate therein in such amounts as are agreed between the Borrower and the Agent; provided, however, that in no event shall the commitment of any Lender be increased by an amount greater than the amount of increase such Lender has notified the Agent is acceptable to such Lender.

(c) Promptly following the Commitment Date, the Agent shall notify the Borrower as to the amount, if any, by which the Lenders are willing to participate in the requested Commitment Increase. If the aggregate amount by which the Lenders are willing to participate in any requested Commitment Increase on any such Commitment Date is less than the requested Commitment Increase, then the Borrower may extend offers to one or more Eligible Assignees to participate in any portion of the requested Commitment Increase that has not been committed to by the Lenders as of the Commitment Date; provided, however, that the Commitment of each such Eligible Assignee shall be in an amount of $5,000,000 or more.

(d) On the Increase Date, each Eligible Assignee that accepts an offer to participate in a requested Commitment Increase in accordance with Section 2.17(c) (each such Eligible Assignee and each Eligible Assignee that agrees to an extension of the Termination Date in accordance with Section 2.18(c), an "Assuming Lender") shall become a Lender party to this Agreement as of such Increase Date and the Commitment of each Increasing Lender for such requested Commitment Increase shall be so increased by such amount (or by the amount allocated to such Lender pursuant to the last sentence of Section 2.17(b)) as of such Increase Date; provided, however, that the Agent shall have received on or before such Increase Date the following, each dated such date:

(i) (A) certified copies of resolutions of the Board of Directors of the Borrower or the Executive Committee of such Board approving the Commitment Increase and the corresponding modifications to this Agreement and (B) an opinion of counsel for the Borrower (which may be in-house counsel), in substantially the form of Exhibit E hereto;

(ii) an assumption agreement from each Assuming Lender, if any, in form and substance satisfactory to the Borrower and the Agent (each an "Assumption Agreement"), duly executed by such Eligible Assignee, the Agent and the Borrower; and

(iii) confirmation from each Increasing Lender of the increase in the amount of its Commitment in a writing satisfactory to the Borrower and the Agent.

On each Increase Date, upon fulfillment of the conditions set forth in the immediately preceding sentence of this Section 2.17(d), the Agent shall notify the Lenders (including, without limitation, each Assuming Lender) and the Borrower, on or before 1:00 P.M. (New York City time), by telecopier or telex, of the occurrence of the Commitment Increase to be effected on such Increase Date and shall record in the Register the relevant information with respect to each Increasing Lender and each Assuming Lender on such date.

Extension of Termination Date. (a) At least 35 days but not more than 50 days prior to each anniversary of the Effective Date, the Borrower, by written notice to the Agent, may request an extension of the Termination Date in effect at such time by one year from its then scheduled expiration. The Agent shall promptly notify each Lender of such request, and each Lender shall in turn, in its sole discretion, not later than 20 days prior to such anniversary date, notify the Borrower and the Agent in writing as to whether such Lender will consent to such extension. If any Lender shall fail to notify the Agent and the Borrower in writing of its consent to any such request for extension of the Termination Date at least 20 days prior to the applicable anniversary date, such Lender shall be deemed to be a Non-Consenting Lender with respect to such request. The Agent shall notify the Borrower not later than 15 days prior to the applicable anniversary date of the decision of the Lenders regarding the Borrower's request for an extension of the Termination Date.

(b) If all the Lenders consent in writing to any such request in accordance with subsection (a) of this Section 2.18, the Termination Date in effect at such time shall, effective as at the applicable anniversary of the Effective Date (the "Extension Date"), be extended for one year; provided that on each Extension Date the applicable conditions set forth in Section 3.02 shall be satisfied. If less than all of the Lenders consent in writing to any such request in accordance with subsection (a) of this Section 2.18, the Termination Date in effect at such time shall, effective as at the applicable Extension Date and subject to subsection (d) of this Section 2.18, be extended as to those Lenders that so consented (each a "Consenting Lender") but shall not be extended as to any other Lender (each a "Non-Consenting Lender"). To the extent that the Termination Date is not extended as to any Lender pursuant to this Section 2.18 and the Commitment of such Lender is not assumed in accordance with subsection (c) of this Section 2.18 on or prior to the applicable Extension Date, the Commitment of such Non-Consenting Lender shall automatically terminate in whole on such unextended Termination Date without any further notice or other action by the Borrower, such Lender or any other Person; provided that such Non-Consenting Lender's rights under Sections 2.11, 2.14 and 8.04, and its obligations under Section 7.05, shall survive the Termination Date for such Lender as to matters occurring prior to such date. It is understood and agreed that no Lender shall have any obligation whatsoever to agree to any request made by the Borrower for any requested extension of the Termination Date.

(c) If less than all of the Lenders consent to any such request pursuant to subsection (a) of this Section 2.18, the Agent shall promptly so notify the Consenting Lenders, and each Consenting Lender may, in its sole discretion, give written notice to the Agent not later than 10 days prior to the applicable anniversary of the Effective Date of the amount of the Non-Consenting Lenders' Commitments for which it is willing to accept an assignment. If the Consenting Lenders notify the Agent that they are willing to accept assignments of Commitments in an aggregate amount that exceeds the amount of the Commitments of the Non-Consenting Lenders, such Commitments shall be allocated among the Consenting Lenders willing to accept such assignments in such amounts as are agreed between the Borrower and the Agent. If after giving effect to the assignments of Commitments described above there remains any Commitments of Non-Consenting Lenders, the Borrower may arrange for one or more Consenting Lenders or other Eligible Assignees as Assuming Lenders to assume, effective as of the Extension Date, any Non-Consenting Lender's Commitment and all of the obligations of such Non-Consenting Lender under this Agreement thereafter arising, without recourse to or warranty by, or expense to, such Non-Consenting Lender; provided, however, that the amount of the Commitment of any such Assuming Lender as a result of such substitution shall in no event be less than $5,000,000 unless the amount of the Commitment of such Non-Consenting Lender is less than $5,000,000, in which case such Assuming Lender shall assume all of such lesser amount; and provided further that:

(i) any such Consenting Lender or Assuming Lender shall have paid to such Non-Consenting Lender (A) the aggregate principal amount of, and any interest accrued and unpaid to the effective date of the assignment on, the outstanding Advances, if any, of such Non-Consenting Lender plus (B) any accrued but unpaid facility fees owing to such Non-Consenting Lender as of the effective date of such assignment;

(ii) all additional costs reimbursements, expense reimbursements and indemnities payable to such Non-Consenting Lender, and all other accrued and unpaid amounts owing to such Non-Consenting Lender hereunder, as of the effective date of such assignment shall have been paid to such Non-Consenting Lender; and

(iii) with respect to any such Assuming Lender, the applicable processing and recordation fee required under Section 8.07(a) for such assignment shall have been paid;

provided further that such Non-Consenting Lender's rights under Sections 2.11, 2.14 and 8.04, and its obligations under Section 7.05, shall survive such substitution as to matters occurring prior to the date of substitution. At least three Business Days prior to any Extension Date, (A) each such Assuming Lender, if any, shall have delivered to the Borrower and the Agent an Assumption Agreement, duly executed by such Assuming Lender, such Non-Consenting Lender, the Borrower and the Agent, (B) any such Consenting Lender shall have delivered confirmation in writing satisfactory to the Borrower and the Agent as to the increase in the amount of its Commitment and (C) each Non-Consenting Lender being replaced pursuant to this Section 2.18 shall have delivered to the Agent any Note or Notes held by such Non-Consenting Lender. Upon the payment or prepayment of all amounts referred to in clauses (i), (ii) and (iii) of the immediately preceding sentence, each such Consenting Lender or Assuming Lender, as of the Extension Date, will be substituted for such Non-Consenting Lender under this Agreement and shall be a Lender for all purposes of this Agreement, without any further acknowledgment by or the consent of the other Lenders, and the obligations of each such Non-Consenting Lender hereunder shall, by the provisions hereof, be released and discharged.

(d) If (after giving effect to any assignments or assumptions pursuant to subsection (c) of this Section 2.18) Lenders having Commitments equal to at least 50% of the Commitments in effect immediately prior to the Extension Date consent in writing to a requested extension (whether by execution or delivery of an Assumption Agreement or otherwise) not later than one Business Day prior to such Extension Date, the Agent shall so notify the Borrower, and, subject to the satisfaction of the conditions in Section 3.02, the Termination Date then in effect shall be extended for the additional one year period as described in subsection (a) of this Section 2.18, and all references in this Agreement, and in the Notes, if any, to the "Termination Date" shall, with respect to each Consenting Lender and each Assuming Lender for such Extension Date, refer to the Termination Date as so extended. Promptly following each Extension Date, the Agent shall notify the Lenders (including, without limitation, each Assuming Lender) of the extension of the scheduled Termination Date in effect immediately prior thereto and shall thereupon record in the Register the relevant information with respect to each such Consenting Lender and each such Assuming Lender.

