

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF  
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000 COMMISSION FILE NO. 34-0-26512

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

BERMUDA 98-013-8020  
(State or Other Jurisdiction of (I.R.S. Employer  
Incorporation or Organization) Identification Number)

RENAISSANCE HOUSE, 8-12 EAST BROADWAY, PEMBROKE HM 19 BERMUDA  
(Address of Principal Executive Offices)  
(441) 295-4513  
(Registrant's telephone number)

<TABLE>

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<C>

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT: COMMON SHARES, PAR VALUE \$1.00 PER SHARE

</TABLE>

NAME OF EACH EXCHANGE ON WHICH REGISTERED: NEW YORK STOCK EXCHANGE

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT: NONE

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ( )

The aggregate market value of Common Shares held by nonaffiliates of the Registrant as of March 29, 2001 was \$1,107,031,754 based on the closing sale price of the Common Shares on the New York Stock Exchange on that date.

The number of Common Shares outstanding as of March 29, 2001 was 19,759,670.

RENAISSANCERE HOLDINGS LTD.  
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PART I

Unless the context otherwise requires, references herein to the "Company" include RenaissanceRe Holdings Ltd. ("RenaissanceRe") and its subsidiaries, which principally include Renaissance Reinsurance Ltd. ("Renaissance Reinsurance"), DeSoto Insurance Company ("DeSoto"), DeSoto Prime Insurance Company ("DeSoto Prime"), Nobel Insurance Company ("Nobel"), Glencoe Insurance Ltd. ("Glencoe"), Renaissance Services Ltd. ("Services"), Renaissance Reinsurance of Europe ("Renaissance Europe"), Renaissance U.S. Holdings, Inc. ("Renaissance U.S."), Renaissance Underwriting Managers Ltd. ("Renaissance Managers"), Pembroke Managing Agents, Inc. ("Pembroke") and Paget Insurance Agency, LLC ("Paget"). Certain terms used below are defined in the "Glossary of Selected Insurance Terms" appearing on pages 20-22 of this Report.

NOTE ON FORWARD-LOOKING STATEMENTS

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

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

- (1) the occurrence of catastrophic events with a frequency or severity exceeding our estimates;
- (2) a decrease in the level of demand for our reinsurance or insurance business, or increased competition in the industry;
- (3) the lowering or loss of one of the financial or claims-paying ratings of ours or one or more of our subsidiaries;
- (4) risks associated with implementing our business strategies;
- (5) slower than anticipated growth in our fee-based operations;
- (6) changes in economic conditions, including currency rate conditions which could affect our investment portfolio;
- (7) uncertainties in our reserving process;
- (8) failure of our reinsurers to honor their obligations;

- (9) loss of services of any one of our key executive officers;
- (10) the passage of federal or state legislation subjecting Renaissance Reinsurance to supervision or regulation, including additional tax regulation, in the United States or other jurisdictions in which we operate;
- (11) challenges by insurance regulators in the United States to Renaissance Reinsurance's claim of exemption from insurance regulation under the current laws;

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- (12) a contention by the United States Internal Revenue Service that our Bermuda subsidiaries, including Renaissance Reinsurance, are subject to U.S. taxation; and
- (13) actions of competitors, including industry consolidation and the development of competing financial products.

The factors listed above should not be construed as exhaustive. We undertake no obligation to release publicly the results of any future revisions we may make to forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

#### ITEM 1. BUSINESS

##### GENERAL

Founded in 1993, RenaissanceRe is one of the leading providers of property catastrophe reinsurance coverage in the world. We believe that we are a provider of first choice for many insurers and reinsurers, due in large part to our modeling and technical expertise and our industry leading performance. We principally provide property catastrophe reinsurance to insurers and reinsurers, with exposures worldwide, on an excess of loss basis. This means that we begin paying when our customers' claims from a particular catastrophe exceed a specified amount. Property catastrophe reinsurance generally provides protection from claims arising from large catastrophes, such as earthquakes, hurricanes, winter storms, freezes, floods, fires, tornados and other man-made or natural disasters.

To leverage our underwriting skills, we have recently begun to write property catastrophe reinsurance on behalf of our two joint ventures, Top Layer Reinsurance Ltd. with State Farm Mutual Automobile Insurance Company and Overseas Partners Cat Ltd. with Overseas Partners Ltd. Together, these joint ventures have access to approximately \$3.4 billion of capital. We receive profit participation and fee-based income from these ventures.

In addition to property catastrophe reinsurance, we write certain specialty lines of reinsurance, including accident and health, finite, satellite and aviation. We also write primary insurance that is exposed to catastrophe risk and have recently expanded our management team for that business. We may seek to expand our presence in these markets, depending on our assessment of business opportunities.

We conduct our operations through wholly owned subsidiaries and joint ventures in Bermuda, the United States and Europe. We provide property catastrophe reinsurance coverage primarily through Renaissance Reinsurance, our principal operating subsidiary. We also provide reinsurance coverage through Renaissance Reinsurance of Europe, a wholly owned subsidiary of Renaissance Reinsurance.

We write primary insurance and provide certain related services through wholly owned subsidiaries organized in the U.S. and Bermuda. Glencoe provides primary catastrophe exposed property coverage on an excess and surplus lines basis, and is eligible to write business in 29 states. DeSoto, DeSoto Prime, Paget and Pembroke focus on the Florida homeowners market.

Our principal underwriting objective is to construct a portfolio of reinsurance contracts that maximizes return on equity subject to prudent risk constraints. To help us achieve this objective, we have developed REMS(C), a proprietary computer-based pricing and exposure modeling and management system. REMS(C) is a unique platform

Our management expertise and financial strength have enabled us to pursue opportunities outside of the property catastrophe reinsurance markets, including the catastrophe exposed primary insurance market. We plan to continue to pursue other opportunities in the upcoming year. There can be no assurance that our pursuit of such opportunities will materially impact our financial condition and results of operations.

## RECENT DEVELOPMENTS

On March 13, 2001, The St. Paul Companies, Inc., one of our founding institutional shareholders, completed the sale of 1,726,137 common shares in an underwritten secondary public offering which priced at \$72.20 per share. All of the shares sold were owned by St. Paul. We did not receive any of the proceeds from the offering.

On February 28, 2001, an earthquake measuring approximately 6.8 on the Richter Scale and centered about 10 miles northeast of Olympia, Washington impacted the Pacific Northwest, including the Seattle, Washington area. Based on our estimates of our losses from the Seattle event, we do not expect to be materially adversely affected by this earthquake. However, our assessment of our losses from the Seattle earthquake is preliminary, and assumes that industry insured losses are less than \$3.5 billion.

## RATINGS

Over the last five years, we have consistently received among the highest claims-paying and financial strength ratings from Standard & Poor's Insurance Ratings Services and A.M. Best Company, Inc. In January 2001, A.M. Best upgraded Renaissance Reinsurance from "A" (Excellent) to "A+" (Superior). Standard & Poor's has given Renaissance Reinsurance an "A" (Strong) rating with a positive outlook. Glencoe has been assigned an "A-" (Excellent) rating from A.M. Best. Top Layer Re has received claims-paying ratings of "AAA" (Extremely Strong) from Standard & Poor's and "A++" (Superior) from A.M. Best. These ratings represent independent opinions of an insurer's financial strength and ability to meet policyholder obligations.

"A+" is the second highest designation of A.M. Best's sixteen rating levels. "A+" rated insurance companies are defined as Superior companies and are considered by A.M. Best to have a very strong ability to meet their obligations to policyholders.

The "A" range ("A+", "A" and "A-") is the third highest of four ratings ranges within what S&P considers the "secure" category. An insurer rated "A" is believed by S&P to have strong financial security characteristics, but to be somewhat more likely to be affected by business conditions than are insurers with higher ratings

## CORPORATE STRATEGY

We seek to generate earnings growth for our shareholders by pursuing the following strategic objectives:

- o ENHANCE OUR POSITION AS A LEADER IN THE PROPERTY CATASTROPHE REINSURANCE BUSINESS. Based on gross premiums written, we are among the largest property catastrophe reinsurers in the world. Property catastrophe reinsurance accounts for a substantial majority of our business, and has historically generated among the most attractive returns in our industry. We believe that our proprietary modeling technology and underwriting expertise provide us with significant competitive advantages in managing catastrophe risk. We will continue to enhance our leadership position by:
  - Constructing a superior portfolio of reinsurance using proprietary underwriting models. We seek to effectively deploy our capital base while maintaining prudent risk levels in our reinsurance portfolio. We use our proprietary catastrophe exposure management system, REMS(C), to evaluate the risk and return characteristics of individual contracts relative to our portfolio, and, as a result, to determine appropriate underwriting opportunities; and
  - Constructing superior portfolios of catastrophe reinsurance for third parties, in exchange for fee income and profit participation. Top Layer Re and OPCat provide us with additional presence in the market, by allowing us to leverage our access to business and our underwriting capabilities on a larger capital base.
- o PURSUE NEW BUSINESS OPPORTUNITIES IN ATTRACTIVE MARKETS WHERE WE CAN LEVERAGE OUR CORPORATE SKILLS AND CULTURE. Our management's experience and underwriting expertise position us to enter into new

business areas which we believe will meet our return on equity criteria. Currently, we believe our best opportunities include:

- Certain specialty lines of reinsurance which have begun to show improved pricing, such as accident and health, finite, satellite

and aviation; and

- Primary insurance exposed to natural catastrophe risk, which allows us to leverage our catastrophe risk management skills.

We believe we are positioned to fulfill these objectives by virtue of the experience and skill of our management and our strong relationships with brokers and clients. Our 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 our four senior executives. We market our reinsurance products worldwide exclusively through reinsurance brokers and have established a reputation with our brokers and clients for prompt response on underwriting submissions, fast claims payments and the development of customized reinsurance programs. The modeling demonstrations and seminars that we provide to our brokers and clients further enhance our position as a provider of first choice.

#### INDUSTRY TRENDS

Prior to 1999, excess capacity placed competitive pressures on the reinsurance industry. However, market participants have reported significant price increases in catastrophe reinsurance during 2000 and into the 2001 renewal season due to industry losses in 1999 and the subsequent contraction of capacity in the market. According to publicly available industry information, U.S. pricing of year-end renewals generally increased up to 15-20%. International pricing of renewals generally increased 20-300%, the top end of the range largely related to European risks, particularly in France.

Industry observers expect demand for property catastrophe reinsurance to continue to grow on a worldwide basis as many regions are currently underinsured. Current catastrophe insurance levels in developing countries lag significantly behind the levels seen in Western economies, as demonstrated by the difference between total losses (approximately \$20 billion) and total insured losses (\$2 billion) in the 1999 Turkish earthquake. Furthermore, as the concentration and value of insured property continues to grow in high catastrophe-exposed regions, such as Southern California, Florida, Coastal Carolina and Texas, demand for catastrophe coverage is expected to grow. The increased demand for catastrophe reinsurance following the French windstorms in 1999 indicates that many insurers were inadequately insured prior to the events.

During 1999, insured losses from natural catastrophes and man-made disasters amounted to approximately \$31 billion, the second-highest claims total ever for insurers behind 1992, the year of Hurricane Andrew. During 1999 nine significant worldwide catastrophic events occurred: the hail storms in Sydney, Australia, in April; the Oklahoma tornados in May; Hurricane Floyd in September; Typhoon Bart which struck Japan in September; Turkish and Taiwanese earthquakes in August and September, respectively; and the Danish windstorm, Anatol, and the French windstorms, Lothar and Martin, in December. Seven of these events each resulted in over \$1 billion of insured damages.

During recent fiscal years there has been considerable consolidation among leading brokerage firms and also among insurance and reinsurance companies, which could affect the distribution of catastrophe-related reinsurance products.

A number of new, proposed or potential legislative or industry changes may impact the worldwide demand for property catastrophe reinsurance and other catastrophe related products. There are also many potential initiatives by capital market participants to produce alternative products that may compete with the existing catastrophe reinsurance markets.

#### REINSURANCE

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Our principal product is property catastrophe reinsurance, primarily written through Renaissance Reinsurance. We also write reinsurance with respect to various other lines, including accident and health, aviation, satellite and finite reinsurance. We continuously review opportunities to provide additional coverages where we can utilize our modeling and other expertise and where we believe we can identify attractive potential returns and apply prudent risk constraints.

The following table sets forth our gross premiums written and number of programs written by type of reinsurance.

<TABLE>  
<CAPTION>

YEAR ENDED DECEMBER 31,					
2000		1999		1998	
GROSS PREMIUMS	NUMBER OF	GROSS PREMIUMS	NUMBER OF	GROSS PREMIUMS	NUMBER OF

	WRITTEN	PROGRAMS	WRITTEN	PROGRAMS	WRITTEN	PROGRAMS
			(DOLLARS IN MILLIONS)			
<S>	<C>	<C>	<C>	<C>	<C>	<C>
TYPE OF REINSURANCE						
Catastrophe excess of loss.....	\$179.4	212	\$173.6	242	\$137.0	249
Excess of loss retrocession.....	154.2	90	84.1	85	39.8	64
Proportional retrocession of catastrophe excess of loss.....	11.4	2	21.2	8	20.3	13
Accident and health, satellite, aviation and other.....	37.7	25	3.4	13	10.1	15
	-----	-----	-----	-----	-----	-----
Total reinsurance.....	\$382.7	329	\$282.3	348	\$207.2	341
	=====	=====	=====	=====	=====	=====

</TABLE>

#### CATASTROPHE REINSURANCE

Our property catastrophe reinsurance contracts are generally "all risk" in nature. Our most significant exposure is to losses from earthquakes and hurricanes, although we are also exposed to claims arising from other natural and man-made catastrophes, such as winter storms, freezes, floods, fires and tornados, in connection with the coverages we provide. Our 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, our property reinsurance contracts generally exclude certain risks such as war, nuclear contamination or radiation.

Because of the wide range of possible catastrophic events to which we are exposed, and because of the potential for multiple events to occur in the same time period, our business is volatile, and results of operations may reflect such volatility. Further, our 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 us. We expect 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.

We seek to moderate the volatility described in the preceding paragraph through the use of contract terms, portfolio selection methodology, diversification criteria and probability analyses. Also, consistent with risk management practices, we purchase property catastrophe coverage for our own account to seek to further reduce the potential volatility of results.

Catastrophe Excess of Loss Reinsurance. We write catastrophe excess of loss reinsurance, which provides coverage to primary insurers when aggregate claims and claim expenses from a single occurrence of a covered peril exceed the attachment point specified in a particular contract. Under these contracts we indemnify an insurer for a portion of the losses on insurance policies in excess of a specified loss amount, and up to an amount per loss specified in the contract.

A portion of our property catastrophe excess of loss contracts limit coverage to one occurrence in a contract year, but most such contracts provide for coverage of a second occurrence after the payment of a reinstatement premium. The coverage provided under excess of loss reinsurance 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.

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Excess of Loss Retrocessional Reinsurance. We also enter into retrocessional contracts that provide property catastrophe coverage to other reinsurers or retrocedents. In providing retrocessional reinsurance, we focus on property catastrophe retrocessional reinsurance which covers the retrocedent on an excess of loss basis when aggregate claims and claim 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. 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. We write proportional

retrocessions of catastrophe excess of loss reinsurance treaties when we believe that premium rates and volume are attractive. In such proportional retrocessional reinsurance, we assume a specified proportion of the risk on a specified coverage and receive 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 we generally obtain detailed underwriting information concerning the underlying exposures, it is more difficult to assess the exposures in retrocessional contracts.

#### NONCATASTROPHE REINSURANCE

We also write other reinsurance relating to accident and health, finite, satellite and aviation risk coverages. In 2000, we began to write accident and health reinsurance coverage, usually on a stop-loss basis subject to specified caps on our ultimate exposure. In selected cases, we also write customized financial reinsurance contracts when the expected returns are particularly attractive.

#### PRIMARY INSURANCE

We currently write primary insurance where natural catastrophe exposures represent a significant component of the overall exposure. We believe that our industry knowledge of the catastrophe business and our proprietary risk management software provide us with a competitive advantage in terms of appropriately underwriting and pricing such policies.

Renaissance U.S. Holdings, Inc. In 1998, we formed a U.S. holding company, Renaissance U.S., whose principal subsidiary was Nobel, a Texas-domiciled insurance company. Following a 1998 fourth quarter after-tax charge of \$40.1 million, Nobel disposed of its principal business lines in 1999. Nobel continues to be a licensed insurer in all 50 states, although there can be no assurance such licenses can be retained. Our U.S.- based insurance subsidiaries are currently writing, in a limited capacity, catastrophe-exposed primary insurance.

Glencoe Insurance Ltd. Glencoe was incorporated in January 1996 and is domiciled in Bermuda. Glencoe is an excess and surplus lines insurance company, which pursues opportunities in the catastrophe-exposed primary insurance business in the United States by writing policies that are primarily exposed to earthquake and wind perils. Glencoe is eligible to do business in the United States on an excess and surplus lines basis in 29 states.

DeSoto and Related Entities. In September 1997, Glencoe organized DeSoto as a wholly owned subsidiary in Florida to pursue the assumption of policies from the Florida JUA. We also participate in the Florida homeowners market through DeSoto Prime, Paget and Pembroke.

#### JOINT VENTURES

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We believe that many reinsurers, insurers and other providers of capital have concluded that offering catastrophe reinsurance coverage can yield attractive returns and provide financial and risk diversification when underwritten by experienced and knowledgeable parties. We believe that our underwriting and risk modeling expertise, track record and market leadership position will enable us to become a leading provider of outsourced underwriting of property catastrophe reinsurance.

In 2000, we continued to increase our market penetration in catastrophe reinsurance through our two joint venture relationships. The amount of total managed catastrophe premiums we underwrote grew by approximately 40% to \$397.0 million in 2000 compared to \$284.0 million for 1999.

These ventures provide us with additional presence in the market as well as fee income. They allow us to leverage our access to business and our underwriting capabilities on a larger capital base while still actively managing our equity base to maximize value to our shareholders. We currently have two significant joint ventures, Top Layer Re, which we own together with State Farm, and OPCat, which was formed by Overseas Partners.

Top Layer Re was established in 1999 to write high excess non-U.S. property catastrophe reinsurance. Top Layer Re is owned 50% by State Farm and 50% by Renaissance Reinsurance and has received claims-paying ratings of "AAA" (Extremely Strong) from Standard & Poor's and "A++" (Superior) from A.M. Best. State Farm also provides stop loss reinsurance coverage that gives Top Layer Re sufficient capital resources to write \$3.0 billion of aggregate limit. For the year ended December 31, 2000, Top Layer Re had gross written premiums of \$24.9 million, and at December 31, 2000, Top Layer Re had deployed approximately one-third of its capacity.

OPCat was established by Overseas Partners in 1999 as a wholly owned subsidiary to write companion lines on reinsurance contracts to Renaissance Reinsurance. We are the exclusive underwriting manager for OPCat. OPCat has approximately \$400 million of capital. For the year ended December 31, 2000, OPCat's gross written premiums were approximately \$55.3 million. OPCat provides us with access to additional capital to extend our market penetration and generates fee income. In general, we seek to construct for OPCat a portfolio with risk characteristics similar to those of Renaissance Reinsurance's portfolio.

In our joint ventures, we typically provide our partners with underwriting, claims management, risk modeling, capital and investment management services, marketing, reporting, remittances and payments processing and other services. Essentially, we serve as the catastrophe reinsurance underwriting department for our partners, representing our partners in the catastrophe reinsurance marketplace. We work within agreed-upon underwriting guidelines, tailored to our partners' requirements. We seek to provide our partners with an attractive return while creating fee for services and profit sharing income for Renaissance Reinsurance.

The following table shows our committed capacity at December 31, 2000 and the growth in our total managed catastrophe premiums written:

<TABLE>  
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	YEAR ENDED DECEMBER 31,		COMMITTED CAPACITY AT DECEMBER 31,
	2000	1999	2000
	(IN MILLIONS)		
<S>	<C>	<C>	<C>
Written for RenaissanceRe.....	\$316.8	\$279.7	\$ 700.8
Written for OPCat.....	55.3	--	400.0
Written for Top Layer Re.....	24.9	4.3	2,950.0
Total.....	\$397.0	\$284.0	\$ 4,050.8
	=====	=====	=====

</TABLE>

We apply the same disciplined approach to the underwriting we conduct on behalf of our joint ventures as we apply to our own portfolio.

Our joint ventures have increased the capital we can commit to the catastrophe reinsurance market and have deepened our market penetration. This flexible capital also broadens the capacity and capital we can offer our customers. We believe that joint venture opportunities may increasingly contribute to our capital base and managed catastrophe premiums growth.

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#### POTENTIAL NEW OPPORTUNITIES

From time to time, we may consider opportunistic diversification into new ventures, either through organic growth or the acquisition of other companies or books of business. Accordingly, we regularly review strategic opportunities and periodically engage in discussions regarding possible transactions. However, there can be no assurance that we will enter into any such agreement in the future, or that any consummated transaction would contribute materially to our results.

#### UNDERWRITING

Our primary underwriting goal is to construct a portfolio of reinsurance and insurance contracts that maximizes our return on shareholders' equity subject to prudent risk constraints. We assess underwriting decisions on the basis of the expected incremental return on equity of each new reinsurance contract in relation to our overall portfolio of reinsurance contracts.

We have developed a proprietary, computer-based pricing and exposure management system, Renaissance Exposure Management System (REMS(C)), which we utilize to assess property catastrophe risks, price treaties and limit aggregate exposure. REMS(C) was initially developed with consulting assistance from Tillinghast, an actuarial consulting unit of Towers, Perrin, Forster & Crosby, Inc., and Applied Insurance Research, Inc., the developer of the CATMAP(TM) system. Since inception, we have continued to invest in and improve REMS(C), incorporating our underwriting experience, additional proprietary software and new data. REMS(C) has analytic and modeling capabilities that help us to assess the catastrophe exposure risk and return of each incremental reinsurance contract in relation to our overall portfolio of reinsurance contracts. We combine the analyses generated by REMS(C) with other information available to us, including our own knowledge of the client submitting the proposed program,



to assess the premium offered against the risk of loss which such a program presents.

We have licensed and integrated into REMS(C) a number of third party catastrophe computer models in addition to our base model, which we use to validate and stress test our base REMS(C) results. In our stress tests we increase the frequency and severity of catastrophic events above the levels embedded in the models purchased from third parties to further test our exposures and potential impact on our future results.

We believe that REMS(C) is a more robust underwriting and risk management system than is currently available in the 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 us. REMS(C) employs simulation techniques to generate 40,000 years of catastrophic event activity, including events causing in excess of \$300 billion in insured industry losses. From this 40,000 year simulation, we generate estimates of expected claims, expected profits and a probability distribution of potential outcomes for each program in our portfolio and for our total portfolio.

All our underwriters utilize REMS(C) in their pricing decisions, which we believe provides them with several competitive advantages. These include the ability:

- o to simulate 40,000 years of catastrophic event activity compared to a much smaller sample in generally available models, allowing us to analyze exposure to a greater number and combination of potential events;
- o to analyze the incremental impact of an individual reinsurance contract on our overall portfolio;
- o to better assess the underlying exposures associated with assumed retrocessional business;
- o to price contracts within a short time frame; and
- o to provide consistent and accurate pricing information.

As part of our risk management process, we also utilize REMS(C) to assist us with the purchase of reinsurance coverage for our own account. During 2000, we increased the amount of premiums ceded through property

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catastrophe reinsurance coverage purchased for our own account. Although the amount of ceded premium increased in 2000, the magnitude of our net exposures grew in 2000 because of increases in our gross portfolio and changes in the terms of our ceded reinsurance. Ceded premiums written in our reinsurance operations during 2000 were \$95.1 million, compared to \$77.2 million in 1999. Additionally, in 2000 our primary operations had ceded premiums of \$44.8 million, compared to \$60.6 million in 1999. To the extent that appropriately priced coverage is available, we anticipate continued purchase of reinsurance to reduce the potential volatility of our results.

We have developed underwriting guidelines, to be used in conjunction with REMS(C), that limit the exposure to claims from any single catastrophic event and the exposure to losses from a series of catastrophic events. As part of our pricing and underwriting process, we also assess a variety of other factors, including:

- o the reputation of the proposed cedent and the likelihood of establishing a long-term relationship with the cedent;
- o the geographic area in which the cedent does business and its market share;
- o 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;
- o the cedent's pricing strategies; and
- o the perceived financial strength of the cedent.

We have developed underwriting guidelines with respect to our noncatastrophe book of business which are designed to limit the amount of exposure we will accept for any one risk. These guidelines include, but are not limited to, utilizing contract terms to cap our losses from any one exposure or any one contract, employing analytical tools to assess risks where practical and accessing the knowledge of experienced professionals in assisting with unique

and complex terms and coverages.

GEOGRAPHIC BREAKDOWN

Our exposures are generally diversified across geographic zones, but are also a function of market conditions and opportunities. The following table sets forth the percentage of our gross insurance and reinsurance premiums written allocated to the territory of coverage exposure.

<TABLE>  
<CAPTION>

	YEAR ENDED DECEMBER 31,					
	2000		1999		1998	
	GROSS WRITTEN PREMIUMS	PERCENTAGE OF GROSS WRITTEN PREMIUMS	GROSS WRITTEN PREMIUMS	PERCENTAGE OF GROSS WRITTEN PREMIUMS	GROSS WRITTEN PREMIUMS	PERCENTAGE OF GROSS WRITTEN PREMIUMS
	(DOLLARS IN MILLIONS)					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
United States and Caribbean.....	\$ 145.8	33.7%	\$ 173.6	49.4%	\$ 132.8	49.1%
Worldwide.....	98.9	22.8	46.7	13.3	17.0	6.3
Worldwide (excluding U.S.) (1).....	60.4	14.0	27.3	7.8	26.3	9.7
Europe.....	22.1	5.1	26.4	7.5	18.5	6.8
Other.....	9.6	2.2	2.4	0.7	4.5	1.7
Australia and New Zealand.....	8.3	1.9	3.2	0.9	3.9	1.5
Noncatastrophe reinsurance (2).....	37.7	8.7	2.7	0.8	4.1	1.5
Total reinsurance.....	382.8	88.4	282.3	80.4	207.1	76.6
United States-- primary.....	50.2	11.6	69.0	19.6	63.3	23.4
Total gross written premiums.....	\$ 433.0	100.0%	\$ 351.3	100.0%	\$ 270.5	100.0%

</TABLE>

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- (1) The category "Worldwide (excluding U.S.)" consists of contracts that cover more than one geographic region (other than the U.S.). The exposure in this category for gross premiums written to date is predominantly from Europe and Japan.
- (2) The category "Noncatastrophe reinsurance" includes coverages related to noncatastrophe reinsurance risks assumed by us. These coverages primarily include exposure to claims from accident and health, finite, satellite, and aviation risks assumed by us.

RESERVES

For both our reinsurance and primary operations, we use statistical and actuarial methods to estimate ultimate expected claims and claim expenses. The reserve for claims and claim expenses includes estimates for unpaid claims and claim expenses on reported losses as well as an estimate of IBNR losses.

Our loss reserves are based on individual claims, case reserves and other reserve estimates reported by insureds and 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 consolidated 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 our consolidated statement of income in the period in which they become known and are accounted for as changes in estimates.

For our reinsurance operations, estimates of claims and claim expenses and losses recoverable are based in part upon the estimation of claims resulting from catastrophic events. Our estimates of claims resulting from catastrophic events based upon our own historical claim experience is inherently difficult because of the variability and uncertainty associated with property catastrophe claims. Therefore, we utilize 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.

Given the nature of the catastrophe reinsurance business, the period of time from the reporting of a loss to us to the settlement of our liability may

be significant. During this period, additional facts and trends will be revealed. As these factors become apparent, case reserves will be adjusted, sometimes requiring an increase in our overall reserves, and at other times requiring a reallocation of IBNR reserves to specific case reserves. These estimates are reviewed regularly, and such adjustments, if any, are reflected in our consolidated statement of income in the period in which they become known and are accounted for as changes in estimates.

Claim reserves and losses recoverable 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 or recovery on a claim either upward or downward. Even after such adjustments, ultimate liability or recovery may exceed or be less than the revised estimates.

We incurred claims of \$108.6 million, \$77.1 million, and \$112.8 million for the years ended December 31, 2000, 1999 and 1998, respectively. Our claim reserves were \$403.6 million, \$478.6 million and \$298.8 million at December 31, 2000, 1999 and 1998, respectively.

INVESTMENTS

At December 31, 2000, we held cash and investments totaling \$1,082.0 million with net unrealized appreciation of \$6.8 million. Our strategy is to maximize our underwriting profitability and fully deploy our capital through our underwriting activities. Consequently, we have established an investment policy, which we consider to be conservative.

Our investment guidelines, which are approved by our Board, stress preservation of capital, market liquidity, and diversification of risk. To achieve this objective, our current fixed income investment guidelines call for an average credit quality of "AA" as measured by Standard & Poor's Ratings Group. Notwithstanding the foregoing, our investments are subject to market-wide risks and fluctuations, as well as to risks inherent in particular securities.

Primarily because of the potential for large claims payments, our investment portfolio is structured to provide a high level of liquidity. The table below shows the aggregate amounts of investments available for sale, equity securities and cash and cash equivalents comprising our portfolio of invested assets:

<TABLE>  
<CAPTION>

	AT DECEMBER 31,		
	2000	1999	1998
	(IN MILLIONS)		
<S>	<C>	<C>	<C>
Investments available for sale, at fair value.....	\$ 928.1	\$ 907.7	\$ 825.0
Other investments, at fair value.....	29.6	7.2	1.6
Cash and cash equivalents and short term investments.....	124.3	144.9	115.7
Total invested assets.....	\$1,082.0	\$1,059.8	\$ 942.3

</TABLE>

The growth in our portfolio of invested assets for the year ended December 31, 2000 resulted primarily from net cash provided by operating activities of \$250.8 million, compared with \$130.3 million in 1999. The 2000 cash flows from operations were primarily utilized to repay \$192.0 million of the amounts outstanding under our revolving credit facility, to purchase \$25.1 million of our common shares and to pay aggregate dividends of \$29.2 million. Also during 2000, our U.S. holding company repaid approximately \$8.0 million under its revolving credit facility.

At December 31, 2000, our invested asset portfolio had a dollar weighted average rating of AA, an average duration of 2.7 years and an average yield to maturity of 6.7% before investment expenses.

Under the terms of certain reinsurance contracts, we may be required to provide letters of credit to reinsureds in respect of reported claims and/or unearned premiums. We have obtained capacity from one of our primary lenders for the issuance of letters of credit. Issued letters of credit are secured by a lien on a portion of our investment portfolio. At December 31, 2000, we had outstanding letters of credit aggregating \$44.9 million. Also, in connection with our January 6, 1999 investment in Top Layer Re, we have committed \$37.5

million of collateral in the form of a letter of credit. This letter of credit is also secured by a portion of our investments.

Catastrophe Linked Instruments. We have assumed risk through catastrophe and weather linked securities and derivative instruments under which losses could be triggered by an industry loss index or natural parameters. To date we have not experienced any losses from such securities or derivatives although there can be no assurance this performance will continue. We recorded recoveries on non-indemnity catastrophe index transactions in each of the last quarters of 2000 and 1999. These recoveries are included in other income. In the future, we may also utilize other derivative instruments.

Market Sensitive Instruments. Our investment portfolio includes investments which are subject to changes in market values with changes in interest rates. The aggregate hypothetical loss generated from an immediate adverse parallel shift in the treasury yield curve of 100 basis points would cause a decrease in total return of approximately 2.7%, which equates to a decrease in market value of approximately \$28.4 million on a portfolio valued at \$1,052.4 million at December 31, 2000. The foregoing reflects the use of an immediate time horizon, since this presents the worst-case scenario. Credit spreads are assumed to remain constant in these hypothetical examples.

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The following table summarizes the fair value of our investments and cash and cash equivalents at the dates indicated.

