

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JUNE 19, 1997

REGISTRATION NO. 333-27775

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

AMENDMENT NO. 2 TO FORM S-3  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

RENAISSANCERE HOLDINGS LTD.  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

BERMUDA	96-013-8030
(STATE OR OTHER JURISDICTION	(I.R.S. EMPLOYER
OF INCORPORATION OR ORGANIZATION)	IDENTIFICATION NUMBER)

RENAISSANCE HOUSE  
8-12 EAST BROADWAY  
PEMBROKE HM 19  
BERMUDA  
(441) 295-4513  
(ADDRESS, INCLUDING ZIP CODE AND TELEPHONE NUMBER, INCLUDING  
AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

JAMES N. STANARD  
CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER  
RENAISSANCE HOUSE  
8-12 EAST BROADWAY  
PEMBROKE HM 19  
BERMUDA  
(441) 295-4513  
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER,  
INCLUDING AREA CODE, OF AGENT FOR SERVICE)

WITH A COPY TO:

JOHN S. D'ALIMONTE, ESQ.  
WILLKIE FARR & GALLAGHER  
ONE CITICORP CENTER  
153 EAST 53RD STREET  
NEW YORK, NEW YORK 10022  
(212) 821-8000

PETER J. GORDON, ESQ.  
SIMPSON THACHER & BARTLETT  
425 LEXINGTON AVENUE  
NEW YORK, NEW YORK 10017  
(212) 455-2000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement as determined by market conditions.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box: ☐

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box: ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. ☐

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THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT THAT SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

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EXPLANATORY NOTE

This Registration Statement contains two forms of prospectus relating to a public offering of an aggregate of 3,000,000 Common Shares, \$1.00 par value, of RenaissanceRe Holdings Ltd. One is to be used in connection with an offering in the United States and Canada (the "U.S. Offering"), and the other is to be used in connection with a concurrent offering outside the United States and Canada (the "International Offering"). The prospectuses for the U.S. Offering and the International Offering will be identical with the exception of the following alternate pages for the International Offering: a front cover page, an "Underwriting" section and a back cover page. Such alternate pages appear in this Registration Statement immediately following the complete prospectus for the U.S. Offering.

+++++  
+INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A +  
+REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE +  
+SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY +  
+OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT +  
+BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR +  
+THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE +  
+SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE +  
+UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF +  
+ANY SUCH STATE. +  
+++++

SUBJECT TO COMPLETION

PRELIMINARY PROSPECTUS DATED JUNE 19, 1997

PROSPECTUS

3,000,000 SHARES  
RENAISSANCERE HOLDINGS LTD.

COMMON SHARES

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Of the 3,000,000 Common Shares of the Company (the "Common Shares") offered hereby, 2,400,000 shares are being offered in the United States and Canada by the U.S. Underwriters (the "U.S. Offering") and 600,000 shares are being offered concurrently outside the United States and Canada by the International Underwriters (the "International Offering"). Such offerings are collectively referred to as the "Offering." The 3,000,000 Common Shares to be sold in the Offering are collectively referred to as the "Shares." The public offering price and underwriting discount per share in the U.S. Offering and the International Offering are identical. See "Underwriting."

All of the Shares offered hereby are being sold by Warburg, Pincus Investors, L.P. ("Warburg"), GE Investment Private Placement Partners I--Insurance, Limited Partnership ("GE Insurance"), PT Investments, Inc. ("PT Investments") and United States Fidelity and Guaranty Company ("USF&G") (collectively, the "Selling Shareholders"). See "Principal and Selling Shareholders" and "Underwriting." The Company will not receive any of the net proceeds from the sale of the Shares by the Selling Shareholders in the Offering.

The Company has agreed to purchase for cancellation an aggregate of 700,000 Common Shares from the Selling Shareholders, at a purchase price per share equal to the public offering price per share paid in the Offering (less the underwriting discount per share), for an aggregate purchase price of \$ (the "Company Purchase"), subject only to the consummation of the Offering. The Chairman, President and Chief Executive Officer of the Company (the "Management Investor") has agreed with the Selling Shareholders to purchase for investment directly from the Selling Shareholders an aggregate of 100,000 Common Shares, at a purchase price per share equal to the public offering price per share paid in the Offering, for an aggregate purchase price of \$ (the "Direct Sale"), subject only to the consummation of the Offering. The closing of each of the Company Purchase and the Direct Sale will occur simultaneously with the closing of the Offering.

Following the consummation of the Offering, the Company Purchase and the Direct Sale, Warburg, GE Insurance, PT Investments, USF&G and Management (as

defined herein) will own approximately 26.2%, 3.2%, 15.5%, 11.6% and 4.9%, respectively, of the outstanding Common Shares, representing approximately 29.7%, 1.2%, 6.5%, 13.2% and 5.5%, respectively, of the Company's outstanding voting power. The Selling Shareholders are parties to an agreement among themselves and the Company providing them with the ability, if they act in concert, to elect a majority of the Board of Directors. See "Risk Factors--Control by Selling Shareholders" and "Principal and Selling Shareholders."

The full voting Common Shares are listed for quotation on The New York Stock Exchange, Inc. (the "NYSE") under the symbol "RNR." On June 18, 1997, the last sale price per share as reported on the NYSE was \$38.5. See "Price Range of Common Shares and Dividends."

FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED IN EVALUATING AN INVESTMENT IN THE SHARES OFFERED HEREBY, SEE "RISK FACTORS" BEGINNING ON PAGE 12.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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<TABLE>  
<CAPTION>

	PRICE TO UNDERWRITING PUBLIC DISCOUNT (1)		PROCEEDS TO SELLING SHAREHOLDERS (2)
	<C>	<C>	<C>
Per Common Share.....	\$	\$	\$
Total (3) (4).....	\$	\$	\$

</TABLE>

- - - - -
- (1) The Company has agreed to indemnify the several Underwriters against certain liabilities under the Securities Act of 1933, as amended. See "Underwriting."
  - (2) The Company will pay all fees and expenses related to the Offering, other than the Underwriting Discount which will be borne by the respective Selling Shareholders, estimated at \$ .
  - (3) The Selling Shareholders have granted the U.S. Underwriters and the International Underwriters 30-day options to purchase up to 360,000 and 90,000 additional Common Shares, respectively, solely for the purpose of covering over-allotments, if any. If such options are exercised in full, the total Price to Public, Underwriting Discount and Proceeds to Selling Shareholders will be \$ , \$ and \$ , respectively. See "Underwriting."
  - (4) Does not include 700,000 Common Shares to be purchased for cancellation by the Company from the Selling Shareholders in the Company Purchase and 100,000 Common Shares to be purchased for investment by the Management Investor from the Selling Shareholders in the Direct Sale.

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The Shares are offered by the several Underwriters, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of certain legal matters by counsel for the Underwriters and certain other conditions. The Underwriters reserve the right to withdraw, cancel or modify such offer and to reject orders in whole or in part. It is expected that the delivery of the Shares will be made in New York, New York on or about June , 1997.

MERRILL LYNCH & CO.

ALEX. BROWN & SONS  
INCORPORATED

LEHMAN BROTHERS

SALOMON BROTHERS INC

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The date of this Prospectus is June , 1997.

NO PERSON IS AUTHORIZED IN CONNECTION WITH ANY OFFERING MADE HEREBY TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR BY ANY UNDERWRITER. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITY OTHER THAN THE SHARES OFFERED HEREBY, NOR DOES IT

CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY OF THE SECURITIES OFFERED HEREBY TO ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION TO SUCH PERSON.

CERTAIN PERSONS PARTICIPATING IN THIS OFFERING MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN, OR OTHERWISE AFFECT THE PRICE OF THE COMMON SHARES, INCLUDING STABILIZING, THE PURCHASE OF COMMON SHARES TO COVER SYNDICATE SHORT POSITIONS AND THE IMPOSITION OF PENALTY BIDS. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE "UNDERWRITING."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSIONER OF INSURANCE FOR THE STATE OF NORTH CAROLINA, NOR HAS THE COMMISSIONER OF INSURANCE RULED UPON THE ACCURACY OR THE ADEQUACY OF THIS DOCUMENT. THE BUYER IN NORTH CAROLINA UNDERSTANDS THAT NEITHER THE COMPANY NOR ITS SUBSIDIARIES ARE LICENSED IN NORTH CAROLINA PURSUANT TO CHAPTER 58 OF THE NORTH CAROLINA GENERAL STATUTES NOR COULD THEY MEET THE BASIC ADMISSIONS REQUIREMENTS IMPOSED BY SUCH CHAPTER AT THE PRESENT TIME.

#### AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission (the "Commission"). Reports, proxy statements and other information filed by the Company with the Commission can be inspected and copied at 450 Fifth Street, NW, Washington, D.C. 20549, and at the following regional offices of the Commission: 7 World Trade Center, Suite 1300, New York, New York 10048, and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such material can also be obtained from the Public Reference Section of the Commission at 450 Fifth Street, NW, Washington, D.C. 20549, at prescribed rates. The Commission also maintains a World Wide Web site (<http://www.sec.gov>) containing these reports, proxy statements and other information. The Common Shares are listed on the New York Stock Exchange, and these records and other information can also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

The Company has filed with the Commission a Registration Statement on Form S-3 (together with all exhibits and amendments, the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the Shares offered hereby. This Prospectus does not contain all of the information set forth in the Registration Statement and the exhibits and schedules thereto, certain portions of which are omitted as permitted by the rules and regulations of the Commission. For further information with respect to the Company and the Common Shares, reference is made to the Registration Statement, including the exhibits and schedules thereto. The Registration Statement may be inspected, without charge, at the Commission's principal office at 450 Fifth Street, NW, Washington, D.C. 20549, and also at the regional offices of the Commission listed above. Copies of such material may also be obtained from the Commission upon the payment of prescribed rates. The Registration Statement may also be accessed from the Commission's World Wide Web site listed above.

Statements contained in the Prospectus as to any contracts, agreements or other documents filed as an exhibit to the Registration Statement are not necessarily complete, and in each instance reference is hereby made to the copy of such contract, agreement or other document filed as an exhibit to the Registration Statement for a full statement of the provisions thereof, and each such statement in the Prospectus is qualified in all respects by such reference.

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#### ENFORCEABILITY OF CIVIL LIABILITIES UNDER UNITED STATES FEDERAL SECURITIES LAWS

The Company is organized pursuant to the laws of Bermuda. In addition, certain of the directors and officers of the Company, as well as certain of the experts named herein, reside outside the United States, and all or a substantial portion of their assets and the assets of the Company are located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon such persons or to realize against them in courts of the United States upon judgments of courts of the United States predicated upon civil liabilities under the United States federal securities laws.

The Company has been advised by its Bermuda counsel, Conyers, Dill & Pearman, that the United States and Bermuda do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters and that there is doubt (a) whether a final judgment for the payment of money rendered by a federal or state court in the United States based on civil liability, whether or not predicated solely upon the civil liability provisions of the United States federal securities laws, would be enforceable in Bermuda against the Company or the Company's officers and directors and (b) whether an action could be brought in Bermuda against the

Company or the Company's officers and directors in the first instance on the basis of liability predicated solely upon the provisions of the United States federal securities laws. A Bermuda court may, however, impose civil liability on the Company or its directors or officers in a suit brought in the Supreme Court of Bermuda against the Company or such persons provided that the facts alleged constitute or give rise to a cause of action under Bermuda law. Certain remedies available under the laws of U.S. jurisdictions, including certain remedies under the U.S. federal securities laws, would not be allowed in Bermuda courts as contrary to public policy.

#### INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents have been filed by the Company with the Commission pursuant to the Exchange Act and are hereby incorporated by reference into this Prospectus:

- (a) the Company's Annual Report on Form 10-K for the year ended December 31, 1996 (the "1996 10-K");
- (b) the Company's Proxy Statement relating to the Annual Meeting of Shareholders held on May 8, 1997;
- (c) the Company's Quarterly Report on Form 10-Q/A for the quarterly period ended March 31, 1997 (the "March 1997 10-Q");
- (d) the Company's Current Reports on Form 8-K filed with the Commission on January 7, 1997, February 20, 1997, March 19, 1997 and May 23, 1997; and
- (e) the description of the full voting Common Shares contained in the Company's Registration Statement on Form 8-A filed with the Commission under the Exchange Act on July 24, 1995 and any amendments or reports filed for the purpose of updating such description.

All documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus and prior to the termination of the Offering of the Shares offered hereby shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of filing such documents (provided, however, that the information referred to in item 402(a)(8) of Regulation S-K of the Commission shall not be deemed specifically incorporated by reference herein).

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

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The Company will provide without charge to each person, including any beneficial owner, to whom a copy of this Prospectus has been delivered, upon the written or oral request of any such person, a copy of any or all of the documents incorporated by reference in this Prospectus (other than exhibits and schedules thereto, unless such exhibits or schedules are specifically incorporated by reference into the information that this Prospectus incorporates). Written or oral requests for copies of these documents should be directed to RenaissanceRe Holdings Ltd., Renaissance House, 8-12 East Broadway, Pembroke HM 19 Bermuda, telephone (441) 295-4513, Attention: Secretary.

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#### SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information (including financial information) included elsewhere in this Prospectus, or incorporated by reference herein. Unless the context requires otherwise, references herein to "the Company" are to RenaissanceRe Holdings Ltd. and its subsidiaries. All information in this Prospectus assumes that neither the Underwriters' over-allotment options nor any stock options outstanding as of May 1, 1997 are exercised.

This Prospectus contains forward-looking statements which involve certain material risks and uncertainties. The Company's actual results may differ significantly from the results discussed in such forward-looking statements. The words "believes," "anticipated," "expects" and similar expressions are intended to identify forward-looking statements. See "Business" and "Risk Factors--Volatility of Financial Results." Insurance terms defined in the "Glossary of Selected Insurance Terms" are printed in bold face type the first

time they appear in this Prospectus.

The Company has agreed to purchase for cancellation an aggregate of 700,000 Common Shares from the Selling Shareholders, at a purchase price per share equal to the public offering price per share paid in the Offering (less the underwriting discount per share), for an aggregate purchase price of \$ (the "Company Purchase"), subject only to the consummation of the Offering. The Chairman, President and Chief Executive Officer of the Company (the "Management Investor") has agreed with the Selling Shareholders to purchase for investment directly from the Selling Shareholders an aggregate of 100,000 Common Shares, at a purchase price per share equal to the public offering price per share in the Offering, for an aggregate purchase price of \$ (the "Direct Sale"), subject only to the consummation of the Offering. The closing of each of the Company Purchase and the Direct Sale will occur simultaneously with the closing of the Offering.

As used herein, the term "Common Shares" collectively refers to the Company's (i) full voting Common Shares, par value \$1.00 per share; (ii) Diluted Voting Class I Common Shares, par value \$1.00 per share (the "DVI Shares"); and (iii) Diluted Voting Class II Common Shares, par value \$1.00 per share (the "DVII Shares"). The DVI Shares and the DVII Shares were issued to certain of the Selling Shareholders in connection with an equity recapitalization of the Company in December 1996. Pursuant to the Amended and Restated Bye-Laws of the Company (the "Bye-Laws"), the DVI Shares and the DVII Shares have the same rights and privileges as the full voting Common Shares, except with respect to voting rights. See "Principal and Selling Shareholders." Purchasers of Shares in the Offering and the Direct Sale will receive only full voting Common Shares.

#### THE COMPANY

##### OVERVIEW

RenaissanceRe Holdings Ltd. is a Bermuda company with its registered and principal executive offices located at Renaissance House, 8-12 East Broadway, Pembroke HM 19 Bermuda, telephone (441) 295-4513. The Company was formed in June 1993 and is the parent of Renaissance Reinsurance Ltd., a Bermuda company and a wholly-owned subsidiary ("Renaissance Reinsurance"), and Glencoe Insurance Ltd., a Bermuda company and a majority-owned subsidiary ("Glencoe").

The Company's principal business is property catastrophe reinsurance, written on a worldwide basis through Renaissance Reinsurance. Based on gross premiums written, the Company is the largest Bermuda-based provider of property catastrophe reinsurance and one of the largest providers of this coverage in the world. The Company provides property catastrophe reinsurance coverage to insurance companies and other reinsurers primarily on an excess of loss basis. Excess of loss catastrophe coverage generally provides coverage for claims arising from

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large natural catastrophes, such as earthquakes and hurricanes, in excess of a specified loss. The Company is also exposed to claims arising from other natural and man-made catastrophes such as winter storms, freezes, floods, fires and tornadoes in connection with the coverages it provides.

The Company's principal operating objective is to utilize its capital efficiently by focusing on the writing of property catastrophe insurance and reinsurance contracts with superior risk/return characteristics, while maintaining a low cost operating structure in the favorable regulatory and tax environment of Bermuda. The Company's primary underwriting goal is to construct a portfolio of insurance and reinsurance contracts that maximizes the return on shareholders' equity subject to prudent risk constraints. The Company seeks to moderate the volatility inherent in the property catastrophe reinsurance market through the use of contract terms, portfolio selection methodology, diversification criteria and probability analyses. While property catastrophe reinsurance represented approximately 95% of the Company's gross premiums written in each of 1996, 1995 and 1994 and continues to be the Company's primary focus, the Company may seek to take advantage of perceived opportunities in both insurance and other reinsurance markets.

For the years ended December 31, 1996, 1995 and 1994, the Company achieved returns on average shareholders' equity of 30.2%, 43.3% and 44.1%, respectively, and combined ratios of 51.3%, 52.0% and 61.6%, respectively. For the quarter ended March 31, 1997, the Company achieved an annualized return on average shareholders' equity of 23.0% and a combined ratio of 47.5%. The Company achieved these results despite the occurrence of several major catastrophes in 1996 and 1995 (which, according to industry trade sources, had the fifth and third highest level of U.S. property catastrophe insured losses on record, respectively) and the occurrence in January 1994 of the Northridge, California earthquake, the second largest insured catastrophe loss in U.S. history. The major catastrophes which occurred in 1996 were Hurricane Fran in September, which produced an estimated \$1.6 billion of insurance industry losses, the Northeastern United States winter storms in January and the Northwestern United States floods in December. The major catastrophes which

occurred in 1995 were Hurricanes Luis, Marilyn and Opal. At March 31, 1997, the Company had total assets of \$962.0 million and total shareholders' equity of \$540.3 million. There can be no assurance that the Company will achieve similar results in the future. See "Risk Factors--Volatility of Financial Results" and "Business."

The Company's experienced management team assesses underwriting decisions on the basis of the expected incremental return on equity of each new reinsurance contract in relation to the Company's overall portfolio of reinsurance contracts. To facilitate this, the Company has developed REMS(C), a proprietary, computer-based pricing and exposure management system. The Company utilizes REMS(C) to assess property catastrophe risks, price treaties and limit aggregate exposure. REMS(C) was developed with consulting assistance from Tillinghast, an actuarial consulting unit of Towers, Perrin, Forster & Crosby, Inc. ("Tillinghast"), and Applied Insurance Research, Inc. ("AIR"), the developer of the CATMAP(TM) system. The Company combines the analyses generated by REMS(C) with its own knowledge of the client submitting the proposed program to assess the premium offered against the risk of loss which such program presents. See "Business--Underwriting."

The Company markets its reinsurance products worldwide exclusively through reinsurance brokers. The Company receives program submissions from a wide variety of such brokers. The Company is highly selective in writing reinsurance contracts. For the year ended December 31, 1996, the Company extended reinsurance coverage on only 27.4% of the program submissions it received. See "Business--Marketing."

The Company was founded by Warburg, Pincus Investors, L.P. ("Warburg"), certain affiliates of GE Investment Private Placement Partners I--Insurance, Limited Partnership ("GE Insurance") and PT Investments, Inc. ("PT Investments") and United States Fidelity and Guaranty Company ("USF&G"). Following the consummation of the Offering, the Company Purchase and the Direct Sale, Warburg, GE Insurance, PT Investments, USF&G and the Company's executive officers ("Management") will own approximately 26.2%, 3.2%, 15.5%, 11.6% and 4.9%, respectively, of the Company's outstanding Common Shares, representing approximately 29.7%, 1.2%, 6.5%, 13.2% and 5.5%, respectively, of the Company's outstanding voting power. See "Principal and Selling Shareholders," "The Company Purchase" and "The Direct Sale."

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## STRATEGY

The principal components of the Company's strategy are to:

- . Focus on the property catastrophe reinsurance business.
- . Build a superior portfolio of property catastrophe reinsurance by utilizing proprietary modeling capabilities.
- . Utilize the Company's capital base efficiently while maintaining prudent risk levels in the Company's reinsurance portfolio.
- . Capitalize on the experience and skill of management.
- . Build and maintain long-term relationships with brokers and clients.
- . Maintain a low cost structure.

## INDUSTRY TRENDS

The high level of worldwide property catastrophe losses in terms of both frequency and severity from 1987 to 1993 had a significant effect on the results of property insurers and property catastrophe reinsurers and on the worldwide property catastrophe reinsurance market, causing certain property catastrophe reinsurers and certain underwriting syndicates at Lloyd's of London ("Lloyd's") to withdraw from the market or reduce their underwriting commitments while also causing a substantial increase in market demand, particularly in the United States, Japan and the United Kingdom. In particular, these events included Hurricane Hugo (U.S. 1989), Hurricane Andrew (U.S. 1992), Typhoon Mireille (No. 19) (Japan 1991) and Winter Storm Daria (90A) (Northern Europe 1990).

The increase in demand for property catastrophe reinsurance was attributable to several factors. The significant property catastrophe losses occurring during 1987 through 1993 caused many insurers and reinsurers to reexamine their assumptions regarding their need for reinsurance protection from catastrophe exposures. In addition, rating agencies, such as Standard & Poor's Insurance Ratings Services ("S&P"), and regulators increased their scrutiny of insurers and reinsurers with respect to their catastrophe exposure. For example, Typhoon Mireille (No. 19) resulted in greater scrutiny by the Minister of Finance of Japan of insurers and reinsurers with respect to catastrophe exposure, thereby increasing demand for property catastrophe reinsurance in Japan. In addition, A.M. Best Company, Inc. ("A.M. Best") began to require completion of a

catastrophe loss analysis questionnaire dealing with expected claims resulting from potential catastrophic events. Finally, a general increase in insured property values in catastrophe-exposed areas contributed to increased demand for property catastrophe insurance and reinsurance. This supply/demand imbalance caused a significant increase in prevailing premium rates for property catastrophe reinsurance worldwide in 1993.

In response to this imbalance, approximately \$4.0 billion of capital entered the Bermuda-based property-catastrophe reinsurance market in 1992 and 1993. The Bermuda property-catastrophe reinsurance market has subsequently grown markedly, having aggregate capital of approximately \$5.5 billion as of March 31, 1997, and accounting for approximately 25% to 35% of the worldwide property catastrophe gross premiums written in 1996, according to industry trade reports. The increased property catastrophe reinsurance capacity represented by the Bermuda market helped balance supply and demand in the property catastrophe reinsurance market and, as a result thereof, premium rates and other terms of trade in the property catastrophe reinsurance market stabilized in 1994-1995. In 1996, according to industry trade sources, worldwide price levels decreased by an average of 10% to 15%. Based on reinsurance treaty renewals received by the Company and publicly available industry trade data, initial indications are that price levels will decline at a similar pace in 1997. Rates have declined significantly in areas outside the United States, where there has been favorable loss experience, while in the United States, where the level of property catastrophe losses has generally been higher than in international markets in recent years, rates have decreased to a lesser degree. However, premium rates and retention levels have remained, and Management believes are likely to remain, higher than those that existed in 1992. See "Business--Industry Trends."

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MANAGEMENT

James N. Stanard, Chairman of the Board, President and Chief Executive Officer has 26 years experience in the insurance industry, primarily in reinsurance. In October 1983, Mr. Stanard was one of two senior executives primarily responsible for the formation of F&G Re, Inc. ("F&G Re"), a start-up reinsurance subsidiary of USF&G. As Executive Vice President of F&G Re, Mr. Stanard was responsible for underwriting, pricing and marketing activities, including both U.S. and international property catastrophe reinsurance.

Neill A. Currie, Senior Vice President, has 21 years experience in the reinsurance industry, most recently as Chief Executive Officer of G.J. Sullivan Co.--Atlanta. David A. Eklund, Vice President--Underwriting, has 13 years experience in the reinsurance industry and previously held positions in casualty underwriting at Old Republic International Reinsurance Group, Inc. ("Old Republic") and in property catastrophe reinsurance at Berkshire Hathaway Inc. ("Berkshire Hathaway"). Keith S. Hynes, Senior Vice President and Chief Financial Officer, has 19 years experience in the insurance industry, most recently as Senior Vice President and Chief Financial Officer of Hartford Steam Boiler ("Hartford Steam"). William I. Riker, Senior Vice President, has over 13 years experience in the reinsurance industry and previously held the position of Vice President at AIR, a consulting firm specializing in property catastrophe modeling, and of Senior Vice President, Director of Underwriting of American Royal Reinsurance Company ("American Royal").

THE OFFERING; THE COMPANY PURCHASE; THE DIRECT SALE

Shares to be sold in        3,000,000 Common Shares(1)  
the Offering.....

Common Shares to be  
sold in the Company  
Purchase.....  
700,000 Common Shares

Common Shares to be  
sold in the Direct  
Sale..... 100,000 Common Shares

Common Shares to be  
outstanding following  
the consummation of the  
Offering, the Company  
Purchase and the Direct  
Sale.....  
22,188,303 Common Shares(2)

Use of Proceeds..... The Shares offered hereby will be sold on  
behalf of the Selling Shareholders named  
herein. The Company will not receive any of the  
net proceeds from the Offering. See "Use of  
Proceeds."



Dividend Policy..... The Board intends to declare, and the Company intends to pay, quarterly dividends on the Common Shares. The declaration and payment of dividends are subject to the discretion of the Board and will depend upon, among other things, the financial condition of the Company and its subsidiaries, general business conditions, legal, contractual and regulatory restrictions regarding the payment of dividends by the Company and its subsidiaries and other factors which the Board may in the future consider to be relevant. See "Risk Factors--Holding Company Structure; Limitations on Dividends" and "Dividend Policy."

NYSE Symbol..... "RNR"

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- (1) Consists of 2,400,000 Shares to be sold in the U.S. Offering and 600,000 Shares to be sold in the International Offering.
  - (2) Does not include (i) 1,126,065 Common Shares issuable upon the exercise of options granted to employees pursuant to the Company's Second Amended and Restated 1993 Stock Incentive Plan (the "Incentive Plan") as of May 1, 1997 or (ii) 24,000 Common Shares issuable upon the exercise of options granted pursuant to the Company's Non-Employee Director Stock Plan as of May 1, 1997.

#### RISK FACTORS

FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED IN EVALUATING AN INVESTMENT IN THE SHARES OFFERED HEREBY, SEE "RISK FACTORS" BEGINNING ON PAGE 12.

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#### SUMMARY FINANCIAL DATA (IN THOUSANDS, EXCEPT PER SHARE DATA)

The following table sets forth summary financial data and other financial information of the Company as of March 31, 1997 and December 31, 1996, 1995, 1994 and 1993, and for the quarter ended March 31, 1997, years ended December 31, 1996, 1995, 1994 and the period June 7, 1993 (date of incorporation) through December 31, 1993. The balance sheet data as of December 31, 1996, 1995, 1994 and 1993 and the statement of income data for the years ended December 31, 1996, 1995 and 1994 and for the period June 7, 1993 through December 31, 1993 were derived from the Company's Consolidated Financial Statements which have been audited by Ernst & Young, the Company's independent auditors. The balance sheet data as of March 31, 1997 and the statement of income data for the period January 1, 1997 through March 31, 1997 were derived from the unaudited interim financial statements of the Company. The unaudited interim financial statements include all adjustments consisting of normal recurring accruals, which the Company considers necessary for a fair presentation of the financial position and results of operations for that period. The results of operations for any interim period are not necessarily indicative of results for the full fiscal year. The summary financial data should be read in conjunction with the Consolidated Financial Statements of the Company and related Notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the 1996 10-K and the March 1997 10-Q incorporated herein by reference and all other information appearing elsewhere in this Prospectus. See "Available Information" and "Documents Incorporated by Reference." The Consolidated Financial Statements as of December 31, 1996 and 1995 and for each of the three years ended December 31, 1996, 1995 and 1994, along with the interim financial statements as of March 31, 1997 and 1996 and the three-month periods ended March 31, 1997 and 1996, have also been included in this Prospectus.

<TABLE>  
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	QUARTER ENDED MARCH 31, 1997	YEARS ENDED DECEMBER 31,			PERIOD JUNE 7, 1993 (DATE OF INCORPORATION) THROUGH DECEMBER 31, 1993
		1996	1995	1994	
<S>	<C>	<C>	<C>	<C>	<C>
STATEMENT OF INCOME					
DATA:					
Gross premiums written..	\$120,359	\$269,913	\$292,607	\$273,481	\$66,118
Net premiums written....	117,648	251,564	289,928	269,954	66,118
Net premiums earned.....	55,901	252,828	288,886	242,762	34,643
Net investment income...	12,125	44,170	32,320	14,942	2,725

Net realized gains (losses) on sale of investments.....	166	(2,938)	2,315	246	(7)
Claims and claim expenses incurred.....	14,238	86,945	110,555	114,095	982
Acquisition costs.....	6,378	26,162	29,286	25,653	4,017
Underwriting expenses...	5,918	16,731	10,448	9,725	2,201
Pre-tax income.....	35,437	156,160	165,322	109,298	31,281
Net income.....	35,437	156,160	165,322	109,298	31,281
Net income available to common shareholders....	35,437	156,160	162,786	96,419	31,281
Net income per Common Share(1).....	\$ 1.52	\$ 6.01	\$ 6.75	\$ 4.24	\$ 1.37
Dividends per Common Share.....	\$ 0.25	\$ 0.80	\$ 0.16	--	--
Weighted average Common Shares outstanding.....	23,295	25,994	24,121	22,750	22,750
OTHER DATA:					
Claims/claim adjustment expense ratio.....	25.5%	34.3%	38.3%	47.0%	2.8%
Underwriting expense ratio.....	22.0	17.0	13.7	14.6	17.9
	-----	-----	-----	-----	-----
Combined ratio.....	47.5%	51.3%	52.0%	61.6%	20.7%
	=====	=====	=====	=====	=====
Return on average shareholders' equity...	23.0%(2)	30.2%	43.3%	44.1%	32.7%(2)

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<TABLE>  
<CAPTION>

	AT DECEMBER 31,				
	AT MARCH 31,	1996	1995	1994	1993
	1997				
<S>	<C>	<C>	<C>	<C>	<C>
BALANCE SHEET DATA:					
Total investments available for sale at fair value, short-term investments and cash and cash equivalents...	\$797,205	\$802,466	\$667,999	\$437,542	\$169,839
Total assets.....	962,000	904,764	757,060	509,410	208,512
Reserve for claims and claim adjustment expenses.....	110,138	105,421	100,445	63,268	982
Reserve for unearned premiums.....	124,266	65,617	60,444	59,401	31,475
Bank loan.....	50,000	150,000	100,000	60,000	--
Company obligated mandatorily redeemable Capital Securities of a subsidiary trust holding solely Junior Subordinated Debentures of the Company(3).....	100,000	--	--	--	--
Series B preference shares...	--	--	--	55,338	--
Total shareholders' equity(4).....	540,336	546,203	486,336	265,247	172,471
Book value per Common Share(4).....	\$ 23.62	\$ 23.21	\$ 18.99	\$ 11.79	\$ 7.67
Common Shares outstanding(4).....	22,877	23,531	25,605	22,500	22,500

</TABLE>

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- (1) Net income per share was calculated by dividing net income available to common shareholders by the number of weighted average Common Shares and Common Share equivalents outstanding. Common Share equivalents are calculated on the basis of the treasury stock method.
  - (2) Return on average shareholders' equity for a period of less than a full year is calculated by annualizing the net income available to Common Shareholders for such period and dividing it by beginning shareholders' equity plus one-half such annualized net income.
  - (3) This item reflects \$100.0 million aggregate liquidation amount of the Capital Securities (as defined herein) issued by a subsidiary trust. The sole assets of the trust are \$103.1 million aggregate principal amount of 8.54% Junior Subordinated Debentures due March 1, 2027 issued by the Company.
  - (4) Book value per Common Share was computed by dividing total shareholders' equity by the number of outstanding Common Shares. After giving effect to the purchase for cancellation by the Company of an aggregate of 700,000 Common Shares from the Selling Shareholders at a purchase price of \$ and the estimated expenses associated with the Offering of \$ , Common Shares outstanding, total shareholders' equity and book value per share as of

March 31, 1997, as adjusted, would have been , \$ and \$ , respectively.

#### RISK FACTORS

Prospective investors in the Shares offered hereby should carefully consider the following risk factors, in addition to the other information appearing and incorporated by reference in this Prospectus. This Prospectus and the documents incorporated herein by reference contain forward-looking statements which involve risks and uncertainties. The Company's actual results in the future could differ significantly from the results discussed in such forward-looking statements. The words "believes," "anticipates," "expects" and similar expressions are intended to identify forward-looking statements. Factors that cause or contribute to such a difference include, but are not limited to, those discussed in "Risk Factors" as well as elsewhere in this Prospectus and in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the 1996 10-K and in the Company's periodic reports filed under the Exchange Act and incorporated herein by reference.

#### VOLATILITY OF FINANCIAL RESULTS

Because the Company primarily underwrites property catastrophe reinsurance and has large aggregate exposure to natural and man-made disasters, the Company's operating results have historically been, and are expected to continue to be, largely affected by relatively few events of high magnitude. ATTACHMENT POINTS (the amount of loss above which excess of loss reinsurance becomes operative) of the policies written by the Company generally require insured industry losses in excess of several hundred million dollars for the Company to experience significant claims, although the Company is also exposed to smaller insured events. The occurrence of claims from catastrophic events is likely to result in substantial volatility in the Company's financial results for any fiscal quarter or year and could have a material adverse effect on the Company's financial condition or results of operations and could impact its ability to write new business. The Company expects that increases in the values and concentrations of insured property and the effects of inflation will increase the severity of such occurrences per year in the future. See "Business--Reinsurance Products."

The Company's property catastrophe reinsurance contracts cover unpredictable events such as earthquakes, hurricanes, winter storms, freezes, floods, fires, tornadoes and other man-made or natural disasters. The Company seeks to diversify its reinsurance portfolio to moderate the volatility described in the preceding paragraph. The principal means of diversification employed by the Company are by type of reinsurance, geographic coverage, attachment point and limit per program. The Company utilizes REMS(C), a proprietary, computer-based pricing and exposure management system, to simulate 40,000 years of catastrophe activity to obtain a probability distribution of potential outcomes for its entire portfolio. In addition, the Company evaluates on a deterministic basis its exposure to individual events to estimate the impact of such events on the Company. See "Business--Underwriting." Nonetheless, a single event or series of events could exceed the Company's estimates, either of which could have a material effect on the Company's financial condition or results of operation. See "Business--Reinsurance Products."

#### BUSINESS CONSIDERATIONS

Historically, property catastrophe reinsurers have experienced significant fluctuations in operating results due to competition, frequency of occurrence or severity of catastrophic events, levels of capacity, general economic conditions and other factors. Demand for reinsurance is influenced significantly by underwriting results of primary property insurers and prevailing general economic conditions. The supply of reinsurance is related to prevailing prices and levels of surplus capacity which, in turn, may fluctuate in response to changes in rates of return being realized in the reinsurance industry.

Based on data presented in industry trade publications, reports prepared by reinsurance industry analysts, underwriting submissions and meetings with clients and brokers, Management believes that the high level of worldwide property catastrophe losses in terms of both frequency and severity from 1987 to 1993 had a significant effect on the results of property insurers and property catastrophe reinsurers and on the worldwide property catastrophe reinsurance market, causing some reinsurers to withdraw from the market or reduce their underwriting commitments, while also causing a substantial increase in market demand, particularly in the United

States, Japan and the United Kingdom. Based on these sources, Management believes that these developments from 1987 to 1993 created an imbalance between the supply of and demand for property catastrophe reinsurance worldwide in 1993, which in turn caused a significant increase in premium rates and retentions for property catastrophe reinsurance during that year. In

response to this imbalance, approximately \$4.0 billion of capital entered the Bermuda-based property catastrophe reinsurance market in 1992 and 1993 and that such capital had grown to approximately \$5.5 billion as of March 31, 1997. Management believes this added capital helped to balance supply and demand and, as a result, premium rates and other terms of trade in the property catastrophe reinsurance market stabilized in 1994-1995. In 1996, according to industry trade sources, worldwide price levels decreased by an average of 10% to 15%, although prices remained more stable in the United States, where the level of property catastrophe losses in recent years has been generally higher than in other markets. Based on reinsurance treaty renewals received by the Company in the first quarter of 1997 and publicly available industry trade data, indications are that price levels will decline at a similar pace in 1997. However, based upon underwriting submissions, industry trade publications and insurance analyst reports, Management believes that current premium rates and retention-levels have remained, and in the near future are likely to remain, substantially higher than those that existed in 1992. There can be no assurance, however, that premium rates or other terms and conditions of trade will not vary in the future, that the present level of demand will continue or that the present level of supply of reinsurance will not increase as a result of capital provided by recent or future market entrants or by existing property catastrophe reinsurers. See "Business--Industry Trends."

#### INDUSTRY DEVELOPMENTS

Management is aware of a number of new, proposed or potential legislative or industry changes that may impact the worldwide demand for property catastrophe reinsurance. In the United States, the states of Hawaii and Florida have implemented arrangements whereby property insurance in catastrophe prone areas is provided through state-sponsored entities. The California Earthquake Authority, the first privately financed, publicly operated residential earthquake insurance pool, provides earthquake insurance to California homeowners. Currently before the U.S. Congress are two draft bills, the Homeowners' Insurance Availability Act of 1997 and the Natural Disaster Protection and Insurance Act of 1997, which would establish a federal program to provide reinsurance for state disaster insurance programs and ensure the availability and affordability of insurance against catastrophic natural disasters, respectively, and could impact upon the demand for, and availability of, traditional reinsurance. In the United Kingdom, the government has enacted a bill to allow insurers to build claim equalization reserves which might reduce the amount of property reinsurance necessary in the marketplace. Management is also aware of many potential initiatives by capital market participants to produce alternative products that may compete with the existing catastrophe reinsurance markets. Management is unable to predict the extent to which the foregoing new, proposed or potential initiatives may affect the demand for the Company's products or the risks which may be available for the Company to consider underwriting.

#### CLAIM RESERVES

At March 31, 1997, the Company had outstanding reserves for claims and CLAIM ADJUSTMENT EXPENSES of \$110.1 million, including a reserve for INCURRED BUT NOT REPORTED losses of \$46.6 million. The Company incurred claims and claims adjustment expenses of \$14.2 million for the quarter ended March 31, 1997 and \$86.9 million, \$110.6 million and \$114.1 million for the years ended December 31, 1996, 1995 and 1994, respectively.

In 1996, Hurricane Fran resulted in \$15.0 million of incurred claims, of which approximately \$5.3 million was unpaid at March 31, 1997. In 1995, Hurricanes Erin, Luis, Marilyn and Opal resulted in incurred claims of \$34.0 million, of which \$10.9 million was unpaid at March 31, 1997. The claims incurred by the Company for the year ended December 31, 1994 were primarily related to the Northridge, California earthquake, which the American Insurance Services Group estimates resulted in industry-wide aggregate insured claims in excess of \$12.0 billion, representing the second largest insured property-catastrophe loss in U.S. history. As of March 31, 1997, the Company had incurred claims of approximately \$93.0 million related to the Northridge, California earthquake, of which approximately \$16.6 million was outstanding.

Under GAAP, the Company is not permitted to establish claim reserves with respect to its property catastrophe reinsurance until an event that gives rise to a claim occurs. Claims reserves represent estimates involving actuarial and statistical projections at a given point in time of the Company's expectations of the ultimate settlement and administration costs of claims incurred. The Company utilizes both proprietary and commercially available models as well as historical reinsurance industry loss development patterns to assist in the establishment of appropriate claim reserves. In addition, when reviewing a proposed reinsurance contract, the Company typically receives and evaluates the insured's historical and projected loss experience with respect to certain events. In connection with RETROCESSIONAL REINSURANCE, the Company may have less timely information for establishing reserves. Reserve estimates by new property catastrophe reinsurers, such as the Company, may be inherently less

reliable than the reserve estimates of reinsurers with a stable volume of business and an established claim history. In contrast to casualty losses, which frequently can be determined only through lengthy, unpredictable litigation, non-casualty property losses tend to be reported promptly and usually are settled within a shorter period of time. Nevertheless, actual claims and claim adjustment expenses paid may deviate, perhaps substantially, from the reserve estimates reflected in the Company's financial statements. If the Company's claim reserves are subsequently determined to be inadequate, the Company will be required to increase claim reserves with a corresponding reduction in the Company's net income in the period in which the deficiency is identified. There can be no assurances that claims in respect of events which have occurred will not exceed the Company's claim reserves and have a material adverse effect on the Company's financial condition or results of operations in a particular period. See "Business--Underwriting," "---Reserves" and Note 5 to Consolidated Financial Statements.

#### COMPETITION; NON-ADMITTED STATUS

The property catastrophe reinsurance industry is highly competitive. The Company competes, and will continue to compete, with major U.S. and non-U.S. property catastrophe insurers, reinsurers and certain underwriting syndicates, some of which have greater financial, marketing and management resources than the Company. In addition, there may be established companies or new companies, of which the Company is not aware, which may be planning to enter the property catastrophe reinsurance market or existing property catastrophe reinsurers which may be planning to raise additional capital. In addition, Lloyd's, in contrast with prior practice, now allows its syndicates to accept capital from corporate investors. Competition in the types of reinsurance business that the Company underwrites is based on many factors, including premium charges and other terms and conditions offered, services provided, ratings assigned by independent rating agencies, speed of claims payment and reputation, perceived financial strength and experience of the reinsurer in the line of reinsurance to be written. Some of the reinsurers with whom the Company competes have or could have more capital than the Company. This competition could affect the Company's ability to attract business on terms having the potential to yield appropriate levels of profits.

Renaissance Reinsurance is a registered Bermuda insurance company and is not licensed or admitted as an insurer in any jurisdiction in the United States. Because jurisdictions in the United States do not permit insurance companies to take credit for reinsurance obtained from unlicensed or non-admitted insurers on their statutory financial statements unless security is posted, Renaissance Reinsurance's contracts generally require it to post a letter of credit or provide other security after a reinsured reports a claim.

The Company does not believe that its non-admitted status in any U.S. jurisdiction has, or should have, a material adverse effect on its ability to compete in a large portion of the property catastrophe reinsurance market in which it operates. However, there can be no assurances that increased competitive pressure from current reinsurers and future market entrants, Lloyd's decision to raise capital from corporate investors, and the Company's non-admitted status will not adversely affect the Company. See "Business--Competition."

#### HOLDING COMPANY STRUCTURE; LIMITATIONS ON DIVIDENDS

The Company is a holding company with no operations or significant assets other than its ownership of all of the outstanding capital stock of its subsidiaries. The Company relies on cash dividends and other permitted payments from its subsidiaries to make principal and interest payments on outstanding indebtedness of the

Company and to pay cash dividends, if any, to the Company's shareholders. In December 1996, the Company amended and restated its credit facility with a syndicate of commercial lenders (the "Revolving Credit Facility") to increase the aggregate amount available thereunder to \$200.0 million. As of April 30, 1997, \$50.0 million was outstanding under the Revolving Credit Facility. The Revolving Credit Facility contains certain covenants that restrict the ability of the Company and its subsidiaries to pay dividends in certain instances. In March 1997, the Company consummated an offering of \$100.0 million aggregate liquidation amount of 8.54% Capital Securities (the "Capital Securities") issued by RenaissanceRe Capital Trust, a Delaware statutory business trust and wholly owned subsidiary of the Company (the "Trust"). The proceeds of the Capital Securities offering were invested by the Trust in \$100.0 million aggregate principal amount of 8.54% Junior Subordinated Debentures, due March 1, 2027 (the "Junior Subordinated Debentures"), issued by the Company. Pursuant to its obligations with respect to the Capital Securities and the Junior Subordinated Debentures, the Company shall not declare or pay any dividends or distributions on, or redeem, purchase or acquire, or make a liquidation payment with respect to, any of the Company's capital stock if the Company shall be in default with respect to certain of its obligations under the Capital Securities or if the Company shall have given, and not rescinded, notice of its intention to defer its payment obligations with respect to the

Capital Securities. The payment of dividends to the Company by its subsidiaries is limited under Bermuda law and regulations, including Bermuda insurance law. The Insurance Act 1978 of Bermuda, amendments thereto and related regulations (the "Insurance Act"), require the Company's subsidiaries to maintain a minimum solvency margin and minimum liquidity ratio, and prohibit dividends which would result in a breach of these requirements. See "Dividend Policy" and "Business--Regulation" and Notes 6 and 14 to Consolidated Financial Statements.

#### DEPENDENCE ON KEY EMPLOYEES

The Company's success has depended, and will continue to depend, in substantial part upon the continued service of its senior management team and, in particular, of James N. Stanard, the Company's Chairman, President and Chief Executive Officer. The failure of the Company to retain the services of Mr. Stanard could have a material adverse effect on the Company. Mr. Stanard serves in his capacity with the Company pursuant to an employment agreement expiring on December 31, 1997. The ability of the Company to execute its business strategy is dependent on its ability to retain a staff of qualified underwriters and service personnel. There can be no assurances that the Company will be successful in attracting and retaining qualified employees. The Company does not currently maintain key man life insurance policies with respect to any of its employees. See "Management."

Under Bermuda law, non-Bermudians may not engage in any gainful occupation in Bermuda without the specific permission of the appropriate government authority. Such permission or a work permit for a specific period of time may be extended upon showing that, after proper public advertisement, no Bermudian (or spouse of a Bermudian) is available who meets the minimum standards for the advertised position. Mr. Stanard's work permit expires in 1998. All of the Company's executive officers, each of whom is a United States citizen, as well as nine other employees, are working in Bermuda under work permits which expire in 1997, 1998 or 1999. The Company is not aware of any difficulties in connection with renewing the work permits for these officers and employees. However, there can be no assurance that these work permits will be extended.

#### REINSURANCE BROKERS

The Company markets its reinsurance products worldwide exclusively through reinsurance brokers. Five brokerage firms accounted for 58.5%, 47.9% and 53.9% of the Company's net premiums written for the years ended December 31, 1996, 1995 and 1994, respectively. See "Business--Marketing." Loss of all or a substantial portion of the business provided by such intermediaries could have a material adverse effect on the Company.

In accordance with industry practice, the Company frequently pays amounts owing in respect of claims under its policies to reinsurance brokers, for payment over to the ceding insurers. In the event that a broker failed to make such a payment, depending on the jurisdiction, the Company might remain liable to the ceding insurer for the deficiency. Conversely, in certain jurisdictions, when premiums for such policies are paid to reinsurance brokers for payment over to the Company, such premiums will be deemed to have been paid and the ceding

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insurer will no longer be liable to the Company for those amounts, whether or not actually received by the Company. Consequently, in connection with the settlement of reinsurance balances, the Company assumes a degree of credit risk associated with brokers around the world.

#### REGULATION

Renaissance Reinsurance is not licensed or admitted to do business in any jurisdiction except Bermuda. The insurance laws of each state in the United States and of many other countries regulate the sale of insurance and reinsurance within their jurisdiction by alien insurers, such as Renaissance Reinsurance, which is not admitted to do business within such jurisdiction. Renaissance Reinsurance conducts its business from its office in Bermuda. There can be no assurances that inquiries or challenges relating to the activities of Renaissance Reinsurance will not be raised in the future or that Renaissance Reinsurance's location, regulatory status or restrictions on its activities resulting therefrom will not adversely affect its ability to conduct its business.

Recently, the insurance and reinsurance regulatory framework has been subject to increased scrutiny in many jurisdictions, including the United States and various states in the United States. It is not possible to predict the future impact of changing law or regulation on the Company's operations of Renaissance Reinsurance; such changes could have a material adverse effect on the Company or the insurance industry in general.

Glencoe is a licensed, non-admitted insurer in 23 states and is subject to the regulation and reporting requirements of these states. In accordance with certain requirements of the National Association of Insurance Commissioners,

Glencoe has established, and is required to maintain, a trust funded with a minimum of \$15.0 million as a condition of its status as a licensed, non-admitted insurer in the U.S.

In general, the Bermuda statutes and regulations applicable to Renaissance Reinsurance and Glencoe are less restrictive than those that would be applicable to Renaissance Reinsurance and Glencoe were they subject to the insurance laws of any state in the United States. No assurances can be given that if Renaissance Reinsurance or Glencoe were to become subject to any such laws of the United States or any state thereof or of any other country at any time in the future, it would be in compliance with such laws. See "Business--Regulation."

#### LIMITED OPERATING HISTORY

The Company commenced operations in June 1993 and has a limited operating and claim history. Consequently, the financial data included herein at March 31, 1997, December 31, 1996, 1995, 1994 and 1993 and for the three month period ended March 31, 1997 and the years ended December 31, 1996, 1995 and 1994 and the period June 7, 1993 (date of incorporation) through December 31, 1993 are not necessarily indicative of the financial condition or results of operations of the Company in the future.

#### FOREIGN CURRENCY FLUCTUATIONS

The Company's functional currency is the U.S. dollar. The Company writes a substantial portion of its business in currencies other than U.S. dollars and maintains a portion of its cash equivalent investments and equity securities investments in currencies other than U.S. dollars. In the future, the Company may increase or decrease the portion of its investments denominated in currencies other than U.S. dollars. The Company may, from time to time, experience significant exchange gains and losses and incur underwriting losses in currencies other than U.S. dollars, which will in turn affect the Company's operating results. See Note 2 to Consolidated Financial Statements.

#### TAX MATTERS

The Company believes that, to date, Renaissance Reinsurance and Glencoe have operated and, in the future, will continue to operate their businesses in a manner that will not cause either to be treated as being engaged in a trade or business in the United States ("U.S. trade or business"). On this basis, the Company does not expect Renaissance Reinsurance or Glencoe to be required to pay U.S. corporate income tax. However, whether a corporation is engaged in a U.S. trade or business is considered a factual question. Because there are no definitive standards provided by the Internal Revenue Code of 1986, as amended (the "Code"), existing or proposed

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regulations thereunder or judicial precedent, and as the determination is inherently factual and not a legal issue on which counsel can opine, there is considerable uncertainty as to activities that constitute being engaged in a U.S. trade or business. As a result, there can be no assurance that the United States Internal Revenue Service (the "IRS") could not successfully contend that Renaissance Reinsurance or Glencoe is engaged in such a trade or business. If the IRS did so contend, Renaissance Reinsurance or Glencoe would, unless exempted from tax by the United States-Bermuda income tax treaty (the "Treaty"), be subject to U.S. corporate income tax on that portion of its net income treated as effectively connected with a U.S. trade or business, as well as the U.S. corporate branch profits tax. The U.S. corporate income tax is currently imposed at the rate of 35% on net corporate profits and the U.S. corporate branch profits tax is imposed at the rate of 30% on a corporation's after-tax profits deemed distributed as a dividend.

Even though the Company will take the position that neither Renaissance Reinsurance nor Glencoe is engaged in a U.S. trade or business, Renaissance Reinsurance has filed, and Glencoe intends to file, U.S. federal income tax returns to avoid having all deductions disallowed in the event that either Renaissance Reinsurance or Glencoe were held to be engaged in a U.S. trade or business. In addition, filing U.S. tax returns will allow Renaissance Reinsurance and Glencoe to claim benefits under the Treaty without penalty.