ARTICLE III

CONDITIONS TO EFFECTIVENESS AND LENDING

Conditions Precedent to Effectiveness of Section 2.01. Section 2.01 of this Agreement shall become effective on and as of the first date (the "Effective Date") on which the following conditions precedent have been satisfied:

(a) There shall exist no action, suit, investigation, litigation or proceeding affecting the Borrower or any of its Subsidiaries pending or threatened before any court, governmental agency or arbitrator that (i) could be reasonably likely to have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of any Loan Document or the consummation of the transactions contemplated hereby.

(b) All governmental and third party consents and approvals necessary in connection with the transactions contemplated hereby shall have been obtained (without the imposition of any conditions that are not acceptable to the Lenders) and shall remain in effect, and no law or regulation shall be applicable in the reasonable judgment of the Lenders that restrains, prevents or imposes materially adverse conditions upon the transactions contemplated hereby.

(c) The Borrower shall have notified each Lender and the Agent in writing as to the proposed Effective Date.

(d) The Borrower shall have paid all accrued fees and expenses of the Agent and the Lenders (including the accrued fees and expenses of counsel to the Agent).

(e) On the Effective Date, the following statements shall be true and the Agent shall have received for the account of each Lender a certificate signed by a duly authorized officer of the Borrower, dated the Effective Date, stating that:

(i) The representations and warranties contained in each Loan Document are correct on and as of the Effective Date (except any representation that speaks as of a specified prior date),

(ii) No event has occurred and is continuing that constitutes a Default, and

(iii) To the best of such officer's knowledge, since December 31, 2003, there shall not have occurred a material adverse change in the assets, business, financial condition, operations or prospects of the Borrower and its Subsidiaries taken as a whole.

(f) The Agent shall have received on or before the Effective Date the following, each dated such day, in form and substance satisfactory to the Agent and (except for the Notes) in sufficient copies for each Lender:

(i) The Notes to the order of the Lenders to the extent requested by any Lender pursuant to Section 2.15.

(ii) A pledge agreement in substantially the form of Exhibit D hereto (as amended, the "Pledge Agreement"), duly executed by the Borrower, together with:

(A) A duly executed Control Agreement executed by the Borrower and Mellon Bank, N.A., and

(B) evidence that all other action that the Agent may deem necessary or desirable in order to perfect and protect the first priority liens and security interests created under the Pledge Agreement has been taken.

(iii) Certified copies of the resolutions of the Board of Directors of the Borrower approving the Loan Documents, and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to the Loan Documents.

(iv) A certificate of the Secretary or an Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign the Loan Documents and the other documents to be delivered hereunder.

(v) A favorable opinion of Willkie Farr & Gallagher LLP, New York counsel for the Borrower and a favorable opinion of Conyers Dill & Pearman, Bermuda counsel for the Borrower, substantially in the form of Exhibit E-1 and E-2, respectively, hereto and as to such other matters as any Lender through the Agent may reasonably request.

(vi) A favorable opinion of Shearman & Sterling LLP, counsel for the Agent, in form and substance satisfactory to the Agent.

(vii) A copy of the unaudited consolidated balance sheets of the Borrower and its Subsidiaries, as of December 31, 2003 and the related consolidated statements of income and cash flows for the Fiscal Year then ended, all prepared in accordance with GAAP (subject to normal year-end adjustments and except that footnote and schedule disclosure may be abbreviated) and the related consolidating balance sheets and income statements for such period, accompanied by the certification of the chief executive officer, chief financial officer, treasurer or controller of the Borrower that all such financial statements are complete and correct and present fairly in accordance with GAAP (subject to normal year-end adjustments) the consolidated results of

operations and cash flows of the Borrower as at the end of such Fiscal Year and for the period then ended.

(g) The Borrower shall have terminated the commitments, and arranged, contemporaneously with the initial Borrowing under this Agreement, to have paid in full all Debt, interest, fees and other amounts outstanding, under the Existing Credit Agreement and each of the Lenders that is party to such credit facility hereby waives, upon execution of this Agreement, the three Business Days' notice required by Section 2.04 of said Credit Agreement relating to the termination of commitments thereunder.

Conditions Precedent to Each Borrowing, Commitment Increase and Extension Date. The obligation of each Lender to make an Advance on the occasion of each Borrowing, each Commitment Increase and each extension of Commitments pursuant to Section 2.18 shall be subject to the conditions precedent that the Effective Date shall have occurred and on the date of such Borrowing, the applicable Increase Date or the applicable Extension Date (a) the following statements shall be true (and each of the giving of the applicable Notice of Borrowing and the acceptance by the Borrower of the proceeds of such Borrowing, the request for Commitment Increase or the request for Commitment extension shall constitute a representation and warranty by the Borrower that on the date of such Borrowing , Increase Date or Extension Date such statements are true):

(i) the representations and warranties contained in each Loan Document are correct in all material respects on and as of such date (except any representation that speaks as of a specified prior date), before and after giving effect to such Borrowing and to the application of proceeds therefrom or from such Commitment Increase or Extension Date, as though made on and as of such date, and

(ii) no event has occurred and is continuing, or would result from such Borrowing or from the application of the proceeds therefrom or from such Commitment Increase or Extension Date, that constitutes a Default;

and (b) the Agent shall have received such other approvals, opinions or documents as any Lender through the Agent may reasonably request.

Determinations Under Section 3.01. For purposes of determining compliance with the conditions specified in Section 3.01, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Agent responsible for the transactions contemplated by this Agreement shall have received notice from such Lender prior to the date that the Borrower, by notice to the Lenders, designates as the proposed Effective Date, specifying its objection thereto. The Agent shall promptly notify the Lenders of the occurrence of the Effective Date.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Representations and Warranties of the Borrower. The Borrower represents and warrants as follows:

(a) Due Organization, Authorization, etc. Each of the Borrower and each Material Subsidiary (i) is a corporation duly organized, validly existing and (to the extent applicable) in good standing under the laws of its jurisdiction of formation, (ii) is duly qualified to do business and (to the extent applicable) in good standing in each jurisdiction where, because of the nature of its activities or properties, such qualification is required except where the failure to qualify would not have a Material Adverse Effect, (iii) has the requisite corporate power and authority and the right to own and operate its properties, to lease the property it operates under lease, and to conduct its business as now and proposed to be conducted, and (iv) has obtained all material licenses, permits, consents or approvals from or by, and has made all filings with, and given all notices to, all Governmental Authorities having jurisdiction, to the extent required for such ownership, operation and conduct (including, without limitation, the consummation of the transactions

contemplated by this Agreement) as to each of the foregoing, except where the failure to do so would not have a Material Adverse Effect. The execution, delivery and performance by the Borrower of this Agreement and the consummation of the transactions contemplated hereby and thereby are within its corporate powers and have been duly authorized by all necessary corporate action (including, without limitation, shareholder approval, if required). Each of the Borrower and its Subsidiaries has received all other material consents and approvals (if any shall be required) necessary for such execution, delivery and performance, and such execution, delivery and performance do not and will not contravene or conflict with, or create a Lien or right of termination or acceleration under, any Requirement of Law or Contractual Obligation binding upon the Borrower or its Material Subsidiaries. This Agreement and each of the Loan Documents is (or when executed and delivered will be) the legal, valid, and binding obligation of the Borrower enforceable against the Borrower in accordance with its respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other

similar laws affecting creditors' rights against the Borrower generally or by general equitable principles; provided that the Borrower assumes for purposes of this Section 4.01(a) that this Agreement and the other Loan Documents have been validly executed and delivered by each of the parties thereto other than the Borrower. Schedule 4.01(a) sets forth all the jurisdictions in which the Borrower and each Material Subsidiary are qualified to do business as of the Effective Date.

(b) Statutory Financial Statements. All books of account of each Insurance Subsidiary fully and fairly disclose all of the transactions, properties, assets, investments, liabilities and obligations of such Insurance Subsidiary and all of such books of account are in the possession of each Insurance Subsidiary and are true, correct and complete in all material respects.

(c) GAAP Financial Statements. (i) With respect to any representation and warranty which is deemed to be made after the date hereof by the Borrower, the balance sheet and statements of operations, of shareholders' equity and of cash flow, which as of such date shall most recently have been furnished by or on behalf of the Borrower to each Lender for the purposes of or in connection with this Agreement or any transaction contemplated hereby, shall have been prepared in accordance with GAAP consistently applied (except as disclosed therein and, in the case of interim financial statements, for the absence of, or abbreviated, footnote and schedule disclosures), and shall present fairly the consolidated financial condition of the corporations covered thereby as at the dates thereof for the periods then ended, subject, in the case of quarterly financial statements, to normal year-end audit adjustments.

(ii) Except as set forth on Schedule 4.01(c)(ii), there has been no change in the business, assets, operations or financial condition of the Borrower or any Subsidiary which has had or could reasonably be expected to have a Material Adverse Effect since December 31, 2003.

