

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION

FORM 10-Q

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

For the quarterly period ended: June 30, 1998

OR

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

For the transition period from _____ to _____

Commission file number: 34-0-26512

RenaissanceRe Holdings Ltd.
(Exact name of registrant as specified in its charter)

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

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

(441) 295-4513
(Registrant's telephone number, including area code)
Not Applicable
(Former name, former address and former fiscal year,
if changed since last report)

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

The number of outstanding shares of RenaissanceRe Holding Ltd.'s common stock,
par value US \$1.00 per share as of June 30, 1998 was 22,264,485.

Total number of pages in this report: 25

RenaissanceRe Holdings Ltd.

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Signature - RenaissanceRe Holdings Ltd.
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Item 1 - Financial Statements

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

<TABLE>
<CAPTION>

	As at	
	June 30, 1998	December 31, 1997
Assets	(Unaudited)	
<S>	<C>	<C>
Fixed maturity investments available for sale, at fair value (Amortized cost \$809,836 and \$712,946 at June 30, 1998 and December 31, 1997, respectively)	\$ 804,558	\$ 700,665
Equity securities at fair value (cost \$5,808 and \$24,229 at June 30, 1998 and December 31, 1997, respectively)	5,808	26,372
Short term investments	31,605	9,501
Cash and cash equivalents	87,823	122,929
	929,794	859,467
Premiums receivable	126,686	56,568
Ceded reinsurance balances	51,877	17,454
Losses recoverable	74,169	-
Accrued investment income	10,314	12,762
Deferred acquisition costs	18,496	5,739
Other assets	47,034	8,759
	\$ 1,258,370	\$ 960,749
Liabilities, Minority Interests and Shareholders' Equity		
Liabilities		
Reserve for claims and claim adjustment expenses	\$ 202,839	\$ 110,037
Reserve for unearned premiums	144,997	57,008
Bank loans payable	85,000	50,000
Reinsurance balances payable	73,104	21,778
Other	11,921	9,541
	517,861	248,364
Minority Interest - Company obligated mandatorily redeemable capital securities of a subsidiary trust holding solely junior subordinated debentures of the Company	100,000	100,000
Minority interest - Glencoe	-	13,682
Shareholders' Equity		
Common shares	22,264	22,441
Additional paid-in capital	43,790	52,481
Unearned share grant compensation	(9,607)	(4,731)
Accumulated other comprehensive income (net unrealized depreciation on investments)	(5,278)	(10,155)
Retained earnings	589,340	538,667
	640,509	598,703
Total liabilities, minority interests, and shareholders' equity	\$ 1,258,370	\$ 960,749
Book value per Common Share	\$ 28.77	\$ 26.68
Common Shares outstanding	22,264	22,441

</TABLE>

The accompanying notes are an integral part of these financial statements

(Unaudited)

<TABLE>

<CAPTION>

	Quarters Ended		Year-to-Date
	June 30, 1998	June 30, 1997	June 30, 1998
June 30, 1997			
<S>	<C>	<C>	<C>
<C>			
Revenues			
Gross Premiums Written	\$ 45,851	\$ 34,804	\$ 164,996
\$ 155,163			
===== Net premiums written	\$ 5,162	\$ 20,576	\$ 117,614
\$ 138,224			
Decrease (increase) in unearned premiums	41,879	30,887	(24,476)
(30,860)			
----- Net premiums earned	47,041	51,463	93,138
107,364			
Net investment income	12,629	12,216	26,258
24,341			
Net foreign exchange gains (losses)	(827)	479	(851)
(1,164)			
Other income	347	--	347
--			
Net realized losses on investments	(2,163)	(302)	(927)
(136)			
----- Total revenues	57,027	63,856	117,965
130,405			
----- Expenses			
Claims and claim adjustment expenses incurred	10,294	11,106	18,170
25,344			
Acquisition expenses	5,436	5,937	11,828
12,315			
Operating expenses	7,827	6,099	14,202
12,017			
Corporate expenses	812	605	1,602
2,562			
Interest expense	794	769	1,580
2,702			
----- Total expenses	25,163	24,516	47,382
54,940			
----- Income before minority interest and taxes	31,864	39,340	70,583
75,465			
Minority Interest - Company Obligated Mandatorily			
Redeemable Capital Securities of a Subsidiary			
Trust holding solely Junior Subordinated			
Debentures of the Company	2,159	2,183	4,270
2,728			
Minority interest - Glencoe	283	152	705
295			
----- Income before taxes	29,422	37,005	65,608
72,442			
Income tax expense	884	--	1,396
--			
----- Net income	\$ 28,538	\$ 37,005	\$ 64,212
\$ 72,442			
===== Earnings per Common Share - basic	\$ 1.28	\$ 1.63	\$ 2.88
\$ 3.19			
Earnings per Common Share - diluted	\$ 1.26	\$ 1.59	\$ 2.83
\$ 3.12			
Average shares outstanding - basic	22,237	22,700	22,267
22,740			

Average shares outstanding - diluted 23,248	22,728	23,201	22,718
Claims and claim expense ratio 23.6%	21.9%	21.6%	19.6%
Expense ratio 22.7%	28.2%	23.4%	27.9%
-----	-----	-----	-----
Combined ratio 46.3%	50.1%	45.0%	47.5%
=====	=====	=====	=====

</TABLE>

The accompanying notes are an integral part of these financial statements

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RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Changes in Shareholders' Equity
For the six months ended June 30, 1998 and 1997
(United States Dollars)
(in thousands, except per share amounts)
(Unaudited)

<TABLE>
<CAPTION>

	1998		1997	
	-----		-----	
	<C>	<C>	<C>	<C>
-				
<S>				
Retained earnings				
Balance -- January 1	\$ 538,667		\$ 422,061	
Net income	64,212	\$ 64,212	72,442	\$72,442
Dividends paid	(13,539)		(11,438)	
	-----		-----	
Balance -- June 30	589,340		483,065	
Accumulated other comprehensive income				
Balance -- January 1	(10,155)		1,577	
Net unrealized gains on securities, net of adjustment (see disclosure)	4,877	4,877	5,384	5,384
		-----		-----
-				
Comprehensive income		\$ 69,089		\$77,826
		-----		-----
=====				
Balance -- June 30	(5,278)		6,961	
Unearned share grant compensation & loans to officers				
Balance -- January 1	(4,731)		(3,868)	
Share grants awarded	(5,964)		-	
Amortization and / or interest on loans	1,088		(122)	
	-----		-----	
Balance -- June 30	(9,607)		(3,990)	
Common Shares				
Balance -- January 1	22,441		23,531	
Restricted stock granted and exercise of options	173		172	
Issuance of shares	-		174	
Repurchase of shares	(350)		(1,513)	
	-----		-----	
Balance -- June 30	22,264		22,364	
Paid-in Capital				
Balance -- January 1	52,481		102,902	
Restricted stock granted and exercise of options	6,606		(2,226)	
Issuance of shares	-		5,764	
Repurchase of shares	(15,297)		(51,945)	
	-----		-----	
Balance -- June 30	43,790		54,495	
Total Equity	\$ 640,509		\$ 562,895	
	=====		=====	
Disclosure regarding net unrealized gains				
Net unrealized holding gains arising during period	\$ 5,804		\$ 5,520	
Less: net realized gains included in net income	(927)		(136)	
	-----		-----	
Net unrealized gains on securities	\$ 4,877		\$ 5,384	
	=====		=====	

</TABLE>

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

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

<TABLE>
<CAPTION>

	Year to date
June 30, 1997	June 30, 1998
<S>	<C>
<C>	
Cash Flows from Operating Activities	
Net income	\$ 64,212
\$ 72,442	
Adjustments to reconcile net income to cash provided by operating activities	
Amortization and depreciation	2,540
520	
Realized investment gains	927
136	
Minority share of income	706
295	
Change in:	
Reinsurance balances, net	(24,292)
(36,099)	
Deferred acquisition costs	(7,140)
(4,651)	
Reserve for claims and claim adjustment expenses, net	4,235
756	
Reserve for unearned premiums, net	28,366
38,191	
Other	(25)
1,679	
Cash provided by operating activities	69,529
73,269	
Cash flows from investing activities	
Proceeds from sale of fixed income investments	340,078
278,100	
Purchase of investments available for sale	(385,811)
(377,281)	
Proceeds from sale of equity investments	26,148
-	
Net purchases of short-term investments	(18,312)
-	
Purchase of minority interest's share in Glencoe	(13,682)
-	
Payment for purchase of Nobel, net of cash acquired	(58,869)
-	
Cash used in investing activities	(110,448)
(99,181)	
Cash flows from financing activities	
Proceeds from issuance of capital securities	-
100,000	
Proceeds from (repayment of) bank loan	35,000
(100,000)	
Dividends paid	(13,539)
(11,438)	
Purchase of Common Shares	(15,647)
(53,458)	
Cash provided by (used in) financing activities	5,814
(64,896)	

Net decrease in cash and cash equivalents (90,808)	(35,105)
Cash and cash equivalents, beginning of period 198,982	122,928
-----	-----
Cash and cash equivalents, end of period \$ 108,174	\$ 87,823
=====	=====

</TABLE>

The accompanying notes are an integral part of these financial statements

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Notes to Consolidated Financial Statements
(Expressed in United States Dollars)
(Unaudited)

1. The consolidated financial statements have been prepared on the basis of United States generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The consolidated financial statements include the accounts of RenaissanceRe Holdings Ltd. ("RenaissanceRe") and its subsidiaries, which are collectively referred to herein as the "Company". In the opinion of the Company's management, these financial statements reflect all the normal recurring adjustments necessary for a fair presentation of the Company's financial position at June 30, 1998 and December 31, 1997, and its results of operations, changes in shareholders' equity and cash flows for the six months ended June 30, 1998 and 1997. These consolidated financial statements should be read in conjunction with the 1997 audited consolidated financial statements and related notes thereto. Certain comparative information has been reclassified to conform to current presentation. Because of the seasonality of the Company's business the results of operations for any interim period will not necessarily be indicative of results of operations for the full fiscal year.

2. Significant Accounting Policies

a) Earnings per share

In 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 128, Earnings per Share. SFAS No. 128 replaced the previously reported primary and fully diluted earnings per share with basic and diluted earnings per share. All earnings per share amounts for all periods have been presented, and where necessary, restated to conform to the requirements of SFAS No.128.

b) Comprehensive Income

As of January 1, 1998 the Company adopted SFAS No. 130, "Reporting Comprehensive Income". SFAS No. 130 requires an enterprise to (a) classify items of other comprehensive income by their nature in a financial statement and (b) display the accumulated balance of other comprehensive income separately in the equity section of a statement of financial position. SFAS No. 130 requires net unrealized appreciation (depreciation) on the Company's available for sale investments, which were previously reported separately in shareholders' equity, to be included in other comprehensive income. Prior year financial statements have been reclassified to conform to the 1998 presentation. The adoption of this accounting statement had no impact on the Company's net income or shareholders' equity. Currently, other than the net unrealized gain on the Company's investments available for sale, there are no other Company balances which are required to be included as a component of other comprehensive income.

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3. Earnings per share

The following table sets forth the computation of basic and diluted earnings per share.

<TABLE>
<CAPTION>

	Quarter ended June 30,	
	1998	1997
(in thousands of U.S. dollars except share and per share data)		
<S>	<C>	<C>
Numerator:		
Net income	\$ 28,538	\$ 37,005
Denominator:		
Denominator for basic earnings per share - weighted average shares	22,236,500	22,700,224
Per share equivalents of employee stock options and restricted shares	491,732	501,075
Denominator for diluted earnings per share - adjusted weighted average shares and assumed conversions	22,728,232	23,201,299
Basic earnings per share	\$1.28	\$1.63
Diluted earnings per share	\$1.26	\$1.59

	Six months to June 30,	
	1998	1997
(in thousands of U.S. dollars except share and per share data)		
Numerator:		
Net income	\$ 64,212	\$ 72,442
Denominator:		
Denominator for basic earnings per share - weighted average shares	22,267,217	22,739,843
Per share equivalents of employee stock options and restricted shares	450,774	508,162
Denominator for diluted earnings per share - adjusted weighted average shares and assumed conversions	22,717,991	23,248,005
Basic earnings per share	\$2.88	\$3.19
Diluted earnings per share	\$2.83	\$3.12

</TABLE>

4. The Board of Directors of the Company declared, and the Company paid, dividends of \$.30 per share to shareholders of record on each of May 20 and February 18, 1998. On August 5, 1998, the Board of Directors of the Company declared a dividend of \$.30 per share payable on September 2, 1998 to shareholders of record on August 19, 1998.