<TABLE>  
<CAPTION>

	AT DECEMBER 31,		
	2000	1999	1998
	(IN MILLIONS)		
<S>	<C>	<C>	<C>
Fixed maturities available for sale:			
U.S. government and agency debt securities.....	\$ 267.9	\$ 295.7	\$564.6
U.S. corporate debt securities.....	430.7	356.6	137.8
Non-U.S. government debt securities.....	110.2	54.4	30.6
Non-U.S. corporate debt securities.....	16.6	54.0	67.0
U.S. mortgage-backed securities.....	102.7	147.0	--
Subtotal.....	928.1	907.7	800.0
Other investments.....	29.6	7.2	1.6
Short-term investments.....	13.8	12.8	25.0
Cash and cash equivalents.....	110.5	132.1	115.7
Total.....	\$1,082.0	\$1,059.8	\$942.3

</TABLE>

The following table summarizes the fair value by contractual maturities of our fixed maturity investment portfolio at the dates indicated.

<TABLE>  
<CAPTION>

	AT DECEMBER 31,		
	2000	1999	1998
	(IN MILLIONS)		
<S>	<C>	<C>	<C>
Due in less than one year.....	\$ 29.0	\$ 2.8	\$ 193.7
Due after one through five years.....	519.8	456.4	393.7
Due after five through ten years.....	201.4	226.1	121.4
Due after ten years.....	75.2	75.4	91.2
U.S. mortgage-backed securities.....	102.7	147.0	--
Total.....	\$ 928.1	\$ 907.7	\$ 800.0

</TABLE>

Maturity and Duration of Fixed Maturity Portfolio. Currently, we maintain a target duration of approximately three years on a weighted average basis, reflecting our belief that it is important to maintain a liquid, shorter-duration portfolio to better assure our ability to pay claims on a timely basis. The actual portfolio duration may not exceed the target duration by more than two years. From time to time, we expect to reevaluate the target duration in light of estimates of the duration of our liabilities and market conditions, including the levels of then prevailing interest rates.

Quality of Debt Securities in Portfolio. Our guidelines for our various investment classes have strict restrictions on credit quality, duration and benchmark relative exposures.

The following table summarizes the composition of the fair value of the fixed maturity portfolio at the dates indicated by rating as assigned by S&P or, with respect to non-rated issues, as estimated by our investment managers.

RATING	AT DECEMBER 31,		
	2000	1999	1998
AAA.....	69.1%	72.9%	70.9%
AA.....	9.4	5.0	4.3
A.....	5.5	5.9	9.2
BBB.....	5.1	4.8	3.7
BB.....	2.9	3.7	5.2
B.....	5.5	5.3	2.2
CCC.....	0.3	--	--
CC.....	0.1	--	--
NR.....	2.1	2.4	4.5
	-----	-----	-----
	100.0%	100.0%	100.0%
	=====	=====	=====

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#### COMPETITION

With total managed gross premiums written of \$397.0 million for the year ended December 31, 2000, we are one of the largest providers of property catastrophe reinsurance in the world. We have an estimated market share of approximately 7-9% of the property catastrophe reinsurance business, based on managed gross premiums written.

Our principal competition in the industry comes from multi-line insurance and reinsurance providers that write catastrophe-based products as part of a larger portfolio. The major players include companies based in the United States, Europe and Bermuda. Though all of these companies offer property catastrophe reinsurance, in many cases it accounts for a small percentage of their total portfolio. Further, the reinsurance industry is undergoing a marked trend toward greater consolidation.

In our primary business, we face competition from independent insurance companies, subsidiaries or affiliates of major worldwide companies and others, some of which have greater financial and other resources than RenaissanceRe. Primary insurers compete on the basis of factors including selling effort, product, price, service, financial strength and reputation.

We are also aware of many potential initiatives by capital market participants to produce alternative products that may compete with the existing catastrophe reinsurance markets. Among other things, over the last several years capital markets participants, including exchanges and financial intermediaries, have developed financial products intended to compete with traditional reinsurance. In addition, the tax policies of the countries where our clients operate can affect demand for reinsurance. We are unable to predict the extent to which the foregoing new, proposed or potential initiatives may affect the demand for our products or the risks which may be available for us to consider underwriting.

#### MARKETING

##### REINSURANCE

We believe that our modeling and technical expertise, combined with our leading industry performance, has enabled us to become a provider of first choice to our insurers and reinsurers worldwide. We market our reinsurance products worldwide exclusively through reinsurance brokers. We focus our marketing efforts on targeted brokers and insurance and reinsurance companies. We believe that our existing portfolio of business is a valuable asset given the renewal nature of the reinsurance industry and, therefore, we attempt to continually strengthen relationships with our existing brokers and clients. We target prospects that are capable of supplying detailed and accurate underwriting data and that potentially add further diversification to our book of business.

We believe 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. We believe that we have established a reputation with our brokers and clients for prompt response on underwriting submissions and for fast claims payments. The modeling demonstrations and seminars that we provide to our brokers and clients further enhance our position as a provider of first choice. Since we selectively write large lines on a limited number of property

catastrophe reinsurance contracts, we can establish reinsurance terms and conditions on those contracts that are attractive in our judgment, make large commitments to the most attractive programs and provide superior client responsiveness.

We believe that our ability to design customized programs and to provide advice on catastrophe risk management has helped us to develop long-term relationships with brokers and clients.

Our reinsurance brokers perform data collection, contract preparation and other administrative tasks, enabling us to market our reinsurance products cost effectively by maintaining a smaller staff. We believe that by maintaining close relationships with brokers, we are able to obtain access to a broad range of potential reinsureds. Subsidiaries

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and affiliates of Marsh Inc., Greig Fester, E.W. Blanch & Co., AON Re Group, and Willis Faber accounted for approximately 26.5%, 15.7%, 15.7%, 14.9% and 5.5%, respectively, of our gross premiums written in 2000.

During 2000, Renaissance Reinsurance issued authorization for coverage on programs submitted by 26 brokers worldwide. We received approximately 1,400 program submissions during 2000. Of these submissions, we issued authorizations for coverage in 2000 for only 410 programs, or 29.3% of the program submissions received.

#### PRIMARY INSURANCE

Glencoe markets its products through a diverse group of surplus lines brokers operating primarily in catastrophe exposed states. Our homeowners insurance operations primarily market their products utilizing direct marketing techniques. We also employ point of sale distribution relationships such as mortgage companies, title companies and realtors. Our primary operations strive to retain the renewal rights to the customer and to create and maintain a comprehensive database of catastrophe-exposed property risks.

#### EMPLOYEES

At December 31, 2000, we and our subsidiaries employed approximately 100 people. We believe that our strong employee relations are among our most significant strengths. None of our employees are subject to collective bargaining agreements. We are not aware of any current efforts to implement such agreements at any of our subsidiaries.

A majority of our employees receive some form of equity-based incentive compensation as part of their overall package. At December 31, 2000, our directors and officers beneficially owned 6.8% of our outstanding shares.

Many Bermuda-based employees of RenaissanceRe and Renaissance Reinsurance, including all of our senior executives, are employed pursuant to work permits granted by the Bermuda authorities. These permits expire at various times over the next few years. We have no reason to believe that these permits would not be extended at expiration upon request, although no assurance can be given in this regard.

#### 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 may carry on an insurance business (including the business of reinsurance) in or from within Bermuda unless registered as an insurer under the Insurance Act by the Bermuda Minister of Finance (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. Further, the Insurance Act stipulates that no person shall, in or from within Bermuda, act as an insurance manager, broker, agent or salesman unless registered for the purpose by the Minister. Renaissance Managers is registered as an insurance manager under the Insurance Act.

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.

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. Certain significant aspects of the Bermuda insurance regulatory framework are set forth below.

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**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, both of which, in the case of each of a Class 3 insurer and a Class 4 insurer, are 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.** Each 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 the insurer's approved 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. The insurer is required to submit the Annual Statutory Financial Statements as part of the Annual Statutory Financial Return. The Statutory Financial Statements and the Statutory Financial Return do not form part of the public records maintained by the Registrar.

**Minimum Solvency Margin and Restrictions on Dividends and Distributions.** 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 registration of the insurer under the Insurance Act 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 credit for reinsurance ceded not exceeding 25% of gross premiums) 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.

The Insurance Act mandates certain actions and filings with the Minister and the Registrar if a Class 3 insurer or a Class 4 insurer fails to meet and or maintain the required minimum solvency margin. Both Class 3 insurers and Class 4 insurers are prohibited from declaring or paying any dividends if in breach of the required minimum solvency margin or minimum liquidity ratio (the relevant margins) or if the declaration or payment of such dividend would cause the insurer to fail to meet the relevant margins. Where an insurer fails to meet its relevant margins on the last day of any financial year, it is prohibited from declaring or paying any dividends during the next financial year without the approval of the Minister. Further, a Class 4 insurer is prohibited from declaring or paying in any financial year dividends of more than 25% of its total statutory capital and surplus (as shown on its previous financial year's statutory balance sheet) unless it files (at least seven days before payment of such dividends) with the Registrar an affidavit stating that it will continue to meet its relevant margins. Class 3 insurers and Class 4 insurers must obtain the Minister's prior approval for a reduction by 15% or more of the total statutory capital as set forth in its previous year's financial statements. These restrictions on declaring or paying dividends and distributions under the Insurance Act are in addition to those under the Companies Act 1981 which apply to all Bermuda companies.

**Annual Statutory Financial Return.** Class 3 and Class 4 insurers are required to file with the Registrar a Statutory Financial Return no later than four months after the insurer's financial year end (unless specifically extended). The Statutory Financial Return includes, among other items, a report of the approved independent auditor on the Statutory Financial Statements of the

Statutory Financial Statements themselves; the opinion of the approved Loss Reserve Specialist in respect of the loss and loss expense provisions and, only in the case of Class 4 insurers, 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. 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, or that the insurer is in breach of the Insurance Act or any conditions or its registration under the Insurance Act, 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, or transfer to the custody of a specified 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 each of Renaissance Reinsurance and Glencoe is at our offices at Renaissance House, 8-12 East Broadway, Pembroke HM 19 Bermuda and Mr. John D. Nichols, our Senior Vice President, is the principal representative of Renaissance Reinsurance and Glencoe. 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 a reportable 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 insurer to comply substantially with a condition imposed upon the insurer by the Minister relating to a solvency margin or a liquidity or other ratio.

Certain Other Bermuda Law Considerations. As "exempted companies", we and our Bermuda subsidiaries are exempt from certain Bermuda laws restricting the percentage of share capital that may be held by non-Bermudians. However, as exempted companies, we and our Bermuda subsidiaries may not participate in certain business transactions, including (1) the acquisition or holding of land in Bermuda (except that required for their business and held by way of lease or tenancy for terms of not more than 50 years) without required authorization, (2) the taking of mortgages on land in Bermuda to secure an amount in excess of \$50,000 without the consent of the Minister, (3) the acquisition of any bonds or debentures secured by any land in Bermuda, other than certain types of Bermuda government securities or securities issued by Bermuda public authorities or (4) the carrying on of business of any kind in Bermuda, except in furtherance of our business carried on outside Bermuda or under license granted by the Minister. Generally it is not permitted without a special license granted by the Minister to insure Bermuda domestic risks or risks of persons of, in or based in Bermuda.

We and our Bermuda subsidiaries must comply with the provisions of the Companies Act regulating the payment of dividends and making distributions from contributed surplus. A company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that: (a) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realizable value of the company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.



United States and Other. Renaissance Reinsurance is not admitted to transact the business of insurance in any jurisdiction except Bermuda. However, the insurance laws of each state of the United States and of many other countries permit and regulate the sale of insurance and reinsurance to insureds and ceding insurers located within their jurisdictions by non-admitted alien insurers, such as Renaissance Reinsurance, from locations outside the state or country. With some exceptions, such sale of insurance or reinsurance from 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.

Glencoe is eligible to write excess and surplus lines primary insurance in 29 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 an eligible, non-admitted insurer in the U.S. DeSoto is a licensed property/casualty insurer in Florida and Nobel is licensed and subject to regulation as a property/casualty insurer in all 50 U.S. states and the District of Columbia.

Our U.S. operations are subject to extensive regulation under statutes which delegate regulatory, supervisory and administrative powers to state insurance commissioners. The extent of regulation varies from state to state but generally has its source in statutes that delegate regulatory, supervisory and administrative authority to a department of insurance in each state. Among other things, state insurance commissioners regulate insurer solvency standards, insurer licensing, authorized investments, premium rates, restrictions on the size of risks that may be insured under a single policy, loss and expense reserves and provisions for unearned premiums, deposits of securities for the benefit of policyholders, policy form approval, and market conduct regulation including the use of credit information in underwriting and other underwriting and claims practices. State insurance departments also conduct periodic examinations of the affairs of insurance companies and require the filing of annual and other reports relating to the financial condition of companies and other matters. In general, regulated insurers must file all rates for directly underwritten insurance with the insurance department of each state in which they operate on an admitted basis; however, reinsurance generally is not subject to rate regulation.

Our U.S. insurance subsidiaries are subject to guaranty fund laws which can result in assessments, up to prescribed limits, for losses incurred by policyholders as a result of the impairment or insolvency of unaffiliated insurance companies. Typically, an insurance company is subject to the guaranty fund laws of the states in which it conducts insurance business; however, companies such as Glencoe which conduct business on a surplus lines basis in a particular state are generally exempt from that state's guaranty fund laws. We do not expect the amount of any such guaranty fund assessments to be paid by us, if any, in 2000 to be material.

**Holding Company Regulation.** We and our U.S. insurance subsidiaries are subject to regulation under the insurance holding company laws of various jurisdictions. The insurance holding company laws and regulations vary from jurisdiction to jurisdiction, but generally require an insurance holding company, and insurers that are subsidiaries of insurance holding companies, to register with state regulatory authorities and to file with those authorities certain reports, including information concerning their capital structure, ownership, financial condition, certain intercompany transactions and general business operations.

Further, in order to protect insurance company solvency, state insurance statutes typically place limitations on the amount of dividends or other distributions payable by insurance companies. Florida, DeSoto's state of domicile, requires that dividends be paid only out of earned surplus and limits the annual amount payable without the prior approval of the Florida Insurance Department to the greater of 10% of policyholders' surplus adjusted for unrealized gains or 100% of prior year statutory net income. Texas, Nobel's state of domicile, currently requires that dividends be paid only out of earned statutory surplus and limits the annual amount of dividends payable without the prior approval of the Texas Insurance Department to the greater of 10% of statutory capital and surplus at the end of the previous calendar year or 100% of statutory net income from operations for the previous calendar year. These insurance holding company laws also impose prior approval requirements for certain transactions with affiliates.

In addition, as a result of our ownership of DeSoto and Nobel, under the terms of applicable state statutes, any person or entity desiring to purchase more than 10% of our outstanding voting securities is required to obtain prior regulatory approval for the purchase.

NAIC Ratios. The NAIC has established eleven financial ratios to assist state insurance departments in their oversight of the financial condition of insurance companies operating in their respective states. The NAIC's Insurance Regulatory Information System ("IRIS") calculates these ratios based on information submitted by insurers on an annual basis and shares the information with the applicable state insurance departments. Generally, an insurance company will be subject to regulatory scrutiny if it falls outside the usual ranges with respect to four or more of the ratios.

Codification of Statutory Accounting Principles. In their ongoing effort to improve solvency regulations, the NAIC and individual states have enacted certain laws and statutory financial statement reporting requirements. For example, NAIC rules require audited statutory financial statements as well as actuarial certification of loss and loss adjustment expense reserves therein. Other activities are focused on greater disclosure of an insurer's reliance on reinsurance and changes in its reinsurance programs and stricter rules on accounting for certain overdue reinsurance. These regulatory initiatives, and the overall focus on solvency, may intensify the restructuring and consolidation of the insurance industry. We believe we will be adequately positioned to compete in an environment of more stringent regulation.

Risk Based Capital. The NAIC has implemented a risk-based or RBC formula and model law to be applied to all property/casualty insurance companies.

Reinsurance Regulation. The terms and conditions of reinsurance agreements generally are not subject to regulation with respect to rates or policy terms. This contrasts with primary insurance policies and agreements, the rates and policy terms of which are generally closely regulated by state insurance departments. As a practical matter, however, the rates charged by primary insurers do have an effect on the rates reinsurers can charge.

The ability of a primary insurer to take credit for the reinsurance purchased from reinsurance companies is a significant component of reinsurance regulation. Typically, a primary insurer will only enter into a reinsurance agreement if it can obtain credit on its statutory financial statements for the reinsurance ceded to the reinsurer. With respect to U.S. domiciled reinsurers that reinsure U.S. insurers, credit is usually granted when the reinsurer is licensed or accredited in a state where the primary insurer is domiciled. In addition, many states allow credit for reinsurance ceded to a reinsurer that is licensed in another state and which meets certain financial requirements, provided in some instances that the state has substantially similar reinsurance credit law requirements or the primary insurer is provided with collateral to secure the reinsurer's obligations.

In order for primary U.S. insurers to obtain financial statement credit for the reinsurance obligations of non-U.S. reinsurers, those reinsurers must satisfy specific reinsurance credit requirements. Non-U.S. reinsurers, such as RenaissanceRe, that are not licensed in a state generally may become accredited by filing certain financial information with the relevant state commissioner and maintaining a U.S. trust fund for the payment of valid reinsurance claims in an amount equal to the reinsurer's reinsurance liabilities covered by the trust plus an additional \$20 million. In addition, unlicensed and unaccredited reinsurers may secure the U.S. primary insurer with funds equal to its reinsurance obligations in the form of cash, securities, letters of credit or reinsurance trusts. Renaissance Reinsurance generally posts a letter of credit or provides other forms of security after a claim is reported to comply with U.S. reinsurance credit requirements.

The Gramm-Leach-Bliley Act. On November 12, 1999, President Clinton signed into law the Gramm-Leach-Bliley Act of 1999 ("GLBA") implementing fundamental changes in the regulation of the financial services industry in the United States. The GLBA permits the transformation of the already converging banking, insurance and securities industries by permitted mergers that combine commercial banks, insurers and securities firms under one holding company, a "financial holding company". Bank holding companies and other entities that qualify and elect to be treated as a financial holding company may engage in activities, and acquire companies engaged in activities that are "financial" in nature or "incidental" or "complementary" to such financial activities. These financial activities include acting as principal, agent or broker in the underwriting and sale of life, property, casualty and other forms of insurance and annuities.

A financial holding company can own any kind of insurer or insurance broker or agent but its bank subsidiary cannot own an insurance company. Under the GLBA, national banks retain their existing ability to sell insurance products in some circumstances.

Under state law, the financial holding company must apply to the insurance commissioner in the insurer's state of domicile for prior approval of the acquisition of the insurer. Under the GLBA, no state may prevent or interfere with affiliations between banks and insurers, insurance agents or brokers or the

licensing of a bank or bank affiliate as an insurer, agent or broker as permitted by the GLBA.

Until the passage of the GLBA, the Glass-Steagall Act of 1933, as amended, had limited the ability of banks to engage in securities-related businesses, and the Bank Holding Company Act of 1956, as amended, had restricted banks from being affiliated with insurers. With the passage of the GLBA, among other things, bank holding companies may acquire insurers, and insurance holding companies may acquire banks. The ability of banks to affiliate with insurers may materially affect our U.S. subsidiaries' product lines by substantially increasing the number, size and financial strength of potential competitors.

The expansion of our primary insurance operations, together with the potential of further expansion into additional insurance markets, could expose us or our subsidiaries to increasing regulatory oversight. However, we intend to continue to conduct our operations so as to minimize the likelihood that RenaissanceRe or Renaissance Reinsurance will become subject to U.S. regulation.

SEGMENT INFORMATION

Certain information regarding our segments of operations are contained in Note 15 to our Consolidated Financial Statements provided in Item 14(a) of this Form 10-K.

PROGRAM LIMITS

The following table sets forth the number of the Company's reinsurance programs in force at December 31, 2000 by aggregate program limits.

AGGREGATE PROGRAM LIMIT	NUMBER OF PROGRAMS
\$50-70 million	9
\$40-50 million	9
\$30-40 million	9
\$20-30 million	22
\$10-20 million	42
Less than \$10 million	238
Total	329

FOREIGN CURRENCY EXPOSURES

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

Our foreign currency policy is to hold foreign currency assets, including cash and receivables, that approximate the net monetary foreign currency liabilities, including loss reserves and reinsurance balances payable. All changes in the exchange rates are recognized currently in our statement of income. We seek to hedge our exposure to foreign currency transactions.

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 "catastrophe cover."

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 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 pre-negotiated 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.
Funded cover	A form of insurance where the insured pays premiums to a reinsurer to serve essentially as a deposit in order to offset future losses. On a funded cover, there is generally limited or no transfer of risk for catastrophe losses from the insured to the reinsurer.
Generally accepted accounting principles	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.
Incurred 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.
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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

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insurance coverage under a single policy, which the reinsured treats as a single risk.

Statutory accounting principles ("SAP") Recording transactions and preparing financial statements in accordance with the rules and procedures prescribed or permitted by Bermuda and/or the United States state insurance regulatory authorities including the NAIC, which in general reflect a liquidating, rather than going concern, concept of accounting.

Total Managed Cat Premium The total catastrophe reinsurance premiums written on a gross basis by our Top Layer Re

and OPCat joint ventures as well as by our wholly owned subsidiaries

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.

ITEM 2. PROPERTIES

We lease office space in Bermuda, where our executive offices are located.

In 2000, Nobel sold both of the real properties it formerly owned. These transactions were not material to RenaissanceRe. Since the time of such sales, Nobel has leased and occupied 8,366 square feet of space at 8001 LBJ Freeway, Dallas, Texas from LBJ Commerce Center Inc. This lease commenced August 1, 2000 and provides for a term of 36 months. This space is used as the administrative offices of both Nobel Insurance Company and Nobel Service Corporation.

ITEM 3. LEGAL PROCEEDINGS

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

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of the Company's shareholders during the fourth quarter of 2000.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS.

PRICE RANGE OF COMMON SHARES

Our common shares began publicly trading on June 27, 1995. Our New York Stock Exchange symbol is "RNR". The following table sets forth, for the periods indicated, the high and low prices per share of our common shares as reported in composite New York Stock Exchange trading.

PERIOD	PRICE RANGE OF COMMON SHARES	
	HIGH	LOW
1998		
First Quarter.....	\$50.75	\$39.63
Second Quarter.....	50.69	43.00
Third Quarter.....	48.31	41.44
Fourth Quarter.....	45.38	34.50
1999		
First Quarter.....	\$37.00	\$31.50
Second Quarter.....	38.13	30.00
Third Quarter.....	37.44	34.31
Fourth Quarter.....	43.19	33.19

2000		
First Quarter.....	\$41.13	\$35.88
Second Quarter.....	44.13	36.13
Third Quarter.....	64.88	42.50
Fourth Quarter.....	81.50	58.13
2001		
First Quarter (through March 29, 2001).....	\$84.18	\$62.10

On March 29, 2001 the last reported sale price for our common shares was \$67.00 per share. At March 29, 2001 there were approximately 110 holders of record of our common shares and approximately 3,400 beneficial holders. As a result of the sale by St. Paul of all of its shares on March 13, 2001, we expect that the number of our shareholders may increase.

#### DIVIDEND POLICY

Historically, we have paid quarterly dividends on our common shares, and have increased our dividend during each of the six years since our initial public offering. Most recently, our Board declared a dividend of \$0.40 per share payable on March 6, 2001 to shareholders of record at February 20, 2001. We expect to continue the payment of dividends in the future, but we cannot assure that they will continue. The declaration and payment of dividends are subject to the discretion of the Board and depend on, among other things, our financial condition, general business conditions, legal, contractual and regulatory restrictions regarding the payment of dividends by us and our subsidiaries and other factors which the Board may in the future consider to be relevant.

As a holding company with no direct operations, we rely on investment income, cash dividends and other permitted payments from our subsidiaries to pay dividends to our shareholders. Our Bermuda insurance subsidiaries are required by applicable law and regulations to maintain a minimum solvency margin and minimum liquidity ratio, and are prohibited from paying dividends that would result in a breach of these requirements. Further, Renaissance Reinsurance, as a Class 4 insurer in Bermuda, may not pay dividends which would exceed 25% of its capital and surplus, unless it first makes filings confirming that it meets the required margins. Generally, our U.S. insurance

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subsidiaries may only pay dividends out of earned surplus. Moreover, the amount payable without the prior approval of the applicable state insurance department is generally limited to the greater of 10% of policyholders' surplus or statutory capital, or 100% of the subsidiary's prior year statutory net income. If our subsidiaries are restricted from paying dividends to us, we may be unable to pay dividends to shareholders.

#### ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

The following table sets forth our selected financial data and other financial information at and for each of the years in the five year period ended December 31, 2000. The historical financial information was prepared in accordance with U.S. generally accepted accounting principles. The statement of income data for the years ended December 31, 2000, 1999, 1998, 1997 and 1996 and the balance sheet data at December 31, 2000, 1999, 1998, 1997 and 1996 were derived from our audited consolidated financial statements, which have been audited by Ernst & Young, our independent auditors. You should read the selected financial data in conjunction with our consolidated financial statements and related notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this filing and all other information appearing elsewhere or incorporated into this filing by reference.

<TABLE>  
<CAPTION>

	YEARS ENDED DECEMBER 31,				
	2000	1999	1998	1997	1996
	(IN THOUSANDS, EXCEPT PER SHARE DATA AND RATIOS)				
<S>	<C>	<C>	<C>	<C>	<C>
STATEMENT OF INCOME DATA:					
Gross premiums written.....	\$433,002	\$351,305	\$270,460	\$228,287	\$269,913
Net premiums written.....	293,303	213,513	195,019	195,752	251,564
Net premiums earned.....	267,681	221,117	204,947	211,490	252,828
Net investment income.....	77,868	60,334	52,834	49,573	44,280
Net realized losses on sales of investments..	(7,151)	(15,720)	(6,890)	(2,895)	(2,938)
Claims and claim expenses incurred.....	108,604	77,141	112,752	50,015	86,945
Acquisition costs.....	38,530	25,500	26,506	25,227	26,162
Operational expenses.....	37,954	36,768	34,525	25,131	16,731
Pre-tax income.....	131,876	102,716	54,102	139,249	156,160
Net income.....	127,228	104,241	74,577	139,249	156,160

Operating income(1).....	134,379	119,961	121,547	142,144	159,098
Operating earnings per common share--					
diluted(1).....	\$ 6.86	\$ 5.82	\$ 5.42	\$ 6.19	\$ 6.12
Earnings per common share-- diluted(2).....	6.50	5.05	3.33	6.06	6.01
Dividends per common share.....	1.50	1.40	1.20	1.00	0.80
Weighted average common shares					
outstanding.....	19,576	20,628	22,428	22,967	25,995
OPERATING RATIOS:(1)					
Claims/claim expense ratio.....	40.6%	34.9%	33.1%	23.7%	34.3%
Underwriting expense ratio.....	28.5	28.1	29.3	23.8	17.0
Combined ratio.....	69.1%	63.0%	62.4%	47.5%	51.3%
Operating return on average					
shareholders' equity.....	21.0%	19.8%	19.2%	25.0%	29.8%

</TABLE>

footnotes appear on following page

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<TABLE>  
<CAPTION>

	YEARS ENDED DECEMBER 31,				
	2000	1999	1998	1997	1996
	(IN THOUSANDS, EXCEPT PER SHARE DATA AND RATIOS)				
<S>	<C>	<C>	<C>	<C>	<C>
BALANCE SHEET DATA:					
Total investments and cash.....	\$1,082,046	\$1,059,790	\$ 942,309	\$859,467	\$802,466
Total assets.....	1,468,989	1,617,243	1,356,164	960,749	904,764
Reserve for claims and claim					
expenses.....	403,611	478,601	298,829	110,037	105,421
Reserve for unearned premiums.....	112,541	98,386	94,466	57,008	65,617
Bank loans.....	50,000	250,000	100,000	50,000	150,000
Company obligated mandatorily					
redeemable capital securities of a					
subsidiary trust holding solely					
junior subordinated debentures of					
RenaissanceRe(3).....	87,630	89,630	100,000	100,000	--
Total shareholders' equity.....	700,818	600,329	612,232	598,703	546,203
Book value per common					
share(4).....	\$ 35.72	\$ 30.50	\$ 28.28	\$ 26.68	\$ 23.21
Common shares outstanding.....	19,621	19,686	21,646	22,441	23,531
SEGMENT INFORMATION:					
REINSURANCE					
Gross premiums written.....	\$ 382,816	\$ 282,345	\$ 207,189	\$221,246	\$268,361
Net premiums written.....	287,941	205,192	167,152	189,562	250,512
Pre-tax income.....	150,003	117,408	126,768	146,209	161,855
Claims/claim expense ratio.....	40.4%	32.7%	25.0%	23.6%	34.4%
Underwriting expense ratio.....	26.8	25.8	28.1	22.6	16.2
Combined ratio.....	67.2%	58.5%	53.1%	46.2%	50.6%
PRIMARY					
Gross premiums written.....	\$ 50,186	\$ 68,960	\$ 63,271	\$ 7,041	\$ 1,552
Net premiums written.....	5,362	8,321	27,867	6,190	1,052
Pre-tax income(1).....	(4,682)	8,926	4,288	2,421	900
Claims/claim expense ratio (5).....	47.0%	52.2%	72.1%	25.0%	NM(5)
Underwriting expense ratio (5).....	98.1	12.4	37.1	86.1	NM
Combined ratio(5).....	145.1%	64.6%	109.2%	111.1%	NM

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(1) Operating income excludes net realized gains or losses on investments. For 1998, operating income, operating earnings per common share -- diluted, the claims/claim expense ratio, the underwriting ratio, the combined ratio and the operating return on average shareholders' equity also exclude the impact of an after-tax charge of \$40.1 million taken in the fourth quarter of 1998 related to our subsidiary, Nobel. Including the charge related to Nobel, operating income, operating earnings per common share -- diluted, the



claims/claim expense ratio, the underwriting ratio, the combined ratio and the operating return on average shareholders' equity would have been \$81.5 million, \$3.63, 55.0%, 29.8%, 84.8% and 12.9%, respectively. Also for 1998, the primary segment information of pre-tax income and the claims/claim expense ratio also excludes the impact of the Nobel charge. Including the charge relating to Nobel, primary segment pre-tax income would have been a loss of \$51.4 million and the claims/claim expense ratio would have been 200.0%.

- (2) Earnings per common share -- diluted 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.
- (3) The item "Company obligated mandatorily redeemable capital securities of a subsidiary trust holding solely junior subordinated debentures of RenaissanceRe" reflects \$87.6 million aggregate liquidation amount of the capital securities issued by a subsidiary trust. The sole assets of the trust are \$87.6 million aggregate principal amount of 8.54% junior subordinated debentures due March 1, 2027 issued by RenaissanceRe.
- (4) Book value per common share was computed by dividing total shareholders' equity by the number of outstanding common shares.
- (5) The ratios are not meaningful for 1996 as this was the initial year of operations and earned premiums were \$0.2 million.

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#### ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion and analysis of our results of operations for the year ended December 31, 2000 compared with the year ended December 31, 1999, and for the year ended December 31, 1999 compared with the year ended December 31, 1998 and also a discussion of our financial condition at December 31, 2000. This discussion and analysis should be read in conjunction with the audited consolidated financial statements and related notes included in this filing. This filing contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from the results described or implied by these forward-looking statements.

#### OVERVIEW

Founded in 1993, RenaissanceRe is one of the leading providers of property catastrophe reinsurance coverage in the world. We believe that we are a provider of first choice for many insurers and reinsurers, due to our modeling and technical expertise and our industry leading performance. We principally provide property catastrophe reinsurance to insurers and reinsurers, with exposures worldwide, on an excess of loss basis. Property catastrophe reinsurance generally provides protection from claims arising from large catastrophes, such as earthquakes, hurricanes, winter storms, freezes, floods, fires, tornados and other man-made or natural disasters.