Even if the IRS were to contend successfully that Renaissance Reinsurance or Glencoe was engaged in a U.S. trade or business, the Treaty could preclude the United States from taxing Renaissance Reinsurance or Glencoe on its net premium income except to the extent that such income were attributable to a permanent establishment maintained by Renaissance Reinsurance or Glencoe in the United States. Although the Company believes that neither Renaissance Reinsurance nor Glencoe has a permanent establishment in the United States, there can be no assurance that the IRS will not successfully contend that Renaissance Reinsurance or Glencoe has such an establishment and therefore is subject to taxation. See "Certain Tax Considerations--Taxation of the Company and Renaissance Reinsurance--United States."

If Renaissance Reinsurance or Glencoe were considered to be engaged in a

U.S. trade or business and it were considered not to be entitled to the benefits of the permanent establishment clause of the Treaty, and, thus, subject to U.S. income tax, the Company's results of operations and cash flows could be materially adversely affected.

Special provisions of the Code apply to U.S. citizens, residents, domestic corporations, partnerships, estates or trusts, who, through their ownership of Common Shares, are deemed to own 10% or more of the voting power of all classes of stock of Renaissance Reinsurance. Under those provisions, such a holder of Common Shares will be required to include in its income, based on the extent of its interest in the Company, its pro rata share of Renaissance Reinsurance's and Glencoe's subpart F income. See "Certain Tax Considerations--Taxation of Shareholders--United States Taxation of U.S. and Non-U.S. Shareholders." All of Renaissance Reinsurance's income is expected to be subpart F income. Such holders of Common Shares that are taxed currently on their pro rata share of Renaissance Reinsurance's and Glencoe's subpart F income will not be taxed on dividends actually distributed by the Company that are allocable to such income. Persons who own less than 10% of the voting power of all classes of stock of Renaissance Reinsurance will not have to include subpart F income in their income, except as described below in connection with related person insurance income. See "Certain Tax Considerations--Taxation of Shareholders."

Certain special subpart F provisions of the Code apply to persons who, through their ownership of Common Shares, are indirect shareholders of Renaissance Reinsurance if both (A) 25% or more of the value or voting power of the Common Shares is owned or deemed owned (directly or indirectly through foreign entities) by U.S. persons, as will be the case; and (B) (i) 20% or more of either the voting power or the value of the Renaissance Reinsurance stock is owned directly or indirectly by U.S. persons insured or reinsured by Renaissance Reinsurance or by persons related to them; and (ii) Renaissance Reinsurance has gross related person insurance income ("RPII"), determined on a gross basis, equal to 20% or more of its gross insurance income. RPII is income (investment income and premium income) from the direct or indirect insurance or reinsurance of (i) the risk of any U.S. person who owns Common Shares (directly or indirectly through foreign entities) or (ii) the risk of a person related to such a U.S. person.

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Notwithstanding the foregoing, Management currently anticipates that less than 20% of the gross insurance income of Renaissance Reinsurance for any taxable year will constitute RPII. However, there can be no assurance that the IRS will not assert that 20% or more of Renaissance Reinsurance's income is RPII or that a taxpayer will be able to meet its burden of proving otherwise. Moreover, upon a U.S. holder's sale or exchange of common shares at a gain, it is likely that an amount of such gain equal to the allocable untaxed RPII will be taxed as a dividend. For individuals, this would mean taxation of such amount at the rates applicable to ordinary income rather than the lower rates applicable to long-term capital gain. Similar considerations apply to Glencoe. See "Certain Tax Considerations--Taxation of Shareholders--United States Taxation of U.S. and Non-U.S. Shareholders."

#### CONTROL BY SELLING SHAREHOLDERS AND MANAGEMENT

Following the consummation of the Offering, the Company Purchase and the Direct Sale, Warburg, GE Insurance, PT Investments, USF&G and Management will own 26.2%, 3.2%, 15.5%, 11.6% and 4.9%, respectively, of the Common Shares then outstanding, representing approximately 29.7%, 1.2%, 6.5%, 13.2% and 5.5%, respectively, of the Company's outstanding voting power. The Selling Shareholders are parties to a shareholders agreement among themselves and the Company which provides them with the ability, if they act in concert, to elect a majority of the Board and approve or prevent certain actions requiring shareholder approval, including adopting amendments to the Company's Memorandum of Association and the Bye-Laws and approving a merger or consolidation, liquidation or sale of all or substantially all of the assets of the Company. See "Principal and Selling Shareholders."

#### SHARES ELIGIBLE FOR FUTURE SALE; REGISTRATION RIGHTS

No prediction can be made as to the effect, if any, that future sales of Common Shares, or the availability of Common Shares for future sale, will have on the market price of the Common Shares prevailing from time to time. Public or private sales of substantial amounts of the Common Shares following the Offering, or the perception that such sales could occur, could adversely affect the market price of the Common Shares as well as the ability of the Company to raise additional capital in the public equity markets at a desirable time and price. The Shares sold in the Offering will be freely tradable without restriction or further registration under the Securities Act by persons other than "affiliates" of the Company within the meaning of Rule 144 promulgated under the Securities Act. Following the consummation of the Offering, the Company Purchase and the Direct Sale, the Selling Shareholders and Management will hold an aggregate of 13,629,023 Common Shares, of which approximately 13,529,023 shares will be eligible for sale in the public market, subject to compliance with Rule 144. Additionally, the Selling



Shareholders and Management have the right pursuant to a registration rights agreement with the Company to cause the Company to register any Common Shares held by them under the Securities Act. The Company may also provide for the registration of shares currently held or acquired in the future by employees pursuant to compensation arrangements, thereby permitting such shares to be sold in the public market from time to time. Sales of substantial amounts of the Common Shares in the public market following the Offering, or the perception that such sales could occur, could adversely affect the market price of the Common Shares and may make it more difficult for the Company to sell its equity securities in the future at a time and price which it deems appropriate. The directors and executive officers of the Company, the Company and the Selling Shareholders have agreed that, for a period of 90 days after the date of this Prospectus, they will not, without the prior written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), sell or otherwise dispose of any Common Shares or any securities convertible into or exercisable or exchangeable for any Common Shares. See "Capitalization."

#### ANTI-TAKEOVER CONSIDERATIONS

Certain provisions of the Company's Bye-Laws have the effect of rendering more difficult or discouraging unsolicited takeover bids from third parties. While these provisions have the effect of encouraging persons seeking to acquire control of the Company to negotiate with the Board, they could have the effect of discouraging a prospective acquirer from making a tender offer or otherwise attempting to attain control of the Company.

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#### SERVICE OF PROCESS AND ENFORCEMENT OF JUDGMENTS

The Company is a Bermuda company and certain of its officers and directors are residents of various jurisdictions outside the United States. All or a substantial portion of the assets of such officers and directors and of the Company are or may be located in jurisdictions outside the United States. Although the Company has irrevocably agreed that it may be served with process in New York, New York with respect to actions based on offers and sales of the Common Shares made hereby, it could be difficult for investors to effect service of process within the United States on directors and officers of the Company who reside outside the United States or to recover against the Company or such directors and officers on judgments of United States courts predicated upon civil liabilities under the United States federal securities laws. See "Enforceability of Civil Liabilities Under United States Federal Securities Law."

#### USE OF PROCEEDS

The Shares offered hereby will be sold on behalf of the Selling Shareholders named herein. The Company will not receive any of the net proceeds from the Offering. See "Principal and Selling Shareholders."

#### PRICE RANGE OF COMMON SHARES AND DIVIDENDS

The full voting Common Shares began trading publicly on the Nasdaq National Market (the "NNM") on July 26, 1995 under the symbol "RNREF." Prior to that date, there was no public market for the Common Shares. The full voting Common Shares have been listed on The New York Stock Exchange, Inc. (the "NYSE") under the symbol "RNR" since July 24, 1996. The following table sets forth, for the periods indicated, the reported (i) NNM per full voting Common Share high ask and low bid information from July 26, 1995 through July 23, 1996 and (ii) high and low NYSE per full voting Common Share closing sales prices from July 24, 1996 through June 18, 1997, and the amount of cash dividends paid per Common Share for each period set forth below.

<TABLE>  
<CAPTION>

	HIGH	LOW	DIVIDENDS
	-----	-----	-----
<S>	<C>	<C>	<C>
Fiscal Year Ended December 31, 1995			
Third Quarter (commencing July 26).....	\$25.38	\$22.00	\$--
Fourth Quarter.....	33.13	22.88	.16
Fiscal Year Ended December 31, 1996			
First Quarter.....	\$31.88	\$26.75	\$.20
Second Quarter.....	31.25	26.88	.20
Third Quarter (through July 23).....	30.88	29.25	--
Third Quarter (commencing July 24).....	30.88	26.75	.20
Fourth Quarter.....	36.00	27.75	.20
Fiscal Year Ended December 31, 1997			
First Quarter.....	\$41.25	\$32.50	\$.25
Second Quarter.....	39.63	34.13	.25
Third Quarter (through June 18).....	38.63	37.13	--

</TABLE>

As of May 15, 1997, there were approximately 3,000 holders of the Common Shares of the Company.

## CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as of March 31, 1997 (i) as reported and (ii) as adjusted to give effect to the consummation of the Company Purchase. Because the Company will not receive any net proceeds from the Offering, the Company's capitalization will not change as a result thereof (other than as a result of the payment of all fees and expenses of the Offering by the Company, estimated at \$ , which will be paid out of retained earnings). See "Use of Proceeds." The following data should be read in conjunction with the Consolidated Financial Statements of the Company and the related Notes thereto included in the 1996 10-K and the March 1997 10-Q, which are incorporated herein by reference and all other information appearing elsewhere in this prospectus. See "Available Information" and "Incorporation of Certain Documents by Reference." The Consolidated Financial Statements as of December 31, 1996 and 1995 and for each of the three years in the period ended December 31, 1996 along with the interim financial statements as of March 31, 1997 and the three month periods ended March 31, 1997 and 1996 have also been included in this Prospectus.

<TABLE>  
<CAPTION>

	AS OF MARCH 31, 1997	
	-----	
	AS ADJUSTED TO GIVE EFFECT TO	
	AS REPORTED	THE COMPANY PURCHASE
	-----	-----
	(DOLLARS IN MILLIONS)	
<S>	<C>	<C>
Bank loan.....	\$ 50.0	\$ 50.0
Company obligated, mandatorily redeemable capital securities of a subsidiary trust holding solely junior subordinated debentures of the Company.....	100.0(1)	100.0
Common shareholders' equity.....	540.3	
	-----	-----
Total capitalization.....	\$690.3	\$
	-----	-----

</TABLE>

(1) This item reflects \$100.0 million aggregate liquidation amount of the Capital Securities issued by the Trust. The sole assets of the Trust are \$103.1 million aggregate principal amount of 8.54% Junior Subordinated Debentures due March 1, 2027 issued by the Company.

## DIVIDEND POLICY

The Board intends to declare, and the Company intends to pay, quarterly dividends on the Common Shares. The declaration and payment of dividends by the Company are subject to the discretion of the Board and there can be no assurance that the Company will continue to pay dividends. Any determination as to the payment of dividends will depend upon, among other things, the financial condition of the Company, general business conditions, legal, contractual and regulatory restrictions regarding the payment of dividends and other factors which the Board may in the future consider to be relevant.

The Revolving Credit Facility contains certain covenants that restrict the ability of the Company and its subsidiaries to pay dividends in certain instances. Payment of dividends by the Company is limited under the Revolving Credit Facility to the amount by which the Company's total shareholders' equity exceeds \$300.0 million, and requires, among other things, that various financial maintenance tests be met over the term of the facility.

In March 1997, the Company consummated an offering of \$100.0 million aggregate liquidation amount of the Capital Securities issued by the Trust. The proceeds of the Capital Securities offering were invested by the Trust in \$100.0 million aggregate principal amount of the Junior Subordinated Debentures issued by the Company. Pursuant to its obligations with respect to the Capital Securities and the Junior Subordinated Debentures, the Company shall not declare or pay any dividends or distributions on, or redeem, purchase or

acquire, or make a liquidation payment with respect to, any of the Company's capital stock if the Company shall be in default with respect to certain of its obligations under the Capital Securities or if the Company shall have given notice of its intention to defer its payment obligations with respect to the Capital Securities and shall not have rescinded such notice.

As a holding company, the Company will rely on cash dividends and other permitted payments from its subsidiaries to make principal and interest

payments on outstanding indebtedness of the Company and to pay cash dividends, if any, to the Company's shareholders. The payment of dividends by the Company's subsidiaries to the Company is limited under Bermuda law and regulations, including Bermuda insurance law. The Insurance Act requires the Company's subsidiaries to maintain minimum solvency margins and minimum liquidity ratios and prohibits dividends which would result in a breach of these requirements. As of May 1, 1997, approximately \$136.1 million was available for the payment of dividends by Renaissance Reinsurance under the Bermuda regulations without prior regulatory filing. See "Risk Factors--Holding Company Structure; Limitations on Dividends" and "Business--Regulation." See Note 14 to Consolidated Financial Statements.

#### RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the ratios of earnings to fixed charges of the Company for the respective periods indicated:

<TABLE>  
<CAPTION>

	QUARTER ENDED MARCH 31, 1997	YEAR ENDED DECEMBER 31,			
		1996	1995	1994	1993*
<S>	<C>	<C>	<C>	<C>	<C>
Ratio of Earnings to Fixed Charges.....	14.9x	24.8x	19.2x	8.4x	NA

</TABLE>

- - - - -

\* The Company had no fixed charges for the period June 7, 1993 (date of incorporation) through December 31, 1993.

The ratios of earnings to fixed charges set forth above have been computed based on the Company's continuing operations by dividing total earnings available for fixed charges, excluding capitalized interest, by total fixed charges. Fixed charges consist of interest, expense on debt, dividends on preferred shares and such portion of rent expense which is deemed to be an appropriate interest factor.

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#### SELECTED FINANCIAL DATA (IN THOUSANDS, EXCEPT PER SHARE DATA)

The following table sets forth selected financial data and other financial information of the Company as of March 31, 1997 and December 31, 1996, 1995, 1994 and 1993, and for the quarter ended March 31, 1997, years ended December 31, 1996, 1995, 1994 and the period June 7, 1993 (date of incorporation) through December 31, 1993. The balance sheet data as of December 31, 1996, 1995, 1994 and 1993 and the statement of income data for the years ended December 31, 1996, 1995 and 1994 and for the period June 7, 1993 through December 31, 1993 were derived from the Company's audited Consolidated Financial Statements which have been audited by Ernst & Young, the Company's independent auditors. The balance sheet data as of March 31, 1997 and the statement of income data for the period January 1, 1997 through March 31, 1997 were derived from the unaudited interim financial statements of the Company. The unaudited interim financial statements include all adjustments consisting of normal recurring accruals, which the Company considers necessary for a fair presentation of the financial position and results of operations for that period. The results of operations for any interim period are not necessarily indicative of results for the full fiscal year. The selected financial data should be read in conjunction with the Consolidated Financial Statements of the Company and related Notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the 1996 10-K and the March 1997 10-Q incorporated herein by reference and all other information appearing elsewhere in this Prospectus. See "Available Information" and "Documents Incorporated by Reference." The Consolidated Financial Statements as of December 31, 1996 and 1995 and for each of the three years ended December 31, 1996, 1995 and 1994 along with the interim financial statements as of March 31, 1997 and 1996 and the three-month periods ended March 31, 1997 and 1996, have also been included in this Prospectus.

<TABLE>  
<CAPTION>

	QUARTER ENDED MARCH 31, 1997	YEARS ENDED DECEMBER 31,			PERIOD JUNE 7, 1993 (DATE OF INCORPORATION) THROUGH DECEMBER 31, 1993
		1996	1995	1994	
<S>	<C>	<C>	<C>	<C>	<C>
STATEMENT OF INCOME DATA:					
Gross premiums written..	\$120,359	\$269,913	\$292,607	\$273,481	\$66,118
Net premiums written....	117,648	251,564	289,928	269,954	66,118
Net premiums earned.....	55,901	252,828	288,886	242,762	34,643

Net investment income...	12,125	44,170	32,320	14,942	2,725
Net realized gains (losses) on sale of investments.....	166	(2,938)	2,315	246	(7)
Claims and claim expenses incurred.....	14,238	86,945	110,555	114,095	982
Acquisition costs.....	6,378	26,162	29,286	25,653	4,017
Underwriting expenses...	5,918	16,731	10,448	9,725	2,201
Pre-tax income.....	35,437	156,160	165,322	109,298	31,281
Net income.....	35,437	156,160	165,322	109,298	31,281
Net income available to common shareholders....	35,437	156,160	162,786	96,419	31,281
Net income per Common Share(1).....	\$ 1.52	\$ 6.01	\$ 6.75	\$ 4.24	\$ 1.37
Dividends per Common Share.....	\$ 0.25	\$ 0.80	\$ 0.16	--	--
Weighted average Common Shares outstanding.....	23,295	25,994	24,121	22,750	22,750
OTHER DATA:					
Claims/claim adjustment expense ratio.....	25.5%	34.3%	38.3%	47.0%	2.8%
Underwriting expense ratio.....	22.0	17.0	13.7	14.6	17.9
	-----	-----	-----	-----	-----
Combined ratio.....	47.5%	51.3%	52.0%	61.6%	20.7%
	=====	=====	=====	=====	=====
Return on average shareholders' equity...	23.0%(2)	30.2%	43.3%	44.1%	32.7%(2)

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<TABLE>  
<CAPTION>

	AT DECEMBER 31,				
	AT MARCH 31, 1997	1996	1995	1994	1993
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
BALANCE SHEET DATA:					
Total investments available for sale at fair value, short-term investments and cash and cash equivalents...	\$797,205	\$802,466	\$667,999	\$437,542	\$169,839
Total assets.....	962,000	904,764	757,060	509,410	208,512
Reserve for claims and claim adjustment expenses.....	110,138	105,421	100,445	63,268	982
Reserve for unearned premiums.....	124,266	65,617	60,444	59,401	31,475
Bank loan.....	50,000	150,000	100,000	60,000	--
Company obligated mandatorily redeemable Capital Securities of a subsidiary trust holding solely Junior Subordinated Debentures of the Company(3).....	100,000	--	--	--	--
Series B preference shares...	--	--	--	55,338	--
Total shareholders' equity(4).....	540,336	546,203	486,336	265,247	172,471
Book value per Common Share(4).....	\$ 23.62	\$ 23.21	\$ 18.99	\$ 11.79	\$ 7.67
Common Shares outstanding(4).....	22,877	23,531	25,605	22,500	22,500

</TABLE>

- -----

- (1) Net income per share was calculated by dividing net income available to common shareholders by the number of weighted average Common Shares and Common Share equivalents outstanding. Common Share equivalents are calculated on the basis of the treasury stock method.
- (2) Return on average shareholders' equity for a period of less than a full year is calculated by annualizing the net income available to common shareholders for such period and dividing it by beginning shareholders' equity plus one-half such annualized net income.
- (3) This item reflects \$100.0 million aggregate liquidation amount of the Capital Securities issued by a subsidiary trust. The sole assets of the trust are \$103.1 million aggregate principal amount of 8.54% Junior Subordinated Debentures due March 1, 2027 issued by the Company.
- (4) Book value per Common Share was computed by dividing total shareholders' equity by the number of outstanding Common Shares. After giving effect to the purchase for cancellation by the Company of an aggregate of 700,000 Common Shares from the Selling Shareholders at a purchase price of \$ and the estimated expenses associated with the Offering of \$ , Common Shares outstanding, total shareholders' equity and book value per share as of March 31, 1997, as adjusted, would have been , \$ and \$ ,

respectively.

BUSINESS

GENERAL

RenaissanceRe Holdings Ltd. is the parent of Renaissance Reinsurance and Glencoe. The Company's principal business is property catastrophe reinsurance, written on a worldwide basis through Renaissance Reinsurance. Based on property catastrophe gross premiums written, the Company is the largest Bermuda-based provider of property catastrophe reinsurance and one of the largest providers of this coverage in the world. The Company provides property catastrophe reinsurance coverage to insurance companies and other reinsurers primarily on an excess of loss basis. Excess of loss catastrophe coverage generally provides coverage for claims arising from large natural catastrophes, such as earthquakes and hurricanes, in excess of a specified loss. The Company is also exposed to claims arising from other natural and manmade catastrophes such as winter storms, freezes, floods, fires and tornadoes in connection with the coverages it provides.

The Company's principal operating objective is to utilize its capital efficiently by focusing on the writing of property catastrophe reinsurance and other insurance and reinsurance coverages with superior risk/return characteristics, while maintaining a low cost operating structure in the favorable regulatory and tax environment of Bermuda. The Company's primary underwriting goal is to construct a portfolio of insurance and reinsurance contracts that maximizes the return on shareholders' equity subject to prudent risk constraints. The Company seeks to moderate the volatility inherent in the property catastrophe reinsurance market through the use of contract terms, portfolio selection methodology, diversification criteria and probability analyses. While property catastrophe reinsurance represented approximately 95% of the Company's gross premiums written in each of 1996, 1995 and 1994 and continues to be the Company's primary focus, the Company may seek to take advantage of perceived opportunities in both insurance and other reinsurance markets.

For the years ended December 31, 1996, 1995 and 1994, the Company achieved returns on average shareholders' equity of 30.2%, 43.3% and 44.1%, respectively, and combined ratios of 51.3%, 52.0% and 61.6%, respectively. For the quarter ended March 31, 1997, the Company achieved an annualized return on average equity of 23.0% and a combined ratio of 47.5%. The Company achieved these results despite the occurrence of several major catastrophes in 1996 and 1995 (which, according to industry trade sources, had the fifth and third highest level of U.S. property catastrophe insured losses on record, respectively) and the occurrence in January 1994 of the Northridge, California earthquake, the second largest insured catastrophe loss in U.S. history. The major catastrophes which occurred in 1996 were Hurricane Fran in September, which produced an estimated \$1.6 billion of insurance industry losses, the Northeastern United States winter storms in January and the Northwestern United States floods in December. The major catastrophes which occurred in 1995 were Hurricanes Luis, Marilyn and Opal. At March 31, 1997, the Company had total assets of \$962.0 million and shareholders' equity of \$540.3 million. There can be no assurance that the Company will achieve similar results in the future. See "Risk Factors--Volatility of Financial Results."

In conjunction with the Company's strategy to identify and participate in certain attractive insurance and reinsurance markets, the company capitalized Glencoe in January 1996 with a \$50.0 million capital contribution. Glencoe seeks to employ in the primary insurance market the modeling, underwriting, customer service and capital management approaches that Renaissance Reinsurance employs with respect to its reinsurance policies. Glencoe primarily writes property insurance on properties that are exposed to natural catastrophes. Glencoe operates as a Bermuda-domiciled company and has been approved to do business on an excess and surplus lines basis in 23 states, including California, where it has primarily written earthquake exposure insurance. Glencoe will also consider submissions from insureds located in other international jurisdictions where it has been approved with respect to exposures for which it has underwriting expertise. On June 7, 1996, the Company sold an aggregate of 29.9% of the outstanding shares of Glencoe to certain minority investors, and as of March 31, 1997 the Company's equity in Glencoe was \$35.7 million. For the year ended December 31, 1996, Glencoe had gross written premiums and net income of \$1.6 million and \$.9 million, respectively, and accordingly did not contribute materially to the Company's results of operations in 1996.

The Company was founded in June 1993 by Warburg, certain affiliates of GE Insurance and PT Investments, and USF&G. Following the consummation of the Offering, the Company Purchase and the Direct Sale, Warburg, GE Insurance, PT Investments, USF&G and Management will own approximately 26.2%, 3.2%, 15.5%, 11.6% and 4.9%, respectively, of the Company's outstanding Common Shares, representing approximately 29.7%, 1.2%, 6.5%, 13.2% and 5.5%, respectively, of

the Company's outstanding voting power.

#### RATINGS

Renaissance Reinsurance has been assigned an "A" claims-paying ability rating from S&P and A.M. Best, and Glencoe has been assigned an "A-" claims-paying ability rating from A.M. Best, representing independent opinions of the financial strength and ability of Renaissance Reinsurance and Glencoe to meet their respective obligations to their policyholders. Such ratings may not reflect the considerations applicable to an investment in the Company.

The "A" range ("A+", "A" and "A-") is the third highest of four ratings ranges within what S&P considers the "secure" category. Insurance companies assigned a claims-paying ability rating in the "A" range are believed by S&P to provide good financial security, but their capacity to meet policyholder obligations is somewhat susceptible to adverse economic and underwriting conditions.

"A (Excellent)" and "A- (Excellent)" are the third and fourth highest of A.M. Best's fifteen ratings designations. Insurance companies assigned an "A" or "A-" rating by A.M. Best are companies which, in A.M. Best's opinion, have demonstrated excellent overall performance when compared to the standards established by A.M. Best and have a strong ability to meet their obligations to policyholders over a long period of time.

#### STRATEGY

The principal components of the Company's business strategy are to:

- . Focus on the property catastrophe reinsurance business. The Company's primary focus is property catastrophe reinsurance, which represented approximately 95% of the Company's gross premiums written in each of 1994, 1995 and 1996. While the Company's management intends to maintain the Company's primary focus on property catastrophe reinsurance for the foreseeable future, the Company may seek to take advantage of perceived market opportunities in both insurance and other reinsurance markets.
- . Build a superior portfolio of property catastrophe reinsurance by utilizing proprietary modeling capabilities. The Company assesses underwriting decisions on the basis of the expected incremental return on equity of each new reinsurance contract in relation to the Company's overall portfolio of reinsurance contracts. To facilitate this, the Company has developed REMS(C), a proprietary, computer-based pricing and exposure management system. The Company utilizes REMS(C) to assess property catastrophe risks, price treaties and limit aggregate exposure. The Company combines the analyses generated by REMS(C) with its own knowledge of the client submitting the proposed program to assess the premium offered against the risk of loss that such program presents. See "--Underwriting."
- . Utilize the Company's capital base efficiently while maintaining prudent risk levels in the Company's reinsurance portfolio. The Company manages its risks through a variety of means, including the use of contract terms, portfolio selection methodology, diversification criteria and probability analyses. By using such measures and by employing its proprietary modeling capabilities, the Company attempts to construct a portfolio of reinsurance contracts which maximizes the use of its capital while optimizing the risk-

reward characteristics of its portfolio. The Company relies less on traditional ratios, such as net premiums written to surplus, because the Company believes that such statistics do not adequately reflect the risk in the property catastrophe reinsurance business. Management believes the level of net premiums written relative to surplus does not reflect the composition of a reinsurer's attachment points, aggregate limits, geographic diversification, and other material elements of the risk exposures embodied in a reinsurer's book of business.

- . Capitalize on the experience and skill of management. The Company's senior management team has extensive experience in the reinsurance and/or insurance industries, with an average of approximately 20 years of experience for each of the five senior executives of the Company. See "Management." Additionally, senior management is supported by an officer group, each with an average of approximately ten years of experience in the reinsurance and/or insurance industries.
- . Build and maintain long-term relationships with brokers and clients. The Company markets its reinsurance products worldwide exclusively through reinsurance brokers. The Company believes that its existing portfolio of reinsurance business is a valuable asset given the renewal practices of the reinsurance industry. The Company believes that it has established a reputation with its brokers and clients for prompt response on underwriting submissions, for fast claims payments and for the

development of customized reinsurance programs. See "--Marketing."

- . Maintain a low cost structure. Management believes that as a result of its ability to maintain a small staff and by basing operations in the favorable regulatory and tax environment of Bermuda, the Company is able to maintain low operating costs relative to its capital base and net premiums earned. As of May 1, 1997, the Company had 31 employees.

#### INDUSTRY TRENDS

The high level of worldwide property catastrophe losses in terms of both frequency and severity from 1987 to 1993 had a significant effect on the results of property insurers and property catastrophe reinsurers and on the worldwide property catastrophe reinsurance market, causing certain property catastrophe reinsurers and certain underwriting syndicates at Lloyd's to withdraw from the market or reduce their underwriting commitments while also causing a substantial increase in market demand, particularly in the United States, Japan and the United Kingdom. In particular, these events included Hurricane Hugo (U.S.--1989), Hurricane Andrew (U.S.--1992), Typhoon Mireille (No. 19) (Japan--1991) and Winter Storm Daria (90A) (Northern Europe--1990).

The increase in demand for property catastrophe reinsurance was attributable to several factors. The significant property catastrophe losses occurring during 1987 through 1993 caused many insurers and reinsurers to reexamine their assumptions regarding their need for reinsurance protection from catastrophe exposures. In addition, rating agencies, such as S&P, and regulators increased their scrutiny of insurers and reinsurers with respect to their catastrophe exposure. For example, Typhoon Mireille (No. 19) resulted in greater scrutiny by the Ministry of Finance of Japan of insurers and reinsurers with respect to catastrophe exposure, thereby increasing demand for property catastrophe reinsurance in Japan. In addition, A.M. Best began to require completion of a catastrophe loss analysis questionnaire dealing with expected claims resulting from potential catastrophic events. Finally, a general increase in insured property values in catastrophe-exposed areas contributed to increased demand for property catastrophe insurance and reinsurance. This supply/demand imbalance caused a significant increase in prevailing premium rates for property catastrophe reinsurance worldwide in 1993.

In response to this imbalance, approximately \$4.0 billion of capital entered the Bermuda-based property catastrophe reinsurance market in 1992 and 1993. The Bermuda property catastrophe reinsurance market has subsequently grown markedly, having aggregate capital of approximately \$5.5 billion at March 31, 1997, and accounting for approximately 25% to 35% of the worldwide property catastrophe gross premiums written in 1996, according to industry trade reports. The increased property catastrophe reinsurance capacity represented by the Bermuda market helped balance supply and demand in the property catastrophe reinsurance market and, as a result thereof, premium rates and other terms of trade in the property catastrophe reinsurance market

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stabilized in 1994-1995. In 1996, according to industry trade sources, worldwide price levels decreased by an average of 10% to 15%. Based on reinsurance treaty renewals received by the Company in the first quarter of 1997 and publicly available industry trade data, indications are that price levels will decline at a similar pace in 1997. In particular, rates have declined significantly in areas outside the United States, where there has been favorable loss experience, while in the United States, where the level of property catastrophe losses has generally been higher than in international markets in recent years, rates have decreased to a lesser degree. However, current premium rates and retention levels have remained, and Management believes are likely to remain, higher than those that existed in 1992.

Premium rates or other terms or conditions of trade may vary in the future, the present level of demand may not continue and the present level of supply may increase as a result of capital provided by recent or future market entrants or by existing property catastrophe reinsurers. Some of the property catastrophe reinsurers who have entered the worldwide reinsurance markets (or may enter them in the future) have or could have more capital than the Company. The full effect of this additional capital on the property catastrophe reinsurance market may not be known for some time. No assurance can be given as to what impact this additional capital will ultimately have on terms or conditions for reinsurance contracts of the types written by the Company.

Management is aware of a number of new, proposed or potential legislative or industry changes that may impact the worldwide demand for property catastrophe reinsurance and other products offered by the Company. In the United States, the states of Hawaii and Florida have implemented arrangements whereby property insurance in catastrophe prone areas is provided through state-sponsored entities. The California Earthquake Authority, the first privately financed, publicly operated residential earthquake insurance pool, provides earthquake insurance to California homeowners. Currently before the U.S. Congress are two draft bills, the Homeowners' Insurance Availability Act of

1997 and the Natural Disaster Protection and Insurance Act of 1997, which would establish a federal program to provide reinsurance for state disaster insurance programs and ensure the availability and affordability of insurance against catastrophic natural disasters, respectively, and could impact upon the demand for, and availability of, traditional reinsurance. In the United Kingdom, the government has enacted a bill to allow insurers to build claim equalization reserves which might reduce the amount of property reinsurance necessary in the marketplace. Management is also aware of many potential initiatives by capital market participants to produce alternative products that may compete with the existing catastrophe reinsurance markets. Management is unable to predict the extent to which the foregoing new, proposed or potential initiatives may affect the demand for the Company's products or the risks which may be available for the Company to consider underwriting.

#### REINSURANCE PRODUCTS

The Company's property catastrophe reinsurance contracts are generally "all risk" in nature. The Company's most significant exposure is to losses from earthquakes and hurricanes, although the Company is also exposed to claims arising from other natural and man-made catastrophes, such as winter storms, freezes, floods, fires and tornadoes in connection with the coverages it provides. The Company's predominant exposure under such coverage is to property damage. However, other risks, including business interruption and other non-property losses, may also be covered under the property reinsurance contract when arising from a covered peril. In accordance with market practice, the Company's property reinsurance contracts generally exclude certain risks such as war, nuclear contamination or radiation.

Catastrophic events of significant magnitude have historically been relatively infrequent, although the property catastrophe reinsurance market experienced a high level of worldwide catastrophe losses in terms of both frequency and severity during the period from 1987 to 1996 as compared to prior years. However, because of the wide range of the possible catastrophic events to which the Company is exposed, and because of the potential for multiple events to occur in the same time period, the Company's business is volatile, and its results of operations will reflect such volatility. Further, the Company's financial condition may be impacted by this volatility over time or at any point in time. The effects of claims from one or a number of severe catastrophic events could have a material adverse effect on the Company. The Company expects that increases in the values

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and concentrations of insured property and the effects of inflation will increase the severity of such occurrences per year in the future. See "Risk Factors--Volatility of Financial Results."

The Company seeks to moderate the volatility described in the preceding paragraph through the use of contract terms, portfolio selection methodology, diversification criteria and probability analyses.

#### Type of Reinsurance

The following table sets forth the Company's gross premiums written and number of programs written by type of reinsurance.

<TABLE>

<CAPTION>

TYPE OF REINSURANCE	YEARS ENDED DECEMBER 31,							
	QUARTER ENDED		1996		1995		1994	
	MARCH 31, 1997							
	GROSS PREMIUMS WRITTEN	NUMBER OF PROGRAMS	GROSS PREMIUMS WRITTEN	NUMBER OF PROGRAMS	GROSS PREMIUMS WRITTEN	NUMBER OF PROGRAMS	GROSS PREMIUMS WRITTEN	NUMBER OF PROGRAMS
	(DOLLARS IN MILLIONS)							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Catastrophe excess of loss.....	\$ 80.7	143	\$157.6	293	\$146.8	271	\$136.0	239
Excess of loss retrocession.....	19.7	40	70.4	105	73.8	105	59.1	101
Proportional retrocession of catastrophe excess of loss.....	15.7	7	33.3	11	56.7	12	59.8	10
Marine, aviation and other.....	4.3	26	8.6	25	15.3	35	18.6	44
Total.....	\$120.4	216	\$269.9	434	\$292.6	423	\$273.5	394
	=====	===	=====	===	=====	===	=====	===

</TABLE>

Catastrophe Excess of Loss Reinsurance. Catastrophe excess of loss reinsurance provides coverage when aggregate claims and claim adjustment



Excess of Loss Retrocessional Reinsurance. The Company also enters into retrocessional contracts pursuant to which it provides property catastrophe coverage to other reinsurers or retrocedents. In providing retrocessional reinsurance, the Company focuses on property catastrophe retrocessional reinsurance which covers the retrocedent on an excess of loss basis when aggregate claims and claim adjustment expenses from a single occurrence of a covered peril and from a multiple number of reinsureds exceed a specified attachment point. The coverage provided under excess of loss retrocessional contracts may be on a worldwide basis or limited in scope to selected geographic areas. Coverage can also vary from "all property" perils to limited coverage on selected perils, such as "earthquake only" coverage. In general, excess of loss retrocessional contracts are for a term of one year. Retrocessional coverage is characterized by high volatility, principally because retrocessional contracts expose a reinsurer to an aggregation of losses from a single catastrophic event. In addition, the information available to retrocessional underwriters concerning the original primary risk can be less precise than the information received from primary companies directly. Moreover, exposures from retrocessional business can change within a contract term as the underwriters of a retrocedent alter their book of business after retrocessional coverage has been bound.

**Proportional Retrocessional Reinsurance.** The Company writes proportional retrocessions of catastrophe excess of loss reinsurance treaties when it believes that premium rates and volume are attractive. In such proportional retrocessional reinsurance, the Company assumes a specified proportion of the risk on a specified coverage and receives an equal proportion of the premium. The ceding insurer receives a commission, based upon the premiums ceded to the reinsurer, and may also be entitled to receive a profit commission based on the ratio of losses, loss adjustment expense and the reinsurer's expenses to premiums ceded. A proportional

retrocessional catastrophe reinsurer is dependent upon the ceding insurer's underwriting, pricing and claims administration to yield an underwriting profit, although the Company generally obtains detailed underwriting information concerning the exposures underlying the proportional retrocessions of catastrophe excess of loss reinsurance treaties which it writes. In addition, all of the Company's proportional retrocessions of catastrophe excess of loss reinsurance contracts have aggregate risk exposure limits per event.

Marine, Aviation and Other Reinsurance. The Company has also written short-tail marine and aviation reinsurance and retrocessional reinsurance for selected domestic and foreign insurers and reinsurers. Marine and aviation risks involve primarily property damage, although certain marine and aviation risks may involve casualty coverage arising from the same event causing the property claim. Coverage is generally written in excess of a substantial attachment point, so events likely to cause a claim will occur infrequently, such as the destruction of a drilling platform, the loss of a satellite or the loss of a sizable vessel and its contents. Although the Company focuses on writing catastrophe excess of loss reinsurance, the Company also writes risk excess of loss reinsurance and retrocessions. The risk excess of loss treaties in which the Company participates generally contain limited reinstatement provisions. In selected cases, the Company also writes customized financial reinsurance contracts when the expected returns are particularly attractive.

The Company seeks to diversify its exposure across geographic zones. The Company writes the majority of its business within the United States because the returns obtained relative to the risks involved are currently most attractive in the United States and because it is able to obtain the most detailed underwriting information on U.S. risks. Within the United States, the Company's zones of highest exposure are Southern California, Northern California, metropolitan New York, New Madrid (midwestern United States) and Southern Florida.

Category	Value
Category 1	10
Category 2	20
Category 3	30
Category 4	40
Category 5	50
Category 6	60
Category 7	70
Category 8	80
Category 9	90
Category 10	100

YEARS ENDED DECEMBER 31,

QUARTER ENDED

GEOGRAPHIC AREA	MARCH 31, 1997		1996		1995		1994	
	PERCENTAGE		PERCENTAGE		PERCENTAGE		PERCENTAGE	
	GROSS PREMIUMS WRITTEN	OF GROSS PREMIUMS WRITTEN	GROSS PREMIUMS WRITTEN	OF GROSS PREMIUMS WRITTEN	GROSS PREMIUMS WRITTEN	OF GROSS PREMIUMS WRITTEN	GROSS PREMIUMS WRITTEN	OF GROSS PREMIUMS WRITTEN
(DOLLARS IN MILLIONS)								
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
United States.....	\$ 62.4	51.9%	\$126.6	46.9%	\$144.1	49.2%	\$129.3	47.3%
Worldwide.....	19.1	15.9	44.5	16.5	59.1	20.2	50.8	18.6
Worldwide (excluding U.S.) (1).....	14.8	12.3	38.7	14.3	41.3	14.1	38.5	14.1
Europe (including U.K.).....	11.0	9.1	31.5	11.7	25.4	8.7	26.1	9.5
Other.....	12.1	10.0	19.0	7.0	11.7	4.0	19.2	7.0
Australia and New Zealand.....	1.0	.8	9.6	3.6	11.0	3.8	9.6	3.5
Total.....	\$120.4	100.0%	\$269.9	100.0%	\$292.6	100.0%	\$273.5	100.0%
	=====	=====	=====	=====	=====	=====	=====	=====

</TABLE>

(1) The category "Worldwide (excluding the U.S.)" consists of contracts that cover more than one geographic zone (other than the U.S.). The exposure in this category for gross premiums written to date is predominantly from Europe and Japan. See Note 11 to Consolidated Financial Statements.

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#### Program Limits

The following table sets forth the number of the Company's programs in force at March 31, 1997 by aggregate program limits.

<TABLE> <CAPTION>	
AGGREGATE PROGRAM LIMIT	NUMBER OF PROGRAMS
-----	-----
<S>	<C>
\$25-35 million.....	10
\$20-25 million.....	10
\$15-20 million.....	14
\$10-15 million.....	26
Less than \$10 million.....	361
	---
Total.....	421
	===

</TABLE>

#### UNDERWRITING

The Company's primary underwriting goal is to construct a portfolio of reinsurance and insurance contracts that maximizes the return on shareholders' equity subject to prudent risk constraints.

Management assesses underwriting decisions on the basis of the expected incremental return on equity of each new reinsurance contract in relation to the Company's overall portfolio of reinsurance contracts. To facilitate this, Management has developed REMS(C), a proprietary, computer-based pricing and exposure management system. Management utilizes REMS(C) to assess property catastrophe risks, price treaties and limit aggregate exposure. REMS was developed with consulting assistance from Tillinghast, an actuarial consulting unit of Towers, Perrin, Forster & Crosby, Inc., and AIR, the developer of the CATMAP(TM) system. REMS(C) has analytic and modeling capabilities that assist the Company's underwriters in assessing the catastrophe exposure risk and return of each incremental reinsurance contract in relation to the Company's overall portfolio of reinsurance contracts. The Company has licensed and integrated into REMS(C) six commercially available catastrophe computer models in addition to the Company's base model. The Company uses these models to validate and stress test its base REMS(C) results. In addition, the Company stress tests its exposures and potential future results by increasing the frequency and severity of catastrophic events above the levels embedded in the models purchased from the outside consultants. Management combines the analyses generated by REMS(C) with its own knowledge of the client submitting the proposed program to assess the premium offered against the risk of loss which such program presents.

REMS(C) provides more precise exposure information than is generally analyzed currently throughout the property catastrophe reinsurance industry. REMS(C) combines computer-generated, statistical simulations that estimate catastrophic event probabilities with exposure and coverage information on each client's reinsurance contract to produce expected claims for reinsurance

programs submitted to the Company. REMS(C) then uses simulation techniques to generate 40,000 years of catastrophic event activity, including events causing in excess of \$250 billion in insured industry losses. From this 40,000 year simulation, the Company is able to obtain expected claims, expected profits and a probability distribution of potential outcomes for each program in its portfolio and for its total portfolio.

Management believes that REMS(C) provides the Company's underwriters with several competitive advantages which are not generally available. These include (i) the ability to simulate 40,000 years of catastrophic event activity compared to a much smaller sample in generally available models, allowing the Company to analyze its exposure to a greater number and combination of potential events, (ii) the ability to analyze the incremental impact of an individual reinsurance contract on the Company's overall portfolio, and (iii) the ability to collect detailed data from a wide variety of sources which allows the Company to measure geographic exposure at a detailed level.

For its property catastrophe reinsurance business, the Company has developed underwriting guidelines that limit the amount of exposure it will underwrite directly for any one cedent, the exposure to claims from any single catastrophic event and the exposure to losses from a series of catastrophic events. The Company also attempts to distribute its exposure across a range of attachment points.

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As part of its pricing and underwriting process, the Company also assesses a variety of factors, including the reputation of the proposed cedent and the likelihood of establishing a long-term relationship with the cedent; the geographic area in which the cedent does business and its market share; historical loss data for the cedent and, where available, for the industry as a whole in the relevant regions, in order to compare the cedent's historical catastrophe loss experience to industry averages; the cedent's pricing strategies; and the perceived financial strength of the cedent.

#### MARKETING

The Company markets its reinsurance products worldwide exclusively through reinsurance brokers. The Company focuses its marketing efforts on targeted brokers and insurance and reinsurance companies, placing primary emphasis on existing clients. Management believes that its existing portfolio of business is a valuable asset given the renewal nature of the reinsurance industry and, therefore, attempts to continually strengthen relationships with its existing brokers and clients. The Company also targets prospects that are deemed likely to enhance the risk/return composition of its portfolio, that are capable of supplying detailed and accurate underwriting data and that potentially add further diversification to the Company's book of business.

Management believes that primary insurers' and brokers' willingness to use a particular reinsurer is based not just on pricing terms, but on the financial security of the reinsurer, its claim paying ability ratings, perceptions of the quality of a reinsurer's service, the reinsurer's willingness to design customized programs, its long-term stability and its commitment to provide reinsurance capacity. Management believes that the Company has established a reputation with its brokers and clients for prompt response on underwriting submissions and for fast claims payments. Since the Company selectively writes large lines on a limited number of property catastrophe reinsurance contracts, it can establish reinsurance terms and conditions on these contracts that are attractive in its judgment, make large commitments to the most attractive programs and provide superior client responsiveness. In addition, the Company acts as sole insurer on certain property catastrophe reinsurance contracts, which allows the Company to take advantage of its ability to develop customized reinsurance programs. Management believes that such customized programs help the Company to develop long-term relationships with brokers and clients.

The Company's brokers perform data collection, contract preparation and other administrative tasks, enabling the Company to market its reinsurance products cost effectively by maintaining a smaller staff. The Company believes that by maintaining close relationships with brokers, it is able to obtain access to a broad range of potential reinsureds. Subsidiaries and affiliates of Marsh & McLennan, Incorporated, E.W. Blanch Co., Inc., Greig Fester Limited, Alexander Howden Reinsurance Brokers Ltd. and Bates Turner, Inc. accounted for approximately 15.2%, 14.9%, 11.5%, 10.1% and 6.8%, respectively, of the Company's net premiums written in 1996. During such period, the Company issued authorization for coverage on programs submitted by 65 brokers worldwide. The Company received approximately 1,584 program submissions during 1996. The Company is highly selective and, from such submissions, the Company issued authorizations for coverage for only 434 programs, or 27.4% of the program submissions received.

#### RESERVES

The Company's policy is to establish claim reserves for the settlement costs

of all claims and claim adjustment expenses incurred by the Company when an event occurs. The Company incurred claims of approximately \$86.9 million, \$110.6 million and \$114.1 million for the years ended December 31, 1996, 1995 and 1994, respectively.

Under GAAP, the Company is not permitted to establish claim reserves with respect to its property catastrophe reinsurance policies until an event which gives rise to a claim occurs. Generally, reserves will be established without regard to whether any future claim may subsequently be contested by the Company. Any reserve for claims and claim expenses may also include reserves for unpaid reported claims and claim expenses and reserves for estimated losses that have been incurred but not reported to the Company. Such reserves are

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estimated by Management based upon reports received from ceding companies, as supplemented by the Company's own estimates of reserves on such reported losses as well as reserves for losses that are incurred but not reported. The Company utilizes both proprietary and commercially available models as well as historical reinsurance industry loss development patterns to assist in the establishment of appropriate claim reserves. In addition, when reviewing a proposed reinsurance contract, the Company typically receives and evaluates the insured's historical and projected loss experience with respect to certain events. The Company's reserve estimates will be continually reviewed and, in accordance with GAAP, as adjustments to these reserves become necessary, such adjustments will be reflected in current operations.

Claim reserves represent estimates, including actuarial and statistical projections at a given point in time, of an insurer's or reinsurer's expectations of the ultimate settlement and administration costs of claims incurred, and it is possible that the ultimate liability may exceed or be less than such estimates. 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. During the claim settlement period, it often becomes necessary to refine and adjust the estimates of liability on a claim either upward or downward. Even after such adjustments, ultimate liability may exceed or be less than the revised estimates. Reserve estimates by new property catastrophe reinsurers, such as the Company, may be inherently less reliable than the reserve estimates of a reinsurer with a stable volume of business and an established claim history. See Note 5 to Consolidated Financial Statements.

INVESTMENTS

The Company's strategy is to maximize its underwriting profitability and fully deploy its capital through its underwriting activities; consequently, the Company has established an investment policy which it considers to be conservative. The Company's investment guidelines, which are established by Management and approved by the Company's Board of Directors, stress diversification of risk, preservation of capital and market liquidity. Notwithstanding the foregoing, the Company's investments are subject to market-wide risks and fluctuations, as well as to risks inherent in particular securities. The primary objective of the portfolio, as set forth in such guidelines, is to maximize investment returns consistent with these policies. To achieve this objective, the Company's current fixed income investment guidelines call for an average credit quality of AA and a target duration of two years. At December 31, 1996, all of the securities in the portfolio were of non-U.S. issuers.

During 1996, the Company developed a multi-currency asset/liability optimization model in conjunction with Tillinghast and Falcon Asset Management to integrate asset, liability and capital decisions. As a result of the analysis generated by this model, the Company determined that it could diversify its investment portfolio by investing in common stocks with only a minimal increase in overall risk. The analysis demonstrated that the benefits of this diversification would substantially offset the volatility inherent in equity investments, and would therefore not require significant amounts of additional capital to support the Company's underwriting activities. During 1997, the Company intends to reallocate \$50.0 million of its fixed maturity portfolio to equity securities. In the first quarter of 1997, the Company invested \$23.5 million in equity securities.

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The following table summarizes the fair value of the investments and cash and cash equivalents of the Company.

<TABLE>  
<CAPTION>

TYPE OF INVESTMENT	DECEMBER 31,			
	MARCH 31, 1997	1996	1995	1994
(DOLLARS IN MILLIONS)				

<S>	<C>	<C>	<C>	<C>
Fixed Maturities Available for Sale:				
Non-U.S. sovereign government bonds.....	\$267.3	\$239.4	\$201.9	\$ 64.0
Non-U.S. corporate debt securities.....	325.3	329.6	299.5	128.6
Non-U.S. mortgage backed securities.....	14.9	34.5	22.4	14.4
	-----	-----	-----	-----
Subtotal.....	607.5	603.5	523.8	207.0
Equity Securities.....	23.6	--	--	--
Short-term investments.....	--	--	5.0	77.5
Cash and cash equivalents.....	166.1	199.0	139.2	153.0
	-----	-----	-----	-----
Total fixed maturity investments, equity securities, short-term investments and cash and cash equivalents.....	\$797.2	\$802.5	\$668.0	\$437.5
	=====	=====	=====	=====

</TABLE>

The following table summarizes the fair value by contractual maturities of the Company's fixed maturity investment portfolio. All mortgage-backed securities mature within five years.

<TABLE>  
<CAPTION>

		DECEMBER 31,			
MATURITY	MARCH 31, 1997	1996	1995	1994	
-----	-----	-----	-----	-----	-----
		(DOLLARS IN MILLIONS)			
<S>	<C>	<C>	<C>	<C>	
Due in less than one year.....	\$117.5	\$ 56.1	\$ 75.1	--	
Due after one through five years.....	326.0	457.1	358.3	\$154.3	
Due after five through ten years.....	102.1	90.3	90.4	52.7	
Due after ten years.....	61.9	--	--	--	
	-----	-----	-----	-----	
Total.....	\$607.5	\$603.5	\$523.8	\$207.0	
	=====	=====	=====	=====	

</TABLE>

#### Maturity and Duration of Portfolio

Currently, the Company maintains a target duration of two years, reflecting Management's belief that it is important to maintain a liquid, short duration portfolio to better assure the Company's ability to pay claims on a timely basis. The actual portfolio duration may not exceed the target duration by more than two years. The Company expects to reevaluate the target duration in light of estimates of the duration of its liabilities and market conditions, including the level of interest rates, from time to time.

#### Quality of Debt Securities in Portfolio

The Company's investment guidelines stipulate that the minimum credit rating for securities purchased for the Company's portfolio is BB-, that a maximum of 10% of the portfolio be rated BBB or below and that the overall average rating of the portfolio, including cash and cash equivalents, be at least AA.

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The following table summarizes the composition of the fair value of the fixed maturity portfolio by rating as assigned by S&P or, with respect to non-rated issues, estimated by the Company's investment managers as to the rating S&P would assign if such issues had been rated as of December 31, 1996, 1995 and 1994, respectively.