(d) Litigation and Contingent Liabilities. (a) Except as set forth (including estimates of the dollar amounts involved) in Schedule 4.01(d) hereto and (b) except for claims which are covered by Insurance Policies, coverage for which has not been denied in writing, or which relate to Primary Policies or Reinsurance Agreements issued by the Borrower or its Subsidiaries or to which it is a party entered into by the Borrower or its Subsidiaries in the ordinary course of business (referred to herein as "Ordinary Course Litigation"), no claim, litigation (including, without limitation, derivative actions), arbitration, governmental investigation or proceeding or inquiry is pending or, to the knowledge of the Borrower or its Subsidiaries, threatened against the Borrower or any of its Subsidiaries (i) which would, if adversely determined, have a Material Adverse Effect or (ii) which relates to any of the transactions contemplated hereby, and there is no basis known to the Borrower for any of the foregoing. Other than any liability incident to such claims, litigation or proceedings and as set forth on Schedule 4.01(d), the Borrower has no material Contingent Liabilities not provided for or referred to in the financial statements delivered pursuant to Section 5.01(a)(i).

(e) ERISA. (i) The Borrower and each Subsidiary is in compliance in all material respects with the applicable provisions of ERISA, and each Plan is being administered in compliance in all material respects with all applicable Requirements of Law, including without limitation the applicable provisions of

ERISA and the Code, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to have in a Material Adverse Effect. No ERISA Event (A) has occurred and is continuing, or (B) to the knowledge of the Borrower, is reasonably expected to occur with respect to any Plan or Multiemployer Plan.

(ii) With respect to each scheme or arrangement mandated by a government other than the United States (a subject to United States law maintained or contributed to by the Borrower or any Subsidiary or with respect to which any Subsidiary may have liability under applicable local law (a "Foreign Plan"), (A) the Borrower and each Subsidiary is in compliance in all material respects with any Requirements of Law applicable to such Foreign Government Scheme or Arrangement or Foreign Plan and (B) each such Foreign Government Scheme or Arrangement or Foreign Plan is being administered by the applicable Person in compliance in all material respects with all applicable Requirements of Law, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. No event that could reasonably be considered the substantive equivalent of an ERISA Event with respect to any Foreign Government Scheme or Arrangement or Foreign Plan (A) has occurred and is continuing, or (B) to the knowledge of the Borrower, is reasonably expected to occur.

(f) Investment Company Act. Neither the Borrower nor any of its

Subsidiaries is an "investment company" or a company "controlled by an investment company," within the meaning of the Investment Company Act of 1940, as amended.

(g) Regulations U and X. Neither the Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock. None of the Borrower, any of its Subsidiaries, any Affiliate of any of them or any Person acting on their behalf has taken or will take action to cause the execution, delivery or performance of this Agreement, the making or existence of the Advances or the use of proceeds of Advances to violate Regulations U or X of the FRB.

(h) Proceeds. The proceeds of the Advances will be used for the repayment of advances under the Existing Credit Agreement and for other general corporate purposes (including capital contributions to Subsidiaries and acquisitions permitted under Section 5.02(c)). None of such proceeds will be used in violation of applicable law, and none of such proceeds will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of buying or carrying any margin stock as defined in Regulation U of the FRB.

(i) Insurance. The Borrower and its Material Subsidiaries are in substantial compliance with all material conditions contained in their Insurance Policies.

(j) Ownership of Properties. On the date of any Advance, the Borrower and its Material Subsidiaries will have good title to all of their respective material properties and assets, real and personal, of any nature whatsoever.

(k) Accuracy of Information. All factual written information furnished heretofore or contemporaneously herewith by or on behalf of the Borrower or any of its Subsidiaries to the Agent or the Lenders for purposes of or in connection with this Agreement or any of the transactions contemplated hereby, as supplemented to the date hereof, is and all other such factual written information hereafter furnished by or on behalf of the Borrower or any of its Subsidiaries to the Agent or the Lenders will be, true and accurate in every material respect on the date as of which such information is dated or certified and not incomplete by omitting to state any material fact necessary to make such information not misleading in light of the circumstances under which such information was provided. Any projections and pro forma financial information contained in such factual written information are based upon good faith estimates and assumptions believed by the Borrower and its Subsidiaries to be reasonable at the time made, it being recognized by the Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results.

(l) Subsidiaries. Schedule 4.01(l) as updated from time to time pursuant to Section 5.01(a)(xii) contains a complete list of the Borrower's Subsidiaries indicating which Subsidiaries are Material Subsidiaries.

(m) Insurance Licenses. Schedule 4.01(m) lists all of the jurisdictions in which any of the Insurance Subsidiaries hold licenses (including, without limitation, licenses or certificates of authority from applicable insurance departments), permits or authorizations to transact insurance and reinsurance business (collectively, the "Licenses") and indicates the line or lines of insurance which each such Insurance Subsidiary is permitted to be engaged in with respect to each License therein listed as of the Effective Date. Each Material Insurance Subsidiary has all necessary Licenses to transact insurance business or reinsurance business, directly or indirectly, in each jurisdiction, where such business requires any such Material Insurance Subsidiary to obtain a License. Except as set forth on Schedule 4.01(m), to the best of the Borrower's knowledge, no such License is the subject of a proceeding for suspension or revocation or any similar proceedings, there is no sustainable basis for such a suspension or revocation, and no such suspension or revocation is threatened by the applicable insurance department where such suspension or revocation would have a Material Adverse Effect.

(n) Taxes. The Borrower and each of its Subsidiaries has filed all tax returns that are required to be filed by it, and has paid or provided adequate reserves for the payment of all material taxes, including, without limitation, all payroll taxes and federal and state withholding taxes, and all assessments payable by it that have become due, other than (a) those that are not yet delinquent or that are disclosed on Schedule 4.01(n) and are being contested in good faith by appropriate proceedings and with respect to which reserves have been established, and are being maintained, in accordance with GAAP or (b) those which the failure to file or pay would not have a Material Adverse Effect. Except as set forth in Schedule 4.01(n), on the Effective Date there is no ongoing audit or, to the Borrower's knowledge, other governmental investigation

of the tax liability of the Borrower or any of its Subsidiaries and there is no unresolved claim by a taxing authority concerning the Borrower's or any such Subsidiary's tax liability, for any period for which returns have been filed or were due. As used in this Section 4.01(n), the term "taxes" includes all taxes of any nature whatsoever and however denominated, including, without limitation, excise, import, governmental fees, duties and all other charges, as well as additions to tax, penalties and interest thereon, imposed by any Governmental Authority.

(o) Securities Laws. Neither the Borrower nor any Affiliate, nor anyone acting on behalf of any such Person, has directly or indirectly offered any interest in the Advances for sale to, or solicited any offer to acquire any such interest from, or has sold any such interest to any Person that would subject the issuance or sale of the Advances or any other liability to registration under the Securities Act of 1933, as amended.

(p) Compliance with Laws. Neither the Borrower nor any of its Subsidiaries is in violation of any Requirements of Law of any Governmental Authority, if the effect of such violation could reasonably be expected to have a Material Adverse Effect and, to the best of the Borrower's knowledge, no such violation has been alleged and each of the Borrower and its Subsidiaries (i) has filed in a timely manner all reports, documents and other materials required to be filed by it with any Governmental Authority, if such failure to so file could reasonably be expected to have a Material Adverse Effect; and the information contained in each of such filings is true, correct and complete in all material respects and (ii) has retained all records and documents required to be retained by it pursuant to any law, ordinance, rule, regulation, order, policy, guideline or other requirement of any Governmental Authority, if the failure to so retain such records and documents could reasonably be expected to have a Material Adverse Effect.

ARTICLE V

COVENANTS OF THE BORROWER

Affirmative Covenants. So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will:

(a) Reports, Certificates and Other Information. Furnish or cause to be furnished to the Agent and the Lenders:

(i) GAAP Financial Statements:

(A) Within 50 days after the close of each of the first three Fiscal Quarters of each Fiscal Year of the Borrower, a copy of the unaudited consolidated balance sheets of the Borrower and its Subsidiaries, as of the close of such quarter and the related consolidated statements of income, for that portion of the Fiscal Year ending as of the close of such Fiscal Quarter, all prepared in accordance with GAAP (subject to normal year-end adjustments and except that footnote and schedule disclosure may be abbreviated) and the related unaudited consolidating balance sheets and income statements for such period and accompanied by the certification of the chief executive officer, chief financial officer, treasurer or controller of the Borrower that all such financial statements are complete and correct in all material respects and present fairly in accordance with GAAP (subject to normal year-end adjustments and except that footnote and schedule disclosure may be abbreviated) the consolidated financial position and results of operations of the Borrower as at the end of such Fiscal Quarter and for the period then ended.

(B) Within 95 days after the close of each Fiscal Year, a copy of the annual financial statements of the Borrower and its Subsidiaries commencing December 31, 2004, consisting of audited consolidated and unaudited consolidating balance sheets and statements of income and audited consolidated changes in shareholders' equity and cash flows, setting forth in comparative form the consolidated figures for the previous Fiscal Year, which financial statements shall be prepared in accordance with GAAP, certified without material qualification by the independent certified public accountants regularly retained by the Borrower, or any other firm of independent certified public accountants of recognized national standing selected by the Borrower and reasonably acceptable to the Required Lenders that all such audited financial statements are complete and correct in all material respects and present fairly in accordance with GAAP the

consolidated financial position and the consolidated results of operations and cash flows of the Borrower and its Subsidiaries as at the end of such Fiscal Year and for the period then ended.