For the years ended December 31, 2000 and December 31, 1999, our gross premiums written were approximately \$433.0 million and \$351.3 million, respectively, our net premiums written were \$293.3 million and \$213.5 million, respectively, our operating income was \$134.4 million (or \$6.86 per share) and \$120.0 million (or \$5.82 per share), respectively, and our net income was \$127.2 million (or \$6.50 per share) and \$104.2 million (or \$5.05 per share), respectively. At December 31, 2000, we had total assets of \$1.5 billion and total shareholders' equity of \$700.8 million.

Our principal subsidiary is Renaissance Reinsurance, a Bermuda domiciled company. In 2000, Renaissance Reinsurance wrote \$382.8 million of gross written premiums, compared to \$282.3 million in 1999. Of these premiums, \$345.0 million were derived from property catastrophe reinsurance coverage, compared to \$279.7 million in 1999. Renaissance Reinsurance is one of the largest providers of this coverage in the world. In addition to property catastrophe reinsurance, we write certain specialty lines of reinsurance, including accident and health, finite, satellite and aviation.

In January 1999, Renaissance Reinsurance formed Top Layer Re with State Farm to provide high layer coverage for non-U.S. risks. Renaissance Reinsurance and State Farm each own 50% of Top Layer Re. OPCat is a wholly owned subsidiary of Overseas Partners. In November 1999, RenaissanceRe incorporated Renaissance Underwriting Managers to act as underwriting manager to OPCat. Together, these joint ventures have access to approximately \$3.4 billion of capital. We receive profit participation and fee-based income from these ventures.

We believe that our position as a leading property catastrophe reinsurance underwriter has been strengthened by the 40% growth in total managed catastrophe premiums we experienced in 2000. Our total managed catastrophe premiums, which include premiums we write on behalf of our Top Layer Re and OPCat joint ventures together with those written by our wholly owned subsidiaries, grew to \$397.0 million on a gross basis for the year ended December 31, 2000, including \$80.2 million written on behalf of our joint ventures.

We also provide reinsurance coverage through Renaissance Reinsurance of Europe. Renaissance Europe was incorporated in 1998 under the laws of Ireland as a wholly owned subsidiary of Renaissance Reinsurance.

We also write primary insurance and provide certain related services, principally in lines that are exposed to catastrophe risk. Our subsidiaries involved in primary insurance include Glencoe Insurance Ltd., Paget Insurance Services, Pembroke Managing Agents, DeSoto Insurance Company, DeSoto Prime Insurance Company and Nobel Insurance Company.

Glencoe was incorporated in 1996 as a wholly owned subsidiary of RenaissanceRe. Glencoe provides primary catastrophe exposed property coverage on an excess and surplus lines basis, and is eligible to write business in 29 states. During 2000, Glencoe wrote \$5.3 million of primary insurance premium, compared to \$5.0 million in 1999.

DeSoto Insurance was incorporated in 1997 as a wholly owned subsidiary of Glencoe, to assume and renew homeowner policies from the Florida Residential Property and Casualty Joint Underwriting Association, a state sponsored insurance company. During 2000, DeSoto wrote \$12.7 million of primary homeowners insurance coverage, compared to \$14.3 million in 1999. Paget, Pembroke and DeSoto Prime are all active in the Florida homeowners market.

We also own Nobel, a Texas-domiciled insurance company. Following a 1998 fourth quarter after-tax charge of \$40.1 million, Nobel disposed of its business lines in 1999. Nobel continues to be a licensed insurer in all 50 states, although there can be no assurance that these licenses can be retained.

Our results depend to a large extent on the frequency and severity of catastrophic events, and the coverage offered to clients impacted by these events. In addition, from time to time, we may consider opportunistic diversification into new ventures, either through organic growth or the acquisition of other companies or books of business. In evaluating such new ventures, we seek an attractive return on equity, the ability to develop or capitalize on a competitive advantage and opportunities that will not detract from our core reinsurance operations. Accordingly, we regularly review strategic opportunities and periodically engage in discussions regarding possible transactions, although there can be no assurance that we will complete any such transactions or that any such transaction would contribute materially to our results of operations or financial condition.

RESULTS OF OPERATIONS

YEAR ENDED DECEMBER 31, 2000 COMPARED TO YEAR ENDED DECEMBER 31, 1999

Our operating income, which excludes realized gains and losses on investments, for the year ended December 31, 2000 was \$134.4 million, compared with \$120.0 million for the year ended December 31, 1999. Our operating earnings per common share for the year ended December 31, 2000 was \$6.86, compared with \$5.82 for the year ended December 31, 1999. The increase in operating income was primarily the result of increased fee income from our joint ventures, Top Layer Re and OPCat, and also from an increase in investment income due to increased yields and an increase in the size of the investment portfolio, slightly offset by an increase in interest expense.

Our gross premiums written for the year ended December 31, 2000 increased by \$81.7 million, or 23.2%, to \$433.0 million from \$351.3 million for the year ended December 31, 1999. Gross premiums written by segment were:

	YEAR ENDED DECEMBER 31,	
	2000	1999
	(IN THOUSANDS)	
Reinsurance.....	\$ 382,816	\$ 282,345
Primary.....	50,186	68,960
Total.....	\$ 433,002	\$ 351,305
	=====	=====

Our increase in reinsurance premiums written in 2000 resulted primarily from (1) an increase of \$35.0 million in our premiums from noncatastrophe reinsurance, from \$2.7 million in 1999 to \$37.7 million in 2000, (2) an increase

in reinstatement premiums to \$20.3 million in 2000, compared with \$6.8 million in 1999, primarily related to the 1999 European windstorms and (3) increased opportunities to provide reinsurance to reinsurers due to the large level of catastrophes in 1999. Premiums written by our primary insurance companies decreased due to the reduced premiums at Nobel, from \$49.6 million in 1999 to \$32.2 million in 2000, due to the run-off of the Nobel businesses.

During 2000, we continued to purchase reinsurance to reduce our exposure to certain losses. Our ceded premiums were as follows:

	YEAR ENDED DECEMBER 31,	
	2000	1999
	(IN THOUSANDS)	
Reinsurance.....	\$ 94,875	\$ 77,152
Primary.....	44,824	60,640
Total.....	\$ 139,699	\$ 137,792

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The increase in ceded reinsurance was primarily the result of increased costs of ceded reinsurance contracts renewed by Renaissance Reinsurance and increased purchases of reinsurance by Renaissance Reinsurance. The reduction in ceded reinsurance by our primary insurance companies primarily relates to the reduction in gross written premiums from Nobel. Approximately 55% of the limits under our reinsurance coverage has been purchased on a multi-year basis, which we expect will result in relatively stable costs on the majority of those policies for the fiscal years 2001 and 2002. To the extent that appropriately priced coverage is available, we anticipate continued use of reinsurance to reduce the potential volatility of our results.

Our gross premiums written by geographic region were as follows:

	YEAR ENDED DECEMBER 31,	
	2000	1999
	(IN THOUSANDS)	
United States and Caribbean.....	\$ 145,871	\$ 173,598
Worldwide.....	98,923	46,712
Worldwide (excluding U.S.) (1).....	60,382	27,276
Europe.....	22,071	26,437
Other.....	9,559	2,370
Australia and New Zealand.....	8,280	3,212
Noncatastrophe reinsurance(2).....	37,730	2,740
Total reinsurance.....	382,816	282,345
United States -- primary.....	50,186	68,960
Total gross premiums written.....	\$ 433,002	\$ 351,305

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

(2) The category "Noncatastrophe reinsurance" includes coverages related to noncatastrophe reinsurance risks assumed by us. These coverages primarily include exposure to claims from accident and health, finite, satellite and aviation risks assumed by us.

The table below sets forth our claims, expense and combined ratios:

	YEAR ENDED DECEMBER 31,	
	2000	1999
Claims and claim expenses ratio.....	40.6%	34.9%
Underwriting expense ratio.....	28.5	28.1
Combined ratio.....	69.1%	63.0%

Our claims and claim expenses incurred for the year ended December 31, 2000 were \$108.6 million, or 40.6% of net premiums earned. In comparison, our claims and claim expenses incurred for the year ended December 31, 1999 were \$77.1

million, or 34.9% of net premiums earned. The primary reason for the increase in the claims and claim expenses ratio was the increase in gross premiums written from noncatastrophe reinsurance products which typically produce a higher loss ratio than our principal product, property catastrophe reinsurance. Due to the potential high severity of claims related to the property catastrophe reinsurance business, there can be no assurance that we will continue to experience this level of claims in future years.

For our reinsurance operations, estimates of claims and claim expenses incurred and losses recoverable are based in part upon the estimation of claims resulting from catastrophic events. Our estimation of claims resulting from catastrophic events based upon our own historical claim experience is inherently difficult because of the variability and uncertainty associated with property catastrophe claims. Therefore, we utilize 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.

For both our reinsurance and primary operations, we use statistical and actuarial methods to estimate ultimate expected claims and claim expenses. The period of time from the reporting of a loss to us through the settlement of

our liability may be several years. During this period, additional facts and trends will be revealed. As these factors become apparent, case reserves will be adjusted, sometimes requiring an increase in our overall reserves, while at other times we may reallocate incurred but not reported (IBNR) reserves to specific case reserves. Reserve estimates are reviewed regularly, and 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.

Acquisition costs and operational expenses, consisting of brokerage commissions, excise taxes and other costs directly related to our underwriting operations, for the year ended December 31, 2000 were \$76.5 million, or 28.5% of net premiums earned, compared with \$62.3 million, or 28.1% of net premiums earned, for the year ended December 31, 1999. The primary contributor to the increase in the underwriting expense ratio was the increase in gross premiums earned by Renaissance Reinsurance with respect to noncatastrophe reinsurance products, which typically produce a higher underwriting expense ratio than our principal product, property catastrophe reinsurance.

Net investment income (which excludes net realized investment losses) for the year ended December 31, 2000 was \$77.9 million, compared with \$60.3 million for the year ended December 31, 1999. The increase in investment income resulted primarily from an increase in interest rates during 2000, together with an increase in the investment base during the year. Although invested assets at the end of the year only reflected an increase of \$22.3 million from the prior year end, we had an additional \$200.0 million available during most of the year, prior to repaying \$200.0 million on our bank loans during the fourth quarter.

During 2000, we reported other income of \$11.0 million, compared with \$4.9 million for the year ended December 31, 1999. Substantially all of this income related to our profit participation and performance-based fees received by us from our joint ventures, Top Layer Re and OPCat. Also included in other income is approximately \$0.7 million from our primary operations, and \$0.4 million from our investments in non-indemnity catastrophe index transactions. For 1999, we reported \$2.5 million in other income relating to recoveries on catastrophe linked index transactions and \$1.4 million relating to other income from our primary operations.

During 2000, net realized losses on sales of investments were \$7.1 million, compared with \$15.7 million in 1999. The realized losses in 2000 and in 1999 were primarily the result of increased interest rates and the subsequent sales of fixed income securities.

Corporate expenses were \$7.0 million in 2000 compared with \$3.1 million in 1999, excluding the write-off of goodwill attributable to Nobel of \$1.0 million in 2000 and \$6.7 million in 1999. The primary cause of the increase was an increase in developmental expenses for our primary operations and other business development activities.

During the year ended December 31, 2000, we recorded interest expense of \$17.2 million on our outstanding debt compared with \$9.9 million in 1999. The increase in interest expense was primarily related to an increase in borrowing rates during late 1999 and early 2000 and additional borrowings of \$150.0 million which were outstanding for approximately five months during 1999 and for approximately eleven months during 2000. In the fourth quarter of 2000, we repaid \$200.0 million of our outstanding debt.

Also during 2000, we recorded \$4.6 million of tax expense compared with a tax benefit of \$1.5 million in 1999. The increase in our tax expense primarily relates to a \$8.2 million deferred tax valuation allowance we recorded during

2000. Primarily as a result of the losses from Nobel, Renaissance U.S. Holdings, Inc. has recorded a net deferred tax asset, the balance of which is \$18.5 million at December 31, 2000. We believe the future operations of Nobel, combined with other operating subsidiaries of Renaissance U.S., will enable us to utilize the remainder of this net operating loss carry-forward. However, it is not certain that we will realize the full benefit of this asset.

YEAR ENDED DECEMBER 31, 1999 COMPARED TO YEAR ENDED DECEMBER 31, 1998

Our operating income for the year ended December 31, 1999 was \$120.0 million, compared with \$121.5 million for the year ended December 31, 1998. Our operating earnings per common share for the year ended December 31, 1999 was \$5.82, compared with \$5.42 for the year ended December 31, 1998. Our consolidated net operating income excludes the impact of net realized investment gains and losses on investments, as well as, in the case of 1998, the fourth quarter charge of \$40.1 million related to Nobel.

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Our gross premiums written for the year ended December 31, 1999 increased by \$80.8 million, or 29.9%, to \$351.3 million from \$270.5 million for the year ended December 31, 1998. Our gross premiums written by segment were:

	YEAR ENDED DECEMBER 31,	
	1999	1998
	-----	
	(IN THOUSANDS)	
Reinsurance.....	\$ 282,345	\$ 207,189
Primary.....	68,960	63,271
	-----	-----
Total.....	\$ 351,305	\$ 270,460
	=====	=====

Our increased reinsurance premiums in 1999 resulted primarily from the numerous industry losses which occurred late in 1998 and during 1999 and the related contraction in capacity in the property catastrophe reinsurance market, which resulted in increased prices in certain pockets of the property catastrophe reinsurance market during 1999. The \$75.2 million, or 36.3%, increase in premiums from our reinsurance operations was primarily the result of a 26.8% increase in premiums related to new business and a 25.3% increase related to changes in pricing, participation levels and coverage on renewed business, partially offset by a 15.8% decrease in premiums because either we or the cedent did not renew coverage.

Premiums written by our primary insurance companies increased in 1999, largely because such results reflect a full year of premiums written for Nobel, compared with only six months of Nobel premiums during 1998. This increase was partially offset by reduced premiums written for DeSoto Insurance in 1999. The reduction in DeSoto Insurance premiums was due to the one-time initial premiums assumed from the Florida JUA during 1998 of approximately \$10.0 million. During 1999 Nobel sold its principal operating units and, as a result, we expect a decrease in future premium volume from our primary insurance businesses.

During 1999, we continued to purchase reinsurance to reduce our exposure to certain losses. Our ceded premiums were as follows:

	YEAR ENDED DECEMBER 31,	
	1999	1998
	-----	
	(IN THOUSANDS)	
Reinsurance.....	\$ 77,152	\$ 40,036
Primary.....	60,640	35,405
	-----	-----
Total.....	\$ 137,792	\$ 75,441
	=====	=====

The increase in ceded reinsurance was primarily the result of increased costs of ceded reinsurance contracts renewed by Renaissance Reinsurance, increased purchases of reinsurance by Renaissance Reinsurance and Nobel ceding the large majority of its 1999 gross premiums written as part of the planned reduction of its operations. Nobel's ceded reinsurance was \$41.5 million in 1999, compared with \$21.8 million during 1998. To the extent that appropriately priced coverage is available, we anticipate continued use of reinsurance to reduce the potential volatility of our results.

Our gross premiums written by geographic region were as follows:

	YEAR ENDED DECEMBER 31,	
	1999	1998
	-----	
	(IN THOUSANDS)	
United States and Caribbean.....	\$ 173,598	\$ 132,776
Worldwide.....	46,712	17,033

Worldwide (excluding U.S.) (1).....	27,276	26,326
Europe.....	26,437	18,522
Other.....	2,370	4,495
Australia and New Zealand.....	3,212	3,932
Noncatastrophe reinsurance (2).....	2,740	4,105
	-----	-----
Total reinsurance.....	282,345	207,189
United States -- primary.....	68,960	63,271
	-----	-----
Total gross premiums written.....	\$ 351,305	\$ 270,460
	=====	=====

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

(2) The category "Noncatastrophe reinsurance" includes coverages related to noncatastrophe reinsurance risks assumed by us. These coverages primarily include exposure to claims from accident and health, finite, satellite and aviation risks assumed by us.

The table below sets forth our combined ratio and components thereof, excluding, in the case of 1998, the Nobel charge:

	YEAR ENDED	
	DECEMBER 31,	
	1999	1998
Claims and claim expenses ratio.....	34.9%	33.1%
Underwriting expense ratio.....	28.1	29.3
	----	----
Combined ratio.....	63.0%	62.4%
	====	====

Our claims and claim expenses incurred for the year ended December 31, 1999 were \$77.1 million, or 34.9%, of net premiums earned. In comparison, claims and claim expenses incurred for the year ended December 31, 1998 were \$67.8 million, or 33.1%, of net premiums earned. The primary reason for the increase in the net incurred losses was the significant catastrophe losses that occurred during 1999. During 1999 nine significant worldwide catastrophic events occurred: the hail storms in Sydney, Australia, in April; the Oklahoma tornados in May; Hurricane Floyd in September; Typhoon Bart which struck Japan in September; Turkish and Taiwanese earthquakes in August and September, respectively; and the Danish windstorm, Anatol, and the French windstorms, Lothar and Martin, in December. Seven of these events each resulted in over \$1 billion of insured damages. These events caused net incurred losses for Renaissance Reinsurance to increase to \$64.4 million for 1999, or a loss ratio of 32.7%, compared with \$42.4 million for 1998, or a loss ratio of 25.0%. Due to the potential high severity of claims related to the property catastrophe reinsurance business, there can be no assurance that we will continue to experience this level of claims in future years.

Renaissance Reinsurance's incurred losses in 1998 included claims on a number of aggregate stop loss and excess of loss contracts, as well as claims related to Hurricane Georges, the January Canadian freeze, Hurricane Bonnie and additional claims from various U.S. wind, hail, tornado and flood events.

The claims and claim expenses incurred from our primary operations for the year ended December 31, 1999 were \$12.7 million, or a loss ratio of 52.2% of net premiums earned. In comparison, claims and claim expenses incurred from our primary operations for the year ended December 31, 1998 were \$25.4 million, or a loss ratio of 72.1%. During 1999, DeSoto and Glencoe continued to perform within targeted loss ratios. The primary factor contributing to the reduction in net losses from our primary operations was the recognition of a portion of a deferred gain related to a retroactive reinsurance contract entered into by Nobel during 1998. Our 1998 combined ratio and components thereof exclude the 1998 Nobel charge.

Acquisition costs and operational expenses, consisting of brokerage commissions, excise taxes and other costs directly related to our underwriting operations, for the year ended December 31, 1999 were \$62.3 million, or 28.1%, of net premiums earned, compared with \$60.1 million, or 29.3%, of net premiums earned for the year ended December 31, 1998, excluding the 1998 Nobel charge. The primary contributor to the decrease in the underwriting expense ratio was the increase in premiums earned by Renaissance Reinsurance with no corresponding increase in the costs to operate the reinsurance operations. This was slightly offset by increased costs at Nobel, primarily related to severance costs, and increased costs at DeSoto Insurance for additional hires.

Net investment income (which excludes net realized investment losses) for the year ended December 31, 1999 was \$60.3 million, compared with \$52.8 million for the year ended December 31, 1998. The increase in investment income resulted primarily from an increase in interest rates during 1999 plus the \$132.5 million increase in the amount of invested assets during the year, which was primarily the result of cash flows provided by operations of \$130.3 million and an increase in the borrowings under our line of credit of \$150.0 million, partially offset by dividends paid and share repurchases of \$28.9 million and \$80.1 million, respectively.

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During 1999, we reported other income of \$4.9 million, compared with \$9.8 million for the year ended December 31, 1998. The majority of other income in 1999 relates to recoveries on non-indemnity catastrophe index transactions.

During 1999, our net realized losses on sales of investments were \$15.7 million, compared with \$6.9 million in 1998. The 1999 losses were primarily the result of increased interest rates during 1999 and the subsequent sales of fixed income securities.

Excluding a write-off of goodwill attributable to Nobel, corporate expenses were \$3.1 million in 1999, compared with \$4.2 million in 1998. During 1999, in conjunction with the sale and reinsurance of the primary business units of Nobel, we wrote off \$6.7 million of goodwill. The 1998 amount excludes charges related to Nobel.

During the year ended December 31, 1999, we recorded interest expense of \$9.9 million on our outstanding debt and \$8.3 million on our capital trust securities, compared with \$4.5 million and \$8.5 million in 1998, respectively. The increase in interest expense on our outstanding debt was primarily related to an increase in borrowing rates and the additional borrowings of \$150.0 million during 1999, \$125.0 million of which was drawn on August 17, 1999.

On June 25, 1998, we completed our acquisition of the U.S. operating subsidiaries (including Nobel) of Nobel Insurance Limited, a Bermuda company, for \$56.1 million. We accounted for this acquisition using the purchase method of accounting. We did not issue shares as part of the purchase.

During the fourth quarter of 1998, we recorded an after-tax charge of \$40.1 million, consisting of \$29.6 million of adverse development on Nobel's casualty and surety books of business, a goodwill write-down of \$6.6 million, and other related costs of \$3.9 million. Consequently, we adopted a plan to exit each of Nobel's business units. Subsequently, Nobel completed the reinsurance of the casualty and surety books of business and its bail and low-value dwelling books of business have been assumed by third parties. Also, Nobel completed the sale of its IAS/Cat Crew subsidiary to its management team in an earn-out transaction.

## FINANCIAL CONDITION

### LIQUIDITY AND CAPITAL RESOURCES

As a holding company, we rely on investment income, cash dividends and other permitted payments from our subsidiaries to make principal and interest payments on our debt, cash distributions on outstanding obligations and to pay quarterly dividends to our shareholders. The payment of dividends by our subsidiaries is, under certain circumstances, limited under U.S. statutory regulations and Bermuda insurance law. U.S. statutory regulations and The Bermuda Insurance Act 1978, amendments thereto and related regulations of Bermuda require our Bermuda insurance subsidiaries to maintain certain measures of solvency and liquidity. At December 31, 2000, the statutory capital and surplus of our Bermuda insurance subsidiaries was \$738.5 million, and the amount required to be maintained by the Act was \$135.0 million. During 2000, Renaissance Reinsurance paid aggregate cash dividends of \$95.6 million to our parent company, compared with \$95.1 million in 1999.

Our operating subsidiaries have historically produced sufficient cash flows to meet expected claims payments and operational expenses and to provide dividend payments to us. Our subsidiaries also maintain a concentration of investments in high quality liquid securities, which management believes will provide sufficient liquidity to meet extraordinary claims payments should the need arise. Additionally, we maintain a \$310.0 million credit facility to meet the liquidity needs of our subsidiaries. We had drawn down \$8.0 million of this facility at December 31, 2000.

In connection with the Nobel acquisition, Renaissance U.S. borrowed \$35.0 million from a syndicate of banks. In addition, the banks provided a \$15.0 million revolving loan facility. At December 31, 2000, \$42.0 million was outstanding under these lines. RenaissanceRe has guaranteed these borrowings.

## CASH FLOWS

Cash flows from operating activities resulted principally from premiums, collections on losses recoverable and investment income, net of paid losses, acquisition costs and underwriting expenses. Cash flows from operations in 2000 were \$250.8 million, compared with \$130.3 million in 1999. The 2000 cash flows from operations were primarily utilized to purchase \$25.1 million of our common shares, pay aggregate quarterly dividends of \$29.2 million and repay \$200.0 million of our bank loans. Our 1999 cash flows from operations were primarily utilized to purchase \$80.1 million of our common shares and pay aggregate quarterly dividends of \$28.9 million. Also during 1999, we borrowed an additional \$150.0 million under our revolving credit facility, which was primarily used to purchase additional fixed income securities for the holding company's portfolio of investments.

We have generated cash flows from operations in 2000 and in 1999 significantly in excess of our operating commitments. To the extent that capital is not utilized in our reinsurance business, we will consider using such capital to invest in new opportunities or will consider returning such capital to our shareholders.

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

## CAPITAL RESOURCES

Our total capital resources at December 31, 2000 and 1999 were as follows:

	AT DECEMBER 31,	
	2000	1999
	(IN THOUSANDS)	
Shareholders' equity.....	\$ 700,818	\$ 600,329
Revolving credit facility -- unborrowed.....	302,000	100,000
Revolving credit facility -- borrowed.....	8,000	200,000
Term and revolving loan facility.....	42,000	50,000
Minority interest -- capital securities.....	87,630	89,630
	-----	-----
Total capital resources.....	\$ 1,140,448	\$ 1,039,959
	=====	=====

We have a revolving credit and term loan agreement with a syndicate of commercial banks. During 1999 we increased our borrowings under the facility to \$200.0 million from \$50.0 million at December 31, 1998. The additional funds drawn during 1999 increased the liquidity at the holding company, RenaissanceRe, and were available, if necessary, to be contributed to the operating subsidiaries following a large catastrophic event. During 2000, we renegotiated our revolving credit facility and repaid \$200.0 million of the then outstanding balance. Interest rates on the facility are based on a spread above LIBOR and averaged 7.03% during 2000, compared to 5.76% in 1999. Our revolving credit agreement contains certain financial covenants including requirements that consolidated debt to capital does not exceed a ratio of 0.35:1; consolidated net worth must exceed the greater of \$100.0 million or 125% of consolidated debt; and 80% of invested assets must be rated BBB-- or better. Under the terms of the agreement, and if we are in compliance with the covenants thereunder, we have access to the \$302.0 million. We were in compliance with all the covenants of this revolving credit and term loan agreement at December 31, 2000.

Renaissance U.S. has a \$27.0 million term loan and \$15.0 million revolving loan facility with a syndicate of commercial banks, each of which is guaranteed by RenaissanceRe. Interest rates on the facility are based upon a spread above LIBOR, and averaged 6.98% during 2000, compared to 5.91% in 1999. The related agreements contain certain financial covenants, including a covenant that RenaissanceRe, as principal guarantor, maintain a ratio of liquid assets to debt service of 4:1. The term loan has mandatory repayment provisions approximating \$9 million per year in each of years 2001 through 2003. During 2000, Renaissance U.S. repaid approximately \$8 million of this facility. We were in compliance with all the covenants of this term loan and revolving loan facility at December 31, 2000.

Our subsidiary RenaissanceRe Capital Trust has issued capital securities which pay cumulative cash distributions at an annual rate of 8.54%, payable semi-annually. During 2000 we purchased \$2.0 million of these



in shareholders' equity. During 1999 we purchased \$10.4 million of these capital securities recognizing a gain of \$1.8 million which was also reflected in shareholders' equity. The sole asset of the Trust consists of our junior subordinated debentures in an amount equal to the outstanding capital securities. The Indenture relating to these junior subordinated debentures contains certain covenants, including a covenant prohibiting us from the payment of dividends if we are in default under the Indenture. We were in compliance with all of the covenants of the Indenture at December 31, 2000. The capital trust securities mature on March 1, 2027. These securities are required by accounting principles to be classified as minority interest, rather than as a component of our shareholders' equity.

Under the terms of certain reinsurance contracts, we may be required to provide letters of credit to reinsureds in respect of reported claims and/or unearned premiums. We have obtained a facility providing for the issuance of letters of credit. This facility is secured by a lien on a portion of our investment portfolio. At December 31, 2000, we had outstanding letters of credit aggregating \$44.9 million, compared to \$73.2 million in 1999. Also, in connection with our Top Layer Re joint venture we have committed \$37.5 million of collateral to support a letter of credit.

In order to encourage employee ownership of common shares, we have guaranteed certain loan and pledge agreements between certain employees and Bank of America Illinois. Pursuant to the terms of this employee credit facility, BofA has agreed to loan the participating employees up to an aggregate of \$25.0 million. The balance outstanding at December 31, 2000 was \$24.8 million, compared to \$24.1 million in 1999. Each loan under this employee credit facility is required to be initially collateralized by the respective participating employee with common shares or other collateral acceptable to BofA. If the value of the collateral provided by a participating employee subsequently decreases, the participating employee is required to contribute additional collateral in the amount of such deficiency. Loans under this employee credit facility are otherwise non-recourse to the participating employees. Given the level of collateral, we do not presently anticipate that we will be required to honor any guarantees under the employee credit facility, although there can be no assurance that we will not be so required in the future.

SHAREHOLDERS' EQUITY

During 2000, shareholders' equity increased by \$100.5 million, from \$600.3 million at December 31, 1999, to \$700.8 million at December 31, 2000. The significant components of the change in shareholders' equity included net income from continuing operations of \$127.2 million, plus an increase in unrealized appreciation on investments of \$25.3 million, offset by the payment of dividends of \$29.2 million and the purchase of common shares for \$25.0 million.

From time to time, we have sought to return capital to our shareholders through share repurchase programs. We currently have \$27.1 million remaining under our existing programs. During 2000, we purchased 671,900 common shares for an aggregate value of \$25.1 million. During 1999, we repurchased 2,226,700 common shares for an aggregate value of \$80.1 million. During 1998, we purchased 1,020,670 common shares for an aggregate value of \$42.7 million.

INVESTMENTS

At December 31, 2000, we held cash and investments totaling \$1,082.0 million, compared to \$1,059.8 million in 1999, with net unrealized appreciation of \$6.8 million, compared to unrealized loss of \$18.5 million in 1999.

Because we primarily provide coverage for damages resulting from natural and man-made catastrophes, we may become liable for substantial claim payments. Accordingly, our investment portfolio is structured to preserve capital and provide a high level of liquidity.

The table below shows the aggregate amounts of investments available for sale, other investments and cash and cash equivalents comprising our portfolio of invested assets:

<TABLE>  
<CAPTION>

	AT DECEMBER 31,	
	2000	1999
	-----	
	(IN THOUSANDS)	
<S>	<C>	<C>
Investments available for sale, at fair value.....	\$ 928,102	\$ 907,706
Other investments.....	29,613	7,213
Cash, cash equivalents and short term investments.....	124,331	144,871
	-----	-----
Total invested assets.....	\$ 1,082,046	\$ 1,059,790
	=====	=====

</TABLE>

The growth in our portfolio of invested assets for the year ended December 31, 2000 resulted primarily from net cash provided by operating activities of \$250.8 million, partially offset by payments of \$200.0 million under our revolving credit facility, \$29.2 million of dividends paid and \$25.1 million of common share repurchases. Our investment income also increased during this period, largely as a result of the increased size of the fixed income portfolio and an increase in interest rates.

Our current investment guidelines call for the invested asset portfolio, including cash and cash equivalents, to have at least an average AA rating as measured by Standard & Poor's Ratings Group. At December 31, 2000, our invested asset portfolio had a dollar weighted average rating of AA, an average duration of 2.7 years and an average yield to maturity of 6.7%.

**Catastrophe Linked Instruments.** We have assumed risk through catastrophe and weather linked securities and derivative instruments under which losses could be triggered by an industry loss index or natural parameters. To date we have not experienced any losses from such securities or derivatives. We can not assure you that this performance will continue. During 1999 and 1998, we recorded recoveries on non-indemnity catastrophe index transactions of \$2.5 million and \$7.5 million, respectively. We report these recoveries in other income.

**Derivative Securities.** In order to reduce our exposure to currency fluctuations, we have entered into forward window contracts to hedge our foreign currency outstanding loss reserves. At December 31, 2000, based on market information and information provided by independent brokers, the estimated fair value of these contracts is \$0.8 million. The aggregate notional amount of the contracts at December 31, 2000 is \$32.0 million.

#### MARKET SENSITIVE INSTRUMENTS

Our investment portfolio includes investments which are subject to changes in market values with changes in interest rates. The aggregate hypothetical loss generated from an immediate adverse parallel shift in the treasury yield curve of 100 basis points would cause a decrease in total return of 2.7%, which equated to a decrease in market value of approximately \$28.4 million on a portfolio valued at \$1,052.4 million at December 31, 2000. At December 31, 1999, the decrease in total return would have been 2.7%, which equated to a decrease in market value of approximately \$28.4 million on a portfolio valued at \$1,052.6 million. The foregoing reflects the use of an immediate time horizon, since this presents the worst-case scenario. Credit spreads are assumed to remain constant in these hypothetical examples.

#### CURRENCY

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

Our current foreign currency policy is to hold foreign currency assets, including cash and receivables, that approximate the net monetary foreign currency liabilities, including loss reserves and reinsurance balances payable. All changes in the exchange rates are recognized currently in our statement of income. We seek to hedge our exposure to foreign currency transactions.