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5. Interest paid was \$1.6 million for the six month period ended June 30, 1998 and \$2.5 for the same period in 1997. On March 1, 1998 the Company paid a semi-annual dividend on the Capital Securities of \$4.3 million.
6. In January 1998, the Company began to provide personal lines coverages through DeSoto Insurance Company ("DeSoto"), a wholly owned subsidiary of Glencoe. DeSoto is a special purpose Florida homeowners insurance company that is licensed to assume and renew homeowner policies from the Florida JUA, a state sponsored insurance company.
7. On June 25, 1998 the Company completed its acquisition of the U.S. operating subsidiaries of Nobel Insurance Limited, a Bermuda company ("Nobel Limited"), for approximately \$54.1 million. The Company also provided Nobel Limited with a limited recourse loan of \$8.9 million to support Nobel Limited's liquidation. The Company estimates that Nobel Limited, after liquidating its liabilities, will have the ability to repay \$7.9 million of this loan. The gross assets and gross liabilities purchased in the transaction were \$188.1 million and \$155.9 million. In connection with the transactions the Company recognized approximately \$23.9 million of goodwill, which included approximately \$1 million of loan forgiveness and \$1 million in costs associated with the

transaction.

Also, as part of the transaction, the Company's U.S. holding company borrowed \$35 million from a syndicate of banks. This five year term loan has mandatory repayment provisions in years two through five. The banks also provided a \$15 million revolving credit facility from which the Company borrowed \$4 million on July 13, 1998.

The principal U.S. operating subsidiaries of Nobel Limited, Nobel Insurance Company and IAS/CatCrew Inc., will continue to conduct business under their current names as subsidiaries of Renaissance U.S. Holdings, Inc. The principal businesses of Nobel Insurance Company, which is admitted in 50 states, are the service and underwriting of personal lines property coverage for low-value dwellings and commercial casualty risks for specialized industries. Contemporaneously with the Nobel acquisition, Nobel Insurance Company entered into a retrospective reinsurance agreement with respect to its casualty business with Inter-Ocean Reinsurance Company Ltd. IAS/CatCrew Inc. provides professional loss adjustment services to property insurance companies.

Effective April 20, 1998, Nobel Insurance Company sold the renewal rights to its surety business for \$3.5 million plus an additional contingent fee of up to an additional \$3.5 million. The Company does not currently anticipate receiving any portion of this contingent fee.

8. In May 1998 the Company announced a \$25 million share repurchase program. Through June 30, 1998 the Company had repurchased 350,000 shares under this program at total cost of \$15.6 million.
9. On June 5, 1998, Glencoe Insurance Ltd. completed the repurchase from Underwriters Reinsurance Company of its 20 percent interest in Glencoe. The purchase price was \$15.2 million. RenaissanceRe now owns 100% of the outstanding stock of Glencoe.

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

RESULTS OF OPERATIONS

For the quarter ended June 30, 1998 compared to the quarter ended June 30, 1997

For the quarter ended June 30, 1998, net income available to common shareholders was \$28.5 million or \$1.26 per share, compared to \$37.0 million or \$1.59 per share for the same quarter in 1997.

Gross premiums written for the second quarter of 1998 increased to \$45.8 million compared to gross written premiums of \$34.8 million for the same quarter of 1997. The 31.6 percent increase in gross premiums written was the result of a 75.7 percent increase in premiums relating to new business, a 12.9 percent decrease relating to the Company not renewing certain coverages and a 31.2 percent decrease related to changes in coverage, participation level and pricing on certain renewed business. The quarterly increase in premiums related to new business is primarily the result of new business written by Renaissance Reinsurance.

During 1998, the Company continued to purchase reinsurance to reduce its exposure to certain losses. During the second quarter of 1998, ceded premiums written were \$40.7 million compared with \$14.2 million for the same quarter in 1997. This higher level of ceded reinsurance reduces net premiums earned but management believes that purchases of reinsurance reduces the Company's level of risk.

The table below sets forth the Company's combined ratio and components thereof for the quarters ended June 30, 1998 and 1997.

<TABLE>
<CAPTION>

	Quarters Ended	

	June 30,	

	1998	1997
	----	----
<S>	<C>	<C>
Loss ratio	21.9%	21.6%
Expense ratio	28.2%	23.4%
	-----	-----
Combined ratio	50.1%	45.0%
	=====	=====

</TABLE>

Claims and claim adjustment expenses incurred for the quarter ended June 30,

1998 were \$10.3 million or 21.9 percent of net premiums earned. In comparison, claims and claim adjustment expenses for the quarter ended June 30, 1997 were \$11.1 million or 21.6 percent of net premiums earned.

Underwriting expenses are comprised of acquisition expenses and operational expenses. Acquisition expenses were \$5.4 million for the quarter ended June 30, 1998 and \$5.9 million in the same quarter of 1997. Operating expenses for the second quarter of 1998 increased to \$7.8 million compared with \$6.1 million for the same quarter of 1997. The primary cause for the increase in operating expenses was the continued development of the Company's primary operations.

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Net investment income, excluding realized investment gains and losses, increased to \$12.6 million for the second quarter of 1998, compared to \$12.2 million for the same period in 1997.

Interest expense and minority interest for the quarters ended June 30, 1998 and 1997 increased to \$3.2 million from \$3.1 million.

For the six months ended June 30, 1998 compared to the six months ended June 30, 1997

For the six months ended June 30, 1998, net income available to common shareholders was \$64.2 million or \$2.83 per share, compared to \$72.4 million or \$3.12 per share for the same six months in 1997.

Gross premiums written for the first six months of 1998 increased 6.3 percent to \$165.0 million compared to gross written premiums of \$155.2 million for the same six months of 1997. The 6.3 percent increase in written premiums was the result of a 33.8 percent increase in premiums relating to new business, an 18.2 percent decrease relating to the Company not renewing certain coverages and a 9.3 percent decrease related to changes in coverage, participation level and pricing on certain renewed business.

During 1998, the Company continued to purchase reinsurance to reduce its exposure to certain losses. During the first six months of 1998, ceded premiums written were \$47.4 million compared with \$16.9 million for the same period in 1997. This higher level of ceded reinsurance reduces net premiums earned but management believes that purchases of reinsurance significantly reduces the company's level of risk.

The table below sets forth the Company's combined ratio and components thereof for the six months ended June 30, 1998 and 1997.

<TABLE>
<CAPTION>

	Six months ended	

	June 30,	

	1998	1997
	----	----
<S>	<C>	<C>
Loss ratio	19.6%	23.6%
Expense ratio	27.9%	22.7%
	-----	-----
Combined ratio	47.5%	46.3%
	=====	=====

</TABLE>

Claims and claim adjustment expenses incurred for the six months ended June 30, 1998 were \$18.2 million or 19.6 percent of net premiums earned. In comparison, claims and claim adjustment expenses for the six months ended June 30, 1997 were \$25.3 million or 23.6 percent of net premiums earned.

Underwriting expenses are comprised of acquisition expenses and operational expenses. Acquisition expenses were \$11.8 million for the six months ended June 30, 1998 and \$12.3 million in the same six months of 1997. Operating expenses for the first six months of 1998 increased to \$14.2 million compared with \$12.0 million for the same six months of 1997. The primary cause for the increase in operating expenses was the continued development of the Company's primary operations.

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Net investment income, excluding realized investment gains and losses, increased for the first six months of 1998 to \$26.3 million, compared to \$24.3 million for the same period in 1997. The

increase in net investment income was largely the result of higher average invested assets which is primarily related to cash flows from operations.

Interest expense and minority interest for the six months ended June 30, 1998 increased to \$6.6 million from \$5.7 million for the same period in 1997. The increase was related to increased minority interest earnings of Glencoe and the accrual on the \$100.0 million of Capital Securities that were issued during the first quarter of 1997.

FINANCIAL CONDITION

General

The Company provides reinsurance and insurance where risk of natural catastrophe represents a significant component of the overall exposure. The Company's results depend to a large extent on the frequency and severity of catastrophic events, and the concentration and coverage offered to clients impacted thereby. In addition, the Company writes other lines of insurance and reinsurance on a limited basis, and is actively exploring new opportunities.

Liquidity and Capital Requirements

As a holding company, RenaissanceRe relies on invested assets, investment income, cash dividends and permitted payments from its subsidiaries to make principal payments, interest payments, cash distributions on outstanding obligations and pay quarterly dividends, if any, to RenaissanceRe's shareholders. The payment of dividends by its subsidiaries to RenaissanceRe is, under certain circumstances, limited under Bermuda insurance law. The Bermuda Insurance Act 1978, amendments thereto and related regulations of Bermuda (the "Act"), requires the subsidiaries to maintain certain measures of solvency and liquidity. As at June 30, 1998 the statutory capital and surplus of the Company's subsidiaries was \$640.0 million, and the amount required to be maintained was \$170.5 million.

The Company's operating subsidiaries have historically produced sufficient cash flows to meet expected claims payments and operational expenses and to provide dividend payments to RenaissanceRe. The subsidiaries also maintain a concentration of their investments in high quality liquid securities, which management believes will provide sufficient liquidity to meet claims payments should the need arise.

During the second quarter of 1998, Glencoe purchased the 20 percent minority interest in Glencoe held by Underwriters Re for approximately \$15.2 million. As a result of the purchase of Glencoe's shares from Underwriters Re, Glencoe is now wholly-owned by RenaissanceRe.

Under the terms of its agreement to acquire the operating subsidiaries of Nobel Insurance Limited, the Company paid \$54.1 million in cash to consummate the purchase, and provided approximately \$8.9 million of limited recourse financing, in exchange for a promissory note from Nobel Insurance Limited, to enable Nobel Insurance Limited to support certain of its obligations in the liquidation of its remaining operations. As part of the transaction the Company's U.S. holding company borrowed \$35 million from a syndicate of banks. This five year term loan has

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mandatory repayment provisions in years two through five. The banks also provided a \$15 million revolving credit facility from which the Company borrowed \$4 million on July 13, 1998. Both the loan and the credit facility bear interest at a spread above LIBOR and are guaranteed by RenaissanceRe.

The Company anticipates that its primary insurance operations, including Glencoe, DeSoto and Nobel, will become an increasingly important element of the Company over time. The Company currently believes that internally generated capital will be sufficient to support its reinsurance and insurance businesses, however external financing may be utilized to finance significant transactions.

From time to time, the Company 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, the Company seeks an attractive return on equity, the ability to develop or capitalize on a competitive advantage and opportunities that will not detract from its core reinsurance operations. Accordingly, the Company regularly reviews strategic transaction opportunities and periodically engages in discussions regarding possible transactions. However, currently the Company has no definitive agreements with respect to any material transaction..

Cash flows from operating activities for the first six months of 1998 resulted principally from premium and investment income, net of paid losses, acquisition costs and underwriting expenses. Cash flows from operations in the first six months of 1998 were \$69.5 million, compared to \$73.2 million for the same period in 1997. The Company has produced cash flows from operations in the first six

months of 1998, and the full years of 1997 and 1996 significantly in excess of its commitments. To the extent that capital is not utilized in the Company's reinsurance business, the Company will consider using such capital to invest in new opportunities or will consider returning such capital to its shareholders.

Because of the potential high severity and low frequency of losses on the coverages written by the Company, and the seasonality of the Company's business, it is not possible to accurately predict the Company's future cash flows from operating activities. As a consequence, cash flows from operating activities may fluctuate, perhaps significantly, between individual quarters and years.

The Company has assumed risk through catastrophe and weather linked securities and derivative instruments. The Company may in the future also utilize other derivatives. To date the Company has not experienced any losses from such securities or derivatives.

Reserves

The Company's policy is to establish claim reserves for the settlement costs of all claims and claim adjustment expenses incurred by the Company when an event occurs. During the quarter ended June 30, 1998 the Company incurred claims of \$10.3 million and paid losses of \$6.6 million. Due to the high severity and low frequency of losses related to the property catastrophe insurance and reinsurance business, there can be no assurance that the Company will continue to experience this level of losses.

Claim reserves represent estimates, including actuarial and statistical projections at a given point in time, of an insurer's or reinsurer's expectations of the ultimate settlement and administration costs of claims incurred, and it is possible that the ultimate liability may exceed or be less than

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such estimates. Such estimates are not precise in that, among other things, they are based on predictions of future developments and estimates of future trends in claim severity and frequency and other variable factors such as inflation. During the claim settlement period, it often becomes necessary to refine and adjust the estimates of liability on a claim either upward or downward. Even after such adjustments, ultimate liability may exceed or be less than the revised estimates.

Reserves for claims and claim expenses may include reserves for unpaid reported claims and claim expenses and reserves for estimated losses that have been incurred but not reported to the Company. Such reserves are estimated by management based upon reports received from ceding companies, as supplemented by the Company's own estimates of reserves on such reported losses as well as reserves for losses that are incurred but not reported. The Company's reserve estimates are continually reviewed and, in accordance with GAAP, as adjustments to these reserves become necessary, such adjustments are reflected in current operations.