<TABLE>  
<CAPTION>

		DECEMBER 31,			
RATING	MARCH 31, 1997	1996	1995	1994	
-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	
AAA.....	32.9%	28.1%	39.5%	12.9%	
AA.....	33.5	50.1	41.6	45.0	
A.....	29.0	20.2	15.3	35.3	
BBB.....	4.6	1.6	3.6	6.8	
	-----	-----	-----	-----	
	100.0%	100.0%	100.0%	100.0%	
	=====	=====	=====	=====	

</TABLE>

#### Equity Securities

The Company's investments in equity securities, managed by GE Investments, consist primarily of non-U.S. issuers with large market capitalizations.

## Real Estate

The Company's portfolio does not contain any direct investments in real estate or mortgage loans.

## Foreign Currency Exposures

All of the Company's fixed maturities are currently invested in securities denominated in U.S. dollars. The Company's investments in equity securities are primarily invested in securities which are denominated in currencies other than the U.S. dollar. The Company's fixed maturity portfolio is generally not invested so as to hedge exposures to various currencies. The Company maintains a portion of its foreign currency premiums in the original currency as cash investments in anticipation of known claims or other foreign currency liabilities.

## Diversification and Liquidity

Pursuant to the investment guidelines of the Company, there is no limit on the percentage of the Company's investment portfolio that may be invested in the securities of any sovereign government or agency issuing in its own currency. No more than 20% of the portfolio may be invested in securities issued by any single issuer, maturing in one year or less or in obligations of any single issuer that is rated AA or AAA by S&P, or Aa or Aaa by Moody's and is either (i) a sovereign (or guaranteed by a sovereign) issuing in a currency other than its own, (ii) a local government entity or (iii) a supranational entity. Up to 10% of the portfolio may be invested in obligations of issuers not described above, but with ratings of AA or AAA by S&P, or Aa or Aaa by Moody's, and up to 7% and 5% of the portfolio may be invested in obligations of single A issuers and BBB issuers, respectively, as rated by S&P or single A issuers and Baa issuers, respectively, as rated by Moody's. In addition, BBB issuers and Baa issuers, in the aggregate, are limited to 10% of total portfolio assets.

## Investment Advisers

The Company has entered into investment advisory agreements (the "Investment Advisory Agreements") with each of Warburg, Pincus Counsellors (Bermuda) ("Counsellors"), an affiliate of Warburg, GE Investments (U.S.) Limited ("GE Investments"), an affiliate of PT Investments and GE Insurance, the Bank of N.T. Butterfield & Son Limited ("Butterfield Bank") and Falcon Asset Management (Bermuda) ("Falcon"), an affiliate of USF&G. The terms of the Investment Advisory Agreements were determined in arms' length negotiations. The performance of, and the fees paid to, Counsellors, GE Investments, Falcon and Butterfield Bank under the Investment Advisory Agreements are reviewed periodically by the Investment Committee of the Board of Directors of the Company.

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## COMPETITION

The property catastrophe reinsurance industry is highly competitive and is undergoing a variety of challenging developments, including a marked trend toward greater consolidation. The Company competes, and will continue to compete, with major U.S. and non-U.S. property catastrophe insurers, reinsurers, and certain underwriting syndicates. Many of these competitors have greater financial, marketing and management resources than the Company. In addition, new companies may enter the property catastrophe reinsurance market or existing reinsurers may deploy additional capital in the property catastrophe reinsurance market. The Company cannot predict what effect any of these developments may have on the Company and its business.

Competition in the types of reinsurance business that the Company underwrites is based on many factors, including premium charges and other terms and conditions offered, services provided, speed of claims payment, ratings assigned by independent rating agencies, the perceived financial strength and the experience of the reinsurer in the line of reinsurance to be written. The number of jurisdictions in which a reinsurer is licensed or authorized to do business is also a factor. Some of the reinsurers who have entered the Bermuda and London-based reinsurance markets have or could have greater financial, marketing or managerial resources than the Company. Ultimately, increasing competition could affect the Company's ability to attract business on terms having the potential to yield an attractive return on equity.

Management is also aware of many potential initiatives by capital market participants to produce alternative products that may compete with the existing catastrophe reinsurance markets. Management is unable to predict the extent to which the foregoing new, proposed or potential initiatives may affect the demand for the Company's products or the risks which may be available for the Company to consider underwriting.

Glencoe operates as a Bermuda-domiciled company and has been approved to do business in the United States on an excess and surplus lines basis in 23 states. Glencoe will also consider underwriting submissions from insureds located in other jurisdictions where it has been approved with respect to exposures for which it has underwriting expertise. Glencoe seeks to employ in the primary insurance market the modeling, underwriting, customer service and capital management approaches that Renaissance Reinsurance employs with respect to its reinsurance policies.

#### EMPLOYEES

As of May 1, 1997, the Company employed 31 people, all of whom are either shareholders or optionholders of the Company. The Company believes that its employee relations are satisfactory. None of the Company's employees are subject to collective bargaining agreements, and the Company knows of no current efforts to implement such agreements at the Company.

#### REGULATION

##### Bermuda

The Insurance Act 1978, as amended, and Related Regulations. The Insurance Act, which regulates the business of Renaissance Reinsurance and Glencoe, provides that no person shall carry on an insurance business in or from within Bermuda unless registered as an insurer under the Act by the Minister. Renaissance Reinsurance and Glencoe are registered as a Class 4 and a Class 3 insurer under the Insurance Act, respectively. The Minister, in deciding whether to grant registration, has broad discretion to act as he thinks fit in the public interest. The Minister is required by the Insurance Act to determine whether the applicant is a fit and proper body to be engaged in the insurance business and, in particular, whether it has, or has available to it, adequate knowledge and expertise. In connection with the applicant's registration, the Minister may impose conditions relating to the writing of certain types of insurance.

An Insurance Advisory Committee appointed by the Minister advises him on matters connected with the discharge of his functions and sub-committees thereof supervise and review the law and practice of insurance in Bermuda, including reviews of accounting and administrative procedures.

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The Insurance Act imposes on Bermuda insurance companies solvency and liquidity standards and auditing and reporting requirements and grants to the Minister powers to supervise, investigate and intervene in the affairs of insurance companies. Significant aspects of the Bermuda insurance regulatory framework are set forth below.

Cancellation of Insurer's Registration. An insurer's registration may be canceled by the Minister on certain grounds specified in the Insurance Act, including failure of the insurer to comply with a requirement made of it under the Insurance Act or, if in the opinion of the Minister after consultation with the Insurance Advisory Committee, the insurer has not been carrying on business in accordance with sound insurance principles.

Independent Approved Auditor. Every registered insurer must appoint an independent auditor who will annually audit and report on the Statutory Financial Statements and the Statutory Financial Return of the insurer, the latter of which is required to be filed annually with the Registrar of Companies (the "Registrar"), who is the chief administrative officer under the Insurance Act. The auditor must be approved by the Minister as the independent auditor of the insurer. The approved auditor may be the same person or firm which audits the insurer's financial statements and reports for presentation to its shareholders.

Loss Reserve Specialist. Every Registered Class 3 and Class 4 insurer is required to submit an annual loss reserve opinion when filing the Annual Statutory Financial Return. This opinion must be issued by a Loss Reserve Specialist. The Loss Reserve Specialist, who will normally be a qualified casualty actuary, must be approved by the Minister.

Statutory Financial Statements. An insurer must prepare annual Statutory Financial Statements. The Insurance Act prescribes rules for the preparation and substance of such Statutory Financial Statements (which include, in statutory form, a balance sheet, income statement, and a statement of capital and surplus, and detailed notes thereto). The insurer is required to give detailed information and analyses regarding premiums, claims, reinsurance and investments. The Statutory Financial Statements are not prepared in accordance with GAAP and are distinct from the financial statements prepared for presentation to the insurer's shareholders under the Companies Act 1981 of Bermuda, which financial statements may be prepared in accordance with GAAP. See Note 14 to the Consolidated Financial Statements contained in the Annual Report and incorporated herein by reference thereto for information with respect to the Company's statutory financial statements. The insurer is required to submit the Annual Statutory Financial Statements as part of the

Minimum Solvency Margin. The Insurance Act provides that the statutory assets of an insurer must exceed its statutory liabilities by an amount greater than the prescribed minimum solvency margin which varies with the type of business of the insurer and the insurer's net premiums written and loss reserve level. The minimum solvency margin for a Class 4 insurer is the greatest of \$100.0 million, 50% of net premiums written (with a maximum credit of 25% for reinsurance ceded) and 15% of loss and loss expense provisions and other insurance reserves. The minimum solvency margin for a Class 3 insurer is the greatest of \$1.0 million, 20% of the first \$6.0 million of net premiums written plus 15% of net premiums written in excess of \$6.0 million, and 15% of loss and loss expense provisions and other insurance reserves. See Note 14 to the Consolidated Financial Statements included in the Annual Report and incorporated by reference herein.

Minimum Liquidity Ratio. The Insurance Act provides a minimum liquidity ratio for general business. An insurer engaged in general business is required to maintain the value of its relevant assets at not less than 75% of the amount of its relevant liabilities. Relevant assets include cash and time deposits, quoted investments, unquoted bonds and debentures, first liens on real estate, investment income due and accrued, accounts and premiums receivable and reinsurance balances receivable. There are certain categories of assets which, unless specifically permitted by the Minister, do not automatically qualify as relevant assets, such as unquoted equity securities, investments in and advances to affiliates, real estate and collateral loans. The relevant liabilities are total general business insurance reserves and total other liabilities less deferred income tax and sundry liabilities (by interpretation, those not specifically defined).

Annual Statutory Financial Return. An insurer is required to file with the Registrar a Statutory Financial Return no later than four months from the insurer's financial year end (unless specifically extended). The

Statutory Financial Return includes, among other matters, a report of the approved independent auditor on the Statutory Financial Statements of the insurer; a declaration of the statutory ratios; a solvency certificate; the Statutory Financial Statements themselves; the opinion of the approved Loss Reserve Specialist and certain details concerning ceded reinsurance. The solvency certificate and the declaration of the statutory ratios must be signed by the principal representative and at least two directors of the insurer who are required to state whether the Minimum Solvency Margin and, in the case of the solvency certificate, the Minimum Liquidity Ratio, have been met, and the independent approved auditor is required to state whether in its opinion it was reasonable for them to so state and whether the declaration of the statutory ratios complies with the requirements of the Insurance Act. The Statutory Financial Return must include the opinion of a Loss Reserve Specialist in respect of the loss and loss expense provisions of the insurer. Where an insurer's accounts have been audited for any purpose other than compliance with the Insurance Act, a statement to that effect must be filed with the Statutory Financial Return.

Supervision, Investigation and Intervention. The Minister may appoint an inspector with extensive powers to investigate the affairs of an insurer if the Minister believes that an investigation is required in the interest of the insurer's policyholders or persons who may become policyholders. In order to verify or supplement information otherwise provided to him, the Minister may direct an insurer to produce documents or information relating to matters connected with the insurer's business.

If it appears to the Minister that there is a risk of the insurer becoming insolvent, the Minister may direct the insurer not to take on any new insurance business; not to vary any insurance contract if the effect would be to increase the insurer's liabilities; not to make certain investments; to realize certain investments; to maintain in Bermuda, or transfer to the custody of a Bermuda bank, certain assets; not to declare or pay any dividends or other distributions or to restrict the making of such payments and/or to limit its premium income.

An insurer is required to maintain a principal office in Bermuda and to appoint and maintain a principal representative in Bermuda. For the purpose of the Insurance Act, the principal office of the Company and its Subsidiaries is at the Company's offices at Renaissance House, 8-12 East Broadway, Pembroke HM 19 Bermuda and Mr. Keith S. Hynes, the Company's Senior Vice President and Chief Financial Officer, and Mr. John D. Nichols, Jr., the Company's Vice President, Treasurer and Secretary, are the principal representatives of Renaissance Reinsurance and Glencoe, respectively. Without a reason acceptable to the Minister, an insurer may not terminate the appointment of its principal representative, and the principal representative may not cease to act as such, unless thirty days' notice in writing to the Minister is given of the intention to do so. It is the duty of the principal representative, within thirty days of his reaching the view that there is a likelihood of the insurer for which he acts becoming insolvent or its coming to his knowledge, or his



having reason to believe, that an event has occurred, to make a report in writing to the Minister setting out all the particulars of the case that are available to him. Examples of such an event include failure by the reinsurer to comply substantially with a condition imposed upon the reinsurer by the Minister relating to a solvency margin or a liquidity or other ratio.

United States and Other

Renaissance Reinsurance is not admitted to do business in any jurisdiction except Bermuda. The insurance laws of each state of the United States and of many other countries regulate the sale of insurance and reinsurance within their jurisdictions by alien insurers, such as Renaissance Reinsurance, which are not admitted to do business within such jurisdiction. With some exceptions, such sale of insurance or reinsurance within a jurisdiction where the insurer is not admitted to do business is prohibited. Renaissance Reinsurance does not intend to maintain an office or to solicit, advertise, settle claims or conduct other insurance activities in any jurisdiction other than Bermuda where the conduct of such activities would require that Renaissance Reinsurance be so admitted.

The Company is subject to the information requirements of the Exchange Act, and in accordance therewith files reports, proxy statements and other information with the Commission. For further information regarding the Company reference is made to such reports, proxy statements and other information which are available as described under "Available Information" and "Incorporation of Certain Documents by Reference."

MANAGEMENT

The table below sets forth the names, ages and titles of the persons who were directors of the Company and executive officers of the Company as of May 1, 1997.

<TABLE>  
<CAPTION>

NAME	AGE	POSITION
----	---	-----
<S>	<C>	<C>
James N. Stanard.....	48	Chairman of the Board, President and Chief Executive Officer
Neill A. Currie.....	44	Senior Vice President
David A. Eklund.....	37	Senior Vice President
Keith S. Hynes.....	44	Senior Vice President and Chief Financial Officer
William I. Riker.....	37	Senior Vice President
Arthur S. Bahr.....	65	Director
Thomas A. Cooper.....	60	Director
Edmund B. Greene.....	59	Director
Gerald L. Igou.....	63	Director
Kewsong Lee.....	31	Director
John M. Lummis.....	39	Director
Howard H. Newman.....	50	Director
Scott E. Pardee.....	60	Director
John C. Sweeney.....	52	Director
David A. Tanner.....	38	Director

</TABLE>

James N. Stanard has served as Chairman of the Board, President and Chief Executive Officer since the Company's formation in June 1993. From 1991 through June 1993, Mr. Stanard served as Executive Vice President of USF&G and was a member of a three-person Office of the President. As Executive Vice President of USF&G, he was responsible for USF&G's underwriting, claims and ceded reinsurance. From October 1983 to 1991, Mr. Stanard was an Executive Vice President of F&G Re, a start-up reinsurance subsidiary of USF&G. Mr. Stanard was one of two senior officers primarily responsible for the formation of F&G Re, where he was responsible for the underwriting, pricing and marketing activities of F&G Re during its first seven years of operation. As Executive Vice President of F&G Re, Mr. Stanard was personally involved in the design of pricing procedures, contract terms and analytical underwriting tools for all types of treaty reinsurance, including both U.S. and international property catastrophe reinsurance.

Neill A. Currie has served as Senior Vice President of the Company since its formation in June 1993. Mr. Currie served as a director of the Company from August 1994 through August 1995. From November 1992 through May 1993, Mr. Currie served as Chief Executive Officer of G.J. Sullivan Co.-Atlanta, a private reinsurance broker. From 1982 through 1992, Mr. Currie served as Senior Vice President at R/I and G.L. Hodson, predecessors to Willis Faber.

David A. Eklund has served as Senior Vice President of the Company since February 1996. Mr. Eklund served as Vice President-Underwriting of the Company from September 1993 until February 1996. From November 1989 through September 1993, Mr. Eklund held various positions in casualty underwriting at Old

Republic, where he was responsible for casualty treaty underwriting and marketing. From March 1988 to November 1989, Mr. Eklund held various positions in catastrophe reinsurance at Berkshire Hathaway, where he was responsible for underwriting and marketing finite risk and property catastrophe reinsurance.

Keith S. Hynes has served as Senior Vice President and Chief Financial Officer of the Company since June 1994. Mr. Hynes was employed by Hartford Steam from January 1983 to January 1994. From April 1992 to January 1994, he served as Hartford Steam's Senior Vice President and Chief Financial Officer. From November 1986 to April 1992, Mr. Hynes worked in Hartford Steam's Underwriting Department, advancing to Senior Vice President and Chief Underwriting Officer, where he managed Hartford Steam's underwriting and ceded

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reinsurance activities, from April 1990 to April 1992. From January 1983 to November 1986, Mr. Hynes was Hartford Steam's Chief Investment Officer. Mr. Hynes held several investment management positions with Aetna Insurance Company from June 1978 to January 1983.

William I. Riker was appointed Senior Vice President of the Company in March 1995 and served as Vice President-Underwriting of the Company from November 1993 until such time. From March 1993 through October 1993, Mr. Riker served as Vice President of Applied Insurance Research, Inc. Prior to that, Mr. Riker held the position of Senior Vice President, Director of Underwriting at American Royal. Mr. Riker was responsible for developing various analytical underwriting tools while holding various positions at American Royal from 1984 through 1993.

Arthur S. Bahr has served as a director of the Company since its formation in June 1993. Mr. Bahr served as Director and Executive Vice President-Equities of General Electric Investment Corporation ("GEIC"), a subsidiary of General Electric Company and registered investment adviser, from 1987 until December 1993. Mr. Bahr served GEIC in various senior investment positions since 1978 and was a Trustee of General Electric Pension Trust from 1976 until December 1993. Mr. Bahr served as Director and Executive Vice President of GE Investment Management Incorporated, a subsidiary of General Electric Company and a registered investment adviser, from 1988 until his retirement in December 1993. From December 1993 until December 1995, Mr. Bahr served as a consultant to GEIC.

Thomas A. Cooper has served as a director of the Company since August 7, 1996. From August 1993 until August 1996 Mr. Cooper served as Chairman and Chief Executive Officer of TAC Bancshares, Inc. and as Chairman and Chief Executive Officer of Chase Federal Bank FSB. From June 1992 until July 1993, Mr. Cooper served as principal of TAC Associates, a financial investment company. From April 1990 until May 1992 Mr. Cooper served as Chairman and Chief Executive Officer of Goldome FSB. From 1986 to April 1990, Mr. Cooper served as Chairman and Chief Executive Officer of Investment Services of America, one of the largest full service securities brokerage and investment companies in the United States. Prior thereto, Mr. Cooper served as President of Bank of America from February 1983 to April 1986. From 1980 to 1982 Mr. Cooper served as Vice Chairman of Mellon Bank. From 1978 to 1982, Mr. Cooper was President of Girard Bank in Philadelphia.

Edmund B. Greene has served as a director of the Company since its formation in June 1993. Mr. Greene has served as Deputy Treasurer-Insurance of General Electric Company since March 1995. Prior to that, Mr. Greene was Manager-Corporate Insurance Operation of General Electric Company since 1985, and previously served in various financial management assignments since 1962.

Gerald L. Igou has served as a director of the Company since its formation in June 1993. Mr. Igou has served as a Vice President-Investment Analyst for GEIC since September 1993. He is a Certified Financial Analyst and has served GEIC in the capacities of investment analyst and sector portfolio manager since 1968. Prior to joining General Electric, Mr. Igou was an analyst with the Wall Street firms of Smith Barney Inc. and Dean Witter & Co.

Kewsong Lee has served as a director of the Company since December 1994. Mr. Lee has served as a Member and Managing Director of E.M. Warburg, Pincus & Co. LLC ("EMW LLC") and a general partner of Warburg, Pincus & Co. ("WP") since January 1, 1997. Mr. Lee served as a Vice President of Warburg, Pincus Ventures, Inc. ("WPV") from January 1995 to December 1996, and an associate at E.M. Warburg, Pincus & Co., Inc. ("EMW") from 1992 until December 1994. Prior to joining EMW, Mr. Lee was a consultant at McKinsey & Company, Inc., a management consulting company, from 1990 to 1992. Mr. Lee is a director of Knoll, Inc. and several privately held companies.

John M. Lummis has served as a director of the Company since July 1993. Mr. Lummis has served as Vice President-Business Development of USF&G Corporation since 1994 and served as Vice President and Group General Counsel for USF&G Corporation from 1991 until 1995. USF&G Corporation is the parent company of USF&G. From 1982 until 1991, Mr. Lummis was engaged in the private practice of law with the law firm of Shearman & Sterling.

Howard H. Newman has served as a director of the Company since its formation in June 1993. Mr. Newman has served as a Member and Managing Director of EMW LLC (and its predecessor) and a general partner of WP since 1987. Mr. Newman is a director of ADVQ, Inc., Newfield Exploration Company, Cox Insurance Holdings Plc, Comcast UK Cable Partners Limited and several privately held companies.

Scott E. Pardee has served as a director of the Company since February 1997. Mr. Pardee served as Chairman of Yamaichi International (America), Inc., a financial services company, from 1989 to 1994. Mr. Pardee previously served as Executive Vice President and a member of the Board of Directors of Discount Corporation of New York, a primary dealer in U.S. government securities, and as Senior Vice President and Manager of the Federal Reserve Bank of New York.

John C. Sweeney has served as a director of the Company since December 1996. Mr. Sweeney has served as Senior Vice President and Chief Investment Officer of USF&G since 1992, and as Chairman of Falcon Asset Management since 1992. Prior thereto, Mr. Sweeney served as Principal and Practice Director of Towers Perrin Consulting Services from 1985 to 1992, and as Chief Investment Officer of McM/Occidental Peninsular Insurance Companies from 1981 to 1984. Mr. Sweeney also serves as a Director of USF&G Pacholder Fund, Inc.

David A. Tanner has served as a director of the Company since December 1996. Mr. Tanner has served as a Member and Managing Director of EMW LLC (and its predecessor) and a general partner of WP since January 1, 1993. Mr. Tanner served as a Vice President of EMW from January 1, 1991 to 1993. Mr. Tanner is a director of Golden Books Family Entertainment, Inc., the New York Venture Capital Forum and several privately held companies. Mr. Tanner previously served as a director of the Company from December 1994 through May 1996.

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#### PRINCIPAL AND SELLING SHAREHOLDERS

The table set forth below shows information as of May 1, 1997 with respect to the number of (i) full voting Common Shares, (ii) DVI Shares and (iii) DVII Shares of the Company held by each Selling Shareholder and the Management Investor, and the applicable voting rights attaching to such share ownership.

&lt;TABLE&gt;

&lt;CAPTION&gt;

NAME(1) -----	COMMON SHARES BENEFICIALLY OWNED PRIOR TO THE OFFERING, THE COMPANY PURCHASE AND THE DIRECT SALE(1) -----		COMMON SHARES TO BE SOLD IN THE OFFERING, THE COMPANY PURCHASE AND THE DIRECT SALE -----	COMMON SHARES BENEFICIALLY OWNED AFTER THE OFFERING, THE COMPANY PURCHASE AND THE DIRECT SALE(1) -----	
	NUMBER	PERCENTAGE OF		NUMBER	PERCENTAGE OF
		VOTING RIGHTS			VOTING RIGHTS
<S>	<C>	<C>	<C>	<C>	<C>
Warburg, Pincus Investors, L.P.(2)..... 466 Lexington Avenue New York, NY 10017	7,914,619	42.5%	2,100,000(3)	5,814,619	29.7%
PT Investments, Inc.(4)(5)..... 3003 Summer Street Stamford, CT 06904	4,199,191	5.1	750,000(6)	3,449,190	6.5
GE Investment Private Placement Partners I-Insurance, Limited Partnership(4)(7)..... 3003 Summer Street Stamford, CT 06904	1,454,109	2.6	750,000(8)	704,109	1.2
United States Fidelity and Guaranty Company(9)..... 100 Light Street Baltimore, MD 21202	2,776,137	14.9	200,000	2,576,137	13.2
James N. Stanard(10)....	825,918	4.4	--	925,918	4.7

&lt;/TABLE&gt;

- - - - -

\* Less than 1%.

(1) Pursuant to the regulations of the Commission, shares are deemed to be "beneficially owned" by a person if such person directly or indirectly has or shares the power to vote or dispose of such shares whether or not such person has any pecuniary interest in such shares or the right to acquire the power to vote or dispose of such shares within 60 days, including any right to acquire through the exercise of any option, warrant or right.

(2) The sole general partner of Warburg is WP. EMW LLC manages Warburg. The members of EMW LLC are substantially the same as the partners of WP.

Lionel I. Pincus is the managing partner of WP and the managing member of EMW LLC, and may be deemed to control both WP and EMW LLC. WP, as the sole general partner of Warburg, has a 20% interest in the profits of Warburg. WP and EMW LLC may be deemed to beneficially own the Common Shares owned by Warburg within the meaning of Rule 16a-1 under the Exchange Act.

- (3) Comprised of 1,657,895 full voting Common Shares to be sold in the Offering, 386,842 full voting Common Shares to be sold in the Company Purchase and 55,263 full voting Common Shares to be sold in the Direct Sale.
- (4) Does not include any Common Shares indirectly held by Trustees of General Electric Pension Trust ("GE Pension Trust") or GE Investment Private Placement Partners I, Limited Partnership ("GE Investment") by virtue of GE Pension Trust's limited partnership interest in Warburg or as a result of GE Pension Trust's or GE Investment's indirect interest in USF&G by virtue of GE Pension Trust's, GE Investment's and certain of their affiliates' holdings of 4,443,570 shares of common stock, of USF&G Corporation, the parent company of USF&G. PT Investments is a wholly-owned subsidiary of GE Pension Trust. As a

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result, GE Pension Trust may be deemed to be the beneficial owner of the Common Shares owned by PT Investments. GE Investment Management Incorporated ("GEIM") is the general partner of GE Investment and a wholly owned subsidiary of General Electric Company ("GEC"). As a result, each of GEIM and GEC may be deemed to be the beneficial owner of the Common Shares owned by GE Investment.

- (5) Consists solely of DVI Shares. DVI Shares entitle the holder thereof to a voting interest in the Company of up to a maximum of 9.9% of all outstanding voting rights attached to the full voting Common Shares, inclusive of the percentage interest in the Company represented by full voting Common Shares owned directly, indirectly, or constructively by such holder within the meaning of Section 958 of the Code and applicable rules and regulations thereunder (the "Controlled Common Shares"), but in no event greater than one vote for each DVI Share so held.
- (6) Comprised of 592,105 DVI Shares to be sold in the Offering (See Note 5 above), 138,158 DVI Common Shares to be sold in the Company Purchase and 19,737 DVI Shares to be sold in the Direct Sale. The Company, the Selling Shareholders and the Underwriters have agreed that, immediately upon the consummation of the Offering, the DVI Shares to be sold in the Offering will be converted by the Underwriters into an equal number of full voting Common Shares on a one-for-one basis.
- (7) Consists solely of DVII Shares. DVII Shares entitle the holder thereof to one-third of a vote for each DVII Share; provided, that in no event shall a holder of DVII Shares have greater than 9.9% of all outstanding voting rights attached to the full voting Common Shares, inclusive of the percentage interest in the Company represented by Controlled Common Shares.
- (8) Comprised of 592,105 DVII Shares to be sold in the Offering (See Note 7 above), 138,158 DVII Shares to be sold in the Company Purchase and 19,737 DVII Shares to be sold in the Direct Sale. The Company, the Selling Shareholders and the Underwriters have agreed that, immediately upon the consummation of the Offering, the DVII Shares to be sold in the Offering will be converted by the Underwriters into an equal number of full voting Common Shares on a one-for-one basis.
- (9) Comprised of 157,895 full voting Common Shares to be sold in the Offering, 36,842 full voting Common Shares to be sold in the Company Purchase and 5,263 full voting Common Shares to be sold in the Direct Sale.
- (10) Includes 165,052 full voting Common Shares issuable upon the exercise of options under the Incentive Plan that are vested and presently exercisable. Concurrent with the consummation of the Offering and the Company Purchase, Mr. Stanard has agreed to purchase for investment 100,000 Common Shares from the Selling Shareholders in the Direct Sale. Mr. Stanard has informed the Company that he intends to convert all the DVI Shares and DVII Shares to be purchased in the Direct Sale into an equal number of full voting Common Shares immediately upon the consummation of the Offering.

#### Shareholders Agreement

The Selling Shareholders are parties to an amended and restated shareholders agreement (the "Shareholders Agreement") among themselves and the Company which provides them with the ability, if they act in concert, to elect a majority of the members of the Board and approve or prevent certain actions requiring shareholder approval, including adopting amendments to the Bye-Laws and approving a merger or consolidation, liquidation or sale of all or substantially all of the assets of the Company. Pursuant to the Shareholders Agreement, the number of directors serving on the Board is fixed at 11.

Pursuant to the terms of the Shareholders Agreement, the Board presently

includes three members designated by Warburg, one member designated by PT Investments, one member designated by GE Insurance and one member designated by USF&G.

At such time as Warburg owns less than 3,706,146 Common Shares, but at least 1,853,073 Common Shares, the number of directors that Warburg shall be entitled to nominate shall be reduced to two. At such time as Warburg owns less than 1,853,073 Common Shares, but at least 741,229 Common Shares, the number of

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directors that Warburg shall be entitled to nominate shall be reduced to one. At such time as any one of Warburg, PT Investments or USF&G shall own less than 741,229 Common Shares, then such party shall no longer be entitled to nominate any director to the Board.

GE Insurance, so long as it owns any Common Shares, shall be entitled to nominate one director to the Board. At such time as PT Investments and GE Insurance shall, in the aggregate, own less than 1,853,073 Common Shares, PT Investments shall not have any right to nominate a director and GE Insurance shall have the right to nominate one director. At such time as GE Insurance shall own no Common Shares and PT Investments shall own at least 741,229 Common Shares, GE Insurance shall not have the right to nominate a director and PT Investments shall have the right to nominate one director to the Board.

#### THE COMPANY PURCHASE

The Company has entered into an equity purchase agreement, dated as of May 22, 1997, with Warburg, GE Insurance, PT Investments and USF&G to purchase for cancellation an aggregate of 700,000 Common Shares at a purchase price per share equal to the public offering price per share (less the underwriting discount) to be paid in the Offering, for an aggregate purchase price of \$ , as follows:

<TABLE> <CAPTION>		
NAME	COMMON SHARES TO BE SOLD IN COMPANY PURCHASE	PURCHASE PRICE
----	-----	-----
<S>	<C>	<C>
Warburg.....	386,842	\$
GE Insurance.....	138,158	
PT Investments.....	138,158	
USF&G.....	36,842	
	-----	----
Total.....	700,000	\$
	=====	=====
</TABLE>		

The Company Purchase is conditioned only upon the consummation of the Offering and is not conditioned upon any other events within the control or discretion of the Selling Shareholders. The closing of the Company Purchase will occur simultaneously with the closing of the Offering and the Direct Sale.

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#### THE DIRECT SALE

James N. Stanard, Chairman, President and Chief Executive Officer of the Company, has entered into an equity purchase agreement, dated as of May 22, 1997, with Warburg, GE Insurance, PT Investments and USF&G for the purchase for investment of an aggregate of 100,000 Common Shares at a purchase price per share equal to the public offering price per share in the Offering, for an aggregate price of \$ (the "Aggregate Direct Sale Price"), as follows:

<TABLE> <CAPTION>		
NAME	COMMON SHARES TO BE SOLD IN DIRECT SALE	PURCHASE PRICE
----	-----	-----
<S>	<C>	<C>
Warburg.....	55,263	\$
GE Insurance.....	19,737	
PT Investments.....	19,737	
USF&G.....	5,263	
	-----	----
Total.....	100,000	\$
	=====	=====
</TABLE>		

The Direct Sale is conditioned only upon the consummation of the Offering and is not conditioned upon any events within the control or discretion of Mr. Stanard. The closing of the Direct Sale will occur simultaneously with the

closing of the Offering and the Company Purchase.

In connection with the Direct Sale, Mr. Stanard intends to enter into a credit agreement and related pledge agreement (collectively, the "Credit Agreement") with Bank of America Illinois ("BofA") to assist in funding the Aggregate Direct Sale Price. Pursuant to the terms of the Loan and Pledge Agreement, BofA shall provide aggregate proceeds (the "Direct Sale Loan") in the amount of the Aggregate Direct Sale Price, which Loan will be secured by the aggregate amount of Common Shares owned by Mr. Stanard and held by BofA. The Credit Agreement will require Mr. Stanard initially to collateralize the Direct Sale Loan with Common Shares or other collateral acceptable to BofA at a rate of 2.25 times the Direct Sale Loan amount. If the value of such collateral subsequently decreases below 1.5 times the outstanding Direct Sale Loan amount, Mr. Stanard will be required to contribute additional collateral in the amount of such deficiency. The Direct Sale Loan will be guaranteed by the Company and will bear interest at a rate of LIBOR plus 85 basis points per annum. The funding of the Direct Sale Loan will occur simultaneously with the closing of the Offering, the Company Purchase and the Direct Sale.

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#### CERTAIN TAX CONSIDERATIONS

The following discussion of the taxation of the Company and Renaissance Reinsurance and of the taxation of shareholders of the Company is based (i) upon the opinion of Conyers Dill & Pearman, Hamilton, Bermuda, with respect to the matters discussed under "Taxation of the Company and Renaissance Reinsurance" and "Taxation of Shareholders--Bermuda Taxation" and (ii) upon the opinion of Willkie Farr & Gallagher, New York, New York, with respect to the matters discussed under "Taxation of the Company and Renaissance Reinsurance" and "Taxation of Shareholders--United States Taxation of U.S. and non-U.S. Shareholders." The opinions of such firms do not address, and do not include, opinions as to whether the Company, Renaissance Reinsurance or Glencoe has a permanent establishment in the United States, any factual or accounting matters, determinations or conclusions such as to whether the Company, Renaissance Reinsurance or Glencoe is engaged in a U.S. trade or business, RPII amounts and computations and components thereof (for example, amounts or computations of income or expense items or reserves entering into RPII computations) or facts relating to the business or activities of the Company, Renaissance Reinsurance or Glencoe, all of which are matters and information determined and provided by the Company. The following discussion is based upon current law and describes the material U.S. federal and Bermuda tax consequences as of the date of this Prospectus and is for general information only. The tax treatment of a holder of Common Shares, or a person treated as a holder of Common Shares for U.S. federal income, state, local or non-U.S. tax purposes may vary depending on the holder's particular tax situation. Legislative, judicial or administrative changes or interpretations may be forthcoming that could be retroactive and could affect the tax consequences to holders of Common Shares. PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES TO THEM OF OWNING COMMON SHARES.

#### TAXATION OF THE COMPANY, RENAISSANCE REINSURANCE AND GLENCOE

##### Bermuda

The Company, Renaissance Reinsurance and Glencoe have each received from the Minister of Finance of Bermuda an assurance under the Exempted Undertakings Tax Protection Act 1966 of Bermuda, to the effect that in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of any such tax shall not be applicable to the Company and Renaissance Reinsurance or to any of their operations or the shares, debentures or other obligations of the Company and Renaissance Reinsurance until March 28, 2016. These assurances are subject to the proviso that they are not construed so as to prevent the application of any tax or duty to such persons as are ordinarily resident in Bermuda or to prevent the application of any tax payable in accordance with the provisions of The Land Tax Act 1967 of Bermuda or otherwise payable in relation to the land leased to Renaissance Reinsurance. Both the Company and Renaissance Reinsurance are required to pay certain annual Bermuda government fees. Renaissance Reinsurance, additionally, is required to pay certain insurance registration fees as an insurer under the Insurance Act. Under current rates, the Company pays a fixed fee of \$15,000 and Renaissance Reinsurance and Glencoe pay a fee of \$30,000 and \$10,900 per year, respectively (which is the applicable annual Bermuda government fee and the annual insurance registration fee for each company). Currently there is no Bermuda withholding tax on dividends that may be paid by Renaissance Reinsurance to the Company.

##### United States

The Company believes that, to date, Renaissance Reinsurance and Glencoe have operated and, in the future, will continue to operate their businesses in a manner that will not cause either to be treated as being engaged in a U.S.

trade or business. On this basis, the Company does not expect Renaissance Reinsurance or Glencoe to be required to pay U.S. corporate income tax. However, whether a corporation is engaged in a U.S. trade or business is considered a factual question. Because there are no definitive standards provided by the Code, existing or proposed regulations thereunder or judicial precedent, and as the determination is inherently factual and not a

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legal issue on which counsel can opine, there is considerable uncertainty as to activities that constitute being engaged in a U.S. trade or business. As a result, there can be no assurance that the IRS could not successfully contend that Renaissance Reinsurance or Glencoe is engaged in such a trade or business. If the IRS did so contend, Renaissance Reinsurance or Glencoe would, unless exempted from tax by the Treaty, discussed below, be subject to U.S. corporate income tax on that portion of its net income treated as effectively connected with a U.S. trade or business, as well as the U.S. corporate branch profits tax. The U.S. corporate income tax is currently imposed at the rate of 35% on net corporate profits and the U.S. corporate branch profits tax is imposed at the rate of 30% on a corporation's after-tax profits deemed distributed as a dividend.

Even though the Company will take the position that Renaissance Reinsurance and Glencoe are not engaged in U.S. trades or businesses, Renaissance Reinsurance has filed and intends to continue to file, and Glencoe intends to file, U.S. federal income tax returns to avoid having all deductions disallowed in the event that either Renaissance Reinsurance or Glencoe were held to be engaged in a U.S. trade or business. In addition, filing U.S. tax returns will allow Renaissance Reinsurance and Glencoe to claim benefits under the Treaty without penalty.

Even if the IRS were to contend successfully that Renaissance Reinsurance or Glencoe was engaged in a U.S. trade or business, the Treaty could preclude the United States from taxing Renaissance Reinsurance or Glencoe on its net premium income except to the extent that such income were attributable to a permanent establishment maintained by Renaissance Reinsurance or Glencoe in the United States. Although the Company believes neither Renaissance Reinsurance nor Glencoe has a permanent establishment in the United States, there can be no assurance that the IRS will not successfully contend that Renaissance Reinsurance or Glencoe has such an establishment and therefore is subject to taxation.

Benefits of the Treaty are available to Renaissance Reinsurance only if more than 50% of the Company's shares (assuming that all of Renaissance Reinsurance's outstanding shares are held by the Company) are beneficially owned, directly or indirectly, by individuals who are Bermuda residents or U.S. citizens or residents. The Company expects that more than 50% of its shares will be so owned after the Offering, and the Company intends to obtain periodic certification as to ownership from various shareholders of the Company so as to monitor compliance with this beneficial ownership requirement. Similar considerations will apply to Glencoe.

If Renaissance Reinsurance or Glencoe were considered to be engaged in a U.S. trade or business and it were considered not to be entitled to the benefits of the permanent establishment clause of the Treaty, and, thus, subject to U.S. income tax, the Company's results of operations and cash flows could be materially adversely affected.

The Treaty does not apply to dividends and interest received by Renaissance Reinsurance or Glencoe. However, the Revenue Act of 1987 amended section 864 of the Code to provide that foreign source subpart F income (such as dividends and interest) of property and casualty companies will not be taxed as effectively connected with a U.S. trade or business. Such a rule already existed with respect to life insurance companies. Thus, foreign source income received by Renaissance Reinsurance or Glencoe will not be taxed in the United States so long as Renaissance Reinsurance or Glencoe is deemed to be a controlled foreign corporation ("CFC") and the foreign source income constitutes subpart F income. As explained below, Renaissance Reinsurance and Glencoe currently are CFCs. Furthermore, Renaissance Reinsurance and Glencoe intend to invest predominantly in assets that yield foreign source income that should also constitute subpart F income.

Notwithstanding the foregoing discussion, Notice 89-96, 1989-2 C.B. 417, states that under Code section 842 (which requires that foreign insurance companies carrying on an insurance business within the United States have a certain minimum amount of effectively connected net investment income), U.S. corporate tax can be imposed on such a portion of foreign insurance companies' foreign source subpart F income. A notice is not binding authority on a court and is intended for the reliance of taxpayers. A notice also does not necessarily represent the final substantive position of the IRS. In the opinion of counsel, the position in Notice 89-96 conflicts with the Congressional intent (in extending Code section 864 to foreign source income of foreign

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property and casualty companies) as expressed in the Conference Committee Report of the Revenue Act of 1987. No regulations on the subject have been issued or proposed, and the current regulations as to life insurance companies exempt a life insurance company's foreign source subpart F income from corporate tax. Nevertheless, if the IRS issues regulations consonant with Notice 89-96 and those regulations are upheld by the courts, Renaissance Reinsurance or Glencoe could incur U.S. corporate income and branch profits taxes on at least some of its foreign source investment income.

The Company's principal source of income is dividends from Renaissance Reinsurance, which income should not incur U.S. tax.

The United States also imposes an excise tax on insurance and reinsurance premiums paid to foreign insurers or reinsurers with respect to risks located in the United States. Insurance and reinsurance premiums paid to foreign insurers or reinsurers with respect to risks located outside the United States should not be subject to this excise tax. The rate of tax currently applicable to reinsurance premiums paid to foreign reinsurers such as Renaissance Reinsurance, with respect to risks located in the United States, is 1% of gross premiums. Congress has in the past, however, considered legislation that would increase the excise tax rate on reinsurance premiums paid to foreign reinsurers to 4%. Although no such legislation has to date been enacted, hearings on the subject were held in 1993, and it is uncertain whether, or in what form, such legislation may ultimately be enacted. The rate of tax currently applicable to insurance premiums paid to foreign insurers such as Glencoe with respect to risks located in the U.S. is 4% of gross premiums.

#### TAXATION OF SHAREHOLDERS

##### Bermuda Taxation

Currently, there is no Bermuda withholding tax on dividends paid by the Company.

##### United States Taxation of U.S. and Non-U.S. Shareholders

Classification of Renaissance Reinsurance and Glencoe as CFCs. Section 951(b) of the Code defines a United States shareholder ("U.S. Shareholder") as any U.S. citizen or resident, domestic corporation, partnership, estate or trust that owns (directly or indirectly through certain deemed ownership rules) 10% or more of the voting power of all classes of stock of a foreign corporation. If, in the case of insurance companies such as Renaissance Reinsurance and Glencoe, U.S. Shareholders own or are considered to own more than 25% of the voting power or value of its shares, the corporation is classified as a CFC.

Warburg and USF&G are U.S. Shareholders of Renaissance Reinsurance because each of them is considered to indirectly own at least 10% of the voting power of Renaissance Reinsurance. Because collectively they are considered to indirectly own more than 25% of the voting power and value of Renaissance Reinsurance, and will continue to indirectly own more than 25% of the voting power and value of Renaissance Reinsurance after the Offering, in the opinion of counsel Renaissance Reinsurance has been a CFC and will continue to be classified a CFC following the completion of the Offering. Similarly, Glencoe has been and will continue to be classified a CFC following completion of the Offering. There can be no assurance that as a result of sales or dispositions of Common Shares by U.S. Shareholders or the exchange of DVI Shares held by certain of the Selling Shareholders for full voting Common Shares in the future, Renaissance Reinsurance or Glencoe will not cease to be a CFC.

The effect of Renaissance Reinsurance and Glencoe being CFCs is twofold. As described above, Renaissance Reinsurance's and Glencoe's status as a CFC may result in their not incurring U.S. corporate income tax on their foreign source investment income. Additionally, such status results in each U.S. Shareholder being required to include in its income, based on the extent of its interest in the Company, its pro rata share of Renaissance Reinsurance's and Glencoe's subpart F income. U.S. Shareholders taxed currently on their pro rata share of Renaissance Reinsurance's and Glencoe's subpart F income will not be taxed on dividends actually distributed by the Company that are allocable to such income. All of Renaissance Reinsurance's and Glencoe's income is expected to be subpart F income. Persons who are not U.S. Shareholders will not have to include subpart F income in their income, except as described below in connection with the Related Person Insurance Income Rules.

Each prospective investor should consult its own tax advisor to determine whether its ownership interest in the Company would cause it to become a U.S. Shareholder of the Company, Renaissance Reinsurance and Glencoe or of any subsidiary which may be created by the Company or Renaissance Reinsurance and to determine the impact of such a classification of such investor.

Related Person Insurance Income ("RPII") Rules. Certain special subpart F



provisions of the Code will apply to persons who, through their ownership of Common Shares, are indirect shareholders of Renaissance Reinsurance if both (A) 25% or more of the value or voting power of the Common Shares is owned or deemed owned (directly or indirectly through foreign entities) by U.S. persons, as will be the case; and (B) (i) 20% or more of either the voting power or the value of the stock of Renaissance Reinsurance and Glencoe is owned directly or indirectly by U.S. persons insured or reinsured by Renaissance Reinsurance or Glencoe or by persons related to them; and (ii) Renaissance Reinsurance or Glencoe has RPII, determined on a gross basis, equal to 20% or more of its gross insurance income. RPII is income (investment income and premium income) from the direct or indirect insurance or reinsurance of (i) the risk of any U.S. person who owns Common Shares (directly or indirectly through foreign entities) or (ii) the risk of a person related to such a U.S. person.

Renaissance Reinsurance may be considered to indirectly reinsure the risk of a holder of Common Shares that is a U.S. person, and thus generate RPII, if an unrelated company that insured such risk in the first instance reinsures the risk with Renaissance Reinsurance. There is a suggestion in the proposed Treasury Regulations that in order for this rule to be applied there must be a prearrangement to reinsure the risk with the company in which the insured is a shareholder (so-called "fronting"), but the proposed Treasury Regulations do not explicitly limit the application of the rule to a fronting situation.

The Company does not expect Renaissance Reinsurance or Glencoe, respectively, to knowingly enter into reinsurance or insurance arrangements where the ultimate risk insured is that of a holder of Common Shares that is a U.S. person or person related to such a U.S. person. However, unless the proposed Treasury Regulations are clarified so that this rule would apply only if the unrelated insurer is fronting for the party related to the insured, there can be no assurance that the IRS will not require a holder of Common Shares that is a U.S. person or person related to such a U.S. person to demonstrate that the Company has not indirectly (albeit unknowingly) reinsured risks of such a holder of Common Shares. If the IRS requires a holder of Common Shares that is a U.S. person or person related to such a U.S. person to demonstrate that the risks reinsured by the Company were not risks of related parties, while the Company will cooperate in providing information regarding its shareholders and the insurance and reinsurance arrangements of Renaissance Reinsurance and Glencoe, it may not be in a position to identify the names of many of its shareholders or the names of the persons whose risks it indirectly reinsures. Therefore, each prospective investor should consult with his own tax advisor to evaluate the risk that the IRS would take this position and the tax consequences that might arise.

Notwithstanding the foregoing discussion it is anticipated (although not assured) that less than 20% of the gross insurance income of Renaissance Reinsurance or Glencoe for any taxable year will constitute RPII. However, there can be no assurance that the IRS will not assert that 20% or more of the income of Renaissance Reinsurance or Glencoe RPII or that a taxpayer will be able to meet its burden of proving otherwise. If 20% or more of the gross insurance income of Renaissance Reinsurance or Glencoe for any taxable year constitutes RPII and 20% or more of the voting power or value of the stock of Renaissance Reinsurance or Glencoe is held, directly or indirectly, by U.S. insureds or reinsureds or by persons related thereto, each direct and indirect U.S. holder of Common Shares will be taxable currently on its allocable share of the RPII of Renaissance Reinsurance or Glencoe. In that case, RPII will be taxable to each U.S. holder of Common Shares regardless of whether such holder is a U.S. Shareholder and regardless of whether such holder is an insured or related to an insured. For this purpose, all of the RPII of Renaissance Reinsurance or Glencoe would be allocated solely to U.S. holders, but not in excess of a holder's ratable share, based on the extent of its interest in the Company, of the total income of Renaissance Reinsurance or Glencoe.

Under proposed Treasury Regulations, RPII that is taxed to a U.S. holder will increase such holder's tax basis in the Common Shares to which it is allocable. Dividends distributed by Renaissance Reinsurance or Glencoe to the Company and by the Company to U.S. persons who are not U.S. Shareholders will, under such regulations, be deemed to come first out of taxed RPII and to that extent will not constitute income to the holder.

This will be the result whether the dividend is distributed in the same year in which the RPII is taxed or a later year. The untaxed dividend will decrease the holder's tax basis in such holder's Common Shares. U.S. Shareholders will be taxed under the general Subpart F Rules and will be entitled to exclude the actual distributions as well.

Computation of RPII. In an effort to determine how much RPII Renaissance Reinsurance and Glencoe have earned in each fiscal year, the Company monitors the percentage of gross premiums that are received by Renaissance Reinsurance and Glencoe from U.S. persons and persons related to U.S. persons. Beyond that, it will use its reasonable best efforts to secure such additional information relevant to determining the amount of such income that is RPII as it believes advisable, but there can be no assurance that such information

will be sufficient to enable a holder of Common Shares to clearly establish such amount. For any year that the Company determines that the gross RPII of Renaissance Reinsurance or Glencoe is 20% or more of its gross insurance income for the year, the Company may also seek information from its shareholders as to whether beneficial owners of Common Shares at the end of the year are U.S. persons, so that RPII may be apportioned among such persons. To the extent the Company is unable to determine whether a beneficial owner of shares is a U.S. person, the Company may assume that such owner is not a U.S. person for purposes of apportioning RPII, thereby increasing the per share RPII amount for all known U.S. holders of Common Shares.

Unrelated Business Taxable Income of Tax-Exempt Shareholders. Legislation has been enacted that requires tax exempt entities owning at least ten percent of the combined voting power of all classes of Company stock to treat certain subpart F insurance income as unrelated business taxable income ("UBTI") under Code section 512 to the extent it would have been UBTI had it been earned directly. All prospective investors that are tax-exempt entities are urged to consult their tax advisors as to the potential application of these provisions.

Disposition of Common Shares by U.S. Persons Generally. Subject to the discussions below relating to Disposition of Common Shares by U.S. Persons Who are not U.S. Shareholders and Disposition of Common Shares by U.S. Shareholders, U.S. Persons will, upon the sale or exchange of Common Shares, generally recognize gain or loss for federal income tax purposes equal to the excess of the amount realized upon such sale or exchange over such person's federal income tax basis for the Common Shares disposed of. However, as described below, gain may be recharacterized, in whole or in part, as a dividend in certain circumstances pursuant to Section 1248(a) of the Code.

Disposition of Common Shares by United States Persons Who are Not U.S. Shareholders. As noted above, in the case of a U.S. person who owns Common Shares but is considered to own less than 10% of the voting power of the Company and therefore is not a U.S. Shareholder, RPII may be allocable to such holder's Common Shares during his period of ownership but not taxed to him because less than 20% of the Common Stock is owned by persons generating RPII or less than 20% of the gross insurance income of Renaissance Reinsurance and Glencoe is RPII. Upon such holder's sale or exchange of Common Shares at a gain, however, Code section 1248(a) will in all probability tax as a dividend an amount of such gain equal to the allocable untaxed RPII. Moreover, the IRS could take the position that the amount of gain taxed as a dividend under Code section 1248(a) will be equal to the allocable earnings and profits during the period that such U.S. holder held the Common Shares (whether or not Renaissance Reinsurance or Glencoe has RPII). In the opinion of counsel, this position is not correct, but in the absence of regulations, there can be no assurance that the IRS will agree. For individuals, this would mean that the amount of gain taxed as a dividend would incur tax at the rates applicable to ordinary income rather than at the lower rates applicable to long-term capital gain.

If, as the Company believes, Code section 1248(a) only applies to tax as a dividend an amount of gain equal to allocable untaxed RPII, the selling shareholder nevertheless has the burden of showing the amount of untaxed RPII allocable to the Common Shares sold. The Company will keep records showing what it believes to be the untaxed RPII allocable to each Common Share. The Company will provide the information on untaxed RPII allocable to each Common Share to any owner or prior owner of the Common Shares.