#### EFFECTS OF INFLATION

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The potential exists, after a catastrophe loss, for the development of inflationary pressures in a local economy. The anticipated effects on us are considered in our catastrophe loss models. The effects of inflation are also considered in pricing and in estimating reserves for unpaid claims and claim expenses. The actual effects of inflation on our results can not be accurately known until claims are ultimately settled.

#### NEW ACCOUNTING PRONOUNCEMENT

Effective January 1, 2001 we implemented SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The adoption of SFAS No. 133 had no significant impact on our consolidated financial statements.

Due to industry losses in 1999, and the related contraction of capacity in the market, we received price increases on a substantial majority of our reinsurance policies sold or renewed during the recent renewal season. However, even after these price increases, we believe that there continues to be numerous transactions in the market that are underpriced relative to expected losses. We believe that because of our competitive advantages, including our technological capabilities and our relationships with leading brokers and ceding companies, we are able to identify contracts that are adequately priced and will continue to find opportunities in the property catastrophe reinsurance markets.

Primarily because of higher than average loss activity in 1999, our aggregate cost for reinsurance protection increased during 2000 and could continue to increase during 2001. If prices rise to levels whereby we believe the purchase of reinsurance protection would become uneconomical, then in certain geographic regions we would retain a greater level of net risk. In order to give us longer term retrocessional capacity, we have entered into multi-year contracts with respect to a portion of our portfolio. As of January 1, 2001, approximately 55% of the limits under our retrocessional coverage were purchased on a multi-year basis.

Our financial strength and underwriting expertise have enabled us to pursue opportunities outside the property catastrophe reinsurance market, including various lines of reinsurance and the catastrophe exposed primary insurance market. We believe that our financial strength will enable us to continue to pursue other opportunities in the future. There can be no assurance that our pursuit of such opportunities will materially impact our financial condition and results of operations.

During recent fiscal years there has been considerable consolidation among leading brokerage firms and also among our customers. Although consolidation may continue to occur, we believe that our financial strength, our position as one of the market leaders in the property catastrophe reinsurance industry and our ability to provide innovative products to the industry will minimize any adverse effect of such consolidation on our business.

#### ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information with regard to Quantitative and Qualitative Disclosures About Market Risk is contained on page 36 of this Form 10-K under the caption "Investments -- Market Sensitive Instruments."

#### ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Reference is made to Item 14(a) of this Report for the Consolidated Financial Statements of the Company and the Notes thereto, as well as the Schedules to the Consolidated Financial Statements.

#### ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

### PART III

#### ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

##### DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

The table below sets forth the names, ages and titles of the persons who were directors and executive officers of the Company as of March 15, 2001.

NAME	AGE	POSITION
- - - -	- - -	- - - - -
James N. Stanard	52	Chairman of the Board, President and Chief Executive Officer
William I. Riker	41	Director, Executive Vice President of RenaissanceRe and President and Chief Operating Officer of Renaissance Reinsurance
David A. Eklund	41	Executive Vice President of RenaissanceRe and Chief Underwriting Officer of Renaissance Reinsurance
John M. Lummis	43	Executive Vice President and Chief Financial Officer
Arthur S. Bahr	69	Director
Thomas A. Cooper	64	Director
Edmund B. Greene	62	Director
Brian R. Hall	59	Director

Gerald L. Iguo	66	Director
Kewsong Lee	35	Director
Paul J. Liska	44	Director
W. James MacGinnitie	62	Director
Scott E. Pardee	64	Director

James N. Stanard has served as our Chairman of the Board, President and Chief Executive Officer since our formation in June 1993. Mr. Stanard is a Class II Director. 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, Inc., USF&G's start-up reinsurance subsidiary. Mr. Stanard was one of two senior officers primarily responsible for the formation of F&G Re, where he was responsible for underwriting, pricing and marketing activities of F&G Re during its first seven years of operations. 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.

William I. Riker was appointed as one of our Directors in August 1998. Mr. Riker is a Class I Director. Mr. Riker was appointed as our Executive Vice President in December 1997 and previously served as our Senior Vice President from March 1995 and as our Vice President -- Underwriting from November 1993. Mr. Riker has served as President and Chief Operating Officer of Renaissance since February 1998. 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 Reinsurance Company. He was responsible for developing various analytical underwriting tools while holding various positions at American Royal from 1984 through 1993.

David A. Eklund has served as our Chief Underwriting Officer since February 1999, and as Executive Vice President of Renaissance since December 1997, prior to which he served as our Senior Vice President and Senior Vice President of Renaissance from February 1996. Mr. Eklund previously served as our Vice President -- Underwriting and Renaissance Reinsurance from September 1993. From November 1989 through September 1993, Mr. Eklund held various positions in casualty underwriting at Old Republic International Reinsurance Group, Inc., where he was responsible for casualty treaty underwriting and marketing. From March 1988 to November 1989, Mr.

Eklund held various positions in operations of the catastrophe reinsurance business at Berkshire Hathaway Inc., where he was responsible for underwriting and marketing finite risk and property catastrophe reinsurance.

John M. Lummis has served as our Executive Vice President since February 2001 and Chief Financial Officer since September 1997. Mr. Lummis served as Senior Vice President from September 1997 to February 2001. Mr. Lummis served as one of our directors from July 1993 to December 1997, when he resigned in connection with his appointment as an executive officer. Mr. Lummis served as Vice President -- Business Development of USF&G Corporation from 1994 until August 1997 and served as Vice President and Group General Counsel of USF&G Corporation from 1991 until 1995. USF&G Corporation is the parent company of USF&G and was acquired by The St. Paul Companies, Inc. in May 1998. From 1982 until 1991, Mr. Lummis was engaged in the private practice of law with Shearman & Sterling.

Arthur S. Bahr has served as one of our directors since our formation in June 1993. Mr. Bahr is a Class III Director. Mr. Bahr served as Director and Executive Vice President -- Equities of General Electric Investment Corporation, formerly 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 a 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 one of our directors since August 7, 1996. Mr. Cooper is a Class II Director. Mr. Cooper has served as Chairman and Chief Executive Officer of TAC Associates, a privately held investment company since August 1993. Also from August 1993 until August 1996, Mr. Cooper served 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. 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.

Edmund B. Greene has served as one of our directors since our formation in June 1993. Mr. Greene currently serves as a consultant to Aon Corporation. Mr. Greene retired as Deputy Treasurer-Insurance of General Electric Company in October 1998, where he had served 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 at General Electric Company since 1962.

Brian Hall has served as one of our directors since August 1999. Mr. Hall is a Class I Director. Mr. Hall, who is President of Inter-Ocean Management Ltd., an independent company providing management and general consulting services, retired as a Director of Johnson & Higgins, and Chairman of Johnson & Higgins (Bermuda) Ltd. in July 1997. Mr. Hall started his career in the Bermuda insurance industry when he joined American International Group in 1958. He moved to International Risk Management Ltd. in 1964. In 1969 he founded Inter-Ocean Management Ltd. which entered into an association with Johnson & Higgins in 1970. Inter-Ocean was acquired by Johnson & Higgins in 1979, and Mr. Hall was appointed President of Johnson & Higgins (Bermuda) Ltd., and became a Director of Johnson & Higgins in 1989. After his retirement in 1997, Mr. Hall re-established Inter-Ocean Management Ltd.

Gerald L. Igou has served as one of our directors since our formation in June 1993. Mr. Igou is a Class III Director. Mr. Igou has served as Vice President -- Investment Analyst for GE Asset Management Incorporated, or GEAM, and certain of its predecessors since September 1993. He is a Certified Financial Analyst and has served GEAM and its predecessors 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 one of our directors since December 1994. Mr. Lee is a Class II Director. Mr. Lee has served as a Member and Managing Director of E.M. Warburg, Pincus & Co. LLC and a general partner of Warburg, Pincus & Co. since January 1, 1997. Mr. Lee served as a Vice President of Warburg, Pincus Ventures, Inc.

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from January 1995 to December 1996, and as an associate at E.M. Warburg, Pincus & Co., Inc. from 1992 to until December 1994. Prior to joining E.M. Warburg, 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., Eagle Family Foods, Inc. and several privately held companies.

Paul J. Liska has served as one of our directors since August 1998. Mr. Liska is a Class III Director. Mr. Liska has served as Executive Vice President and Chief Financial Officer of The St. Paul Companies, Inc. ("St. Paul") since 1997. From 1996 to 1997, Mr. Liska served as President and Chief Executive Officer of Specialty Foods Corporation. From 1994 to 1996, Mr. Liska served as Chief Operating Officer and Chief Financial Officer of Specialty Foods Corporation. From 1988 to 1994, Mr. Liska held several positions with Kraft General Foods, including Chief Financial Officer of Kraft U.S.A. Mr. Liska also held a finance position with Quaker Oats Co., and positions in finance, sales and sales management with American Hospital Supply Corp. A certified public accountant, he began his career with Price Waterhouse & Co. On March 9, 2001, Mr. Liska announced his resignation from St. Paul, effective April 1, 2001.

W. James MacGinnitie has served as one of our directors since February 2000. Mr. MacGinnitie is a Class II Director. Mr. MacGinnitie is an independent actuary and consultant. He served as Senior Vice President and Chief Financial Officer of CNA Financial from September 1997 to September 1999. From May 1994 until September 1997, Mr. MacGinnitie was a partner of Ernst & Young and National Director of its actuarial services. From 1975 until 1994 he was a principal in Tillinghast, primarily responsible for its property-casualty actuarial consulting services. Prior thereto, Mr. MacGinnitie was a Professor of Actuarial Science & Director of Actuarial Program at the University of Michigan, Ann Arbor, Michigan, from 1973 to 1975.

Scott E. Pardee has served as one of our directors since February 1997. Mr. Pardee is a Class I Director. Mr. Pardee serves as Alan R. Holmes Professor of Economics at Middlebury College, where he has taught since January 1, 2000. Previously he served as a Senior Lecturer at the MIT Sloan School of Management and Executive Director of the Finance Research Center at the Sloan School from November 1997. Mr. Pardee served as Chairman of Yamaichi International (America), Inc., a financial services company, from 1989 to 1995. 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 Senior Vice President of the Federal Reserve Bank of New York and Manager of Foreign Operations of the Open Market Committee of the Federal Reserve System.

In part to accommodate the expected reduction in the size of our Board,

Mr. Liska and Mr. Igou, who have been Class III Directors, are not standing for reelection at the Annual Meeting, and Mr. Lee, who has been a Class II Director, intends to resign following the Annual Meeting.

#### ITEM 11. EXECUTIVE COMPENSATION

##### Compensation Committee Report on Executive Compensation

**Executive Compensation Policy.** Our compensation policy for all of our executive officers is formulated and administered by the Compensation Committee of the Board. The components of our compensation policy include salary, annual bonus, and long-term incentives, consisting of stock options, restricted stock and a long-term incentive bonus plan. The Compensation Committee also administers the Incentive Plan, under which the Compensation Committee's Sub-Committee periodically grants Options and Restricted Shares to the executive officers and other employees of the Company. The Sub-Committee is comprised of Messrs. Bahr and Cooper. Exercise prices and vesting terms of Options granted under the Incentive Plan are in the sole discretion of the Sub-Committee.

The primary goals of our compensation policy are to continue to attract and retain talented executives at our offshore location, to reward results (i.e., contribution to shareholder value, financial performance and accomplishment of agreed-upon projects) and to encourage teamwork. Financial performance factors include return on equity and earnings per share growth. The Compensation Committee believes that the total compensation awarded should be concentrated in equity-based incentives to link the interests of executives closely with the interests of our shareholders. In determining the level of executive compensation, the Compensation Committee evaluates whether the compensation awarded to an executive is competitive with compensation awarded to

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executives holding similar positions at selected peer companies, combined with an evaluation of the executive's performance.

We have entered into employment agreements with each of our senior executive officers, all other officers of the Company and certain officers of our subsidiaries. These employment agreements were entered into to recognize the significant contribution of the officers to our success and the enhancement of shareholder value, to seek to ensure the continued retention of these key employees into the future, and to incentivize these employees and further align their interests with those of the shareholders by weighting significantly the compensation of such officers with equity-based incentives. The Compensation Committee reviews and approves the base salary component and cost of living allowances awarded to such executives under their respective employment agreements. The Sub-Committee may award discretionary annual cash bonuses.

In accordance with the goals and evaluations of the Compensation Committee, the Compensation Committee has approved the Stock Bonus Plan and the Long Term Incentive Bonus Plan. Under the Stock Bonus Plan eligible employees may elect to receive a grant of Common Shares of up to 50 percent of their bonus in lieu of cash, with an associated matching grant of an equal number of Restricted Shares. The Long Term Incentive Bonus is available to each of our executive officers and other officers and entitles those individuals to an incentive bonus based on cumulative returns on equity, and earnings per share over a multi-year period.

The Sub-Committee may also grant Options and/or Restricted Shares to such executives. Generally, Options are granted at a price equal to the fair market value of the Full Voting Common Shares on an average fair market value of the five days prior to the date of the grant. The Compensation Committee believes that such executives' beneficial ownership positions in the Company, as a result of their respective personal investments and the Options and Restricted Shares granted to them, causes their interests to be well aligned with ours and our shareholders.

In May 2000, the Sub-Committee approved a grant of Options to each of Messrs. Riker and Eklund to purchase 103,000 Common Shares and a grant to Mr. Lummis to purchase 77,000 Common Shares. These grants were larger than the customary annual grants approved by the Sub-Committee in recent years, but were deemed appropriate as a means to incentivize our senior executive officers to deliver attractive operating results and increase shareholder value. It is intended that these grants will substitute for our customary annual option grants for 2000, 2001 and 2002, although the Sub-Committee retains discretion to make additional grants if it deems necessary or appropriate.

Currently, approximately 90,000 Common Shares remain available for grants under the Incentive Plan. The Compensation Committee believes that this number is not sufficient to satisfy the anticipated need for additional grants to our employees. Therefore, the Compensation Committee and the Board are proposing to adopt a new stock incentive plan and to reserve 950,000 Common Shares for issuance under that plan. The new plan, the Renaissance Holdings Ltd. 2001 Stock Incentive Plan, was adopted by the Board on February 6, 2001, subject

to approval by our shareholders.

Chief Executive Officer's Compensation. The compensation of James N. Stanard, President and Chief Executive Officer of the Company, is determined and reviewed by the Compensation Committee. In determining Mr. Stanard's compensation, the Compensation Committee evaluates Mr. Stanard's contributions toward creation and enhancement of shareholder value, including the achievement of agreed-upon objectives. The Compensation Committee considers subjective factors, such as Mr. Stanard's dedication and leadership abilities, as well as objective factors, such as his impact on the financial and operating performance of the Company. The Compensation Committee believes that the continuing development of the Company, the operating results of the Company, the execution of the Company's capital plan, the success in motivating the employees of the Company, the articulation of the strategic vision of the Company and the current market position of the Company were significantly impacted by Mr. Stanard and members of his management team.

In recognition of Mr. Stanard's long term contribution to the Company and to the enhancement of shareholder value, the Committee resolved that it would be in the best interests of the Company and its shareholders to retain Mr. Stanard to ensure that his contribution to the Company and the shareholders would continue.

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Consistent with the Compensation Committee's general compensation philosophy for our executives, Mr. Stanard's compensation has been weighted significantly towards equity-based incentives. In May 2000, the Company granted to Mr. Stanard, pursuant to the Incentive Plan, an Option to purchase 200,000 Common Shares. As with the grant to other Named Executive Officers, this grant was larger than recent annual grants to Mr. Stanard but was deemed appropriate as a means to incentivize Mr. Stanard to aggressively pursue strategies to increase shareholder value. As noted, it is intended that this grant will substitute for the Company's customary annual option grants to Mr. Stanard for 2000, 2001 and 2002, although the Sub-Committee retains discretion to make additional grants if it deems necessary or appropriate. The Compensation Committee believes that Mr. Stanard's beneficial ownership position in the Company, as a result of his personal investment and the Options and Restricted Shares granted to him, cause his interests to be well aligned with the long term interests of the Company and our shareholders.

Mr. Stanard's cash bonus payments for 2000 were governed by the terms of his Third Amended and Restated Employment Agreement. See "CEO Employment Agreement."

The Company is not a United States taxpayer, therefore, Section 162(m) of the Code (which generally disallows a tax deduction to public companies for annual compensation over \$1 million paid to the chief executive officer or any of the four other most highly compensated executive officers) does not apply to the Company's compensation payments.

#### Executive Compensation

The following Summary Compensation Table sets forth information concerning the compensation for services paid to the Named Executive Officers during the years ended December 31, 2000, 1999 and 1998.

SUMMARY COMPENSATION TABLE

<TABLE>  
<CAPTION>

All Other Name and Compensation Principal Position (6)	Year	Annual Compensation			Long-Term Compensation		
		Salary	Bonus (1)	Other Annual Compensation (2)	Restricted Stock Awards (3)	Securities Underlying Options/SARs (4)	LTIP Payments (5)
James N. Stanard \$30,000 Chairman, President and Chief Executive Officer of the Company	2000	\$450,000	\$2,079,640	\$283,760	\$ 413,222	200,000	\$581,174
	1999	434,167	1,849,640	321,775	397,218	101,004	528,550
	1998	412,000	1,949,314	339,819	533,328	66,667	104,510

William I. Riker \$30,000	2000	\$294,300	\$542,288	\$236,823	\$ 412,809	103,000	\$94,717
President and Chief 30,000	1999	284,175	412,288	208,794	327,542	45,130	67,592
Operating Officer of 30,000 Renaissance	1998	260,417	412,249	147,117	3,530,880	46,862	28,027
David A. Eklund \$30,000	2000	\$272,500	\$431,844	\$298,267	\$ 387,809	103,000	\$94,717
Executive Vice 30,000	1999	263,125	381,844	238,306	3,023,771	46,112	67,592
President and Chief 30,000 Underwriting Officer of Renaissance	1998	233,333	351,819	162,249	399,648	44,955	28,027
John M. Lummis \$30,000	2000	\$207,100	\$330,000	\$165,683	\$1,233,531	77,000	\$25,678
Executive Vice 30,000	1999	199,975	202,500	154,751	252,645	25,795	6,928
President and 30,000 Chief Financial Officer of the Company	1998	190,000	140,000	142,985	69,984	28,000	N/A

</TABLE>

(1) The Annual Bonuses include grants of Common Shares that were issued in lieu of a cash bonus under the Stock Bonus Plan described below: for 2000 for Messrs. Riker, Eklund and Lummis of 5,378, 4,706, and 3,361, respectively; for 1999 for Messrs. Riker, Eklund and Lummis of 3,497, 3,916, and 2,832, respectively; and for 1998 for Messrs. Riker, Eklund and Lummis of 2,604, 2,604 and 1,458, respectively. The 2000, the 1999 and the 1998 amounts also include \$1,349,640, \$162,288, and \$101,844 in respect of an Additional Bonus and related taxes for Messrs. Stanard, Riker, and Eklund, respectively.

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(2) The 2000 amounts include housing expense reimbursement in the amount of \$231,018, \$180,000, \$180,000 and \$108,000 for Messrs. Stanard, Riker, Eklund and Lummis, respectively. The 1999 amounts include housing expense reimbursement in the amount of \$252,024, \$180,000, \$180,000 and \$108,000 for Messrs. Stanard, Riker, Eklund and Lummis, respectively. The 1998 amounts include housing expense reimbursements in the amount of \$206,505, \$120,000, \$138,000, and \$108,000 for Messrs. Stanard, Riker, Eklund and Lummis, respectively.

(3) In 2000, Messrs. Stanard, Riker, Eklund and Lummis were granted 11,111, 5,722, 5,722 and 4,278 Restricted Shares, respectively, which vest ratably over four years. In addition during 2000, Messrs. Riker, Eklund and Lummis were granted 5,378, 4,706, and 3,361 Restricted Shares, respectively, which related to our Stock Bonus Plan whereby certain officers and employees are allowed to receive up to 50% of their bonus in stock which is matched with Restricted Shares which vests over four years. Also, in 2000, Mr. Lummis was granted 24,000 Restricted Shares which vest over a four year period. In 1999, Messrs. Stanard, Riker, Eklund and Lummis were granted 11,111, 5,665, 5,665, and 4,235 Restricted Shares, respectively, which vest ratably over four years. In addition during 1999, Messrs. Riker, Eklund and Lummis were granted 3,497, 3,916 and 2,832 Restricted Shares, respectively, which related to our Stock Bonus Plan whereby certain officers and employees are allowed to receive up to 50% of their bonus in stock which is matched with Restricted Shares which vests over four years. Also, in 1999, Mr. Eklund was granted 75,000 Restricted Shares in connection with an employment agreement he entered into in July 1999. In 1998, Mr. Riker was granted 75,000 Restricted Shares in connection with an employment agreement he entered into in February 1998. Shares received by Mr. Eklund in 1999 and by Mr. Riker in 1998, in connection with their employment agreements, vest ratably over five years. In addition during 1998, Messrs. Riker, Eklund and Lummis were granted 2,604, 2,604 and 1,458 Restricted Shares, respectively, which related to our Stock Bonus Plan. Also, in 1998, Messrs. Riker and Eklund each received a grant of 5,722 Restricted Shares. In 1998, Mr. Stanard entered into an amended Employment Agreement wherein 111,111 Restricted Shares which were granted to him in 1997 received accelerated vesting and are currently fully vested. Based on the price of the Full Voting Common Shares on March 1, 2001 of \$73.28 per share, the aggregate value of unvested Restricted Shares held by Messrs. Stanard, Riker, Eklund and Lummis on such date was \$9,160,000, \$5,023,930, \$6,097,043, and \$2,742,504, respectively.

(4) Represents the aggregate number of Full Voting Common Shares subject to



Options granted to the Named Executive Officers during each of 1998, 1999, and 2000, as applicable.

- (5) Represents the amounts payable to Messrs. Stanard, Riker, Eklund and Lummis as part of the Long Term Incentive Bonus Plan, as described below.
- (6) Represents the amounts contributed to the account of each Named Executive Officer under our profit sharing retirement plan.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of March 15, 2001 with respect to the beneficial ownership of Common Shares and the applicable voting rights attached to such share ownership in accordance with the Bye-laws by (i) each person known by us to own beneficially 5% or more of the outstanding Common Shares; (ii) each director of the Company; (iii) the Company's Chief Executive Officer and each of the three remaining most highly compensated executive officers (collectively, the "Named Executive Officers"); and (iv) all executive officers and directors of the Company as a group.

BENEFICIAL OWNER(1)	NUMBER OF COMMON SHARES(2)	PERCENTAGE OF VOTING RIGHTS
FMR Corp.(3) 82 Devonshire Street		

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<TABLE>  
<CAPTION>

BENEFICIAL OWNER(1)	NUMBER OF COMMON SHARES(2)	PERCENTAGE OF VOTING RIGHTS
<S> Boston, Massachusetts 02109.....	<C> 2,002,290	<C> 10.13 (3)
PT Investments, Inc. (4) 3003 Summer Street Stamford, Connecticut 06904.....	1,772,204	8.97
James N. Stanard (5).....	1,326,553	6.71
William I. Riker (6).....	370,593	1.88
David A. Eklund (7).....	343,275	1.74
John M. Lummis (8).....	129,463	*
Arthur S. Bahr (9).....	27,558	*
Thomas A. Cooper (10).....	17,394	*
Edmund B. Greene (11).....	4,538	*
Brian Hall (12).....	6,934	*
Gerald L. Igou (11).....	--	*
Kewsong Lee.....	600	*
Paul J. Liska .....	--	*
W. James MacGinnitie (13).....	8,672	*
Scott E. Pardee (14).....	8,612	*
All executive officers and directors of the Company (13 persons).....	2,241,525	11.34

</TABLE>

\*Less than 1%

- (1) Pursuant to the regulations promulgated by the Securities and Exchange Commission (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) Unless otherwise noted, consists solely of Full Voting Common Shares.
- (3) According to a Statement on Schedule 13G filed with the Commission on February 14, 2001, as an investment adviser registered under Section 203 of the Investment Advisors Act of 1940, FMR Corp. may be deemed to be the beneficial owner of 2,002,290 Common Shares by reason of advisory and other relationships with the persons who own such Common Shares. According to this Schedule 13G, Edward C. Johnson 3d, Chairman of FMR Corp., and FMR Corp., through its control of Fidelity Management Trust Company, each have sole dispositive power over and sole power to vote or to direct the voting of 163,300 common shares, but neither FMR Corp. nor Edward C. Johnson 3d, has the sole power to vote or direct the voting of the shares owned directly by the various Fidelity funds, which power resides with the Boards of Trustees of the various funds. According to this Schedule 13G, Fidelity carries out the voting of the shares under written guidelines established by its funds' Boards of Trustees. Further, according to Fidelity's Schedule 13G, no one person covered by the Schedule 13G has an interest in more than

5% of the total Common Shares outstanding. Based on the information provided in this Schedule 13G, we do not believe that FMR Corp., Edward C. Johnson or any Fidelity fund own an amount of Common Shares exceeding the limitations set forth in our Bye-laws.

- (4) Consists of 1,448,504 Diluted Voting Shares and 323,700 Full Voting Common Shares owned directly by Kingsway PT Limited Partnership.
- (5) Includes 372,617 Common Shares issuable upon the exercise of options under the Second Amended and Restated 1993 Stock Incentive Plan of RenaissanceRe Holdings Ltd. (the "Incentive Plan") that are vested and presently exercisable, and 125,000 Restricted Shares which have not vested.

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- (6) Includes 151,683 Common Shares issuable upon the exercise of options under the Incentive Plan that are vested and presently exercisable, and 68,558 Restricted Shares which have not vested, and 1,556 shares indirectly held.
- (7) Includes 135,056 Common Shares issuable upon the exercise of options under the Incentive Plan that are vested and presently exercisable, and 83,202 Restricted Shares which have not vested.
- (8) Includes 66,608 Common Shares issuable upon the exercise of options under the Incentive Plan that are vested and presently exercisable, and 37,425 Restricted Shares which are not vested and 2,500 Common Shares indirectly held.
- (9) Includes 922 Common Shares granted in payment of directors' fees under the Directors Plan which have not vested, and 15,333 Common Shares issuable upon the exercise of options under the Directors Plan that are vested and presently exercisable.
- (10) Includes 922 Common Shares granted in payment of directors' fees under the Directors Plan which have not vested, and 15,333 Common Shares issuable upon the exercise of options under the Directors Plan that are vested and presently exercisable.
- (11) Includes 538 Common Shares granted in payment of directors' fees under the Directors Plan which have not vested, and 4,000 Common Shares issuable upon the exercise of options under the Directors Plan that are vested and presently exercisable. Until October 1998, Mr. Greene served as the Deputy Treasurer-Insurance of General Electric Company and Mr. Igou is a Vice President-Investment Analyst for GEAM. Messrs. Greene and Igou disclaim "beneficial ownership," within the meaning of Rule 13d-3 under the Exchange Act, of the Common Shares owned by PT Investments.
- (12) Includes 808 Common Shares granted in payment of directors' fees under the Directors Plan which have not vested, and 6,000 Common Shares issuable upon the exercise of options under the Directors Plan that are vested and presently exercisable.
- (13) Includes 604 Common Shares granted in payment of directors' fees under the Directors Plan which have not vested, and 6,034 Common Shares issuable upon the exercise of options under the Directors Plan that are vested and presently exercisable.
- (14) Includes 922 Common Shares granted in payment of directors' fees under the Directors Plan which have not vested, and 6,333 Common Shares issuable upon the exercise of options under the Directors Plan that are vested and presently exercisable

#### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

##### Employee Credit Facility

In order to encourage employee ownership of Common Shares, we have guaranteed certain loan and pledge agreements (collectively, the "Employee Credit Facility") between certain employees of the Company (the "Participating Employees") and Bank of America Illinois ("BofA"). Pursuant to the terms of the Employee Credit Facility, BofA has agreed to loan the Participating Employees up to an aggregate of \$25 million. Each loan under the Employee Credit Facility is required to be initially collateralized by the respective Participating Employee with Common Shares or other collateral acceptable to BofA at a rate of 2.25 times the amount of each such loan. If the value of the collateral provided by a Participating Employee subsequently decreases below 1.5 times the outstanding loan amount, such Participating Employee is required to contribute additional collateral in the amount of such deficiency. Loans under the Employee Credit Facility are otherwise non-recourse to the Participating Employees.

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## Shareholders Agreement and Registration Rights Agreement

As of December 31, 2000, PT Investments and USF&G were parties to an amended and restated shareholders agreement (the "Shareholders Agreement") among themselves and us, pursuant to which we and the Investors have each agreed to use their respective reasonable best efforts to nominate and to elect certain designees of the Investors to the Board. This agreement automatically terminated as to USF&G upon the completion of the sale by USF&G of all its Common Shares in an underwritten public offering consummated on March 13, 2001.

In addition, PT Investments and USF&G were parties to an amended and restated registration rights agreement (the "Registration Rights Agreement"), pursuant to which they had the right to require registrations of our securities held by them. USF&G no longer owns any common shares.

We and PT Investments intend to terminate the Shareholders Agreement and the Registration Rights Agreement and enter into a new Investor's Rights Agreement. Pursuant to this agreement, PT Investments would have certain observation and information rights relating to our Board of Directors. In addition, PT Investments would have the right to request registrations of the Diluted Voting Common Shares held by it, subject to certain limitations. We would be required to bear most costs of registering these securities. We do not intend to list the Diluted Voting Shares on the NYSE. Although we and PT Investments expect to terminate the Shareholders Agreement and the Registration Rights Agreement and enter into this Investor's Rights Agreement, there is no assurance that we will do so.

We have filed a Registration Statement on Form S-8 under the Securities Act (File No. 333-06339) registering for sale an aggregate of 2,412,500 Full Voting Common Shares issued pursuant to the Incentive Plan and the Director Plan.

## Lease Agreement

In September 1998, we entered into a twenty-one year lease (the "Lease") with respect to a house in Paget Parish, Bermuda, occupied by William I. Riker. The property which is subject to the Lease is owned by the Bellevue Trust (the "Trust"). Mr. Riker is a Trustee of the Trust, and holds no direct economic interest therein, however does hold an indirect economic interest through a personal loan provided indirectly to the Trust. We have prepaid under the Lease an aggregate amount of \$2,063,874 to the Trust, representing the present value of all of the twenty-one year Lease payments. If the Lease is terminated for any reason, then we will be repaid all outstanding amounts due under the remaining term of the Lease. We believe that the terms of the Lease, which was determined in arm's length negotiations, represent market value terms customary in the Bermuda residential property market.

## Reinsurance Transactions with The St. Paul Companies, USF&G and GEC

We have in force several reinsurance treaties with St. Paul, USF&G, subsidiaries of USF&G and affiliates of PT Investments covering property catastrophe risks in several geographic zones. The terms of these treaties were determined in arm's length negotiations and we believe that such terms are comparable to terms we would expect to negotiate in similar transactions with unrelated parties. For the year ended December 31, 2000, we received \$14 million in reinsurance premiums from treaties with affiliates of PT Investments, and \$0.4 million in reinsurance premiums from treaties with St. Paul, USF&G and certain subsidiaries of USF&G.

During the year ended December 31, 2000, we received 2.4% of our premium assumed from the reinsurance brokerage firm of Bates Turner Inc., a GE Capital Services company and an affiliate of PT Investments ("Bates"). We paid commissions to Bates in the aggregate amount of \$0.9 million in 2000. The terms of such commissions were determined in arm's length negotiations.

## PART IV

### ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) Financial Statements and Exhibits.

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<S> <C>

1. The Consolidated Financial Statements of the Company and related Notes thereto are listed in the accompanying Index to Consolidated Financial Statements and are filed as part of this Report.
2. The Schedules to the Consolidated Financial Statements of the Company are listed in the accompanying Index to Schedules to Consolidated Financial Statements and are filed as part of this Report.