Capital Resources & Shareholders' Equity

The total capital resources of the Company as at June 30, 1998 and December 31, 1997 was as follows:

<TABLE>
<CAPTION>

(in thousands)	June 30, 1998	December 31, 1997
<S>	<C>	<C>
Term loan payable	\$ 35,000	\$ -
Revolving Credit Facility-- borrowed	50,000	50,000
Revolving Credit Facility-- unborrowed	165,000	150,000
Minority interest-- Company obligated mandatorily redeemable capital securities of a subsidiary trust	100,000	100,000
Shareholders' Equity	640,509	598,703
TOTAL CAPITAL RESOURCES	\$990,509	\$898,703

</TABLE>

During the first six months of 1998, shareholders' equity increased by \$41.8 million, from \$598.7 million at December 31, 1997 to \$640.5 million at June 30, 1998. The significant components of the increase included net income from continuing operations of \$64.2 million, partially offset by the payment of dividends of \$13.5 million and the purchase of common stock of \$15.6 million.

In May 1998 the Company announced a \$25 million share repurchase program. Through June 30, 1998 the Company had repurchased 350,000 shares under this program at total cost of \$15.6 million.

Investments

The table below shows the aggregate amounts of investments available for sale, equity securities and cash and cash equivalents comprising the Company's portfolio of invested assets:

-14-

<TABLE>

<CAPTION>

(in thousands)	June 30, 1998	December 31 1997
<S>	<C>	<C>
Investments available for sale, at fair value	\$ 804,558	\$ 700,665
Equity securities, at fair value	5,808	26,372
Cash and cash equivalents	119,428	132,430

TOTAL INVESTED ASSETS	\$ 929,794	\$ 859,467

</TABLE>

The growth in the Company's portfolio of invested assets for the six months ended June 30, 1998 primarily resulted from net cash provided by operating activities of \$69.5 million.

The Company's 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 June 30, 1998, the fixed income portfolio had a dollar weighted average rating of AA, an average duration of 2.6 years and an average yield to maturity of 6.0 percent, after investment expenses.

All fixed income securities in the Company's investment portfolio are classified as securities available for sale and are carried at fair value. Any unrealized gains or losses as a result of changes in fair value over the period such investments are held are not reflected in the Company's statement of operations, but rather are reflected in accumulated other comprehensive income in the consolidated statement of shareholders' equity, in accordance with SFAS No. 115 and 130.

As at June 30, 1998 the Company held investments and cash totaling \$929.8 million with net unrealized depreciation of \$5.3 million. The Company's investment portfolio is subject to the risks of declines in realizable value. The Company attempts to mitigate this risk through the diversification and active management of its portfolio.

At June 30, 1998, \$7.6 million of cash and cash equivalents were invested in currencies other than the U.S. dollar, which represented less than 1.0 percent of the Company's invested assets.

Effects of Inflation

The potential exists, after a catastrophe loss, for the development of inflationary pressures in a local or regional economy. The anticipated effects on the Company are implicitly considered in the Company's catastrophe loss models. The effects of inflation are also considered in pricing and in estimating reserves for unpaid claims and claim adjustment expenses. The actual effects of this post event inflation on the results of the Company cannot be accurately known until claims are ultimately settled.

Year 2000

Certain computer programs and/or software may recognize a date using "00" as the year 1900 rather than the year 2000, which could result in miscalculations or system failures. The Company has completed an assessment of its business applications and computer systems, and believes that

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all critical business applications and systems will function properly with respect to dates in the year 2000 and thereafter.

The Company is in the process of evaluating its potential exposures from the non-compliance, if any, of its vendors' and customers' systems with the Year 2000. There can be no assurance that the systems of its vendors and customers, on which the Company relies for supporting information, will be timely converted and would not have an effect on the Company's business operations.

Currently, none of the Company's reinsurance or insurance policies specifically provides coverage for Year 2000 losses, and the Company does not intend to provide coverage for these losses. However, in the future, it is possible that the Company may elect to provide such coverage, or that certain of the Company's policies could be held to cover such losses. If so, there can be no assurance that such losses would not have a material adverse effect on the Company's future results of operations.

The Company anticipates completing the Year 2000 evaluation prior to December 31, 1998 and it is anticipated that any future costs associated with the Year 2000 project will not be material and accordingly not have an adverse effect on the future results of operations.

Current Outlook

It is anticipated that the competitive pressures that have existed since 1995 will continue through 1998. The Company anticipates that these pressures will continue to suppress the growth in premiums from property catastrophe reinsurance contracts. However, although no assurance can be given, the Company believes that opportunities in certain select markets will continue to exist which, because of the Company's competitive advantages, including its technological capabilities and its relationships with leading brokers and ceding companies, will enable the Company to find additional opportunities in the property catastrophe reinsurance business that otherwise would not be available.

The Company has entered the primary insurance business, focusing particularly on catastrophe exposed business, with a view to leveraging the risk assessment skills of the core reinsurance business. Through Nobel, the Company's business activities now also include liability insurance. In addition, the Company from time to time considers other new business opportunities unrelated to its business in catastrophe exposed insurance and reinsurance.

Note on Forward-Looking Statements

This report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. Forward-looking statements are statements other than historical information or statements of current condition. Some forward-looking statements may be identified by use of terms such as "believes," "anticipates," "intends," or "expects." These forward-looking statements relate, among other things, to the plans and objectives of the Company for future operations. In light of the risks and uncertainties inherent in all future projections, the inclusion of forward-looking statements in this report should not be considered as a representation by the Company or any other person that the objectives or plans of the Company will be achieved. Numerous factors could cause the

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Company's actual results to differ materially from those in the forward-looking statements, including the following: (i) the occurrence of catastrophic events with a frequency or severity exceeding the Company's estimates; (ii) a decrease in the level of demand for property catastrophe reinsurance, or increased competition owing to increased capacity of property catastrophe reinsurers; (iii) any lowering or loss of one of the financial or claims-paying ratings of the Company or one or more of its subsidiaries; (iv) actions of competitors; (v) loss of services of any one of the Company's key executive officers; (vi) the passage of federal or state legislation subjecting Renaissance Reinsurance to supervision or regulation in the United States; (vii) challenges by insurance regulators in the United States to Renaissance Reinsurance's claim of exemption from insurance regulation under the current laws; (viii) changes in economic conditions, including currency rate conditions; or (ix) a contention by the United States Internal Revenue Service that the Company or Renaissance Reinsurance is engaged in the conduct of a trade or business within the U.S. The foregoing review of important factors should not be construed as exhaustive; the Company undertakes no obligation to release publicly the results of any future revisions it may make to forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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Part II -- OTHER INFORMATION

Item 1 -- Legal Proceedings

None

Item 2 -- Changes in Securities and Use of Proceeds

None

Item 3 -- Defaults Upon Senior Securities

None

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

(a) The registrant's 1998 Annual General Meeting of Shareholders was held on May 5, 1998.

(b) Proxies were solicited by Registrant's management pursuant to Regulation 14A under the Securities Exchange Act of 1934; there was no solicitation in opposition to management's nominees as listed in the proxy statement. Each of the Directors was re-elected to the Board.

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

1. To elect eleven directors of the Company to serve for the terms indicated and until their successors are duly elected and qualified, as follows: (x) four of the eleven directors to serve until the Company's 1999 annual general meeting of shareholders; (y) three of the eleven directors to serve until the Company's 2000 annual general meeting of shareholders; and (z) four of the eleven directors to serve until the Company's 2001 annual general meeting of shareholders.

<TABLE>
<CAPTION>

Nominee	Votes For	Withheld
-----	-----	-----
Arthur S. Bahr	18,590,490	2,962,783
Thomas A. Cooper	18,590,490	2,962,783
Edmund B. Greene	18,589,990	2,963,283
Daniel Hale	18,590,090	2,963,183
Gerald L. Igou	18,590,090	2,963,183
Kewsong Lee	18,589,990	2,963,283
Howard H. Newman	18,589,990	2,963,283
Scott E. Pardee	18,590,490	2,962,783
James N. Stanard	18,590,490	2,962,783
John C. Sweeney	18,589,990	2,963,283
David A. Tanner	18,589,990	2,963,283

</TABLE>

2. To amend the Company's Bye-Laws to provide for a classified Board of Directors.

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<TABLE>
<CAPTION>

Votes For	Against	Withheld
-----	-----	-----
12,288,851	4,849,718	4,414,704

</TABLE>

3. To amend the Company's Bye-Laws to provide that Directors may be removed only for cause upon the affirmative vote of the holders of not less than 66-2/3% of the voting rights attached to all issued and outstanding capital shares of the Company entitled to vote thereon.

<TABLE>
<CAPTION>

Votes For	Against	Withheld
-----	-----	-----
11,936,773	5,201,234	4,415,266

</TABLE>

4. To amend the Company's Bye-Laws to fix the size of the Board at eleven directors and to authorize the Board, at its discretion, to expand the size of the Board to twelve directors and to fill any additional position so created.

<TABLE>
<CAPTION>

Votes For	Against	Withheld
-----	-----	-----
16,875,540	1,794,430	2,883,303

</TABLE>

5. To amend the Company's Bye-Laws to provide that shareholders of record may nominate persons for election as director at an annual or special general meeting of shareholders only if prior written notice signed by no less than 20 shareholders holding in the aggregate not less than 10% of the outstanding paid up share capital of the Company stating such shareholders' intent to make such nomination has been given to the Secretary of the Company: (a) in the case of an annual general meeting, not less than 60 days nor more than 90 days prior to the anniversary date of the immediately preceding annual general meeting of shareholders; and (b) in the case of a special general meeting called for the purpose of electing directors, not later than the close of business on the tenth day following the day on which notice of the date of the special general meeting was mailed or public disclosure of the date of the special general meeting was made, whichever first occurs.

<TABLE>
<CAPTION>

	Votes For -----	Against -----	Withheld -----
<S>	12,588,366	<C> 4,551,809	<C> 4,413,098

</TABLE>

6. To amend the Company's Bye-Laws to provide that business may be properly introduced by the shareholders at an annual general meeting where such business is not brought by or at the direction of the Board, in addition to any other applicable requirements, only if written notice thereof containing certain prescribed information concerning such proposal is deposited with the Secretary of the Company by shareholders representing at least one-twentieth of the Company's outstanding voting rights or constituting not less than 100 persons at least six weeks prior to the date of the annual general meeting whichever first occurs.

<TABLE>
<CAPTION>

	Votes For -----	Against -----	Withheld -----
<S>	12,551,585	<C> 4,587,968	<C> 4,413,720

</TABLE>

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7. To amend the Company's Bye-Laws to provide that not less than 60 nor more than 90 days notice shall be given of a special general meeting properly requisitioned by shareholders holding at least 10% of the outstanding paid up share capital of the Company.

<TABLE>
<CAPTION>

	Votes For -----	Against -----	Withheld -----
<S>	12,800,686	<C> 4,337,634	<C> 4,414,953

</TABLE>

8. To amend the Company's Bye-Laws to prohibit holders of the Company's capital shares, other than certain exempted persons, from obtaining or exercising more than 9.9% of the voting rights attached to all issued and outstanding capital shares of the Company.

<TABLE>
<CAPTION>

	Votes For -----	Against -----	Withheld -----
<S>	12,245,618	<C> 4,895,595	<C> 4,412,060

</TABLE>

9. To amend the Company's Bye-Laws to require the affirmative vote of at least 66-2/3% of the outstanding voting rights attached to all issued and outstanding capital shares of the Company entitled to vote thereon to amend, repeal or adopt any provision inconsistent with any of Proposals 2, 3, 4, 5, 6, 7 or 8 and the amendment contemplated by this Proposal.

<TABLE>
<CAPTION>

	Votes For -----	Against -----	Withheld -----
<S>		<C>	<C>
	11,165,498	5,975,680	4,412,095

</TABLE>

10. To amend the Company's Memorandum of Association to increase the Company's authorized capital to an aggregate of 325,000,000 shares, consisting of 225,000,000 Common Shares and 100,000,000 Preference Shares, in order to facilitate the potential adoption by the Board in the future of a shareholder rights plan.

<TABLE>
<CAPTION>

	Votes For -----	Against -----	Withheld -----
<S>		<C>	<C>
	13,472,537	5,197,333	2,883,403

</TABLE>

11. To amend the RenaissanceRe Holdings Ltd. Amended and Restated Non-Employee Directors Stock Plan (the "Directors Plan") which would (i) increase the number of authorized shares available for issuance thereunder from 100,000 Common Shares to 200,000 Common Shares, and (ii) provide that any shares which are tendered to or withheld by the Company under the Directors Plan in connection with the exercise of options granted thereunder or the payment of related withholding taxes shall again become available for grant thereunder.

<TABLE>
<CAPTION>

	Votes For -----	Against -----	Withheld -----
<S>		<C>	<C>
	18,374,051	290,694	2,888,528

</TABLE>

12. To appoint independent auditors of the Company for the 1998 fiscal year to serve until the Company's 1999 annual general meeting of shareholders and to refer to the Board the determination of the auditors' remuneration.