Disposition of Common Shares by U.S. Shareholders. Since all the income of Renaissance Reinsurance and Glencoe is expected to be subpart F income, U.S. Shareholders will be taxable currently on all earnings of

Renaissance Reinsurance and Glencoe, whether or not such earnings constitute RPII. For that reason, Code section 1248(a) will apply to recharacterize gain as a dividend only in respect of earnings and profits during the year of sale.

Foreign Tax Credit. In the event that, as expected, U.S. persons own at least 50% of the Common Shares, only a portion of both the dividends paid by the Company and subpart F income of Renaissance Reinsurance and Glencoe will be treated as foreign source income for purposes of determining a shareholder's U.S. foreign tax credit limitation. That portion will be the ratio of the foreign source income of Renaissance Reinsurance or Glencoe earnings to their total earnings. It is likely that substantially all of the RPII and dividends that are foreign source income will constitute either "passive" or "financial services" income for foreign tax credit limitation purposes. Thus, it may not be possible for many U.S. persons to utilize excess foreign tax credits to reduce U.S. tax on such income.

Passive Foreign Investment Companies. Sections 1291 through 1297 of the Code contain special rules applicable with respect to foreign corporations that are "passive foreign investment companies" ("PFICs"). In general, a foreign corporation will be a PFIC if 75% or more of its income constitutes passive income or 50% or more of its assets produce passive income. If the Company

were to be characterized as a PFIC, U.S. holders of Common Shares would be subject to a penalty tax at the time of their sale of (or receipt of an "excess distribution" with respect to) its shares. In general, a U.S. holder of Common Shares receives an "excess distribution" if the amount of the distribution is more than 125% of the average distribution with respect to the Common Shares during the three preceding taxable years (or the taxpayer's holding period if it is less than three years). In general, the penalty tax is equivalent to an interest charge on taxes that are deemed due during the taxpayer's holding period but not paid, computed by assuming that the excess distribution or gain (in the case of a sale) with respect to the Common Shares was received ratably throughout the holding period. The interest charge is equal to the applicable rate imposed on underpayments of U.S. federal income tax for such period.

The Code contains an express exception for income "derived in the active conduct of an insurance business by a corporation which is predominantly engaged in an insurance business." This exception is intended to ensure that income derived by a bona fide insurance company is not treated as passive income, except to the extent such income is attributable to financial reserves in excess of the reasonable needs of the insurance business. In the Company's view, the Company, Renaissance Reinsurance and Glencoe, taken together, are predominantly engaged in an insurance business and do not have financial reserves in excess of the reasonable needs of their insurance business. The Code contains a look-through rule which states that, for purposes of determining whether a foreign corporation is a PFIC, such foreign corporation shall be treated as if it "received directly its proportionate share of the income" and as if it "held its proportionate share of the assets" of any other corporation in which it owns at least 25% of the stock. In the opinion of counsel, under the look-through rule, the Company would be deemed to own the assets and to have received the income of Renaissance Reinsurance and Glencoe directly for the purposes of determining whether the Company qualifies for the insurance exception described above. The Company believes that its interpretation of the look-through rule is consistent with the general legislative intention to exclude bona fide insurance companies from the operation of the PFIC provisions, but there can be no assurance the IRS or a court will take the same position in the future.

No regulations concerning the application of the PFIC provisions to insurance companies have yet been issued. Each U.S. person who is considering an investment in the Common Shares is therefore advised to consult its tax advisor as to the effects of the PFIC rules.

Other. Dividends paid by the Company to U.S. corporate shareholders will not be eligible for the dividends received deduction provided by section 243 of the Code.

Except as discussed below with respect to backup withholding, dividends paid by the Company will not be subject to a U.S. withholding tax.

Persons who are not citizens of or domiciled in the United States will not be subject to U.S. estate tax with respect to Common Shares.

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Information reporting to the IRS by paying agents and custodians located in the United States will be required with respect to payments of dividends on the Common Shares to U.S. persons. In addition, a holder of Common Shares may be subject to backup withholding at the rate of 31% with respect to dividends paid to such persons, unless such holder (i) is a corporation or comes within certain other exempt categories and, when required, demonstrates this fact, or (ii) provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. The backup withholding tax is not an additional tax and may be credited against a holder's regular U.S. federal income tax liability.

Subject to certain exceptions, persons that are not U.S. persons will be subject to U.S. federal income tax on dividend distributions with respect to, and gain realized from the sale or exchange of, Common Shares if such dividends or gains are effectively connected with the conduct of a U.S. trade or business.

#### CERTAIN BERMUDA LAW CONSIDERATIONS

The Company has been designated as a non-resident for exchange control purposes by the Bermuda Monetary Authority, Controller of Foreign Exchange (the "BMA"). The permission of the Controller of Foreign Exchange for the free transferability of Common Shares between such persons has been obtained. Prior to the Offering, this Prospectus will be filed with the Registrar of Companies in Bermuda in accordance with Bermuda law.

Approvals or permissions received from the BMA do not constitute a guarantee by the BMA as to the performance of the scheme or creditworthiness of the Company. Furthermore, in giving such approvals or permissions, the BMA shall not be liable for the performance or default of the scheme or for the

correctness of any opinions or statements expressed.

There are no limitations on the rights of persons who own Common Shares regarded as non-residents of Bermuda for foreign exchange control purposes owning Common Shares to hold or vote their Common Shares. Because the Company has been designated as a non-resident for Bermuda exchange control purposes, there are no restrictions on its ability to transfer funds in and out of Bermuda or to pay dividends to U.S. residents who are holders of Common Shares, other than restrictions on payments in the local Bermuda currency.

Share certificates are usually issued only in the names of corporations, partnerships or individuals. In the case of an applicant acting in a special capacity (for example, as an executor or trustee), certificates may, at the request of the applicant, record the capacity in which the applicant is acting. Notwithstanding the recording of any such special capacity, the Company is not bound to investigate or incur any responsibility in respect of the proper administration of any such estate or trust.

The Company will take no notice of any trust applicable to any of its Common Shares whether or not it had notice of such trust.

As an "exempted company," the Company is exempt from Bermuda laws restricting the percentage of share capital that may be held by non-Bermudians, but as an "exempted company" the Company may not participate in certain business transactions, including: (i) the acquisition or holding of land in Bermuda (except that required for its business and held by way of lease or tenancy agreement for a term not exceeding 21 years); (ii) the taking of mortgages on land in Bermuda to secure an amount in excess of \$50,000 without the consent of the Minister of Finance of Bermuda; (iii) the acquisition of securities created or issued by any company in Bermuda, or the acquisition of any interest in any business or undertaking in Bermuda, other than certain types of Bermuda government securities or securities of another "exempted" company, partnership or other corporation resident in Bermuda but incorporated abroad; or (iv) the carrying on of business of any kind in Bermuda, except in furtherance of the business of the Company carried on outside Bermuda, under a license granted by the Minister of Finance of Bermuda or reinsuring risks undertaken by any company incorporated in Bermuda and permitted to engage in insurance and reinsurance business.

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The Bermuda government actively encourages foreign investment in "exempted" entities, like the Company, that are based in Bermuda but do not operate in competition with local business. In addition to having no restrictions on the degree of foreign ownership, the Company is subject neither to taxes on its income or dividends, nor to any foreign exchange controls in Bermuda, having been designated as non-resident for Bermuda exchange control purposes. In addition, the Company is not subject to capital gains tax in Bermuda, and profits can be accumulated by the Company, as required, without limitation.

Under Bermuda law, non-Bermudians may not engage in any gainful occupation in Bermuda without the specific permission of the appropriate government authority. Such permission or a work permit for a specific period of time, may be extended, upon showing that, after proper public advertisement, no Bermudian (nor spouse of a Bermudian) is available who meets the minimum standards for the advertised position. All of the Company's executive officers, each of whom is a United States citizen, as well as nine other employees of the Company, are working in Bermuda under work permits which expire in 1997, 1998 or 1999. The Company is not aware of any difficulties in connection with renewing the work permits for these officers and employees. However, there can be no assurance that these work permits will be extended.

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#### UNDERWRITING

Subject to the terms and conditions set forth in the U.S. purchase agreement (the "U.S. Purchase Agreement") among the Company, the Selling Shareholders, and each of the underwriters named below (the "U.S. Underwriters"), and concurrently with the sale of 600,000 Common Shares to the International Underwriters, the Selling Shareholders have agreed to sell to each of the U.S. Underwriters, and each of the U.S. Underwriters has severally agreed to purchase, the aggregate number of Common Shares set forth opposite its name below.

<TABLE>  
<CAPTION>

NUMBER OF  
COMMON SHARES  
<C>

UNDERWRITERS	
<S>	
Merrill Lynch, Pierce, Fenner & Smith	
Incorporated.....	
Alex. Brown & Sons Incorporated.....	
Lehman Brothers Inc. ....	

Salomon Brothers Inc .....	-----
Total.....	2,400,000
	=====

</TABLE>

The Shares to be sold in the Offering consist of full voting Common Shares, DVI Shares and DVII Shares. The Company, the Selling Shareholders and the Underwriters have agreed that immediately upon the consummation of the Offering, the DVI Shares and the DVII Shares to be sold in the Offering by certain of the Selling Shareholders will be converted into an equal number of full voting Common Shares on a one-for-one basis. Purchasers of Shares in the Offering will receive only full voting Common Shares. See "Principal and Selling Shareholders."

Merrill Lynch, Alex. Brown & Sons Incorporated, Lehman Brothers Inc. and Salomon Brothers Inc are acting as representatives (the "U.S. Representatives") of the several U.S. Underwriters.

The Company and the Selling Shareholders have also entered into an international purchase agreement (the "International Purchase Agreement") with certain underwriters outside the United States and Canada (the "International Underwriters" and, together with the U.S. Underwriters, the "Underwriters") for whom Merrill Lynch International, Alex. Brown & Sons International, Lehman Brothers International (Europe) and Salomon Brothers International Limited are acting as representatives (the "International Representatives" and, together with the U.S. Representatives, the "Representatives"). Subject to the terms and conditions set forth in the International Purchase Agreement, and concurrently with the sale of 2,400,000 Shares to the U.S. Underwriters, the Selling Shareholders have agreed to sell to the International Underwriters, and the International Underwriters severally have agreed to purchase, an aggregate of 600,000 Shares. The public offering price per Share and the underwriting discount per Share are identical under the U.S. Purchase Agreement and the International Purchase Agreement.

In the U.S. Purchase Agreement, the several U.S. Underwriters have agreed, subject to the terms and conditions set forth therein, to purchase all of the Shares being sold pursuant to such Agreement if any of the Shares being sold pursuant to such Agreement are purchased. In the International Purchase Agreement, the several International Underwriters have agreed, subject to the terms and conditions set forth therein, to purchase all of the Shares being sold pursuant to such Agreement if any of the Shares being sold pursuant to such Agreement are purchased. Each Agreement provides that in the event of a default by an Underwriter, the purchase commitments of non-defaulting Underwriters may in certain circumstances be increased. The closings with respect to the sale of the Shares to be purchased by the U.S. Underwriters and the International Underwriters are conditioned upon one another.

The U.S. Underwriters propose initially to offer the Shares to the public at the public offering price set forth on the cover page of this Prospectus and to certain dealers (who may include U.S. Underwriters) at such price

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less a concession not in excess of \$     per share. The U.S. Underwriters may allow, and such dealers may re-allow, a discount not in excess of \$     per share to certain other dealers. After the Offering, the public offering price, concession and discount may be changed.

The Selling Shareholders have granted to the U.S. Underwriters an option to purchase up to an aggregate of 360,000 additional Shares, and to the International Underwriters an option to purchase up to an aggregate of 90,000 additional Shares, in each case exercisable for 30 days after the date hereof, to cover over-allotments, if any, at the public offering price set forth on the cover page of this Prospectus, less the underwriting discount. To the extent that the U.S. Underwriters exercise this option, each of the U.S. Underwriters will have a firm commitment, subject to certain conditions, to purchase approximately the same percentage of such Shares that the number of Shares to be purchased by it shown in the foregoing table bears to the total number of Shares initially offered to the U.S. Underwriters hereby.

The U.S. Underwriters and the International Underwriters have entered into an intersyndicate agreement (the "Intersyndicate Agreement") that provides for the coordination of their activities. Pursuant to the Intersyndicate Agreement, sales may be made between the U.S. Underwriters and the International Underwriters of such number of Shares as may be mutually agreed. The price of any Shares so sold shall be the public offering price, less an amount not greater than the selling concession. Under the terms of the Intersyndicate Agreement, the U.S. Underwriters and any dealer to whom they sell Shares will agree to offer to sell or sell Shares to persons who are United States or Canadian persons (as defined in the Intersyndicate Agreement) or to persons they believe intend to resell to persons who are United States or Canadian persons, and the International Underwriters and any dealer to whom they sell Shares will not offer to sell or sell Shares to United States or Canadian persons or to persons they believe intend to resell to United States

or Canadian persons, except, in each case, for transactions pursuant to the Intersyndicate Agreement.

The Company, the Selling Shareholders and certain officers and directors of the Company have agreed not to sell or otherwise dispose of any Common Shares or securities convertible into or exchangeable or exercisable for Common Shares for a period of 90 days after the date of this Prospectus, without the prior written consent of Merrill Lynch. Upon the consummation of the Offering, the Company Purchase and the Direct Sale, it is expected that such lock-up agreements will cover an aggregate of approximately 13,645,775 Common Shares. There are no known formal or informal plans, arrangements, agreements or understandings regarding any intention to seek the consent of Merrill Lynch to release any of the foregoing restrictions at this time. It is generally the policy of Merrill Lynch to review any such requested consent on a case by case basis in light of the applicable circumstances.

The Company has agreed to indemnify the U.S. Underwriters and the International Underwriters against certain civil liabilities, including liabilities under the Securities Act, or to contribute to payments the U.S. Underwriters and the International Underwriters may be required to make in respect thereof.

The Underwriters do not intend to confirm sales of the Common Shares offered hereby to any accounts over which they exercise discretionary authority.

Until the distribution of the Shares to be sold in the Offering is completed, rules of the Commission may limit the ability of the Underwriters to bid for and purchase the Common Shares. As an exception to these rules, the Underwriters are permitted to engage in certain transactions that stabilize the price of the Common Shares. Such transactions may consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the Common Shares.

If the Underwriters create a short position in the Common Shares in connection with the initial resale of the Shares to be sold in the Offering, i.e., if they sell more Common Shares than are set forth on the cover page of this Prospectus, the Underwriters may reduce such short position by purchasing Common Shares in the open market. The Underwriters may also elect to reduce any short position by exercising all or part of the over-allotment option described above.

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The U.S. Representatives may also impose a penalty bid on certain Underwriters and selling group members. This means that if the U.S. Representatives purchase Common Shares in the open market to reduce the Underwriters' short position or to stabilize the price of the Common Shares, they may reclaim the amount of the selling concession from the Underwriters and selling group members who initially resold such shares.

In general, purchases of a security for the purpose of stabilization or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases. The imposition of a penalty bid might also have an effect on the price of a security to the extent that it were to discourage resales of the security.

Neither the Company nor any Underwriter makes any representation or prediction as to the direction or magnitude of any effect that any transaction described above may have on the price of the Common Shares. In addition, neither the Company nor any Underwriter makes any representation that the U.S. Representatives will engage in such transactions or that such transactions, once commenced, will not be discontinued without notice.

Merrill Lynch has acted as the Company's financial advisor with respect to certain prior transactions and received commercially customary compensation in connection therewith. Any or all of the Representatives may serve as a financial advisor to the Company from time to time in the future.

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#### LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon for the Company by Willkie Farr & Gallagher, New York, New York, who will rely as to Bermuda law upon the opinion of Conyers, Dill & Pearman, Hamilton, Bermuda. The validity of the issuance of the Shares offered hereby is being passed upon for the Company by Conyers, Dill & Pearman. Certain legal matters will be passed upon for the Underwriters by Simpson Thacher & Bartlett (a partnership which includes professional corporations), New York, New York. Certain Bermuda tax matters have been passed upon by Conyers, Dill & Pearman. The description of United States tax laws will be passed upon by Willkie Farr & Gallagher.

The consolidated financial statements and schedules of RenaissanceRe Holdings Ltd. and its subsidiaries as of December 31, 1996 and 1995 and for each of the three years in the period ended December 31, 1996 appearing or incorporated by reference in this Prospectus and Registration Statement have been audited by Ernst & Young, independent auditors, as set forth in their reports thereon appearing elsewhere herein and in the Registration Statement or incorporated by reference. Such consolidated financial statements and schedules are included herein or incorporated herein by reference in reliance upon such reports given upon the authority of such firm as experts in accounting and auditing.

## GLOSSARY OF SELECTED INSURANCE TERMS

Attachment point.....	The amount of loss (per occurrence or in the aggregate, as the case may be) above which excess of loss reinsurance becomes operative.
Broker.....	One who negotiates contracts of insurance or reinsurance, receiving a commission for placement and other services rendered, between (1) a policy holder and a primary insurer, on behalf of the insured party, (2) a primary insurer and reinsurer, on behalf of the primary insurer, or (3) a reinsurer and a retrocessionaire, on behalf of the reinsurer.
Catastrophe excess of loss reinsurance.....	A form of excess of loss reinsurance that, subject to a specified limit, indemnifies the ceding company for the amount of loss in excess of a specified retention with respect to an accumulation of losses resulting from a catastrophic event or a series of catastrophic events.
Cede; Cedent; Ceding company.....	When a party reinsures its liability with another, it "cedes" business and is referred to as the "cedent" or "ceding company."
Claim adjustment expenses....	The expenses of settling claims, including legal and other fees and the portion of general expenses allocated to claim settlement costs.
Claim reserves.....	Liabilities established by insurers and reinsurers to reflect the estimated cost of claims payments and the related expenses that the insurer or reinsurer will ultimately be required to pay in respect of insurance or reinsurance it has written. Reserves are established for losses and for claim adjustment expenses.
Excess of loss reinsurance...	A generic term describing reinsurance that indemnifies the reinsured against all or a specified portion of losses on underlying insurance policies in excess of a specified amount, which is called a "level" or "retention." Also known as non-proportional reinsurance. Excess of loss reinsurance is written in layers. A reinsurer or group of reinsurers accepts a band of coverage up to a specified amount. The total coverage purchased by the cedent is referred to as a "program" and will typically be placed with predetermined reinsurers in prenegotiated layers. Any liability exceeding the outer limit of the program reverts to the ceding company, which also bears the credit risk of a reinsurer's insolvency.
Generally accepted accounting principles ("GAAP").....	Accounting principles as set forth in opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants and/or statements of the Financial Accounting Standards Board and/or their respective successors and which are applicable in the circumstances as of the date in question.

Incurring but not reported ("IBNR").....	Reserves for estimated losses that have been incurred by insureds and reinsureds but not yet reported to the insurer or reinsurer including unknown future developments on losses which are known to the insurer or reinsurer.
Layer.....	The interval between the retention or attachment point and the maximum limit of indemnity for which a reinsurer is responsible.
Net premiums written.....	Gross premiums written for a given period less premiums ceded to reinsurers and retrocessionaires during such period.
Proportional reinsurance.....	A generic term describing all forms of reinsurance in which the reinsurer shares a proportional part of the original premiums and losses of the reinsured. (Also known as pro rata reinsurance, quota share reinsurance or participating reinsurance.) In proportional reinsurance the reinsurer generally pays the ceding company a ceding commission. The ceding commission generally is based on the ceding company's cost of acquiring the business being reinsured (including commissions, premium taxes, assessments and miscellaneous administrative expense) and also may include a profit factor.
Reinstatement premium.....	The premium charged for the restoration of the reinsurance limit of a catastrophe contract to its full amount after payment by the reinsurer of losses as a result of an occurrence.
Reinsurance.....	An arrangement in which an insurance company, the reinsurer, agrees to indemnify another insurance or reinsurance company, the ceding company, against all or a portion of the insurance or reinsurance risks underwritten by the ceding company under one or more policies. Reinsurance can provide a ceding company with several benefits, including a reduction in net liability on individual risks and catastrophe protection from large or multiple losses. Reinsurance also provides a ceding company with additional underwriting capacity by permitting it to accept larger risks and write more business than would be possible without a concomitant increase in capital and surplus, and facilitates the maintenance of acceptable financial ratios by the ceding company. Reinsurance does not legally discharge the primary insurer from its liability with respect to its obligations to the insured.
Retention.....	The amount or portion of risk that an insurer retains for its own account. Losses in excess of the retention level are paid by the reinsurer. In proportional treaties, the retention may be a percentage of the original policy's limit. In excess of loss business, the retention is a dollar amount of loss, a loss ratio or a percentage.
Retrocessional Reinsurance; Retrocessionaire.....	A transaction whereby a reinsurer cedes to another reinsurer, the retrocessionaire, all or part of the reinsurance that the first reinsurer has assumed. Retrocessional reinsurance does not legally discharge the ceding reinsurer from its liability with respect to its obligations to the reinsured. Reinsurance companies cede risks to

retrocessionaires for reasons similar to those that cause primary insurers to purchase reinsurance: to reduce net liability on individual risks, to protect against catastrophic losses, to stabilize financial



ratios and to obtain additional underwriting capacity.

Risk excess of loss

reinsurance..... A form of excess of loss reinsurance that covers a loss of the reinsured on a single "risk" in excess of its retention level of the type reinsured, rather than to aggregate losses for all covered risks, as does catastrophe excess of loss reinsurance. A "risk" in this context might mean the insurance coverage on one building or a group of buildings or the insurance coverage under a single policy, which the reinsured treats as a single risk.

Underwriting..... The insurer's or reinsurer's process of reviewing applications submitted for insurance coverage, deciding whether to accept all or part of the coverage requested and determining the applicable premiums.

Underwriting capacity..... The maximum amount that an insurance company can underwrite. The limit is generally determined by the company's retained earnings and investment capital. Reinsurance serves to increase a company's underwriting capacity by reducing its exposure from particular risks.

Underwriting expenses..... The aggregate of policy acquisition costs, including commissions, and the portion of administrative, general and other expenses attributable to underwriting operations.

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders of RenaissanceRe Holdings Ltd.

We have audited the accompanying consolidated balance sheets of RenaissanceRe Holdings Ltd. and Subsidiaries as of December 31, 1996 and 1995 and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of RenaissanceRe Holdings Ltd. and Subsidiaries as of December 31, 1996 and

1995 and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1996 in conformity with accounting principles generally accepted in the United States.

Ernst & Young

Hamilton, Bermuda  
January 15, 1997

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

<TABLE>			
<CAPTION>			
AT DECEMBER 31,			
(EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS, EXCEPT PER	1996	1995	
SHARE AMOUNTS)	-----	-----	
<S>	<C>	<C>	
ASSETS			
Investments available for sale, at fair value (amortized cost			
\$601,907 and \$521,149, at December 31, 1996 and 1995,			
respectively) (Note 3).....	\$603,484	\$523,848	
Short-term investments (Note 3).....	--	4,988	
Cash and cash equivalents.....	198,982	139,163	
Reinsurance premiums receivable.....	56,685	62,773	
Ceded reinsurance balances.....	19,783	2,027	
Accrued investment income.....	13,913	14,851	
Deferred acquisition costs.....	6,819	6,163	
Other assets.....	5,098	3,247	
	-----	-----	
TOTAL ASSETS.....	\$904,764	\$757,060	
	=====	=====	
LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Reserve for claims and claim adjustment expenses (Note 5)....	\$105,421	\$100,445	
Reserve for unearned premiums.....	65,617	60,444	
Bank loan (Note 6).....	150,000	100,000	
Reinsurance balances payable.....	18,072	7,254	
Other.....	4,215	2,581	
	-----	-----	
TOTAL LIABILITIES.....	343,325	270,724	
	-----	-----	
MINORITY INTERESTS.....	15,236	--	
	-----	-----	
COMMITMENTS AND CONTINGENCIES (NOTE 15)			
SHAREHOLDERS' EQUITY (NOTES 7 AND 9)			
Common Shares: \$1 par value-authorized 200,000,000 shares			
issued and outstanding at December 31, 1996--23,530,616			
shares (1995--25,605,000 shares).....	23,531	25,605	
Additional paid-in capital.....	102,902	174,370	
Loans to officers and employees (Note 13).....	(3,868)	(2,728)	
Net unrealized appreciation on investments (Note 3).....	1,577	2,699	
Retained earnings.....	422,061	286,390	
	-----	-----	
TOTAL SHAREHOLDERS' EQUITY.....	546,203	486,336	
	-----	-----	
TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS'			
EQUITY.....	\$904,764	\$757,060	
	=====	=====	
BOOK VALUE PER COMMON SHARE.....	\$ 23.21	\$ 18.99	
	=====	=====	
</TABLE>			

See accompanying notes to the consolidated financial statements.

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31,			
<TABLE>			
<CAPTION>			
(EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS,	1996	1995	1994
EXCEPT PER SHARE AMOUNTS)	-----	-----	-----
<S>	<C>	<C>	<C>
REVENUES:			
Gross premiums written.....	\$269,913	\$292,607	\$273,481
	-----	-----	-----
Net premiums written.....	\$251,564	\$289,928	\$269,954

Decrease (increase) in unearned premium.....	1,264	(1,042)	(27,192)
Net premiums earned.....	252,828	288,886	242,762
Net investment income (Note 3).....	44,170	32,320	14,942
Foreign exchange gains.....	789	3,045	3,001
Net realized gains (losses) on sale of investments (Note 3).....	(2,938)	2,315	246
Other insurance fees.....	--	--	441
TOTAL REVENUES.....	294,849	326,566	261,392
EXPENSES:			
Claims and claim expenses incurred (Note 5).....	86,945	110,555	114,095
Acquisition costs.....	26,162	29,286	25,653
Operational expenses.....	16,731	10,448	9,725
Corporate expenses.....	2,298	4,531	2,429
Interest expense.....	6,553	6,424	192
TOTAL EXPENSES.....	138,689	161,244	152,094
Income before income taxes.....	156,160	165,322	109,298
Income tax expense (Note 10).....	--	--	--
Net income.....	156,160	165,322	109,298
Net income allocable to Series B Preference Shares.....	--	2,536	12,879
Net income available to Common Shareholders.....	\$156,160	\$162,786	\$ 96,419
NET INCOME PER COMMON SHARE.....	\$ 6.01	\$ 6.75	\$ 4.24

</TABLE>

See accompanying notes to the consolidated financial statements.

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

<TABLE>

<CAPTION>

YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994 (EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS) <S>	SERIES A PREFERENCE SHARES ----- <C>	COMMON SHARES ----- <C>	ADDITIONAL PAID-IN CAPITAL ----- <C>	LOANS TO OFFICERS AND EMPLOYEES ----- <C>	NET UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS ----- <C>	RETAINED EARNINGS ----- <C>	TOTAL SHAREHOLDERS' EQUITY ----- <C>
BALANCE, DECEMBER 31, 1993.....	\$ 141,200	\$ 1	--	--	\$ (11)	\$ 31,281	\$172,471
Net income.....	--	--	--	--	--	109,298	109,298
Income allocated to Series B Preference Shares.....	--	--	--	--	--	(12,879)	(12,879)
Net unrealized depreciation of investments.....	--	--	--	--	(3,643)	--	(3,643)
BALANCE, DECEMBER 31, 1994.....	141,200	1	--	--	(3,654)	127,700	265,247
Net income.....	--	--	--	--	--	165,322	165,322
Income allocated to Series B Preference Shares.....	--	--	--	--	--	(2,536)	(2,536)
Net unrealized appreciation of investments.....	--	--	--	--	6,353	--	6,353
Conversion of Series A Preference Shares.....	(141,200)	14,025	\$127,175	--	--	--	--
Exercise of options, share grants and related items.....	--	974	3,506	--	--	--	4,480
Stock dividend to Common Shareholders.....	--	7,500	(7,500)	--	--	--	--
Issuance of Common Shares.....	--	3,105	51,189	--	--	--	54,294
Loans to officers and employees.....	--	--	--	\$ (2,728)	--	--	(2,728)
Dividends declared and paid to Common							

Shareholders (Note 9)...	--	--	--	--	--	(4,096)	(4,096)
BALANCE, DECEMBER 31, 1995.....	--	25,605	174,370	(2,728)	2,699	286,390	486,336
Net income.....	--	--	--	--	--	156,160	156,160
Net unrealized depreciation of investments.....	--	--	--	--	(1,122)	--	(1,122)
Repurchase of Common Shares.....	--	(2,085)	(71,375)	--	--	--	(73,460)
Exercise of options and related items.....	--	11	(93)	--	--	--	(82)
Dividends declared and paid to Common Shareholders (Note 9)...	--	--	--	--	--	(20,489)	(20,489)
Loans to officers and employees.....	--	--	--	(1,140)	--	--	(1,140)
BALANCE, DECEMBER 31, 1996.....	\$ --	\$23,531	\$102,902	\$ (3,868)	\$ 1,577	\$422,061	\$546,203
	=====	=====	=====	=====	=====	=====	=====

</TABLE>

See accompanying notes to the consolidated financial statements.

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>			
<CAPTION>			
YEARS ENDED DECEMBER 31, (EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS)	1996	1995	1994
<S>	<C>	<C>	<C>
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:			
Net income.....	\$ 156,160	\$ 165,322	\$ 109,298
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization.....	296	548	511
Realized loss (gain) on sale of investments, net.....	2,938	(2,315)	(246)
Minority share of income.....	110	--	--
Reinsurance balances, net.....	16,906	(5,440)	(22,840)
Ceded reinsurance balances.....	(17,756)	(1,293)	(734)
Accrued investment income.....	938	(6,117)	(7,286)
Reserve for unearned premiums.....	5,173	1,043	27,926
Reserve for claims and claim adjustment expenses.....	4,976	37,177	62,286
Non-cash compensation and other (income) charges.....	(354)	3,480	750
Other, net.....	5,430	2,802	3,036
NET CASH PROVIDED BY OPERATING ACTIVITIES....	174,817	195,207	172,701
CASH FLOWS APPLIED TO INVESTING ACTIVITIES:			
Proceeds from maturities and sales of investments.....	317,582	268,575	118,759
Purchase of investments available for sale...	(404,888)	(579,764)	(201,218)
Net sales (purchases) of short-term investments.....	4,988	72,547	(71,542)
Purchase of furniture and equipment.....	(2,989)	(349)	(371)
Proceeds from sale of minority interest in Glencoe.....	15,126	--	--
NET CASH APPLIED TO INVESTING ACTIVITIES....	(70,181)	(238,991)	(154,372)
CASH FLOWS PROVIDED BY (APPLIED TO) FINANCING ACTIVITIES:			
Repurchase of Common Shares.....	(73,460)	--	--
Proceeds from issue of Common Shares.....	--	54,496	--
Net proceeds from bank loan.....	50,000	40,000	60,000
Redemption of Series B 15% Cumulative Redeemable Voting Preference Shares.....	--	(57,874)	(57,541)
Proceeds of Series B 15% Cumulative Redeemable Voting Preference Shares.....	--	--	100,000
Dividends paid.....	(20,489)	(4,096)	--
Loans to officers and employees.....	(868)	(2,728)	--
Deferred registration costs.....	--	--	(767)
Proceeds from exercise of options.....	--	100	--

NET CASH PROVIDED BY (APPLIED TO) FINANCING ACTIVITIES.....	(44,817)	29,898	101,692
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	59,819	(13,886)	120,021
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	139,163	153,049	33,028
CASH AND CASH EQUIVALENTS, END OF YEAR.....	\$ 198,982	\$ 139,163	\$ 153,049

</TABLE>

See accompanying notes to the consolidated financial statements.

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# RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1. ORGANIZATION

RenaissanceRe Holdings Ltd. ("RenaissanceRe"), formerly Renaissance Holdings Ltd., was formed under the laws of Bermuda on June 7, 1993 and serves as the holding company for its wholly-owned subsidiary, Renaissance Reinsurance Ltd. ("Renaissance Reinsurance") and its majority-owned subsidiary, Glencoe Insurance Ltd. ("Glencoe"), both of which are also incorporated under the laws of Bermuda.

Renaissance Reinsurance primarily provides property catastrophe reinsurance coverage to insurers and reinsurers on a worldwide basis. Renaissance Reinsurance commenced its reinsurance underwriting operations on June 15, 1993. Glencoe primarily provides catastrophe exposed property coverage on an insurance and reinsurance basis. Glencoe commenced its insurance underwriting operations on January 2, 1996.

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The consolidated financial statements have been prepared on the basis of United States generally accepted accounting principles ("GAAP") and include the accounts of RenaissanceRe and its subsidiaries, Renaissance Reinsurance and Glencoe. RenaissanceRe, Renaissance Reinsurance and Glencoe are collectively referred to herein as the "Company." All intercompany transactions and balances have been eliminated on consolidation. Minority interests represent the interests of external parties in respect of net income and shareholders' equity of Glencoe. Certain comparative information has been reclassified to conform to current presentation.

#### Use of estimates in financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Premium revenues and related expenses

Premiums are recognized as income, net of any applicable retrocessional coverage, over the terms of the related contracts and policies. Premiums written are estimated based on information received from ceding companies and any subsequent differences arising on such estimates are recorded in the period in which they are determined. Unearned premium reserves represent the portion of premiums written that relate to the unexpired terms of contracts and policies in force. Such reserves are computed by pro rata methods based on statistical data or reports received from ceding companies.

Acquisition costs, consisting principally of commissions and brokerage expenses incurred at the time a contract or policy is issued, are deferred and amortized over the period in which the related premiums are earned. Deferred policy acquisition costs are limited to their estimated realizable value based on the related unearned premiums. Anticipated claims and claim adjustment expenses, based on historical and current experience, and anticipated investment income related to those premiums are considered in determining the recoverability of deferred acquisition costs.

#### Claims and claim adjustment expenses

The reserve for claims and claim adjustment expenses includes estimates for unpaid claims and claim adjustment expenses on reported losses as well as an estimate of losses incurred but not reported. The reserve is based on reports

and individual case estimates received from ceding companies as well as management estimates of ultimate losses. Inherent in the estimates of ultimate losses are expected trends in claim severity and frequency and other factors which could vary significantly as claims are settled. Accordingly, ultimate losses may vary materially from the amounts provided in the financial statements. These estimates are reviewed regularly and, as experience develops and new information becomes known, the reserves are adjusted as necessary. Such adjustments, if any, are reflected in results of operations in the period in which they become known and are accounted for as changes in estimates.

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## RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

#### Investments

Fixed maturity investments are considered available for sale and are reported at fair value. The net unrealized appreciation or depreciation on investments available for sale is included as a separate component of shareholders' equity. Investment transactions are recorded on the trade date with balances pending settlement reflected separately in the balance sheet. Short-term investments, which have a maturity of one year or less when purchased, are carried at cost, which approximates fair value.

Realized gains or losses on the sale or maturity of investments are determined on the basis of the specific identification method. Investments which are considered to have permanently declined in value are written down to estimated realizable values. Net investment income, consisting of interest, net of investment expenses, is recognized when earned. The amortization of premium and accretion of discount for fixed maturity securities is computed utilizing the interest method. The effective yield utilized in the interest method is adjusted when sufficient information exists to estimate the probability and timing of prepayments. Fair values of investments are based on quoted market prices, or when necessary, based on the market value of securities with similar terms and quality.

#### Fair value of financial instruments

Fair value disclosures with respect to certain financial instruments are included separately herein where appropriate. The carrying values of other financial instruments, including the bank loan payable, reinsurance premiums receivable and accrued investment income, approximate their fair value due to the short-term nature of the balances.

#### Earnings per share

Earnings per share was calculated by dividing net income available to Common Shareholders by weighted average common and common equivalent shares outstanding. For the years ended December 31, 1996, 1995, and 1994, weighted average common and common equivalent shares outstanding were 26.0 million, 24.1 million, and 22.8 million, respectively. Weighted average shares for the years ended December 31, 1996, 1995, and 1994 included 25.5 million, 23.8 million and 22.5 million weighted average Common Shares outstanding, respectively. Common equivalent shares are calculated on the basis of the treasury stock method.

#### Foreign exchange

The Company's functional currency is the United States dollar. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates in effect at the balance sheet date. Revenues and expenses denominated in foreign currencies are translated at the prevailing exchange rate at the transaction date. Exchange gains and losses are included in the determination of net income.

#### Cash and cash equivalents

For the purposes of the statements of cash flows, cash equivalents include money market instruments with an original maturity of ninety days or less.

#### Stock incentive compensation plans

The Company has elected to follow Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25") and related interpretations in accounting for its employee stock options. The alternative fair value accounting provided for under Statement of Financial Accounting Standards No. 123 ("FAS 123") requires the use of option valuation models that were not developed for use in valuing employee stock options. It is the opinion of management that disclosure of the pro forma impact of fair values, if material, provides a more relevant and informative presentation of the impact of stock options issued to employees than financial statement recognition of such amounts. Under APB 25, the Company recognizes compensation expense for stock option grants to the extent that the fair value of the stock

exceeds the stock option exercise price at the date of grant.

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

NOTE 3. INVESTMENTS

The amortized cost, fair value and related unrealized gains and losses on investments available for sale are as follows:

<TABLE>

<CAPTION>

DECEMBER 31, 1996 (AMOUNTS EXPRESSED IN THOUSANDS OF U.S. DOLLARS)	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	FAIR VALUE
<S>	<C>	<C>	<C>	<C>
Non-U.S. sovereign government bonds.....	\$239,019	\$1,338	\$ (1,001)	\$239,356
Non-U.S. corporate bonds.....	328,398	2,110	(933)	329,575
Non-U.S. mortgage-backed securities.....	34,490	63	--	34,553
	\$601,907	\$3,511	\$ (1,934)	\$603,484
	=====	=====	=====	=====

<CAPTION>

DECEMBER 31, 1995 (AMOUNTS EXPRESSED IN THOUSANDS OF U.S. DOLLARS)	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	FAIR VALUE
<S>	<C>	<C>	<C>	<C>
Non-U.S. sovereign government bonds.....	\$200,037	\$3,079	\$ (1,162)	\$201,954
Non-U.S. corporate bonds.....	298,683	3,233	(2,410)	299,506
Non-U.S. mortgage-backed securities.....	22,429	20	(61)	22,388
	\$521,149	\$6,332	\$ (3,633)	\$523,848
	=====	=====	=====	=====

</TABLE>

Contractual maturities of fixed maturity securities are shown below. Expected maturities, which are best estimates, will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. All mortgage-backed securities mature within five years.

<TABLE>

<CAPTION>

	DECEMBER 31, 1996	
(AMOUNTS EXPRESSED IN THOUSANDS OF U.S. DOLLARS)	AMORTIZED COST	FAIR VALUE
<S>	<C>	<C>
Due within one year.....	\$ 56,174	\$ 56,043
Due after one through five years.....	455,999	457,105
Due after five through ten years.....	89,734	90,336
	\$601,907	\$603,484
	=====	=====

</TABLE>

The weighted average contractual maturity of the total carrying value of fixed maturity investments available for sale as of December 31, 1996 and 1995 was 3.7 years and 4.2 years, respectively.

The following table summarizes the composition of the fair value of the fixed maturity portfolio by ratings assigned by rating agencies (e.g. Standard & Poor's Corporation) or, with respect to non-rated issues, as estimated by the Company's investment managers.

<TABLE>

<CAPTION>

	AT DECEMBER 31,	
	1996	1995
<S>	<C>	<C>
AAA.....	28.1%	39.5%
AA.....	50.1	41.6
A.....	20.2	15.3

BBB.....	1.6	3.6
	-----	-----
	100.0%	100.0%
	=====	=====

</TABLE>

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# RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

### Investment income

The components of net investment income are as follows:

<TABLE>

<CAPTION>

	YEARS ENDED DECEMBER 31,		
	1996	1995	1994
(AMOUNTS EXPRESSED IN THOUSANDS OF U.S. DOLLARS)			
<S>	<C>	<C>	<C>
Fixed maturities.....	\$36,225	\$25,936	\$10,205
Short-term investments.....	53	2,974	3,986
Cash and cash equivalents.....	9,460	5,122	1,846
	-----	-----	-----
Investment expenses.....	45,738	34,032	16,037
	1,568	1,712	1,095
	-----	-----	-----
NET INVESTMENT INCOME.....	\$44,170	\$32,320	\$14,942
	=====	=====	=====

</TABLE>

The analysis of realized gains (losses) and the change in unrealized gains (losses) on investments is as follows:

<TABLE>

<CAPTION>

	YEARS ENDED DECEMBER 31,		
	1996	1995	1994
(AMOUNTS EXPRESSED IN THOUSANDS OF U.S. DOLLARS)			
<S>	<C>	<C>	<C>
Gross realized gains.....	\$ 1,240	\$2,488	\$ 666
Gross realized losses.....	(4,178)	(173)	(420)
	-----	-----	-----
Net realized gains (losses) on sale of investments.....	(2,938)	2,315	246
Unrealized gains (losses).....	(1,122)	6,353	(3,643)
	-----	-----	-----
TOTAL REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS.....	\$ (4,060)	\$8,668	\$ (3,397)
	=====	=====	=====

</TABLE>

Proceeds from maturities and sales of fixed maturity investments were \$317.6 million, \$268.6 million and \$118.8 million for the years ended December 31, 1996, 1995 and 1994, respectively.

The Company's investments are primarily invested in U.S. dollar denominated foreign investments. At December 31, 1996, the Company's investments in cash and cash equivalents included \$25.3 million of investments in non-U.S. dollar currencies, representing approximately 3.2% of invested assets. At December 31, 1995, cash and cash equivalents included \$29.5 million of investments in non-U.S. dollar currencies, representing approximately 4.4% of invested assets.

### NOTE 4. CEDED REINSURANCE

The Company utilizes reinsurance to reduce its exposure to large losses in peak zones. The Company currently has in place contracts that provide for recovery of a portion of certain claims and claim expenses from reinsurers in excess of various retentions and loss warranties. If reinsurers are unable to meet their obligations under the agreements, the Company would remain liable to the extent that any reinsurance company fails to meet its obligation. To date, there have been no losses reported to indicate that the Company's reinsurance coverage will be reached, and there are no amounts recoverable for claims and claim expenses from reinsurers.

### NOTE 5. LIABILITY FOR UNPAID CLAIMS AND CLAIM ADJUSTMENT EXPENSES

Estimates of claims and claim adjustment expenses are based in part upon the



prediction of claims resulting from catastrophic events. Estimation by the Company of claims resulting from catastrophic events based upon its own historical claim experience is inherently difficult because of the Company's short operating history and the severity of property catastrophe claims. Therefore, the Company utilizes both proprietary and commercially available models, as well as historical reinsurance industry property catastrophe claims experience, for purposes of evaluating future trends and providing an estimate of ultimate claims costs. As the Company's book of

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RENAISSANCE HOLDINGS LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

business matures and property catastrophe claims data improves, the Company anticipates that its process of establishing reserves may improve and may result in more refined estimates of claims and claim adjustment expenses.

Activity in the liability for unpaid claims and claim adjustment expense is summarized as follows:

<TABLE>

<CAPTION>

	YEARS ENDED DECEMBER 31,		
	1996	1995	1994
(AMOUNTS EXPRESSED IN THOUSANDS OF U.S. DOLLARS)			
<S>	<C>	<C>	<C>
Balance as of January 1.....	\$100,445	\$ 63,268	\$ 982
Incurred related to:			
Current year.....	74,809	80,939	114,095
Prior years.....	11,827	29,616	--
Total incurred.....	86,636	110,555	114,095
Paid related to:			
Current year.....	26,415	29,253	51,809
Prior years.....	55,554	44,125	--
Total paid.....	81,969	73,378	51,809
Effect of foreign exchange.....	309	--	--
BALANCE AS OF DECEMBER 31.....	\$105,421	\$100,445	\$63,268

</TABLE>

During 1996, the Company incurred \$11.8 million of claims and claim expenses for 1995 and prior periods primarily as a result of reserve increases for claims related to the Northridge, California earthquake and a retrocessional quota share contract. The additional development on both of these claims was partially offset by additional premiums received under the reinsured contracts. During 1995, the Company incurred \$29.6 million of claims and claim expenses for 1994 and prior periods primarily as a result of reserve increases for claims related to the Northridge, California earthquake, reserve changes related to a retrocessional quota share contract and a large industrial catastrophe that occurred late in 1994. The additional development on these claims was partially offset by additional premiums received under the reinsured contracts. The Company's total reserve for incurred but not reported claims was \$42.7 million at the end of 1996 compared to \$29.1 million at the end of 1995.

NOTE 6. BANK LOAN PAYABLE

On December 12, 1996, the Company amended and restated its Revolving Credit Facility with a syndicate of commercial banks. The amended and restated credit facility provides for the borrowing of up to \$200 million on terms generally extended to prime borrowers, at an interest rate, at the Company's option, of either the base rate of the lead bank or the LIBOR rate plus a spread ranging from 25 to 50 basis points. The full amount of the Revolving Credit Facility is available until December 1, 1999 with two optional one year extensions, if requested by the Company and approved by the lenders. As of December 31, 1996, \$150 million was outstanding under this agreement.

The credit agreement limits the payment of dividends by the Company to the amount by which the Company's total shareholders' equity exceeds \$300 million and requires, among other things, that various financial maintenance tests be met over the term of the agreement.

Interest payments on the Company's credit facility totaled \$6.9 million, \$5.8 million and \$0.1 million for the years ended December 31, 1996, 1995 and 1994 respectively.

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## NOTE 7. SHAREHOLDERS' EQUITY

The Company's 200,000,000 authorized \$1.00 par value Common Shares consists of three separate series with differing voting rights as follows:

&lt;TABLE&gt;

&lt;CAPTION&gt;

	AUTHORIZED	ISSUED AND OUTSTANDING
<S>	<C>	<C>
Full Voting Common Shares (the Common Shares) (includes all shares registered and available to the public).....	181,570,583	17,877,316
Diluted Voting Class I Common Shares (the Diluted Voting I Shares).....	16,789,776	4,199,191
Diluted Voting Class II Common Shares (the Diluted Voting II Shares).....	1,639,641	1,454,109
	200,000,000	23,530,616
	=====	=====

&lt;/TABLE&gt;

The Diluted Voting I Shares and the Diluted Voting II Shares (together the Diluted Voting Shares) were authorized at a special general meeting of shareholders on December 23, 1996 and subsequent to the authorization, affiliates of General Electric Investment Corporation (GEI) exchanged 5.7 million Common Shares for 4.2 million Diluted Voting I Shares and 1.5 million Diluted Voting II Shares, and as such are the sole holders of such diluted voting securities.

The Diluted Voting Shareholders vote together with the Common Shareholders. The Diluted Voting I Shares are limited to a fixed voting interest in the Company of up to 9.9 percent. Each Diluted Voting II Share has a one-third vote on most corporate matters. The Diluted Voting Shareholders are entitled to the same rights, including receipt of dividends and the right to vote on certain significant corporate matters, and are subject to the same restrictions as the Common Shareholders. The Company currently does not intend to register or list the Diluted Voting Shares on The New York Stock Exchange.

On December 13, 1996, the Board of Directors approved a Capital Plan which is comprised of two components. First, the Company purchased an aggregate of 2,085,361 Common Shares at \$34.50 per share for an aggregate price of \$71.9 million on a pro rata basis from its founding institutional investors. Second, the Company commenced a tender offer for 813,190 Common Shares at \$34.50 per share for an aggregate price of \$28.1 million. The two transactions that comprise the capital plan are expected to return a total of \$100 million to shareholders through the repurchase and cancellation of Common Shares.

In February 1996, the Company paid for the costs of a secondary offering of the Company's Common Shares sold by the founding institutional investors pursuant to the registration rights agreement by and among the Company, the founding institutional investors and certain officers and employees of the Company. The Company incurred costs of \$0.5 million with respect to the registration of shares which is reflected as a reduction to additional paid-in capital on the balance sheet.

On July 26, 1995, the Company issued 3,105,000 Common Shares for proceeds, net of fees, discounts and commissions, of approximately \$56.3 million in an initial public offering (the IPO). Costs associated with the IPO, totaling approximately \$2.0 million were deducted from the related proceeds. The net amount received in excess of Common Share par value was recorded as additional paid-in capital.

In March 1995, the Company adopted a plan of recapitalization (the Recapitalization) and completed certain other transactions designed to produce a capital structure comprised entirely of Common Shares. In connection therewith:

- . The Company effected a consolidation and subdivision of its authorized share capital allocated to Common Shares of U.S. \$1.00 par value each and reallocated the entire \$200 million authorized capital of the Company to its Common Shares. The Company issued a stock dividend of one fully-paid Common Share for each two issued and outstanding Common Shares (the

"Stock Dividend"). This issuance reclassified \$7.5 million to the Company's Common Shares from additional paid-in capital.

- . The Series A Preference Shares were converted into 21,037,500 Common Shares.
- . 673,500 Common Shares were issued to USF&G in the form of a stock dividend. 575,584 of such shares were issued to restore USF&G's economic position in the Company (i.e., ownership percentage) to the level immediately preceding the Recapitalization. 99,416 of such shares were granted in the form of a special stock dividend, in exchange for USF&G's surrender of certain rights as holder of all the then-outstanding Common Shares in connection with conversion of the Series A Preference Shares. In connection with the 99,416 shares granted, the approximately \$1.2 million fair value of such shares, as determined by the Company's Board of Directors, has been reflected in the financial statements as a non-cash organizational expense for the year ended December 31, 1995.

In May, 1994 the Company received \$100 million with respect to the issuance of 1,000,000 Series B Preference Shares at a price of U.S. \$100 each to the founding institutional investors. Dividends related to the Series B Preference Shares amounted to \$2.5 million and \$12.9 million in 1995 and 1994, respectively. In December, 1994 the Company redeemed 575,414 Series B Preference Shares, and in April 1995 all remaining Series B Preference Shares and accumulated dividends were redeemed.

#### NOTE 8. RELATED PARTY TRANSACTIONS AND MAJOR CUSTOMERS

The Company has in force several treaties with USF&G, subsidiaries of USF&G and affiliates of GEI covering property catastrophe risks in several geographic zones. The terms of these treaties were determined in arms-length negotiations and the Company believes that such terms are comparable to terms the Company would expect to negotiate in similar transactions with unrelated parties. For the years ended December 31, 1996, 1995 and 1994, the Company received \$27.9 million, \$45.7 million and \$28.1 million in reinsurance premiums and deposits related to these treaties, respectively.

Renaissance Reinsurance has entered into Investment Advisory Agreements with each of Warburg, Pincus Investment Counsellors, Inc., ("Counsellors"), an affiliate of E.M. Warburg, Pincus & Co., LLC and GE Investment Management, an affiliate of GEI. Counsellors and GE Investment Management currently each manage approximately 40% of Renaissance Reinsurance's investment portfolio, subject to Renaissance Reinsurance's investment guidelines. The terms of the Investment Advisory Agreements were determined in arms-length negotiations. The performance of, and the fees paid to, Counsellors and GE Investment Management under the Investment Advisory Agreements are reviewed periodically by the Board. Such fees paid to Counsellors and GE Investment Management aggregated \$0.5 million and \$0.6 million, respectively for the year ended December 31, 1996, respectively.

During the years ended December 31, 1996, 1995 and 1994, the Company received 58.5%, 47.9%, and 53.9%, respectively, of its premium assumed from its five largest reinsurance brokers. Subsidiaries and affiliates of Marsh & McLennan, Incorporated, E. W. Blanch Co., Inc., Greig Fester Limited, Alexander Howden Reinsurance Brokers, Ltd. and Bates, Turner Inc. (a GE Capital Services Company, an affiliate of GEI) accounted for approximately 15.2%, 14.9%, 11.5%, 10.1% and 6.8%, respectively, of the Company's net premiums written in 1996.