(C) On each date that financial statements are delivered pursuant to Section 5.01(a)(i)(A) or (B), a schedule in form and substance satisfactory to the Agent setting forth claims schedule detail with respect to claims of $5,000,000 or more under any single policy and claims aggregating $20,000,000 or more with respect to any single event.

(ii) Tax Returns. If requested by the Agent, copies of all federal, state, local and foreign tax returns and reports in respect of income, franchise or other taxes on or measured by income (excluding sales, use or like taxes) filed by the Borrower or any of its Subsidiaries.

(iii) SAP Financial Statements. Within 5 days after the date filed with the Authority for each of its Fiscal Years, but in any event within 125 days after the end of each Fiscal Year of each Material Insurance Subsidiary, a copy of the Annual Statement of such Material Insurance Subsidiary commencing December 31, 2004, for such Fiscal Year, if any, required by the Authority to be filed, each of which statements delivered to be prepared in accordance with SAP and accompanied by the certification of the chief financial officer or chief executive officer of such Material Insurance Subsidiary that such financial statement is complete and correct in all material respects and presents fairly in accordance with SAP the financial position of such Material Insurance Subsidiary for the period then ended.

(iv) Notice of Default, Etc. Immediately after an Executive Officer of the Borrower knows or has reason to know of the existence of any Default, or any development or other information which would have a Material Adverse Effect, telephonic or telegraphic notice specifying the nature of such Default or development or information, including the anticipated effect thereof, which notice shall be promptly confirmed in writing within two (2) Business Days.

(v) Other Information. The following certificates and other information related to the Borrower:

(A) Within five (5) Business Days of receipt, a copy of any financial examination reports by a Governmental Authority with respect to its Material Insurance Subsidiaries relating to the insurance business of its Material Insurance Subsidiaries (when, and if, prepared); provided, the Borrower shall only be required to deliver any interim report hereunder at such time as Borrower has knowledge that a final report will not be issued and delivered to the Agent within 90 days of any such interim report.

(B) Copies of all filings (other than ordinary course requalifications, nonmaterial tax and insurance rate and other ministerial regulatory filings) with Governmental Authorities by the Borrower or any Material Insurance Subsidiary not later than five (5) Business Days after such filings are made, including, without limitation, filings which seek approval of Governmental Authorities with respect to transactions between the Borrower or such Material Insurance Subsidiary and its Affiliates.

(C) Within five (5) Business Days of such notice, notice of proposed or actual suspension, termination or revocation of any material License of any Material Insurance Subsidiary by any Governmental Authority or of receipt of notice from any Governmental Authority notifying the Borrower or any Material Insurance Subsidiary of a hearing relating to such a suspension, termination or revocation, including any request by a Governmental Authority which commits the Borrower or any Material Insurance Subsidiary to take, or refrain from taking, any action or which otherwise materially and adversely affects the authority of the Borrower or any Material Insurance Subsidiary to conduct its business.

(D) Within five (5) Business Days of such notice, notice of any pending or threatened investigation or regulatory proceeding (other than routine periodic investigations or reviews) by any Governmental Authority concerning the business, practices or operations of the

Borrower or any Material Insurance Subsidiary.

(E) Simultaneously with delivery of the financial statements provided pursuant to Section 5.01(a)(i)(B), a list of all investments (including, without limitation, Permitted Investments) of the Borrower and its Subsidiaries as of the end of such Fiscal Quarter.

(F) Promptly, notice of any actual or, to the best of the Borrower's knowledge, proposed material changes in the Insurance Code governing the investment or dividend practices of any Material Insurance Subsidiary.

(G) Promptly, such additional financial and other information as the Agent may from time to time reasonably request.

(vi) Compliance Certificates. Concurrently with the delivery to the Agent of the GAAP financial statements under Sections 5.01(a)(i)(A) and 5.01(a)(i)(B), for each Fiscal Quarter and Fiscal Year of the Borrower, and at any other time no later than thirty (30) Business Days following a written request of the Agent, a duly completed Compliance Certificate, signed by the chief executive officer, chief financial officer, treasurer or controller of the Borrower, containing, among other things, a computation of, and showing compliance with, each of the applicable

financial ratios and restrictions contained in Sections 5.02(a), 5.02(b) and 5.02(j), and to the effect that, to the best of such officer's knowledge, as of such date no Default has occurred and is continuing.

(vii) Reports to SEC and to Shareholders. Promptly upon the filing or making thereof copies of (A) each filing and report made by the Borrower or any of its Material Subsidiaries with or to any securities exchange or the Securities and Exchange Commission and (B) each communication from the Borrower to shareholders generally.

(viii) Notice of Litigation and ERISA. Promptly upon learning of the occurrence of any of the following, written notice thereof, describing the same and the steps being taken by the Borrower with respect thereto: (A) the institution of, or any adverse determination in, any litigation, arbitration proceeding or governmental proceeding (including any Internal Revenue Service or Department of Labor proceeding with respect to any Plan) which could, if adversely determined, be reasonably expected to have a Material Adverse Effect and which is not Ordinary Course Litigation, (B) an ERISA Event, and an event with respect to any Plan which could result in the incurrence by the Borrower or any of its Material Subsidiaries of any material liability (other than a liability for contributions or premiums), fine or penalty, (C) the commencement of any dispute which might lead to the modification, transfer, revocation, suspension or termination of this Agreement or any Loan Document or (D) any event which could be reasonably expected to have a Material Adverse Effect.

(ix) Insurance Reports. Within five (5) Business Days of receipt of such notice by the Borrower or its Material Subsidiaries, written notice of any cancellation or material adverse change in any material Insurance Policy carried by the Borrower or any of its Material Subsidiaries.

(x) List of Directors and Officers and Amendments. Concurrently with the delivery of the financial statements required pursuant to Section 5.01(a)(i)(A) and (B), (x) a list of the Executive Officers and Directors of the Borrower and (y) copies of any amendments to the Organization Documents or Shareholders Agreement to the extent such information is not included in the information provided pursuant to Section 5.01(a)(vii) and to the extent such information has changed since the last delivery pursuant to this Section.

(xi) New Subsidiaries. Promptly (i) upon formation or acquisition of any Subsidiary with a capitalization of $1,000,000 or more and (ii) after the capital of a previously unreported Subsidiary is increased above $1,000,000, written notice of the name, purpose and capitalization of such Subsidiary and whether such Subsidiary is a Material Subsidiary.

(xii) Updated Schedules. From time to time, and in any event concurrently with delivery of the financial statements under Section

5.01(a)(i)(A) and (B), revised Schedules 4.01(l), if applicable, showing changes from the Schedule previously delivered.

(xiii) Other Information. From time to time such other information concerning the Borrower or any Subsidiary as the Agent or any Lender may reasonably request.

Delivery of the materials required to be delivered pursuant to Section 5.01(a)(i), (ii), (iii), (vi), (vii), (x), (xi) and (xii) to the Agent in an electronic medium in accordance with the manner set forth in Section 8.02(b) shall be deemed to satisfy the Borrower's obligation with respect to such materials under this Section 5.01(a).

(b) Corporate Existence; Foreign Qualification. Do and cause to be done at all times all things necessary to (i) maintain and preserve the corporate existence of the Borrower and each Material Subsidiary of the Borrower (except that inactive Subsidiaries of the Borrower may be merged out of existence or dissolved) and (ii) be, and ensure that each Material Subsidiary of the Borrower is, duly

qualified to do business and (to the extent applicable) be in good standing as a foreign corporation in each jurisdiction where the nature of its business makes such qualification necessary unless the failure to be so qualified would not have a Material Adverse Effect.

(c) Books, Records and Inspections. (i) Maintain, and cause each of its Subsidiaries to maintain materially complete and accurate books and records in accordance with GAAP and in addition, with respect to each Insurance Subsidiary, SAP, (ii) permit, and cause each of its Subsidiaries to permit, access at reasonable times and, except during the continuance of an Event of Default, upon reasonable notice by the Agent to its books and records, (iii) permit, and cause each of its Subsidiaries to permit, the Agent or its designated representative to inspect at reasonable times and, except during the continuance of an Event of Default, upon reasonable notice its properties and operations, and (iv) permit, and cause each of its Subsidiaries to permit, the Agent to discuss its business, operations and financial condition with its officers and its independent accountants.

(d) Insurance. Maintain, and cause each of its Material Subsidiaries to maintain, Insurance Policies to such extent and against such hazards and liabilities as is required by law or customarily maintained by prudent companies similarly situated.