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<TABLE>
<CAPTION>

	Votes For -----	Against -----	Withheld -----
<S>	<C>	<C>	<C>
	18,663,299	7,917	2,882,057

</TABLE>

13. In accordance with the Company's Bye-Laws, to vote on a proposal as the holder of all outstanding capital shares of Renaissance Reinsurance Ltd. ("Reinsurance"), to elect eleven directors of Reinsurance to serve for the terms indicated and until their successors are duly elected and qualified, as follows: (x) four of the eleven directors to serve until the Reinsurance 1999 annual general meeting of shareholders; (y) three of the eleven directors to serve until the Reinsurance 2000 annual general meeting of shareholders; and (z) four of the eleven directors to serve until the Reinsurance 2001 annual general meeting of shareholders.

<TABLE>
<CAPTION>

	Nominee -----	Votes For -----	Withheld -----
<S>		<C>	<C>
	Arthur S. Bahr	18,590,490	2,962,783
	Thomas A. Cooper	18,590,490	2,962,783
	Edmund B. Greene	18,589,990	2,963,283
	Daniel Hale	18,590,090	2,963,183
	Gerald L. Igou	18,590,090	2,963,183
	Kewsong Lee	18,589,990	2,963,283
	Howard H. Newman	18,589,990	2,963,283
	Scott E. Pardee	18,590,490	2,962,783
	James N. Stanard	18,590,490	2,962,783
	John C. Sweeney	18,589,990	2,963,283
	David A. Tanner	18,589,990	2,963,283

</TABLE>

14. In accordance with the Company's Bye-Laws, to vote on a proposal as the holder of all outstanding capital shares of Reinsurance, to amend the Reinsurance Bye-Laws to provide for a classified

board of directors of Reinsurance (the "Reinsurance Board").

<TABLE> <CAPTION>	Votes For -----	Against -----	Withheld -----
<S>	12,338,711	<C> 4,800,143	<C> 4,414,419

15. In accordance with the Company's Bye-Laws, as the holder of all outstanding capital shares of Reinsurance, to amend the Reinsurance Bye-Laws to fix the size of the Reinsurance Board at eleven directors and to authorize the Reinsurance Board, at its discretion, to expand its size to twelve directors and to fill any additional position so created.

<TABLE> <CAPTION>	Votes For -----	Against -----	Withheld -----
<S>	16,696,465	<C> 1,971,805	<C> 2,885,003

16. In accordance with the Company's Bye-Laws, as the holder of all outstanding capital shares of Reinsurance, to appoint independent auditors of Reinsurance for the 1998 fiscal year to serve until the 1999 annual general meeting of shareholders of Reinsurance and to refer to the Reinsurance Board the determination of the auditors' remuneration.

<TABLE> <CAPTION>	Votes For -----	Against -----	Withheld -----
<S>	18,660,824	<C> 8,867	<C> 2,883,582

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17. RESOLVED, in accordance with the Company's Bye-Laws, to vote on a proposal to amend the Memorandum of Association of Reinsurance to increase the minimum issued and fully paid share capital of Reinsurance to \$1 million.

<TABLE> <CAPTION>	Votes For -----	Against -----	Withheld -----
<S>	18,484,754	<C> 176,297	<C> 2,892,222

Item 5. Other Information

Pursuant to recent amendments to the rules relating to proxy statements under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), shareholders of the Company are hereby notified that any shareholder proposal not included in the Company's proxy materials for its 1999 Annual Meeting of Shareholders (the "Annual Meeting") in accordance with Rule 14a-8 under the Exchange Act but subsequently or otherwise proposed for presentment at the Annual Meeting will be considered untimely for the purposes of Rules 14a-4 and 14a-5 under the Exchange Act if notice thereof is received by the Company (i) with respect to the election of directors, after March 6, 1999 and (ii) with respect to any other matter, after March 21, 1999. Management proxies will be authorized to exercise discretionary voting authority with respect to any shareholder proposal not included in the Company's proxy materials for the Annual Meeting unless (a) the Company receives notice of such proposal by March 21, 1999, and (b) the conditions set forth in Rule 14a-4(c)(2)(i)-(iii) under the Exchange Act are met.

The Company's Bye-laws provide that, in addition to any other applicable requirements, in order for a resolution to be properly moved by shareholders in accordance with the Bermuda Companies Act and the Bye-laws at an annual general meeting of shareholders where such business is not brought by or at the direction of the Board, such resolution may be introduced by such shareholders at such meeting only if prior written notice thereof is given by such shareholders to the Secretary of the Company at the Company's registered office setting forth as to each matter such shareholders propose to bring before the annual meeting: (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such

business at the annual meeting; (ii) the name and record address of such shareholder; (iii) the class or series and number of shares of capital stock of the Company which are owned beneficially or of record by such shareholder; (iv) a description of all arrangements or understandings between such shareholder and any other person (including his or her name and address) in connection with the proposal of such business by such shareholder and any material interest of such shareholder in such business; and (v) a representation that such shareholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting. The Chairman of an annual general meeting may, if the facts warrant, determine and declare that any business was not properly brought before the meeting and such business will not be transacted.

With respect to the election of directors, the Company's Bye-laws provide that the only persons who shall be eligible for appointment or election as a director of the Company at any general meeting of the Company other than persons nominated by the Board shall be persons for whom a written notice of nomination signed by not less than twenty shareholders of the Company holding in the aggregate not less than 10% of the outstanding paid up share capital of the Company at that time has been delivered to the

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registered office of the Company for the attention of the Secretary not less than sixty days prior to the scheduled date of such general meeting or any adjournment thereof. A shareholder's notice proposing a director for nomination must set forth (x) as to each person whom the shareholder proposes to nominate for election as a director: (i) the name, age, business address and residence address of the person; (ii) the principal occupation or employment of the person; (iii) the class or series and number of shares of capital stock of the Company which are owned beneficially or of record by the person; and (iv) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "Proxy Filings"); and (y) as to the shareholder giving the notice: (i) the name and record address of such shareholder; (ii) the class or series and number of shares of capital stock of the Company which are owned beneficially or of record by such shareholder; (iii) a description of all arrangements or understandings between such shareholder and each proposed nominee and any other person (including his name and address) pursuant to which the nomination(s) are to be made by such shareholder; (iv) a representation that such shareholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice; and (v) any other information relating to such shareholder that would be required to be disclosed in a Proxy Filing. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected. The Chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

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

a. Exhibits:

- 5.1 Amended and Restated Bye-laws of the Company
- 10.1 Credit Agreement, dated as of June 24, 1998, among Renaissance U.S. Holdings, Inc., as Borrower, Various Financial Institutions, as Lenders, Bank of America National Trust and Savings Association, as Administrative Agent, and BancAmerica Robertson Stephens, as Arranger.
- 10.2 Guaranty, dated as of June 24, 1998, among RenaissanceRe Holdings, Ltd., as Guarantor, and Bank of America National Trust & Savings Association.
- 10.3 Second Amendment Agreement, dated as of June 15, 1998, among RenaissanceRe Holdings Ltd., the Lenders identified therein and Bank of America National Trust and Savings Association, as Administrative Agent for the Lenders.
- 10.4 Third Amended and Restated Employment Agreement, dated as of June 3, 1998, between Renaissance Reinsurance Ltd. and James N. Stanard.

21.1 List of Subsidiaries of RenaissanceRe Holdings Ltd.

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27 Financial Data Schedule

b. Current Reports on Form 8-K:

None.

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SIGNATURE

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

RenaissanceRe Holdings Ltd.

Date: August 14, 1998

By: /s/ John M. Lummis

John M. Lummis
Senior Vice President and
Chief Financial Officer

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AMENDED AND RESTATED

B Y E - L A W S

of

RENAISSANCERE HOLDINGS LTD.

INTERPRETATION

1. Interpretation

(a) In these Bye-laws the following words and expressions shall, where not inconsistent with the context, have the following meanings respectively:

- (i) "Act" means the Companies Act 1981 as amended from time to time;
 - (ii) "Affiliate" means any person or entity, directly or indirectly, controlling, controlled by or under common control with any such person or entity.
 - (iii) "Alternate Director" means an alternate Director;
 - (iv) "Auditor" includes any individual or partnership;
 - (v) "Board" means the Board of Directors appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Act and these Bye-laws or the Directors present at a meeting of Directors at which there is a quorum;
 - (vi) "Common Shares" means the common shares of the Company par value US \$1.00 per share;
 - (vii) "Company" means the company for which these Bye-laws are approved and confirmed;
 - (viii) "Director" means a director of the Company and shall, include an Alternate Director;
 - (ix) "General Meeting" means any annual or special general meeting of the Members;
 - (x) "Member" means the person registered in the Register of Members as the holder of shares

in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons as the context so requires;
 - (xi) "notice" means written notice as further defined in these Bye-laws unless otherwise specifically stated;
 - (xii) "Person" means an individual, partnership, joint-stock company, corporation, trust or unincorporated organization, and a government or agency or political subdivision thereof;
 - (xiii) "Officer" means any person appointed by the Board to hold an office in the Company;
 - (xiv) "Register of Directors and Officers" means the Register of Directors and Officers referred to in Bye-law 28;
 - (xv) "Register of Members" means the Register of Members referred to in Bye-law 58; and
 - (xvi) "Secretary" means the person appointed to perform any or all the duties of secretary of the Company and includes any deputy or assistant secretary.
- (b) In these Bye-laws, where not inconsistent with the context:
- (i) words denoting the plural number include the singular number and vice versa;
 - (ii) words denoting a particular gender shall include all and any genders;
 - (iii) words importing persons include companies, associations or bodies of persons whether corporate or not;

(iv) the word:-

(A) "may" shall be construed as permissive;

(B) "shall" shall be construed as imperative; and

(v) unless otherwise provided herein words or expressions defined in the Act shall bear the same meaning in these Bye-laws.

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(c) Expressions referring to writing or written shall, unless the contrary intention appears, include facsimile, printing, lithography, photography and other modes of representing words in a visible form.

(d) Headings used in these Bye-laws are for convenience only and are not to be used or relied upon in the construction hereof.

BOARD OF DIRECTORS

2. Board of Directors

(a) The business of the Company shall be managed and conducted by the Board.

3. Management of the Company

(a) In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by statute or by these Bye-laws, required to be exercised by the Company in General Meeting subject, nevertheless, to these Bye-laws, the provisions of any statute and to such regulations as may be prescribed by the Company in General Meeting.

(b) No regulation or alteration to these Bye-laws made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

(c) The Board may procure that the Company pays all expenses incurred in promoting and incorporating the Company.

4. Power to appoint managing director or chief executive officer

The Board may from time to time appoint one or more Directors to the office of managing director or chief executive officer of the Company who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company.

5. Power to appoint manager

The Board may appoint a person to act as manager of the Company's day to day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business.

6. Power to authorize specific actions

The Board may from time to time and at any time authorize any Director or Officer to act on behalf of the Company

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for any specific purpose and in connection therewith to execute any agreement, document or instrument on behalf of the Company.

7. Power to appoint attorney

The Board may from time to time and at any time by power of attorney appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorize any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney. Such attorney may, if so authorized under the seal of the Company, execute any deed or instrument under such attorney's personal seal with the same effect as the affixation of the seal of the Company.

8. Power to delegate to a committee

(a) The Board shall appoint an Executive Committee of the Board which shall have the power of the Board between meetings of the Board. The Executive

Committee shall consist of at least two and not more than four Directors. The Executive Committee shall have the authority to oversee the general business and affairs of the Company along with whatever additional authority the Board may grant as necessary for the management of the Company.

(b) The Board may delegate any of its powers, authorities and discretion to such other committees as it deems appropriate, each such committee to consist of no fewer than two persons (including persons who are not Directors). Any committee so formed shall, in the exercise of the powers, authorities and discretion so delegated, conform to any regulations which may be imposed upon it by the Board.

9. Power to appoint and dismiss employees

The Board may appoint, suspend or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties.

10. Power to borrow and charge property

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party.

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11. Power to purchase shares of the Company

Subject to the provisions of Section 42A of the Act, the Board may exercise all the powers of the Company to purchase all or any part of its own shares.

12. Election of Directors

(a) The business of the Company shall be managed and conducted by a Board of Directors consisting of eleven Directors who shall be elected or appointed at the annual general meetings of the Company; provided, however, that a majority of the Board may determine, in its discretion, to expand the size of the Board to twelve directors. At the annual general meeting when this Bye-law becomes effective, the persons nominated to be elected or appointed as Directors shall be divided into three classes of approximately equal size, designated Class I, Class II and Class III, each consisting initially of such Directors as the Board shall determine; the term of office of those Directors in Class I to expire at the annual general meeting next following such meeting, the term of office of those Directors in Class II to expire at the second annual general meeting following such meeting, and the term of office of those Directors in Class III to expire at the third annual general meeting following such meeting. At each annual general meeting held after such classification and election, Directors shall be elected or appointed for a full three-year term, as the case may be, to succeed those whose terms expire at such meeting. Each Director shall hold office for the term for which he is elected and until his successor is appointed. The shareholders may, at any general meeting, authorize the Board to fill any vacancy on the Board unfilled at a general meeting.