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#### RENAISSANCE HOLDINGS LTD. AND SUBSIDIARIES

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

#### NOTE 9. DIVIDENDS

During 1996, four regular quarterly dividends of \$0.20 per share were paid to shareholders of record as of February 20, May 16, August 20, and November 19. During 1995 the Company paid a dividend of \$0.16 per share, payable to shareholders of record as of November 21. The total amount of dividends paid in 1996 and 1995 were \$20.5 million and \$4.1 million, respectively.

#### NOTE 10. TAXATION

Under current Bermuda law, neither RenaissanceRe, Renaissance Reinsurance nor Glencoe are required to pay taxes in Bermuda on either income or capital gains.

#### NOTE 11. SEGMENT INFORMATION

Financial information relating to gross premiums assumed from ceding companies by geographic area is as follows:

<TABLE>

<CAPTION>

	YEARS ENDED DECEMBER 31,		
	1996	1995	1994
(AMOUNTS EXPRESSED IN THOUSANDS OF U.S. DOLLARS)			
<S>	<C>	<C>	<C>
United States.....	\$126,611	\$144,077	\$129,246
Worldwide.....	44,460	59,137	50,805
Worldwide (excluding U.S.).....	38,746	41,311	38,534
Europe (including the United Kingdom).....	31,534	25,365	26,062
Other.....	18,958	11,720	19,200
Australia and New Zealand.....	9,604	10,997	9,634
TOTAL GROSS PREMIUMS WRITTEN.....	\$269,913	\$292,607	\$273,481
	=====	=====	=====

</TABLE>

The category "Worldwide (excluding U.S.)" consists of contracts that cover more than one geographic zone (other than the U.S.). The exposure in this category for gross premiums written to date is predominantly from Europe and Japan.

#### NOTE 12. EMPLOYEE BENEFIT PLANS

The Company's employees that are not subject to U.S. taxation may participate in a contributory savings and investment plan. Each employee in the non-U.S. plan may contribute to the plan. Employee contributions are matched at a rate of 100 percent of the first six percent of compensation contributed to the plan.

The Company's employees that are subject to U.S. taxation participate in a defined contribution savings and investment plan. Employee contributions are matched at a rate of 50 percent, subject to IRS and ERISA regulations. In addition the Company provides a health benefit plan providing hospital, medical and other health benefits.

#### NOTE 13. STOCK INCENTIVE COMPENSATION PLANS

The Company adopted the disclosure-only option under FAS 123, as of December 31, 1996. The pro forma impacts of the fair value accounting provisions of FAS 123 were immaterial on 1996 and 1995 net income.

The Company has a stock option plan under which all employees of the Company and its subsidiaries may be granted stock options. A stock option award under the Company's stock option plan allows for the purchase of the Company's Common Shares at a price that is generally equal to the market price of the Common Shares on the date of grant. Options to purchase Common Shares are granted periodically by the Board of Directors and generally expire ten years from the date of grant.

Information with respect to stock options follows:

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#### RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-- (CONTINUED)

<TABLE>

<CAPTION>

	OPTIONS AVAILABLE FOR GRANT	OPTIONS OUTSTANDING	WEIGHTED AVERAGE EXERCISE PRICE
<S>	<C>	<C>	<C>
Balance, December 31, 1994.....	--	100,000	\$ 1.00
Authorized.....	2,900,000		
Options granted:			
Exercise price at market price.....	(877,650)	877,650	\$13.43
Exercise price below market price.....	(24,000)	24,000	\$19.50
Options exercised.....		(100,000)	\$ 1.00
Balance, December 31, 1995.....	1,998,350	901,650	\$13.59
Options granted:			
Exercise price at market price.....	(424,349)	424,349	\$29.41
Options exercised.....		(28,738)	\$14.91
Balance, December 31, 1996.....	1,574,001	1,297,261	\$18.74
TOTAL OPTIONS EXERCISABLE AT END OF YEAR.....		470,650	
		=====	

</TABLE>

In 1996, the Company established a Non-Employee Director Stock Plan to issue stock options and shares of restricted stock. The maximum number of shares which may be issued under the Plan shall not exceed 100,000 Common Shares. Under this plan, 6,000 options to purchase Common Shares and 546 restricted Common Shares were issued in 1996.

Under the Company's 1993 Stock Incentive Plan, options for 100,000 Common Shares (base options) were issued to employees. The exercise price of the base options was one U.S. dollar per share, which approximated fair value at the date of grant for 85,000 of the base options. The remaining 15,000 base options were granted when the exercise price of one U.S. dollar per share was below estimated fair value per share, and, as such, the difference of approximately \$1 million between the estimated \$11.83 per share fair value at the date of grant, as determined by the Company's Board of Directors and the \$1.00 exercise price was reflected in the accompanying financial statements as a non-cash compensation charge. In connection with the Recapitalization, the base option plan was amended to allow for the immediate exercise of all base options into 787,500 restricted Common Shares with a vesting schedule identical to the original base option plan. In connection with the issuance of the restricted Common Shares in 1995, the \$2.5 million fair value of such shares, based on fair value as determined by the Company's Board of Directors, has been reflected in the financial statements as a non-cash compensation expense.

Compensation expense for these plans in 1995 and 1994 was \$2.8 million and \$0.8 million, respectively. There was no compensation expense related to employee stock option plans in 1996.

In addition, the Company provides certain employees the ability to borrow, at current market rates, such amounts necessary to satisfy the tax obligations on certain stock awards. The loans mature no later than the date that the grants that gave rise to the tax liability expire. All such loans are reflected as a separate component of shareholders' equity.

#### NOTE 14. STATUTORY REQUIREMENTS

Under the Insurance Act, 1978, amendments thereto and related regulations of Bermuda ("The Act"), Renaissance Reinsurance and Glencoe are required to prepare statutory financial statements and to file in Bermuda a statutory financial return. The Act also requires Renaissance Reinsurance and Glencoe to maintain certain measures of solvency and liquidity during the period. As at December 31, 1996 the statutory capital and

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#### RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

surplus of the Company's subsidiaries was \$604.9 million and the amount required to be maintained was \$124.5 million.

Under the Act, Renaissance Reinsurance is classified as a Class 4 insurer, and is therefore restricted to the payment of dividends in the amount of 25% of the prior years statutory capital and surplus, unless the directors of Renaissance Reinsurance attest that a dividend in excess of this amount would not cause Renaissance Reinsurance to fail to meet its relevant margins. During 1996, Renaissance Reinsurance paid aggregate cash dividends of \$135.6 million to RenaissanceRe Holdings Ltd.

#### NOTE 15. COMMITMENTS AND CONTINGENCIES

##### Lease commitments and fixed assets

The Company is finalizing an operating lease with respect to its offices. Future minimum rental payments are expected to approximate \$600,000 per annum and will continue through September 30, 2001. In addition, the Company is party to certain lease commitments with respect to housing on behalf of certain officers of the Company.

##### Financial instruments with off-balance sheet risk

As of December 31, 1996, the Company did not maintain any financial instruments that exposed the Company to any off-balance sheet risks.

##### Concentration of credit risk

None of the Company's investments exceeded 10% of shareholders' equity at December 31, 1996.

##### Letters of credit

Effective as of December 31, 1996 the Company's bankers have issued letters of credit of approximately \$62.1 million in favor of certain ceding companies. The letters of credit are secured by cash and cash equivalents of similar

amounts.

# Employment agreements

The Board of Directors has authorized the execution of employment agreements between the Company and its executive officers for periods up to December 31, 1997. These agreements provide for compensation in the form of salary, bonus, options to purchase shares in the Company, participation in benefit plans and reimbursement of certain expenses.

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## RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

#### NOTE 16. QUARTERLY FINANCIAL RESULTS (UNAUDITED)

(CERTAIN AMOUNTS HAVE BEEN RECLASSIFIED)

<TABLE>

<CAPTION>

(AMOUNTS EXPRESSED IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS)	QUARTER ENDED MARCH 31,		QUARTER ENDED JUNE 30,		QUARTER ENDED SEPTEMBER 30,		QUARTER ENDED DECEMBER 31,	
	1996	1995	1996	1995	1996	1995	1996	1995
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Gross premiums written..	\$140,548	\$156,175	\$39,018	\$40,035	\$73,591	\$81,140	\$16,756	\$15,257
Net premiums written....	\$138,715	\$155,516	\$32,682	\$39,959	\$65,238	\$80,278	\$14,929	\$14,175
Decrease (increase) in unearned premiums.....	(77,016)	(88,930)	29,333	30,364	(1,785)	(2,558)	50,732	60,082
Net premiums earned.....	61,699	66,586	62,015	70,323	63,453	77,720	65,661	74,257
Net investment income...	10,058	7,014	10,256	7,418	12,524	8,768	11,332	9,120
Net foreign exchange gains (losses).....	(94)	1,428	(558)	2,020	266	(716)	1,175	313
Net realized investment gains (losses).....	(617)	566	(1,514)	(40)	(660)	1,164	(147)	625
TOTAL REVENUE.....	71,046	75,594	70,199	79,721	75,583	86,936	78,021	84,315
Claims and claim adjustment expenses....	19,981	20,863	19,336	25,408	26,298	31,947	21,330	32,337
Acquisition costs.....	6,322	6,709	6,090	7,066	6,606	8,259	7,144	7,252
Underwriting costs.....	3,301	2,094	3,837	2,789	4,456	2,650	5,137	2,915
Corporate expenses.....	687	3,875	446	739	307	149	858	(232)
Interest expenses.....	1,584	1,078	1,209	1,594	1,453	1,996	2,307	1,756
TOTAL EXPENSES.....	31,875	34,619	30,918	37,596	39,120	45,001	36,776	44,028
Net income.....	39,171	40,975	39,281	42,125	36,463	41,935	41,245	40,287
Series B dividend.....	--	1,941	--	595	--	--	--	--
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS....	\$ 39,171	\$ 39,034	\$39,281	\$41,530	\$36,463	\$41,935	\$41,245	\$40,287
Earning per share.....	\$ 1.50	\$ 1.72	\$ 1.51	\$ 1.83	\$ 1.40	\$ 1.68	\$ 1.60	\$ 1.55
Weighted average shares.....	26,088	22,750	26,076	22,750	26,084	24,980	25,732	26,054
Claims and claim adjustment expense ratio.....	32.4%	31.4%	31.2%	36.2%	41.5%	41.1%	32.5%	43.5%
Underwriting expense ratio.....	15.6%	13.2%	16.0%	14.1%	17.4%	13.9%	18.7%	13.7%
COMBINED RATIO.....	48.0%	44.6%	47.2%	50.3%	58.9%	55.0%	51.2%	57.2%

</TABLE>

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## RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS (UNITED STATES DOLLARS)

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>

<CAPTION>

AS AT

MARCH 31, DECEMBER 31,

	1997	1996
	(UNAUDITED)	
<S>	<C>	<C>
ASSETS		
Fixed maturities available for sale, as fair value (Amortized cost \$611,452 and \$601,907, at March 31, 1997 and December 31, 1996, respectively).....	\$607,469	\$603,484
Equity securities at market (cost \$23,499).....	23,564	--
	-----	-----
Total Investments.....	631,033	603,484
Cash and cash equivalents.....	166,172	198,982
Premiums receivable.....	104,420	56,685
Ceded reinsurance balances.....	15,850	19,783
Accrued investment income.....	13,612	13,913
Deferred acquisition costs.....	12,956	6,819
Investment balances receivable.....	12,640	--
Other assets.....	5,317	5,098
	-----	-----
Total Assets.....	\$962,000	\$904,764
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Reserve for claims and claim adjustment expenses.....	\$110,138	105,421
Reserve for unearned premiums.....	124,266	65,617
Bank loan.....	50,000	150,000
Reinsurance balances payable.....	15,712	18,072
Other.....	6,208	4,215
	-----	-----
Total liabilities.....	306,324	343,325
	-----	-----
COMPANY OBLIGATED MANDATORILY REDEEMABLE CAPITAL SECURITIES OF A SUBSIDIARY TRUST HOLDING SOLELY JUNIOR SUBORDINATED DEBENTURES OF THE COMPANY (NOTE 5).....	100,000	--
MINORITY INTEREST IN CONSOLIDATED SUBSIDIARY.....	15,340	15,236
SHAREHOLDERS' EQUITY		
Common shares.....	22,877	25,531
Additional paid-in capital.....	73,522	102,902
Loans to officers and employees.....	(3,927)	(3,868)
Net unrealized appreciation (depreciation) on investments.....	(3,918)	1,577
Retained earnings.....	451,782	422,061
	-----	-----
Total shareholders' equity.....	540,336	546,203
	-----	-----
Total liabilities, minority interest, capital securities and shareholders' equity.....	\$962,000	\$904,764
	=====	=====
BOOK VALUE PER COMMON SHARE.....	\$ 23.62	\$ 23.21
	=====	=====
COMMON SHARES OUTSTANDING.....	22,877	23,531
	-----	-----

</TABLE>

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

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(UNITED STATES DOLLARS)  
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)  
(UNAUDITED)

<TABLE>  
<CAPTION>

	THREE MONTHS ENDED	
	MARCH 31, 1997	MARCH 31, 1996
	-----	-----
<S>	<C>	<C>
GROSS PREMIUMS WRITTEN.....	\$120,359	\$140,548
	=====	=====
REVENUES		
Net premiums written.....	\$117,648	\$138,715
Increased in unearned premiums.....	(61,747)	(77,016)
	-----	-----

Net premiums earned.....	55,901	61,699
Net investment income.....	12,125	10,058
Net foreign exchange losses.....	(1,643)	(94)
Net realized gains (losses) on investments.....	166	(617)
	-----	-----
Total revenues.....	66,549	71,046
	-----	-----
EXPENSES		
Claims and claim adjustment expenses incurred.....	14,238	19,981
Acquisition expenses.....	6,378	6,322
Operating expenses.....	5,918	3,301
Corporate expenses.....	1,957	687
Interest expense.....	1,933	1,584
	-----	-----
Total expenses.....	30,424	31,875
	-----	-----
Income before minority interest and taxes.....	36,125	39,171
Minority Interest--Company Obligated Mandatorily Redeemable Capital Securities of a Subsidiary Trust holding solely Junior Subordinated Debentures of the Company (Note 5)....	(545)	--
Minority interest--Glencoe.....	(143)	--
	-----	-----
Income before taxes.....	35,437	39,171
Income tax expense.....	--	--
	-----	-----
Net income.....	\$ 35,437	\$ 39,171
	=====	=====
EARNINGS PER COMMON SHARE.....	\$ 1.52	\$ 1.50
	=====	=====
Weighted average Common Shares and common equivalent shares outstanding.....	23,295	26,088
	=====	=====
Claims and claim expense ratio.....	25.5%	32.4%
Expense ratio.....	22.0%	15.6%
	-----	-----
Combined ratio.....	47.5%	48.0%
	=====	=====

</TABLE>

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

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS  
(UNITED STATES DOLLARS IN THOUSANDS)  
(UNAUDITED)

<TABLE>

<CAPTION>

	THREE MONTHS ENDED	
	MARCH 31,	MARCH 31,
	1997	1996
	-----	-----
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income.....	\$ 35,437	\$ 39,171
ADJUSTMENTS TO RECONCILE NET INCOME TO CASH PROVIDED BY OPERATING ACTIVITIES		
Amortization and depreciation.....	1,331	703
Realized investment (gains) losses.....	(166)	617
Minority share of income.....	143	--
Change in:		
Reinsurance balances, net.....	(50,095)	(54,418)
Ceded reinsurance balances receivable.....	3,933	(2,730)
Deferred acquisition costs.....	(6,137)	(7,516)
Reserve for claims and claim adjustment expenses.....	4,717	4,051
Reserve for unearned premiums.....	58,649	77,015
Other.....	1,227	4,182
	-----	-----
CASH PROVIDED BY OPERATING ACTIVITIES.....	49,039	61,075
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments.....	191,473	79,279
Purchase of investments available for sale.....	(238,051)	(127,645)
	-----	-----
CASH APPLIED TO INVESTING ACTIVITIES.....	(46,578)	(48,366)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of Company Obligated Mandatorily Redeemable Capital Securities of a Subsidiary Trust holding solely Junior Subordinated Debentures of the Company (Note 5).....	98,500	--



Repayment of bank loan.....	(100,000)	(20,000)
Dividends paid.....	(5,716)	(5,121)
Purchase of Common Shares.....	(28,055)	--
	-----	-----
CASH APPLIED TO FINANCING ACTIVITIES.....	(35,271)	(25,121)
	-----	-----
NET DECREASE IN CASH AND CASH EQUIVALENTS.....	(32,810)	(12,412)
CASH AND CASH EQUIVALENTS, BALANCE AT BEGINNING OF PERIOD..	198,982	139,163
	-----	-----
CASH AND CASH EQUIVALENTS, BALANCE AT END OF PERIOD.....	\$166,172	\$126,751
	=====	=====

</TABLE>

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

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# RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (EXPRESSED IN UNITED STATES DOLLARS) (UNAUDITED)

1. The consolidated financial statements have been prepared on the basis of United States generally accepted accounting principles ("GAAP") and include the accounts of RenaissanceRe Holdings Ltd. (the "Company") and its subsidiaries, Renaissance Reinsurance Ltd. ("Renaissance Reinsurance") and Glencoe Insurance Ltd. ("Glencoe"). In the opinion of management, these financial statements reflect all the normal recurring adjustments necessary for a fair presentation of the Company's financial position at March 31, 1997 and December 31, 1996, its results of operations for the three months ended March 31, 1997 and 1996 and cash flows for the three months ended March 31, 1997 and 1996. These consolidated financial statements should be read in conjunction with the 1996 audited consolidated financial statements and related notes thereto. The results of operations for any interim period are not necessarily indicative of results for the full fiscal year.

2. Earnings per common share is calculated by dividing net income available to common shareholders by weighted average common shares and common share equivalents outstanding.

For the quarter ended March 31, 1997 the Company had 23,295,000 weighted average common shares outstanding consisting of 22,862,000 weighted average common shares and 433,000 weighted average common share equivalents issuable pursuant to the Company's stock option plans. For the quarter ended March 31, 1996, the Company had 26,088,000 weighted average common shares outstanding consisting of 25,605,000 weighted average common shares and 483,000 weighted average common share equivalents issuable pursuant to the Company's stock option plans. Total common shares outstanding as at March 31, 1997 and December 31, 1996 were 22,877,000 and 23,531,000, respectively.

3. During the quarter ended March 31, 1997, the Board of Directors of the Company declared, and the Company paid, a dividend of \$0.25 per common share to shareholders of record as of February 19, 1997.

4. In January 1997, the Company purchased for cancellation an aggregate of 813,190 common shares from public shareholders of the Company for an aggregate purchase price of \$28.1 million (the "Tender Offer").

5. On March 7, 1997, the Company completed the sale of \$100 aggregate liquidation amount million of "Company Obligated, Mandatorily Redeemable Capital Securities of Subsidiary Trust holding solely \$103,092,783.51 of the Company's 8.54% Junior Subordinated Debentures due March 1, 2027" (the "Capital Securities") issued by RenaissanceRe Capital Trust (the "Trust"), a newly created Delaware subsidiary business trust of the Company. The Capital Securities pay cumulative cash distributions at an annual rate of 8.54 percent, payable semi-annually commencing September 1, 1997. The gross proceeds from the offering of the Capital Securities were used to repay a portion of the Company's outstanding indebtedness under the Company's revolving credit facility with a syndicate of commercial banks (the "Revolving Credit Facility").

The financial statements of the Trust will be consolidated into the Company's consolidated financial statements with the Capital Securities shown as "Company Obligated, Mandatorily Redeemable Capital Securities of a Subsidiary Trust holding solely Junior Subordinated Debentures of the Company" on the balance sheet. The Trust is a wholly owned subsidiary of the Company.

6. Interest paid was \$1.7 million for the quarter ended March 31, 1997 and \$1.6 million for the same quarter in the previous year.

7. In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard ("SFAS") No. 128, Earnings per Share. SFAS No. 128, simplifies the standards for computing earnings per share ("EPS") previously found in APB Opinion No. 15, Earnings per Share. It

replaces the presentation of primary EPS with a presentation of basic EPS. It also requires dual presentation of basic and

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diluted EPS on the face of the income statement for all entities with complex capital structures. Management does not believe this new pronouncement will materially affect the Company's current disclosures as the Company's capital structure is not considered complex nor is there significant dilution from other securities or contracts to issue common stock.

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

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

<TABLE>  
<CAPTION>

		THREE MONTHS ENDED MARCH 31,	
		1997	1996
		-----	-----
<S>	<C>	<C>	<C>
Basic EPS.....	\$	1.55	\$ 1.53
Diluted EPS.....	\$	1.52	\$ 1.50

</TABLE>

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NO DEALER, SALESPERSON OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER MADE BY THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR BY ANY OF THE UNDERWRITERS. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

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LOGO

3,000,000 SHARES

RENAISSANCERE HOLDINGS LTD.

COMMON SHARES

-----  
PROSPECTUS  
-----

MERRILL LYNCH & CO.

ALEX. BROWN & SONS  
INCORPORATED

LEHMAN BROTHERS

SALOMON BROTHERS INC

JUNE , 1997  
  
-----  
-----

+++++  
+INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A +  
+REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE +  
+SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY +  
+OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT +  
+BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR +  
+THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE +  
+SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE +  
+UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF +  
+ANY SUCH STATE. +  
+++++

[ALTERNATE PAGE FOR INTERNATIONAL PROSPECTUS]

SUBJECT TO COMPLETION

PRELIMINARY PROSPECTUS DATED JUNE 19, 1997

PROSPECTUS

3,000,000 SHARES

RENAISSANCERE HOLDINGS LTD.

COMMON SHARES  
  
-----

Of the 3,000,000 Common Shares of the Company (the "Common Shares") offered hereby, 600,000 shares are being offered outside the United States and Canada by the International Underwriters (the "International Offering") and 2,400,000 shares are being offered concurrently in the United States and Canada by the U.S. Underwriters (the "U.S. Offering"). Such offerings are collectively referred to as the "Offering." The 3,000,000 Common Shares to be sold in the Offering are collectively referred to as the "Shares." The public offering price and underwriting discount per share in the International Offering and the U.S. Offering are identical. See "Underwriting."

All of the Shares offered hereby are being sold by Warburg, Pincus Investors, L.P. ("Warburg"), GE Investment Private Placement Partners I--Insurance, Limited Partnership ("GE Insurance"), PT Investments, Inc. ("PT Investments") and United States Fidelity and Guaranty Company ("USF&G") (collectively, the "Selling Shareholders"). See "Principal and Selling Shareholders" and "Underwriting." The Company will not receive any of the net proceeds from the sale of the Shares by the Selling Shareholders in the Offering.

The Company has agreed to purchase for cancellation an aggregate of 700,000 Common Shares from the Selling Shareholders, at a purchase price per share equal to the public offering price per share paid in the Offering (less the underwriting discount per share), for an aggregate purchase price of \$ (the "Company Purchase"), subject only to the consummation of the Offering. The Chairman, President and Chief Executive Officer of the Company (the "Management Investor") has agreed with the Selling Shareholders to purchase for investment directly from the Selling Shareholders an aggregate of 100,000 Common Shares,

at a purchase price per share equal to the public offering price per share paid in the Offering, for an aggregate purchase price of \$ (the "Direct Sale"), subject only to the consummation of the Offering. The closing of each of the Company Purchase and the Direct Sale will occur simultaneously with the closing of the Offering.

Following the consummation of the Offering, the Company Purchase and the Direct Sale, Warburg, GE Insurance, PT Investments, USF&G and Management (as defined herein) will own approximately 26.2%, 3.2%, 15.5%, 11.6% and 4.9%, respectively, of the outstanding Common Shares, representing approximately 29.7%, 1.2%, 6.5%, 13.2% and 5.5%, respectively, of the Company's voting power. The Selling Shareholders are parties to an agreement among themselves and the Company providing them with the ability, if they act in concert, to elect a majority of the Board of Directors. See "Risk Factors--Control by Selling Shareholders" and "Principal and Selling Shareholders."

The full voting Common Shares are listed for quotation on The New York Stock Exchange, Inc. (the "NYSE") under the symbol "RNR." On June 18, 1997, the last sale price per share as reported on the NYSE was \$38.5. See "Price Range of Common Shares and Dividends."

FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED IN EVALUATING AN INVESTMENT IN THE SHARES OFFERED HEREBY, SEE "RISK FACTORS" BEGINNING ON PAGE 12.

-----  
THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

- - - - -  
<TABLE>  
<CAPTION>

	PRICE TO UNDERWRITING		PROCEEDS TO
	PUBLIC	DISCOUNT (1)	SELLING SHAREHOLDERS (2)
-----			
<S>	<C>	<C>	<C>
Per Common Share.....	\$	\$	\$
-----			
Total (3) (4).....	\$	\$	\$
-----			

</TABLE>

- - - - -
- (1) The Company has agreed to indemnify the several Underwriters against certain liabilities under the Securities Act of 1933, as amended. See "Underwriting."
- (2) The Company will pay all fees and expenses related to the Offering, other than the Underwriting Discount which will be borne by the respective Selling Shareholders, estimated at \$ .
- (3) The Selling Shareholders have granted the International Underwriters and the U.S. Underwriters 30-day options to purchase up to 90,000 and 360,000 additional Common Shares, respectively, solely for the purpose of covering over-allotments, if any. If such options are exercised in full, the total Price to Public, Underwriting Discount and Proceeds to Selling Shareholders will be \$ , \$ and \$ , respectively. See "Underwriting."
- (4) Does not include 700,000 Common Shares to be purchased for cancellation by the Company from the Selling Shareholders in the Company Purchase and 100,000 Common Shares to be purchased for investment by the Management Investor from the Selling Shareholders in the Direct Sale.

-----  
The Shares are offered by the several Underwriters, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of certain legal matters by counsel for the Underwriters and certain other conditions. The Underwriters reserve the right to withdraw, cancel or modify such offer and to reject orders in whole or in part. It is expected that the delivery of the Shares will be made in New York, New York on or about June , 1997.

-----  
MERRILL LYNCH INTERNATIONAL

ALEX. BROWN & SONS INTERNATIONAL

LEHMAN BROTHERS

SALOMON BROTHERS INTERNATIONAL LIMITED

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[ALTERNATE PAGE FOR INTERNATIONAL PROSPECTUS]  
UNDERWRITING

Subject to the terms and conditions set forth in the international purchase agreement (the "International Purchase Agreement") among the Company, the Selling Shareholders, and each of the underwriters named below (the "International Underwriters"), and concurrently with the sale of 2,400,000 Shares to the U.S. Underwriters, the Selling Shareholders have agreed to sell to each of the International Underwriters, and each of the International Underwriters has severally agreed to purchase, the aggregate number of Shares set forth opposite its name below.

<TABLE>  
<CAPTION>

UNDERWRITERS -----	NUMBER OF SHARES -----
<S>	<C>
Merrill Lynch International .....	
Alex. Brown & Sons Incorporated.....	
Lehman Brothers International (Europe).....	
Salomon Brothers International Limited.....	
	-----
Total.....	600,000 =====

</TABLE>

The Shares to be sold in the Offering consist of full voting Common Shares, DVI Shares and DVII Shares. The Company, the Selling Shareholders and the Underwriters have agreed that immediately upon the consummation of the Offering, the DVI Shares and the DVII Shares to be sold in the Offering by certain of the Selling Shareholders will be converted into an equal number of full voting Common Shares on a one-for-one basis. Purchasers of Shares in the Offering will receive only full voting Common Shares. See "Principal and Selling Shareholders."

Merrill Lynch International, Alex. Brown & Sons Incorporated, Lehman Brothers International (Europe) and Salomon Brothers International Limited are acting as representatives (the "International Representatives") of the several U.S. Underwriters.

The Company and the Selling Shareholders have also entered into a U.S. purchase agreement (the "U.S. Purchase Agreement") with certain underwriters in the United States and Canada (the "U.S. Underwriters" and, together with the International Underwriters, the "Underwriters") for whom Merrill Lynch, Alex. Brown & Sons Incorporated, Lehman Brothers Inc. and Salomon Brothers Inc are acting as representatives (the "U.S. Representatives" and, together with the International Representatives, the "Representatives"). Subject to the terms and conditions set forth in the U.S. Purchase Agreement, and concurrently with the sale of 600,000 Shares to the International Underwriters, the Selling Shareholders have agreed to sell to the U.S. Underwriters, and the U.S. Underwriters severally have agreed to purchase, an aggregate of 2,400,000 Shares. The public offering price per Share and the underwriting discount per Share are identical under the International Purchase Agreement and the U.S. Purchase Agreement.

In the International Purchase Agreement, the several International Underwriters have agreed, subject to the terms and conditions set forth therein, to purchase all of the Shares being sold pursuant to such Agreement if any of the Shares being sold pursuant to such Agreement are purchased. In the U.S. Purchase Agreement, the several U.S. Underwriters have agreed, subject to the terms and conditions set forth therein, to purchase all of the Shares being sold pursuant to such Agreement if any of the Shares being sold pursuant to such Agreement are purchased. Each such Agreement provides that in the event of a default by an Underwriter, the purchase commitments of non-defaulting Underwriters may in certain circumstances be increased. The closings with respect to the sale of the Shares to be purchased by the International Underwriters and the U.S. Underwriters are conditioned upon one another.

The International Underwriters propose initially to offer the Shares to the public at the public offering price set forth on the cover page of this Prospectus and to certain dealers (who may include International Underwriters) at such price less a concession not in excess of \$ per share. The International Underwriters may allow, and such dealers may re-allow, a discount not in excess of \$ per share to certain other dealers. After the Offering, the public offering price, concession and discount may be changed.

The Selling Shareholders have granted to the International Underwriters an option to purchase up to an aggregate of 90,000 additional Shares, and to the U.S. Underwriters an option to purchase up to an aggregate of 360,000 additional Shares, in each case exercisable for 30 days after the date hereof, to cover over-allotments, if any, at the public offering price set forth on the cover page of this Prospectus, less the underwriting discount. To the extent that the International Underwriters exercise this option, each of the International Underwriters will have a firm commitment, subject to certain conditions, to purchase approximately the same percentage of such Shares that the number of Shares to be purchased by it shown in the foregoing table bears to the total number of Shares initially offered to the International Underwriters hereby.

The International Underwriters and the U.S. Underwriters have entered into an intersyndicate agreement (the "Intersyndicate Agreement") that provides for the coordination of their activities. Pursuant to the Intersyndicate Agreement, sales may be made between the International Underwriters and the U.S. Underwriters of such number of Shares as may be mutually agreed. The price of any Shares so sold shall be the public offering price, less an amount not greater than the selling concession. Under the terms of the Intersyndicate Agreement, the International Underwriters and any dealer to whom they sell Shares will agree to offer to sell or sell Shares to persons who are not United States or Canadian persons (as defined in the Intersyndicate Agreement) or to persons they believe intend to resell to persons who are not United States or Canadian persons, and the U.S. Underwriters and any dealer to whom they sell Shares will not offer to sell or sell Shares to United States or Canadian persons or to persons they believe intend to resell to United States or Canadian persons, except, in each case, for transactions pursuant to the Intersyndicate Agreement.

The Company, the Selling Shareholders and certain officers and directors of the Company have agreed not to sell or otherwise dispose of any Common Shares or securities convertible into or exchangeable or exercisable for Common Shares for a period of 90 days after the date of this Prospectus without the prior written consent of Merrill Lynch. Upon the consummation of the Offering, the Company Purchase and the Direct Sale, it is expected that such lock-up agreements will cover an aggregate of approximately 13,645,775 Common Shares. There are no known formal or informal plans, arrangements, agreements or understandings regarding any intention to seek the consent of Merrill Lynch to release any of the foregoing restrictions at this time. It is generally the policy of Merrill Lynch to review any such requested consent on a case by case basis in light of the applicable circumstances.

The Company has agreed to indemnify the International Underwriters and the U.S. Underwriters against certain civil liabilities, including liabilities under the Securities Act, or to contribute to payments the International Underwriters and the U.S. Underwriters may be required to make in respect thereof.

The Underwriters do not intend to confirm sales of the Common Shares offered hereby to any accounts over which they exercise discretionary authority.

Until the distribution of the Shares to be sold in the Offering is completed, rules of the Commission may limit the ability of the Underwriters to bid for and purchase the Common Shares. As an exception to these rules, the Underwriters are permitted to engage in certain transactions that stabilize the price of the Common Shares. Such transactions may consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the Common Shares.

If the Underwriters create a short position in the Common Shares in connection with the initial resale of the Shares to be sold in the Offering, i.e., if they sell more Common Shares than are set forth on the cover page of this Prospectus, the Underwriters may reduce such short position by purchasing Common Shares in the open market. The Underwriters may also elect to reduce any short position by exercising all or part of the over-allotment option described above.

The U.S. Representatives may also impose a penalty bid on certain Underwriters and selling group members. This means that if the U.S. Representatives purchases Common Shares in the open market to reduce the Underwriters' short position or to stabilize the price of the Common Shares, they may reclaim the amount of the selling concession from the Underwriters and selling group members who initially resold such shares.

In general, purchases of a security for the purpose of stabilization or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases. The imposition of a penalty bid might also have an effect on the price of a security to the extent that it

were to discourage resales of the security.

Neither the Company nor any Underwriter makes any representation or prediction as to the direction or magnitude of any effect that any transaction described above may have on the price of the Common Shares. In addition, neither the Company nor any Underwriter makes any representation that the U.S. Representatives will engage in such transactions or that such transactions, once commenced, will not be discontinued without notice.

Merrill Lynch has acted as the Company's financial advisor with respect to certain prior transactions and received commercially customary compensation in connection therewith. Any or all of the Representatives may serve as a financial advisor to the Company from time to time in the future.

Each International Underwriter has agreed that (i) it has not offered or sold and, prior to the expiration of the period of six months from the Closing Date, will not offer or sell any Common Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which do not constitute an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the Common Shares in, from or otherwise involving the United Kingdom; and (iii) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issuance of Common Shares to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 or is a person to whom such document may otherwise lawfully be issued or passed on.

No action has been or will be taken in any jurisdiction (except in the United States) that would permit a public offering of the Shares, or the possession, circulation or distribution of this Prospectus or any other material relating to the Company, the Selling Shareholders or the Shares in any jurisdiction where action for that purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisements in connection with the Shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

Purchasers of the Shares may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the public offering price set forth on the cover page hereof.

[ALTERNATE PAGE FOR INTERNATIONAL PROSPECTUS]

NO DEALER, SALESPERSON OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER MADE BY THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR BY ANY OF THE UNDERWRITERS. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

THERE ARE RESTRICTIONS ON THE OFFER AND SALE OF THE COMMON SHARES OFFERED HEREBY IN THE UNITED KINGDOM. ALL APPLICABLE PROVISIONS OF THE FINANCIAL SERVICES ACT 1986 AND THE PUBLIC OFFERS OF SECURITIES REGULATION 1995 WITH RESPECT TO ANYTHING DONE BY ANY PERSON IN RELATION TO THE COMMON SHARES IN, FROM OR OTHERWISE INVOLVING THE UNITED KINGDOM MUST BE COMPLIED WITH. SEE "UNDERWRITING."

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LOGO

3,000,000 SHARES

RENAISSANCERE HOLDINGS LTD.

COMMON SHARES

PROSPECTUS

MERRILL LYNCH INTERNATIONAL

ALEX. BROWN & SONS INTERNATIONAL

LEHMAN BROTHERS

SALOMON BROTHERS INTERNATIONAL LIMITED

JUNE , 1997

## PART II

### INFORMATION NOT REQUIRED IN PROSPECTUS

#### ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the various expenses in connection with the sale and distribution of the Shares being registered pursuant to the Offering which will be paid solely by the Company. All the amounts shown are estimates, except the Commission registration fee and the filing fee of the National Association of Securities Dealers, Inc. ("NASD"):

<S>	<C>
SEC Registration Fee.....	\$40,250
NASD Fees.....	13,783
Transfer Agent and Registrar Fees and Expenses.....	*
Printing and Engraving Expenses.....	*
Legal Fees and Expenses.....	*
Accounting Fees and Expenses.....	*
Blue Sky Fees and Expenses.....	*
Miscellaneous Expenses.....	*
Total.....	\$ *

</TABLE>

\* To be filed by amendment.



ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 98 of the Companies Act of 1981 of Bermuda (the "Act") provides generally that a Bermuda company may indemnify its directors, officers and auditors against any liability which by virtue of Bermuda law otherwise would be imposed on them, except in cases where such liability arises from the willful negligence, willful default, fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company. Section 98 further provides that a Bermudian company may indemnify its directors, officers and auditors against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is awarded in their favor or in which they are acquitted or granted relief by the Supreme Court of Bermuda in certain proceedings arising under Section 281 of the Act.

The Company has adopted provisions in its Bye-Laws that provide that the Company shall indemnify its officers and directors to the maximum extent permitted under the Act.

In addition, the Underwriting Agreements filed as Exhibits 1.1 and 1.2 to the Registration Statement provide for indemnification of the Company, its officers and its directors by the Underwriters under certain circumstances.

The Company has entered into employment agreements with all of its executive officers each contain provisions pursuant to which the Company has agreed to indemnify the executive as required by the Bye-Laws and maintain customary insurance policies providing for indemnification.

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ITEM 16. EXHIBITS.

<TABLE> <CAPTION>	
EXHIBIT NO. -----	DESCRIPTION -----
<C>	<S>
1.1	Form of U.S. Underwriting Agreement.+
1.2	Form of International Underwriting Agreement.+
3.1	Amended and Restated Bye-Laws.#
4.1	Specimen Common Share certificate.*
4.2	Amended and Restated Shareholders Agreement, dated as of December 27, 1996, by and among Warburg, Pincus Investors, L.P., Trustees of General Electric Pension Trust, GE Private Placement Partners I, Limited Partnership and United States Fidelity and Guaranty Company.**
4.3	Amended and Restated Registration Rights Agreement, dated as of December 27, 1996, by and among Warburg, Pincus Investors, L.P., PT Investments Inc., GE Private Placement Partners I-Insurance, Limited Partnership and United States Fidelity and Guaranty Company.**
5.1	Opinion of Conyers, Dill & Pearman as to the legality of the Common Shares.+
8.1	Opinion of Willkie Farr & Gallagher as to certain tax matters.+
8.2	Opinion of Conyers, Dill & Pearman as to certain tax matters (included in Exhibit 5.1).+
10.1	Equity Purchase Agreement, dated as of May 22, 1997, by and among RenaissanceRe Holdings Ltd., Warburg, Pincus Investors, L.P., PT Investments Inc., GE Private Placement Partners I-Insurance, Limited Partnership and United States Fidelity and Guaranty Company.#
12.1	Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividends.#
23.1	Consent of Ernst & Young.+
23.2	Consent of Conyers Dill & Pearman (included in Exhibit 5.1).+
23.3	Consent of Willkie Farr & Gallagher (included in Exhibit 8.1).+
24.1	Power of Attorney.#

</TABLE>

- - - - -

+Filed herewith.

#Previously filed.

\* Incorporated by reference to the Registration Statement on Form S-1 of the Company (Registration No. 33-7008) which was declared effective by the Commission on July 26, 1995.

\*\* Incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996.

ITEM 17. UNDERTAKINGS

(a) The undersigned registrant hereby undertakes:

(1) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report

pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(2) That, for purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and

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contained in a form of Prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(3) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under item 15 above, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(4) That, for purposes of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, RENAISSANCE HOLDINGS LTD. CERTIFIES THAT IT HAS REASONABLE GROUNDS TO BELIEVE THAT IT MEETS ALL OF THE REQUIREMENTS FOR FILING ON FORM S-3 AND HAS DULY CAUSED THIS AMENDMENT NO. 2 TO THE REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, ON THE 19TH DAY OF JUNE, 1997.

RenaissanceRe Holdings Ltd.

/s/ James N. Stanard

By: \_\_\_\_\_  
JAMES N. STANARD  
President, Chief Executive  
Officer and Chairman of the  
Board of Directors

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS AMENDMENT NO. 2 TO THE REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS ON BEHALF OF THE REGISTRANT IN THE CAPACITIES AND ON THE DATES INDICATED.

SIGNATURE -----	TITLE -----	DATE ----
/s/ James N. Stanard ----- JAMES N. STANARD	President and Chief Executive Officer and Chairman of the Board of Directors	June 19, 1997
/s/ Keith S. Hynes ----- KEITH S. HYNES	Senior Vice President and Chief Financial Officer (Principal Accounting Officer)	June 19, 1997
* ----- ARTHUR S. BAHR	Director	June 19, 1997
* ----- THOMAS A. COOPER	Director	June 19, 1997

*	Director	
-----		
EDMUND B. GREENE		June 19, 1997
*	Director	
-----		
GERALD L. IGOU		
*	Director	June 19, 1997
-----		
KEWSONG LEE		
*	Director	June 19, 1997
-----		
JOHN M. LUMMIS		

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SIGNATURE -----	TITLE -----	DATE ----
*	Director	
-----		
HOWARD H. NEWMAN		June 19, 1997
*	Director	June 19, 1997
-----		
SCOTT E. PARDEE		
*	Director	June 19, 1997
-----		
JOHN C. SWEENEY		
*	Director	June 19, 1997
-----		
DAVID A. TANNER		

CT Corporation System

/s/ Duane Coots By: _____ NAME: DUANE COOTS TITLE: ASSISTANT SECRETARY	Authorized Representative in the United States	June 19, 1997
/s/ John D. Nichols, Jr. *By: _____ JOHN D. NICHOLS, JR. AS ATTORNEY IN FACT		June 19, 1997

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EXHIBIT INDEX

<TABLE>		
<CAPTION>		
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STB DRAFT  
6/16/97

2,400,000 Shares

RENAISSANCERE HOLDINGS LTD.

(a Bermuda company)

Common Shares

(Par Value \$1.00 Per Share)

U.S. PURCHASE AGREEMENT  
-----

June \_\_, 1997

MERRILL LYNCH & CO.

Merrill Lynch, Pierce, Fenner & Smith Incorporated

ALEX. BROWN & SONS INCORPORATED

LEHMAN BROTHERS INC.

SALOMON BROTHERS INC

as U.S. Representatives of the  
several U.S. Underwriters

c/o MERRILL LYNCH & CO.

Merrill Lynch, Pierce, Fenner & Smith Incorporated

Merrill Lynch World Headquarters

North Tower

World Financial Center

New York, New York 10281-1305

Dear Ladies and Gentlemen:

RenaissanceRe Holdings Ltd., a Bermuda company (the "Company"), and the shareholders of the Company named in Schedule C hereto (the "Selling Shareholders") confirm their agreements with Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), Alex. Brown & Sons Incorporated ("Alex. Brown"), Lehman Brothers Inc. ("Lehman"), Salomon Brothers Inc ("Salomon"), and each of the other underwriters named in Schedule A hereto (collectively, the "U.S. Underwriters," which term shall also include any underwriter substituted as herein after provided in Section 10 hereof), for whom Merrill Lynch, Alex. Brown, Lehman and Salomon are acting as representatives (in such capacity, the "U.S. Representatives"), with respect to the sale by the Selling Shareholders, acting severally and not jointly, of an aggregate of 2,400,000 common shares, par value \$1.00 per share (the "Common Shares"), of the Company, including the Common Shares to be issued in the Conversion (as defined in

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Section 3(k) hereof), and the purchase by the U.S. Underwriters, acting severally and not jointly, of the respective numbers of Common Shares set forth in Schedule A hereto (the "Initial U.S. Securities"), and with respect to the grant by the Selling Shareholders indicated on Schedule C hereto, acting severally and not jointly, to the U.S. Underwriters of the option described in Section 2(b) to purchase all or any part of 360,000 additional Common Shares (the "Option U.S. Securities") to cover over-allotments, if any. The Initial U.S. Securities and the Option U.S. Securities to be purchased by the U.S. Underwriters are, including the Common Shares to be issued in the Conversion (as defined in Section 3(k) hereof), hereinafter called the "U.S. Securities."

The Company and the Selling Shareholders understand that the U.S. Underwriters propose to make a public offering of the U.S. Securities as soon as the U.S. Representatives deem advisable after this Agreement has been executed and delivered.

It is understood and agreed by all parties that the Company and the Selling Shareholders are concurrently entering into an agreement dated the date hereof (the "International Purchase Agreement") providing for the sale by the Selling Shareholders of 600,000 Common Shares (the "Initial International Securities") through arrangements with certain managing underwriters outside the United States and Canada (the "Managers") for whom Merrill Lynch International ("Merrill Lynch International"), Alex. Brown & Sons International, Lehman Brothers International (Europe) and Salomon Brothers International Limited are acting as lead managers (the "Lead Managers") and the grant by the Selling Shareholders indicated on Schedule C thereto to the Managers of an option to purchase all or any part of 90,000 additional Common Shares in the aggregate

(the "Option International Securities") to cover over-allotments, if any, of the Initial International Securities. The Initial International Securities and the Option International Securities, including the Common Shares to be issued in the Conversion (as defined in Section 3(k) hereof), are hereinafter called the "International Securities". The U.S. Securities and the International Securities, collectively, are hereinafter called the "Securities".

The Company and the Selling Shareholders understand that the U.S. Underwriters and the Managers (collectively, the "Underwriters") will concurrently enter into an Intersyndicate Agreement of even date herewith (the "Intersyndicate Agreement") providing for the coordination of certain transactions among the Underwriters under the direction of Merrill Lynch.

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-3 (No. 333-27775) covering the registration of the Securities under the Securities Act of 1933, as amended (the "1933 Act"), including the related preliminary prospectus or prospectuses.

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Promptly after execution and delivery of this Agreement and the International Purchase Agreement (collectively, the "Purchase Agreements"), the Company will, in connection with the offering of each of the U.S. Securities and the International Securities, either (i) prepare and file a prospectus in accordance with the provisions of Rule 430A ("Rule 430A") of the rules and regulations of the Commission under the 1933 Act (the "1933 Act Regulations") and paragraph (b) of Rule 424 ("Rule 424(b)") of the 1933 Act Regulations or (ii) if the Company has elected to rely upon Rule 434 ("Rule 434") of the 1933 Act Regulations, prepare and file a term sheet (a "Term Sheet") in accordance with the provisions of Rule 434 and Rule 424(b). The information included in any prospectus or in any Term Sheet, as the case may be, that was omitted from such registration statement at the time it became effective but that is deemed to be part of such registration statement at the time it became effective (a) pursuant to paragraph (b) of Rule 430A is referred to as "Rule 430A Information" or (b) pursuant to paragraph (d) of Rule 434 is referred to as "Rule 434 Information." Each prospectus used before such registration statement became effective, and any prospectus that omitted, as applicable, the Rule 430A Information or the Rule 434 Information, that was used after such effectiveness and prior to the execution and delivery of this Agreement, is herein called a "preliminary prospectus." Such registration statement, including the exhibits thereto, schedules thereto, if any, at the time it became effective and including the Rule 430A Information and the Rule 434 Information, as applicable, is herein called the "Registration Statement." Any registration statement filed pursuant to Rule 462(b) of the 1933 Act Regulations is herein referred to as the "Rule 462(b) Registration Statement," and after such filing the term "Registration Statement" shall include the Rule 462(b) Registration Statement. The final prospectus, in the form first furnished to the U.S. Underwriters for use in connection with the offering of the U.S. Securities is herein called the "U.S. Prospectus" and the final prospectus, in the form first furnished to the Managers for use in connection with the International Securities, is herein called the "International Prospectus", and the U.S. Prospectus and the International Prospectus are hereinafter called, collectively, the "Prospectuses," and each individually, a "Prospectus." If Rule 434 is relied on, each of the terms "U.S. Prospectus" and "International Prospectus" shall refer to the preliminary prospectus dated June 3, 1997, together with the applicable Term Sheet and all references in this Agreement and the International Purchase Agreement to the date of the U.S. Prospectus and International Prospectus, respectively, shall mean the date of such Term Sheet. The U.S. Prospectus is identical to the International Prospectus, except for the front cover page, the "Underwriting" section and the back cover page.

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#### SECTION 1. REPRESENTATIONS AND WARRANTIES.

(a) The Company represents and warrants to each U.S. Underwriter as of the date hereof, as of the Date of Delivery referred to in Section 2(b) and as of the Closing Time referred to in Section 2(c), and agrees with each U.S. Underwriter, as follows:

(i) The Company meets the requirements for use of Form S-3 under the 1933 Act. Each of the Registration Statement and any Rule 462(b) Registration Statement has become effective under the 1933 Act and no stop order suspending the effectiveness of the Registration Statement or any Rule 462(b) Registration Statement has been issued under the 1933 Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, are contemplated by the Commission, and any request on the part of the Commission for additional information has been complied with.

At the respective times the Registration Statement, any Rule 462(b) Registration Statement and any post-effective amendments thereto became effective and at the Closing Time referred to in Section 2(c) (and, if any Option Securities are purchased, up to the Date of Delivery referred to below), (A) the Registration Statement, any Rule 462(b) Registration

Statement and any amendments and supplements thereto complied and will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (B) neither the Prospectuses nor any amendments or supplements thereto contained or will contain an untrue statement of a material fact or omitted or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and (C) if Rule 434 is used, the Company will comply with the requirements of Rule 434; provided, however, that the representations and warranties in this subsection shall not apply to statements in or omissions from the Registration Statement or Prospectuses made in reliance upon and in conformity with information furnished to the Company in writing by any U.S. Underwriter through Merrill Lynch or by any Manager through Merrill Lynch International, expressly for use in the Registration Statement or Prospectuses.

Each preliminary prospectus and the Prospectuses filed as part of the Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the 1933 Act, complied when so filed in all material respects with the 1933 Act Regulations. The

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Prospectuses delivered to the Underwriters for use in connection with the offering of the Securities were identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(ii) The documents incorporated or deemed to be incorporated by reference in the Registration Statement, any Rule 462(b) Registration Statement and any post-effective amendments thereto, and each preliminary prospectus and the Prospectuses filed as part of the Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the 1933 Act, at the time they were or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the Securities Exchange Act of 1934, as amended (the "1934 Act") and the rules and regulations of the Commission thereunder (the "1934 Act Regulations"), and, when read together with the other information in the Registration Statement, at the date of the Registration Statement and at the Closing Time, do not and will not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(iii) Ernst & Young, the accountants who audited the financial statements and related schedules as of December 31, 1995 and 1996 and for the years ended December 31, 1994, 1995 and 1996 included in the Registration Statement, are independent public accountants as required by the 1933 Act and the 1933 Act Regulations.

(iv) The consolidated financial statements included in the Registration Statement and the Prospectuses, and those financial statements incorporated by reference therein, present fairly the consolidated financial position of the Company and its subsidiaries, including Renaissance Reinsurance Ltd. ("Renaissance Reinsurance"), Glencoe Insurance Ltd. ("Glencoe Insurance") and, to the extent applicable, RenaissanceRe Capital Trust ("Capital Trust"; together with Glencoe Insurance and Renaissance Reinsurance, the "Subsidiaries"), as at the dates indicated and the consolidated results of their operations for the periods specified; except as otherwise stated in the Registration Statement, such financial statements were prepared in conformity with United States generally accepted accounting principles applied on a consistent basis; and the related schedules included in the Registration Statement, or referred to therein, present fairly the information required to be stated therein.