(e) Taxes and Liabilities. Pay, and cause each of its Subsidiaries to pay, when due all material taxes, assessments and other material liabilities except as contested in good faith and by appropriate proceedings with respect to which reserves have been established, and are being maintained, in accordance with GAAP except where failure to pay would not have a Material Adverse Effect.

(f) Employee Benefit Plans. Maintain, and cause each of its Subsidiaries to maintain, each Plan and Foreign Plan in compliance in all material respects with all applicable Requirements of Law except where failure to so comply would not have a Material Adverse Effect.

(g) Compliance with Laws. Comply, and cause each of its Subsidiaries to comply, (i) with all Requirements of Law related to its businesses (including, without limitation, the establishment of all insurance reserves required to be established under SAP and applicable laws restricting the investments of the Borrower and its Subsidiaries), and (ii) with all Contractual Obligations binding upon such entity, except in each of clauses (i) and (ii) where failure to so comply would not in the aggregate have a Material Adverse Effect.

(h) Maintenance of Permits. Maintain, and cause each of its Subsidiaries to maintain, all permits, licenses and consents as may be required for the conduct of its business by any Governmental Authority except (x) for such permits, licenses and consents related to assets which are sold in accordance with Section 5.02(c) or (y) where failure to maintain the same would not have a Material Adverse Effect.

(i) Conduct of Business. Engage, and cause each Material Subsidiary to engage, primarily in insurance and reinsurance business and related activities.

Negative Covenants. So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will:

(j) Debt to Capital Ratio. Not permit the Debt to Capital Ratio (excluding DaVinciRe Catastrophe-Linked Securities) to exceed .30:1.

(k) Net Worth; Minimum Capital. Not permit Net Worth of the Borrower to

be less than $250,000,000, nor permit Net Worth (as shown on its GAAP financial statements) of DaVinci Reinsurance Ltd. to be less than $350,000,000.

(l) Mergers, Consolidations and Sales. Not, and not permit any of its Subsidiaries to, (i) merge or consolidate, or purchase or otherwise acquire all or substantially all of the assets or stock of any class of, or any partnership or joint venture interest in, any other Person (other than a newly formed Subsidiary or

the acquisition of a Subsidiary which complies with clause (ii)(B) of this Section 5.02(c) or the acquisition of shares of a Subsidiary held by minority shareholders), or (ii) sell, transfer, convey or lease all or any substantial part of its assets other than any sale, transfer, conveyance or lease in the ordinary course of business or any sale or assignment of receivables except for (A) any such merger or consolidation, sale, transfer, conveyance, lease or assignment of any wholly owned Subsidiary into, with or to any other wholly owned Subsidiary, (B) purchases or acquisitions which comply with Section 5.01(i) provided (x) no 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 as of the date of such purchase or acquisition 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 pro forma basis giving effect to such acquisition or purchase) and (z) the aggregate purchase price of all purchases and acquisitions after the Effective Date does not exceed 100% of Net Worth as of the date of such purchase or acquisition minus all amounts which in accordance with GAAP would be characterized as intangible assets (including goodwill) and (C) sales of assets and capital stock and other ownership or profit interests (including, without limitation, partnership, member or trust interest therein) of Subsidiaries that are not Material Subsidiaries, provided that no Default has occurred and is continuing.

(m) Regulations U and X. Not, and not permit any of its Subsidiaries to, hold margin stock (as such term is defined in Regulation U of the FRB) having a value in excess of 20% of the value of the assets of the Borrower and its Subsidiaries taken as a whole after taking into account the application of the proceeds of the Advances.

(n) Other Agreements. Not, and not permit any of its Subsidiaries to, enter into any agreement containing any provision which would be violated or breached by the performance of obligations hereunder or under any instrument or document delivered or to be delivered by it hereunder or in connection herewith.

(o) Transactions with Affiliates. Not, and not permit any Subsidiary to, enter into, or cause, suffer or permit to exist, directly or indirectly, any arrangement, transaction or contract with any of its Affiliates unless such arrangement, transaction or contract is on an arm's length basis; provided that (i) transactions between the Borrower and any wholly-owned Subsidiary of the Borrower or between any wholly-owned Subsidiaries of the Borrower, (ii) any transaction expressly contemplated by the Shareholders Agreement or a management agreement with RenaissanceRe Holdings, Ltd or any Subsidiary of RenaissanceRe Holdings Ltd., and (iii) investments described in clause (i) of the definition of "Permitted Investments" shall be excluded from the restrictions set forth in this Section 5.02(f).

(p) Liens. Not, and not permit any of its Subsidiaries to, create or permit to exist any Lien with respect to any assets now or hereafter existing or acquired, except the following: (A) Liens for current taxes not delinquent or for taxes being contested in good faith and by appropriate proceedings and with respect to which adequate reserves have been established, and are being maintained, in accordance with GAAP, (B) easements, party wall agreements, rights of way, restrictions, minor defects or irregularities in title and other similar Liens not interfering in any material respect with the ordinary course of the business of the Borrower and its Subsidiaries taken as a whole; (C) Liens in connection with the acquisition of fixed assets after the date hereof and attaching only to the property being acquired, (D) Liens incurred in the ordinary course of business in connection with workers' compensation, unemployment insurance or other forms of governmental insurance or benefits and Liens pursuant to letters of credit or other security arrangements in connection with such insurance or benefits, (E) mechanics', workers', materialmen's, landlord liens and other like Liens arising in the ordinary course of business in respect of obligations which are not delinquent or which are being contested in good faith and by appropriate proceedings and with respect to which adequate reserves have been established, and are being maintained, in accordance with GAAP, (F) liens on Invested Assets pursuant to trust, letter of credit or other security arrangements in connection with Reinsurance Agreements or Primary Policies or other regulatory requirements (for insurance licensing purposes), (G) Liens listed on Schedule 5.02(g) in effect on the date hereof; (H) attachments, judgments and other similar Liens for sums not exceeding

$20,000,000 (excluding (x) any portion thereof which is covered by insurance so long as the insurer is reasonably likely to be able to pay and has accepted a tender of defense and indemnification without reservation of rights and (y) all such Liens on assets of Subsidiaries that are not Material Subsidiaries); (I) attachments, judgments and other

similar Liens for sums of $20,000,000 or more (excluding any portion thereof which is covered by insurance so long as the insurer is reasonably likely to be able to pay and has accepted a tender of defense and indemnification without reservation of rights) provided the execution or other enforcement of such Liens is effectively stayed and claims secured thereby are being actively contested in good faith and by appropriate proceedings and have been bonded off; and (J) Liens pursuant to the Loan Documents.

(q) Restrictions On Negative Pledge Agreements. Not, and not permit any of its Subsidiaries to enter into or assume any agreement to which it is a party, other than this Agreement and any agreement required by applicable insurance regulations which places any restrictions upon the right of the Borrower or any of its Subsidiaries to sell, pledge or otherwise dispose of any material portion of its properties now owned or hereafter acquired other than as permitted under Section 5.02(g) (with respect to the property subject to such Lien), except for such restrictions imposed by any senior unsecured issuance of Debt with an original principal amount in excess of $50,000,000, provided such restrictions are no more restrictive than those under this Agreement.

(r) No Amendment of Certain Documents. Not enter into or permit to exist any amendment, modification or waiver of the Shareholders Agreement or Organization Documents as in effect on the Effective Date which would (i) create or amend redemption provisions applicable to the Borrower's capital stock to provide for mandatory redemption or redemption at the option of the holder prior to the Termination Date as such date maybe extended or (ii) in any manner be materially adverse to the interests of the Lenders.

(s) Dividends, Etc. Not, and not permit its Subsidiaries to, (i) declare or pay any dividends on any of its capital stock (other than pro rata payments of dividends by a Subsidiary to the Borrower and such Subsidiary's other shareholders), (ii) purchase or redeem any capital stock of the Borrower or any Subsidiary or any warrants, options or other rights in respect of such stock (other than the pro rata purchase or redemption by a Subsidiary of its capital stock, warrants, options or other rights in respect of such stock) or (iii) set aside funds for any of the foregoing (collectively "Restricted Payments"); except that so long as, after giving effect to any such Restricted Payment the Debt to Capital Ratio does not exceed .20:1, (A) the Borrower may declare or pay dividends on any of its Common Shares, provided no Default has occurred and is continuing on the date the Borrower declares such dividend, (B) the Borrower may declare or pay any Restricted Payment described in clause (i) or (ii) above, provided (x) no Default has occurred and is continuing on the date of such declaration or payment and (y) except in the case of the purchase of shares of a Subsidiary from minority shareholders of such Subsidiary, after giving effect to such Restricted Payment, the Borrower's Net Worth exceeds $300,000,000 and (C) any Subsidiary may pay any Restricted Payment described in clause (ii) above on a non prorata basis provided no Default has occurred and is continuing on the date of such payment.