(b) The only persons who shall be eligible for appointment or election as a Director in accordance with Bye-law 12(a) at any general meeting of the Company shall be persons either (i) for whom a written notice of nomination signed by not less than twenty Members holding in the aggregate not less than 10% of the outstanding paid up share capital of the Company at that time has been delivered to the registered office of the Company for the attention of the Secretary not less than sixty days prior to the scheduled date of such general meeting or any adjournment thereof, or (ii) who have been approved for such purpose by the Board and identified in the Notice of such general meeting or by way of note or other document sent to the Members not less than five days prior to the scheduled date of such general meeting. A shareholder's notice pursuant to (i) above shall set forth (x) as to each person whom the shareholder proposes to nominate for election as a director: (i) the name, age, business address and residence address of the person; (ii) the principal occupation or employment of the person; (iii) the class or series and number of shares of capital stock of the Company which are owned beneficially or of record by the person; and (iv) any other information relating to the person

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that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (the "Proxy Filings"); and (y) as to the shareholder giving the notice: (i) the name and record address of such shareholder; (ii) the class or series and number of shares of capital stock of the Company which are owned beneficially or of record by such shareholder; (iii) a description of all arrangements or understandings between such shareholder and each proposed nominee and any other person (including his name and address)

pursuant to which the nomination(s) are to be made by such shareholder; (iv) a representation that such shareholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice; and (v) any other information relating to such shareholder that would be required to be disclosed in a Proxy Filing. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected. The chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

13. Defects in appointment of Directors

All acts done bona fide by any meeting of the Board or by a committee of the Board or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

14. Alternate Directors

(a) Any General Meeting of the Company may elect a person or persons to act as a Director in the alternative to any one or more of the Directors of the Company or may authorize the Board to appoint such Alternate Directors. Any person so appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present.

(b) An Alternate Director shall be entitled to receive notice of all meetings of the Board and to attend and vote at any such meeting at which a Director for whom such Alternate Director was appointed in the alternative is not personally present and generally to perform at such meeting all the functions of such Director for whom such Alternate Director was appointed.

(c) An Alternate Director shall cease to be such if the Director for whom such Alternate Director was appointed ceases for any reason to be a Director but may be re-appointed by

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the Board as alternate to the person appointed to fill the vacancy in accordance with these Bye-laws.

15. Removal of Directors

(a) The Members shall not be entitled to remove a Director other than for cause.

(b) Subject to subparagraph (a) of this Bye-law, the Members may, at any special general meeting convened and held in accordance with these Bye-laws, upon the affirmative vote of the holders of not less than 66-2/3% of the voting rights attached to all issued and outstanding capital shares of the Company, remove a Director for cause provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director not less than 60 days before the meeting and at such meeting such Director shall be entitled to be heard on the motion for such Director's removal.

(c) A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (b) of this Bye-law may be filled by the Members at the meeting at which such Director is removed. A Director so appointed shall hold office until the expiration of the term of the Director so removed or until such new Director's successor is elected or appointed or such new Director's office is otherwise vacated and, in the absence of such election or appointment, the Members may authorize the Board to fill any vacancy.

16. Vacancies on the Board

(a) The Board shall have the power from time to time and at any time to appoint any person as a Director to fill a vacancy on the Board occurring as the result of the death, disability, disqualification or resignation of any Director and to appoint an Alternate Director to any Director so appointed. A Director so appointed shall hold office until the annual general meeting at which such Director's predecessor's term would have expired or until such Director's successor is elected or appointed or such Director's office is otherwise vacated.

(b) The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by these Bye-laws as the quorum necessary for the transaction of business at meetings of the Board, the continuing Directors or Director may act for the purpose of (i) summoning a General Meeting of the Company or (ii) preserving the assets of the Company.

(c) The office of Director shall be vacated if the Director:

(i) is prohibited from being a Director by law;

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(ii) is or becomes bankrupt or makes any arrangement or composition with his creditors generally;

(iii) is or becomes of unsound mind or dies;

(iv) resigns her or his office by notice in writing to the Company.

17. Notice of meetings of the Board

(a) A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board.

(b) Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director verbally in person or by telephone or otherwise communicated or sent to such Director by post, cable, telex, board, facsimile or other mode of representing words in a legible and non-transitory form at such Director's last known address or any other address given by such Director to the Company for this purpose.

18. Quorum at meetings of the Board

The quorum necessary for the transaction of business at a meeting of the Board shall be two Directors.

19. Meetings of the Board

(a) The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit.

(b) Directors may participate in any meeting of the Board by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting, except that Directors may not participate in any meeting of the Board while present in the United States of America or its territories.

(c) A resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

20. Unanimous written resolutions

A resolution in writing signed by all the Directors or, for the avoidance of doubt, their respective Alternate Directors, if any, which may be in counterparts, shall be as valid as if it had been passed at a meeting of the Board duly called and

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constituted, such resolution to be effective on the date on which the last Director or such Director's alternate signs the resolution.

21. Contracts and disclosure of Directors' interests

(a) Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in a professional capacity for the Company and such Director or such Director's firm, partner or such company shall be entitled to remuneration for professional services as if such Director were not a Director, provided that nothing herein contained shall authorize a Director or Director's firm, partner or such company to act as Auditor of the Company.

(b) A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Act.

(c) Following a declaration being made pursuant to this Bye-law, the approval of a majority of disinterested Directors (as defined below) shall be required prior to the Company entering into any transaction with a Member or an Affiliate of any Member. For purposes of this Bye-law 21(c), a Director shall be deemed to be disinterested in a transaction provided such Director, any entity employing such Director and any Affiliate of such entity, is neither a party to such transaction nor will receive any benefit as a result of such transaction other than by virtue of his or its rights as a Member.

22. Remuneration of Directors

The remuneration, (if any) of the Directors shall be determined by the Board and shall be deemed to accrue from day to day. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending

and returning from meetings of the Board, any committee appointed by the Board, General Meetings of the Company, or in connection with the business of the Company or their duties as Directors generally.

OFFICERS

23. Officers of the Company

The Officers of the Company shall consist of a President, one or more Vice Presidents, a Secretary and such additional Officers as the Board may from time to time determine all of whom shall be deemed to be Officers for the purposes of these Bye-laws.

24. Appointment of Officers

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(a) The Board shall, as soon as possible after the statutory meeting and after each annual General Meeting elect one of its number to be President of the Company and another of its number to be Vice President.

(b) The Secretary and additional Officers, if any, shall be appointed by the Board from time to time.

25. Remuneration of Officers

The Officers shall receive such remuneration as the Board may from time to time determine in accordance with their employment contracts or otherwise.

26. Duties of Officers

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

27. Chairperson of meetings

Unless otherwise agreed by a majority of those attending and entitled to attend and vote thereat, the President shall act as chairperson at all meetings of the Members and of the Board at which such person is present. In the absence of the President, a Vice President, if present, shall act as chairperson and in their absence, a chairperson shall be appointed or elected by those present at the meeting and entitled to vote.

28. Register of Directors and Officers

(a) The Board shall cause to be kept in one or more books at its registered office a Register of Directors and Officers and shall enter therein the following particulars with respect to each Director and the President, each Vice President and the Secretary, that is to say:

- (i) first name and surname; and
- (ii) address.

(b) The Board shall, within the period of fourteen days from the occurrence of:

- (i) any change among its Directors and in the President, any Vice President or Secretary; or
- (ii) any change in the particulars contained in the Register of Directors and Officers, cause to be entered on the Register of Directors and Officers the particulars of such change and the date on which such change occurred.

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(c) The Register of Directors and Officers shall be open to inspection at the office of the Company on every business day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each business day be allowed for inspection.

MINUTES

29. Obligations of Board to keep minutes

The Board shall cause minutes to be duly entered in books provided for the purpose:

- (a) of all elections and appointments of Officers;
- (b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and

- (c) of all resolutions and proceedings of General Meetings of the Members, meetings of the Board, meetings of managers and meetings of committees appointed by the Board.

INDEMNITY

30. Indemnification of Directors and Officers of the Company

The Directors, Secretary and other Officers of the Company and the liquidator or trustees (if any) acting in relation to any of the affairs of the Company and every one of them, and their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any willful negligence, willful default, fraud or dishonesty which may attach to any of said persons.

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31. Waiver of claim by Member

Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company, PROVIDED THAT such waiver shall not extend to any matter in respect of any willful negligence, willful default, fraud or dishonesty which may attach to such Director or Officer.

MEETINGS

32. Notice of annual General Meeting

(a) The annual General Meeting of the Company shall be held in each year other than the year of incorporation at such time and place outside the United States or its territories as the President or any two Directors or any Director and the Secretary or the Board shall appoint. At least 5 days' notice of such meeting shall be given to each Member stating the date, place and time at which the meeting is to be held, that the election of Directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting.

(b) Notwithstanding any other provisions of these Bye-laws, in addition to any other applicable requirements, in order for a resolution to be properly moved by shareholders in accordance with the Act and these Bye-laws at an annual general meeting of shareholders where such business is not brought by or at the direction of the Board, such resolution may be introduced by such shareholders at such meeting only if prior written notice thereof is given by such shareholders to the Secretary of the Company at the Company's registered office setting forth as to each matter such shareholders propose to bring before the annual meeting: (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting; (ii) the name and record address of such shareholder; (iii) the class or series and number of shares of capital stock of the Company which are owned beneficially or of record by such shareholder; (iv) a description of all arrangements or understandings between such shareholder and any other person (including his or her name and address) in connection with the proposal of such business by such shareholder and any material interest of such shareholder in such business; and (v) a representation that such shareholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting. The Chairman of an annual general meeting may, if the facts warrant, determine and declare that any business was not properly brought before the meeting and such business will not be transacted.

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33. Notice of Special General Meeting

The President or any two Directors or any Director and the Secretary or the Board may convene a special General Meeting of the Company whenever in their judgment such a meeting is necessary, upon not less than 5 days' notice which shall state the time, place and the general nature of the business to be considered at the meeting.

34. Accidental omission of notice of General Meeting

The accidental omission to give notice of a General Meeting to, or the non-receipt of notice of a General Meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

35. Meeting called on requisition of Members

Notwithstanding anything herein, the Board shall, on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at General Meetings of the Company, forthwith proceed to convene a special General Meeting of the Company and the provisions of section 74 of the Act shall apply. Notwithstanding any other provisions of these Bye-laws, not less than 60 nor more than 90 days notice shall be given of any special general meeting properly requisitioned by shareholders in accordance with the Act and these Bye-laws holding at least 10% of the outstanding paid up share capital of the Company.

36. Short notice

A General Meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in these Bye-laws, be deemed to have been properly called if it is so agreed by (a) all the Members entitled to attend and vote thereat in the case of an annual General Meeting; and (b) by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving a right to attend and vote thereat in the case of a special General Meeting.

37. Postponement of meetings

The Board may postpone any General Meeting called in accordance with the provisions of these Bye-laws (other than a meeting requisitioned under Bye-law 36) provided that notice of postponement is given to each Member before the time for such meeting. Fresh notice of the date, time and place for the postponed meeting shall be given to each Member in accordance with the provisions of these Bye-laws.

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38. Quorum for General Meeting

At any General Meeting of the Company, two persons present in person and throughout the meeting representing in person or by proxy more than 50% of the total issued shares in the Company entitled to vote on the matters to be considered by the meeting shall form a quorum for the transaction of business. If, within half an hour from the time appointed for the meeting, a quorum is not present, the meeting shall stand adjourned to the same day two weeks later, at the same time and place or to such other day, time or place as the Board may determine. Unless the meeting is adjourned to a specific date and time, fresh notice of the date, time and place for the adjourned meeting shall be given to each Member in accordance with the provisions of these Bye-laws.

39. Adjournment of meetings

The chairperson of a General Meeting may, with the consent of the Members at any General Meeting at which a quorum is present (and shall if so directed), adjourn the meeting. Unless the meeting is adjourned to a specific date and time, fresh notice of the date, time and place for the resumption of the adjourned meeting shall be given to each Member in accordance with the provisions of these Bye-laws.

40. Attendance at meetings

Members may participate in any General Meeting by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting except that Members may not participate in any General Meeting while present in the United States or its territories.

41. Written resolutions

A resolution in writing signed by all of the Members, which may be in counterparts, shall be as valid as if it had been passed by a General Meeting duly called and constituted, such resolution to be effective on the date on which the last Member signs the resolution.

42. Attendance of Directors

The Directors of the Company shall be entitled to receive notice of and to attend and be heard at any General Meeting.

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43. Voting at meetings

(a) Subject to the provisions of the Act and these Bye-laws, any question proposed for the consideration of the Members at any General Meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with the provisions of these Bye-laws and in the case of an equality of votes the resolution shall fail.

(b) (1) Notwithstanding any other provisions of these Bye-laws to the contrary, the Company may authorize or effect any amalgamation or other reorganization of the Company with or into any Person (other than an amalgamation pursuant to Section 107 of the Act) in a General Meeting only upon the affirmative vote of a majority of all issued and outstanding capital shares of the Company.