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(v) Each of the Company and the Subsidiaries has filed all reports, information statements and other documents with the insurance regulatory authorities of its jurisdiction of incorporation and domicile as are required to be filed pursuant to the insurance statutes of such jurisdictions, including the statutes relating to companies which control insurance companies, and the rules, regulations and interpretations of the insurance regulatory authorities thereunder (the "Applicable Insurance Laws"), and has duly paid all taxes (including franchise taxes and similar fees) it is required to have paid under the Applicable Insurance Laws, except where the failure to file such statements or reports or pay such taxes would not have a material adverse effect on the financial condition, earnings or business of the Company and its Subsidiaries considered as one enterprise (a "Material Adverse Effect"), and each of the Company and the Subsidiaries maintains its books and records in accordance with the Applicable Insurance Laws, except where the failure to so maintain its

books and records would not have a Material Adverse Effect.

(vi) Since the respective dates as of which information is given in the Registration Statement and the Prospectuses, except as otherwise stated therein, (A) there has been no Material Adverse Effect, (B) there have been no transactions entered into by the Company or any Subsidiary, other than those in the ordinary course of business, which are material with respect to the Company and its Subsidiaries considered as one enterprise and (C) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock, except to the extent described in the Prospectuses.

(vii) The Company has been duly formed and is validly existing as a company in good standing under the laws of Bermuda with the power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and to enter into and perform its obligations under the Purchase Agreements; and the Company is duly qualified as a foreign company to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify would not have a Material Adverse Effect.

(viii) Renaissance Reinsurance, Glencoe Insurance and Capital Trust are the only subsidiaries of the Company. Each of the Subsidiaries has been duly formed and is validly existing as a company in good standing under the laws of the jurisdiction of its incorporation, has the power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and is duly qualified as a foreign company to

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transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify would not have a Material Adverse Effect; all of the issued and outstanding capital stock of each of Renaissance Reinsurance and Glencoe Insurance has been duly authorized and validly issued and is fully paid and nonassessable. All of the shares of Renaissance Reinsurance and a majority of the shares of Glencoe Insurance are owned of record by the Company, in each case free and clear of any security interest, mortgage, pledge, lien, encumbrance or claim.

(ix) The Company had as of March 31, 1997, a duly authorized and outstanding capitalization as set forth in the Prospectuses under the caption "Capitalization."

(x) The issued and outstanding Common Shares (including the Securities) of the Company have been (or will be) duly authorized and validly issued and are fully paid and nonassessable; the Common Shares conform (or will conform) to all statements relating thereto contained in the Prospectuses; and the Securities are not (and will not be) subject to preemptive or other similar rights, except such rights as have been duly and irrevocably waived prior to the date hereof.

(xi) Neither the Memorandum of Association or Bye-laws of the Company, nor any schedules thereto, limit the power of the Company to convert the DVI Shares (as defined in Section 3(k)) and the DVII Shares (as defined in Section 3(k)) into full voting Common Shares of the Company, and no consents or other actions by or on behalf of the Company are required to permit the Conversion (as defined in Section 3(k)) other than those actions by the Company referred to in Section 3(k).

(xii) Neither the Company nor any Subsidiary is in violation of its respective Memorandum of Association, Bye-laws or other governing documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan or credit agreement, note, lease, deed of trust or other agreement or instrument to which the Company or any Subsidiary is a party or by which the Company or any Subsidiary is bound, or to which any of the property or assets of the Company or any Subsidiary is subject, other than any such violation or default that would not have a Material Adverse Effect; and the execution, delivery and performance of this Agreement and the International Purchase Agreement, and the consummation of the transactions contemplated herein, therein and in the Registration Statement have been duly authorized by all necessary action by or on behalf of the Company and will not conflict with or

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constitute a breach of, or default under, or result in the creation or imposition of any lien or encumbrance upon any property or assets of the Company or any Subsidiary pursuant to any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which the Company or any



Subsidiary is a party or by which it or either of them may be bound, or to which any of the property or assets of the Company or any Subsidiary is subject, nor will such action result in any violation of the provisions of the Memorandum of Association, Bye-laws or other governing documents of the Company or any Subsidiary or any applicable law, administrative regulation or administrative or court decree, other than any such conflict, breach or violation that would not have a Material Adverse Effect. Neither the Company nor any Subsidiary has received any notice from any other party to any material treaty, contract, agreement or arrangement that such other party intends not to perform such treaty, contract, agreement or arrangement, and the Company and the Subsidiaries have no knowledge that any other parties to such treaties, contracts, agreements or arrangements will be unable to perform such treaty, contract, agreement or arrangement, except to the extent that the Company or any Subsidiary has made provision which it deems adequate for potential uncollectible reinsurance.

(xiii) No labor dispute with the employees of the Company or the Subsidiaries exists or, to the knowledge of the Company, is threatened that might reasonably be expected to have a Material Adverse Effect.

(xiv) There is no action, suit or proceeding before or by any court or governmental agency or body (including, without limitation, any insurance regulatory agency or body), domestic or foreign, now pending, or, to the knowledge of the Company, threatened, against or affecting the Company or any Subsidiary, which is required to be disclosed in the Registration Statement (other than as disclosed therein), or which, considered singly or in the aggregate, might have a Material Adverse Effect, or which might prevent the consummation of this Agreement or the International Purchase Agreement; all pending legal or governmental proceedings to which the Company or any Subsidiary is a party or of which any of their respective properties or assets is the subject which are not described in the Registration Statement, including ordinary routine litigation incidental to the business, considered in the aggregate, could not reasonably be expected to have a Material Adverse Effect; and there are no contracts or documents of the Company or any Subsidiary which are required to be filed as exhibits to the Registration Statement by the 1933 Act or by the 1933 Act Regulations which have not been so filed.

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(xv) No filing with, or authorization, approval or consent of, any court or governmental authority or agency (including, without limitation, any insurance regulatory agency or body) is necessary in connection with the offering or sale of the Securities hereunder or under the International Purchase Agreement, except such as may be required under the 1933 Act, the 1933 Act Regulations, the 1934 Act, the 1934 Act Regulations, the Exchange Control Regulations promulgated pursuant to the Exchange Control Act 1972 of Bermuda or state or foreign securities laws which the Underwriters have the responsibility to obtain.

(xvi) Each of the Company and the Subsidiaries possesses such licenses, certificates, authorizations or permits issued by the appropriate state, federal or foreign regulatory agencies or bodies (including, without limitation, any such item from any insurance regulatory agency or body) necessary to conduct the business now operated by them, except where the failure to possess such certificates, authorizations or permits would not have a Material Adverse Effect, and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling, or finding, would have a Material Adverse Effect. Except as disclosed in the Registration Statement, no insurance regulatory agency or body has issued any order or decree impairing, restricting or prohibiting (A) payment of dividends by the Company or by any Subsidiary to the Company, or (B) the continuation of the business of the Company or any Subsidiary in all material respects as presently conducted.

(xvii) Each of the Company and the Subsidiaries has good title to all properties owned by it, in each case free and clear of all liens, encumbrances and defects except (i) as do not materially interfere with the use made and proposed to be made of such properties, (ii) as referred to in the Registration Statement (including the notes to the consolidated financial statements of the Company included therein, and including any documents incorporated by reference therein) or (iii) as could not reasonably be expected to have a Material Adverse Effect.

(xviii) There are no holders of securities (debt or equity) of the Company or the Subsidiaries, or holders of rights, options or warrants to obtain securities of the Company or the Subsidiaries, who have the right to request the Company to register securities held by them under the 1933 Act (or, subject to certain conditions, their respective transferees), except as set forth in the Registration Statement.

(xix) The Company has not taken and will not take, directly or indirectly, any action designed to, or that might be reasonably expected to, cause or result in stabilization or manipulation of the price of the Common Shares.

(xx) The Securities have been approved for listing on The New York Stock Exchange, Inc. (the "NYSE").

(xxi) Neither the Company nor any Subsidiary is an "investment company" or, as of the date of this Agreement, a company "controlled" by an "investment company", which is required to be registered under the Investment Company Act of 1940, as amended (the "Investment Company Act").

(xxii) This Agreement and the International Purchase Agreement have been duly executed and delivered by the Company.

(b) Each of the Selling Shareholders, severally and not jointly, represents and warrants to each U.S. Underwriter as of the date hereof, as of the Date of Delivery referred to in Section 2(b) and as of the Closing Time referred to in Section 2(c) hereof, and agrees with each U.S. Underwriter, as follows:

(i) The execution, delivery and performance by such Selling Shareholder of this Agreement and the International Purchase Agreement, and the consummation by such Selling Shareholder of the transactions contemplated hereby and thereby, have been duly authorized by all necessary action by such Selling Shareholder and will not conflict with or constitute a breach by such Selling Shareholder of, or default by such Selling Shareholder under, (x) any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which such Selling Shareholder is a party or by or to which such Selling Shareholder or any of its assets may be bound or subject and which is material to the transactions contemplated herein or therein or (y) any charter, by-law or other governing document or any law, regulation, decree, judgment or order to which such Selling Shareholder is a party or by or to which such Selling Shareholder or any of its assets may be bound or subject.

(ii) Such Selling Shareholder has and will have at Closing Time referred to in Section 2(c) hereof good and valid title to the Securities to be sold by such Selling Shareholder hereunder and under the International Purchase Agreement, free and clear of any pledge, lien, security interest, encumbrance, claim or equity interest, other than pursuant to the Purchase Agreements; such Selling Shareholder has full right, power and authority to sell, transfer and deliver the Securities to be sold by such Selling Shareholder hereunder and thereunder; and upon delivery of the Securities to be sold by such Selling

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Shareholder hereunder and thereunder and payment of the purchase price therefor as herein and therein contemplated, each of the U.S. Underwriters and the Managers will receive good and marketable title to its ratable share of the Securities purchased by it from such Selling Shareholder, free and clear of any pledge, lien, security interest, encumbrance, claim or equity interest, other than such that may attach to such Securities as a result of any contract, agreement, note, bond, judgment or any other restriction, instrument or obligation to which the several Underwriters may be a party or by which any of them or any of their properties or assets may be bound.

(iii) No authorization, approval or consent is necessary in connection with the execution and delivery by such Selling Shareholder of this Agreement and the International Purchase Agreement and the offering, sale and delivery of the Securities to be sold by such Selling Shareholder hereunder and thereunder, except such as have been obtained and are in full force and effect and other than the issuance of the order of the Commission declaring the Registration Statement effective and such authorizations, approvals or consents which may be necessary under state or foreign securities laws or the by-laws and rules of the National Association of Securities Dealers, Inc. (the "NASD"), which the Underwriters have the responsibility to obtain; and such Selling Shareholder has the full right, power and authority to enter into this Agreement and the International Purchase Agreement, and to sell, transfer and deliver the Securities to be sold by such Selling Shareholder hereunder and thereunder.

(iv) This Agreement and the International Purchase Agreement have been duly executed and delivered by such Selling Shareholder.

(v) During a period of 90 days from the date of the Prospectuses, such Selling Shareholder will not, without the prior written consent of Merrill Lynch, directly or indirectly, sell, offer to sell, contract to sell, grant any option for the sale of, or otherwise dispose of, any Common Shares or any security convertible into or exchangeable or exercisable for Common Shares, other than to the Underwriters pursuant to the Purchase Agreements.

(vi) To the extent that any statements or omissions made in the Registration Statement, any preliminary prospectuses, the Prospectuses (including the documents incorporated by reference therein) or any amendment or supplement thereto are made in reliance upon and in conformity with information furnished in writing to the Company by such Selling Shareholder expressly for use therein, the Registration Statement and such preliminary prospectuses do not, and the Prospectuses and any amendments

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or supplements thereto will not, as of the applicable effective date or as of the applicable filing date, as the case may be, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they were made, not misleading.

(vii) Such Selling Shareholder has not taken, and will not take, directly or indirectly, any action which is designed to or which has constituted or which might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(c) Any certificate signed by any officer of the Company or by or on behalf of any Selling Shareholder and delivered, pursuant to this Agreement or the International Purchase Agreement or in connection with the payment of the purchase price and delivery of the certificates for the Initial Securities or the Option Securities, to the U.S. Representatives, the Lead Managers, the U.S. Underwriters or the Managers, or counsel for any of the foregoing, shall be deemed a representation and warranty by the Company or by such Selling Shareholder, as the case may be, to each Representative, Lead Manager, U.S. Underwriter and Manager as to the matters covered thereby.

## SECTION 2. SALE AND DELIVERY TO UNDERWRITERS; CLOSING.

(a) Initial Securities. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, each of the Selling Shareholders, severally and not jointly, agrees to sell to each U.S. Underwriter, severally and not jointly, the number of Initial U.S. Securities set forth in Schedule C opposite the name of such Selling Shareholder, and each U.S. Underwriter, severally and not jointly, agrees to purchase in the aggregate from each of the Selling Shareholders, at the price per share set forth in Schedule B, the number of Initial U.S. Securities set forth in Schedule A opposite the name of such U.S. Underwriter, plus any additional number of Initial U.S. Securities which such U.S. Underwriter may become obligated to purchase pursuant to the provisions of Section 10 hereof.

(b) Option Securities. In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, each of the Selling Shareholders indicated on Schedule C hereto hereby grants an option to the U.S. Underwriters, severally and not jointly, to purchase up to the additional number of Common Shares set forth in Schedule C at the price per share set forth in Schedule B. The option hereby granted will expire 30 days after the date

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hereof and may be exercised in whole or in part from time to time only for the purpose of covering over-allotments which may be made in connection with the offering and distribution of the Initial U.S. Securities upon notice by the U.S. Representatives to the Selling Shareholders setting forth the number of Option U.S. Securities as to which the several U.S. Underwriters are then exercising the option and the U.S. time and date of payment and delivery for such Option U.S. Securities. Any such time and date of delivery (a "Date of Delivery") shall be determined by the U.S. Representatives, but shall not be earlier than two nor later than seven full business days after the exercise of said option in writing, nor in any event prior to the Closing Time. If the option is exercised as to all or any portion of the Option U.S. Securities, each of the U.S. Underwriters, acting severally and not jointly, will purchase that proportion of the total number of Option U.S. Securities then being purchased which the number of Initial U.S. Securities set forth in Schedule A opposite the name of such U.S. Underwriter bears to the total number of Initial U.S. Securities, subject in each case to such adjustments as the U.S. Representatives in their discretion shall make to eliminate any sales or purchases of fractional shares. If the option is exercised as to less than all of the Option U.S. Securities, the Selling Shareholders will sell additional Common Shares to the U.S. Underwriters pro rata on the basis of the number of Common Shares set forth in Schedule C.

(c) Payment. Payment of the purchase price for, and delivery of certificates for, the Initial U.S. Securities shall be made in immediately available funds at the offices of Willkie Farr & Gallagher, 153 East 53rd Street, New York, New York 10022, or at such other place as shall be agreed upon by the U.S. Representatives, the Company and the Selling Shareholders, at 9:00 A.M. on the third (fourth, if the pricing occurs after 4:30 P.M. on any given

day) business day after the date of pricing (unless postponed in accordance with the provisions of Section 10 or 11), or such other time not later than ten business days after such date as shall be agreed upon by the U.S. Representatives and the Selling Shareholders (such time and date of payment and delivery being herein called "Closing Time").

In addition, in the event that any or all of the Option U.S. Securities are purchased by the U.S. Underwriters, payment of the purchase price for, and delivery of certificates for, such Option U.S. Securities shall be made at the offices of Willkie Farr & Gallagher, 153 East 53rd Street, New York, New York 10022, or at such other place as shall be agreed upon by the U.S. Representatives, the Company and the Selling Shareholders, on each Date of Delivery as specified in the notice from the U.S. Representatives to such Selling Shareholders. All payments shall be made to each of the Selling Shareholders in immediately available funds payable to the order of such Selling Shareholder against delivery to the U.S. Representatives for the respective accounts of the U.S. Underwriters of certificates for the U.S. Securities to be purchased by them. It is understood that each

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U.S. Underwriter has authorized the U.S. Representatives, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Initial U.S. Securities and the Option U.S. Securities, if any, which it has agreed to purchase. Merrill Lynch, individually and not as a U.S. Representative of the U.S. Underwriters, may (but shall not be obligated to) make payment of the purchase price for the Initial U.S. Securities or the Option U.S. Securities, if any, to be purchased by any U.S. Underwriter whose payment has not been received by the Closing Time or the relevant Date of Delivery, as the case may be, but such payment shall not relieve such U.S. Underwriter from its obligations hereunder.

(d) Denominations; Registration. Certificates for the Initial U.S. Securities and the Option U.S. Securities, if any, shall be in such denominations and registered in such names as the U.S. Representatives may request in writing at least two full business days before the Closing Time or the relevant Date of Delivery, as the case may be. The certificates for the Initial U.S. Securities and the Option U.S. Securities, if any, will be made available for examination and packaging by the U.S. Representatives in the City of New York not later than 10:00 A.M. on the business day prior to the Closing Time or the relevant Date of Delivery, as the case may be.

### SECTION 3. COVENANTS OF THE COMPANY.

The Company covenants with each U.S. Underwriter as follows:

(a) The Company, subject to Section 3(b), will comply with the requirements of Rule 430A or Rule 434, as applicable, and will notify the U.S. Representatives immediately, and confirm the notice in writing, (i) when any post-effective amendment to the Registration Statement shall become effective, or any supplement to the Prospectuses or any amended Prospectus shall have been filed, (ii) of the receipt of any comments from the Commission, (iii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectuses or for additional information, and (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of any order preventing or suspending the use of any preliminary prospectus, or of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes. The Company will promptly effect the filings necessary pursuant to Rule 424(b) and will take such steps as it deems necessary to ascertain promptly whether the form of prospectus transmitted for filing under Rule 424(b) was received for filing by the Commission and, in the event that it was not, it will promptly file such prospectus. The

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Company will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) The Company will give the U.S. Representatives notice of its intention to file or prepare any amendment to the Registration Statement (including any filing under Rule 462(b)), any Term Sheet or any amendment, supplement or revision to either the prospectus included in the Registration Statement at the time it became effective or to the Prospectuses whether pursuant to the 1933 Act, the 1934 Act or otherwise, will furnish the U.S. Representatives with copies of any such documents a reasonable amount of time prior to such proposed filing or use, as the case may be, and will not file or use any such document to which the U.S. Representatives or counsel for the U.S. Underwriters shall reasonably object.

(c) The Company has furnished or will deliver to the U.S. Representatives and counsel to the U.S. Underwriters, without charge, signed copies of the Registration Statement as originally filed and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein) and signed copies of all consents and certificates of experts, and will also deliver to the U.S. Representatives a conformed copy of the Registration Statement as originally filed and of each amendment thereto (without exhibits) for each of the U.S. Underwriters. The copies of the Registration Statement and each amendment thereto furnished to the U.S. Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(d) The Company has delivered to each U.S. Underwriter, without charge, as many copies of each preliminary prospectus as such U.S. Underwriter reasonably requested, and the Company hereby consents to the use of such copies for purposes permitted by the 1933 Act. The Company will furnish to each U.S. Underwriter, without charge, during the period when the U.S. Prospectus is required to be delivered under the 1933 Act or the 1934 Act, such number of copies of the U.S. Prospectus (as amended or supplemented) as such U.S. Underwriter may reasonably request. The U.S. Prospectus and any amendments or supplements thereto furnished to the U.S. Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(e) The Company will comply with the 1933 Act and the 1933 Act Regulations and the 1934 Act and the 1934 Act Regulations so as to permit the completion of the

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distribution of the Securities as contemplated in this Agreement, the International Purchase Agreement and in the Prospectuses. If at any time when a prospectus is required by the 1933 Act to be delivered in connection with sales of the Securities, any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for the U.S. Underwriters or the Company, to amend the Registration Statement or amend or supplement the Prospectuses in order that the Prospectuses will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, or if it shall be necessary, in the opinion of such counsel, at any such time to amend the Registration statement or amend or supplement any Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly prepare and file with the Commission, subject to Section 3(b), such amendment or supplement as may be necessary to correct such statement or omission or to make the Registration Statement or the Prospectuses comply with such requirements, and the Company will furnish to the U.S. Underwriters such number of copies of such amendment or supplement as the U.S. Underwriters may reasonably request.

(f) The Company will endeavor, in cooperation with the U.S. Underwriters, to qualify the U.S. Securities for offering and sale under the applicable securities laws of such states and other jurisdictions of the United States as the U.S. Representatives may designate and to maintain such qualifications in effect for a period of not less than one year from the effective date of the Registration Statement and any Rule 462(b) Registration Statement; provided, however, that the Company shall not be obligated to qualify as a foreign corporation in any jurisdiction in which it is not so qualified or to file a general consent to service of process in any jurisdiction or to amend its Memorandum of Association or Bye-laws. In each jurisdiction in which the U.S. Securities have been so qualified, the Company will file such statements and reports as may be required by the laws of such jurisdiction to continue such qualification in effect for a period of not less than one year from the effective date of the Registration Statement and any Rule 462(b) Registration Statement.

(g) The Company will timely file such reports pursuant to the 1934 Act as are necessary in order to make generally available to its security holders as soon as practicable an earnings statement for the purposes of, and to provide the benefits contemplated by, the last paragraph of Section 11(a) of the 1933 Act.

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(h) The Company, during the period when the U.S. Prospectus is required to be delivered under the 1933 Act or the 1934 Act, will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods required by the 1934 Act and the 1934 Act Regulations.

(i) During a period of 90 days from the date of the Prospectuses, the Company will not, without the prior written consent of Merrill Lynch,

directly or indirectly, sell, offer to sell, contract to sell, grant any option for the sale of, or otherwise dispose of any Common Shares or any security convertible into or exchangeable or exercisable for Common Shares (except for Common Shares or options or rights to acquire Common Shares issued pursuant to reservations, agreements, stock option plans or the exercise of convertible securities, in each case as referred to in the Prospectuses (including the documents incorporated by reference therein)) other than offers to sell and sales to the Underwriters pursuant to the Purchase Agreements.

(j) The Company will use its reasonable best efforts to cause each director and officer of the Company to deliver to the Underwriters his written agreement, in substantially the form attached hereto as Exhibit B, that he will not, without the prior written consent of Merrill Lynch, for a period of 90 days from the date of the Prospectuses, directly or indirectly, offer, sell, contract to sell, grant any option for the sale of, or otherwise dispose of any Common Shares (or any securities convertible into or exercisable or exchangeable for Common Shares) (other than to the Company pursuant to the stock option plans of the Company).

(k) At the Closing Time, the Company will effect the conversion (the "Conversion") of the Diluted Voting Class I Common Shares (the "DVI Shares") and the Diluted Voting Class II Common Shares (the "DVII Shares") of the Company being sold by certain of the Selling Shareholders pursuant hereto into full voting Common Shares of the Company on a one-for-one basis and hereby acknowledges that the notice required pursuant to Section 4 of Schedule A to Amended and Restated Bye-laws of the Company has been given.

#### SECTION 4. PAYMENT OF EXPENSES.

The Company will pay all expenses incident to the performance of the obligations of the Company and the Selling Shareholders under this Agreement (or reimburse the Selling Shareholders to the extent any such expenses are paid by the Selling Shareholders), including (i) the printing and filing of, and delivery to the U.S. Underwriters of copies of, the Registration Statement (including financial statements of the Company and exhibits), as originally filed and as amended, (ii)

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the printing and distribution of this Agreement, any agreement among U.S. Underwriters and such other documents as may be required in connection with the offering, purchase, sale and delivery of U.S. Securities, (iii) the preparation, issuance and delivery of the certificates for the U.S. Securities to the U.S. Underwriters, including capital duties, stamp duties and stock transfer taxes, if any, payable upon the sale of the U.S. Securities to the U.S. Underwriters, (iv) the fees and disbursements of the Company's counsel and accountants and each of the Selling Shareholders' respective counsel, (v) the qualification of the U.S. Securities under securities laws in accordance with the provisions of Section 3(f), including filing fees and the reasonable fees and disbursements of counsel for the U.S. Underwriters in connection therewith and in connection with the preparation of the Blue Sky Survey, (vi) the printing and delivery to the U.S. Underwriters of copies of the preliminary prospectus, any Term Sheets and the Prospectuses and any amendments or supplements thereto, (vii) the printing and delivery to the Underwriters of copies of the Blue Sky Survey, (viii) the filing fee of the NASD and (ix) the fees and expenses incurred in connection with the listing of the Securities on the NYSE, if any.

If this Agreement is terminated by the U.S. Representatives in accordance with the provisions of Section 5, Section 9(a)(i) or Section 11, the Company shall reimburse the U.S. Underwriters for all of their reasonable out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the U.S. Underwriters.

The foregoing provisions of this Section shall not affect any agreement which the Company and the Selling Shareholders may make for the allocation or sharing of such expenses and costs.

#### SECTION 5. CONDITIONS OF U.S. UNDERWRITERS' OBLIGATIONS.

The obligations of the several U.S. Underwriters hereunder are subject to the accuracy in all material respects of the representations and warranties of the Company and the Selling Shareholders, to the performance by the Company and the Selling Shareholders of their obligations hereunder, to the Conversion having been effected and to the following further conditions:

(a) The Registration Statement, including any Rule 462(b) Registration Statement, shall have become effective not later than 5:30 P.M. on the date hereof, and at Closing Time no stop order suspending the effectiveness of the Registration Statement shall have been issued under the 1933 Act or proceedings therefor initiated or threatened by the Commission, and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of counsel to the U.S.

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Underwriters. A prospectus containing the Rule 430A Information shall have been filed with the Commission in accordance with Rule 424(b) (or a post-effective amendment providing such information shall have been filed and declared effective in accordance with the requirements of Rule 430A). If the Company has elected to rely upon Rule 434, a Term Sheet shall have been filed with the Commission in accordance with Rule 424(b).

(b) At Closing Time the U.S. Representatives shall have received:

(1) The opinion, dated as of Closing Time, of Willkie Farr & Gallagher, counsel for the Company, in form and substance reasonably satisfactory to counsel for the U.S. Underwriters, to the effect that:

(i) The authorized capital of the Company conforms in all material respects as to legal matters to the description thereof contained or incorporated by reference in the Prospectuses with respect to the description of the Company's capital stock.

(ii) To the best of such counsel's knowledge and information, the issuance of the Securities is not subject to preemptive or other similar rights under the Memorandum of Association or Bye-laws of the Company or pursuant to any agreement or instrument required to be described in the Registration Statement or the Prospectuses (or any amendment or supplement thereto) or to be filed as an exhibit to the Registration Statement or included in any document incorporated by reference therein, whether or not described or filed as required, as the case may be.

(iii) To the best of such counsel's knowledge and information, there are no persons with registration or other similar rights to have any securities registered pursuant to the Registration Statement or otherwise registered by the Company under the 1933 Act other than holders who have waived such rights or will not have such rights for the 90-day period after the date of the Prospectuses and have waived their rights with respect to the inclusion of their securities in the Registration Statement.

(iv) The Registration Statement, including any Rule 462(b) Registration Statement, was declared effective under the 1933 Act and, to the best of such counsel's knowledge and information, no stop order suspending the effectiveness of the

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Registration Statement has been issued under the 1933 Act or proceedings therefor initiated or threatened by the Commission; and any required filing of the Prospectuses pursuant to Rule 424(b) under the 1933 Act has been made in accordance with Rule 424(b) under the 1933 Act.

(v) The Registration Statement, including any Rule 462(b) Registration Statement, the Rule 430A Information and the Rule 434 Information, as applicable, and the Prospectuses, as of their respective effective or issue dates (other than the financial statements and notes thereto and the related schedules included therein and other statistical and financial data and information, as to which we express no opinion), complied as to form in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations. The documents incorporated by reference in the Registration Statement, including any Rule 462(b) Registration Statement (other than the consolidated financial statements of the Company and notes thereto and the related schedules included therein and other statistical and financial information included therein or omitted therefrom, as for which we express no opinion, and except to the extent that any statement therein is modified or superseded in the Registration Statement), as of the dates they were filed with the Commission, comply as to form in all material respects with the requirements of the 1934 Act and the 1934 Act Regulations.

(vi) The Common Shares conform to the description thereof contained or incorporated by reference in the Prospectuses, and the form of certificate used to evidence the Common Shares complies with all applicable U.S. statutory requirements.

(vii) Such counsel confirms that the statements under the caption "Certain Tax Considerations - Taxation of the Company, Renaissance Reinsurance and Glencoe - United States" and "Certain Tax Considerations - Taxation of Shareholders - United States Taxation of U.S. and Non-U.S. Shareholders" in the Prospectuses address all material U.S. Federal income tax

considerations affecting the Company and holders of Common Shares (other than those tax considerations that depend on circumstances specific for such holders) and the statements of law contained therein are accurate in all material respects and such discussion reflects the opinion

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of such counsel with respect to the matters of law referred to therein.

(viii) The descriptions in the Prospectuses of U.S. insurance statutes and regulations set forth under the caption "Business--Regulation" are accurate in all material respects and fairly summarize in all material respects the information required to be shown and such counsel does not know of any U.S. insurance statutes or regulations required to be described in the Prospectuses that are not described as required.

(ix) No authorization, approval, consent or order of any U.S. court or governmental authority or agency is required in connection with the offering or sale of the Securities to the Underwriters hereunder and under the International Purchase Agreement, except such as have been obtained and made under the 1933 Act, the 1933 Act Regulations, the 1934 Act, the 1934 Act Regulations and such as may be required under state or foreign securities laws (as to which counsel need express no opinion).

(x) To the best of such counsel's knowledge and information, (i) there are no contracts, indentures, mortgages, loan agreements, notes, leases or other instruments required to be described or referred to in the Registration Statement or to be filed as exhibits thereto other than those described, referred to or incorporated by reference (including the exhibits to any such documents so incorporated by reference) therein and (ii) the descriptions thereof or references thereto are correct in all material respects.

(xi) To the best of such counsel's knowledge and information, there are no U.S. legal or governmental proceedings pending or threatened against the Company or any Subsidiary which are required to be disclosed in the Registration Statement, other than those disclosed or incorporated by reference (including the exhibits to any such documents so incorporated by reference) therein, and all pending U.S. legal or governmental proceedings to which the Company or any Subsidiary is a party or to which any of their properties is subject which are not described in the Registration Statement, including ordinary routine litigation incidental to the business of the Company or any Subsidiary, as applicable, when considered in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

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(xii) To the best of such counsel's knowledge and information, the execution, delivery and performance of this Agreement and the International Purchase Agreement, and the consummation of the transactions contemplated herein and therein and compliance by the Company with its obligations hereunder and thereunder, do not and will not at the Closing Time conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien or encumbrance upon any property or assets of the Company or any Subsidiary pursuant to any contract, indenture, mortgage, loan agreement, note, lease or other instrument required to be described in the Registration Statement or the Prospectuses (or any amendment or supplement thereto) or to be filed as an exhibit to the Registration Statement whether or not described or filed as required, as the case may be, to which the Company or any Subsidiary is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any Subsidiary is subject, nor will such action result in any violation of (A) the provisions of any applicable U.S. law, (B) any U.S. administrative regulation or (C) any U.S. administrative or court decree, known to them.

(xiii) The information incorporated by reference in the Prospectuses describing any legal proceedings involving the Company or the Subsidiaries, to the extent that it constitutes matters of law, summaries of legal matters, documents or proceedings, or legal conclusions, has been reviewed by them and is correct in all material respects.

(xiv) Neither the Company nor any Subsidiary is required to be registered as an "investment company" under the Investment



In rendering their opinions as aforesaid, Willkie Farr & Gallagher may rely, as to factual matters, on written certificates of officers of the Company and, as to matters of Bermuda law, on the opinion of Conyers, Dill & Pearman, dated as of the Closing Time; provided that (1) you are notified in advance of Willkie Farr & Gallagher's intention to rely on the opinion of Conyers, Dill & Pearman, (2) such reliance is expressly authorized by such opinion so relied upon and such opinion is delivered to the U.S. Representatives and is reasonably satisfactory to them and their counsel, and (3) Willkie Farr & Gallagher shall state in their opinion that they believe that they and the U.S. Representatives are justified in relying on such opinion of Conyers, Dill & Pearman.

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(2) The opinion, dated as of Closing Time, of Conyers, Dill & Pearman, in form and substance reasonably satisfactory to counsel for the U.S. Underwriters, to the effect that:

(i) Each of the Company and the Subsidiaries has been duly incorporated and is validly existing and in good standing as a company under the laws of Bermuda.

(ii) The Company has all corporate power and authority necessary to own, lease and operate its properties, to conduct its business as described in the Prospectuses and to enter into and perform its obligations under this Purchase Agreement and the International Purchase Agreement.

(iii) To the best of such counsel's knowledge, Renaissance Reinsurance is licensed as a Class 4 general insurer in Bermuda under the Insurance Act 1978 of Bermuda.

(iv) All of the issued and outstanding common shares of each Subsidiary have been duly authorized and validly issued, are fully paid and nonassessable. All of the common shares of Renaissance Reinsurance and a majority of the common shares of Glencoe Insurance are owned of record by the Company.

(v) All of the outstanding Common Shares of the Company have been duly authorized and validly issued and are fully paid and nonassessable, and none of the outstanding shares of capital stock of the Company was issued in violation of the preemptive rights of any shareholder of the Company contained in the Company's Memorandum of Association or Bye-laws or any agreement among the Company's shareholders.

(vi) Neither the Memorandum of Association or Bye-laws of the Company, nor any schedules thereto, limit the power of the Company to convert the DVI Shares and the DVII Shares to full voting Common Shares of the Company, and no consents or other actions by or on behalf of the Company are required to permit the Conversion.

(vii) This Agreement and the International Purchase Agreement have each been duly authorized, executed and delivered by the Company.

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(viii) To the best of such counsel's knowledge and information, each Subsidiary is duly licensed or authorized to carry on its insurance and reinsurance business in Bermuda pursuant to the Insurance Act 1978 of Bermuda (as amended) in accordance with their respective registrations; to the best knowledge of such counsel, all such licenses and authorizations are in full force and effect and no proceedings are pending or threatened seeking the revocation or limitation thereof, except in any such cases where the failure by any Subsidiary to be so licensed or authorized would not (either individually or in the aggregate) have a Material Adverse Effect.

(ix) To the best of such counsel's knowledge and information, the execution, delivery and performance of this Agreement and the International Purchase Agreement, and the consummation of the transactions contemplated herein and therein and compliance by the Company with its obligations hereunder and thereunder, do not and will not result in any violation of (A) the provisions of the Memorandum of Association or Bye-laws of the Company or (B) any applicable Bermuda law.

(x) The statements in the Prospectuses (including the documents incorporated by reference therein) under the captions "Business--Regulation--Bermuda" and "Certain Bermuda Law

Considerations," to the extent that such statements constitute matters of law, summaries of legal matters, documents or proceedings, or legal conclusions, have been reviewed by such counsel and are correct in all material respects.

(xi) The descriptions set forth or incorporated by reference in the Prospectuses of Bermuda insurance statutes and regulations are accurate in all material respects and fairly summarize in all material respects the information required to be shown and such counsel does not know of any Bermuda insurance statutes or regulations required to be described in the Prospectus that are not described as required.

(3) The opinion, dated as of the Closing Time, of Willkie Farr & Gallagher, counsel for Warburg, Pincus Investors, L.P. ("Warburg"), in form and substance reasonably satisfactory to counsel for the U.S. Underwriters, to the effect that:

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(i) Warburg has the partnership power and authority necessary to execute and deliver this Agreement and the International Purchase Agreement and to perform its obligations hereunder and thereunder.

(ii) To the best of such counsel's knowledge and information, the execution, delivery and performance of this Agreement and the International Purchase Agreement by Warburg, the consummation by Warburg of the transactions contemplated herein and therein and the compliance by Warburg with its obligations hereunder and thereunder do not and will not conflict with or constitute a breach of, or default under, any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which Warburg is bound and which is material to the transactions contemplated herein or therein, nor will such action result in any violation of (A) the partnership agreement or other governing documents of Warburg, (B) the provisions of any applicable U.S. federal or New York State law, (C) any U.S. federal or New York State administrative regulation or (D) any U.S. federal or New York State administrative or court decree, known to them.

(iii) Each of this Agreement and the International Purchase Agreement has been duly authorized, executed and delivered on behalf of Warburg.

(iv) No authorization, approval, consent or order of any U.S. federal or New York State court or governmental authority or agency is required in connection with the execution and delivery of this Agreement and the International Purchase Agreement by Warburg and the offering, sale and delivery of the Securities to be sold by Warburg hereunder and thereunder, except such as have been obtained and made under the 1933 Act, the 1933 Act Regulations, the 1934 Act, the 1934 Act Regulations and such as may be required under state or foreign securities laws or the by-laws or rules of the NASD (as to all of which counsel need express no opinion).

(v) Upon the purchase by the Underwriters of the Securities to be sold by Warburg in accordance with the terms and conditions of this Agreement and the International Purchase Agreement, good and valid title to such Securities, free and clear of all liens, encumbrances or other adverse claims, will be transferred to each of the Underwriters,

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assuming that the Underwriters purchase such Securities in good faith and without notice of any adverse claim within the meaning of the New York Uniform Commercial Code.

In rendering their opinions as aforesaid, Willkie Farr & Gallagher may rely, as to factual matters, on written certificates of officers of Warburg respecting ownership of, and any liens, encumbrances, equities or adverse claims on, the Securities sold by Warburg; provided that (1) copies of such certificates are provided in advance to the U.S. Representatives and (2) Willkie Farr & Gallagher shall state in their opinion that they believe that they and the U.S. Representatives are justified in relying on such certificates.

(4) The opinion, dated as of the Closing Time, of Dewey Ballantine, counsel for GE Investment Private Placement Partners I-Insurance, Limited Partnership ("GE Investment") and PT Investments, Inc. ("PT Investments"), in form and substance reasonably satisfactory to counsel for the U.S. Underwriters, to the effect that:

(i) Each of GE Investment and PT Investments has the partnership or corporate, as the case may be, power and authority necessary to execute and deliver this Agreement and the International Purchase Agreement and to perform its obligations hereunder and thereunder.

(ii) To the best of such counsel's knowledge and information, the execution, delivery and performance of this Agreement and the International Purchase Agreement by each of GE Investment and PT Investments, the consummation by each of GE Investment and PT Investments of the transactions contemplated herein and therein and the compliance by each of GE Investment and PT Investments with their respective obligations hereunder and thereunder do not and will not conflict with or constitute a breach of, or default under, any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which GE Investment or PT Investments is bound and which is material to the transactions contemplated herein or therein, nor will such action result in any violation of (A) the partnership agreement, charter or by-laws or other governing documents of GE Investment or PT Investments, (B) the provisions of any applicable U.S. federal or New York State law, (C) any U.S. federal or New York State administrative regulation or (D) any U.S.

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federal or New York State administrative or court decree, known to them.

(iii) Each of this Agreement and the International Purchase Agreement has been duly authorized, executed and delivered on behalf of each of GE Investment and PT Investments.

(iv) No authorization, approval, consent or order of any U.S. federal or New York State court or governmental authority or agency is required in connection with the execution and delivery of this Agreement and the International Purchase Agreement by GE Investment or PT Investments and the offering, sale and delivery of the Securities to be sold by GE Investment or PT Investments hereunder and thereunder, except such as have been obtained and made under the 1933 Act, the 1933 Act Regulations, the 1934 Act, the 1934 Act Regulations and such as may be required under state or foreign securities laws or the by-laws or rules of the NASD (as to all of which counsel need express no opinion).

(v) Upon the purchase by the Underwriters of the Securities to be sold by GE Investment and PT Investments in accordance with the terms and conditions of this Agreement and the International Purchase Agreement, good and valid title to such Securities, free and clear of all liens, encumbrances or other adverse claims, will be transferred to each of the Underwriters, assuming that the Underwriters purchase such Securities in good faith and without notice of any adverse claim within the meaning of the New York Uniform Commercial Code.

In rendering their opinions as aforesaid, Dewey Ballantine may rely, as to factual matters, on written certificates of officers of each of GE Investment and PT Investments respecting ownership of, and any liens, encumbrances, equities or adverse claims on, the Securities sold by GE Investment or PT Investments, as the case may be; provided that (1) copies of such certificates are provided in advance to the U.S. Representatives and (2) Dewey Ballantine shall state in their opinion that they believe that they and the U.S. Representatives are justified in relying on such certificates.

(5) The opinion, dated as of the Closing Time, of J. Kendall Huber, Esq., counsel for United States Fidelity and Guaranty Company ("USF&G"), in form and substance reasonably satisfactory to counsel for the U.S. Underwriters, to the effect that:

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(i) USF&G has the corporate power and authority necessary to execute and deliver this Agreement and the International Purchase Agreement and to perform its obligations hereunder and thereunder.

(ii) To the best of such counsel's knowledge and information, the execution, delivery and performance of this Agreement and the International Purchase Agreement by USF&G, the consummation by USF&G of the transactions contemplated herein and therein and the compliance by USF&G with its obligations hereunder and thereunder do not and will not conflict with or constitute a breach of, or default under, any contract,

indenture, mortgage, loan agreement, note, lease or other instrument to which USF&G is bound and which is material to the transactions contemplated herein or therein, nor will such action result in any violation of (A) the charter and by-laws of USF&G, (B) the provisions of any applicable U.S. federal or Maryland law, (C) any U.S. federal or Maryland administrative regulation or (D) any U.S. federal or Maryland administrative or court decree, known to them.

(iii) Each of this Agreement and the International Purchase Agreement has been duly authorized, executed and delivered on behalf of USF&G.

(iv) No authorization, approval, consent or order of any U.S. federal or Maryland court or governmental authority or agency is required in connection with the execution and delivery of this Agreement and the International Purchase Agreement by USF&G and the offering, sale and delivery of the Securities to be sold by USF&G hereunder and thereunder, except such as have been obtained and made under the 1933 Act, the 1933 Act Regulations, the 1934 Act, the 1934 Act Regulations and such as may be required under state or foreign securities laws or the by-laws or rules of NASD (as to all of which counsel need express no opinion).

(v) Upon the purchase by the Underwriters of the Securities to be sold by USF&G in accordance with the terms and conditions of this Agreement and the International Purchase Agreement, good and valid title to such Securities, free and clear of all liens, encumbrances or other adverse claims, will be transferred to each of the Underwriters, assuming that the Underwriters purchase such Securities in good faith and without notice of any

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adverse claim within the meaning of the Maryland Uniform Commercial Code.

In rendering his opinions as aforesaid, J. Kendall Huber, Esq. may rely, as to factual matters, on written certificates of officers of USF&G respecting ownership of, and any liens, encumbrances, equities or adverse claims on, the Securities sold by USF&G ; provided that (1) copies of such certificates are provided in advance to the U.S. Representatives and (2) J. Kendall Huber, Esq. shall state in his opinion that he believes that he and the U.S. Representatives are justified in relying on such certificates.

(6) The opinion, dated as of Closing Time, of Simpson Thacher & Bartlett, counsel for the Underwriters, to the effect that:

(i) To the best of such counsel's knowledge, the issuance of the Securities is not subject to preemptive or other similar rights.

(ii) The Registration Statement was declared effective under the 1933 Act and, to the best of such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued under the 1933 Act or proceedings therefor initiated or threatened by the Commission; and any required filing of the Prospectuses pursuant to Rule 424(b) under the 1933 Act has been made in accordance with Rule 424(b) under the 1933 Act.

(iii) The Registration Statement, as of its effective date, and the Prospectuses, as of the date of such Prospectuses, complied as to form in all material respects with the requirements of the 1933 Act and the applicable rules and regulations of the Commission thereunder and that the documents incorporated by reference in the Registration Statement complied as to form when filed in all material respects with the requirements of the 1934 Act and the applicable rules and regulations of the Commission thereunder, except that in each case we express no opinion with respect to the financial statements or other financial or statistical data contained or incorporated by reference in the Registration Statement, the Prospectuses or the documents incorporated by reference in the Registration Statement.

(iv) The Common Shares conform in all material respects as to legal matters to the

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description thereof contained or incorporated by reference in the Prospectuses.

In rendering those opinions above, Simpson Thacher & Bartlett may rely, as to factual matters, on written certificates of officers of the Company and, as to matters governed by the laws of Bermuda, on the opinion of Conyers, Dill & Pearman.

(7) Willkie Farr & Gallagher and Simpson Thacher & Bartlett shall each additionally state, in their respective opinions, that although such counsel has not undertaken to determine independently and, therefore, does not assume any responsibility, explicitly or implicitly, for the accuracy, completeness or fairness of the statements contained in the Registration Statement or in the Prospectuses (or in the documents incorporated by reference therein) and takes no responsibility therefor, such counsel has participated in discussions and meetings with officers and other representatives of the Company and discussions with the auditors for the Company in connection with the preparation of the Registration Statement and the Prospectuses. Each such counsel shall state that nothing has come to such counsel's attention that has caused such counsel to believe that (i) the Registration Statement, including the Rule 430A Information and the Rule 434 Information, if applicable, at the time it became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or (ii) the Prospectuses, as of the date of such Prospectuses and at Closing Time, as the case may be, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, it being understood that in each case such counsel need not express any belief with respect to the financial statements and notes thereto and the related schedules and other statistical and financial data and information contained in the Registration Statement or the Prospectuses (or the documents incorporated by reference therein).

(c) At the Closing Time there shall not have been, since the date hereof or since the respective dates as of which information is given in the Registration Statement and the Prospectuses, any material adverse change in the financial condition, earnings, business or prospects of the Company and its Subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, and the U.S. Representatives shall have received a certificate of the President or a Senior Vice President of

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the Company, dated as of Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties of the Company in Section 1(a) are true and correct with the same force and effect as though expressly made at and as of Closing Time, (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time, (iv) no default exists in the due performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note, lease or other instrument which is reasonably expected to have a Material Adverse Effect and (v) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been initiated or threatened by the Commission.

(d) At the time of the execution of this Agreement, the U.S. Representatives shall have received from Ernst & Young a letter dated such date, in form and substance satisfactory to the U.S. Representatives, together with signed or reproduced copies of such letter for each of the other U.S. Underwriters, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained or incorporated by reference in the Registration Statement and the Prospectuses.

(e) At Closing Time, the U.S. Representatives shall have received from Ernst & Young a letter, dated as of Closing Time, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (d) of this Section, except that the specified date referred to shall be a date not more than three days prior to Closing Time.

(f) At Closing Time, the Securities shall have been approved for listing on the NYSE.

(g) At Closing Time, you shall have received from the Company, each Selling Shareholder and the officers and directors of the Company, a letter, in the form attached hereto as Exhibit A, pursuant to which each such person shall agree not to, for a period of 90 days after the date of the Prospectuses, without the prior written consent of Merrill Lynch (which consent may be withheld in the sole discretion of Merrill Lynch), offer, sell, contract to sell, grant any option for the sale of, or otherwise

dispose of any Common Shares or any securities convertible into or exercisable or exchangeable for such Common Shares.

(h) At Closing Time and at each Date of Delivery, if any, counsel for the U.S. Underwriters shall have been

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furnished with such documents and opinions as they may reasonably require for the purpose of enabling them to pass upon the sale of the Securities as herein contemplated and related proceedings, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained. All proceedings taken by the Company and the Selling Shareholders in connection with the sale of the Securities as herein contemplated shall be reasonably satisfactory in form and substance to the U.S. Representatives and counsel for the U.S. Underwriters.

(i) At Closing Time, the U.S. Representatives shall have received a certificate of a general partner or executive officer of each Selling Shareholder on behalf of such Selling Shareholder, dated as of Closing Time, to the effect that (i) the representations and warranties of such Selling Shareholder contained in Section 1(b) are true and correct with the same force and effect as though expressly made at and as of Closing Time and (ii) such Selling Shareholder has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time.

(j) In the event the U.S. Underwriters exercise their option provided in Section 2(b) hereof to purchase all or any portion of the Option U.S. Securities, the representations and warranties of the Company and the Selling Shareholders contained herein and the statements in any certificates furnished by the Company and the Selling Shareholders hereunder shall be true and correct in all material respects as of each Delivery Date, and the U.S. Underwriters shall have received:

(1) A certificate, dated such Delivery Date, of the President or a Senior Vice President of the Company on behalf of the Company confirming that the certificate delivered at Closing Time pursuant to Section 5(c) hereof remains true as of such Delivery Date.

(2) A certificate, dated such Delivery Date, of a general partner or executive officer of each Selling Shareholder on behalf of such Selling Shareholder confirming that the certificate delivered on behalf of such Selling Shareholder at the Closing Time pursuant to Section 5(i) hereof remains true and correct as of such Delivery Date.

(3) The opinions of each of Willkie Farr & Gallagher, counsel for the Company and Warburg, Dewey Ballantine, counsel for GE Investment and PT Investments, and J. Kendall Huber, Esq., counsel for USF&G, in form and substance reasonably satisfactory to

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counsel for the U.S. Underwriters, dated such Delivery Date, relating to the Option U.S. Securities and otherwise to the same effect as the opinions required by subsections 5(b)(1), 5(b)(3), 5(b)(4) and/or 5(b)(5), as applicable, and the statement of Willkie Farr & Gallagher required by subsection 5(b)(7) hereof, revised to reflect the sale of Option U.S. Securities.

(4) The opinions of Conyers, Dill & Pearman, counsel for the Company, in form and substance reasonably satisfactory to counsel for the U.S. Underwriters, dated such Delivery Date, relating to the Option U.S. Securities and otherwise to the same effect as the opinion required by subsection 5(b)(2), revised to reflect the sale of Option U.S. Securities.

(5) The opinion of Simpson Thacher & Bartlett, counsel for the U.S. Underwriters, dated such Delivery Date, to the same effect as the opinions required by subsection 5(b)(6) and the statement required by subsection 5(b)(7) hereof, revised to reflect the sale of Option U.S. Securities.

(6) A letter from Ernst & Young in form and substance reasonably satisfactory to the U.S. Underwriters, dated such Delivery Date, substantially the same in form and substance as the letter furnished to the U.S. Underwriters pursuant to Section 5(e) hereof, except that the "specified date" in the letter furnished pursuant to this Section shall be a date not more than three days prior to such Delivery Date.

If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement may be terminated by the U.S. Representatives by notice to the Company at any time at or prior to Closing Time, and such termination shall be without liability of any party to

any other party except as provided in Section 4 and except that Sections 6 and 7 shall survive any such termination and remain in full force and effect.

#### SECTION 6. INDEMNIFICATION.

(a) The Company and each Selling Shareholder, severally and not jointly, agree to indemnify and hold harmless each U.S. Underwriter and each person, if any, who controls any U.S. Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, and each officer and director of each U.S. Underwriter and of any such controlling person to the extent and in the manner set forth in clauses (i), (ii) and (iii) below:

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(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), including the Rule 430A Information and the Rule 434 Information, if applicable, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus or the Prospectuses (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that such settlement is effected with the written consent of the Company or, if applicable, any indemnifying Selling Shareholder; and

(iii) against any and all expense whatsoever, as incurred (including, subject to Section 6(c) hereof, the reasonable fees and disbursements of counsel chosen by Merrill Lynch), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above, and such expenses shall be reimbursed as such expenses are incurred upon requests from the U.S. Underwriters from time to time;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by any U.S. Underwriter through Merrill Lynch expressly for use in the Registration Statement (or any amendment thereto) including the Rule 430A Information and the Rule 434 Information, if applicable, or any preliminary prospectus or the Prospectuses (or any amendment or supplement thereto); provided, further, that each Selling Shareholder agrees to indemnify and hold harmless each U.S. Underwriter as provided above, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in

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conformity with information furnished in writing to the Company by such Selling Shareholder expressly for use in the Registration Statement (or any amendment thereto) or any preliminary prospectuses or the Prospectuses (or any amendment or supplement thereto); provided, further, that the liability of any Selling Shareholder for indemnification under this Section 6(a) shall be limited to an amount equal to the net proceeds (after deducting the Underwriters' discount) received by such Selling Shareholder from the sale of U.S. Securities pursuant to this Agreement; and provided, further, the foregoing indemnity with respect to any untrue statement contained in or omission from a preliminary prospectus shall not inure to the benefit of any U.S. Underwriter (or any person controlling such U.S. Underwriter) from whom the person asserting any such loss, liability, claim, damage or expense purchased any of the U.S. Securities if a copy of the U.S. Prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto in compliance with Section 3(b) of this Agreement) was not sent or given by or on behalf of such U.S. Underwriter to such person, if such is required by law, at or prior to the written confirmation of the sale of such U.S. Securities to such person and if the U.S. Prospectus (as so amended or supplemented) would have cured the defect giving rise to such loss, claim, damage or liability.