3. The following exhibits are included in this Report:
  - 3.1 Memorandum of Association.\*
  - 3.2 Amended and Restated Bye-Laws.#
  - 3.3 Memorandum of Increase in Share Capital of Company.##
  - 4.1 Specimen Common Share certificate.\*
  - 10.1 RenaissanceRe Holdings Ltd. Restricted Stock Plan.\*
  - 10.2 Agreement and Plan of Recapitalization, dated as of March 26, 1995, by and among RenaissanceRe Holdings, Ltd., Renaissance Reinsurance Ltd. and Investors named therein.\*
  - 10.3 Fourth Amended and Restated Employment Agreement, dated as of March 13, 2001, between Renaissance Reinsurance Ltd. and James N. Stanard.
  - 10.4 Employment Agreement, dated as of February 4, 1998, between Renaissance Reinsurance Ltd. and William I. Riker.###
  - 10.5 Employment Agreement, dated as of July 1, 1999, between Renaissance Reinsurance Ltd. and David A. Eklund.@@
  - 10.6 Employment Agreement, dated as of October 17, 1997, between Renaissance Reinsurance Ltd. John M. Lummis. @@
  - 10.7 Credit Agreement, dated as of October 5, 1999, among RenaissanceRe Holdings Ltd., various financial institutions which are, or may become, parties thereto (the "Lenders"), Deutsche Bank AG, as LC Issuer and Syndication Agent, Fleet National Bank, as Co-Agents, and Bank of America, National Association, as Administrative Agent for the Lenders.++
  - 10.8 Accession Agreement dated as of November 8, 1999, among RenaissanceRe Holdings Ltd. (the "Borrower"), Bank of America, National Association, as Administrative Agent (the "Administrative Agent"), Deutsche Bank AG, New York Branch, as LC Issuer (the "LC Issuer") and Mellon Bank, N.A., relating to the Credit Agreement dated as of October 5, 1999, among the Borrower, certain financial institutions which are signatories thereto, the LC Issuer and the Administrative Agent. @@
  - 10.9 Equity Purchase Agreement, dated as of December 13, 1996, by and among RenaissanceRe Holdings Ltd., 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.^
  - 10.10 RenaissanceRe Holdings Ltd. Second Amended and Restated 1993 Stock Incentive Plan.###
  - 10.11 RenaissanceRe Holdings Ltd. Amended and Restated Non-Employee Director Stock Plan.###
  - 10.12 Guaranty Agreement, dated June 23, 1997, between RenaissanceRe Holdings Ltd. and The Bank of America.+

- 10.13 Amended and Restated Shareholders Agreement, dated as of March 23, 1998, 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.###
- 10.14 Amended and Restated Registration Rights Agreement, dated as of March 23, 1998, 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.###
- 10.15 Amended and Restated Declaration of Trust of RenaissanceRe Capital Trust, dated as of March 7, 1997, among the Company, as Sponsor, The Bank of New York, as Property Trustee, The Bank of New York (Delaware), as Delaware Trustee, and the Administrative Trustees named therein.^
- 10.16 Indenture, dated as of March 7, 1997, among the Company, as Sponsor, and The Bank of New York, as Debenture Trustee.^
- 10.17 Series A Capital Securities Guarantee Agreement, dated as of March 7, 1997, between the Company and The Bank of New York, as Trustee.^
- 10.18 Registration Rights Agreement, dated March 7, 1997, among the Company, the Trust, Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith

- 10.19 Credit Agreement between Renaissance U.S. Holdings, Inc., the Lenders named therein, and Bank of America National Trust and Savings Association as Administrative Agent, dated as of June 24, 1998.#
- 10.20 First Amendment to Credit Agreement between Renaissance U.S. Holdings Inc. the Lenders named therein, and Bank of America National Trust and Savings Association as Administrative Agent, dated as of December 31, 1998.@
- 10.21 Guaranty, dated as of June 24, 1998, among RenaissanceRe Holdings, Ltd., as Guarantor, and Bank of America National Trust & Savings Association.#
- 10.22 Share Purchase Agreement, dated as of November 17, 1999, between RenaissanceRe Holdings Ltd. and The St. Paul Companies, Inc. @@
- 10.23 RenaissanceRe Holdings Ltd. 2001 Stock Incentive Plan.
- 21.1 List of Subsidiaries of the Registrant.
- 23.1 Consent of Ernst & Young.
- 27.1 Financial Data Schedule for the Year Ended December 31, 2000.
- (b) Reports on Form 8-K.

The Company filed no Current Reports on Form 8-K with the Commission during the fourth quarter of 2000.

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\* Incorporated by reference to the Registration Statement on Form S-1 of the Company (Registration No. 33-70008) which was declared effective by the Commission on July 26, 1995.

^ Incorporated by reference to the Company's Current Report on Form 8-K, filed with the Commission on December 16, 1996, relating to an event which occurred on December 31, 1996.

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^^ Incorporated by reference to the Company's Current Report on Form 8-K, filed with the Commission on March 19, 1997, relating to certain events which occurred on March 7, 1997.

+ Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1997, filed with the Commission on October 22, 1997.

++ Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1996, filed with the Commission on March 21, 1997.

# Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1998, filed with the Commission on August 4, 1998.

## Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 1998, filed with the Commission on May 14, 1998.

### Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1997, filed with the Commission on March 31, 1999.

@ Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1998, filed with the Commission on March 31, 1999.

@@ Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1999, filed with the Commission on March 30, 2000.

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SIGNATURES

Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in Hamilton, Bermuda on March 30, 2001.

RENAISSANCERE HOLDINGS LTD.

/s/ James N. Stanard

-----  
 James N. Stanard  
 President, Chief Executive Officer and  
 Chairman of the Board of Directors

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

<TABLE>	<CAPTION>	Signature	Title	Date
<S>	<C>	/s/ James N. Stanard ----- James N. Stanard	President and Chief Executive Officer and Chairman of the Board of Directors	<C> March 30, 2001
<S>	<C>	/s/ John M. Lummis ----- John M. Lummis	Executive Vice President and Chief Financial Officer (Principal Accounting Officer)	March 30, 2001
<S>	<C>	/s/ Arthur S. Bahr ----- Arthur S. Bahr	Director	March 30, 2001
<S>	<C>	/s/ Thomas A. Cooper ----- Thomas A. Cooper	Director	March 30, 2001
<S>	<C>	/s/ Edmund B. Greene ----- Edmund B. Greene	Director	March 30, 2001
<S>	<C>	/s/Brian R. Hall ----- Brian R. Hall	Director	March 30, 2001
<S>	<C>	/s/ Gerald L. Igou ----- Gerald L. Igou	Director	March 30, 2001
<S>	<C>	/s/ Kewsong Lee ----- Kewsong Lee	Director	March 30, 2001
<S>	<C>	----- Paul J. Liska	Director	March , 2001
<S>	<C>	/s/ W. James MacGinnitie ----- W. James MacGinnitie	Director	March 30, 2001
<S>	<C>	/s/ Scott E. Pardee ----- Scott E. Pardee	Director	March 30, 2001
<S>	<C>	/s/ William I. Riker ----- William I. Riker	Director & Executive Vice President	March 30, 2001

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated Statements of Changes in Shareholders' Equity for the Years Ended December 31, 1998, 1999 and 2000.....	F-5
Consolidated Statements of Cash Flows for the Years Ended December 31, 1998, 1999 and 2000.....	F-6
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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, 2000 and 1999 and the related consolidated statements of income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2000. 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, 2000 and 1999, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

/s/ Ernst & Young

Hamilton, Bermuda

January 26, 2001

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

<TABLE>  
<CAPTION>

	2000	1999
	-----	-----
	<C>	<C>
AT DECEMBER 31, 2000 AND 1999		
(IN THOUSANDS OF UNITED STATES DOLLARS, EXCEPT PER SHARE AMOUNTS)		
ASSETS		
Investments and cash		
Fixed maturity investments available for sale, at fair value.....	\$ 928,102	\$ 907,706
(Amortized cost \$921,750 and \$926,176 at December 31, 2000 and 1999, respectively) (Note 3)		
Short term investments, at cost.....	13,760	12,759
Other investments.....	29,613	7,213
Cash and cash equivalents.....	110,571	132,112
	-----	-----
Total investments and cash.....	1,082,046	1,059,790
Reinsurance premiums receivable.....	95,423	80,455
Ceded reinsurance balances.....	37,520	50,237
Losses and premiums recoverable (Note 4).....	167,604	328,627
Accrued investment income.....	15,034	13,456
Deferred acquisition costs.....	8,599	14,221
Other assets.....	62,763	70,457
	-----	-----

TOTAL ASSETS.....	\$1,468,989	\$1,617,243
	=====	=====
LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Reserve for claims and claim expenses (Note 5).....	\$ 403,611	\$ 478,601
Reserve for unearned premiums.....	112,541	98,386
Bank loans (Note 6).....	50,000	250,000
Reinsurance balances payable.....	50,779	50,157
Other liabilities.....	63,610	50,140
	-----	-----
TOTAL LIABILITIES.....	680,541	927,284
	-----	-----
Minority interest -- Company obligated, mandatorily redeemable capital securities of a subsidiary trust holding solely junior subordinated debentures of RenaissanceRe (Note 7).....	87,630	89,630
Commitments and contingencies (Note 18)		
SHAREHOLDERS' EQUITY (NOTE 9)		
Common Shares and additional paid-in capital: \$1 par value-authorized 225,000,000 shares; issued and outstanding at December 31, 2000 -- 19,621,267 shares (1999 -- 19,686,480 shares).....	22,999	19,686
Unearned stock grant compensation (Note 16).....	(11,716)	(10,026)
Accumulated other comprehensive income.....	6,831	(18,470)
Retained earnings.....	682,704	609,139
	-----	-----
TOTAL SHAREHOLDERS' EQUITY.....	700,818	600,329
	-----	-----
TOTAL LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY.....	\$1,468,989	\$1,617,243
	=====	=====
BOOK VALUE PER COMMON SHARE.....	\$ 35.72	\$ 30.50
	=====	=====

</TABLE>

See accompanying notes to the consolidated financial statements.

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	2000	1999	1998
	-----	-----	-----
<S>	<C>	<C>	<C>
YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998			
(IN THOUSANDS OF UNITED STATES DOLLARS, EXCEPT PER SHARE AMOUNTS)			
REVENUES			
Gross premiums written.....	\$433,002	\$ 351,305	\$270,460
	=====	=====	=====
Net premiums written.....	\$293,303	\$ 213,513	\$195,019
Decrease (increase) in unearned premiums.....	(25,622)	7,604	9,928
	-----	-----	-----
Net premiums earned.....	267,681	221,117	204,947
Net investment income (Note 3).....	77,868	60,334	52,834
Net foreign exchange gains (losses).....	378	(411)	(153)
Other income.....	10,959	4,915	9,789
Net realized losses on investments (Note 3).....	(7,151)	(15,720)	(6,890)
	-----	-----	-----
TOTAL REVENUES.....	349,735	270,235	260,527
	-----	-----	-----
EXPENSES			
Claims and claim expenses incurred (Note 5).....	108,604	77,141	112,752
Acquisition costs.....	38,530	25,500	26,506
Operational expenses.....	37,954	36,768	34,525
Corporate expenses.....	8,022	9,888	18,924
Interest expense.....	17,167	9,934	4,473
	-----	-----	-----
TOTAL EXPENSES.....	210,277	159,231	197,180
	-----	-----	-----
Income before minority interests and taxes.....	139,458	111,004	63,347
Minority interest -- Company obligated, mandatorily redeemable Capital Securities of a subsidiary trust holding solely junior subordinated debentures of RenaissanceRe (Note 7).....	(7,582)	(8,288)	(8,540)
Minority interest -- Glencoe.....	--	--	(705)
	-----	-----	-----
Income before taxes.....	131,876	102,716	54,102



Income tax (expense) benefit (Note 13).....	(4,648)	1,525	20,475
Net income available to Common Shareholders.....	\$127,228	\$ 104,241	\$ 74,577
Earnings per Common Share -- basic.....	\$ 6.68	\$ 5.10	\$ 3.39
Earnings per Common Share -- diluted.....	\$ 6.50	\$ 5.05	\$ 3.33

See accompanying notes to the consolidated financial statements.

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	2000	1999	1998
YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (IN THOUSANDS OF UNITED STATES DOLLARS, EXCEPT PER SHARE AMOUNTS)			
Common stock & additional paid-in capital			
Balance -- January 1.....	\$ 19,686	\$ 39,035	\$ 74,922
Exercise of stock options & restricted stock awards.....	3,495	6,461	6,837
Repurchase of shares.....	(672)	(26,695)	(42,724)
Other.....	490	885	--
Balance -- December 31.....	22,999	19,686	39,035
Unearned stock grant compensation			
Balance -- January 1.....	(10,026)	(8,183)	(4,731)
Stock grants awarded.....	(7,215)	(5,382)	(5,964)
Amortization.....	5,525	3,539	2,512
Balance -- December 31.....	(11,716)	(10,026)	(8,183)
Accumulated other comprehensive income			
Balance -- January 1.....	(18,470)	(5,144)	(10,155)
Net unrealized gains (losses) on securities, net of adjustment (see disclosure below).....	25,301	(13,326)	5,011
Balance -- December 31.....	6,831	(18,470)	(5,144)
Retained earnings			
Balance -- January 1.....	609,139	586,524	538,667
Net income.....	127,228	104,241	74,577
Dividends paid.....	(29,228)	(28,885)	(26,720)
Repurchase of shares.....	(24,435)	(53,403)	--
Other.....	--	662	--
Balance -- December 31.....	682,704	609,139	586,524
Total Shareholders' Equity.....	\$700,818	\$600,329	\$612,232
COMPREHENSIVE INCOME			
Net income.....	\$127,228	\$104,241	\$ 74,577
Other comprehensive income.....	25,301	(13,326)	5,011
Comprehensive income.....	\$152,529	\$ 90,915	\$ 79,588
DISCLOSURE REGARDING NET UNREALIZED GAINS (LOSSES)			
Net unrealized holding gains (losses) arising during period.....	\$ 18,150	\$ (29,046)	\$ (1,879)
Net realized losses included in net income.....	7,151	15,720	6,890
Net unrealized gains (losses) on securities.....	\$ 25,301	\$ (13,326)	\$ 5,011

See accompanying notes to the consolidated financial statements.

## RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

	2000	1999	1998
	-----	-----	-----
<S>	<C>	<C>	<C>
YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (IN THOUSANDS OF UNITED STATES DOLLARS)			
Cash Flows Provided by Operating Activities:			
Net income.....	\$ 127,228	\$ 104,241	\$
74,577			
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization.....	315	9,810	
14,488			
Net realized losses on investments.....	7,151	15,720	
6,890			
Reinsurance balances, net.....	(14,346)	(27,595)	
54,187			
Ceded reinsurance balances.....	12,717	(8,867)	
(34,245)			
Accrued investment income.....	(1,578)	(3,488)	
3,572			
Reserve for unearned premiums.....	14,155	3,920	
5,132			
Reserve for claims and claim expenses, net.....	86,033	51,524	
(8,530)			
Other, net.....	19,153	(14,960)	
(13,579)			
---	-----	-----	-----
Net cash provided by operating activities.....	250,828	130,305	
102,492			
---	-----	-----	-----
Cash Flows Applied to Investing Activities:			
Proceeds from maturities and sales of investments.....	2,171,484	1,986,498	
783,735			
Purchase of investments available for sale.....	(2,187,007)	(2,146,361)	
(828,299)			
Net sales (purchases) of short term investments.....	(1,001)	12,224	
(2,189)			
Proceeds from sale of equities.....	--	1,319	
30,550			
Acquisition of subsidiary, net of cash acquired.....	--	--	
(58,869)			
Purchase of minority interest in Glencoe.....	--	--	
(15,204)			
---	-----	-----	-----
Net cash applied to investing activities.....	(16,524)	(146,320)	
(90,276)			
---	-----	-----	-----
Cash Flows Provided by (Applied to) Financing Activities:			
Purchase of Common Shares.....	(25,107)	(80,098)	
(42,724)			
Net proceeds from (repayment of) bank loan.....	(200,000)	150,000	
50,000			
Purchase of Capital Securities.....	(1,510)	(8,591)	
--			
Dividends paid.....	(29,228)	(28,885)	
(26,720)			
---	-----	-----	-----
Net cash provided by (applied to) financing activities.....	(255,845)	32,426	
(19,444)			
---	-----	-----	-----
Net increase (decrease) in cash and cash equivalents.....	(21,541)	16,411	
(7,228)			
Cash and Cash Equivalents, Beginning of Year.....	132,112	115,701	

---	-----	-----	-----
Cash and Cash Equivalents, End of Year.....	\$ 110,571	\$ 132,112	\$
115,701	=====	=====	
=====			

&lt;/TABLE&gt;

See accompanying notes to the consolidated financial statements.

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2000

(AMOUNTS IN TABLES EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS,  
EXCEPT PER SHARE AMOUNTS)

NOTE 1. ORGANIZATION

RenaissanceRe Holdings Ltd. ("RenaissanceRe"), was formed under the laws of Bermuda on June 7, 1993 and through its subsidiaries it provides reinsurance and insurance coverage where the risk of natural catastrophes represents a significant component of the overall exposure.

- o Renaissance Reinsurance Ltd. ("Renaissance Reinsurance") is the Company's principal subsidiary and provides property catastrophe reinsurance coverage to insurers and reinsurers on a worldwide basis. To a lesser extent, Renaissance Reinsurance also writes noncatastrophe reinsurance in certain specialty lines.
- o More recently the Company has begun to write property catastrophe reinsurance on behalf of two joint ventures, Top Layer Reinsurance Ltd. ("Top Layer Re") and Overseas Partners Cat Ltd. ("OPCat"). The Company acts as exclusive underwriting manager for these joint ventures in return for fee-based income and profit participation.
- o The Company's primary operations include Glencoe Insurance Ltd. ("Glencoe"), DeSoto Insurance Company ("DeSoto"), DeSoto Prime Insurance Company ("DeSoto Prime") and Nobel Insurance Company ("Nobel"). Glencoe provides catastrophe exposed property coverage on an insurance and reinsurance basis and DeSoto and DeSoto Prime operate in the U.S. homeowners market. Nobel is licensed to operate in 50 states in the U.S.

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, which 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 and the Trust. See Note 7. Certain comparative information has been reclassified to conform with the current year presentation.

Use of estimates in financial statements

The preparation of financial statements in conformity with GAAP 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. The significant estimates reflected in the Company's financial statements include, but are not limited to, the reserves for claims and claim expenses and the related losses and premiums recoverable.

Premiums 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 based on policy and contract terms and include estimates based on information received from both insureds and ceding companies. Subsequent differences arising on such estimates are recorded in the period in which they are determined. Reserve for unearned premiums represents 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.

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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 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.

Reinsurance

Amounts recoverable from reinsurers are estimated in a manner consistent with the claim liability associated with the reinsured policies. The Company evaluates the financial condition of its reinsurers through internal evaluation by senior management. For retroactive reinsurance contracts, the amount by which liabilities associated with the reinsured policies exceed the amount paid for reinsurance coverage is deferred and amortized into income using the recovery method.

Claims and claim expenses

The reserve for claims and claim expenses includes estimates for unpaid claims and claim expenses on reported losses as well as an estimate of losses incurred but not reported. The reserve is based on individual claims, case reserves and other reserve estimates reported by insureds and 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 consolidated 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 the consolidated statement of income in the period in which they become known and are accounted for as changes in estimates.

Investments and cash

Investments are considered available for sale and are reported at fair value. The net unrealized appreciation or depreciation on investments is included in accumulated other comprehensive income. Investment transactions are recorded on the trade date with balances pending settlement reflected in the balance sheet as a component of other assets or other liabilities.

Realized gains or losses on the sale of investments are determined on the basis of the specific identification method and include adjustments to the net realizable value of investments for declines in value that are considered to be other-than-temporary. Net investment income includes interest and dividend income together with amortization of market premiums and discounts and is net of investment management and custody fees. 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 such prices are not available, by reference to broker or underwriter bid indications.

Short term investments, which have a maturity of one year or less when purchased, are carried at cost which approximates fair value. Cash equivalents include money market instruments with a maturity of ninety days or less when purchased.

Goodwill

The Company amortizes goodwill on a straight-line basis over the expected recovery period, principally twenty years. Goodwill is periodically reviewed for impairment and amounts deemed unrecoverable are adjusted accordingly. Goodwill is included in other assets on the consolidated balance sheet and is expensed through corporate expenses in the consolidated statement of income.

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Earnings per share

Basic earnings per share is based on weighted average Common Shares and excludes any dilutive effects of options and restricted stock. Diluted earnings per share assumes the exercise of all dilutive stock options and restricted stock grants.

Foreign exchange

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

Stock incentive compensation plans

The Company has elected to follow Accounting Principles Board ("APB") 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 Standard ("SFAS") No. 123 requires the use of option valuation models that were not necessarily developed for use in valuing employee stock options. It is the opinion of management that disclosure of the pro-forma impact of fair values 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 measurement date.

Taxation

The Company utilizes the liability method of accounting for income taxes. Under the liability method, deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. A valuation allowance against the deferred tax asset is provided for if and when the Company believes that a portion of the deferred tax asset may not be realized in future years.

New Accounting Pronouncement

Effective January 1, 2001, the Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The adoption of SFAS No. 133 had no significant impact on the Company's consolidated financial statements.

NOTE 3. INVESTMENTS

The amortized cost, fair value and related unrealized gains and losses on fixed maturity investments are as follows:

<TABLE>  
<CAPTION>

	DECEMBER 31, 2000			
	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	FAIR VALUE
<S>	<C>	<C>	<C>	<C>
U.S. Government bonds.....	\$264,183	\$ 3,725	\$ (14)	\$267,894
Non-U.S. government bonds.....	107,312	4,010	(1,100)	110,222

Non-U.S. corporate bonds.....	18,310	257	(2,007)	16,560
U.S. corporate bonds.....	431,294	8,022	(8,604)	430,712
U.S. mortgage backed securities.....	100,651	2,276	(213)	102,714
	-----	-----	-----	-----
	\$921,750	\$ 18,290	\$ (11,938)	\$928,102
	=====	=====	=====	=====

</TABLE>  
<TABLE>  
<CAPTION>

DECEMBER 31, 1999				
	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	FAIR VALUE
<S>	<C>	<C>	<C>	<C>
U.S. Government bonds.....	\$ 298,748	\$ 115	\$ (3,135)	\$ 295,728
Non-U.S. government bonds.....	55,308	--	(835)	54,473
Non-U.S. corporate bonds.....	371,631	895	(15,954)	356,572
U.S. corporate bonds.....	50,456	3,540	(36)	53,960
U.S. mortgage backed securities.....	150,033	35	(3,095)	146,973
	-----	-----	-----	-----
	\$ 926,176	\$ 4,585	\$ (23,055)	\$ 907,706
	=====	=====	=====	=====

</TABLE>

Included in other investments are redeemable securities with a fair value of \$15.5 million and an unrealized gain of \$0.5 million as of December 31, 2000.

Contractual maturities of fixed maturity securities are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

DECEMBER 31, 2000		
	AMORTIZED COST	FAIR VALUE
Due within one year.....	\$ 28,908	\$ 28,959
Due after one through five years.....	513,219	519,809
Due after five through ten years.....	204,382	201,431
Due after ten years.....	74,590	75,189
U.S. mortgage backed securities.....	100,651	102,714
	-----	-----
	\$ 921,750	\$ 928,102
	=====	=====

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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.

AT DECEMBER 31,		
	2000	1999
AAA.....	69.1%	72.9%
AA.....	9.4	5.0
A.....	5.5	5.9
BBB.....	5.1	4.8
BB.....	2.9	3.7
B.....	5.5	5.3
CCC.....	0.3	--
CC.....	0.1	--
NR.....	2.1	2.4
	-----	-----
	100.0%	100.0%
	=====	=====

Investment income

The components of net investment income are as follows:

YEARS ENDED DECEMBER 31,

	2000	1999	1998
Fixed maturities.....	\$ 62,588	\$ 52,470	\$ 45,392
Short term investments.....	6,213	6,200	2,354
Cash and cash equivalents.....	10,858	2,898	6,831
	79,659	61,568	54,577
Investment expenses.....	1,791	1,234	1,743
Net investment income.....	\$ 77,868	\$ 60,334	\$ 52,834

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

<TABLE>  
<CAPTION>

YEARS ENDED DECEMBER 31,

	2000	1999	1998
<S>	<C>	<C>	<C>
Gross realized gains.....	\$ 11,173	\$ 4,619	\$ 13,192
Gross realized losses.....	(18,324)	(20,339)	(20,082)
Net realized losses on investments.....	(7,151)	(15,720)	(6,890)
Unrealized gains (losses).....	25,301	(13,326)	5,011
Total realized and unrealized gains (losses) on investments.....	\$ 18,150	\$ (29,046)	\$ (1,879)

</TABLE>

At December 31, 2000 and 1999 approximately \$15.0 million of cash and investments were on deposit with various regulatory authorities as required by law.

Catastrophe linked instruments

The Company has assumed and ceded risk through catastrophe and weather linked securities and derivative instruments under which losses or recoveries are triggered by an industry loss index or geological or physical variables. Net related fees and risk premiums assumed and ceded are not material to the Company's operations. During 1999 and 1998, the Company recognized gains on non-indemnity catastrophe index contracts of \$2.5 million and \$7.5 million, respectively, which are included in other income.

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

NOTE 4. CEDED REINSURANCE

The Company utilizes reinsurance to reduce its exposure to large losses. The Company currently has in place contracts that provide for recovery of a portion of certain claims and claim expenses from reinsurers in excess of various retentions and loss warranties. The Company would remain liable to the extent that any reinsurance company fails to meet its obligations. The earned reinsurance premiums ceded were \$149.8 million, \$128.1 million and \$68.1 million for 2000, 1999 and 1998, respectively.

Other than loss recoveries, certain of the Company's ceded reinsurance contracts also provide for recoveries of additional premiums, reinstatement premiums and lost no-claims bonuses which are incurred when losses are ceded to reinsurance contracts. Total recoveries netted against premiums and claims and claim expenses incurred were \$52.0 million, \$255.3 million and \$110.1 million for 2000, 1999 and 1998, respectively.

Included in losses and premiums recoverable as of December 31, 2000, are recoverables of \$23.2 million (1999 -- \$37.8 million) which relate to a retroactive reinsurance contract entered into by Nobel. This contract provides Nobel with \$38.0 million of protection from adverse development on its pre-October 1, 1997 casualty book of business plus \$40 million of capacity on transferred reserves. SFAS No. 113, "Accounting and Reporting for Reinsurance of Short-Duration and Long-Duration Contracts", requires that adverse development of the reserves covered by this contract be reflected in the Company's statement of income when the adverse development becomes known. However, the offsetting recovery under the contract is required to be deferred and recognized into income as payments are received from the reinsurer. During 1998, the Company recognized in its statement of income, \$27.6 million of adverse development on

the business covered by this contract, however the offsetting recovery is reflected on the balance sheet as a deferred gain. As payments are received from the reinsurer, the gain is pro-rated and reflected in the statement of income as a reduction to claims and claim expenses.

NOTE 5. RESERVE FOR CLAIMS AND CLAIM EXPENSES

For the Company's reinsurance operations, estimates of claims and claim expenses are based in part upon the estimation 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 potential 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.

On both the Company's reinsurance and primary operations, the Company uses statistical and actuarial methods to reasonably estimate ultimate expected claims and claim expenses. The period of time from the reporting of a loss to the Company and the settlement of the Company's liability may be several years. During this period, additional facts and trends will be revealed. As these factors become apparent, case reserves will be adjusted, sometimes requiring an increase in the overall reserves of the Company, and at other times requiring a reallocation of IBNR reserves to specific case reserves. These estimates are reviewed regularly, and 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)

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

<TABLE>  
<CAPTION>

	YEARS ENDED DECEMBER 31,		
	2000	1999	1998
<S>	<C>	<C>	<C>
Net reserves as of January 1.....	\$ 174,913	\$ 197,512	\$ 110,037
Net reserves assumed in respect of acquired company.....	--	--	55,317
Net incurred related to:			
Current year.....	100,168	111,720	96,431
Prior years.....	8,436	(34,579)	16,321
Total net incurred.....	108,604	77,141	112,752
Net paid related to:			
Current year.....	12,545	44,701	49,671
Prior years.....	33,958	55,039	30,923
Total net paid.....	46,503	99,740	80,594
Total net reserves as of December 31.....	237,014	174,913	197,512
Losses recoverable as of December 31.....	166,597	303,688	101,317
Total gross reserves as of December 31.....	\$ 403,611	\$ 478,601	\$ 298,829

</TABLE>

The prior year development in 2000 was due primarily to development on the 1999 losses related to the European storms. During 1999, the prior year development was due primarily to favorable development on property catastrophe reserves for 1998 and prior. During 1998, the prior year development was due primarily to adverse development of Nobel's surety and casualty businesses, partially offset by favorable development on property catastrophe reserves. The Company's total gross reserve for incurred but not reported claims was \$228.8 million as of December 31, 2000 (1999 -- \$293.2 million).

NOTE 6. BANK LOANS

The Company has a revolving credit and term loan agreement with a syndicate of commercial banks. The commitment under the revolving credit facility was increased during the year from \$300 million to \$310 million. During 2000, the Company made net repayments of \$192 million on this facility and the balance outstanding as of December 31, 2000 was \$8 million (1999 - \$200 million).



Interest rates on the facility are based on a spread above LIBOR and averaged 7.03 percent during 2000 (5.76 percent in 1999). The credit agreement contains certain financial covenants including requirements that consolidated debt to capital does not exceed a ratio of 0.35:1; consolidated net worth must exceed the greater of \$100 million or 125 percent of consolidated debt; and 80 percent of invested assets must be rated BBB-- by S&P or Baa3 by Moody's Investor Service or better. Under the terms of the agreement, and if the Company is in compliance with the covenants thereunder, the Company has access to an additional \$302 million should the need arise. The Company was in compliance with all the covenants of this revolving credit and term loan agreement as at December 31, 2000.

Renaissance U.S. has a \$27 million term loan and \$15 million revolving loan facility with a syndicate of commercial banks. Interest rates on the facility are based on a spread above LIBOR, and averaged 6.98 percent during 2000 (5.91 percent in 1999). The credit agreement contains certain financial covenants, the primary one being that, RenaissanceRe, being its principal guarantor, maintain a ratio of liquid assets to debt service of 4:1. The term loan has mandatory repayment provisions approximating \$9 million per year in each of years 2001 through 2003.

During 2000, in accordance with the provisions of the term loan, the Company repaid the first installment of \$8.0 million. The Company was in compliance with all the covenants of this term loan and revolving loan facility as at December 31, 2000.

Interest payments on the above loans totaled \$17.2 million, \$8.3 million and \$4.4 million for the years ended December 31, 2000, 1999 and 1998, respectively. Fair value of bank loans approximate the carrying values, because such loans reprice frequently.

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

NOTE 7. CAPITAL SECURITIES

On March 7, 1997 RenaissanceRe Capital Trust (the "Trust") issued \$100 million of "Company Obligated, Mandatorily Redeemable Capital Securities of a Subsidiary Trust holding solely \$103,092,783 of RenaissanceRe's 8.54 percent Junior Subordinated Debentures due March 1, 2027" ("Capital Securities") guaranteed by the Company. The Capital Securities pay cumulative cash distributions at an annual rate of 8.54 percent, payable semi-annually. The Trust is a wholly owned subsidiary of the Company and is consolidated into the Company's consolidated financial statements. The Capital Securities and the related dividends are reflected in the consolidated financial statements as a minority interest.

During 2000 and 1999 the Company repurchased \$2.0 million and \$10.4 million of the Capital Securities, respectively, recognizing gains of \$0.5 million and \$1.8 million, respectively, which are reflected as a change in shareholders' equity.

NOTE 8. ACQUISITION

In June 1998, the Company acquired the U.S. operating subsidiaries of Nobel Insurance Limited, a Bermuda company ("Nobel Limited"), for \$56.1 million. The gross assets and gross liabilities purchased in the transaction were \$188.1 million and \$155.9 million, respectively, thereby resulting in the recognition of \$23.9 million of goodwill (subsequently written down to \$14.0 million due to the 1998 fourth quarter charge described below). The Company accounted for this acquisition using the purchase method of accounting. The Company issued no shares as part of the purchase.