(2) Notwithstanding any other provisions of these Bye-laws to the contrary, the Company may (i) authorize or effect any acquisition or disposition of all or substantially all of the assets of the Company; (ii) authorize or effect the liquidation, dissolution or winding-up of the Company or (iii) amend, alter or repeal any provision of this Bye-law 43 in a General Meeting only upon the affirmative vote of a majority of the voting rights attached to all issued and outstanding capital shares of the Company entitled to vote thereon in accordance with these Bye-Laws.

(3) Notwithstanding any other provisions of these Bye-laws to the contrary, a Director may only be removed for cause, and Bye-laws 12, 15, 32, 35, 43(b)(3) and 46A may, in each case, only be amended or repealed in a general meeting upon the affirmative vote of 66-2/3% of the voting rights attached to all of the issued and outstanding capital shares of the Company.

(4) Notwithstanding any other provisions of these Bye-laws to the contrary, with respect to any matter required to be submitted to a vote of the shareholders of Renaissance Reinsurance Ltd. ("Renaissance Reinsurance"), the Company shall be required to submit a proposal relating to such matters to the shareholders of the Company and shall vote all the shares of Renaissance Reinsurance owned by the Company in accordance with and proportional to such vote of the Company's shareholders; provided, however, that the Board shall not be required to submit such a proposal contemplated by this Bye-law 43(b)(3) to the shareholders of the Company at such time as Renaissance Reinsurance shall no longer be a subsidiary of the Company or no Diluted Voting Shares shall be outstanding.

(c) No Member shall be entitled to vote at any General Meeting unless such Member has paid all the calls on all shares held by such Member.

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44. Voting on show of hands

At any General Meeting a resolution put to the vote of the meeting shall, in the first instance, be voted upon by a show of hands and, subject to any rights or restrictions for the time being lawfully attached to any class of shares and subject to the provisions of these Bye-laws, every Member present in person and every person holding a valid proxy at such meeting shall be entitled to one vote per share and shall cast such vote by raising his or her hand.

45. Decision of chairperson

At any General Meeting a declaration by the chairperson of the meeting that a question proposed for consideration has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, or an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to the provisions of these Bye-laws, be conclusive evidence of that fact.

46. Demand for a poll

(a) Notwithstanding the provisions of the immediately preceding two Bye-laws, at any General Meeting of the Company, in respect of any question proposed for the consideration of the Members (whether before or on the declaration of the result of a show of hands as provided for in these Bye-laws), a poll may be demanded by any of the following persons:

- (i) the chairperson of such meeting; or
- (ii) at least three Members present in person or represented by proxy; or
- (iii) any Member or Members present in person or represented by proxy and holding between them not less than one-tenth of the total voting rights of all the Members having the right to vote at such meeting; or
- (iv) any Member or Members present in person or represented by proxy holding shares in the Company conferring the right to

vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all such shares conferring such right.

(b) Where, in accordance with the provisions of subparagraph (a) of this Bye-law, a poll is demanded, subject to any rights or restrictions for the time being lawfully attached to any class of shares, every person present at such meeting shall have one vote for each share of which such person is the

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holder or for which such person holds a proxy and such vote shall be counted in the manner set out in paragraph (d) of this Bye-law or in the case of a General Meeting at which one or more Members are present by telephone in such manner as the chairperson of the meeting may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands.

(c) A poll demanded in accordance with the provisions of subparagraph (a) of this Bye-law, for the purpose of electing a chairperson or on a question of adjournment, shall be taken forthwith and a poll demanded on any other question shall be taken in such manner and at such time and place as the chairperson may direct and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

(d) Where a vote is taken by poll each person present and entitled to vote shall be furnished with a ballot paper on which such person shall record her or his vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken, and each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. At the conclusion of the poll the ballot papers shall be examined and counted by a committee of not less than two Members or proxy holders appointed by the chairperson for the purpose and the result of the poll shall be declared by the chairperson.

46A. Excess Shares

Notwithstanding anything else in these Bye-laws to the contrary:

(a) Other than as provided herein, no Person other than a Permitted Person shall be permitted to own or control shares in the Company (including as a result of the repurchase of shares by the Company) to the extent that such holder or any other Person will be considered to own or control Controlled Shares (as defined below), as the Board may determine in its sole discretion, which represent in excess of 9.9% of the voting rights attached to all of the issued and outstanding capital shares of the Company, nor shall any Person be permitted to own or control Controlled Shares if the result thereof would be to render such Person or any other Person other than a Permitted Person a Ten Percent Shareholder. In accordance with the foregoing, the Company may decline to register any transfer of its capital shares (including its public shares) if such transfer, in the discretion of the Board, would cause the transferee or any other Person (other than a Permitted Person) to own or control

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Controlled Shares representing more than 9.9% of the voting rights attached to all of the issued and outstanding capital shares of the Company.

(b) To the extent that, for any reason whatsoever and by any means howsoever, a Person other than a Permitted Person, whether or not an existing Member of the Company, shall be deemed by the Board in its sole discretion to own or control Controlled Shares which represent in excess of 9.9% of the voting rights attached to all of the issued and outstanding capital shares of the Company, then all shares which such person may Own or Control which carry in excess of 9.9% of all of the issued and outstanding capital shares of the Company shall carry no voting rights whatsoever, and shall be discounted in respect of such Member for the purpose of the calculation of any vote which may or which is required to be taken at any general meeting of the Company for any purpose. The Controlled Shares of such Member which represent in excess of 9.9% of the voting rights attached to all of the issued and outstanding capital shares of the Company shall be allocated for voting purposes to all the other Members of the Company pro rata to the common shareholdings of such other Members; provided, however, that no other Member other than a Permitted Person shall be allocated voting rights pursuant to this sentence if to do so would render such other Member a Ten Percent Shareholder. In the event that a reallocation of voting rights pursuant to this Bye-law would result in the creation of additional Ten Percent Shareholders, the reallocation to be made shall only be made to such Members (other than Permitted Persons) who, after the re-allocation, would not be Ten Percent Shareholders. Notwithstanding the foregoing, after having applied the provisions hereof as best as it considers reasonably practicable, the Board may make such adjustments to the voting rights conferred by the Controlled Shares of any Person (other than a Permitted Person) that the Board shall consider fair and reasonable under all the applicable facts

and circumstances to ensure that such Controlled Shares represent no more than 9.9% of the aggregate voting rights of all of the outstanding capital shares of the Company at any time.

(c) With respect to Bye-Law 46A(a) and (b), such provisions shall not operate unless there are at least eleven (11) Members of the Company.

(d) Notwithstanding anything to the contrary in this Bye-law 46A, the Board may waive the restrictions set forth in this Bye-law 46A, on a case by case basis, in its sole and absolute discretion. Further, the Board may designate the Company's Chief

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Executive Officer to exercise its authority to decline to register transfers or to limit voting rights as described above, or to take any other action, for as long as such officer is also a director.

(e) The Board may, by notice in writing, require any Member or prospective acquiror of capital shares of the Company (including its publicly held capital shares) to provide, within not less than ten (10) business days, complete and accurate information to the Company's registered office or such other place as the Board may reasonably designate, information including: (i) the number of capital shares of the Company in which such Person is legally or beneficially interested; (ii) the Persons who are beneficially interested in capital shares of the Company in respect of which such Person is the registered holder; (iii) the relationship, association or affiliation of such Person with any other Member or Person whether by means of common control or ownership or otherwise; or (iv) any other facts or matters which the Board may consider relevant to the determination of the number of Controlled Shares attributable to any Person. If any Member or prospective acquiror of capital shares of the Company does not respond to any notice given pursuant to this Bye-law within the time specified in such notice, or the Board shall have reason to believe that any information provided in relation thereto is incomplete or inaccurate, the Board may determine in its sole and absolute discretion that the votes attaching to any capital shares of the Company registered in the name of such Member or prospective acquiror shall be disregarded for all purposes until such time as a response (or additional response) to such notice reasonably satisfactory to the Board has been received as specified therein.

(f) One of the purposes of the 9.9% limitation set forth in this Bye-law is to seek to lessen the likelihood the Company will be characterized as a foreign personal holding company or as a controlled foreign corporation within the meaning of the Internal Revenue Code of 1986 of the United States, as amended. Nevertheless, the Board will not be liable to the Company, its shareholders or any other person whatsoever for any errors in judgment made by it in interpreting or enforcing this Bye-law or in granting any waiver or waivers to the foregoing restrictions in any case so long as the Board shall have acted in good faith.

(g) The restrictions on transfer authorized by this Bye-law 46A shall not be imposed in any circumstances in a way that would interfere with the

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settlement of trades or transactions in the Common Shares entered into through the facilities of the New York Stock Exchange, Inc.; provided, however, that the Company may decline to register transfers in accordance with these Bye-laws or resolutions of the Board after a settlement has taken place.

(h) For purposes of this Bye-law 46A, the following terms shall have the following respective meanings:

"Controlled Shares" in reference to any Person means: (i) all capital shares of the Company that such Person is deemed to own directly, indirectly or by attribution (within the meaning of Section 958 of the United States Internal Revenue Code of 1986, as amended) and (ii) all capital shares of the Company directly, indirectly or beneficially owned by such person within the meaning of section 13(d) of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act") (including any shares owned by a "group" of persons as so defined and including any capital shares that would otherwise be excluded by section 13(d) of the Exchange Act).

"Permitted Person" means any of (i) Warburg, Pincus Investors, L.P., PT Investments, Inc. or United States Fidelity and Guaranty Company, or any of their respective affiliates; (ii) any person who directly or indirectly shall purchase and retain Controlled Shares from a Permitted Person representing more than 5.0% of the voting rights attached to all of the issued and outstanding capital shares of the Company; (iii) any person who shall purchase and retain Controlled Shares in a single transaction from any of Warburg, Pincus Investors, L.P., PT Investments, Inc., or United States Fidelity and Guaranty Company, or any of their respective affiliates (or from any combination of such Persons) representing in the aggregate more than 5.0% of the voting rights attached to all of the

issued and outstanding capital shares of the Company; or (iv) any such other Person as the Board may designate, in its discretion, from time to time.

"Person" means an individual, a partnership, a joint-stock company, a corporation, a trust

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or unincorporated organization, a limited liability company or a government or an agency or political subdivision thereof.

"Ten Percent Shareholder" means a person who the Board determines, in its sole and absolute discretion, owns or controls Controlled Shares representing more than 9.9% of the total voting rights of all of the issued and outstanding capital shares of the Company."

47. Seniority of joint holders voting

In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

48. Instrument of proxy

The instrument appointing a proxy shall be in writing in the form, or as near thereto as circumstances admit, of Form "A" in the Appendix hereto under the hand of the appointor or of her or his attorney duly authorized in writing, or if the appointor is a corporation, either under its seal, or under the hand of a duly authorized officer or attorney. The decision of the chairperson of any General Meeting as to the validity of any instrument of proxy shall be final.

49. Representation of corporations at meetings

A corporation which is a Member may by written instrument authorize such person as it thinks fit to act as its representative at any meeting of the Members and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member. Notwithstanding the foregoing, the chairperson of the meeting may accept such assurances as she or he thinks fit as to the right of any person to attend and vote at General Meetings on behalf of a corporation which is a Member.

SHARE CAPITAL AND SHARES

50. Rights of shares

(a) Subject to any special rights previously conferred on the holders of any existing shares or class of shares, the share capital of the Company shall be divided into shares of two classes, being 225 million common shares of US\$1.00 each (the "Common Shares") and 100 million preference shares of US\$1.00 each (the "Preference Shares"), which shall have the rights, terms, restrictions and preferences set out in or determined in accordance with these Bye-laws.

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(b) The Common Shares shall be divided into 81,570,583 Full Voting Common Shares; 16,789,776 Diluted Voting Class I Common Shares; and 1,639,641 Diluted Voting Class II Common Shares. The Diluted Voting Class I Common Shares and the Diluted Voting Class II Common Shares shall have the rights, terms, restrictions and preferences as set forth in Schedule A to these Bye-laws, but otherwise the holders of Common Shares shall:

- (i) be entitled to one vote per share;
- (ii) be entitled to such dividends as the Board may from time to time declare;
- (iii) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
- (iv) generally be entitled to enjoy all of the rights attaching to shares.

(c) The Board is authorized, subject to limitations prescribed by law, to issue the Preference Shares in one or more series, and to fix the rights, preferences, privileges and restrictions thereof, including but not limited to dividend rates, conversion rights, voting rights, terms of redemption (including sinking fund provisions), redemption prices and liquidation preferences, and the number of shares constituting and the designation of any such series, without further vote or action by the shareholders.