ARTICLE VI

EVENTS OF DEFAULT

Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) Non-Payment of Advances. Default in the payment when due of any principal on the Advances; or

(b) Non-Payment of Interest, Fees, Etc. Default, and continuance thereof for three (3) Business Days, in the payment when due of interest on the Advances, fees or of any other amount payable hereunder or under the Loan Documents; or

(c) Non-Payment of Other Debt. (i) Default in the payment when due and continuance of such default after any applicable grace period (whether or not such Debt is accelerated) of any other Debt (or any letter of credit facility) of, or guaranteed by, the Borrower or any of its Material Subsidiaries if the aggregate amount of Debt (or, in the case of any letter of credit facility, the issued letters of credit) of the

Borrower and/or any of its Material Subsidiaries which is due and payable or which is or maybe accelerated, by reason of such default or defaults is $20,000,000 or more, or (ii) default in the performance or observance of any obligation or condition and continuance of such default after any applicable grace period with respect to any such other Debt (or any letter of credit facility) of, or guaranteed by, the Borrower and/or any of its Material Subsidiaries if the effect of such default or defaults is to accelerate or permit the acceleration of the maturity of any such Debt (or, in the case of any letter of credit facility, the issued letters of credit) of $20,000,000 or more in the aggregate prior to its expressed maturity; or

(d) Other Material Obligations. Except for obligations covered under other provisions of this Article VI, default in the payment when due, or in the performance or observance of, any material obligation of, or material condition agreed to by, the Borrower or any of its Material Subsidiaries with respect to any material purchase or lease obligation of $20,000,000 or more (unless the existence of any such default is being contested by the Borrower or such Material Subsidiary in good faith and by appropriate proceedings and the Borrower or such Material Subsidiary has established, and is maintaining, adequate reserves therefor in accordance with GAAP) which default continues for a period of 30 days; or

(e) Bankruptcy, Insolvency, Etc. (i) The Borrower or any Material Subsidiary becomes insolvent or generally fails to pay, or admits in writing its inability to pay, debts as they become due; (ii) there shall be commenced by or against any such Person any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, supervision, conservatorship, liquidation, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, rehabilitation, conservation, supervision, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, obligations or liabilities, or (B) seeking appointment of a receiver, trustee, custodian, rehabilitator, conservator, supervisor, liquidator or other similar official for it or for all or any substantial part of its assets, in each case which (1) results in the entry of an order for relief or any such adjudication or appointment or (2) if filed against such Person, remains undismissed, undischarged or unstayed for a period of 90 days; or (iii) there shall be commenced against any such Person any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 90 days from the entry thereof; or (iv) any of such Persons shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (ii) or (iii) above; or (v) any Governmental Authority shall issue any order of conservation, supervision or any other order of like effect relating to any of such Persons; or

(f) Non-Compliance with Certain Financial Covenants. Failure by the Borrower to comply with its covenants set forth in Section 5.02(a) or 5.02(b) and continuance of such failure for two Fiscal Quarters unless (x) with respect to Section 5.02(a), (a) during the first Fiscal Quarter of such Default the Debt to Capital Ratio does not exceed .40:1 and (b) during the second Fiscal Quarter of such Default the Debt to Capital Ratio does not exceed .35:1 and (y) with respect to Section 5.02(b), (a) such failure is cured by a capital contribution or a permanent reduction of Debt made during such two Fiscal Quarters, (b) during the first Fiscal Quarter of such Default Net Worth of the Borrower is not less than $165,000,000 and capital (as shown on its GAAP financial statements) of DaVinci Reinsurance Ltd. is not less than $265,000,000, (c) during the second Fiscal Quarter of such Default, Net Worth is not less than $210,000,000 and Net Worth (as shown on its GAAP financial statements) of DaVinci Reinsurance Ltd. is not less than $310,000,000 and (d) if the Borrower's capital has fallen below that required under any Requirement of Law (x) during such cure period no Governmental Authority places restrictions on the Borrower or any Material Insurance Subsidiary or requires the Borrower or any Material Insurance Subsidiary to take any action beyond the normal reporting requirements and (y) after such cure the Borrower and its Material Insurance Subsidiaries are in compliance with all Requirements of Law; or

(g) Non-compliance with Other Financial Conditions. Failure by the Borrower to comply with its covenants set forth in Section 5.02(h), 5.02(i) or 5.02(j); or

(h) Non-compliance with Other Provisions. Failure by the Borrower to

comply with or to perform any provision of this Agreement or the other Loan Documents (and not constituting an Event of Default under any of the other provisions of this Article VI) and continuance of such failure for 30 days after notice thereof from the Agent to the Borrower; or

(i) Warranties and Representations. Any warranty or representation made by or on behalf of the Borrower or any Subsidiary herein is inaccurate or incorrect or is breached or false or misleading in any material respect as of the date such warranty or representation is made; or any schedule, certificate, financial statement, report, notice, or other instrument furnished by or on behalf of Borrower or any Subsidiary to the Agent or the Lenders is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified; or

(j) ERISA. Any ERISA Event shall occur or exist with respect to any Plan or Multiemployer Plan of any ERISA Affiliate and, as a result thereof, together with all other ERISA Events then existing, the Borrower and its ERISA Affiliates have incurred or would be reasonably likely to incur liability to any one or more Plans or Multiemployer Plans or to the PBGC (or to any combination thereof) in excess of $20,000,000; or

(k) Loan Documents. Any action shall be taken by or on behalf of the Borrower or any Affiliate thereof to discontinue any of the Loan Documents or to contest the validity, binding nature or enforceability of any thereof; or

(l) Change in Control. A Change in Control occurs; or

(m) Judgments. A final judgment or judgments which exceed an aggregate of $20,000,000 (excluding any portion thereof which is covered by insurance so long as the insurer is reasonably likely to be able to pay and has accepted a tender of defense and indemnification without reservation of rights) shall be rendered against the Borrower or any Material Subsidiary and shall not have been discharged or vacated or had execution thereof stayed pending appeal within 90 days after entry or filing of such judgment(s); or

(n) Change in Law. Any change is made in the Insurance Code which affects the dividend practices of any Insurance Subsidiary and which is reasonably likely to have a Material Adverse Effect on the ability of the Borrower to perform its obligations under the Agreement and such circumstances shall continue for 120 days; or

(o) Management Agreement. The Borrower shall cease for any reason to have an effective management agreement with RenaissanceRe Holdings, Ltd. or any Subsidiary of RenaissanceRe Holdings Ltd.;

then, and in any such event, the Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the obligation of each Lender to make Advances to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the Advances, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Advances, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided, however, that upon an Event of Default with respect to the Borrower under Section 6.01(e), (A) the obligation of each Lender to make Advances shall automatically be terminated and (B) the Advances, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

ARTICLE VII

THE AGENT

Authorization and Action. Each Lender hereby appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Loan Documents as are delegated to the Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto. As to any matters not expressly provided for by the Loan Documents (including, without limitation, enforcement or collection of the Notes), the Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding upon all Lenders and all holders of Notes; provided, however, that the Agent shall not be required to take any action that exposes the Agent to personal liability or that is contrary to the Loan Documents or applicable law. The Agent agrees to give to each Lender prompt notice of each notice given to it by the Borrower pursuant to the terms of this

Agreement.

Agent's Reliance, Etc. Neither the Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Agent: (i) may treat the Lender that made any Advance as the holder of the Debt resulting therefrom until the Agent receives and accepts an Assumption Agreement entered into by an Assuming Lender as provided in Section 2.17 or 2.18 or an Assignment and Acceptance entered into by such Lender, as assignor, and an Eligible Assignee, as assignee, as provided in Section 8.07; (ii) may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (iii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement; (iv) shall not have any duty to ascertain or to inquire as to the performance, observance or satisfaction of any of the terms, covenants or conditions of this Agreement on the part of the Borrower or the existence at any time of any Default or to inspect the property (including the books and records) of the Borrower; (v) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, any Loan Document or any other instrument or document furnished pursuant hereto; and (vi) shall incur no liability under or in respect of any Loan Document by acting upon any notice, consent, certificate or other instrument or writing (which may be by telecopier, telegram or telex) believed by it to be genuine and signed or sent by the proper party or parties.

Citibank and Affiliates. With respect to its Commitment, the Advances made by it and the Note issued to it, Citibank shall have the same rights and powers under the Loan Documents as any other Lender and may exercise the same as though it were not the Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include Citibank in its individual capacity. Citibank and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, accept investment banking engagements from and generally engage in any kind of business with, the Borrower, any of its Subsidiaries and any Person who may do business with or own securities of the Borrower or any such Subsidiary, all as if Citibank were not the Agent and without any duty to account therefor to the Lenders. The Agent shall have no duty to disclose information obtained or received by it or any of its Affiliates relating to the Borrower or its Subsidiaries to the extent such information was obtained or received in any capacity other than as Agent.

Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon the Agent or any other Lender and based on the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

Indemnification. The Lenders agree to indemnify the Agent (to the extent not reimbursed by the Borrower), ratably according to the respective principal amounts of the Advances then owed to each of them (or if no Advances are at the time outstanding, ratably according to the respective amounts of their Commitments), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement or any action taken or omitted by the Agent under this Agreement (collectively, the "Indemnified Costs"), provided that no Lender shall be liable for any portion of the Indemnified Costs resulting from the Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including reasonable counsel fees) incurred by the Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that the Agent is not reimbursed for such expenses by the Borrower. In the case of any investigation, litigation or proceeding giving rise to any Indemnified Costs, this Section 7.05 applies whether any such investigation, litigation or proceeding is brought by the Agent, any Lender or a third party.