(b) Each U.S. Underwriter severally agrees to indemnify and hold

harmless the Company, its directors, each of its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act and each Selling Shareholder, the officers and directors of each Selling Shareholder and each person, if any, who controls any Selling Shareholder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) or (b) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), including the Rule 430A Information and the Rule 434 Information, if applicable, or any preliminary prospectus or the Prospectuses (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by such U.S. Underwriter through Merrill Lynch, or by any Manager through Merrill Lynch International, expressly for use in the Registration Statement (or any amendment thereto), such preliminary prospectus or the Prospectuses (or any amendment or supplement thereto).

(c) Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from

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any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to Section 6(a) above, counsel to the indemnified parties shall be selected by Merrill Lynch, and, in the case of parties indemnified pursuant to Section 6(b) above, counsel to the indemnified parties shall be selected by the Company or the indemnified Selling Shareholder, as appropriate. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall any indemnifying party be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from its own counsel for all indemnified parties not having actual or potential differing interests with it or among any other indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 6 or Section 7 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

SECTION 7. CONTRIBUTION. If the indemnification provided for in Section 6 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of losses, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Shareholders on the one hand and the U.S. Underwriters on the other hand from the offering of the U.S. Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Selling Shareholders on the one hand and of the U.S. Underwriters on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

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The relative benefits received by the Company and the Selling Shareholders on the one hand and the U.S. Underwriters on the other hand in connection with the offering of the U.S. Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the U.S. Securities pursuant to this Agreement (before deducting expenses) received by the Selling Shareholders and the total underwriting discount received by the U.S. Underwriters, in each case as set forth on the cover of the Prospectuses, or, if Rule 434 is used, the corresponding location on the Term Sheet bear to the aggregate initial public offering price of the U.S. Securities as set forth on such cover.



The relative fault of the Company and the Selling Shareholders on the one hand and the U.S. Underwriters on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Selling Shareholders on the one hand or by the U.S. Underwriters on the other hand and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company, the Selling Shareholders and the U.S. Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the U.S. Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 7 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 7, no U.S. Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the U.S. Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such U.S. Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

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For purposes of this Section 7, (a) each person, if any, who controls a U.S. Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such U.S. Underwriter, and each director and each officer of the Company who signed the Registration Statement, (b) each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company and (c) each officer and director of each Selling Shareholder, and each person who controls such Selling Shareholder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, shall have the same rights to contribution as such Selling Shareholder. The U.S. Underwriters' respective obligations to contribute pursuant to this Section 7 are several in proportion to the number of Initial U.S. Securities set forth opposite their respective names in Schedule A hereto and not joint.

The provisions of this Section shall not affect any contribution agreement among the Company and the Selling Shareholders, as among them.

Notwithstanding the provisions of this Section 7, no Selling Shareholder shall be required to contribute any amount in excess of the amount equal to the net proceeds (after deducting the Underwriters' discount) received by such Selling Shareholder from the sale of U.S. Securities pursuant to this Agreement.

#### SECTION 8. REPRESENTATIONS, WARRANTIES AND AGREEMENTS TO SURVIVE DELIVERY.

All representations, warranties and agreements contained in this Agreement, or contained in certificates of officers of the Company or of the Selling Shareholders submitted pursuant hereto, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any U.S. Underwriter or controlling person, or by or on behalf of the Company or the Selling Shareholders, and shall survive delivery of the U.S. Securities to the U.S. Underwriters.

#### SECTION 9. TERMINATION OF AGREEMENT.

(a) The U.S. Representatives may terminate this Agreement, by notice to the Company and the Selling Shareholders, at any time at or prior to Closing Time (i) if there has been, since the date of this Agreement or since the respective dates as of which information is given in the Registration Statement, any material adverse change in the financial condition, earnings, business or prospects of the Company and its Subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there has occurred any material adverse change in the financial markets in the United States or in the international financial markets, or any outbreak

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of hostilities or escalation of existing hostilities or other calamity or crisis, in each case the effect of which is such as to make it, in the judgment of the U.S. Representatives, impracticable to market the Securities or to enforce contracts for the sale of the Securities or (iii) if trading in any of the securities of the Company have been suspended or limited by the Commission, or if trading generally on either the NYSE or the NASDAQ National Market system has been suspended, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices for securities have been required, by either of such exchanges or by order of the Commission or any other governmental authority, or (iv) if a banking moratorium has been declared by federal or New York authorities or (v) if there has occurred any change or development involving a prospective change in national or international political, financial or economic condition, which in the reasonable opinion of the U.S. Representatives, is likely to have a material adverse effect on the market for the Securities.

(b) If this Agreement is terminated pursuant to this Section 9, such termination shall be without liability of any party to any other party except as provided in Sections 4, 6 and 7 and, to the extent relevant to the survival of Sections 6 and 7, Section 1.

(c) This Agreement may also terminate pursuant to the provisions of Section 2, with the effect stated in such Section.

#### SECTION 10. DEFAULT BY ONE OR MORE OF THE UNDERWRITERS.

If one or more of the U.S. Underwriters shall fail at Closing Time or a Date of Delivery to purchase the Initial U.S. Securities which it or they are obligated to purchase under this Agreement (the "Defaulted Securities"), the U.S. Representatives shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting U.S. Underwriters, or any other underwriters, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth. If, however, the U.S. Representatives shall not have completed such arrangements within such 24-hour period, then:

(a) if the number of Defaulted Securities does not exceed 10% of the number of U.S. Securities to be purchased on such date, each of the nondefaulting U.S. Underwriters shall be obligated, severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations hereunder bear to the underwriting obligations of all non-defaulting U.S. Underwriters; or

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(b) if the number of Defaulted Securities exceeds 10% of the number of U.S. Securities to be purchased on such date, this Agreement shall terminate without liability on the part of any non-defaulting U.S. Underwriter.

No action taken pursuant to this Section shall relieve any defaulting U.S. Underwriter from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement, the U.S. Representatives, the Selling Shareholders or the Company shall have the right to postpone Closing Time or a Date of Delivery for a period not exceeding seven days in order to effect any required changes in the Registration Statement or Prospectuses or in any other documents or arrangements.

#### SECTION 11. DEFAULT BY ONE OR MORE OF THE SELLING SHAREHOLDERS.

If one or more of the Selling Shareholders shall fail at Closing Time to sell and deliver the number of Initial U.S. Securities or Option U.S. Securities which such Selling Shareholder or Selling Shareholders are obligated to sell hereunder (the "Selling Shareholder Defaulting Securities"), the non-defaulting Selling Shareholders shall have the right within 24 hours thereafter to make arrangements for one or more of the non-defaulting Selling Shareholders to sell all, but not less than all, of the Selling Shareholder Defaulting Securities in such amounts as may be agreed upon and upon the terms herein set forth; if the non-defaulting Selling Shareholders have not completed such arrangements within such 24-hour period, then the U.S. Underwriters may, at their option, by notice from the U.S. Representatives to the non-defaulting Selling Shareholders, either (a) terminate this Agreement without any liability on the part of any non-defaulting party if the sum of the Selling Shareholder Defaulting Securities under this Agreement and the Selling Shareholder Defaulting Securities as defined in the International Purchase Agreement exceeds 100,000 shares or (b) elect to purchase the Initial U.S. Securities which the non-defaulting Selling Shareholders have agreed to sell hereunder. If more than one of the non-defaulting Selling Shareholders want to sell, in the aggregate, a number of additional Common Shares in excess of the number of Selling Shareholder Defaulting Securities, each of such non-defaulting Selling

Shareholders shall sell such additional Common Shares pro rata on the basis of the number of Common Shares being sold by them as listed on Schedule C.

In the event of a default by any Selling Shareholder as referred to in this Section, each of the U.S. Representatives and the non-defaulting Selling Shareholders shall have the right to postpone the Closing Time for a period not exceeding seven days

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in order to effect any required changes in the Registration Statement or Prospectuses or in any other documents or arrangements.

No action taken pursuant to this Section shall relieve any Selling Shareholder so defaulting from liability, if any, in respect of such default.

#### SECTION 12. NOTICES.

All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the U.S. Underwriters shall be directed to the U.S. Representatives in care of Merrill Lynch at Merrill Lynch World Headquarters, North Tower, World Financial Center, New York, New York 10281-1305, attention of David Webb, Managing Director, telecopy number (212) 449-9021 and in care of Alex. Brown at 135 E. Baltimore Street, Baltimore, Maryland 21202, attention of Steven Goode, telecopy number (410) 783-3024 and in care of Lehman Brothers Inc., 3 World Financial Center, 16th Floor, New York, New York 10285-1100, attention of Robert Lusardi, Managing Director, telecopy number (212) 526-4986 and in care of Salomon Brothers Inc, Equity Capital Markets, Seven World Trade Center, New York, New York 10048, attention of Dominick Lepore, telecopy number (212) 783-2197, with a copy to Simpson Thacher & Bartlett, 425 Lexington Avenue, New York, New York 10017, attention of Peter J. Gordon, Esq., telecopy number (212) 455-2502; notices to the Company shall be directed to it at Sofia House, 48 Church Street, P.O. Box HM 1826, Hamilton HM HX, Bermuda, attention of James N. Stanard, telecopy number (441) 292-9453, with a copy to Willkie Farr & Gallagher, 153 East 53rd Street, New York, New York 10022, attention of John S. D'Alimonte, Esq., telecopy number (212) 821-8111; notices to Warburg shall be directed to it at 466 Lexington Avenue, New York, New York 10017, attention of Howard Newman, Managing Director, telecopy number (212) 878-9351, with a copy to Willkie Farr & Gallagher, 153 East 53rd Street, New York, New York 10022, attention of John S. D'Alimonte, Esq., telecopy number (212) 821-8111; notices to GE Investment and to PT Investments shall be directed to each of them at 3003 Summer Street, Stamford, Connecticut 06904, attention of Michael M. Pastore, Esq., Vice President and Associate General Counsel, telecopy number (203) 326-4177, with a copy to Dewey Ballantine, 1301 Avenue of the Americas, New York, New York 10019, attention of Frederick W. Kanner, Esq., telecopy number (212) 259-6333; notices to USF&G shall be directed to it at 100 Light Street TW 35, Baltimore, Maryland 21202, attention of Dan L. Hale, Executive Vice President and Chief Financial Officer, telecopy number (410) 547-3047, with a copy to J. Kendall Huber, Esq., Legal Department, telecopy number (410) 234-2056.

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#### SECTION 13. PARTIES.

This Agreement shall inure to the benefit of and be binding upon the U.S. Underwriters, the Company, the Selling Shareholders and their respective successors. Nothing expressed or implied in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the U.S. Underwriters, the Company, the Selling Shareholders and their respective successors, and the controlling persons, officers and directors referred to in Sections 6 and 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the U.S. Underwriters, the Company, the Selling Shareholders and their respective successors, and such controlling persons, officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of U.S. Securities from any U.S. Underwriter shall be deemed to be a successor by reason merely of such purchase.

#### SECTION 14. GOVERNING LAW AND TIME.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICT OF LAWS. Specified times of day refer to New York City time. As used herein, the term "business day" means any day on which the NYSE and commercial banks in London are regularly open for business.

#### SECTION 15. CONSENT TO JURISDICTION.

With respect to any suit, action or proceeding against it arising out of or relating to this Agreement, each of the Company and the Selling Shareholders irrevocably submits to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Courts in each case located in the Borough of Manhattan, City and State of New York. In addition, each such party irrevocably waives any objection which it may now or hereafter have to the laying of venue of such suit, action or proceeding brought in any such court and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

For purposes of any such suit, action or proceeding brought in any of the foregoing courts, each of the Company and the Selling Shareholders agrees to maintain an agent for service of process in the Borough of Manhattan, City and State of New York, at all times while any Securities shall be outstanding, and for that purpose each of the Company and the Selling Shareholders hereby irrevocably designates CT Corporation System, whose office

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address at the date hereof is 1633 Broadway, 30th Floor, New York, New York, 10019, to receive for and on its behalf service of process in New York. In the event that any such agent for service of process resigns or ceases to serve as the agent of any such party hereunder, each of the Company and the Selling Shareholders agrees to give notice as provided in Section 12 herein of the name and address of any new agent for service of process with respect to it appointed hereunder.

If, despite the foregoing, in any such suit, action or proceeding brought in any of the aforesaid courts, there is for any reason no such agent for service of process of the Company available to be served, then to the extent that service of process by mail shall then be permitted by applicable law, the Company further irrevocably consents to the service of process on it in any such suit, action or proceeding in any such court by the mailing thereof by registered or certified mail, postage prepaid, to it at its address given in or pursuant to Section 12 hereof.

Nothing herein contained shall preclude any party from effecting service of process in any lawful manner or from bringing any suit, action or proceeding in respect of this Agreement in any other state, country or place.

#### SECTION 16. COUNTERPARTS.

This Agreement may be executed in one or more counterparts and, when a counterpart has been executed by each party hereto, all such counterparts taken together shall constitute one and the same agreement.

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If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the U.S. Underwriters, the Company and the Selling Shareholders in accordance with its terms.

Very truly yours,

RENAISSANCERE HOLDINGS LTD.

By: \_\_\_\_\_  
Title:

WARBURG, PINCUS INVESTORS, L.P.

By: WARBURG, PINCUS & CO.,  
INC, General Partner

By: \_\_\_\_\_  
Title:

GE INVESTMENT PRIVATE PLACEMENT PARTNERS  
I-INSURANCE, LIMITED PARTNERSHIP

By: GE INVESTMENT MANAGEMENT  
INCORPORATED, General Partner

By:

-----  
Title:

PT INVESTMENTS, INC.

By: -----  
Title:

UNITED STATES FIDELITY AND GUARANTY COMPANY

By: -----  
Title:

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Confirmed and Accepted,  
as of the date first above written:

MERRILL LYNCH & CO.  
Merrill Lynch, Pierce, Fenner & Smith Incorporated  
ALEX. BROWN & SONS INCORPORATED  
LEHMAN BROTHERS INC.  
SALOMON BROTHERS INC

By: MERRILL LYNCH, PIERCE, FENNER & SMITH  
INCORPORATED

By: -----  
Authorized Signatory

For itself and the other U.S. Representatives  
and on behalf of the other U.S. Underwriters  
named in Schedule A hereto.

Schedule A

Underwriters -----	Number of Initial U.S. Securities -----
Merrill Lynch, Pierce, Fenner & Smith Incorporated.....	
Alex. Brown & Sons Incorporated.....	
Lehman Brothers Inc.....	
Salomon Brothers Inc.....	

Total..... 2,400,000  
=====

## Schedule B

2,400,000 Shares

RENAISSANCERE HOLDINGS LTD.

Common Shares

(Par Value \$1.00 Per Share)

1. The initial public offering price per share for the U.S. Securities, determined as provided in said Section 2, shall be \$[     ]

2. The purchase price per share for the U.S. Securities to be paid by the several U.S. Underwriters shall be \$[     ], being an amount equal to the initial public offering price set forth above less \$[     ] per share; provided that the purchase price per share for any Option U.S. Securities purchased upon the exercise of the over-allotment option described in Section 2(b) shall be reduced by an amount per share equal to any dividends or distributions declared by the Company and payable after the Closing Time on the Initial U.S. Securities but not payable after the delivery to the Initial Purchasers of the Option U.S. Securities on the Option U.S. Securities.

## Schedule C

<TABLE>  
<CAPTION>

Selling Shareholder -----	Number of Initial U.S. Securities to be Sold -----	Number of Option U.S. Securities to be Sold -----
<S>	<C>	<C>
Warburg, Pincus Investors, L.P.		
GE Investment Private Placement Partners I- Insurance, Limited Partnership		
PT Investments, Inc.		
United States Fidelity and Guaranty Company		
Total	2,400,000 =====	360,000 =====

&lt;/TABLE&gt;

## Lock-up Agreement

Exhibit A

June \_\_\_, 1997

MERRILL LYNCH & CO.  
Merrill Lynch, Pierce, Fenner & Smith Incorporated  
ALEX. BROWN & SONS INCORPORATED  
LEHMAN BROTHERS INC.  
SALOMON BROTHERS INC

as U.S. Representatives of the several  
U.S. Underwriters to be named in the  
within-named Purchase Agreement  
c/o Merrill Lynch & Co.  
Merrill Lynch World Headquarters  
North Tower  
World Financial Center  
New York, New York 10281-1305

MERRILL LYNCH INTERNATIONAL  
ALEX. BROWN & SONS INTERNATIONAL  
LEHMAN BROTHERS INTERNATIONAL (EUROPE)  
SALOMON BROTHERS INTERNATIONAL LIMITED  
as Lead Managers of the  
several Managers to be named in the within-named  
Purchase Agreement  
c/o Merrill Lynch International  
Ropemaker Place  
25 Ropemaker Street  
London EC27 9LY

England

Ladies and Gentlemen:

The undersigned understands that Merrill Lynch & Co. of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Alex. Brown & Sons Incorporated, Lehman Brothers Inc. and Salomon Brothers Inc (collectively, the "U.S. Representatives") propose to enter into a Purchase Agreement (the "U.S. Purchase Agreement") with RenaissanceRe Holdings Ltd., a Bermuda company (the "Issuer"), and the selling shareholders named therein providing for the public offering of shares (the "U.S. Securities") of the Issuer's common shares, par value \$1.00 per share (the "Common Shares").

The undersigned also understands that Merrill Lynch International, Alex. Brown & Sons International, Lehman Brothers International (Europe) and Salomon Brothers International Limited (collectively, the "Lead Managers") propose to enter into a Purchase Agreement (the "International Purchase Agreement," and, collectively with the U.S. Purchase

Agreement, the "Purchase Agreements") with the Issuer, and the selling shareholders named therein providing for the public offering of shares (the "International Securities") of the Issuer's Common Shares. The U.S. Securities and the International Securities, collectively, are hereinafter called the "Securities".

In recognition of the benefit that such offerings will confer upon the value of the Common Shares, and for other good and valuable consideration, the undersigned agrees with each underwriter named in the Purchase Agreements that, during a period of 90 days from and including the date of the Prospectuses (as defined in the Purchase Agreements) the undersigned will not, without the prior written consent of Merrill Lynch, directly or indirectly, offer, sell, contract to sell, grant any option for the sale of, or otherwise dispose of or transfer, any Common Shares.

Very truly yours,

\_\_\_\_\_  
Name:

STB DRAFT  
6/16/97

600,000 Shares

RENAISSANCERE HOLDINGS LTD.

(a Bermuda company)

Common Shares

(Par Value \$1.00 Per Share)

INTERNATIONAL PURCHASE AGREEMENT  
-----

June \_\_, 1997

MERRILL LYNCH INTERNATIONAL  
ALEX. BROWN & SONS INTERNATIONAL  
LEHMAN BROTHERS INTERNATIONAL (EUROPE)  
SALOMON BROTHERS INTERNATIONAL LIMITED  
as Lead Managers of the  
several Managers  
c/o Merrill Lynch International  
Ropemaker Place  
25 Ropemaker Street  
London EC27 9LY  
England

Dear Ladies and Gentlemen:

RenaissanceRe Holdings Ltd., a Bermuda company (the "Company"), and the shareholders of the Company named in Schedule C hereto (the "Selling Shareholders") confirm their agreements with Merrill Lynch International ("Merrill Lynch International"), Alex. Brown & Sons International ("Alex. Brown"), Lehman Brothers International (Europe) ("Lehman"), Salomon Brothers International Limited ("Salomon"), and each of the other underwriters named in Schedule A hereto (collectively, the "Managers," which term shall also include any underwriter substituted as hereinafter provided in Section 10 hereof), for whom Merrill Lynch International, Alex. Brown, Lehman and Salomon are acting as representatives (in such capacity, the "Lead Managers"), with respect to the sale by the Selling Shareholders, acting severally and not jointly, of an aggregate of 600,000 common shares, par value \$1.00 per share (the "Common Shares"), of the Company, including the Common Shares to be issued in the Conversion (as defined in Section 3(k) hereof), and the purchase by the Managers acting severally and not jointly, of the respective numbers of Common Shares set forth

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in Schedule A hereto (the "Initial International Securities"), and with respect to the grant by the Selling Shareholders indicated on Schedule C hereto, acting severally and not jointly, to the Managers of the option described in Section 2(b) to purchase all or any part of 90,000 additional Common Shares (the "Option International Securities") to cover over-allotments, if any. The Initial International Securities and the Option International Securities to be purchased by the Managers are, including the Common Shares to be issued in the Conversion (as defined in Section 3(k) hereof), hereinafter called the "International Securities."

The Company and the Selling Shareholders understand that the Managers propose to make a public offering of the International Securities as soon as the Lead Managers deem advisable after this Agreement has been executed and delivered.

It is understood and agreed by all parties that the Company and the Selling Shareholders are concurrently entering into an agreement dated the date hereof (the "U.S. Purchase Agreement") providing for the sale by the Selling Shareholders of 2,400,000 Common Shares (the "Initial U.S. Securities") through arrangements with certain managing underwriters in the United States and Canada (the "U.S. Underwriters") for whom Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), Alex. Brown and Lehman Brothers Inc. and Salomon Brothers Inc are acting as representatives (the "U.S. Representatives") and the grant by the Selling Shareholders indicated on Schedule C thereto to the U.S. Underwriters of an option to purchase all or any part of 360,000 additional Common Shares in the aggregate (the "Option U.S.



Securities") to cover over-allotments, if any, of the Initial U.S. Securities. The Initial U.S. Securities and the Option U.S. Securities, including the Common Shares to be issued in the Conversion (as defined in Section 3(k) hereof), are hereinafter called the "U.S. Securities". The International Securities and the U.S. Securities, collectively, are hereinafter called the "Securities".

The Company and the Selling Shareholders understand that the Managers and the U.S. Underwriters (collectively, the "Underwriters") will concurrently enter into an Intersyndicate Agreement of even date herewith (the "Intersyndicate Agreement") providing for the coordination of certain transactions among the Underwriters under the direction of Merrill Lynch.

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-3 (No. 333-27775) covering the registration of the Securities under the Securities Act of 1933, as amended (the "1933 Act"), including the related preliminary prospectus or prospectuses. Promptly after execution and delivery of this Agreement and the U.S. Purchase Agreement (collectively, the "Purchase Agreements"), the Company will, in connection with the offering

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of each of the International Securities and the U.S. Securities, either (i) prepare and file a prospectus in accordance with the provisions of Rule 430A ("Rule 430A") of the rules and regulations of the Commission under the 1933 Act (the "1933 Act Regulations") and paragraph (b) of Rule 424 ("Rule 424(b)") of the 1933 Act Regulations or (ii) if the Company has elected to rely upon Rule 434 ("Rule 434") of the 1933 Act Regulations, prepare and file a term sheet (a "Term Sheet") in accordance with the provisions of Rule 434 and Rule 424(b). The information included in any prospectus or in any Term Sheet, as the case may be, that was omitted from such registration statement at the time it became effective but that is deemed to be part of such registration statement at the time it became effective (a) pursuant to paragraph (b) of Rule 430A is referred to as "Rule 430A Information" or (b) pursuant to paragraph (d) of Rule 434 is referred to as "Rule 434 Information." Each prospectus used before such registration statement became effective, and any prospectus that omitted, as applicable, the Rule 430A Information or the Rule 434 Information, that was used after such effectiveness and prior to the execution and delivery of this Agreement, is herein called a "preliminary prospectus." Such registration statement, including the exhibits thereto, schedules thereto, if any, at the time it became effective and including the Rule 430A Information and the Rule 434 Information, as applicable, is herein called the "Registration Statement." Any registration statement filed pursuant to Rule 462(b) of the 1933 Act Regulations is herein referred to as the "Rule 462(b) Registration Statement," and after such filing the term "Registration Statement" shall include the Rule 462(b) Registration Statement. The final prospectus, in the form first furnished to the Managers for use in connection with the offering of the International Securities is herein called the "International Prospectus" and the final prospectus, in the form first furnished to the U.S. Underwriters for use in connection with the U.S. Securities, is herein called the "U.S. Prospectus", and the International Prospectus and the U.S. Prospectus are hereinafter called, collectively, the "Prospectuses," and each individually, a "Prospectus." If Rule 434 is relied on, each of the terms "International Prospectus" and "U.S. Prospectus" shall refer to the preliminary prospectus dated June 3, 1997, together with the applicable Term Sheet and all references in this Agreement and the U.S. Purchase Agreement to the date of the International Prospectus and the U.S. Prospectus, respectively, shall mean the date of such Term Sheet. The International Prospectus is identical to the U.S. Prospectus, except for the front cover page, the "Underwriting" section and the back cover page.

#### SECTION 1. REPRESENTATIONS AND WARRANTIES.

(a) The Company represents and warrants to each Manager as of the date hereof, as of the Date of Delivery referred to in Section 2(b) and as of the Closing Time referred to in Section 2(c), and agrees with each Manager, as follows:

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(i) The Company meets the requirements for use of Form S-3 under the 1933 Act. Each of the Registration Statement and any Rule 462(b) Registration Statement has become effective under the 1933 Act and no stop order suspending the effectiveness of the Registration Statement or any Rule 462(b) Registration Statement has been issued under the 1933 Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, are contemplated by the Commission, and any request on the part of the Commission for additional information has been complied with.

At the respective times the Registration Statement, any Rule 462(b) Registration Statement and any post-effective amendments thereto became effective and at the Closing Time referred to in Section 2(c) (and, if any Option Securities are purchased, up to the Date of Delivery referred to below), (A) the Registration Statement, any Rule 462(b) Registration Statement and any amendments and supplements thereto complied and will

comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (B) neither the Prospectuses nor any amendments or supplements thereto contained or will contain an untrue statement of a material fact or omitted or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and (C) if Rule 434 is used, the Company will comply with the requirements of Rule 434; provided, however, that the representations and warranties in this subsection shall not apply to statements in or omissions from the Registration Statement or Prospectuses made in reliance upon and in conformity with information furnished to the Company in writing by any Manager through Merrill Lynch International or by any U.S. Underwriter through Merrill Lynch, expressly for use in the Registration Statement or Prospectuses.

Each preliminary prospectus and the Prospectuses filed as part of the Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the 1933 Act, complied when so filed in all material respects with the 1933 Act Regulations. The Prospectuses delivered to the Managers for use in connection with the offering of the Securities were identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(ii) The documents incorporated or deemed to be incorporated by reference in the Registration Statement, any

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Rule 462(b) Registration Statement and any post-effective amendments thereto, and each preliminary prospectus and the Prospectuses filed as part of the Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the 1933 Act, at the time they were or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the Securities Exchange Act of 1934, as amended (the "1934 Act") and the rules and regulations of the Commission thereunder (the "1934 Act Regulations"), and, when read together with the other information in the Registration Statement, at the date of the Registration Statement and at the Closing Time, do not and will not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(iii) Ernst & Young, the accountants who audited the financial statements and related schedules as of December 31, 1995 and 1996 and for the years ended December 31, 1994, 1995 and 1996 included in the Registration Statement, are independent public accountants as required by the 1933 Act and the 1933 Act Regulations.

(iv) The consolidated financial statements included in the Registration Statement and the Prospectuses, and those financial statements incorporated by reference therein, present fairly the consolidated financial position of the Company and its subsidiaries, including Renaissance Reinsurance Ltd. ("Renaissance Reinsurance"), Glencoe Insurance Ltd. ("Glencoe Insurance") and, to the extent applicable, RenaissanceRe Capital Trust ("Capital Trust"; together with Glencoe Insurance and Renaissance Reinsurance, the "Subsidiaries"), as at the dates indicated and the consolidated results of their operations for the periods specified; except as otherwise stated in the Registration Statement, such financial statements were prepared in conformity with United States generally accepted accounting principles applied on a consistent basis; and the related schedules included in the Registration Statement, or referred to therein, present fairly the information required to be stated therein.

(v) Each of the Company and the Subsidiaries has filed all reports, information statements and other documents with the insurance regulatory authorities of its jurisdiction of incorporation and domicile as are required to be filed pursuant to the insurance statutes of such jurisdictions, including the statutes relating to companies which control insurance companies, and the rules, regulations and interpretations of the insurance regulatory authorities thereunder (the "Applicable Insurance Laws"),

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and has duly paid all taxes (including franchise taxes and similar fees) it is required to have paid under the Applicable Insurance Laws, except where the failure to file such statements or reports or pay such taxes would not have a material adverse effect on the financial condition, earnings or business of the Company and its Subsidiaries considered as one enterprise (a "Material Adverse Effect"), and each of the Company and the Subsidiaries maintains its books and records in accordance with the Applicable Insurance

Laws, except where the failure to so maintain its books and records would not have a Material Adverse Effect.

(vi) Since the respective dates as of which information is given in the Registration Statement and the Prospectuses, except as otherwise stated therein, (A) there has been no Material Adverse Effect, (B) there have been no transactions entered into by the Company or any Subsidiary, other than those in the ordinary course of business, which are material with respect to the Company and its Subsidiaries considered as one enterprise and (C) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock, except to the extent described in the Prospectuses.

(vii) The Company has been duly formed and is validly existing as a company in good standing under the laws of Bermuda with the power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and to enter into and perform its obligations under the Purchase Agreements; and the Company is duly qualified as a foreign company to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify would not have a Material Adverse Effect.

(viii) Renaissance Reinsurance, Glencoe Insurance and Capital Trust are the only subsidiaries of the Company. Each of the Subsidiaries has been duly formed and is validly existing as a company in good standing under the laws of the jurisdiction of its incorporation, has the power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and is duly qualified as a foreign company to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify would not have a Material Adverse Effect; all of the issued and outstanding capital stock of each of Renaissance Reinsurance and Glencoe Insurance has been duly authorized and validly issued and is fully paid and nonassessable. All of the shares of Renaissance Reinsurance and a majority of

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the shares of Glencoe Insurance are owned of record by the Company, in each case free and clear of any security interest, mortgage, pledge, lien, encumbrance or claim.

(ix) The Company had as of March 31, 1997, a duly authorized and outstanding capitalization as set forth in the Prospectuses under the caption "Capitalization."

(x) The issued and outstanding Common Shares (including the Securities) of the Company have been (or will be) duly authorized and validly issued and are fully paid and nonassessable; the Common Shares conform (or will conform) to all statements relating thereto contained in the Prospectuses; and the Securities are not (and will not be) subject to preemptive or other similar rights, except such rights as have been duly and irrevocably waived prior to the date hereof.

(xi) Neither the Memorandum of Association or Bye-laws of the Company, nor any schedules thereto, limit the power of the Company to convert the DVI Shares (as defined in Section 3(k)) and the DVII Shares (as defined in Section 3(k)) into full voting Common Shares of the Company, and no consents or other actions by or on behalf of the Company are required to permit the Conversion (as defined in Section 3(k)) other than those actions by the Company referred to in Section 3(k).

(xii) Neither the Company nor any Subsidiary is in violation of its respective Memorandum of Association, Bye-laws or other governing documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan or credit agreement, note, lease, deed of trust or other agreement or instrument to which the Company or any Subsidiary is a party or by which the Company or any Subsidiary is bound, or to which any of the property or assets of the Company or any Subsidiary is subject, other than any such violation or default that would not have a Material Adverse Effect; and the execution, delivery and performance of this Agreement and the U.S. Purchase Agreement, and the consummation of the transactions contemplated herein, therein and in the Registration Statement have been duly authorized by all necessary action by or on behalf of the Company and will not conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien or encumbrance upon any property or assets of the Company or any Subsidiary pursuant to any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which the Company or any Subsidiary is a party or by which it or either of them may be bound, or to which any of the property or assets of the Company or any Subsidiary is subject, nor will such action result in

of Association, Bye-laws or other governing documents of the Company or any Subsidiary or any applicable law, administrative regulation or administrative or court decree, other than any such conflict, breach or violation that would not have a Material Adverse Effect. Neither the Company nor any Subsidiary has received any notice from any other party to any material treaty, contract, agreement or arrangement that such other party intends not to perform such treaty, contract, agreement or arrangement, and the Company and the Subsidiaries have no knowledge that any other parties to such treaties, contracts, agreements or arrangements will be unable to perform such treaty, contract, agreement or arrangement, except to the extent that the Company or any Subsidiary has made provision which it deems adequate for potential uncollectible reinsurance.

(xiii) No labor dispute with the employees of the Company or the Subsidiaries exists or, to the knowledge of the Company, is threatened that might reasonably be expected to have a Material Adverse Effect.

(xiv) There is no action, suit or proceeding before or by any court or governmental agency or body (including, without limitation, any insurance regulatory agency or body), domestic or foreign, now pending, or, to the knowledge of the Company, threatened, against or affecting the Company or any Subsidiary, which is required to be disclosed in the Registration Statement (other than as disclosed therein), or which, considered singly or in the aggregate, might have a Material Adverse Effect, or which might prevent the consummation of this Agreement or the U.S. Purchase Agreement; all pending legal or governmental proceedings to which the Company or any Subsidiary is a party or of which any of their respective properties or assets is the subject which are not described in the Registration Statement, including ordinary routine litigation incidental to the business, considered in the aggregate, could not reasonably be expected to have a Material Adverse Effect; and there are no contracts or documents of the Company or any Subsidiary which are required to be filed as exhibits to the Registration Statement by the 1933 Act or by the 1933 Act Regulations which have not been so filed.

(xv) No filing with, or authorization, approval or consent of, any court or governmental authority or agency (including, without limitation, any insurance regulatory agency or body) is necessary in connection with the offering or sale of the Securities hereunder or under the U.S. Purchase Agreement, except such as may be required under the 1933 Act, the 1933 Act Regulations, the 1934 Act, the 1934 Act Regulations, the Exchange Control Regulations promulgated pursuant to the Exchange Control Act 1972 of

Bermuda or state or foreign securities laws which the Underwriters have the responsibility to obtain.

(xvi) Each of the Company and the Subsidiaries possesses such licenses, certificates, authorizations or permits issued by the appropriate state, federal or foreign regulatory agencies or bodies (including, without limitation, any such item from any insurance regulatory agency or body) necessary to conduct the business now operated by them, except where the failure to possess such certificates, authorizations or permits would not have a Material Adverse Effect, and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling, or finding, would have a Material Adverse Effect. Except as disclosed in the Registration Statement, no insurance regulatory agency or body has issued any order or decree impairing, restricting or prohibiting (A) payment of dividends by the Company or by any Subsidiary to the Company, or (B) the continuation of the business of the Company or any Subsidiary in all material respects as presently conducted.

(xvii) Each of the Company and the Subsidiaries has good title to all properties owned by it, in each case free and clear of all liens, encumbrances and defects except (i) as do not materially interfere with the use made and proposed to be made of such properties, (ii) as referred to in the Registration Statement (including the notes to the consolidated financial statements of the Company included therein, and including any documents incorporated by reference therein) or (iii) as could not reasonably be expected to have a Material Adverse Effect.

(xviii) There are no holders of securities (debt or equity) of the Company or the Subsidiaries, or holders of rights, options or warrants to obtain securities of the Company or the Subsidiaries, who have the right to request the Company to register securities held by them under the 1933 Act (or, subject to certain conditions, their respective transferees), except as set forth in the Registration Statement.

(xix) The Company has not taken and will not take, directly or indirectly, any action designed to, or that might be reasonably expected to, cause or result in stabilization or manipulation of the price of the Common Shares.

(xx) The Securities have been approved for listing on The New York Stock Exchange, Inc. (the "NYSE").

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(xxi) Neither the Company nor any Subsidiary is an "investment company" or, as of the date of this Agreement, a company "controlled" by an "investment company", which is required to be registered under the Investment Company Act of 1940, as amended (the "Investment Company Act").

(xxii) This Agreement and the U.S. Purchase Agreement have been duly executed and delivered by the Company.

(b) Each of the Selling Shareholders, severally and not jointly, represents and warrants to each Manager as of the date hereof, as of the Date of Delivery referred to in Section 2(b) and as of the Closing Time referred to in Section 2(c) hereof, and agrees with each Manager, as follows:

(i) The execution, delivery and performance by such Selling Shareholder of this Agreement and the U.S. Purchase Agreement, and the consummation by such Selling Shareholder of the transactions contemplated hereby and thereby, have been duly authorized by all necessary action by such Selling Shareholder and will not conflict with or constitute a breach by such Selling Shareholder of, or default by such Selling Shareholder under, (x) any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which such Selling Shareholder is a party or by or to which such Selling Shareholder or any of its assets may be bound or subject and which is material to the transactions contemplated herein or therein or (y) any charter, by-law or other governing document or any law, regulation, decree, judgment or order to which such Selling Shareholder is a party or by or to which such Selling Shareholder or any of its assets may be bound or subject.

(ii) Such Selling Shareholder has and will have at Closing Time referred to in Section 2(c) hereof good and valid title to the Securities to be sold by such Selling Shareholder hereunder and under the U.S. Purchase Agreement, free and clear of any pledge, lien, security interest, encumbrance, claim or equity interest, other than pursuant to the Purchase Agreements; such Selling Shareholder has full right, power and authority to sell, transfer and deliver the Securities to be sold by such Selling Shareholder hereunder and thereunder; and upon delivery of the Securities to be sold by such Selling Shareholder hereunder and thereunder and payment of the purchase price therefor as herein and therein contemplated, each of the Managers and the U.S. Underwriters will receive good and marketable title to its ratable share of the Securities purchased by it from such Selling Shareholder, free and clear of any pledge, lien, security interest, encumbrance, claim or equity interest, other than such that may attach to such Securities as a result of any contract, agreement, note, bond, judgment or any other restriction, instrument or obligation to which the several Underwriters may be a party

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or by which any of them or any of their properties or assets may be bound.

(iii) No authorization, approval or consent is necessary in connection with the execution and delivery by such Selling Shareholder of this Agreement and the U.S. Purchase Agreement and the offering, sale and delivery of the Securities to be sold by such Selling Shareholder hereunder and thereunder, except such as have been obtained and are in full force and effect and other than the issuance of the order of the Commission declaring the Registration Statement effective and such authorizations, approvals or consents which may be necessary under state or foreign securities laws or the by-laws and rules of the National Association of Securities Dealers, Inc. (the "NASD"), which the Underwriters have the responsibility to obtain; and such Selling Shareholder has the full right, power and authority to enter into this Agreement and the U.S. Purchase Agreement, and to sell, transfer and deliver the Securities to be sold by such Selling Shareholder hereunder and thereunder.

(iv) This Agreement and the U.S. Purchase Agreement have been duly executed and delivered by such Selling Shareholder.

(v) During a period of 90 days from the date of the Prospectuses, such Selling Shareholder will not, without the prior written consent of Merrill Lynch International, directly or indirectly, sell, offer to sell, contract to sell, grant any option for the sale of, or otherwise dispose of, any Common Shares or any security convertible into or exchangeable or exercisable for Common Shares, other than to the Underwriters pursuant to

the Purchase Agreements.

(vi) To the extent that any statements or omissions made in the Registration Statement, any preliminary prospectuses, the Prospectuses (including the documents incorporated by reference therein) or any amendment or supplement thereto are made in reliance upon and in conformity with information furnished in writing to the Company by such Selling Shareholder expressly for use therein, the Registration Statement and such preliminary prospectuses do not, and the Prospectuses and any amendments or supplements thereto will not, as of the applicable effective date or as of the applicable filing date, as the case may be, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they were made, not misleading.

(vii) Such Selling Shareholder has not taken, and will not take, directly or indirectly, any action which is

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designed to or which has constituted or which might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(c) Any certificate signed by any officer of the Company or by or on behalf of any Selling Shareholder and delivered, pursuant to this Agreement or the U.S. Purchase Agreement or in connection with the payment of the purchase price and delivery of the certificates for the Initial Securities or the Option Securities, to the Lead Managers, the U.S. Representatives, the Managers or the U.S. Underwriters, or counsel for any of the foregoing, shall be deemed a representation and warranty by the Company or by such Selling Shareholder, as the case may be, to each Lead Manager, U.S. Representative, Manager and U.S. Underwriter as to the matters covered thereby.

## SECTION 2. SALE AND DELIVERY TO UNDERWRITERS; CLOSING.

(a) Initial Securities. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, each of the Selling Shareholders, severally and not jointly, agrees to sell to each Manager, severally and not jointly, the number of Initial International Securities set forth in Schedule C opposite the name of such Selling Shareholder, and each Manager, severally and not jointly, agrees to purchase in the aggregate from each of the Selling Shareholders, at the price per share set forth in Schedule B, the number of Initial International Securities set forth in Schedule A opposite the name of such Manager, plus any additional number of Initial International Securities which such Manager may become obligated to purchase pursuant to the provisions of Section 10 hereof.

(b) Option Securities. In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, each of the Selling Shareholders indicated on Schedule C hereto hereby grants an option to the Managers, severally and not jointly, to purchase up to the additional number of Common Shares set forth in Schedule C at the price per share set forth in Schedule B. The option hereby granted will expire 30 days after the date hereof and may be exercised in whole or in part from time to time only for the purpose of covering over-allotments which may be made in connection with the offering and distribution of the Initial International Securities upon notice by the Lead Managers to the Selling Shareholders setting forth the number of Option International Securities as to which the several Managers are then exercising the option and the U.S. time and date of payment and delivery for such Option International Securities. Any such time and date of delivery (a "Date of Delivery") shall be determined by the Lead Managers, but shall not be earlier than

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two nor later than seven full business days after the exercise of said option in writing, nor in any event prior to the Closing Time. If the option is exercised as to all or any portion of the Option International Securities, each of the Managers, acting severally and not jointly, will purchase that proportion of the total number of Option International Securities then being purchased which the number of Initial International Securities set forth in Schedule A opposite the name of such Manager bears to the total number of Initial International Securities, subject in each case to such adjustments as the Lead Managers in their discretion shall make to eliminate any sales or purchases of fractional shares. If the option is exercised as to less than all of the Option International Securities, the Selling Shareholders will sell additional Common Shares to the Managers pro rata on the basis of the number of Common Shares set forth in Schedule C.

(c) Payment. Payment of the purchase price for, and delivery of certificates for, the Initial International Securities shall be made in immediately available funds at the offices of Willkie Farr & Gallagher, 153 East 53rd Street, New York, New York 10022, or at such other place as shall be agreed

upon by the Lead Managers, the Company and the Selling Shareholders, at 9:00 A.M. on the third (fourth, if the pricing occurs after 4:30 P.M. on any given day) business day after the date of pricing (unless postponed in accordance with the provisions of Section 10 or 11), or such other time not later than ten business days after such date as shall be agreed upon by the Lead Managers and the Selling Shareholders (such time and date of payment and delivery being herein called "Closing Time").

In addition, in the event that any or all of the Option International Securities are purchased by the Managers, payment of the purchase price for, and delivery of certificates for, such Option International Securities shall be made at the offices of Willkie Farr & Gallagher, 153 East 53rd Street, New York, New York 10022, or at such other place as shall be agreed upon by the Lead Managers, the Company and the Selling Shareholders, on each Date of Delivery as specified in the notice from the Lead Managers to such Selling Shareholders. All payments shall be made to each of the Selling Shareholders in immediately available funds payable to the order of such Selling Shareholder against delivery to the Lead Managers for the respective accounts of the Managers of certificates for the International Securities to be purchased by them. It is understood that each Manager has authorized the Lead Managers, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Initial International Securities and the Option International Securities, if any, which it has agreed to purchase. Merrill Lynch International, individually and not as a Lead Manager of the Managers, may (but shall not be obligated to) make payment of the purchase price for the Initial International Securities or the Option International Securities, if any, to be purchased by any Manager whose payment has not been received by the Closing

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Time or the relevant Date of Delivery, as the case may be, but such payment shall not relieve such Manager from its obligations hereunder.

(d) Denominations; Registration. Certificates for the Initial International Securities and the Option International Securities, if any, shall be in such denominations and registered in such names as the Lead Managers may request in writing at least two full business days before the Closing Time or the relevant Date of Delivery, as the case may be. The certificates for the Initial International Securities and the Option International Securities, if any, will be made available for examination and packaging by the Lead Managers in the City of New York not later than 10:00 A.M. on the business day prior to the Closing Time or the relevant Date of Delivery, as the case may be.

### SECTION 3. COVENANTS OF THE COMPANY.

The Company covenants with each Manager as follows:

(a) The Company, subject to Section 3(b), will comply with the requirements of Rule 430A or Rule 434, as applicable, and will notify the Lead Managers immediately, and confirm the notice in writing, (i) when any post-effective amendment to the Registration Statement shall become effective, or any supplement to the Prospectuses or any amended Prospectus shall have been filed, (ii) of the receipt of any comments from the Commission, (iii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectuses or for additional information, and (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of any order preventing or suspending the use of any preliminary prospectus, or of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes. The Company will promptly effect the filings necessary pursuant to Rule 424(b) and will take such steps as it deems necessary to ascertain promptly whether the form of prospectus transmitted for filing under Rule 424(b) was received for filing by the Commission and, in the event that it was not, it will promptly file such prospectus. The Company will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) The Company will give the Lead Managers notice of its intention to file or prepare any amendment to the Registration Statement (including any filing under Rule 462(b)), any Term Sheet or any amendment, supplement or

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revision to either the prospectus included in the Registration Statement at the time it became effective or to the Prospectuses whether pursuant to the 1933 Act, the 1934 Act or otherwise, will furnish the Lead Managers with copies of any such documents a reasonable amount of time prior to such proposed filing or use, as the case may be, and will not file or use any such document to which the Lead Managers or counsel for the Managers shall reasonably object.

(c) The Company has furnished or will deliver to the Lead Managers and

counsel to the Managers, without charge, signed copies of the Registration Statement as originally filed and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein) and signed copies of all consents and certificates of experts, and will also deliver to the Lead Managers a conformed copy of the Registration Statement as originally filed and of each amendment thereto (without exhibits) for each of the Managers. The copies of the Registration Statement and each amendment thereto furnished to the Lead Managers will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(d) The Company has delivered to each Manager, without charge, as many copies of each preliminary prospectus as such Manager reasonably requested, and the Company hereby consents to the use of such copies for purposes permitted by the 1933 Act. The Company will furnish to each Manager, without charge, during the period when the International Prospectus is required to be delivered under the 1933 Act or the 1934 Act, such number of copies of the International Prospectus (as amended or supplemented) as such Manager may reasonably request. The International Prospectus and any amendments or supplements thereto furnished to the Managers will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(e) The Company will comply with the 1933 Act and the 1933 Act Regulations and the 1934 Act and the 1934 Act Regulations so as to permit the completion of the distribution of the Securities as contemplated in this Agreement, the U.S. Purchase Agreement and in the Prospectuses. If at any time when a prospectus is required by the 1933 Act to be delivered in connection with sales of the Securities, any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for the Managers or the Company, to amend the Registration Statement or amend or supplement the Prospectuses in order that the Prospectuses will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances

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existing at the time it is delivered to a purchaser, or if it shall be necessary, in the opinion of such counsel, at any such time to amend the Registration statement or amend or supplement any Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly prepare and file with the Commission, subject to Section 3(b), such amendment or supplement as may be necessary to correct such statement or omission or to make the Registration Statement or the Prospectuses comply with such requirements, and the Company will furnish to the Managers such number of copies of such amendment or supplement as the Managers may reasonably request.

(f) The Company will endeavor, in cooperation with the Managers, to qualify the International Securities for offering and sale under the applicable securities laws of such states and other jurisdictions as the Lead Managers may designate and to maintain such qualifications in effect for a period of not less than one year from the effective date of the Registration Statement and any Rule 462(b) Registration Statement; provided, however, that the Company shall not be obligated to qualify as a foreign corporation in any jurisdiction in which it is not so qualified or to file a general consent to service of process in any jurisdiction or to amend its Memorandum of Association or Bye-laws. In each jurisdiction in which the International Securities have been so qualified, the Company will file such statements and reports as may be required by the laws of such jurisdiction to continue such qualification in effect for a period of not less than one year from the effective date of the Registration Statement and any Rule 462(b) Registration Statement.

(g) The Company will timely file such reports pursuant to the 1934 Act as are necessary in order to make generally available to its security holders as soon as practicable an earnings statement for the purposes of, and to provide the benefits contemplated by, the last paragraph of Section 11(a) of the 1933 Act.

(h) The Company, during the period when the International Prospectus is required to be delivered under the 1933 Act or the 1934 Act, will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods required by the 1934 Act and the 1934 Act Regulations.

(i) During a period of 90 days from the date of the Prospectuses, the Company will not, without the prior written consent of Merrill Lynch International, directly or indirectly, sell, offer to sell, contract to sell, grant any option for the sale of, or otherwise dispose of any Common Shares or any security convertible into or exchangeable or

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exercisable for Common Shares (except for Common Shares or options or rights to acquire Common Shares issued pursuant to reservations, agreements, stock option plans or the exercise of convertible securities, in each case as referred to in the Prospectuses (including the documents incorporated by reference therein)) other than offers to sell and sales to the Underwriters pursuant to the Purchase Agreements.

(j) The Company will use its reasonable best efforts to cause each director and officer of the Company to deliver to the Underwriters his written agreement, in substantially the form attached hereto as Exhibit B, that he will not, without the prior written consent of Merrill Lynch International, for a period of 90 days from the date of the Prospectuses, directly or indirectly, offer, sell, contract to sell, grant any option for the sale of, or otherwise dispose of any Common Shares (or any securities convertible into or exercisable or exchangeable for Common Shares) (other than to the Company pursuant to the stock option plans of the Company).

(k) At the Closing Time, the Company will effect the conversion (the "Conversion") of the Diluted Voting Class I Common Shares (the "DVI Shares") and the Diluted Voting Class II Common Shares (the "DVII Shares") of the Company being sold by certain of the Selling Shareholders pursuant hereto into full voting Common Shares of the Company on a one-for-one basis and hereby acknowledges that the notice required pursuant to Section 4 of Schedule A to Amended and Restated Bye-laws of the Company has been given.

#### SECTION 4. PAYMENT OF EXPENSES.

The Company will pay all expenses incident to the performance of the obligations of the Company and the Selling Shareholders under this Agreement (or reimburse the Selling Shareholders to the extent any such expenses are paid by the Selling Shareholders), including (i) the printing and filing of, and delivery to the Managers of copies of, the Registration Statement (including financial statements of the Company and exhibits), as originally filed and as amended, (ii) the printing and distribution of this Agreement, any agreement among Managers and such other documents as may be required in connection with the offering, purchase, sale and delivery of International Securities, (iii) the preparation, issuance and delivery of the certificates for the International Securities to the Managers, including capital duties, stamp duties and stock transfer taxes, if any, payable upon the sale of the International Securities to the Managers, (iv) the fees and disbursements of the Company's counsel and accountants and each of the Selling Shareholders' respective counsel, (v) the qualification of the International Securities under securities laws in accordance with the provisions of Section 3(f), including filing fees and the

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reasonable fees and disbursements of counsel for the Managers in connection therewith and in connection with the preparation of the Blue Sky Survey, (vi) the printing and delivery to the Managers of copies of the preliminary prospectus, any Term Sheets and the Prospectuses and any amendments or supplements thereto, (vii) the printing and delivery to the Underwriters of copies of the Blue Sky Survey, (viii) the filing fee of the NASD and (ix) the fees and expenses incurred in connection with the listing of the Securities on the NYSE, if any.