The authority of the Board with respect to each series shall include, but not be limited to, determination of the following:

- (i) The distinctive designation of that series and the number of Preference Shares constituting that series, which number (except as otherwise provided by the Board in the resolution establishing such series) may be increased or decreased (but not below the number of shares of such series then outstanding) from time to time by like action of the Board;
- (ii) The rights in respect of dividends, if any, of such series of Preference Shares, the extent of the preference or relation, if any, of such dividends to the dividends payable on any other class or classes or any other series of the same or other class or classes of shares of the Company, and whether such dividends shall be cumulative or non-cumulative;

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- (iii) The voting powers, if any, of the holders of any series of Preference Shares generally or with respect to any particular matter, which may be less than, equal to or greater than one vote per share, and which may, without limiting the generality of the foregoing, include the right, voting as a series by itself or together with the holders of any other series of Preference Shares or all series of Preference Shares as a class, or together with the holders of any other class of the capital stock of the Company to elect one or more directors of the Company (which, without limiting the generality of the foregoing, may include a specified number or portion of the then-existing number of authorized directorships of the Company or a specified number or portion of directorships in addition to the then-existing number of authorized directorships of the Company), generally or under such specific circumstances and on such conditions, as shall be provided in the resolution or resolutions of the Board adopted pursuant hereto;
- (iv) Whether the Preference Shares may be redeemed and, if so, the terms and conditions on which they may be redeemed (including, without limitation, the dates upon or after which they may be redeemed, which price or prices may be different in different circumstances or at different redemption dates), and whether they may be redeemed at the option of the Company, at the option of the holder, or at the option of both the Company and the holder;
- (v) The right, if any, of the holders of such series of Preference Shares to convert the same into, or exchange the same for, shares of any other class or classes or of any other series of the same or any other class or classes of shares of the Company and the terms and conditions of such conversion or exchange, including, without limitation, whether or not the number of shares of such other class or series into which shares of such series may be converted or exchanged shall be adjusted in the event of any share split, stock dividend, subdivision, combination, reclassification or other transaction or series of transactions affecting the class or series into which such series of Preference Shares may be converted or exchanged;

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- (vi) The amounts, if any, payable upon the Preference Shares in the event of voluntary liquidation, dissolution or winding up of the Company in preference of shares of any other class or series or in the event of any merger or consolidation of or sale of assets by the Company;
- (vii) The terms of any sinking fund or redemption or purchase account, if any, to be provided for shares of such series of Preference Shares; and
- (viii) Any other relative rights, preferences, limitations and powers of that series.

51. Power to issue shares

(a) Subject to these Bye-laws and to any resolution of the Members to the contrary and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have power to issue any unissued shares of the Company on such terms and conditions as it may determine.

(b) The Board shall, in connection with the issue of any share, have the power to pay such commission and brokerage as may be permitted by law.

(c) The Company shall not give, whether directly or indirectly, whether by means of loan, guarantee, provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription

made or to be made by any person of or for any shares in the Company, but nothing in this Bye-law shall prohibit transactions mentioned in Sections 39A, 39B and 39C of the Act.

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52. Variation of rights and alteration of share capital

(a) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate General Meeting of the holders of the shares of the class in accordance with Section 47 (7) of the Act. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(b) The Company may from time to time by resolution of the Members change the currency denomination of, increase, alter or reduce its share capital in accordance with the provisions of Sections 45 and 46 of the Act. Where, on any alteration of share capital, fractions of shares or some other difficulty would arise, the Board may deal with or resolve the same in such manner as it thinks fit including, without limiting the generality of the foregoing, the issue to Members, as appropriate, of fractions of shares and/or arranging for the sale or transfer of the fractions of shares of Members.

53. Registered holder of shares

(a) The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person.

(b) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members or, in the case of joint holders, to such address of the holder first named in the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.

54. Death of a joint holder

Where two or more persons are registered as joint holders of a share or shares then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to the said share or shares and the Company shall recognize no claim in respect of the estate of any

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joint holder except in the case of the last survivor of such joint holders.

55. Share certificates

(a) Every Member shall be entitled to a certificate under the seal of the Company (or a facsimile thereof) with such legends as the Board sees fit, specifying the number and, where appropriate, the class of shares held by such Member and whether the same are fully paid up and, if not, how much has been paid thereon. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.

(b) If any such certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.

56. Calls on shares

(a) With respect to any shares which are not fully paid, the Board may from time to time make such calls as it thinks fit upon the Members in respect of any monies unpaid on any such shares allotted to or held by such Members and, if a call is not paid on or before the day appointed for payment thereof, the Member may at the discretion of the Board be liable to pay the Company interest on the amount of such call at such rate as the Board may determine, from the date when such call was payable up to the actual date of payment. The joint holders of any such share shall be jointly and severally liable to pay all calls in respect thereof.

(b) The Board may, on the issue of shares, differentiate between the

holders as to the amount of calls to be paid and the times of payment of such calls.

57. Forfeiture of shares

(a) If any Member fails to pay, on the day appointed for payment thereof, any call in respect of any share allotted to or held by such Member, the Board may, at any time thereafter during such time as the call remains unpaid, direct the Secretary to forward to such Member a notice in the form, or as near thereto as circumstances admit, of Form "B" in the Appendix hereto.

(b) If the requirements of such notice are not complied with, any such share may at any time thereafter before the payment of such call and the interest due in respect thereof be forfeited by a resolution of the Board to that effect, and such share shall thereupon become the property of the Company and may be disposed of as the Board shall determine.

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(c) A Member whose share or shares have been forfeited as aforesaid shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such share or shares at the time of the forfeiture and all interest due thereon.

REGISTER OF MEMBERS

58. Contents of Register of Members

The Board shall cause to be kept in one or more books a Register of Members and shall enter therein the following particulars:

(a) the name and address of each Member, the number and, where appropriate, the class of shares held by such Member and the amount paid or agreed to be considered as paid on such shares;

(b) the date on which each person was entered in the Register of Members; and

(c) the date on which any person ceased to be a Member for one year after such person so ceased.

59. Inspection of Register of Members

The Register of Members shall be open to inspection at the registered office of the Company on every business day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each business day be allowed for inspection.

The Register of Members may, after notice has been given by advertisement in an appointed newspaper to that effect, be closed for any time or times not exceeding in the whole thirty days in each year.

60. Determination of record dates

Notwithstanding any other provision of these Bye-laws, the Board may fix any date as the record date for:

(a) determining the Members entitled to receive any dividend; and

(b) determining the Members entitled to receive notice of and to vote at any General Meeting of the Company.

TRANSFER OF SHARES

61. Instrument of transfer

(a) An instrument of transfer shall be in the form or as near thereto as circumstances admit of Form "C" in the

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Appendix hereto or in such other common form as the Board may accept. Such instrument of transfer shall be signed by or on behalf of the transferor and transferee provided that, in the case of a fully paid share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain the holder of such share until the same has been transferred to the transferee in the Register of Members.

(b) The Board may refuse to recognize any instrument of transfer unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

62. Restriction on transfer

(a) The Board shall refuse to register a transfer unless all applicable consents, authorizations and permissions of any governmental body or agency in Bermuda have been obtained.

(b) If the Board refuses to register a transfer of any share the Secretary shall, within 10 days after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

63. Transfers by joint holders

The joint holders of any share or shares may transfer such share or shares to one or more of such joint holders, and the surviving holder or holders of any share or shares previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.

TRANSMISSION OF SHARES

64. Representative of deceased Member

In the case of the death of a Member the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognized by the Company as having any title to the deceased Member's interest in the shares.

Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of Section 52 of the Act, for the purpose of this Bye-law, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may in its absolute discretion decide as

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being properly authorized to deal with the shares of a deceased Member.

65. Registration on death or bankruptcy

Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled shall execute in favour of such nominee an instrument of transfer in the form, or as near thereto as circumstances admit, of Form "D" in the Appendix hereto.

On the presentation thereof to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member but the

Board shall, in either case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the share by that Member before such Member's death or bankruptcy, as the case may be.

DIVIDENDS AND OTHER DISTRIBUTIONS

66. Declaration of dividends by the Board

Subject to these Bye-laws, the Board may, in accordance with Section 54 of the Act, declare a dividend to be paid to the Members, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets.

67. Other distributions

The Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company.

68. Reserve fund

The Board may from time to time before declaring a dividend set aside, out of the surplus or profits of the Company, such sum as it thinks proper as a reserve fund to be used to meet contingencies or for equalizing dividends or for any other special purpose.

69. Deduction of Amounts due to the Company

The Board may deduct from the dividends or distributions payable to any Member all monies due from such Member to the Company on account of calls.

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CAPITALIZATION

70. Issue of bonus shares

(a) The Board may resolve to capitalize any part of the amount for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

(b) The Company may capitalize any sum standing to the credit of a reserve account or sums otherwise available for dividend or distribution by applying such amounts in paying up in full partly paid shares of those Members who would have been entitled to such sums if they were distributed by way of dividend or distribution.

ACCOUNTS AND FINANCIAL STATEMENTS

71. Records of account

The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:

(a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;

(b) all sales and purchases of goods by the Company; and

(c) the assets and liabilities of the Company.

Such records of account shall be kept at the registered office of the Company or, subject to Section 83 (2) of the Act, at such other place as the Board thinks fit and shall be available for inspection by the Directors during normal business hours.

72. Financial year end

The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be 31st December in each year.

73. Financial statements

Subject to any rights to waive laying of accounts pursuant to Section 88 of the Act, financial statements as required by the Act shall be laid before the Members in General Meeting.

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AUDIT

74. Appointment of Auditor

Subject to Section 88 of the Act, at the annual General Meeting or at a subsequent special General Meeting in each year, an independent representative of the Members shall be appointed by them as Auditor of the accounts of the Company. Such Auditor may be a Member but no Director, Officer or employee of the Company shall, during his or her continuance in office, be eligible to act as an Auditor of the Company.

75. Remuneration of Auditor

The remuneration of the Auditor shall be fixed by the Company in General Meeting or in such manner as the Members may determine.

76. Vacation of office of Auditor

If the office of Auditor becomes vacant by the resignation or death of the Auditor, or by the Auditor becoming incapable of acting by reason of illness or other disability at a time when the Auditor's services are required, the Board shall, as soon as practicable, convene a special General Meeting to fill the vacancy thereby created.

77. Access to books of the Company

The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers of the Company for any information in their possession relating to the books or affairs of the Company.

78. Report of the Auditor

(a) Subject to any rights to waive laying of accounts or appointment of an Auditor pursuant to Section 88 of the Act, the accounts of the Company shall be audited at least once in every year.

(b) The financial statements provided for by these Bye-laws shall be

audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the Auditor shall be submitted to the Members in General Meeting.

(c) The generally accepted auditing standards referred to in sub-paragraph (b) of this Bye-law may be those of a country or jurisdiction other than Bermuda as shall be determined by the Board. If so, the financial statements and the report of the Auditor must disclose this fact and name such country or jurisdiction.

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NOTICES

79. Notices to Members of the Company

A notice may be given by the Company to any Member either by delivering it to such Member in person or by sending it to such Member's address in the Register of Members or to such other address given for the purpose. For the purposes of this Bye-law, a notice may be sent by mail, courier service, cable, telex, board, facsimile or other mode of representing words in a legible and non-transitory form.

80. Notices to joint Members

Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient notice to all the holders of such shares.

81. Service and delivery of notice

Any notice shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in proving such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier or to the cable company or transmitted by telex, facsimile or other method as the case may be.

SEAL OF THE COMPANY

82. The seal

The seal of the Company shall be in such form as the Board may from time to time determine. The Board may adopt one or more duplicate seals for use outside Bermuda.

83. Manner in which seal is to be affixed

The seal of the Company shall not be affixed to any instrument except attested by the signature of a Director and the Secretary or any two Directors, provided that any Director, or Officer, may affix the seal of the Company attested by such Director or Officer's signature only to any authenticated copies of these Bye-laws, the incorporating documents of the Company, the minutes of any meetings or any other documents required to be authenticated by such Director or Officer.

WINDING-UP

84. Winding up/distribution by liquidator

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If the Company shall be wound up the liquidator may, with the sanction of a resolution of the Members, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he or she deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

ALTERATION OF BYE-LAWS

85. Alteration of Bye-laws

No Bye-law shall be rescinded, altered or amended and no new Bye-law shall be made until the same has been approved by a resolution of the Board and by a resolution of the Members.

SCHEDULE A TO AMENDED AND RESTATED BYE-LAWS

DESIGNATIONS, NUMBER, VOTING POWERS; PREFERENCES AND RIGHTS
OF
DILUTED VOTING CLASS I COMMON SHARES
AND
DILUTED VOTING CLASS II COMMON SHARES

1. Designation and Amount.

The shares of each such series shall be designated (i) the Diluted Voting Class I Common Shares, par value \$1.00 per share (the "Diluted Voting I Shares"), and (ii) the Diluted Voting Class II Common Shares, par value \$1.00 per share (the "Diluted Voting II Shares"). The number of shares constituting the Diluted Voting I Shares shall be 4,199,191 shares. The number of shares constituting the Diluted Voting II Shares shall be 1,454,109 shares.