Successor Agent. The Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower and may be removed at any time with or without cause by the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor Agent, which successor shall be approved by the Borrower unless a Default has occurred and is continuing. If no successor Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Agent's giving of notice of resignation or the Required Lenders' removal of the retiring Agent, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent, which shall be a commercial bank organized under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least $500,000,000. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, discretion, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Agent's resignation or removal hereunder as Agent, the provisions of this Article VII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

ARTICLE VIII

MISCELLANEOUS

Amendments, Etc. No amendment or waiver of any provision of any Loan Document, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Lenders, do any of the following: (a) waive any of the conditions specified in Section 3.01, (b) increase the Commitments of the Lenders, (c) reduce the principal of, or interest on, the Advances or any fees or other amounts payable hereunder, (d) postpone any date fixed for any payment of principal of, or interest on, the Advances or any fees or other amounts payable hereunder, (e) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Advances, or the number of Lenders, that shall be required for the Lenders or any of them to take any action hereunder, (f) release any material portion of any collateral held to secure the obligations of the Borrower under this Agreement and the Notes or (g) amend this Section 8.01; and provided further that no amendment, waiver or consent shall, unless in writing and signed by the Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Agent under any Loan Document.

Notices, Etc.. (a) All notices and other communications provided for hereunder shall be either (x) in writing (including telecopier, telegraphic or telex communication) and mailed, telecopied, telegraphed, telexed or delivered or (y) as and to the extent set forth in Section 8.02(b) and in the proviso to this Section 8.02(a), if to the Borrower, at its address c/o Renaissance House, 8-12 East Broadway, Pembroke, HM19, Bermuda, Attention: Corporate Secretary; if to any Initial Lender, at its Domestic Lending Office

specified opposite its name on Schedule I hereto; if to any other Lender, at its Domestic Lending Office specified in the Assumption Agreement or the Assignment and Acceptance pursuant to which it became a Lender; and if to the Agent, at its address at Two Penns Way, New Castle, Delaware 19720, Attention: Bank Loan Syndications Department; or, as to the Borrower or the Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Agent, provided that materials required to be delivered pursuant to Section 5.01(a)(i), (ii), (iii), (vi), (vii), (x), (xi) or (xii) shall be delivered to the Agent as specified in Section 8.02(b) or as otherwise specified to the Borrower by the Agent. All such notices and communications shall, when mailed, telecopied, telegraphed or e-mailed, be effective when deposited in the mails, telecopied, delivered to the telegraph company or confirmed by e-mail, respectively, except that notices and communications to the Agent pursuant to Article II, III or VII shall not be effective until received by the Agent. Delivery by telecopier of an executed counterpart of any amendment or waiver of any provision of this Agreement or the Notes or of any Exhibit hereto to be executed and delivered hereunder shall be effective as delivery of a manually executed counterpart thereof.

(b) So long as Citibank or any of its Affiliates is the Agent,

materials required to be delivered pursuant to Section 5.01(a)(i), (ii), (iii), (vi), (vii), (x), (xi) or (xii) shall be delivered to the Agent in an electronic medium in a format acceptable to the Agent and the Lenders by e-mail at oploanswebadmin@citigroup.com. The Borrower agrees that the Agent may make such materials, as well as any other written information, documents, instruments and other material relating to the Borrower, any of its Subsidiaries or any other materials or matters relating to this Agreement, the Notes or any of the transactions contemplated hereby (collectively, the "Communications") available to the Lenders by posting such notices on Intralinks, "e-Disclosure", the Agent's internet delivery system that is part of Fixed Income Direct, Global Fixed Income's primary web portal, or a substantially similar electronic system (the "Platform"). The Borrower acknowledges that (i) the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution, (ii) the Platform is provided "as is" and "as available" and (iii) neither the Agent nor any of its Affiliates warrants the accuracy, adequacy or completeness of the Communications or the Platform and each expressly disclaims liability for errors or omissions in the Communications or the Platform. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by the Agent or any of its Affiliates in connection with the Platform.

(c) Each Lender agrees that notice to it (as provided in the next sentence) (a "Notice") specifying that any Communications have been posted to the Platform shall constitute effective delivery of such information, documents or other materials to such Lender for purposes of this Agreement; provided that if requested by any Lender, the Agent shall deliver a copy of the Communications to such Lender by email or telecopier. Each Lender agrees (i) to notify the Agent in writing of such Lender's e-mail address to which a Notice may be sent by electronic transmission (including by electronic communication) on or before the date such Lender becomes a party to this Agreement (and from time to time thereafter to ensure that the Agent has on record an effective e-mail address for such Lender) and (ii) that any Notice may be sent to such e-mail address.

No Waiver; Remedies. No failure on the part of any Lender or the Agent to exercise, and no delay in exercising, any right hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Costs and Expenses. (a) The Borrower agrees to pay on demand all costs and expenses of the Agent in connection with the preparation, execution, delivery, administration, modification and amendment of this Agreement, the Notes and the other documents to be delivered hereunder, including, without limitation, (A) all due diligence, syndication (including printing, distribution and bank meetings), transportation, computer, duplication, appraisal, consultant, and audit expenses and (B) the reasonable fees and expenses of counsel for the Agent with respect thereto and with respect to advising the Agent as to its rights and responsibilities under this Agreement. The Borrower further agrees to pay on demand all costs and expenses of the Agent and the Lenders, if any (including, without limitation, reasonable counsel fees and expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement, the other Loan Documents and the other documents to be delivered

hereunder, including, without limitation, reasonable fees and expenses of counsel for the Agent and each Lender in connection with the enforcement of rights under this Section 8.04(a).

(b) The Borrower agrees to indemnify and hold harmless the Agent and each Lender and each of their Affiliates and their officers, directors, employees, agents and advisors (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel) incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (including, without limitation, in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) the Notes, this Agreement, any other Loan Document, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Advances, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's

gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 8.04(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its directors, equityholders or creditors or an Indemnified Party or any other Person, whether or not any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. The Borrower also agrees not to assert any claim for special, indirect, consequential or punitive damages against the Agent, any Lender, any of their Affiliates, or any of their respective directors, officers, employees, attorneys and agents, on any theory of liability, arising out of or otherwise relating to the Notes, this Agreement, any other Loan Document, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Advances.

(c) If any payment of principal of, or Conversion of, any Eurodollar Rate Advance is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section 2.07(d), 2.09 or 2.11, acceleration of the maturity of the Advances pursuant to Section 6.01 or for any other reason, the Borrower shall, upon demand by such Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that it may reasonably incur as a result of such payment or Conversion, including, without limitation, any loss (excluding loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance.

(d) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in Sections 2.10, 2.13 and 8.04 shall survive the payment in full of principal, interest and all other amounts payable hereunder and under the Notes.

Right of Set-off. Upon (i) the occurrence and during the continuance of any Event of Default and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Agent to declare the Notes due and payable pursuant to the provisions of Section 6.01, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender or such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement and the Note held by such Lender, whether or not such Lender shall have made any demand under this Agreement or such Note and although such obligations may be unmatured. Each Lender agrees promptly to notify the Borrower after any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender and its Affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Lender and its Affiliates may have.

Binding Effect. This Agreement shall become effective (other than Section 2.01, which shall only become effective upon satisfaction of the conditions precedent set forth in Section 3.01) when it shall have been executed by the Borrower and the Agent and when the Agent shall have been notified by each Initial Lender that such Initial Lender has executed it and thereafter shall be binding upon and inure to the benefit of the Borrower, the Agent and each Lender and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lenders.