During the fourth quarter of 1998, the Company recorded an after tax charge of \$40.1 million, consisting of \$29.6 million of adverse development on Nobel's casualty and surety books of business, a goodwill write-down of \$6.6 million, and other related costs of \$3.9 million. At the end of 1998, RenaissanceRe adopted a plan to exit each of Nobel's business units and accordingly, Nobel completed the reinsurance of the casualty and surety books of business and its bail and low-value dwelling books of business have been assumed by third parties. Reflected in corporate expenses are write-offs of goodwill of \$1.0 million and \$6.7 million for the years ended December 31, 2000, and 1999, respectively.

Renaissance U.S. expects to retain ownership of Nobel along with its licenses in the 50 U.S. states, although there can be no assurance that such licenses can be successfully maintained following the disposition of the business units.

In connection with the Nobel acquisition, Renaissance U.S. borrowed \$35 million from a syndicate of banks. In addition, the banks provided a \$15 million revolving credit facility which is fully utilized. RenaissanceRe has guaranteed

these arrangements. See Note 6. Contemporaneously with the Nobel acquisition, Nobel entered into a retroactive reinsurance contract. This contract provides Nobel with \$38 million of protection from adverse development on its pre October 1, 1997 casualty book of business. See Note 4.

NOTE 9. SHAREHOLDERS' EQUITY

On May 5, 1998, the shareholders voted to increase the authorized capital to an aggregate of 325,000,000 shares consisting of 225,000,000 Common Shares and 100,000,000 Preference Shares. The Company's 225,000,000 authorized Common Shares, \$1.00 par value, consist of three separate series with differing voting rights as follows:

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

<TABLE>  
<CAPTION>

	DECEMBER 31, 2000	
	AUTHORIZED	ISSUED AND OUTSTANDING
	<C>	<C>
<S>		
Full Voting Common Shares (includes all shares registered and available to the public).....	210,775,379	18,172,763
Diluted Voting Class I Common Shares (the Diluted Voting I Shares).....	14,039,089	1,448,504
Diluted Voting Class II Common Shares (the Diluted Voting II Shares).....	185,532	--
	-----	-----
	225,000,000	19,621,267
	-----	-----

</TABLE>

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 ("GE") exchanged 5.7 million Full Voting 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 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.

In February and May of 2000, the Board authorized share repurchase programs of \$25.0 million each. For the year ended December 31, 2000, the Company repurchased 671,900 Full Voting Common Shares at an aggregate price of \$25.1 million. During 1999 the Company repurchased a total of 2,226,700 Full Voting Common Shares at an aggregate price of \$80.1 million. During 1998, the Company repurchased a total of 1,020,670 Full Voting Common Shares at an aggregate price of \$42.7 million. Full Voting Common Shares repurchased by the Company are normally cancelled and retired.

During 2000, GE completed the sale of 1.0 million Diluted Voting I Shares pursuant to an S-3 registration which were subsequently converted into Full Voting Common Shares.

On November 17, 1999, the Company purchased and cancelled 700,000 Full Voting Common Shares at \$38.00 per share for an aggregate purchase price of \$26.6 million from one of the Company's founding institutional shareholders.

On December 1, 1999, one of the Company's founding institutional shareholders sold 318,213 Diluted Voting II Shares into the public market where they were subsequently converted into Full Voting Common Shares.

NOTE 10. EARNINGS PER SHARE

The Company utilizes SFAS No. 128, "Earnings per Share" to account for its weighted average shares. The numerator in both the Company's basic and diluted earnings per share calculations is identical. The following table sets forth the reconciliation of the denominator from basic to diluted weighted average shares outstanding (in thousands of per share amounts):

<TABLE>  
<CAPTION>

	YEAR ENDED DECEMBER 31,		
	2000	1999	1998
<S>	<C>	<C>	<C>
Weighted average shares-- basic.....	19,034	20,444	22,021
Per share equivalents of employee stock options and restricted shares.....	542	184	407
Weighted average shares-- diluted.....	19,576	20,628	22,428

</TABLE>

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

NOTE 11. RELATED PARTY TRANSACTIONS AND MAJOR CUSTOMERS

The Company has in force several treaties with subsidiaries of two of its founding shareholders (or their successors), The St. Paul Companies and affiliates of GE, covering property catastrophe risks in several geographic regions. 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, 2000, 1999 and 1998, the Company received \$14.3 million, \$11.1 million and \$13.7 million in reinsurance premiums and deposits related to these treaties, respectively.

Other assets include the Company's investment in Top Layer Re of \$21.2 million. Top Layer Re, which is 50% owned by Renaissance Reinsurance, is carried using the equity method. The Company's earnings from Top Layer Re and the Company's performance-based fee from OPCat totalled \$9.8 million for the year ended December 31, 2000 (1999 -- \$1.9 million) and are included in other income. During 2000, the Company also received a \$1.2 million distribution from Top Layer Re.

During the years ended December 31, 2000, 1999 and 1998, the Company received 78.3%, 78.8%, and 64.2%, respectively, of its premium assumed from its five largest reinsurance brokers. Subsidiaries and affiliates of Marsh Inc., Greig Fester, E. W. Blanch & Co., AON Re Group and Willis Faber accounted for approximately 26.5%, 15.7%, 15.7%, 14.9% and 5.5%, respectively, of the Company's premiums written in 2000.

NOTE 12. DIVIDENDS

During 2000, four regular quarterly dividends of \$0.375 per share were paid to shareholders of record as of February 17, May 18, August 17, and November 16. During 1999, four regular quarterly dividends of \$0.35 per share were paid to shareholders of record as of February 18, May 28, August 19, and November 18. During 1998, four regular quarterly dividends of \$0.30 per share were paid to shareholders of record as of February 18, May 20, August 19, and November 19. The total amount of dividends paid to Common Shareholders during 2000, 1999 and 1998 was \$29.2 million, \$28.9 million and \$26.7 million, respectively.

NOTE 13. TAXATION

Under current Bermuda law, the Company is not required to pay taxes in Bermuda on either income or capital gains. Income from U.S. company operations is subject to taxes imposed by U.S. authorities. Renaissance Reinsurance of Europe is subject to the taxation laws of Ireland.

Income tax expense consists of:

DECEMBER 31, 2000	CURRENT	DEFERRED	TOTAL
U.S. Federal.....	\$ 28	\$ 4,602	\$ 4,630
U.S. state and local.....	18	--	18
	\$ 46	\$ 4,602	\$ 4,648

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31,

2000 and 1999 are presented below:

<TABLE>

<CAPTION>

	2000	1999
	-----	-----
<S>	<C>	<C>
Deferred tax assets:		
Allowance for doubtful accounts.....	\$ 583	\$ 127
Unearned premiums.....	162	288
Claims reserves, principally due to discounting for tax.....	1,726	2,474
Retroactive reinsurance gain.....	4,716	4,613
Net operating loss carryforwards.....	16,980	14,553
Others.....	3,487	4,167
	-----	-----
	27,654	26,222
Deferred tax liabilities:		
Other.....	(883)	(2,719)
	-----	-----
Net deferred tax asset before valuation allowance.....	26,771	23,503
Valuation allowance.....	8,218	--
	-----	-----
Net deferred tax asset.....	\$ 18,553	\$ 23,503
	=====	=====

</TABLE>

At December 31, 2000, the net deferred tax asset of \$18.6 million (1999 -- \$23.5 million) is included in other assets on the consolidated balance sheet. The U.S. companies have a net operating loss carryforward of \$49.9 million (1999 -- \$42.8 million) which will be available to offset regular taxable U.S. income during the carryforward period (through 2020).

During 2000, the Company recorded a valuation allowance of \$8.2 million against the net deferred tax asset. Although the net operating losses which gave rise to a deferred tax asset have a carryforward period through 2020, the Company's U.S. operations did not generate significant taxable income during the years ended December 31, 2000 and 1999. Accordingly, under the circumstances, and until the Company's U.S. operations begin to generate significant taxable income, the Company believes that it is prudent to establish and maintain a valuation allowance against the net deferred tax asset.

NOTE 14. GEOGRAPHIC INFORMATION

<TABLE>

<CAPTION>

Financial information relating to gross premiums written by geographic region is as follows:

	YEAR ENDED DECEMBER 31,		
	2000	1999	1998
	-----	-----	-----
<S>	<C>	<C>	<C>
United States and Caribbean.....	\$ 145,871	\$ 173,598	\$ 132,776
Worldwide.....	98,923	46,712	17,033
Worldwide (excluding U.S.) (1).....	60,382	27,276	26,326
Europe.....	22,071	26,437	18,522
Other.....	9,559	2,370	4,495
Australia and New Zealand.....	8,280	3,212	3,932
Noncatastrophe reinsurance premium(2).....	37,730	2,740	4,105
	-----	-----	-----
Total reinsurance.....	382,816	282,345	207,189
United States-- primary.....	50,186	68,960	63,271
	-----	-----	-----
Total gross written premium.....	\$ 433,002	\$ 351,305	\$ 270,460
	=====	=====	=====

</TABLE>

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

(2) The category "Noncatastrophe reinsurance" includes coverages related to noncatastrophe reinsurance risks. These coverages primarily include exposure to claims from accident and health, finite, satellite, and aviation risks.

## NOTE 15. SEGMENT REPORTING

The Company has two reportable segments: reinsurance operations and primary operations. The reinsurance segment provides property catastrophe reinsurance as well as other reinsurance to selected insurers and reinsurers on a worldwide basis. The primary segment provides insurance both on a direct and on a surplus lines basis for commercial and homeowners catastrophe-exposed property business. Also included in the primary segment are coverages written by Nobel for commercial auto and general liability as well as surety business which provides coverage to small and mid-size contractors. The Nobel business has been substantially reinsured.

The activities of the Company's Bermuda and U.S. holding companies are reflected in the other column. The pre tax loss of the holding companies primarily consisted of interest expense on bank loans, the minority interest on the Capital Securities, and realized investment losses on the sales of investments, partially offset by investment income on the assets of the holding companies. Data for the three years ended December 31, 2000, 1999 and 1998 was as follows:

	YEAR ENDED DECEMBER 31, 2000			
	REINSURANCE	PRIMARY	OTHER	TOTAL
<S>	<C>	<C>	<C>	<C>
Gross premiums written.....	\$ 382,816	\$ 50,186	\$ --	\$ 433,002
Total revenues.....	325,637	13,280	10,818	349,735
Income (loss) before taxes.....	150,003	(4,406)	(13,721)	131,876
Assets.....	1,169,568	251,740	47,681	1,468,989
Claims and claim expense ratio.....	40.4%	47.0%	--	40.6%
Underwriting expense ratio.....	26.8	98.1	--	28.5
Combined ratio.....	67.2%	145.1%	--	69.1%

&lt;/TABLE&gt;

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

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

	YEAR ENDED DECEMBER 31, 1999			
	REINSURANCE	PRIMARY	OTHER	TOTAL
<S>	<C>	<C>	<C>	<C>
Gross premiums written.....	\$ 282,345	\$ 68,960	\$ --	\$ 351,305
Total revenues.....	232,715	31,377	6,143	270,235
Income (loss) before taxes.....	117,408	8,926	(23,618)	102,716
Assets.....	1,112,692	274,401	230,150	1,617,243
Claims and claim expense ratio.....	32.7%	52.2%	--	34.9%
Underwriting expense ratio.....	25.8	12.4	--	28.1
Combined ratio.....	58.5%	64.6%	--	63.0%

&lt;/TABLE&gt;

<TABLE>  
<CAPTION>

	YEAR ENDED DECEMBER 31, 1998			
	REINSURANCE	PRIMARY	OTHER	TOTAL
<S>	<C>	<C>	<C>	<C>
Gross premiums written.....	\$ 207,189	\$ 63,271	\$ --	\$ 270,460
Total revenues.....	216,976	42,229	1,322	260,527
Income (loss) before taxes.....	126,768	(51,438)	(21,228)	54,102
Assets.....	897,656	369,801	88,707	1,356,164

Claims and claim expense ratio.....	25.0%	200.2%	--	55.0%
Underwriting expense ratio.....	28.1	37.1	--	29.8
	-----	-----	-----	-----
Combined ratio.....	53.1%	237.3%	--	84.8%
	=====	=====	=====	=====

</TABLE>

NOTE 16. STOCK INCENTIVE COMPENSATION AND EMPLOYEE BENEFIT PLANS

The Company has a stock incentive plan under which all employees of the Company and its subsidiaries may be granted stock options and restricted stock awards. A stock option award under the Company's stock incentive plan allows for the purchase of the Company's Common Shares at a price that is generally equal to the five day average closing price of the Common Shares immediately prior to the date of grant. Options to purchase Common Shares are granted periodically by the Board of Directors, generally vest over four years and generally expire ten years from the date of grant.

The Company adopted the disclosure-only method under SFAS No. 123, "Accounting for Stock Based Compensation", as of December 31, 1996, and continues to account for stock-based compensation plans under Accounting Principles Board Opinion No. 25. In accordance with SFAS No. 123, the fair value of option grants is estimated on the date of grant using the Black-Scholes option pricing model for pro-forma footnote purposes with the following weighted average assumptions used for grants in 2000, 1999 and 1998, respectively; dividend yield of 1.9, 3.4 and 2.7 percent, expected option life of five years for all years, and expected volatility of 28.51, 27.41 and 25.09 percent. The risk-free interest rate was assumed to be 5.0 percent in 2000, 6.3 percent in 1999 and 5.5 percent in 1998. If the compensation cost had been determined based upon the fair value method recommended in SFAS No. 123, the Company's net income would have been \$109.4 million, \$100.9 million and \$71.8 million for each of 2000, 1999 and 1998, respectively, and the Company's earnings per share on a diluted basis would have been \$5.59, \$4.89 and \$3.20 for each of 2000, 1999 and 1998, respectively. The following is a table of the changes in options outstanding for 2000, 1999 and 1998, respectively:

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

<TABLE>  
<CAPTION>

	AWARDS AVAILABLE FOR GRANT	OPTIONS OUTSTANDING	WEIGHTED AVERAGE EXERCISE PRICE	FAIR VALUE OF OPTIONS	RANGE OF EXERCISE PRICES
	<C>	<C>	<C>	<C>	<C>
-					
<S>					
BALANCE, DECEMBER 31, 1997.....	1,960,320	1,286,807	\$ 26.67		
Options granted.....	(486,079)	486,079	\$ 45.05	\$ 10.84	\$34.97-\$48.00
Options forfeited.....	16,225	(16,225)	\$ 33.45		
Options exercised.....	--	(136,891)	\$ 17.69		
Shares turned in or withheld.....	59,928				
Restricted stock issued.....	(136,313)				
Restricted stock forfeited.....	461				
-					
BALANCE, DECEMBER 31, 1998.....	1,414,542	1,619,770	\$ 35.62		
Options granted.....	(363,139)	363,139	\$ 36.42	\$ 12.24	\$33.19-\$41.29
Options forfeited.....	247,537	(247,537)	\$ 38.46		
Options exercised.....	--	(148,504)	\$ 16.41		
Shares turned in or withheld.....	82,811				
Restricted stock issued.....	(186,625)				
Restricted stock forfeited.....	16,335				
-					
BALANCE, DECEMBER 31, 1999.....	1,211,461	1,586,868	\$ 37.22		
Options granted.....	(1,590,118)	1,590,118	\$ 49.02	\$ 13.51	\$34.00-\$74.45
Options forfeited.....	75,560	(75,560)	\$ 43.44		
Options exercised.....	--	(1,078,575)	\$ 38.73		
Shares turned in or withheld.....	729,360				
Restricted stock issued.....	(236,879)				
Restricted stock forfeited.....	8,970				
-					
BALANCE, DECEMBER 31, 2000.....	198,354	2,022,851	\$ 46.50		
Total options exercisable at December 31, 2000.....		737,413			

Under the Company's 1993 Amended Stock Incentive Plan the total number of shares authorized under the plan is 4,000,000 shares. The Plan also allows for the issuance of share-based awards, the issuance of restricted Common Shares and an adjustment in the calculation of shares available for issuance thereunder by deeming the number of shares tendered to or withheld by the Company in connection with certain option exercises to be so available.

The Company has also established a Non-Employee Director Stock Incentive Plan to issue stock options and shares of restricted stock. The authorized shares available for issuance under the Plan is 200,000 Common Shares, with 79,816 awards available for grant at December 31, 2000. In 2000, 70,000 options to purchase Common Shares and 3,328 restricted Common Shares were granted. In 1999, 12,000 options to purchase Common Shares and 1,665 restricted Common Shares were granted. In 1998, 6,000 options to purchase Common Shares and 939 restricted Common Shares were granted. The options and restricted Common Shares vest ratably over three years.

The Company has also established an employee stock bonus plan. Under the plan, eligible employees may elect to receive a grant of Common Shares of up to 50 percent of their bonus in lieu of cash, with an associated grant from the Company of an equal number of restricted shares. The restricted Common Shares vest ratably over a three or four year period. During the restricted period, the employee receives dividends and votes the restricted Common Shares, but the restricted shares may not be sold, transferred or assigned. In 2000, 1999 and 1998 the Company issued 77,342, 56,430, and 33,036 shares under this plan, respectively, with fair values of \$2.9 million, \$2.0 million and \$1.5 million, respectively. Additionally, in 2000, 1999 and 1998 the Board of Directors granted 159,537, 130,195 and 103,277 restricted shares with a fair value of \$6.3 million, \$4.6 million, and \$4.5 million to certain employees. The shares granted to these employees vest ratably over a four to five year period. At the time of grant, the market value of the shares awarded under these plans is recorded as unearned stock grant compensation and is presented as a separate component of shareholders' equity. The unearned compensation is charged to operations over the vesting period. Compensation expense related to these plans was \$5.5 million, \$3.4 million, and \$2.5 million in 2000, 1999 and 1998, respectively.

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

In 2000, the Company granted a special option grant to all of its officers equal to three times the normal annual grant. As a result of this special grant, it is not anticipated that annual option grants will be granted in 2001 and 2002. However, the Company may grant options and/or restricted stock in upcoming years if it is deemed appropriate to attract or retain personnel.

All of the Company's employees are eligible for defined contribution pension plans. Contributions are primarily based upon a percentage of eligible compensation.

NOTE 17. 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, 2000 the statutory capital and surplus of the Bermuda subsidiaries was \$738.5 million and the amount required to be maintained under Bermuda law was \$135.0 million.

Under the Act, Renaissance Reinsurance is classified as a Class 4 insurer, and is therefore restricted as to the payment of dividends in the amount of 25 percent of the prior year's statutory capital and surplus, unless at least two members of the board of directors attest that a dividend in excess of this amount would not cause Renaissance Reinsurance to fail to meet its relevant margins. During 2000, Renaissance Reinsurance paid aggregate cash dividends of \$95.6 million to RenaissanceRe.

Glencoe is also eligible as an excess and surplus lines insurer in a number of states in America. There are various capital and surplus requirements in these states, with the most onerous requiring the Company to maintain a minimum of \$15.0 million in capital and surplus. In this regard the declaration of dividends from retained earnings and distributions from additional paid-in capital are limited to the extent that the above requirements are met.

The Company's U.S. insurance subsidiaries are subject to various statutory and regulatory restrictions regarding the payment of dividends. The restrictions

are primarily based upon statutory surplus and statutory net income. The U.S. insurance subsidiaries' combined statutory surplus amounted to \$32.6 million at December 31, 2000 and the amount required to be maintained was \$29.9 million.

Codification of statutory accounting in the U.S. is generally effective January 1, 2001. Codification is not expected to have a significant impact on the statutory surplus of the Company's U.S. insurance subsidiaries.

NOTE 18. COMMITMENTS AND CONTINGENCIES

Concentration of credit risk

Financial instruments which potentially subject the Company to concentration of credit risk consist principally of investments, cash and reinsurance balances. The Company limits the amount of credit exposure to any one financial institution and except for U.S. Government bonds, none of the Company's investments exceeded 10 percent of shareholders' equity at December 31, 2000.

Concentrations of credit risk with respect to reinsurance balances are limited due to their dispersion across various companies and geographies.

Financial instruments with off-balance sheet risk

The Company's investment guidelines permit, subject to specific approval, investments in derivative instruments such as futures, options and foreign currency forward contracts for purposes other than trading. Their use is limited to yield enhancement, duration management, foreign currency exposure management or to obtain an exposure to a particular financial market.

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Foreign currency exposure management

The Company uses foreign currency forward and option contracts to minimize the effect of fluctuating foreign currencies on the value of non-U.S. dollar claim reserves. Contract gains and losses, realized and unrealized, are reported in the consolidated statements of income. At December 31, 2000, no foreign currency forward contract has a maturity of more than nine months. The table below summarizes the notional amounts, the current fair values and the unrealized gain of the Company's foreign currency forward contracts at December 31, 2000.

	NOTIONAL AMOUNT	FAIR VALUE
	-----	-----
	(IN MILLIONS OF U.S. DOLLARS)	
Forward contracts.....	\$ 32.0	\$ 0.8

The credit risk associated with the above derivative financial instruments relates to the potential for non-performance by counterparties. Non-performance is not anticipated; however, in order to minimize the risk of loss, management monitors the creditworthiness of its counterparties. For forward contracts, the counterparties are principally banks, which must meet certain criteria according to the Company's investment guidelines.

Letters of credit

As of December 31, 2000 the Company's bankers have issued letters of credit of approximately \$44.9 million in favor of certain ceding companies. Also, in connection with the Top Layer Re joint venture, the Company has committed \$37.5 million of collateral in the form of a letter of credit. The letters of credit are secured by cash and investments of similar amounts.

Employment agreements

The Board of Directors has authorized the execution of employment agreements between the Company and certain officers. These agreements provide for severance payments under certain circumstances, as well as accelerated vesting of options and restricted stock grants, under a change in control, as defined therein and by the Company's stock option plan.

Employee Credit Facility

In June of 1997, the Company executed a credit facility in order to encourage direct, long-term ownership of the Company's stock, and to facilitate purchases of the Company's stock by officers of the Company. Under the terms of the facility, the purchases are financed by personal loans to the officers from the bank. Such loans are collateralized by the stock purchased. The Company



guarantees the loans, but has recourse to the collateral if it incurs a loss under the guarantee. At December 31, 2000, the bank loans guaranteed by the Company totaled \$24.8 million. At December 31, 2000, the common stock that collateralizes the loans had a fair value of \$67.4 million.

Litigation

The Company is party to various lawsuits arising in the normal course of business. The Company does not believe that any of the litigation will have a material impact on its consolidated financial statements.

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

NOTE 19. QUARTERLY FINANCIAL RESULTS (UNAUDITED)

<TABLE>  
<CAPTION>

	QUARTER ENDED MARCH 31,		QUARTER ENDED JUNE 30,		QUARTER ENDED SEPTEMBER 30,	
	2000	1999	2000	1999	2000	1999
<S>	<C>	<C>	<C>	<C>	<C>	<C>
DECEMBER 31, 2000						
(AMOUNTS IN TABLES EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS, EXCEPT PER SHARE AMOUNTS)						
Gross premiums written.....	\$160,471	\$155,095	\$ 97,650	\$ 67,374	\$122,470	\$ 97,582
Net premiums written.....	\$103,364	\$116,284	\$ 64,765	\$ 34,929	\$ 85,564	\$ 58,238
Net premiums earned.....	52,765	57,988	62,519	57,668	73,284	54,123
Net investment income.....	18,467	13,106	19,240	14,039	21,236	15,714
Net foreign exchange gains (losses).	(137)	(666)	(169)	394	447	107
Other income.....	1,402	(269)	1,709	460	2,960	882
Net realized investment gains (losses)	(6,787)	(497)	(3,594)	(5,030)	1,482	(6,020)
Total revenues.....	65,710	69,662	79,705	67,531	99,409	64,806
Claims and claim expenses incurred..	17,713	15,695	24,878	21,005	29,953	19,420
Acquisitions costs.....	7,242	6,784	7,602	6,025	11,074	7,540
Operational expenses.....	7,807	9,516	9,065	9,092	11,050	8,771
Corporate expenses.....	2,342	3,961	2,532	3,936	196	693
Interest expense.....	4,252	1,406	4,358	1,712	4,639	2,675
Total expenses.....	39,356	37,362	48,435	41,770	56,912	39,099
Income before minority interest and taxes.....	26,354	32,300	31,270	25,761	42,497	25,707
Minority interest-- Capital Securities	1,859	2,111	1,938	2,128	1,866	1,861
Income before taxes.....	24,495	30,189	29,332	23,633	40,631	23,846
Income tax (expense) benefit.....	(420)	(171)	388	416	(4,986)	128
Net income.....	\$24,075	\$30,018	\$ 29,720	\$ 24,049	\$ 35,645	\$ 23,974
Earnings per share-- basic.....	\$ 1.25	\$ 1.42	\$ 1.58	\$ 1.17	\$ 1.89	\$ 1.18
Earnings per share-- diluted.....	\$ 1.24	\$ 1.41	\$ 1.55	\$ 1.16	\$ 1.83	\$ 1.17
Weighted average shares-- basic....	19,266	21,138	18,851	20,524	18,877	20,356
Weighted average shares-- diluted...	19,475	21,323	19,147	20,703	19,520	20,536
Claims and claim expense ratio.....	33.6%	27.1%	39.8%	36.4%	40.9%	35.9%
Underwriting expense ratio.....	28.5%	28.1%	26.7%	26.2%	30.2%	30.1%
Combined ratio.....	62.1%	55.2%	66.5%	62.6%	71.1%	66.0%

QUARTER ENDED  
DECEMBER 31,

2000 1999

<C> <C>

\$ 52,411	\$ 31,254
=====	=====
\$ 39,610	\$ 4,062
=====	=====
79,113	51,338
19,205	17,475
237	(246)
4,607	3,842
1,748	(4,173)
-----	-----
104,910	68,236
-----	-----
36,060	21,021
12,612	5,151
10,032	9,389
2,952	1,298
3,918	4,147
-----	-----
65,574	41,006
-----	-----
39,336	27,230
-----	-----
1,919	2,182
-----	-----
37,417	25,048
370	1,152
-----	-----
\$ 37,787	\$ 26,200
=====	=====
\$ 1.97	\$ 1.33
-----	-----
\$ 1.87	\$ 1.31
-----	-----
19,141	19,759
20,163	19,949
-----	-----
45.6%	41.0%
28.6%	28.3%
-----	-----
74.2%	69.3%
=====	=====

</TABLE>

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RENAISSANCERE HOLDINGS LTD AND SUBSIDIARIES.

INDEX TO SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS

	Pages
Report of Independent Auditors on Schedules.....	S-2
I Summary of Investments other than Investments in Related Parties at December 31, 2000.....	S-3
II Condensed Financial Information of the Registrant.....	S-4
III Supplementary Insurance Information for the years ended December 31, 2000, 1999 and 1998.....	S-7
IV Reinsurance for the years ended December 31, 2000, 1999 and 1998.....	S-8
VI Supplementary Information Concerning Property-Casualty Insurance Operations.....	S-9
Schedules other than those listed above are omitted for the reason that they are not applicable.	

## REPORT OF INDEPENDENT AUDITORS ON SCHEDULES

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

We have audited the consolidated financial statements of RenaissanceRe Holdings Ltd. and Subsidiaries as of December 31, 2000 and 1999, and for each of the three years in the period ended December 31, 2000, and have issued our report thereon dated January 26, 2001; such financial statements and our report thereon are included elsewhere in this Annual Report on Form 10-K. Our audits also included the financial statement schedules listed in Item 14(a)(2) of this Annual Report on Form 10-K for the year ended December 31, 2000. These schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits.

In our opinion, the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

/s/ Ernst & Young

Hamilton, Bermuda  
January 26, 2001

## SCHEDULE I

## RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

SUMMARY OF INVESTMENTS  
OTHER THAN INVESTMENTS IN RELATED PARTIES  
(MILLIONS OF UNITED STATES DOLLARS)

<TABLE>  
<CAPTION>

TYPE OF INVESTMENT:	YEAR ENDED DECEMBER 31, 2000		AMOUNT AT WHICH SHOWN IN THE BALANCE SHEET
	AMORTIZED COST	MARKET VALUE	
<S>	<C>	<C>	<C>
Fixed Maturities Available for Sale:			
U.S. Government bonds.....	\$264.2	\$267.9	\$267.9
U.S. corporate bonds.....	431.3	430.7	430.7
Non U.S. government bonds.....	107.3	110.2	110.2
Non U.S. corporate bonds.....	18.3	16.6	16.6
U.S. mortgage backed securities.....	100.6	102.7	102.7
Subtotal.....	921.7	928.1	928.1
Other investments.....	29.6	29.6	29.6
Short-term investments.....	13.8	13.8	13.8
Cash and cash equivalents.....	110.5	110.5	110.5

Total investments, short-term investments, cash and cash equivalents.....	\$1,075.6	\$1,082.0	\$1,082.0
--	-----------	-----------	-----------

</TABLE>

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SCHEDULE II

RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

CONDENSED FINANCIAL INFORMATION OF REGISTRANT  
RENAISSANCERE HOLDINGS LTD. BALANCE SHEETS  
(PARENT COMPANY)

(THOUSANDS OF UNITED STATES DOLLARS, EXCEPT PER SHARE AMOUNTS)

<TABLE>  
<CAPTION>

	DECEMBER 31	
	2000	1999
	<C>	<C>
<b>ASSETS</b>		
Cash.....	\$ 1,538	\$ 48,483
Investments available for sale.....	-	144,739
Investment in subsidiaries.....	753,503	673,229
Dividend receivable.....	34,665	30,637
Other assets.....	10,564	942
<b>Total assets.....</b>	<b>\$ 800,270</b>	<b>\$ 898,030</b>
<b>LIABILITIES</b>		
Loans payable.....	\$ 8,000	\$ 200,000
Minority interest - Company obligated, manditorily redeemable capital securities of a subsidiary trust holding solely junior subordinated debentures of the Company.....	87,630	89,630
Other liabilities.....	3,822	8,071
<b>Total liabilities.....</b>	<b>99,452</b>	<b>297,701</b>
<b>SHAREHOLDERS' EQUITY</b>		
Common Shares: \$1 par value-authorized 225,000,000 shares. Issued and outstanding at December 31, 2000 - 19,621,267 (1999 - 19,686,480).....	19,621	19,686
Additional paid-in capital.....	3,378	--
Unearned Stock Grant Compensation.....	(11,716)	(10,026)
Accumulated other comprehensive income.....	6,831	(18,470)
Retained earnings.....	682,704	609,139
<b>Total shareholders' equity.....</b>	<b>700,818</b>	<b>600,329</b>
<b>Total liabilities and shareholders' equity.</b>	<b>\$ 800,270</b>	<b>\$ 898,030</b>

</TABLE>

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SCHEDULE II (CONT'D.)

RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

CONDENSED FINANCIAL INFORMATION OF REGISTRANT  
RENAISSANCERE HOLDINGS LTD.  
STATEMENTS OF INCOME

(PARENT COMPANY)  
(THOUSANDS OF UNITED STATES DOLLARS)

<TABLE>  
<CAPTION>

	YEAR ENDED DECEMBER 31, 2000	YEAR ENDED DECEMBER 31, 1999	YEAR ENDED DECEMBER 31, 1998
--			
<S>	<C>	<C>	<C>
Income:			
Investment income.....	\$ 11,122	\$ 5,945	\$ 1,364
Total income.....	11,122	5,945	1,364
--			
Expenses:			
Interest expense.....	14,129	6,805	3,059
--			
Corporate expenses.....	2,553	3,120	3,317
--			
Total expenses.....	16,682	9,925	6,376
--			
Loss before equity in net income of subsidiaries & taxes....	(5,560)	(3,980)	(5,012)
Equity in net income of Subsidiaries.....	140,370	116,509	88,834
--			
Income before minority interests & taxes.....	134,810	112,529	83,822
Minority interest - Company obligated, mandatorily redeemable capital securities of a subsidiary trust holding solely junior subordinated debentures of the Company.....	(7,582)	(8,288)	(8,540)
Minority interest - Glencoe.....	--	--	(705)
--			
Net income before taxes.....	127,228	104,241	74,577
Income tax expense.....	--	--	--
--			
Net income.....	\$ 127,228	\$ 104,241	\$ 74,577

=====  
</TABLE>

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SCHEDULE II (CONT'D.)

RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

CONDENSED FINANCIAL INFORMATION OF REGISTRANT-(CONTINUED)

RENAISSANCERE HOLDINGS LTD.

STATEMENTS OF CASH FLOWS

(PARENT COMPANY)

(THOUSANDS OF UNITED STATES DOLLARS)

<TABLE>  
<CAPTION>

	YEAR ENDED DECEMBER 31, 2000	YEAR ENDED DECEMBER 31, 1999	YEAR ENDED DECEMBER 31,
1998			
--			
<S>	<C>	<C>	<C>
Cash flows provided by (applied to) operating activities:			
Net income.....	\$ 127,228	\$ 104,241	\$ 74,577
Less equity in net income of subsidiaries.....	140,370	116,509	88,129
	(13,142)	(12,268)	(13,552)

Adjustments to reconcile net loss to net cash provided by

(applied to) operating activities:			
Other.....	12,436	13,172	2,085
Net cash provided by (applied to) operating activities.....	(706)	904	(11,467)
Cash flows provided by investing activities:			
Contributions to subsidiary.....	(11,995)	(14,846)	(22,516)
Proceeds from sales of investments.....	450,095	199,562	76,770
Purchases of investments.....	(328,022)	(265,979)	(109,295)
Dividends from subsidiary.....	91,528	88,714	102,061
Purchase of minority interest in subsidiary.....	--	--	--
Net cash provided by investing activities.....	201,606	7,451	47,020
Cash flows provided by (applied to) financing activities:			
Proceeds from issuance (purchase) of Capital Securities....	(1,510)	(8,591)	--
Repurchase of Common Shares.....	(25,107)	(80,098)	(42,724)
Dividend to Common Shareholders.....	(29,228)	(28,885)	(26,720)
Net proceeds from (repayment of) bank loan.....	(192,000)	150,000	--
Repayments of officer loans.....	--	--	--
Net cash provided by (applied to) financing activities.....	(247,845)	32,426	(69,444)
Net increase (decrease) in cash and cash equivalents.....	(46,945)	40,781	(33,891)
Balance at beginning of year.....	48,483	7,702	41,593
Balance at end of year.....	\$ 1,538	\$ 48,483	\$ 7,702

</TABLE>

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SCHEDULE III

RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

SUPPLEMENTARY INSURANCE INFORMATION  
(THOUSANDS OF UNITED STATES DOLLARS)

	DECEMBER 31, 2000			YEAR ENDED DECEMBER 31, 2000			
	DEFERRED	FUTURE POLICY BENEFITS, LOSSES, CLAIMS AND UNEARNED PREMIUMS	ACQUISITION COSTS	NET INVESTMENT INCOME	PREMIUM REVENUE	CLAIMS, LOSSES AND SETTLEMENT EXPENSES	OF
AMORTIZATION DEFERRED POLICY ACQUISITION COSTS							
<S> Property.....	<C> \$ 8,599	<C> \$403,611	<C> \$ 112,541	<C> \$267,681	<C> \$ 77,868	<C> \$ 108,604	<C> \$ 38,530

</TABLE>

YEAR ENDED DECEMBER 31, 2000

	OTHER OPERATING EXPENSES	NET PREMIUMS WRITTEN
Property.....	\$ 37,954	\$293,303

<TABLE>  
<CAPTION>

DECEMBER 31, 1999

YEAR ENDED DECEMBER 31, 1999

AMORTIZATION DEFERRED POLICY ACQUISITION COSTS	DEFERRED POLICY ACQUISITION COSTS	FUTURE POLICY BENEFITS, LOSSES, CLAIMS AND CLAIMS EXPENSES			NET UNEARNED PREMIUM REVENUE	BENEFITS, CLAIMS, LOSSES AND SETTLEMENT EXPENSES		OF
		PREMIUM INVESTMENT INCOME	PREMIUM REVENUE	PREMIUM REVENUE		PREMIUM REVENUE	PREMIUM REVENUE	
<S> Property..... 25,500	<C> \$ 14,221	<C> \$ 478,601	<C> \$ 98,386	<C> \$ 221,117	<C> \$ 60,334	<C> \$ 77,141	<C> \$	
=====	=====	=====	=====	=====	=====	=====	=====	

</TABLE>

YEAR ENDED DECEMBER 31, 1999

	OTHER OPERATING EXPENSES	NET PREMIUMS WRITTEN
Property.....	\$ 36,768	\$213,513
	=====	=====

<TABLE>  
<CAPTION>

AMORTIZATION DEFERRED POLICY ACQUISITION COSTS	DECEMBER 31, 1998			YEAR ENDED DECEMBER 31, 1998			
	DEFERRED POLICY ACQUISITION COSTS	FUTURE POLICY BENEFITS, LOSSES, CLAIMS AND CLAIMS EXPENSES	NET UNEARNED PREMIUMS	NET UNEARNED PREMIUM REVENUE	NET INVESTMENT INCOME	BENEFITS, CLAIMS, LOSSES AND SETTLEMENT EXPENSES	OF
<S> Property..... 26,506	<C> \$ 10,997	<C> \$ 298,829	<C> \$ 94,466	<C> \$ 204,947	<C> \$ 52,834	<C> \$ 112,752	<C> \$
=====	=====	=====	=====	=====	=====	=====	=====

YEAR ENDED DECEMBER 31, 1998

	OTHER OPERATING EXPENSES	NET PREMIUMS WRITTEN
Property.....	<C> \$ 34,525	<C> \$195,019
	=====	=====

</TABLE>

SCHEDULE IV

RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

REINSURANCE  
(THOUSANDS OF UNITED STATES DOLLARS)

<TABLE>  
<CAPTION>

	GROSS AMOUNT	CEDED TO OTHER COMPANIES	ASSUMED FROM OTHER COMPANIES	NET AMOUNT	PERCENTAGE OF AMOUNT ASSUMED TO NET
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
Year ended December 31, 2000					
Property Premiums Written.....	\$ 50,186	139,699	382,816	\$ 293,303	131%
	=====	=====	=====	=====	
Year ended December 31, 1999					
Property Premiums Written.....	\$ 68,961	\$ 137,792	\$ 282,344	\$ 213,513	132%
	=====	=====	=====	=====	
Year ended December 31, 1998					
Property Premiums Written.....	\$ 63,271	\$ 75,441	\$ 207,189	\$ 195,019	106%
	=====	=====	=====	=====	

</TABLE>

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SCHEDULE VI

RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

SUPPLEMENTARY INFORMATION CONCERNING  
PROPERTY/CASUALTY INSURANCE OPERATIONS  
(EXPRESSED IN UNITED STATES DOLLARS)  
(DOLLARS IN THOUSANDS)

<TABLE>  
<CAPTION>

Claims Incurred to	Reserve for						Claims and Expense Related
	Deferred Policy Acquisition Costs	Unpaid Claims and Claims Expenses	Discount if any, Deducted	Unearned Premiums	Earned Premiums	Net Investment Income	Current Year
-----	-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>							
Consolidated Subsidiaries							
Year ended December 31, 2000	\$ 8,599	\$403,611	\$ --	\$112,541	\$267,681	\$ 77,868	\$100,168
8,436	=====	=====	=====	=====	=====	=====	=====
Year ended December 31, 1999	\$ 14,221	\$478,601	\$ --	\$ 98,386	\$221,117	\$ 60,334	\$111,720
(34,579)	=====	=====	=====	=====	=====	=====	=====
Year ended December 31, 1998	\$ 10,997	\$298,829	\$ --	\$ 94,466	\$204,947	\$ 52,834	\$ 96,431
16,321	=====	=====	=====	=====	=====	=====	=====

Affiliation with Registrant	Amortization of Deferred Policy Acquisition Costs	Paid Claim and Claims Expenses	Net Premiums Written
-----------------------------	---	---	----------------------------



Consolidated Subsidiaries	<C>	<C>	<C>
Year ended December 31, 2000	\$ 38,530	\$46,503	\$293,303
Year ended December 31, 1999	\$ 25,500	\$99,740	\$213,513
Year ended December 31, 1998	\$ 26,506	\$ 80,594	\$195,019

</TABLE>

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

EXHIBITS

TO

FORM 10-K

Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2000

RenaissanceRe Holdings Ltd.

1. The Consolidated Financial Statements of the Company and related Notes thereto are listed in the accompanying Index to Schedules to Consolidated Financial Statements and are filed as part of this Report.
2. The Schedules to the Consolidated Financial Statements of the Company are listed in the accompanying Index to Schedules to Consolidated Financial Statements and are filed as part of this Report.
3. The following exhibits are included in this Report:
  - 3.1 Memorandum of Association.\*
  - 3.2 Amended and Restated Bye-Laws.#
  - 3.3 Memorandum of Increase in Share Capital of Company.##
  - 4.1 Specimen Common Share certificate.\*
  - 10.1 RenaissanceRe Holdings Ltd. Restricted Stock Plan.\*
  - 10.2 Agreement and Plan of Recapitalization, dated as of March 26, 1995, by and among RenaissanceRe Holdings, Ltd., Renaissance Reinsurance Ltd. and Investors named therein.\*
  - 10.3 Fourth Amended and Restated Employment Agreement, dated as of March 13, 2001, between Renaissance Reinsurance Ltd. and James N. Stanard.
  - 10.4 Employment Agreement, dated as of February 4, 1998, between Renaissance Reinsurance Ltd. and William I. Riker.###
  - 10.5 Employment Agreement, dated as of July 1, 1999, between Renaissance Reinsurance Ltd. and David A. Eklund. @@
  - 10.6 Employment Agreement, dated as of October 17, 1997, between Renaissance Reinsurance Ltd. and John M. Lummis. @@
  - 10.7 Credit Agreement, dated as of October 5, 1999, among RenaissanceRe

Holdings Ltd., various financial institutions which are, or may become, parties thereto (the "Lenders"), Deutsche Bank AG, as LC Issuer and Syndication Agent, Fleet National Bank, as Co-Agents, and Bank of America, National Association, as Administrative Agent for the Lenders.++

- 10.8 Accession Agreement dated as of November 8, 1999, among RenaissanceRe Holdings Ltd. (the "Borrower"), Bank of America, National Association, as Administrative Agent (the "Administrative Agent"), Deutsche Bank AG, New York Branch, as LC Issuer (the "LC Issuer") and Mellon Bank, N.A., relating to the Credit Agreement dated as of October 5, 1999, among the Borrower, certain financial institutions which are signatories thereto, the LC Issuer and the Administrative Agent. @@
  - 10.9 Equity Purchase Agreement, dated as of December 13, 1996, by and among RenaissanceRe Holdings Ltd., 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.^
  - 10.10 RenaissanceRe Holdings Ltd. Second Amended and Restated 1993 Stock Incentive Plan.###
  - 10.11 RenaissanceRe Holdings Ltd. Amended and Restated Non-Employee Director Stock Plan.###
  - 10.12 Guaranty Agreement, dated June 23, 1997, between RenaissanceRe Holdings Ltd. and The Bank of America.+
- 2-
- 10.13 Amended and Restated Shareholders Agreement, dated as of March 23, 1998, 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.###
  - 10.14 Amended and Restated Registration Rights Agreement, dated as of March 23, 1998, 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.###
  - 10.15 Amended and Restated Declaration of Trust of RenaissanceRe Capital Trust, dated as of March 7, 1997, among the Company, as Sponsor, The Bank of New York, as Property Trustee, The Bank of New York (Delaware), as Delaware Trustee, and the Administrative Trustees named therein.^
  - 10.16 Indenture, dated as of March 7, 1997, among the Company, as Sponsor, and The Bank of New York, as Debenture Trustee.^
  - 10.17 Series A Capital Securities Guarantee Agreement, dated as of March 7, 1997, between the Company and The Bank of New York, as Trustee.^
  - 10.18 Registration Rights Agreement, dated March 7, 1997, among the Company, the Trust, Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Salomon Brothers Inc.^
  - 10.19 Credit Agreement between Renaissance U.S. Holdings, Inc., the Lenders named therein, and Bank of America National Trust and Savings Association as Administrative Agent, dated as of June 24, 1998.#
  - 10.20 First Amendment to Credit Agreement between Renaissance U.S. Holdings Inc. the Lenders named therein, and Bank of America National Trust and Savings Association as Administrative Agent, dated as of December 31, 1998.@
  - 10.21 Guaranty, dated as of June 24, 1998, among RenaissanceRe Holdings, Ltd., as Guarantor, and Bank of America National Trust & Savings Association.#
  - 10.22 Share Purchase Agreement, dated as of November 17, 1999, between RenaissanceRe Holdings Ltd. And The St. Paul Companies, Inc. @@
  - 10.23 RenaissanceRe Holdings Ltd. 2001 Stock Incentive Plan.
  - 21.1 List of Subsidiaries of the Registrant.
  - 23.1 Consent of Ernst & Young.
  - 27.1 Financial Data Schedule for the Year Ended December 31, 2000.

the Company (Registration No. 33-70008) which was declared effective by the Commission on July 26, 1995.

^ Incorporated by reference to the Company's Current Report on Form 8-K, filed with the Commission on December 16, 1996, relating to an event which occurred on December 31, 1996.

^^ Incorporated by reference to the Company's Current Report on Form 8-K, filed with the Commission on March 19, 1997, relating to certain events which occurred on March 7, 1997.

+ Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1997, filed with the Commission on October 22, 1997.

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++ Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1996, filed with the Commission on March 21, 1997.

# Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1998, filed with the Commission on August 14, 1998.

## Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 1998, filed with the Commission on May 14, 1998.

### Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1997, filed with the Commission on March 31, 1998.

@ Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1999, filed with the Commission on March 31, 1999.

@@ Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1999, filed with the Commission on March 30, 2000.

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FOURTH AMENDED AND RESTATED

EMPLOYMENT AGREEMENT

-----  
This Fourth Amended and Restated Employment Agreement (the "Agreement") is dated as of March 13, 2001, and is entered into between RenaissanceRe Holdings Ltd., a Bermuda Company (the "Company"), and James N. Stanard ("Executive").

WHEREAS, Executive and the Company are parties to that certain Third Amended and Restated Employment Agreement, dated June 3, 1998 (the "Prior Agreement"); and

WHEREAS, Executive and the Company have agreed to amend the Prior Agreement as set forth herein, effective as of July 1, 2001.

NOW, THEREFORE, the parties hereby agree as follows:

ARTICLE I.

EMPLOYMENT, DUTIES AND RESPONSIBILITIES

-----  
1.01. Employment. The Executive shall continue to serve as Chief Executive Officer and Chairman of the Board of the Company and its subsidiary, Renaissance Reinsurance Ltd. Executive agrees to devote his full time and efforts to promote the interests of the Company.

1.02. Duties and Responsibilities. Executive shall have such duties and responsibilities as are consistent with his position.

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

ARTICLE II.

TERM

-----

2.01. Term. The term of Executive's employment pursuant to this Agreement (the "Term") shall commence on July 1, 2001 and, unless terminated earlier as provided in Article V, shall continue until the earlier of (i) July 1, 2005, or (ii) the date which is one year following a "Change in Control" (as defined in Section 5.06 below). The Prior Agreement shall continue to govern the terms of Executive's employment until June 30, 2001.

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ARTICLE III.

COMPENSATION AND EXPENSES

-----  
3.01. Salary, Incentive Awards and Benefits. As compensation and consideration for the performance by Executive of his obligations under this Agreement, Executive shall be entitled, during the Term, to the following (subject, in each case, to the provisions of ARTICLE V hereof):

(a) Salary; Bonus. The Company shall pay Executive a base salary at the rate of \$450,000 per year ("Base Salary"), payable in accordance with the normal payment procedures of the Company and subject to such withholding and other normal employee deductions as may be required by law. The Company shall review the base salary annually. Annual bonuses shall be payable at the discretion of the Company and shall be determined in a manner consistent with the treatment of other executive officers of the Company.

(b) Additional Bonus.

(i) Except as provided in clauses (ii) and (iii) below, each year during the Term, the Company shall pay Executive, in addition to any discretionary bonus, an additional annual bonus of \$815,000 (the "Additional Bonus") payable on each of June 30, 2002, June 30, 2003, June 30, 2004, and June 30, 2005, provided the Company meets the agreed upon earnings per share ("EPS")

operating targets. In addition, on each such date, Executive shall receive an additional payment (the "Gross-Up Payment") in an amount which, after reduction of all applicable income taxes incurred by Executive in connection with such Gross-Up Payment, is equal to the amount of income tax payable by the Executive in respect of the Additional Bonus payable on such date. For this purpose, the income taxes payable by Executive shall be computed based on the effective combined Federal and State income tax rate then applicable to Executive.

(ii) The Additional Bonus for each year shall be increased or decreased by 2.5% for each 1% increase or decrease (as the case may be) in actual EPS above or below the EPS operating target for the applicable year, provided that in no event will the Additional Bonus in any year exceed \$1,222,500 or be less than \$407,500. The Additional Bonus shall be calculated and paid on a cumulative simple average basis in a manner consistent with the calculation and payment of bonuses under the Company's Long Term Incentive Plan.

(iii) The foregoing notwithstanding, in the event of (x) a termination of Executive's employment by reason of Executive's death or disability (as defined in Section 5.03) or (y) a termination of Executive's employment by the Company without "Cause" (as defined in Section 5.04 below) or by Executive for "Good Reason" (as defined in Section 5.01 below) prior to a Change in Control, the Additional Bonus and the Gross-Up Payment shall be accelerated and shall be paid on the date of such termination pursuant to clause (i) above. In such event, the final calculation of the Additional Bonus shall use actual EPS through the last full year prior to

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Executive's termination, and shall assume that the Company's EPS operating targets are achieved in future years. In the event of a termination of Executive's employment by the Company without Cause or by Executive for Good Reason on or after a Change in Control, or in the event of an expiration of this Agreement one year following a Change in Control, any portion of the Additional Bonus and the Gross-Up Payment not previously paid shall be accelerated and paid on the last day of the "Non-Competition Period" (as defined in Section 4.04 below) pursuant to clause (i) above and calculated as described in the preceding sentence. No payments of Additional Bonus or Gross-Up Payment shall be made following a termination of Executive's employment for Cause, or by Executive without Good Reason, regardless of whether a Change in Control has occurred.

(c) Awards.

(i) Executive shall be entitled to participate in the RenaissanceRe Holdings Ltd. 2001 Stock Incentive Plan, as amended from time to time and any successor plan thereto (the "Plan"), such participation to be commensurate with his position as Chief Executive Officer. Executive shall enter into separate award agreements with respect to awards granted to him under the Plan ("Awards").

(ii) Effective as of the date hereof, the Company, by action of the Section 162(m) Subcommittee of the Stock Option Committee of the Board of Directors, will grant to Executive 100,000 shares of restricted common stock of the Company ("Restricted Stock"). The Restricted Stock shall vest at the rate of 25% a year with the first installment vesting as of July 1, 2002. The vesting of the Restricted Stock and any future Awards shall be accelerated in the event of a termination of Executive's employment by the Company without Cause, or by Executive for Good Reason, or by reason of Executive's death or disability unless, with respect only to future Awards, Executive is otherwise notified by the Company at the time of grant.

(iii) (A) Executive shall be eligible to earn an incentive bonus (the "Incentive Bonus"). Subject to subparagraph (iii)(B), the Incentive Bonus shall be payable over five years as follows: a payment in the amount of \$475,000 shall be made in each of June 2003, June 2004, June 2005, and June 2006. The Executive shall also be entitled to receive the Incentive Bonus scheduled to be paid in June 2002, as provided under the Prior Agreement.

(B) Incentive Bonuses shall be paid only if the Company meets cumulative Return on Equity ("ROE") targets for each immediately preceding fiscal year that have been established under the Company's business plan adopted by the Board. ROE shall be computed on a cumulative basis (i.e., percentage excesses or shortfalls against annual targets will be applied toward subsequent fiscal years). An Incentive Bonus which is not payable for a given fiscal year as a result of the Company's failure to meet the cumulative ROE target for that year shall be payable in a subsequent year if the Company meets the cumulative ROE target for that subsequent year.

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(C) In the event of a termination of Executive's employment without Cause, or by Executive for Good Reason, which occurs prior to a Change in Control, Executive shall be paid an Incentive Bonus equal to the aggregate amount of Incentive Bonuses payable through June 2006, reduced by the aggregate amount of all previous Incentive Bonuses paid to Executive (the "Remaining Incentive Balance"), such amount to be paid on the date of such termination. In

the event of a termination of Executive's employment by the Company without Cause, or by Executive for Good Reason, which occurs on or after a Change in Control or upon expiration of this Agreement one year following a Change in Control, Executive shall be paid an Incentive Bonus equal to the Remaining Incentive Balance, such amount to be paid on the last day of the Non-Competition Period. In the event of a termination of Executive's employment by reason of Executive's death or disability, regardless of whether a Change in Control has occurred, Executive shall be paid an Incentive Bonus equal to the Remaining Incentive Balance, such amount to be paid on the date of such termination. The amounts described in this subsection (c)(iii)(C) shall be paid irrespective of whether applicable ROE targets have been met.

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

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

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

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

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

(g) Business Expenses. The Company will reimburse Executive for reasonable business-related expenses incurred by him in connection with the performance of his duties hereunder, subject, however, to the Company's policies relating to business-related expenses as in effect from time to time.

### 3.02. Expenses; Perquisites.

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

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

(c) Maximum Amount Payable. The maximum annual amount payable pursuant to Sections 3.02(a) and (b) shall not, in the aggregate, exceed \$360,000 for 2001. The maximum annual amount payable for subsequent years shall be adjusted as agreed with the Compensation Committee.

## ARTICLE IV.

### EXCLUSIVITY, ETC.

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4.01. Exclusivity; Non-Competition. Executive agrees to perform his duties, responsibilities and obligations hereunder efficiently and to the best of his ability. Executive agrees that he will devote his entire working time, care and attention and best efforts to such duties, responsibilities and obligations throughout the Term. Executive also agrees that during the Term he will not engage in any business activities that are competitive with the business activities of the Company or any of its divisions, subsidiaries or affiliates.

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

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

4.04. Non-Competition Obligations. During Executive's employment and, upon any termination of Executive's employment (including upon the expiration of the Term on the earlier of July 1, 2005 or the date one year following a Change in Control), other than (a) a termination of Executive's employment by reason of his death or disability, or (b) a termination of Executive's employment by the Company without Cause, or by Executive for Good Reason, which occurs prior to a Change in Control, the Executive shall not, for a period of one year from the date of such termination (the "Non-Competition Period"), directly or indirectly, whether as an employee consultant, independent contractor, partner, joint venturer or otherwise, (i) engage in any business activities reasonably determined by the Board to be competitive, to a material extent, with any substantial type or kind of business activities conducted by the Company or any of its divisions, subsidiaries or affiliates at the time of such termination; (ii) on behalf of any person or entity engaged in business activities competitive with the business activities of the Company or any of its divisions, subsidiaries or affiliates, solicit or induce, or in any manner attempt to solicit or induce, any person employed by, or as agent of, the Company or any of its divisions, subsidiaries or affiliates to terminate such person's contract of employment or agency, as the case may be, with the Company or with any such division, subsidiary or affiliate or (iii) divert, or attempt to divert, any person, concern, or entity from doing business with the Company or any of its divisions, subsidiaries or affiliates, nor will he attempt to induce any such person, concern or entity to cease being a customer or supplier of the Company or any of its divisions, subsidiaries or affiliates. The preceding sentence notwithstanding, (I) in the event of a termination of Executive's employment by the Company for Cause, or by Executive without

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Good Reason, which occurs within one year following a Change in Control, the Non-Competition Period shall be one year from the date of such termination, plus a number of days equal to (x) 365, minus (y) the number of days which have elapsed from the date of such Change in Control until the date of such termination, provided that it shall expire no later than June 30, 2006; and (II) irrespective of whether a Change in Control has occurred, in the case of (A) a voluntary termination of employment by the Executive which is not for Good Reason, (B) a termination by the Company for Cause, or (C) a termination which occurs by reason of the expiration of the Term on the earlier of July 1, 2005 or the date one year following a Change in Control, the Company may elect, within 14 days after the date of such termination, to waive the Executive's non-competition obligations, in which case it shall not be required to make payments to the Executive during the Non-Competition Period, as provided in Section 5.05(a) of this Agreement.

4.05. Remedies. Executive acknowledges that the Company's remedy at law for a breach by him of the provisions of this Article IV will be inadequate. Accordingly, in the event of the breach or threatened breach by Executive of any

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

#### ARTICLE V.

#### TERMINATION

-----

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

5.02. Death. In the event Executive dies during the Term, this Agreement shall automatically terminate, such termination to be effective on the date of Executive's death.

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

5.04. Termination for Good Reason. For purposes of this Agreement, the following circumstances shall constitute "Good Reason":

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

(b) any material breach of this Agreement by the Company, other than an isolated failure not occurring in bad faith and which is remedied promptly after receipt of written notice thereof given by Executive;

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

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

5.05. Effect of Termination.

(a) Obligations of Company. In the event of any termination of the Executive's employment hereunder, the Company shall pay Executive any earned but unpaid Base Salary. In addition, except as provided in Section 5.06 of this Agreement, upon a termination of Executive's employment for any reason other than the Executive's death or disability (including the expiration of this Agreement on July 1, 2005 or one year following a Change in Control), the Company shall continue to pay Executive for a period of twelve (12) months his then current Base Salary, and an amount equal to the highest regular discretionary bonus paid or payable to Executive over the preceding three fiscal years (excluding the Additional Bonus, the Incentive Bonus and any extraordinary or non-recurring bonus), such amounts to be payable in equal monthly installments commencing on the date which is one month after the date of such termination. The preceding sentence notwithstanding, in the event of a termination of employment described in the last sentence of Section 4.04 of this Agreement, if the Company elects to waive the Executive's non-competition obligations within 14 days after the date of such termination, the Company shall not be required to make the additional payments set forth in the preceding sentence.



(b) Awards. The Executive's rights with respect to Awards granted on or after the date hereof, upon any termination of his employment with the Company, shall be governed

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exclusively by this Agreement, the terms and conditions of the Plan and any agreement executed by Executive in connection with such Awards; provided, however, that any such Award granted under the Company's Second Amended and Restated 1993 Stock Incentive Plan shall be governed by this Agreement, such plan and any agreement executed by Executive with respect to such Award. With respect to any Awards granted on or after the date hereof, the Award agreements shall provide that in the event of termination of Executive's employment by reason of the expiration of this Agreement on July 1, 2005 or one year following a Change in Control, Executive shall continue to be treated as employed by the Company for purposes of vesting in such Awards, for so long as (i) Executive has not engaged in conduct which would be inconsistent with the non-competition obligations described in Section 4.04 of this Agreement, and (ii) Executive has not voluntarily resigned from the Board. With respect to any options granted to Executive on or after the date hereof, the Award agreements shall provide that during the applicable period described in the preceding sentence, such options shall remain outstanding and exercisable. The Award agreements shall further provide that, in the event Executive (A) resigns from the Board, or (B) has engaged in conduct which is inconsistent with the non-competition obligations described in Section 4.04 of this Agreement, such options shall remain exercisable for a period of no more than thirty days following the date Executive receives notice from the Company of such occurrence, to the extent exercisable on that date, and shall thereafter terminate.

(c) Obligations of Executive. Subject to this Section 5.05 of this Agreement, Executive may terminate this Agreement at any time. Except as otherwise provided in Sections 4.03 and 4.04 of this Agreement, Executive shall not have obligations to the Company hereunder by reason of the termination of his employment.

#### 5.06. Termination Following a Change in Control.

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

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

(b) For purposes of this Agreement, "Change in Control" shall have the meaning ascribed thereto in the Plan.

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

#### ARTICLE VI.

##### MISCELLANEOUS

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

#### 6.02. Benefit of Agreement; Assignment; Beneficiary.

(a) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns, including, without limitation, any corporation or person which may acquire all or substantially all of the

Company's assets or business, or with or into which the Company may be consolidated or merged. This Agreement shall also inure to the benefit of, and be enforceable by, Executive and his personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. (b) The Company shall require any successor (whether direct or indirect, by operation of law, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

6.03. Notices. Any notice required or permitted hereunder shall be in writing and shall be sufficiently given if personally delivered or if sent by telegram or telex or by registered or certified mail, postage prepaid, with return receipt requested, addressed: (a) in the case of the Company to RenaissanceRe Holdings Ltd., Renaissance House, East Broadway, P.O. Box HM 2527, Hamilton HMGX, Bermuda, Attention: Board of Directors, or to such other address and/or to the attention of such other person as the Company shall designate by written notice to Executive; and (b) in the case of Executive, to James N. Stanard, at the address shown on the Company's records, or to such other address as Executive shall designate by written notice to the Company. Any notice given hereunder shall be deemed to have been given at the time of receipt thereof by the person to whom such notice is given.

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

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

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

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

6.08. Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the internal laws of Bermuda without reference to the principles of conflict of laws.

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

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

6.11. Attorneys' Fees. Each party to this Agreement will bear its own expenses in connection with any dispute or legal proceeding between the parties arising out of the subject matter of this Agreement, including any proceeding to enforce any right or provision under this Agreement.

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6.12. Survivorship. The respective rights and obligations of the parties under this Agreement shall survive any termination of this Agreement to the extent necessary to the intended preservation of such rights and obligations.

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

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

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

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

6.16. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

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

RENAISSANCERE HOLDINGS LTD.

By: /s/ John M. Lummis

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

/s/ James N. Stanard

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James N. Stanard

RENAISSANCERE HOLDINGS LTD.  
2001 STOCK INCENTIVE PLAN

1. PURPOSE

The purpose of the Plan is to provide a means through which the Company and its Subsidiaries may attract able persons to enter and remain in the employ of the Company and its Subsidiaries and to provide a means whereby employees of the Company and its Subsidiaries can acquire and maintain Stock ownership, or be paid incentive compensation measured by reference to the value of Stock, thereby strengthening their commitment to the welfare of the Company and its Subsidiaries and promoting an identity of interest between stockholders and these employees.

So that the appropriate incentive can be provided, the Plan provides for granting Incentive Stock Options, Nonqualified Stock Options, Restricted Stock Awards, and Stock Bonuses, or any combination of the foregoing.

2. DEFINITIONS

The following definitions shall be applicable throughout the Plan.

(a) "Affiliate" of any individual or entity means an individual or entity that is directly or indirectly through one or more intermediaries controlled by or under common control with the individual or entity specified.

(b) "Award" means, individually or collectively, any Incentive Stock Option, Nonqualified Stock Option, Restricted Stock Award, or Stock Bonuses.

(c) "Board" means the Board of Directors of RenaissanceRe Holdings Ltd.

(d) "Cause" shall mean the definition of such term in a Participant's employment agreement, or in the absence of such an agreement, (1) a Participant's failure to substantially perform the Participant's duties as an employee of the Company or a Subsidiary, (2) the engaging by the Participant in misconduct which is injurious to the Company or a Subsidiary, monetarily or otherwise, (3) the commission by the Participant of an act of fraud or embezzlement against the Company or a Subsidiary, or (4) the conviction of the Participant of a felony.

(e) "Change in Control" means:

- (i) the acquisition by any individual, entity or group (within the meaning of Section 13(d) (3) or 14(d) (2) of the Exchange Act) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of securities representing more than 50% of the value and voting power of all of the Company's outstanding equity securities (the "Outstanding Equity Securities"); provided, however, that the following acquisitions shall not constitute a Change in Control: (A) any acquisition by the Company, or (B) any acquisition by a corporation pursuant to a merger, consolidation or other similar transaction (a

"Corporate Event") if, as a result of such Corporate Event, (1) substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Equity Securities immediately prior to such Corporate Event beneficially own, directly or indirectly, securities representing more than 50% of the value and voting power of the then outstanding equity securities of the corporation resulting from such Corporate Event (including a corporation which, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Event, of the Outstanding Equity Securities, and (2) no Person other than any corporation resulting from such Corporate --- Event, beneficially owns, directly or indirectly, securities representing more than 50% of the value and voting power of the then outstanding equity securities of the corporation resulting from such Corporate Event;

(ii) The date upon which individuals who as of the date hereof constitute a majority of the Board (the "Incumbent Board") cease to constitute at least a majority of the Board, provided, that any individual becoming a director subsequent to the date hereof, whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising of the Incumbent Board, shall be considered as though such individual was a member of the Incumbent Board;

(iii) The sale or disposition of all or substantially all of the assets of the Company; or

(iv) a dissolution or liquidation of the Company.