If this Agreement is terminated by the Lead Managers in accordance with the provisions of Section 5, Section 9(a)(i) or Section 11, the Company shall reimburse the Managers for all of their reasonable out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Managers.

The foregoing provisions of this Section shall not affect any agreement which the Company and the Selling Shareholders may make for the allocation or sharing of such expenses and costs.

#### SECTION 5. CONDITIONS OF MANAGERS' OBLIGATIONS.

The obligations of the several Managers hereunder are subject to the accuracy in all material respects of the representations and warranties of the Company and the Selling Shareholders, to the performance by the Company and the Selling Shareholders of their obligations hereunder, to the Conversion having been effected and to the following further conditions:

(a) The Registration Statement, including any Rule 462(b) Registration Statement, shall have become effective not later than 5:30 P.M. on the date hereof, and at Closing Time no stop order suspending the effectiveness of the Registration Statement shall have been issued under the 1933 Act or proceedings therefor initiated or threatened by the Commission, and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of counsel to the Managers. A prospectus containing the Rule 430A Information shall have been filed with the Commission in accordance with Rule 424(b) (or a post-effective amendment providing such information shall have been filed and

declared effective in accordance with the requirements of Rule 430A). If the Company has elected to rely upon Rule 434, a Term Sheet shall have been filed with the Commission in accordance with Rule 424(b).

(b) At Closing Time the Lead Managers shall have received:

(1) The opinion, dated as of Closing Time, of Willkie Farr & Gallagher, counsel for the Company, in

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form and substance reasonably satisfactory to counsel for the Managers, to the effect that:

(i) The authorized capital of the Company conforms in all material respects as to legal matters to the description thereof contained or incorporated by reference in the Prospectuses with respect to the description of the Company's capital stock.

(ii) To the best of such counsel's knowledge and information, the issuance of the Securities is not subject to preemptive or other similar rights under the Memorandum of Association or Bye-laws of the Company or pursuant to any agreement or instrument required to be described in the Registration Statement or the Prospectuses (or any amendment or supplement thereto) or to be filed as an exhibit to the Registration Statement or included in any document incorporated by reference therein, whether or not described or filed as required, as the case may be.

(iii) To the best of such counsel's knowledge and information, there are no persons with registration or other similar rights to have any securities registered pursuant to the Registration Statement or otherwise registered by the Company under the 1933 Act other than holders who have waived such rights or will not have such rights for the 90-day period after the date of the Prospectuses and have waived their rights with respect to the inclusion of their securities in the Registration Statement.

(iv) The Registration Statement, including any Rule 462(b) Registration Statement, was declared effective under the 1933 Act and, to the best of such counsel's knowledge and information, no stop order suspending the effectiveness of the Registration Statement has been issued under the 1933 Act or proceedings therefor initiated or threatened by the Commission; and any required filing of the Prospectuses pursuant to Rule 424(b) under the 1933 Act has been made in accordance with Rule 424(b) under the 1933 Act.

(v) The Registration Statement, including any Rule 462(b) Registration Statement, the Rule 430A Information and the Rule 434 Information, as applicable, and the Prospectuses, as of their respective effective or issue dates (other than the financial statements and notes thereto and the related schedules included therein and other

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statistical and financial data and information, as to which we express no opinion), compiled as to form in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations. The documents incorporated by reference in the Registration Statement, including any Rule 462(b) Registration Statement (other than the consolidated financial statements of the Company and notes thereto and the related schedules included therein and other statistical and financial information included therein or omitted therefrom, as for which we express no opinion, and except to the extent that any statement therein is modified or superseded in the Registration Statement), as of the dates they were filed with the Commission, comply as to form in all material respects with the requirements of the 1934 Act and the 1934 Act Regulations.

(vi) The Common Shares conform to the description thereof contained or incorporated by reference in the Prospectuses, and the form of certificate used to evidence the Common Shares complies with all applicable U.S. statutory requirements.

(vii) Such counsel confirms that the statements under the caption "Certain Tax Considerations - Taxation of the Company, Renaissance Reinsurance and Glencoe - United States" and "Certain Tax Considerations - Taxation of Shareholders - United

States Taxation of U.S. and Non-U.S. Shareholders" in the Prospectuses address all material U.S. Federal income tax considerations affecting the Company and holders of Common Shares (other than those tax considerations that depend on circumstances specific for such holders) and the statements of law contained therein are accurate in all material respects and such discussion reflects the opinion of such counsel with respect to the matters of law referred to therein.

(viii) The descriptions in the Prospectuses of U.S. insurance statutes and regulations set forth under the caption "Business--Regulation" are accurate in all material respects and fairly summarize in all material respects the information required to be shown and such counsel does not know of any U.S. insurance statutes or regulations required to be described in the Prospectuses that are not described as required.

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(ix) No authorization, approval, consent or order of any U.S. court or governmental authority or agency is required in connection with the offering or sale of the Securities to the Underwriters hereunder and under the U.S. Purchase Agreement, except such as have been obtained and made under the 1933 Act, the 1933 Act Regulations, the 1934 Act, the 1934 Act Regulations and such as may be required under state or foreign securities laws (as to which counsel need express no opinion).

(x) To the best of such counsel's knowledge and information, (i) there are no contracts, indentures, mortgages, loan agreements, notes, leases or other instruments required to be described or referred to in the Registration Statement or to be filed as exhibits thereto other than those described, referred to or incorporated by reference (including the exhibits to any such documents so incorporated by reference) therein and (ii) the descriptions thereof or references thereto are correct in all material respects.

(xi) To the best of such counsel's knowledge and information, there are no U.S. legal or governmental proceedings pending or threatened against the Company or any Subsidiary which are required to be disclosed in the Registration Statement, other than those disclosed or incorporated by reference (including the exhibits to any such documents so incorporated by reference) therein, and all pending U.S. legal or governmental proceedings to which the Company or any Subsidiary is a party or to which any of their properties is subject which are not described in the Registration Statement, including ordinary routine litigation incidental to the business of the Company or any Subsidiary, as applicable, when considered in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(xii) To the best of such counsel's knowledge and information, the execution, delivery and performance of this Agreement and the U.S. Purchase Agreement, and the consummation of the transactions contemplated herein and therein and compliance by the Company with its obligations hereunder and thereunder, do not and will not at the Closing Time conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien or encumbrance upon any property or assets of the Company or any Subsidiary pursuant to any contract, indenture,

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mortgage, loan agreement, note, lease or other instrument required to be described in the Registration Statement or the Prospectuses (or any amendment or supplement thereto) or to be filed as an exhibit to the Registration Statement whether or not described or filed as required, as the case may be, to which the Company or any Subsidiary is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any Subsidiary is subject, nor will such action result in any violation of (A) the provisions of any applicable U.S. law, (B) any U.S. administrative regulation or (C) any U.S. administrative or court decree, known to them.

(xiii) The information incorporated by reference in the Prospectuses describing any legal proceedings involving the Company or the Subsidiaries, to the extent that it constitutes matters of law, summaries of legal matters, documents or proceedings, or legal conclusions, has been reviewed by them and is correct in all material respects.

(xiv) Neither the Company nor any Subsidiary is

required to be registered as an "investment company" under the Investment Company Act.

In rendering their opinions as aforesaid, Willkie Farr & Gallagher may rely, as to factual matters, on written certificates of officers of the Company and, as to matters of Bermuda law, on the opinion of Conyers, Dill & Pearman, dated as of the Closing Time; provided that (1) you are notified in advance of Willkie Farr & Gallagher's intention to rely on the opinion of Conyers, Dill & Pearman, (2) such reliance is expressly authorized by such opinion so relied upon and such opinion is delivered to the Lead Managers and is reasonably satisfactory to them and their counsel, and (3) Willkie Farr & Gallagher shall state in their opinion that they believe that they and the Lead Managers are justified in relying on such opinion of Conyers, Dill & Pearman.

(2) The opinion, dated as of Closing Time, of Conyers, Dill & Pearman, in form and substance reasonably satisfactory to counsel for the Managers, to the effect that:

(i) Each of the Company and the Subsidiaries has been duly incorporated and is validly existing and in good standing as a company under the laws of Bermuda.

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(ii) The Company has all corporate power and authority necessary to own, lease and operate its properties, to conduct its business as described in the Prospectuses and to enter into and perform its obligations under this Agreement and the U.S. Purchase Agreement.

(iii) To the best of such counsel's knowledge, Renaissance Reinsurance is licensed as a Class 4 general insurer in Bermuda under the Insurance Act 1978 of Bermuda.

(iv) All of the issued and outstanding common shares of each Subsidiary have been duly authorized and validly issued, are fully paid and nonassessable. All of the common shares of Renaissance Reinsurance and a majority of the common shares of Glencoe Insurance are owned of record by the Company.

(v) All of the outstanding Common Shares of the Company have been duly authorized and validly issued and are fully paid and nonassessable, and none of the outstanding shares of capital stock of the Company was issued in violation of the preemptive rights of any shareholder of the Company contained in the Company's Memorandum of Association or Bye-laws or any agreement among the Company's shareholders.

(vi) Neither the Memorandum of Association or Bye-laws of the Company, nor any schedules thereto, limit the power of the Company to convert the DVI Shares and the DVII Shares to full voting Common Shares of the Company, and no consents or other actions by or on behalf of the Company are required to permit the Conversion.

(vii) This Agreement and the U.S. Purchase Agreement have each been duly authorized, executed and delivered by the Company.

(viii) To the best of such counsel's knowledge and information, each Subsidiary is duly licensed or authorized to carry on its insurance and reinsurance business in Bermuda pursuant to the Insurance Act 1978 of Bermuda (as amended) in accordance with their respective registrations; to the best knowledge of such counsel, all such licenses and authorizations are in full force and effect and no proceedings are pending or threatened seeking the revocation or limitation thereof, except in any such cases where the failure by any Subsidiary to be so licensed or

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authorized would not (either individually or in the aggregate) have a Material Adverse Effect.

(ix) To the best of such counsel's knowledge and information, the execution, delivery and performance of this Agreement and the U.S. Purchase Agreement, and the consummation of the transactions contemplated herein and therein and compliance by the Company with its obligations hereunder and thereunder, do not and will not result in any violation of (A) the provisions of the Memorandum of Association or Bye-laws of the Company or (B) any applicable Bermuda law.

(x) The statements in the Prospectuses (including the documents incorporated by reference therein) under the captions "Business--Regulation--Bermuda" and "Certain Bermuda Law Considerations," to the extent that such statements constitute matters of law, summaries of legal matters, documents or proceedings, or legal conclusions, have been reviewed by such counsel and are correct in all material respects.

(xi) The descriptions set forth or incorporated by reference in the Prospectuses of Bermuda insurance statutes and regulations are accurate in all material respects and fairly summarize in all material respects the information required to be shown and such counsel does not know of any Bermuda insurance statutes or regulations required to be described in the Prospectus that are not described as required.

(3) The opinion, dated as of the Closing Time, of Willkie Farr & Gallagher, counsel for Warburg, Pincus Investors, L.P. ("Warburg"), in form and substance reasonably satisfactory to counsel for the Managers, to the effect that:

(i) Warburg has the partnership power and authority necessary to execute and deliver this Agreement and the U.S. Purchase Agreement and to perform its obligations hereunder and thereunder.

(ii) To the best of such counsel's knowledge and information, the execution, delivery and performance of this Agreement and the U.S. Purchase Agreement by Warburg, the consummation by Warburg of the transactions contemplated herein and therein and the compliance by Warburg with its obligations hereunder and thereunder do not and will not conflict with or constitute a breach of, or default under, any contract, indenture,

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mortgage, loan agreement, note, lease or other instrument to which Warburg is bound and which is material to the transactions contemplated herein or therein, nor will such action result in any violation of (A) the partnership agreement or other governing documents of Warburg, (B) the provisions of any applicable U.S. federal or New York State law, (C) any U.S. federal or New York State administrative regulation or (D) any U.S. federal or New York State administrative or court decree, known to them.

(iii) Each of this Agreement and the U.S. Purchase Agreement has been duly authorized, executed and delivered on behalf of Warburg.

(iv) No authorization, approval, consent or order of any U.S. federal or New York State court or governmental authority or agency is required in connection with the execution and delivery of this Agreement and the U.S. Purchase Agreement by Warburg and the offering, sale and delivery of the Securities to be sold by Warburg hereunder and thereunder, except such as have been obtained and made under the 1933 Act, the 1933 Act Regulations, the 1934 Act, the 1934 Act Regulations and such as may be required under state or foreign securities laws or the by-laws or rules of the NASD (as to all of which counsel need express no opinion).

(v) Upon the purchase by the Underwriters of the Securities to be sold by Warburg in accordance with the terms and conditions of this Agreement and the U.S. Purchase Agreement, good and valid title to such Securities, free and clear of all liens, encumbrances or other adverse claims, will be transferred to each of the Underwriters, assuming that the Underwriters purchase such Securities in good faith and without notice of any adverse claim within the meaning of the New York Uniform Commercial Code.

In rendering their opinions as aforesaid, Willkie Farr & Gallagher may rely, as to factual matters, on written certificates of officers of Warburg respecting ownership of, and any liens, encumbrances, equities or adverse claims on, the Securities sold by Warburg; provided that (1) copies of such certificates are provided in advance to the Lead Managers and (2) Willkie Farr & Gallagher shall state in their opinion that they believe that they and the Lead Managers are justified in relying on such certificates.

(4) The opinion, dated as of the Closing Time, of Dewey Ballantine, counsel for GE Investment Private

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Placement Partners I-Insurance, Limited Partnership ("GE Investment")

and PT Investments, Inc. ("PT Investments"), in form and substance reasonably satisfactory to counsel for the Managers, to the effect that:

(i) Each of GE Investment and PT Investments has the partnership or corporate, as the case may be, power and authority necessary to execute and deliver this Agreement and the U.S. Purchase Agreement and to perform its obligations hereunder and thereunder.

(ii) To the best of such counsel's knowledge and information, the execution, delivery and performance of this Agreement and the U.S. Purchase Agreement by each of GE Investment and PT Investments, the consummation by each of GE Investment and PT Investments of the transactions contemplated herein and therein and the compliance by each of GE Investment and PT Investments with their respective obligations hereunder and thereunder do not and will not conflict with or constitute a breach of, or default under, any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which GE Investment or PT Investments is bound and which is material to the transactions contemplated herein or therein, nor will such action result in any violation of (A) the partnership agreement, charter or by-laws or other governing documents of GE Investment or PT Investments, (B) the provisions of any applicable U.S. federal or New York State law, (C) any U.S. federal or New York State administrative regulation or (D) any U.S. federal or New York State administrative or court decree, known to them.

(iii) Each of this Agreement and the U.S. Purchase Agreement has been duly authorized, executed and delivered on behalf of each of GE Investment and PT Investments.

(iv) No authorization, approval, consent or order of any U.S. federal or New York State court or governmental authority or agency is required in connection with the execution and delivery of this Agreement and the U.S. Purchase Agreement by GE Investment or PT Investments and the offering, sale and delivery of the Securities to be sold by GE Investment or PT Investments hereunder and thereunder, except such as have been obtained and made under the 1933 Act, the 1933 Act Regulations, the 1934 Act, the 1934 Act Regulations and such as

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may be required under state or foreign securities laws or the by-laws or rules of the NASD (as to all of which counsel need express no opinion).

(v) Upon the purchase by the Underwriters of the Securities to be sold by GE Investment and PT Investments in accordance with the terms and conditions of this Agreement and the U.S. Purchase Agreement, good and valid title to such Securities, free and clear of all liens, encumbrances or other adverse claims, will be transferred to each of the Underwriters, assuming that the Underwriters purchase such Securities in good faith and without notice of any adverse claim within the meaning of the New York Uniform Commercial Code.

In rendering their opinions as aforesaid, Dewey Ballantine may rely, as to factual matters, on written certificates of officers of each of GE Investment and PT Investments respecting ownership of, and any liens, encumbrances, equities or adverse claims on, the Securities sold by GE Investment or PT Investments, as the case may be; provided that (1) copies of such certificates are provided in advance to the Lead Managers and (2) Dewey Ballantine shall state in their opinion that they believe that they and the Lead Managers are justified in relying on such certificates.

(5) The opinion, dated as of the Closing Time, of J. Kendall Huber, Esq., counsel for United States Fidelity and Guaranty Company ("USF&G"), in form and substance reasonably satisfactory to counsel for the Managers, to the effect that:

(i) USF&G has the corporate power and authority necessary to execute and deliver this Agreement and the U.S. Purchase Agreement and to perform its obligations hereunder and thereunder.

(ii) To the best of such counsel's knowledge and information, the execution, delivery and performance of this Agreement and the U.S. Purchase Agreement by USF&G, the consummation by USF&G of the transactions contemplated herein and therein and the compliance by USF&G with its obligations hereunder and thereunder do not and will not conflict with or constitute a breach of, or default under, any contract,

indenture, mortgage, loan agreement, note, lease or other instrument to which USF&G is bound and which is material to the transactions contemplated herein or therein, nor will such action result in any violation of (A) the charter and by-laws of USF&G,

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(B) the provisions of any applicable U.S. federal or Maryland law, (C) any U.S. federal or Maryland administrative regulation or (D) any U.S. federal or Maryland administrative or court decree, known to them.

(iii) Each of this Agreement and the U.S. Purchase Agreement has been duly authorized, executed and delivered on behalf of USF&G.

(iv) No authorization, approval, consent or order of any U.S. federal or Maryland court or governmental authority or agency is required in connection with the execution and delivery of this Agreement and the U.S. Purchase Agreement by USF&G and the offering, sale and delivery of the Securities to be sold by USF&G hereunder and thereunder, except such as have been obtained and made under the 1933 Act, the 1933 Act Regulations, the 1934 Act, the 1934 Act Regulations and such as may be required under state or foreign securities laws or the by-laws or rules of NASD (as to all of which counsel need express no opinion).

(v) Upon the purchase by the Underwriters of the Securities to be sold by USF&G in accordance with the terms and conditions of this Agreement and the U.S. Purchase Agreement, good and valid title to such Securities, free and clear of all liens, encumbrances or other adverse claims, will be transferred to each of the Underwriters, assuming that the Underwriters purchase such Securities in good faith and without notice of any adverse claim within the meaning of the Maryland Uniform Commercial Code.

In rendering his opinions as aforesaid, J. Kendall Huber, Esq. may rely, as to factual matters, on written certificates of officers of USF&G respecting ownership of, and any liens, encumbrances, equities or adverse claims on, the Securities sold by USF&G ; provided that (1) copies of such certificates are provided in advance to the Lead Managers and (2) J. Kendall Huber, Esq. shall state in his opinion that he believes that he and the Lead Managers are justified in relying on such certificates.

(6) The opinion, dated as of Closing Time, of Simpson Thacher & Bartlett, counsel for the Underwriters, to the effect that:

(i) To the best of such counsel's knowledge, the issuance of the Securities is not subject to preemptive or other similar rights.

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(ii) The Registration Statement was declared effective under the 1933 Act and, to the best of such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued under the 1933 Act or proceedings therefor initiated or threatened by the Commission; and any required filing of the Prospectuses pursuant to Rule 424(b) under the 1933 Act has been made in accordance with Rule 424(b) under the 1933 Act.

(iii) The Registration Statement, as of its effective date, and the Prospectuses, as of the date of such Prospectuses, complied as to form in all material respects with the requirements of the 1933 Act and the applicable rules and regulations of the Commission thereunder and that the documents incorporated by reference in the Registration Statement complied as to form when filed in all material respects with the requirements of the 1934 Act and the applicable rules and regulations of the Commission thereunder, except that in each case we express no opinion with respect to the financial statements or other financial or statistical data contained or incorporated by reference in the Registration Statement, the Prospectuses or the documents incorporated by reference in the Registration Statement.

(iv) The Common Shares conform in all material respects as to legal matters to the description thereof contained or incorporated by reference in the Prospectuses.

In rendering those opinions above, Simpson Thacher & Bartlett may rely, as to factual matters, on written certificates of officers of the Company and, as to matters governed by the laws of Bermuda, on the opinion of Conyers, Dill & Pearman.

(7) Willkie Farr & Gallagher and Simpson Thacher & Bartlett shall each additionally state, in their respective opinions, that although such counsel has not undertaken to determine independently and, therefore, does not assume any responsibility, explicitly or implicitly, for the accuracy, completeness or fairness of the statements contained in the Registration Statement or in the Prospectuses (or in the documents incorporated by reference therein) and takes no responsibility therefor, such counsel has participated in discussions and meetings with officers and other representatives of the Company and discussions with the auditors for the Company in connection with the preparation of the Registration Statement and the

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Prospectuses. Each such counsel shall state that nothing has come to such counsel's attention that has caused such counsel to believe that (i) the Registration Statement, including the Rule 430A Information and the Rule 434 Information, if applicable, at the time it became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or (ii) the Prospectuses, as of the date of such Prospectuses and at Closing Time, as the case may be, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, it being understood that in each case such counsel need not express any belief with respect to the financial statements and notes thereto and the related schedules and other statistical and financial data and information contained in the Registration Statement or the Prospectuses (or the documents incorporated by reference therein).

(c) At the Closing Time there shall not have been, since the date hereof or since the respective dates as of which information is given in the Registration Statement and the Prospectuses, any material adverse change in the financial condition, earnings, business or prospects of the Company and its Subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, and the Lead Managers shall have received a certificate of the President or a Senior Vice President of the Company, dated as of Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties of the Company in Section 1(a) are true and correct with the same force and effect as though expressly made at and as of Closing Time, (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time, (iv) no default exists in the due performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note, lease or other instrument which is reasonably expected to have a Material Adverse Effect and (v) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been initiated or threatened by the Commission.

(d) At the time of the execution of this Agreement, the Lead Managers shall have received from Ernst & Young a letter dated such date, in form and substance satisfactory to the Lead Managers, together with signed or reproduced copies of such letter for each of the other Managers,

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containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained or incorporated by reference in the Registration Statement and the Prospectuses.

(e) At Closing Time, the Lead Managers shall have received from Ernst & Young a letter, dated as of Closing Time, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (d) of this Section, except that the specified date referred to shall be a date not more than three days prior to Closing Time.

(f) At Closing Time, the Securities shall have been approved for listing on the NYSE.

(g) At Closing Time, you shall have received from the Company, each Selling Shareholder and the officers and directors of the Company, a letter, in the form attached hereto as Exhibit A, pursuant to which each such person shall agree not to, for a period of 90 days after the date of the Prospectuses, without the prior written consent of Merrill Lynch International (which consent may be withheld in the sole discretion of Merrill Lynch International), offer, sell, contract to sell, grant any option for the sale of, or otherwise dispose of any Common Shares or any securities convertible into or exercisable or exchangeable for such Common



Shares.

(h) At Closing Time and at each Date of Delivery, if any, counsel for the Managers shall have been furnished with such documents and opinions as they may reasonably require for the purpose of enabling them to pass upon the sale of the Securities as herein contemplated and related proceedings, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained. All proceedings taken by the Company and the Selling Shareholders in connection with the sale of the Securities as herein contemplated shall be reasonably satisfactory in form and substance to the Lead Managers and counsel for the Managers.

(i) At Closing Time, the Lead Managers shall have received a certificate of a general partner or executive officer of each Selling Shareholder on behalf of such Selling Shareholder, dated as of Closing Time, to the effect that (i) the representations and warranties of such Selling Shareholder contained in Section 1(b) are true and correct with the same force and effect as though expressly made at and as of Closing Time and (ii) such Selling Shareholder has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time.

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(j) In the event the Managers exercise their option provided in Section 2(b) hereof to purchase all or any portion of the Option International Securities, the representations and warranties of the Company and the Selling Shareholders contained herein and the statements in any certificates furnished by the Company and the Selling Shareholders hereunder shall be true and correct in all material respects as of each Delivery Date, and the Managers shall have received:

(1) A certificate, dated such Delivery Date, of the President or a Senior Vice President of the Company on behalf of the Company confirming that the certificate delivered at Closing Time pursuant to Section 5(c) hereof remains true as of such Delivery Date.

(2) A certificate, dated such Delivery Date, of a general partner or executive officer of each Selling Shareholder on behalf of such Selling Shareholder confirming that the certificate delivered on behalf of such Selling Shareholder at the Closing Time pursuant to Section 5(i) hereof remains true and correct as of such Delivery Date.

(3) The opinions of each of Willkie Farr & Gallagher, counsel for the Company and Warburg, Dewey Ballantine, counsel for GE Investment and PT Investments, and J. Kendall Huber, Esq., counsel for USF&G, in form and substance reasonably satisfactory to counsel for the Managers, dated such Delivery Date, relating to the Option International Securities and otherwise to the same effect as the opinions required by subsections 5(b)(1), 5(b)(3), 5(b)(4) and/or 5(b)(5), as applicable, and the statement of Willkie Farr & Gallagher required by subsection 5(b)(7) hereof, revised to reflect the sale of Option International Securities.

(4) The opinions of Conyers, Dill & Pearman, counsel for the Company, in form and substance reasonably satisfactory to counsel for the Managers, dated such Delivery Date, relating to the Option International Securities and otherwise to the same effect as the opinion required by subsection 5(b)(2), revised to reflect the sale of Option International Securities.

(5) The opinion of Simpson Thacher & Bartlett, counsel for the Managers, dated such Delivery Date, to the same effect as the opinions required by subsection 5(b)(6) and the statement required by subsection 5(b)(7) hereof, revised to reflect the sale of Option International Securities.

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(6) A letter from Ernst & Young in form and substance reasonably satisfactory to the Managers, dated such Delivery Date, substantially the same in form and substance as the letter furnished to the Managers pursuant to Section 5(e) hereof, except that the "specified date" in the letter furnished pursuant to this Section shall be a date not more than three days prior to such Delivery Date.

If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement may be terminated by the Lead Managers by notice to the Company at any time at or prior to Closing Time, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Sections 6 and 7 shall survive any such termination and remain in full force and effect.

SECTION 6. INDEMNIFICATION.

(a) The Company and each Selling Shareholder, severally and not jointly, agree to indemnify and hold harmless each Manager and each person, if any, who controls any Manager within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, and each officer and director of each Manager and of any such controlling person to the extent and in the manner set forth in clauses (i), (ii) and (iii) below:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), including the Rule 430A Information and the Rule 434 Information, if applicable, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus or the Prospectuses (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that such settlement is effected with the written consent of

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the Company or, if applicable, any indemnifying Selling Shareholder; and

(iii) against any and all expense whatsoever, as incurred (including, subject to Section 6(c) hereof, the reasonable fees and disbursements of counsel chosen by Merrill Lynch International), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above, and such expenses shall be reimbursed as such expenses are incurred upon requests from the Managers from time to time;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by any Manager through Merrill Lynch International, or by any U.S. Underwriter through Merrill Lynch, expressly for use in the Registration Statement (or any amendment thereto) including the Rule 430A Information and the Rule 434 Information, if applicable, or any preliminary prospectus or the Prospectuses (or any amendment or supplement thereto); provided, further, that each Selling Shareholder agrees to indemnify and hold harmless each Manager as provided above, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with information furnished in writing to the Company by such Selling Shareholder expressly for use in the Registration Statement (or any amendment thereto) or any preliminary prospectuses or the Prospectuses (or any amendment or supplement thereto); provided, further, that the liability of any Selling Shareholder for indemnification under this Section 6(a) shall be limited to an amount equal to the net proceeds (after deducting the Underwriters' discount) received by such Selling Shareholder from the sale of International Securities pursuant to this Agreement; and provided, further, the foregoing indemnity with respect to any untrue statement contained in or omission from a preliminary prospectus shall not inure to the benefit of any Manager (or any person controlling such Manager) from whom the person asserting any such loss, liability, claim, damage or expense purchased any of the International Securities if a copy of the International Prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto in compliance with Section 3(b) of this Agreement) was not sent or given by or on behalf of such Manager to such person, if such is required by law, at or prior to the written confirmation of the sale of such International Securities to such person and if the International Prospectus (as so amended or supplemented) would

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have cured the defect giving rise to such loss, claim, damage or liability.

(b) Each Manager severally agrees to indemnify and hold harmless the Company, its directors, each of its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act and each Selling

Shareholder, the officers and directors of each Selling Shareholder and each person, if any, who controls any Selling Shareholder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) or (b) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), including the Rule 430A Information and the Rule 434 Information, if applicable, or any preliminary prospectus or the Prospectuses (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by such Manager through Merrill Lynch International, or by any U.S. Underwriter through Merrill Lynch, expressly for use in the Registration Statement (or any amendment thereto), such preliminary prospectus or the Prospectuses (or any amendment or supplement thereto).

(c) Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to Section 6(a) above, counsel to the indemnified parties shall be selected by Merrill Lynch International, and, in the case of parties indemnified pursuant to Section 6(b) above, counsel to the indemnified parties shall be selected by the Company or the indemnified Selling Shareholder, as appropriate. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall any indemnifying party be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from its own counsel for all indemnified parties not having actual or potential differing interests with it or among any other indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any

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investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 6 or Section 7 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

SECTION 7. CONTRIBUTION. If the indemnification provided for in Section 6 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of losses, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Shareholders on the one hand and the Managers on the other hand from the offering of the International Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Selling Shareholders on the one hand and of the Managers on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company and the Selling Shareholders on the one hand and the Managers on the other hand in connection with the offering of the International Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the International Securities pursuant to this Agreement (before deducting expenses) received by the Selling Shareholders and the total underwriting discount received by the Managers, in each case as set forth on the cover of the Prospectuses, or, if Rule 434 is used, the corresponding location on the Term Sheet bear to the aggregate initial public offering price of the International Securities as set forth on such cover.

The relative fault of the Company and the Selling Shareholders on the one hand and the Managers on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Selling Shareholders on the one hand

parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company, the Selling Shareholders and the Managers agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Managers were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 7 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 7, no Manager shall be required to contribute any amount in excess of the amount by which the total price at which the International Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Manager has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 7, (a) each person, if any, who controls a Manager within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such Manager, and each director and each officer of the Company who signed the Registration Statement, (b) each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company and (c) each officer and director of each Selling Shareholder, and each person who controls such Selling Shareholder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, shall have the same rights to contribution as such Selling Shareholder. The Managers' respective obligations to contribute pursuant to this Section 7 are several in proportion to the number of Initial International Securities set forth opposite their respective names in Schedule A hereto and not joint.

The provisions of this Section shall not affect any contribution agreement among the Company and the Selling Shareholders, as among them.

Notwithstanding the provisions of this Section 7, no Selling Shareholder shall be required to contribute any amount in excess of the amount equal to the net proceeds (after deducting the Managers' discount) received by such Selling Shareholder from the sale of International Securities pursuant to this Agreement.

#### SECTION 8. REPRESENTATIONS, WARRANTIES AND AGREEMENTS TO SURVIVE DELIVERY.

All representations, warranties and agreements contained in this Agreement, or contained in certificates of officers of the Company or of the Selling Shareholders submitted pursuant hereto, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any Manager or controlling person, or by or on behalf of the Company or the Selling Shareholders, and shall survive delivery of the International Securities to the Managers.

#### SECTION 9. TERMINATION OF AGREEMENT.

(a) The Lead Managers may terminate this Agreement, by notice to the Company and the Selling Shareholders, at any time at or prior to Closing Time (i) if there has been, since the date of this Agreement or since the respective dates as of which information is given in the Registration Statement, any material adverse change in the financial condition, earnings, business or prospects of the Company and its Subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there has occurred any material adverse change in the financial markets in the United States or in the international financial markets, or any outbreak of hostilities or escalation of existing hostilities or other calamity or crisis, in each case the effect of which is such as to make it, in the judgment of the Lead Managers, impracticable to market the Securities or to enforce contracts for the sale of the Securities or (iii) if trading in any of the securities of the Company have been suspended or limited by the Commission, or if trading generally on either the NYSE or the NASDAQ National Market system has been suspended, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices for

securities have been required, by either of such exchanges or by order of the Commission or any other governmental authority, or (iv) if a banking moratorium has been declared by federal or New York authorities or (v) if there has occurred any change or development involving a prospective change in national or international political, financial or economic condition, which in the reasonable opinion of the Lead Managers, is likely to have a material adverse effect on the market for the Securities.

(b) If this Agreement is terminated pursuant to this Section 9, such termination shall be without liability of any party to any other party except as provided in Sections 4, 6 and 7 and, to the extent relevant to the survival of Sections 6 and 7, Section 1.

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(c) This Agreement may also terminate pursuant to the provisions of Section 2, with the effect stated in such Section.

#### SECTION 10. DEFAULT BY ONE OR MORE OF THE MANAGERS.

If one or more of the Managers shall fail at Closing Time or a Date of Delivery to purchase the Initial International Securities which it or they are obligated to purchase under this Agreement (the "Defaulted Securities"), the Lead Managers shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Managers, or any other underwriters, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth. If, however, the Lead Managers shall not have completed such arrangements within such 24-hour period, then:

(a) if the number of Defaulted Securities does not exceed 10% of the number of International Securities to be purchased on such date, each of the nondefaulting Managers shall be obligated, severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations hereunder bear to the underwriting obligations of all non-defaulting Managers; or

(b) if the number of Defaulted Securities exceeds 10% of the number of International Securities to be purchased on such date, this Agreement shall terminate without liability on the part of any non-defaulting Manager.

No action taken pursuant to this Section shall relieve any defaulting Manager from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement, the Lead Managers, the Selling Shareholders or the Company shall have the right to postpone Closing Time or a Date of Delivery for a period not exceeding seven days in order to effect any required changes in the Registration Statement or Prospectuses or in any other documents or arrangements.

#### SECTION 11. DEFAULT BY ONE OR MORE OF THE SELLING SHAREHOLDERS.

If one or more of the Selling Shareholders shall fail at Closing Time to sell and deliver the number of Initial International Securities or Option International Securities which such Selling Shareholder or Selling Shareholders are obligated to sell hereunder (the "Selling Shareholder Defaulting Securities"), the non-defaulting Selling Shareholders shall have the right within 24 hours thereafter to make arrangements for one or more

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of the non-defaulting Selling Shareholders to sell all, but not less than all, of the Selling Shareholder Defaulting Securities in such amounts as may be agreed upon and upon the terms herein set forth; if the non-defaulting Selling Shareholders have not completed such arrangements within such 24-hour period, then the Managers may, at their option, by notice from the Lead Managers to the non-defaulting Selling Shareholders, either (a) terminate this Agreement without any liability on the part of any non-defaulting party if the sum of the Selling Shareholder Defaulting Securities under this Agreement and the Selling Shareholder Defaulting Securities as defined in the U.S. Purchase Agreement exceeds 100,000 shares or (b) elect to purchase the Initial International Securities which the non-defaulting Selling Shareholders have agreed to sell hereunder. If more than one of the non-defaulting Selling Shareholders want to sell, in the aggregate, a number of additional Common Shares in excess of the number of Selling Shareholder Defaulting Securities, each of such non-defaulting Selling Shareholders shall sell such additional Common Shares pro rata on the basis of the number of Common Shares being sold by them as listed on Schedule C.

In the event of a default by any Selling Shareholder as referred to in this Section, each of the Lead Managers and the non-defaulting Selling

Shareholders shall have the right to postpone the Closing Time for a period not exceeding seven days in order to effect any required changes in the Registration Statement or Prospectuses or in any other documents or arrangements.

No action taken pursuant to this Section shall relieve any Selling Shareholder so defaulting from liability, if any, in respect of such default.

#### SECTION 12. NOTICES.

All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Managers shall be directed to the Lead Managers in care of Merrill Lynch International at Merrill Lynch International, Ropemaker Place, 25 Ropemaker Street, London EC2Y 9LY, England, attention of Managing Director, Equity Capital Markets, telecopy number (011) 44 71 867-2516 and in care of Alex. Brown at 135 E. Baltimore Street, Baltimore, Maryland 21202, attention of Steven Goode, telecopy number (410) 783-3024, in care of Lehman Brothers International (Europe), 1 Broadgate, 6th Floor, London, EC2M, 7HA, England, attention of David Obstler, Executive Director, telephone number (011) 44 171 260-2793 and to Salomon Brothers International Limited, Equity Capital Markets, Victoria Plaza, 111 Buckingham Palace Road, London SW1W 0SB England, telecopy number (011) 44 171 721-2717, with a copy to Simpson Thacher & Bartlett, 425 Lexington Avenue, New York, New York 10017, attention of Peter J. Gordon, Esq.,

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telecopy number (212) 455-2502; notices to the Company shall be directed to it at Sofia House, 48 Church Street, P.O. Box HM 1826, Hamilton HM HX, Bermuda, attention of James N. Stanard, telecopy number (441) 292-9453, with a copy to Willkie Farr & Gallagher, 153 East 53rd Street, New York, New York 10022, attention of John S. D'Alimonte, Esq., telecopy number (212) 821-8111; notices to Warburg shall be directed to it at 466 Lexington Avenue, New York, New York 10017, attention of Howard Newman, Managing Director, telecopy number (212) 878-9351, with a copy to Willkie Farr & Gallagher, 153 East 53rd Street, New York, New York 10022, attention of John S. D'Alimonte, Esq., telecopy number (212) 821-8111; notices to GE Investment and to PT Investments shall be directed to each of them at 3003 Summer Street, Stamford, Connecticut 06904, attention of Michael M. Pastore, Esq., Vice President and Associate General Counsel, telecopy number (203) 326-4177, with a copy to Dewey Ballantine, 1301 Avenue of the Americas, New York, New York 10019, attention of Frederick W. Kanner, Esq., telecopy number (212) 259-6333; notices to USF&G shall be directed to it at 100 Light Street TW 35, Baltimore, Maryland 21202, attention of Dan L. Hale, Executive Vice President and Chief Financial Officer, telecopy number (410) 547-3047, with a copy to J. Kendall Huber, Esq., Legal Department, telecopy number (410) 234-2056.

#### SECTION 13. PARTIES.

This Agreement shall inure to the benefit of and be binding upon the Managers, the Company, the Selling Shareholders and their respective successors. Nothing expressed or implied in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Managers, the Company, the Selling Shareholders and their respective successors, and the controlling persons, officers and directors referred to in Sections 6 and 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Managers, the Company, the Selling Shareholders and their respective successors, and such controlling persons, officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of International Securities from any Manager shall be deemed to be a successor by reason merely of such purchase.

#### SECTION 14. GOVERNING LAW AND TIME.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICT OF LAWS. Specified times of day refer to New York City time. As used

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herein, the term "business day" means any day on which the NYSE and commercial banks in London are regularly open for business.

#### SECTION 15. CONSENT TO JURISDICTION.

With respect to any suit, action or proceeding against it arising out of or relating to this Agreement, each of the Company and the Selling

Shareholders irrevocably submits to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Courts in each case located in the Borough of Manhattan, City and State of New York. In addition, each such party irrevocably waives any objection which it may now or hereafter have to the laying of venue of such suit, action or proceeding brought in any such court and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

For purposes of any such suit, action or proceeding brought in any of the foregoing courts, each of the Company and the Selling Shareholders agrees to maintain an agent for service of process in the Borough of Manhattan, City and State of New York, at all times while any Securities shall be outstanding, and for that purpose each of the Company and the Selling Shareholders hereby irrevocably designates CT Corporation System, whose office address at the date hereof is 1633 Broadway, 30th Floor, New York, New York, 10019, to receive for and on its behalf service of process in New York. In the event that any such agent for service of process resigns or ceases to serve as the agent of any such party hereunder, each of the Company and the Selling Shareholders agrees to give notice as provided in Section 12 herein of the name and address of any new agent for service of process with respect to it appointed hereunder.

If, despite the foregoing, in any such suit, action or proceeding brought in any of the aforesaid courts, there is for any reason no such agent for service of process of the Company available to be served, then to the extent that service of process by mail shall then be permitted by applicable law, the Company further irrevocably consents to the service of process on it in any such suit, action or proceeding in any such court by the mailing thereof by registered or certified mail, postage prepaid, to it at its address given in or pursuant to Section 12 hereof.

Nothing herein contained shall preclude any party from effecting service of process in any lawful manner or from bringing any suit, action or proceeding in respect of this Agreement in any other state, country or place.

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#### SECTION 16. COUNTERPARTS.

This Agreement may be executed in one or more counterparts and, when a counterpart has been executed by each party hereto, all such counterparts taken together shall constitute one and the same agreement.

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If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Managers, the Company and the Selling Shareholders in accordance with its terms.

Very truly yours,

RENAISSANCERE HOLDINGS LTD.

By: \_\_\_\_\_  
Title:

WARBURG, PINCUS INVESTORS, L.P.

By: WARBURG, PINCUS & CO.,  
INC., General Partner

By: \_\_\_\_\_  
Title:

GE INVESTMENT PRIVATE PLACEMENT PARTNERS  
I-INSURANCE, LIMITED PARTNERSHIP

By: GE INVESTMENT MANAGEMENT  
INCORPORATED, General Partner

By: \_\_\_\_\_  
Title:

PT INVESTMENTS, INC.

By: \_\_\_\_\_  
Title:

UNITED STATES FIDELITY AND GUARANTY COMPANY

By: \_\_\_\_\_  
Title:

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Confirmed and Accepted,  
as of the date first above written:

MERRILL LYNCH INTERNATIONAL  
ALEX. BROWN & SONS INTERNATIONAL  
LEHMAN BROTHERS INTERNATIONAL (EUROPE)  
SALOMON BROTHERS INTERNATIONAL LIMITED

By: MERRILL LYNCH INTERNATIONAL  
INCORPORATED

By: \_\_\_\_\_  
Authorized Signatory

For itself and the other Lead Managers  
and on behalf of the other Managers  
named in Schedule A hereto.

Schedule A

Managers -----	Number of Initial International Securities -----
Merrill Lynch International.....	
Alex. Brown & Sons Incorporated.....	
Lehman Brothers International (Europe).. Salomon Brothers International Limited	
	--
Total.....	600,000 =====

Schedule B

600,000 Shares  
RENAISSANCERE HOLDINGS LTD.  
Common Shares  
(Par Value \$1.00 Per Share)

1. The initial public offering price per share for the International Securities, determined as provided in said Section 2, shall be \$[ ].

2. The purchase price per share for the International Securities to be paid by the several Managers shall be \$[ ], being an amount equal to the initial public offering price set forth above less \$[ ] per share; provided that the purchase price per share for any Option International Securities purchased upon the exercise of the over-allotment option described in Section 2(b) shall be reduced by an amount per share equal to any dividends or



distributions declared by the Company and payable after the Closing Time on the Initial International Securities but not payable after the delivery to the Initial Purchase of the Option International Securities on the Option International Securities.

# Schedule C

Selling Shareholder -----	Number of Initial International Securities to be Sold -----	Number of Option International Securities to be Sold -----
Warburg, Pincus Investors, L.P.		
GE Investment Private Placement Partners I-Insurance, Limited Partnership		
PT Investments, Inc.		
United States Fidelity and Guaranty Company		
	-----	-----
Total		

## Lock-up Agreement

Exhibit A

June \_\_, 1997

MERRILL LYNCH & CO.  
Merrill Lynch, Pierce, Fenner & Smith Incorporated  
ALEX. BROWN & SONS INCORPORATED  
LEHMAN BROTHERS INC.  
SALOMON BROTHERS INC

as U.S. Representatives of the several  
U.S. Underwriters to be named in the  
within-named Purchase Agreement  
c/o Merrill Lynch & Co.  
Merrill Lynch World Headquarters  
North Tower  
World Financial Center  
New York, New York 10281-1305

MERRILL LYNCH INTERNATIONAL  
ALEX. BROWN & SONS INTERNATIONAL  
LEHMAN BROTHERS INTERNATIONAL (EUROPE)  
SALOMON BROTHERS INTERNATIONAL LIMITED

as Lead Managers of the  
several Managers to be named in the within-named  
Purchase Agreement  
c/o Merrill Lynch International  
Ropemaker Place  
25 Ropemaker Street  
London EC27 9LY  
England

Ladies and Gentlemen:

The undersigned understands that Merrill Lynch & Co. of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Alex. Brown & Sons Incorporated, Lehman Brothers Inc. and Salomon Brothers Inc (collectively, the "U.S. Representatives") propose to enter into a Purchase Agreement (the "U.S. Purchase Agreement") with RenaissanceRe Holdings Ltd., a Bermuda company (the "Issuer"), and the selling shareholders named therein providing for the public offering of shares (the "U.S. Securities") of the Issuer's common shares, par value \$1.00 per share (the "Common Shares").

The undersigned also understands that Merrill Lynch International, Alex. Brown & Sons International, Lehman Brothers International (Europe) and Salomon Brothers International Limited (collectively, the "Lead Managers") propose to enter into a Purchase Agreement (the "International Purchase Agreement," and, collectively with the U.S. Purchase

Agreement, the "Purchase Agreements") with the Issuer, and the selling shareholders named therein providing for the public offering of shares (the "International Securities") of the Issuer's Common Shares. The U.S.

Securities and the International Securities, collectively, are hereinafter called the "Securities".

In recognition of the benefit that such offerings will confer upon the value of the Common Shares, and for other good and valuable consideration, the undersigned agrees with each underwriter named in the Purchase Agreements that, during a period of 90 days from and including the date of the Prospectuses (as defined in the Purchase Agreements) the undersigned will not, without the prior written consent of Merrill Lynch, directly or indirectly, offer, sell, contract to sell, grant any option for the sale of, or otherwise dispose of or transfer, any Common Shares.

Very truly yours,

\_\_\_\_\_  
Name:

[Letterhead of Conyers Dill & Pearman]

19th June, 1997

RenaissanceRe Holdings Ltd.  
8 - 12 East Broadway  
Pembroke HM 19  
Bermuda

Dear Sirs,

RE: RenaissanceRe Holdings Ltd. (the "Company")

We have acted as your Bermuda counsel in connection with the Registration Statement on Form S-3 (Registration No. 333-27775) ("Registration Statement"), filed with the United States Securities and Exchange Commission ("SEC") under the Securities Act of 1933 as amended ("Act") of the United States of America, with respect to the proposed offering to the public by shareholders of the Company of up to 3,000,000 common shares, and of up to 450,000 common shares solely to cover over allotment options, (the "Common Shares"), par value US\$1.00 per share of the Company.

For the purposes of giving this opinion, we have examined a copy of the Registration Statement, including the prospectus contained therein, and originals or copies of the memorandum of association and bye-laws of the Company. We have also examined such certificates of directors and officers of the Company, minutes and draft minutes of meetings of directors and of shareholders of the Company and such other certificates, agreements, instruments and documents in Bermuda as we have deemed necessary in order to render the opinions set forth below.

We have assumed:

- (i) The genuineness and authenticity of all signatures and the conformity to the originals of all copies of documents (whether or not certified) examined by us;
- (ii) The accuracy and completeness of all factual representations and warranties made in the documents, and of the minutes and the draft minutes of meetings of directors and of shareholders of the Company, examined by us;
- (iii) That there is no provision of the law of any jurisdiction, other than Bermuda, which should have any implication in relation to the opinions expressed herein;

We have made no investigation of and express no opinion in relation to the laws of any jurisdiction other than Bermuda. This opinion is governed by and construed in accordance with the laws of Bermuda and is limited to and is given on the basis of the current law and practice in Bermuda. This opinion is issued

solely for your benefit and is not to be relied upon by any other person, firm or entity or in respect of any other matter, without our express prior written consent.

On the basis of and subject to the foregoing we are of the opinion that:

1. The statements in the Registration Statement, including the prospectus contained therein, under the captions "Taxation of the Company, Renaissance Reinsurance and Glencoe -Bermuda" and "Taxation of Shareholders-Bermuda Taxation", to the extent that the same constitute matters of Bermuda law or legal conclusions with respect thereto, have been reviewed by us and are correct in all material respects, and such statements reflect our opinions with respect to the matters of law referred to therein.

2. The Common Shares to be sold have been duly authorised, and, based solely on a certificate of Mr. John D. Nichols Jr. as Secretary of the Company, have been validly issued and duly paid for, and as such are non-assessable; no personal liability will attach to the holders of such Common Shares solely by reason of the ownership thereof.

Our reservation with respect to the foregoing opinion is as follows:

"Non-assessability" is not a legal concept under Bermuda law, but when we describe shares as being "non-assessable" (see paragraph 3 above) we mean with respect to the shareholders of the company, in relation to fully paid shares of the company and subject to any contrary provision in any agreement in writing between that company and any one of its shareholders holding such shares but only with respect to such shareholder, that such shareholder shall not be bound

by an alteration to the memorandum of association or the bye-laws of that company after the date upon which they became such shareholders, if and so far as the alteration requires them to take or subscribe for additional shares, or in any way increases their liability to contribute to the share capital of, or otherwise pay money to, such company.

We hereby consent to the filing of this opinion with the Commission and as an exhibit to the Registration Statement and to the references to this Firm in the Registration Statement. As Bermuda attorneys, however, we are not qualified to opine on matters of law of any jurisdiction other than Bermuda. Accordingly, we do not admit to being an expert within the meaning of the Act.

Yours faithfully,

/s/ Conyers Dill & Pearman

Conyers Dill & Pearman

[Letterhead of Willkie Farr & Gallagher]

June 19, 1997

RenaissanceRe Holdings Ltd.  
Renaissance House  
8-12 East Broadway  
Pembroke HM 19 Bermuda

Ladies and Gentlemen:

We are delivering this opinion in connection with the Registration Statement on Form S-3 (File No. 333-27775) (the "Registration Statement") filed by RenaissanceRe Holdings Ltd. (the "Company") with the Securities and Exchange Commission under the Securities Act of 1933, as amended, with respect to the offering by certain shareholders of the Company of 3,000,000 of the Company's Common Shares, \$1.00 par value per share (the "Common Shares"), and up to 450,000 Common Shares solely to cover over-allotment options.

We have reviewed the Registration Statement and have considered such aspects of United States and New York law as we have deemed relevant for purposes of the opinion set forth below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to authentic originals of all documents submitted to us as copies.

Based upon and subject to the foregoing and to the conditions and limitations contained in the discussion in the Registration Statement, we are of the opinion that the discussion in the Registration Statement under the heading "Certain Tax Considerations--Taxation of the Company, Renaissance Reinsurance and Glencoe -- United States" and "-- Taxation of Shareholders -- United States Taxation of U.S. and Non-U.S. Shareholders" addresses all material U.S. Federal income tax considerations affecting the Company and holders of Common Shares (other than those tax considerations that depend on circumstances specific to such holders) and the statements of law contained therein are accurate in all material respects, and such discussion reflects our opinion with respect to the matters of law referred to therein.

RenaissanceRe Holdings Ltd.  
June 19, 1997  
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We hereby consent to the filing of this opinion as an exhibit to the Registration Statement referred to above and to the reference to our Firm under the headings "Certain Tax Considerations" and "Legal Matters" in the Prospectus included in the Registration Statement.

Very truly yours,

/s/ Willkie Farr & Gallagher

CONSENT OF INDEPENDENT AUDITORS

The Board of Directors  
of RenaissanceRe Holdings Ltd.:

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated January 15, 1997, in Amendment No. 2 to the Registration Statement (Form S-3 No. 333-27775) and related Prospectus of RenaissanceRe Holdings Ltd. for the registration of 3,450,000 shares of its common stock. We also consent to the incorporation by reference therein of our report dated January 15, 1997 with respect to the financial statement schedules of RenaissanceRe Holdings Ltd. for the years ended December 31, 1996, 1995 and 1994 included in the Annual Report (Form 10-K) for 1996 filed with the Securities and Exchange Commission.

Ernst & Young

Hamilton, Bermuda  
June 19, 1997