Assignments and Participations. (e) Each Lender may and, if demanded by the Borrower (following a demand by such Lender pursuant to Section 2.10, 2.11 or 2.13 or an assertion by such Lender under Section 2.11) upon at least 5 Business Days' notice to such Lender and the Agent, will assign to one or more Persons all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Advances owing to it and the Note or Notes held by it); provided, however, that (i) each such assignment shall be of a constant, and not a varying, percentage of all rights and obligations under this Agreement, (ii) except in the case of an assignment to a Person that, immediately prior to such assignment, was a Lender or an assignment of all of a Lender's rights and obligations under this Agreement, the amount of the Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than $5,000,000 or an integral multiple of $1,000,000 in excess thereof unless the Borrower and the Agent otherwise agree, (iii) each such assignment shall be to an Eligible Assignee, (iv) each such assignment made as a result of a demand by the Borrower pursuant to this Section 8.07(a) shall be arranged by the Borrower after

consultation with the Agent and shall be either an assignment of all of the rights and obligations of the assigning Lender under this Agreement or an assignment of a portion of such rights and obligations made concurrently with another such assignment or other such assignments that together cover all of the rights and obligations of the assigning Lender under this Agreement, (v) no Lender shall be obligated to make any such assignment as a result of a demand by the Borrower pursuant to this Section 8.07(a) unless and until such Lender shall have received one or more payments from either the Borrower or one or more Eligible Assignees in an aggregate amount at least equal to the aggregate outstanding principal amount of the Advances owing to such Lender, together with accrued interest thereon to the date of payment of such principal amount and all other amounts payable to such Lender under this Agreement, and (vi) the parties to each such assignment shall execute and deliver to the Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with any Note subject to such assignment and a processing and recordation fee of $3,500; provided, however, that in the case of each assignment made as a result of a demand by the Borrower, such recordation fee shall be payable by the Borrower except that no such recordation fee shall be payable in the case of an assignment made at the request of the Borrower to an Eligible Assignee that is an existing Lender. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights (other than its rights under Sections 2.10, 2.13 and 8.04 to the extent any claim thereunder relates to an event arising prior such assignment) and be released from its obligations (other than its obligations under Section 7.05 to the extent any claim thereunder relates to an event arising prior such assignment) under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(f) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with any Loan Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, any Loan Document or any other instrument or document furnished pursuant hereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under any Loan Document or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Loan Documents as are delegated to the Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto; and

(vii) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender.

(g) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee representing that it is an Eligible Assignee, together with any Note or Notes subject to such assignment, the Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit C hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower.

(h) The Agent shall maintain at its address referred to in Section 8.02 a copy of each Assumption Agreement and each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Commitment of, and principal amount of the Advances owing to, each Lender from time to time (the "Register"). The entries

in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(i) Each Lender may sell participations to one or more banks or other entities (other than the Borrower or any of its Affiliates) in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Advances owing to it and any Note or Notes held by it); provided, however, that (i) such Lender's obligations under this Agreement (including, without limitation, its Commitment to the Borrower hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of any such Note for all purposes of this Agreement, (iv) the Borrower, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (v) no participant under any such participation shall have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by the Borrower therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, or postpone any date fixed for any payment of principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation.

(j) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 8.07, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; provided that, prior to any such disclosure, the assignee or participant or proposed assignee or participant shall agree to preserve the confidentiality of any Confidential Information relating to the Borrower received by it from such Lender.

(k) Notwithstanding any other provision set forth in this Agreement, any Lender may at any time create a security interest in all or any portion of its rights under this Agreement (including, without limitation, the Advances owing to it and any Note or Notes held by it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

Confidentiality. Each of the Lenders agrees to take and to cause its Affiliates to take normal and reasonable precautions and exercise due care to maintain the confidentiality of all information identified as "confidential" or "secret" by the Borrower and provided to it by the Borrower or any Subsidiary, or by the Agent on the Borrower's or such Subsidiary's behalf, under this Agreement or any other Loan Document, and neither it nor any of its Affiliates shall use any such information other than in connection with or in enforcement of this Agreement and the other Loan Documents or in connection with other business now or hereafter existing or contemplated with the Borrower or any Subsidiary; except to the extent such information (i) was or becomes generally available to the public other than as a result of disclosure by such Lender, or (ii) was or becomes available on a non-confidential basis from a source other than the Borrower, provided that such source is not bound by a confidentiality agreement with the Borrower known to such Lender; provided, however, that any Lender may disclose such information (A) at the request or pursuant to any requirement of any Governmental Authority to which such Lender is subject or in connection with an

examination of such Lender by any such authority; (B) pursuant to subpoena or other court process; (C) when required to do so in accordance with the provisions of any applicable Requirement of Law; (D) to the extent reasonably required in connection with any litigation or proceeding to which the Agent or any Lender or their respective Affiliates may be party; (E) to the extent reasonably required in connection with the exercise of any remedy hereunder or under any other Loan Document; (F) to such Lender's independent auditors and other professional advisors; (G) to any assignee of a Lender, actual or potential, provided that such Person agrees in writing to keep such information confidential to the same extent required of the Lenders hereunder; (H) to any Lender or its Affiliate, as expressly permitted under the terms of any other document or agreement regarding confidentiality to which the Borrower or any Subsidiary is party or is deemed party with such Lender or such Affiliate; and (I) to its Affiliates which are such Lender's parent or it or its parent's wholly owned Subsidiary or, with the prior written consent of the Borrower which shall not be unreasonably withheld, its other Affiliates.

Governing Law. This Agreement and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

Jurisdiction, Etc. (l) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by law, in such federal court. The Borrower hereby agrees that service of process in any such action or proceeding brought in the any such New York State court or in such federal court may be made upon CT Corporation System at its offices at 111 Eighth Avenue, 13th Floor, New York, N.Y. 10011 (the "Process Agent") and the Borrower hereby irrevocably appoints the Process Agent its authorized agent to accept such service of process, and agrees that the failure of the Process Agent to give any notice of any such service shall not impair or affect the validity of such service or of any judgment rendered in any action or proceeding based thereon. The Borrower hereby further irrevocably consents to the service of process in any action or proceeding in such courts by the mailing thereof by any parties hereto by registered or certified mail, postage prepaid, to the Borrower at its address specified pursuant to Section 8.02. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement or the Notes in the courts of any jurisdiction.

(m) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the Notes in any New York State or federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

Judgment. (n) If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder in U.S. dollars into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Agent could purchase U.S. dollars with such other currency at Citibank's principal office in London at 11:00 A.M. (London time) on the Business Day preceding that on which final judgment is given.

(o) The obligation of the Borrower in respect of any sum due from it in any currency (the "Primary Currency") to any Lender or the Agent hereunder shall, notwithstanding any judgment in any other currency, be discharged only to the extent that on the Business Day following receipt by such Lender or the Agent (as the case may be), of any sum adjudged to be so due in such

other currency, such Lender or the Agent (as the case may be) may in accordance with normal banking procedures purchase the applicable Primary Currency with such other currency; if the amount of the applicable Primary Currency so purchased is less than such sum due to such Lender or the Agent (as the case may be) in the applicable Primary Currency, the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Agent (as the case may be) against such loss, and if the amount of the applicable Primary Currency so purchased exceeds such sum due to any Lender or the Agent (as the case may be) in the applicable Primary Currency, such Lender or the Agent (as the case may be) agrees to remit to the Borrower such excess.

Waiver of Jury Trial. Each of the Borrower, the Agent and the Lenders hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to any Loan Document, the Advances or the actions of the Agent or any Lender in the negotiation, administration, performance or enforcement thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized,

as of the date first above written.

DAVINCIRE HOLDINGS LTD.

By /s/ Todd R. Fonner

Name: Todd R. Fonner
Title: Vice President, Treasurer

CITIBANK, N.A.,
as Agent

By /s/ Robert A. Danziger

Name: Robert A. Danziger
Title: Vice President

Commitment	Initial Lenders
$16,000,000	CITIBANK, N.A.

By /s/ Robert A. Danziger

Name: Robert A. Danziger
Title: Vice President

$14,000,000	BANK OF N.T. BUTTERFIELD & SON LIMITED

By /s/ Alan Day

Name: Alan Day
Title: Vice President

$10,000,000	BANK OF AMERICA, N.A.

By /s/ Debra Basler

Name: Debra Basler
Title: Principal

$10,000,000	BANK OF BERMUDA LTD.

By /s/ Derek Caldwell

Name: Derek Caldwell
Title: Vice President
Corporate Banking

$10,000,000	THE BANK OF NEW YORK

By /s/ Scott Schaffer

Name: Scott Schaffer
Title: Vice Present

$10,000,000	BANK ONE, NA

By /s/ Gerard P. Fogarty

Name: Gerard P. Fogerty

Title: Director

$10,000,000 MELLON BANK, N.A.

By /s/ Karla Maloof

Name: Karla Maloof
Title: First Vice President

$10,000,000 NATIONAL AUSTRALIA BANK LIMITED

By /s/ Lawrence Karp

Name: Lawrence Karp
Title: Director

$10,000,000 WACHOVIA BANK, NATIONAL ASSOCIATION

By /s/ William R. Goley

Name: William R. Goley
Title: Director

$100,000,000 Total of the Commitments

EXHIBIT 31.1

CERTIFICATIONS

I, James N. Stanard, Chief Executive Officer of RenaissanceRe Holdings Ltd., (the "registrant"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

/s/ James N. Stanard

James N. Stanard
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, John M. Lummis, Chief Financial Officer of RenaissanceRe Holdings Ltd., (the "registrant"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are

   reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

/s/ John M. Lummis

John M. Lummis
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of RenaissanceRe Holdings Ltd. (the "Company") on Form 10-Q for the period ending June 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James N. Stanard, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James N. Stanard
- ----------------------

James N. Stanard
Chief Executive Officer
August 9, 2004

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of RenaissanceRe Holdings Ltd. (the "Company") on Form 10-Q for the period ending June 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John M. Lummis, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John M. Lummis
- ----------

John M. Lummis
Chief Financial Officer
August 9, 2004