(f) "Code" means the Internal Revenue Code of 1986, as amended.

Reference in the Plan to any section of the Code shall be deemed to include any amendments or successor provisions to such section and any regulations under such section.

(g) "Committee" means the Board, the Compensation Committee of the Board or such other committee of at least two people as the Board may appoint to administer the Plan, as determined by the Board.

(h) "Company" means RenaissanceRe Holdings Ltd., a Bermuda company

(i) "Date of Grant" means the date on which the granting of an Award is authorized or such other date as may be specified in such authorization.

(j) "Disability," with respect to any particular Participant, means the definition of such term in a Participant's employment agreement, without regard to whether the term of such employment agreement has expired, or in the absence of such agreement, the complete and permanent inability by reason of illness or accident to perform the duties of the occupation at which a Participant was employed when such disability commenced, as determined by the Board

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based upon medical evidence acceptable to it.

(k) "Eligible Person" means any officer or any other person regularly employed by the Company or a Subsidiary.

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(m) "Fair Market Value" means as of any date when the stock is quoted on the National Association of Securities Dealers Automated Quotation System ("NASDAQ") National Market System ("NMS") or listed on one or more national securities exchanges, the average closing trading price reported on NASDAQ-NMS or the principal national securities exchange on which such Stock is listed and traded for the five-day period preceding such date. If the Stock is not quoted on NASDAQ-NMS or listed on such an exchange, or representative quotes are not otherwise available, the Fair Market Value shall mean the amount determined by the Board to be the fair market value of the Stock based upon a good faith attempt to value the Stock accurately.

(n) "Holder" means a Participant who has been granted an Award.

(o) "Incentive Stock Option" means an Option granted by the Committee to a Participant under the Plan which is designated by the Committee as an Incentive Stock Option pursuant to Section 422 of the Code.

(p) "Non-Employee Director" means a person who is a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act, or any successor rule or regulation.

(q) "Nonqualified Stock Option" means an Option granted under the Plan which is not designated as an Incentive Stock Option.

(r) "Option" means an Award granted under Section 7 of the Plan.

(s) "Option Period" means the period described in Section 7(c).

(t) "Option Price" means the exercise price set for an Option described in Section 7(a).

(u) "Participant" means an Eligible Person who has been selected by the Committee to participate in the Plan and to receive an Award.

(v) "Plan" means the Company's 2001 Stock Incentive Plan.

(w) "Reload Option" means an Option granted pursuant to Section 7(g).

(x) "Restricted Period" means, with respect to any share of Restricted Stock, the period of time determined by the Committee during which such Award is subject to the restrictions set forth in Section 8.

(y) "Restricted Stock" means shares of Stock issued or transferred to a Participant subject to forfeiture and the other restrictions set forth in Section 8.

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(z) "Restricted Stock Award" means an Award of Restricted Stock granted under Section 8 of the Plan.

(aa) "Securities Act" means the Securities Act of 1933, as amended.

(bb) "Stock" means the shares, par value \$1.00 per share, of RenaissanceRe Holdings Ltd.

(cc) "Stock Bonus" means an Award of Stock made pursuant to Section 9 of the Plan.

(dd) "Stock Option Agreement" means the agreement between the Company and a Participant who has been granted an Option pursuant to Section 9 which defines the rights and obligations of the parties as required in Section 7(d).

(ee) "Subsidiary" means any subsidiary of the Company as defined in Section 424(f) of the Code.

### 3. EFFECTIVE DATE, DURATION AND SHAREHOLDER APPROVAL

The Plan is effective as of February 6, 2001, the date on which the Plan was adopted by the Board subject to its approval by the Company's shareholders.

The expiration date of the Plan, after which no Awards may be granted hereunder, shall be February 6, 2011; provided, however, that the administration of the Plan shall continue in effect until all matters relating to the payment of Awards previously granted have been settled.

### 4. ADMINISTRATION

The Committee shall administer the Plan. Unless otherwise determined by the Board, each member of the Committee shall, at the time such member takes any action with respect to an Award granted to a Participant who is an "insider" for purposes of Section 16 of the Exchange Act, be a Non-Employee Director. The majority of the members of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present or acts approved in writing by a majority of the Committee shall be deemed the acts of the Committee.

Subject to the provisions of the Plan, the Committee shall have exclusive power to:

(a) Select the Eligible Persons to participate in the Plan;

(b) Determine the nature and extent of the Awards to be made to each Eligible Person;

(c) Determine the time or times when Awards will be made to Eligible Persons;

(d) Determine the duration of each Option Period and Restricted Period;

(e) Determine the conditions to which the payment of Awards may be subject;

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(f) Prescribe the form of Stock Option Agreement or other form or forms evidencing Awards; and

(g) Cause records to be established in which there shall be entered, from time to time as Awards are made to Participants, the date of each Award, the number of Incentive Stock Options, Nonqualified Stock Options, shares of Restricted Stock and shares of the stock covered by a Stock Bonus granted by the Committee to each Participant, the expiration date, the Option Period and the

duration of any applicable Restricted Period.

The Committee shall have the authority to interpret the Plan and, subject to the provisions of the Plan, to establish, adopt, or revise such rules and regulations and to make all such determinations relating to the Plan as it may deem necessary or advisable for the administration of the Plan. The Committee's interpretation of the Plan or any documents evidencing Awards granted pursuant thereto and all decisions and determinations by the Committee with respect to the Plan shall be final, binding, and conclusive on all parties unless otherwise determined by the Board.

5. GRANT OF AWARDS; SHARES SUBJECT TO THE PLAN

The Committee may, from time to time, grant Awards of Options, Restricted Stock and Stock Bonuses to one or more Eligible Persons; provided, however, that:

(a) subject to Section 11, the aggregate number of shares of Stock reserved and available for issuance pursuant to Awards under the Plan is 1,000,000;

(b) such shares shall be deemed to have been used in payment of Awards only to the extent they are actually delivered. In the event any Award shall be surrendered, terminate, expire, or be forfeited, the number of shares of Stock no longer subject thereto shall thereupon be released and shall thereafter be available for new Awards under the Plan;

(c) the number of shares of Stock available for issuance shall be increased by the number of shares tendered to or withheld by the Company in connection with the payment of the purchase price or tax withholding obligations relating to any Award hereunder; and

(d) stock delivered by the Company in settlement of Awards under the Plan may be authorized and unissued Stock or Stock held in the treasury of the Company or may be purchased on the open market or by private purchase.

6. ELIGIBILITY

Participation shall be limited to Eligible Persons who have received notification from the Committee, or from a person designated by the Committee, that they have been selected to participate in the Plan.

7. DISCRETIONARY GRANT OF STOCK OPTIONS

The Committee is authorized to grant one or more Incentive Stock Options or Nonqualified Stock Options to any Eligible Person. Each Option so granted shall be subject to

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the following conditions, or to such other conditions as may be reflected in the applicable Stock Option Agreement.

(a) OPTION PRICE. The exercise price ("Option Price") per share of Stock for each Option shall be set by the Committee at the time of grant but shall not be less than (i) in the case of an Incentive Stock Option, and subject to Section 7(e), the Fair Market Value of a share of Stock at the Date of Grant, and (ii) in the case of a Non-Qualified Stock Option, not less than 85% of the Fair Market Value of a share of Stock at the Date of Grant; provided, that the number of Non-Qualified Stock Options granted with an Option Price less than the Fair Market Value of a share of Stock at the Date of Grant shall in no event exceed 10% of the number of shares of Stock reserved for issuance under the Plan. The Company will not engage in any repricing of outstanding Options without approval of the Company's Shareholders.

(b) MANNER OF EXERCISE AND FORM OF PAYMENT. The exercise price of Options may be paid in cash or by such other means as may be approved by the Committee in its discretion; provided that any right to such pay exercise price by tendering shares of Stock shall be limited to shares which have been held by the Holder for at least six months. In the event the Committee shall provide that the exercise price of an Option may be paid by delivery of shares of Restricted Stock, and the exercise price is so paid by the Holder, the Holder shall receive, in connection with such exercise, an equal number of shares of Restricted Stock having the same restrictions and any remaining shares of Stock issued upon such exercise shall have such restrictions, if any, as are set forth in such Holder's Stock Option Agreement.

(c) OPTION PERIOD AND EXPIRATION. Options shall vest and become exercisable in such manner and on such date or dates and shall expire after such

period, not to exceed ten years, as may be determined by the Committee (the "Option Period"); provided, however, that notwithstanding any vesting dates set by the Committee, the Committee may in its sole discretion accelerate the exercisability of any Option, which acceleration shall not affect the terms and conditions of any such Option other than with respect to exercisability. Unless otherwise specifically determined by the Committee or as provided below, the vesting of an Option shall occur only while the Participant is employed by the Company or its Subsidiaries and all vesting shall cease upon a Holder's termination of employment for any reason. If an Option is exercisable in installments, such installments or portions thereof which become exercisable shall remain exercisable until the Option expires. Unless otherwise stated in the applicable Stock Option Agreement, the Option shall expire earlier than the end of the Option Period in the following circumstances:

- (i) IN GENERAL. In the event a Holder's employment with the Company or a Subsidiary is terminated for any reason other than the Holder's death or Disability, all Awards which have not vested as of the date of such termination shall be immediately forfeited. The Holder shall have a period of up to 30 days within which to exercise any Options which were vested as of the date of termination, and such vested Options shall lapse and be cancelled to the extent not so exercised.
- (ii) DEATH OR DISABILITY. In the event a Holder's employment with the Company or a Subsidiary is terminated by reason of the Holder's death or

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Disability or if such Holder shall die or become disabled within 30 days of the Holder's involuntary termination of employment other than for Cause, all Awards which have not vested as of the date of such termination shall become immediately vested. Such Holder (or such Holder's estate) shall have up to one year after such termination to exercise vested Options.

(d) STOCK OPTION AGREEMENT - OTHER TERMS AND CONDITIONS. Each Option granted under the Plan shall be evidenced by a Stock Option Agreement, which may be in paper or electronic format and which shall contain such provisions as may be determined by the Committee and, except as may be specifically stated otherwise in such Stock Option Agreement, shall be subject to the following terms and conditions:

- (i) Each Option or portion thereof that is exercisable shall be exercisable for the full amount or for any part thereof.
- (ii) Each share of Stock purchased through the exercise of an Option shall be paid for in full at the time of the exercise.
- (iii) Options shall not be transferable by the Holder except by will or the laws of descent and distribution and shall be exercisable during the Holder's lifetime only by him; provided, however, that the Committee may, in its sole discretion, at the time of grant or at any time thereafter, allow any Holder to transfer any Nonqualified Stock Option, subject to such conditions or limitations set forth in Section 10(k) hereof.
- (iv) Each Option shall vest and become exercisable by the Holder in accordance with the vesting schedule established by the Committee and set forth in the Stock Option Agreement.
- (v) Each Stock Option Agreement may contain a provision that, upon demand by the Committee for such a representation, the Holder shall deliver to the Committee at the time of any exercise of an Option a written representation that the shares to be acquired upon such exercise are to be acquired for investment and not for resale or with a view to the distribution thereof. Upon such demand, delivery of such representation prior to the delivery of any shares issued upon exercise of an Option shall be a condition precedent to the right of the Holder or such other person to purchase any shares. In the event certificates for Stock are delivered under the Plan with respect to which such investment representation has been obtained, the Committee may cause a legend or legends to be placed on such certificates to make



appropriate reference to such representation and to restrict transfer in the absence of compliance with applicable federal or state securities laws.

- (vi) Each Incentive Stock Option Agreement shall contain a provision requiring the Holder to notify the Company in writing immediately after the Holder makes a disqualifying disposition of any Stock acquired

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pursuant to the exercise of such Incentive Stock Option. A disqualifying disposition is any disposition (including any sale) of such Stock before the later of (a) two years after the Date of Grant of the Incentive Stock Option or (b) one year after the date the Holder acquired the Stock by exercising the Incentive Stock Option.

(e) INCENTIVE STOCK OPTION GRANTS TO 10% STOCKHOLDERS. Notwithstanding anything to the contrary herein, if an Incentive Stock Option is granted to a Holder who owns stock representing more than 10% of the voting power of all classes of stock of the Company or of a Subsidiary, the Option Period shall not exceed five years from the Date of Grant of such Option and the Option Price shall be at least 110% of the Fair Market Value (on the Date of Grant) of the Stock subject to the Option.

(f) \$100,000 PER YEAR LIMITATION FOR INCENTIVE STOCK OPTIONS. To the extent the aggregate Fair Market Value (determined as of the Date of Grant) of Stock for which Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Company and its Subsidiaries) exceeds \$100,000, such excess Incentive Stock Options shall be treated as Nonqualified Stock Options.

(g) RELOAD OPTIONS

- (i) Reload Options may be granted from time to time by the Committee, in its sole discretion, in the event a Participant, while employed by the Company or a Subsidiary, exercises an Option by the delivery of shares of Stock which have been held by the Participant for a period of at least six months, or in the event a Participant's tax withholding obligations upon exercise of Options are satisfied by the Company withholding shares of Stock with an aggregate Fair Market Value equal to the minimum tax withholding amount due thereon, as provided in Section 10(d) hereof. Such Reload Options shall entitle the Participant to purchase that number of shares of Stock equal to the number of shares of Stock so delivered to, or withheld by, the Company, provided that the total number of shares covered by any Reload Options shall not exceed the number of shares subject to the underlying award to which the grant of the Reload Option relates.
- (ii) The price per share of Reload Options shall be the Fair Market Value per share on the date such Reload Option is granted. The duration of such Reload Option shall not extend beyond ten years from the date of grant of the underlying award to which the grant of the Reload Option relates. Reload Options shall be fully vested and exercisable on the date of grant. Other specific terms and conditions applicable to Reload Options granted under the Plan shall be determined by the Committee.

8. RESTRICTED STOCK AWARDS

(a) AWARD OF RESTRICTED STOCK.

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- (i) The Committee shall have the authority (1) to grant Restricted Stock, (2) to issue or transfer Restricted Stock to Eligible Persons, and (3) to establish terms, conditions and restrictions applicable to such Restricted Stock, including the Restricted Period, which may differ with respect to each grantee, the time or times at which Restricted Stock shall be granted or become vested and the number of shares to be covered by each grant. Restricted

Stock also may be granted in lieu of cash compensation otherwise payable to Participant.

- (ii) The Holder of a Restricted Stock Award shall execute and deliver to the Company an Award agreement with respect to the Restricted Stock, which may be in paper or electronic format, setting forth the restrictions applicable to such Restricted Stock. The Committee may determine, in its sole discretion, that the Restricted Stock shall be held in book entry form rather than delivered to the Holder pending the release of the applicable restrictions. If a Holder shall fail to execute a Restricted Stock agreement, the Award shall be null and void. Subject to the restrictions set forth in Section 9(b), the Holder shall generally have the rights and privileges of a stockholder as to such Restricted Stock, including the right to vote such Restricted Stock. At the discretion of the Committee, cash dividends and stock dividends, if any, with respect to the Restricted Stock may be either currently paid to the Holder or withheld by the Company for the Holder's account. Unless otherwise determined by the Committee no interest will accrue or be paid on the amount of any cash dividends withheld. Unless otherwise determined by the Committee, cash dividends or stock dividends so withheld by the Committee shall be subject to forfeiture to the same degree as the shares of Restricted Stock to which they relate.

(b) RESTRICTIONS.

- (i) Restricted Stock awarded to a Participant shall be subject to the following restrictions until the expiration of the Restricted Period, and to such other terms and conditions as may be set forth in the applicable Award agreement: (1) if book entry form is used, the Holder shall not be entitled to delivery of the stock certificate; (2) the shares shall be subject to the restrictions on transferability set forth in the Award agreement; (3) the shares shall be subject to forfeiture to the extent provided in Section 8(d) and the Award Agreement and, to the extent such shares are forfeited, the stock certificates previously delivered to the Holder shall be returned to the Company, and all rights of the Holder to such shares and as a shareholder shall terminate without further obligation on the part of the Company.
- (ii) The Committee shall have the authority to remove any or all of the restrictions on the Restricted Stock whenever it may determine that, by reason of changes in applicable laws or other changes in circumstances

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arising after the date of the Restricted Stock Award, such action is appropriate.

(c) RESTRICTED PERIOD. The Restricted Period of Restricted Stock shall commence on the Date of Grant and shall expire from time to time as to that part of the Restricted Stock indicated in a schedule established by the Committee and set forth in a written Award agreement.

(d) FORFEITURE PROVISIONS. Except to the extent determined by the Committee and reflected in the underlying Award agreement, in the event a Holder terminates employment with the Company and all Subsidiaries during a Restricted Period, that portion of the Award with respect to which restrictions have not expired shall be forfeited.

(e) DELIVERY OF RESTRICTED STOCK. Upon the expiration of the Restricted Period with respect to any shares of Stock covered by a Restricted Stock Award, the restrictions set forth in Section 8(b) and the Award agreement shall be of no further force or effect with respect to shares of Restricted Stock which have not then been forfeited. If book entry form is used, upon such expiration, the Company shall deliver to the Holder, or his beneficiary, without charge, the stock certificate evidencing the shares of Restricted Stock which have not then been forfeited and with respect to which the Restricted Period has expired (to the nearest full share) and any cash dividends or stock dividends credited to the Holder's account with respect to such Restricted Stock and the interest thereon, if any.

(f) STOCK RESTRICTIONS. Each certificate representing Restricted Stock awarded under the Plan shall bear the following legend until the end of the Restricted Period with respect to such Stock:

"Transfer of this certificate and the shares represented hereby is restricted pursuant to the terms of a Restricted Stock Agreement, dated as of , between RenaissanceRe Holdings Ltd. and . A copy of such Agreement is on file at the offices of RenaissanceRe Holdings Ltd."

Stop transfer orders shall be entered with the Company's transfer agent and registrar against the transfer of legended securities.

9. STOCK BONUSES

The Committee may grant Stock Bonuses to any eligible individual under this Plan that the Committee deems appropriate. Any such Stock Bonuses and any related agreements shall contain such terms and conditions as the Committee deems appropriate. Such Stock Bonuses and agreements need not be identical.

10. GENERAL

(a) ADDITIONAL PROVISIONS OF AN AWARD. Awards under the Plan also may be subject to such other provisions (whether or not applicable to the benefit awarded to any other Participant) as the Committee determines appropriate including, without limitation, provisions to assist the Participant in financing the purchase of Stock upon the exercise of Options, provisions for the forfeiture of or restrictions on resale or other disposition of shares of Stock acquired

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under any Award, provisions giving the Company the right to repurchase Awards and/or shares of Stock acquired under any Award, and provisions to comply with Federal and state securities laws and Federal and state tax withholding requirements. Any such provisions shall be reflected in the applicable Award agreement.

(b) PRIVILEGES OF STOCK OWNERSHIP. Except as otherwise specifically provided in the Plan, no person shall be entitled to the privileges of stock ownership in respect of shares of Stock which are subject to Awards hereunder until such shares have been issued to that person.

(c) GOVERNMENT AND OTHER REGULATIONS. The obligation of the Company to make payment of Awards in Stock or otherwise shall be subject to all applicable laws, rules, and regulations, and to such approvals by governmental agencies as may be required. Notwithstanding any terms or conditions of any Award to the contrary, the Company shall be under no obligation to offer to sell or to sell and shall be prohibited from offering to sell or selling any shares of Stock pursuant to an Award unless such shares have been properly registered for sale pursuant to the Securities Act with the Securities and Exchange Commission or unless the Company has received an opinion of counsel, satisfactory to the Company, that such shares may be offered or sold without such registration pursuant to an available exemption therefrom and the terms and conditions of such exemption have been fully complied with. The Company shall be under no obligation to register for sale under the Securities Act any of the shares of Stock to be offered or sold under the Plan. If the shares of Stock offered for sale or sold under the Plan are offered or sold pursuant to an exemption from registration under the Securities Act, the Company may restrict the transfer of such shares and may legend the Stock certificates representing such shares in such manner as it deems advisable to ensure the availability of any such exemption.

(d) TAX WITHHOLDING. The Company shall have the right to deduct from any payment to a Holder pursuant to the Plan any federal, state or local income or other taxes required by law to be withheld in respect thereof. It shall be a condition to the obligation of the Company to issue stock to a Holder upon the exercise of an Option by such Holder that such Holder (or any beneficiary or person entitled to exercise such Option) pay to the Company, upon demand, such amount as may be requested by the Company for the purpose of satisfying any liability to withhold federal, state or local income or other taxes. In the event any such amount so requested is not paid, the Company may refuse to issue Common Shares to such Holder upon the exercise by such Holder of Options. Unless the Committee shall in its sole discretion determine otherwise, payment for taxes required to be withheld may be made in whole or in part by an election by a Holder, in accordance with such rules as may be adopted by the Committee from time to time, (i) to have the Company withhold Common Shares otherwise issuable upon exercise of Options having a Fair Market Value equal to the minimum legally required tax withholding liability and/or (ii) to tender to the Company Common Shares held by such Holder for at least six months prior to the date of such tender and having a Fair Market Value equal to such tax withholding liability.

(e) CLAIM TO AWARDS AND EMPLOYMENT RIGHTS. No individual shall have any claim or right to be granted an Award under the Plan or, having been selected for the grant of an Award, to be selected for a grant of any other Award. Neither the Plan nor any action taken hereunder shall be construed as giving any

service of the Company or a Subsidiary.

(f) DESIGNATION AND CHANGE OF BENEFICIARY. Each Participant may file with the Committee a written designation of one or more persons as the beneficiary who shall be entitled to receive the rights or amounts payable with respect to an Award due under the Plan upon his death. A Participant may, from time to time, revoke or change his beneficiary designation without the consent of any prior beneficiary by filing a new designation with the Committee. The last such designation received by the Committee shall be controlling; provided, however, that no designation, or change or revocation thereof, shall be effective unless received by the Committee prior to the Participant's death, and in no event shall it be effective as of a date prior to such receipt. If no beneficiary designation is filed by the Participant, the beneficiary shall be deemed to be the Holder's spouse or, if the Participant is unmarried at the time of death, the Holder's estate.

(g) PAYMENTS TO PERSONS OTHER THAN PARTICIPANTS. If the Committee shall find that any person to whom any amount is payable under the Plan is unable to care for his affairs because of illness or accident, or is a minor, or has died, then any payment due to such person or his estate (unless a prior claim therefor has been made by a duly appointed legal representative) may, if the Committee so directs the Company, be paid to his spouse, child, relative, an institution maintaining or having custody of such person, or any other person deemed by the Committee to be a proper recipient on behalf of such person otherwise entitled to payment. Any such payment shall be a complete discharge of the liability of the Committee and the Company therefor.

(h) NO LIABILITY OF COMMITTEE MEMBERS. No member of the Committee shall be personally liable by reason of any contract or other instrument executed by such member or on his behalf in his capacity as a member of the Committee nor for any mistake of judgment made in good faith, and the Company shall indemnify and hold harmless each member of the Committee and each other employee, officer or director of the Company to whom any duty or power relating to the administration or interpretation of the Plan may be allocated or delegated, against any cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud or willful bad faith; provided, however, that approval of the Board shall be required for the payment of any amount in settlement of a claim against any such person. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation or By-Laws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

(i) GOVERNING LAW. The Plan shall be governed by and construed in accordance with the internal laws of Bermuda, without regard to the principles of conflicts of law thereof.

(j) FUNDING. No provision of the Plan shall require the Company, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Company maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Holders shall have

no rights under the Plan other than as unsecured general creditors of the Company, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other employees under general law.

(k) NONTRANSFERABILITY. A person's rights and interest under the Plan, including amounts payable, may not be sold, assigned, donated, or transferred or otherwise disposed of, mortgaged, pledged or encumbered except, in the event of a Holder's death, to a designated beneficiary to the extent permitted by the Plan, or in the absence of such designation, by will or the laws of descent and distribution. Notwithstanding anything in this Section 10(k) to the contrary, the Committee may, in its sole discretion, at the time of grant or at any time thereafter, allow any Participant to transfer to the Participant's "family members" Options that are not Incentive Stock Options, Restricted Stock, and

shares that are subject to Stock Bonuses granted to such Participant, provided that such transfer is not for "value." For purposes of this Section 10(k), a transfer shall not be considered to be made for value if the transfer is made (i) pursuant to a domestic relations order in settlement of marital property rights or (ii) to an entity in which more than fifty percent of the voting interests are owned by the Participant's family members or the Participant in exchange for an interest in that entity. For purposes of this Section 10(k), the term "family members" shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, any person sharing the Participant's household (other than a tenant or employee), a trust in which these persons have more than fifty percent of the beneficial interest, a foundation in which these persons (or the Participant) control the management of assets, and any other entity in which these persons (or the Participant) own more than fifty percent of the voting interests.

(l) RELIANCE ON REPORTS. Each member of the Committee and each member of the Board shall be fully justified in relying, acting or failing to act, and shall not be liable for having so relied, acted or failed to act in good faith, upon any report made by the independent public accountant of the Company and its Subsidiaries and upon any other information furnished in connection with the Plan by any person or persons other than himself.

(m) RELATIONSHIP TO OTHER BENEFITS. No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance or other benefit plan of the Company or any Subsidiary except as otherwise specifically provided in such other plan.

(n) EXPENSES. The expenses of administering the Plan shall be borne by the Company and its Subsidiaries.

(o) PRONOUNS. Masculine pronouns and other words of masculine gender shall refer to both men and women.

(p) TITLES AND HEADINGS. The titles and headings of the sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings shall control.

(q) TERMINATION OF EMPLOYMENT. For all purposes herein, a person who transfers

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from employment or service with the Company to employment or service with a Subsidiary or vice versa shall not be deemed to have terminated employment or service with the Company or a Subsidiary.

#### 11. CHANGES IN CAPITAL STRUCTURE AND CHANGE IN CONTROL

Awards under the Plan shall be subject to adjustment or substitution, as determined by the Board in its reasonable discretion, as to the number, price or kind of shares or other consideration subject to such Awards or as otherwise determined by the Board to be equitable (i) in the event of changes in the outstanding Stock or in the capital structure of the Company, by reason of share dividends, share splits, recapitalizations, reorganizations, mergers, consolidations, combinations, exchanges, or other relevant changes in capitalization occurring after the date of grant of any such Awards or (ii) in the event of any change in applicable laws or any change in circumstances which results in or would result in any substantial dilution or enlargement of the rights granted to, or available for, Participants in the Plan, or which otherwise warrants equitable adjustment because it interferes with the intended operation of the Plan. In addition, in the event of any such adjustments, exchanges or substitution, the aggregate number of Stock available under the Plan shall be appropriately adjusted, as determined by the Board in its reasonable discretion.

In the event of a Change in Control, notwithstanding any vesting schedule provided for hereunder or in any Award agreement, all outstanding Awards shall automatically vest. In addition, in the event of a Change in Control which, in the discretion of the Board, is not to be accounted for as a pooling of interests, all Options which are outstanding on the date of such Change in Control shall be deemed exercised, and in exchange for outstanding Options, Participants shall be paid a cash amount based on the difference between (1) the price per share paid for the Stock in connection with such Change in Control, and (2) the exercise price per share.

#### 12. NONEXCLUSIVITY OF THE PLAN

Neither the adoption of this Plan by the Board nor the submission of this Plan to the stockholder of the Company for approval shall be construed as

creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under this Plan, and such arrangements may be either applicable generally or only in specific cases.

13. AMENDMENTS AND TERMINATION

The Board may at any time terminate the Plan. Subject to Section 11, with the express written consent of an individual Participant, the Board or the Committee may cancel or reduce or otherwise alter outstanding Awards if, in its judgment, the tax, accounting, or other effects of the Plan or potential payouts thereunder would not be in the best interest of the Company. The Board or the Committee may, at any time, or from time to time, amend or suspend and, if suspended, reinstate, the Plan in whole or in part; provided, however, that without further stockholder approval neither the Board nor the Committee shall make any amendment to the Plan which would:

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(a) Increase the maximum number of shares of Stock which may be issued pursuant to Awards, except as provided in Section 11; or

(b) Change the class of persons eligible to receive Incentive Stock Options under the Plan.

\* \* \*

As adopted by the Board of Directors of  
RenaissanceRe Holdings Ltd. as of  
February 6, 2001.

## SUBSIDIARIES OF RENAISSANCERE HOLDINGS LTD.

1. 100% of the issued and outstanding capital shares of Renaissance Reinsurance Ltd., a company organized under the laws of Bermuda, is owned by RenaissanceRe Holdings Ltd.
2. 100% of the issued and outstanding capital shares of Glencoe Insurance Ltd., a company organized under the laws of Bermuda, is owned by RenaissanceRe Holdings Ltd.
3. 100% of the issued and outstanding capital shares of DeSoto Insurance Company, a company organized under the laws of Florida, is owned by Glencoe Insurance Ltd.
4. 100% of the issued and outstanding capital shares of Renaissance Services Ltd., a company organized under the laws of Bermuda, is owned by RenaissanceRe Holdings Ltd.
5. 100% of the issued and outstanding capital shares of Renaissance U.S. Holdings, Inc., a corporation organized under the laws of Delaware, is owned by RenaissanceRe Holdings Ltd.
6. 100% of the issued and outstanding capital shares of Renaissance Investment Management Co. Ltd., a company organized under the laws of Bermuda, is owned by RenaissanceRe Holdings Ltd.
7. 100% of the issued and outstanding capital shares of Nobel Insurance Company, an insurance company organized under the laws of Texas, is owned by Renaissance U.S. Holdings Inc.
8. 100% of the issued and outstanding capital shares of DeSoto Prime Insurance Company, a company organized under the laws of Florida, is owned by Renaissance U.S. Holdings Inc..
9. 100% of the issued and outstanding capital shares of Nobel Service Corporation, a corporation organized under the laws of Texas, is owned by Nobel Insurance Company.
10. 100% of the issued and outstanding capital shares of Paget Insurance Agency, Inc., a corporation organized under the laws of Florida, is owned beneficially by Renaissance U.S. Holdings Inc.
11. 100% of the issued and outstanding capital shares of Pembroke Managing Agents, Inc., a corporation organized under the laws of Florida, is owned beneficially by Renaissance U.S. Holdings Inc.
12. 50% of the issued and outstanding capital shares of Top Layer Reinsurance Ltd., a company organized under the laws of Bermuda, is owned by Renaissance Reinsurance Ltd.
13. 99% of the issued and outstanding capital shares of Renaissance Reinsurance of Europe, a company organized under the laws of Ireland, is owned by Renaissance Reinsurance Ltd., with the remaining 1% owned by RenaissanceRe Holdings Ltd.
14. 100% of the Common Securities of RenaissanceRe Capital Trust, a Delaware statutory business trust, are owned by RenaissanceRe Holdings Ltd. Such Common Securities represent approximately 3% of the outstanding beneficial interests in the Trust, and 100% of the ordinary voting power.
15. 100% of the issued and outstanding capital shares of Renaissance Underwriting Managers, Ltd., a company organized under the laws of Bermuda, is owned by RenaissanceRe Holdings Ltd.
16. 100% of the issued and outstanding capital shares of Wyndham Partners Consulting, Ltd., a Virginia corporation, is owned by Renaissance U.S. Holdings, Inc.

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-3 No. 333-55852) of RenaissanceRe Holdings Ltd. and in the related Prospectus of our reports dated January 26, 2001, with respect to the consolidated financial statements and schedules of RenaissanceRe Holdings Ltd. included in this Annual Report (Form 10-K) for the year ended December 31, 2000.

/s/ Ernst & Young

Hamilton, Bermuda

March 28, 2001



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