2. General.

Except as provided in items 3 and 4 below, each Diluted Voting I Share and each Diluted Voting II Share shall be entitled to the same rights, and be subject to the same restrictions, as the Full Voting Common Shares as set forth in these Bye-laws.

3. Voting.

A. Diluted Voting I Shares. Except as set forth below, holders of Diluted Voting I Shares shall be entitled to one vote for each Diluted Voting I Share held at each meeting of shareholders of the Company with respect to any and all matters presented to the shareholders of the Company for their action or consideration and upon which such holder is entitled to vote in accordance with these Bye-Laws. Except as provided by law or these Bye-laws, holders of Diluted Voting I Shares shall vote together with the holders of Common Shares and Diluted Voting II Shares as a single class.

Except as required by law and in respect of a vote contemplated by Bye-law 43(b)(1), each holder of issued and outstanding Diluted Voting I Shares shall be entitled to a fixed voting interest in the Company of up to 9.9% of all outstanding voting rights attached to the Common Shares, inclusive of the percentage interest in the Company represented by Controlled Common Shares (as defined below) owned by the holder thereof from time to time, but in no event greater than one vote for each Diluted Voting I Share so held, at each meeting of shareholders of the Company with respect to any and all matters presented to the shareholders of the Company for their action or consideration and upon which such holder is entitled to vote in accordance with these Bye-laws.

B. Diluted Voting II Shares. Except as required by law and in respect of a vote contemplated by Bye-law 43(b)(1), holders of Diluted Voting II Shares shall be entitled to one-third of a vote for each Diluted Voting II Share held, provided, that in no event shall a holder of Diluted Voting II Shares have greater than 9.9% of all outstanding voting rights attached to the Common Shares, inclusive of the percentage interest in the Company represented by Controlled Common Shares, at each meeting of shareholders of the Company with respect to any and all matters presented to the shareholders of the Company for their action or consideration and upon which such holder is entitled to vote in accordance with these Bye-laws.

Except as provided by law or these Bye-laws, holders of Diluted Voting II Shares shall vote together with the holders of Common Shares and Diluted Voting I Shares as a single class.

C. As used herein, with respect to any holder of Diluted Voting Shares, "Controlled Common Shares" means Common Shares owned directly, indirectly or constructively by such holder within the meaning of Section 958 of the U.S. Internal Revenue Code of 1986, as amended, and applicable rules and regulations thereunder.

4. Conversion.

Following a sale, transfer, exchange or other disposition of any Diluted Voting I Shares or Diluted Voting II Shares by a holder thereof, the Diluted Voting I Shares and Diluted Voting II Shares are convertible into an equal number of Full Voting Common Shares on a one-for-one basis at the option of the purchaser or transferee thereof upon two days prior written notice to the Company.

APPENDIX - FORM A (Bye-law 48)

P R O X Y

I of the holder of _____ share in the above-named Company hereby appoint _____ or failing her or him _____ or failing her or him _____ as my proxy to vote on my behalf at the General Meeting of the Company to be held on the _____ day of _____, 19 _____ and at any adjournment thereof.

Dated this _____ day of _____, 19 _____

*GIVEN under the seal of the company

*Signed by the above-named

.....

.....
Witness

*Delete as applicable.

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APPENDIX - FORM B (Bye-law 57)

NOTICE OF LIABILITY TO FORFEITURE FOR NON PAYMENT OF CALL

You have failed to pay the call of [amount of call] made on the day of, 19.. last, in respect of the [number] share(s) [numbers in figures] standing in your name in the Register of Members of the Company, on the day of, 19.. last, the day appointed for payment of such call. You are hereby notified that unless you pay such call together with interest thereon at the rate of per annum computed from the said day of 19... last, on or before the day of19... next at the place of business of the said Company the share(s) will be liable to be forfeited.

Dated this day of, 19...

[Signature of Secretary]
By order of the Board

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APPENDIX - FORM C (Bye-law 61)

TRANSFER OF A SHARE OR SHARES

FOR VALUE RECEIVED[amount]

[transferor]

hereby sell assign and transfer unto

[transferee]

of [address]

[number of shares]

shares of

..... [name of Company]

Dated

(Transferor)

In the presence of:

.....
(Witness)

(Transferee)

In the presence of:

.....
(Witness)

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APPENDIX - Form D (Bye-law 65)

TRANSFER BY A PERSON BECOMING ENTITLED ON DEATH OF A MEMBER

I/We having become entitled in consequence of the death of [name of the deceased Member] to [number] share(s) numbered [number in figures] standing in the register of members of [Company] in the name of the said [name of deceased Member] instead of being registered myself/ourselves elect to have [name of transferee] (the "Transferee") registered as a transferee of such share(s) and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee her or his executors administrators and assigns subject to the conditions on which the same were held at the time of the execution thereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

WITNESS our hands this day of, 19...

Signed by the above-named)
[person or persons entitled])
in the presence of:)

Signed by the above-named)
[transferee])
in the presence of:)

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CREDIT AGREEMENT

dated as of June 24, 1998

among

RENAISSANCE U.S. HOLDINGS, INC.

as the Borrower,

VARIOUS FINANCIAL INSTITUTIONS,

as the Lenders,

and

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION,

as Administrative Agent for the Lenders

and

BANCAMERICA ROBERTSON STEPHENS,

as Arranger

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CREDIT AGREEMENT

THIS CREDIT AGREEMENT, dated as of June 24, 1998, is entered into by and among Renaissance U.S. Holdings, Inc., a Delaware corporation (the "Borrower"), various financial institutions which are parties hereto (the "Lenders") and Bank of America National Trust and Savings Association, as Administrative Agent for the Lenders (in such capacity, the "Administrative Agent").

W I T N E S S E T H:

WHEREAS, the Borrower proposes to acquire the capital stock and certain assets of certain operating subsidiaries of Nobel Insurance Limited pursuant to the Purchase Agreement (this, and other capitalized terms used in these recitals being defined in Section 1.1 of this Agreement);

WHEREAS, in order to finance the Purchase, to pay certain fees and expenses incurred in connection with the Purchase and to provide for the general corporate needs of the Borrower and its Subsidiaries, the Borrower has requested the Lenders to make up to \$35,000,000 in Term Loans and provide up to a \$15,000,000 Revolving Loan facility;

WHEREAS, the Guarantor is the ultimate parent of the Borrower and has agreed to guaranty the credit facilities hereunder;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1 Definitions. When used herein the following terms shall have the following meanings:

Administrative Agent means (a) Bank of America National Trust and Savings Association, in its capacity as administrative agent for the Lenders, and (b) each other Person as shall have subsequently been appointed as the successor Administrative Agent pursuant to Section 9.9.

Affiliate of any Person means any other Person which, directly or indirectly, controls or is controlled by or is under common control with such

Person (excluding any trustee under, or any committee with responsibility for administering, any Plan). A Person shall be deemed to be:

(a) "controlled by" any other Person if such other Person possesses, directly or indirectly, power:

(i) to vote 20% or more of the securities having at the time of any determination hereunder voting power for the election of directors of such Person; or

(ii) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise; or

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

Agent-Related Persons means BofA, any successor administrative agent arising under Section 9.9 and the Arranger, together with their respective Affiliates, and the officers, directors, employees, agents and attorneys-in-fact of such Persons and Affiliates.

Agent's Payment Office means the address for payments set forth on Schedule 10.2 in relation to the Administrative Agent, or such other address as the Administrative Agent may from time to time specify.

Agreement means this Credit Agreement.

Annual Statement means the annual financial statement of any Insurance Subsidiary as required to be filed with the Department (or similar Governmental Authority) of such Insurance Subsidiary's domicile, together with all exhibits or schedules filed therewith, prepared in conformity with SAP. References to amounts on particular exhibits, schedules, lines, pages and columns of the Annual Statement are based on the format promulgated by the Department for the 1997 Annual Statements. If such format is changed in future years so that different information is contained in such items or they no longer exist, it is understood that the reference is to information consistent with that reported in the referenced item in the 1997 Annual Statement of such Insurance Subsidiary.

Applicable Margin means (a) in the case of Offshore Rate Loans, the rate set forth opposite "Offshore Rate" on the Pricing Grid for the applicable Pricing Level and (b) in the case of Base Rate Loans, 0%.

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Applicable Non-Use Fee Rate means the rate set forth opposite the "Non-Use Fee" on the Pricing Grid for the applicable Pricing Level.

Arranger means BancAmerica Robertson Stephens.

Assignee is defined in Section 10.8(a).

Assignment and Acceptance is defined in Section 10.8(a).

Attorney Costs means and includes all fees and disbursements of any law firm or other external counsel, the allocated cost of internal legal services and all disbursements of internal counsel.

Authorized Officers means those officers of the Borrower whose signatures and incumbency shall have been certified to the Administrative Agent pursuant to Section 8.1(c).

Available Dividends means, for any Fiscal Quarter, the maximum allowable unpaid dividends (based on the prior Fiscal Year) which, under Department regulations, may be paid by the Insurance Subsidiaries to the Borrower.

Base Rate means, for any day, the higher of: (a) 0.50% per annum above the latest Federal Funds Rate; and (b) the rate of interest in effect for such day as publicly announced from time to time by BofA in San Francisco, California, as its "reference rate." (The "reference rate" is a rate set by BofA based upon various factors including BofA's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate.)

Any change in the reference rate announced by BofA shall take effect at the opening of business on the day specified in the public

announcement of such change.

Base Rate Loan means a Loan that bears interest based on the Base Rate.

BofA means Bank of America National Trust and Savings Association, a national banking association.

Borrowing means a borrowing hereunder consisting of Loans of the same Type made to the Borrower on the same day by the Lenders under Article II, and, other than in the case of Base Rate Loans, having the same Interest Period.

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Borrowing Date means any date on which a Borrowing occurs under Section 2.4.

Borrower is defined in the Preamble.

Borrower Reinsurance Agreement means any arrangement whereby any Insurance Subsidiary, as reinsurer, agrees to indemnify any other insurance or reinsurance company against all or a portion of the insurance or reinsurance risks underwritten by such insurance or reinsurance company under any insurance or reinsurance policy and any Catastrophe Bonds purchased by the Borrower or any of its Subsidiaries.

Business Day means any day other than a Saturday, Sunday or other day on which commercial banks in Chicago, New York or Bermuda are authorized or required by law to close and, if the applicable Business Day relates to any Offshore Rate Loan, means such a day on which dealings are carried on in the applicable eurodollar interbank market.

Capital Adequacy Regulation means any guideline, request or directive of any central bank or other Governmental Authority, or any other law, rule or regulation, whether or not having the force of law, in each case, regarding capital adequacy of any bank or of any corporation controlling a bank.

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

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

Change in Control shall be deemed to have occurred if (a) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Guarantor occurs; (b) any

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"person" as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") other than a Founding Shareholder, is or becomes, directly or indirectly, the "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, of securities of the Guarantor that represent 51% or more of the combined voting power of the Guarantor's then outstanding securities; (c) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of the Guarantor (together with any new directors whose election by the Board of Directors or whose nomination by the stockholders of the Guarantor was approved by a vote of a majority of the Directors of the Guarantor then still in office who are either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Guarantor's Board of Directors then in office; or (d) the Guarantor ceases to own, directly or indirectly, 100% of the capital stock of and beneficial interest in the Borrower other than any directors' qualifying shares.

Code means the Internal Revenue Code of 1986, as amended and any successor statute of similar import, together with the regulations thereunder, as amended, reformed or otherwise modified and in effect from time to time. References to sections of the Code shall be construed to also refer to successor sections.

Commitments means the Revolving Loan Commitments and the Term Loan Commitments.

Commitment Termination Event means (a) the occurrence of a Default described in Section 7.1(e) or (b) the occurrence and continuance of any other Event of Default and either (i) the Loans are declared to be due and payable pursuant to Section 7.2, or (ii) in the absence of such declaration, the Administrative Agent, acting at the direction of the Required Lenders, gives notice to the Borrower that the Commitments have been terminated.

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

Computation Period means, for each Fiscal Quarter, the four consecutive Fiscal Quarters ending on the last day of such Fiscal Quarter.

Consolidated EBITDA means, as of the last day of any Fiscal Quarter, the sum, without duplication, of: (a) Consolidated Net Income for the Computation Period for the Non- Insurance Subsidiaries, plus (b) the consolidated interest

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expense and other financing costs of the Non-Insurance Subsidiaries deducted in determining Consolidated Net Income for such Computation Period, plus (c) all depreciation and amortization of assets (including goodwill and other intangible assets) of the Non-Insurance Subsidiaries deducted in determining Consolidated Net Income for such Computation Period, plus (d) all federal, state, local and foreign income taxes (whether paid or deferred) of the Non-Insurance Subsidiaries deducted in determining Consolidated Net Income for such Computation Period, plus (e) other non-cash expenses and all extraordinary and non-recurring expenses of the Non-Insurance Subsidiaries deducted in determining Consolidated Net Income for such Computation Period.

Consolidated Net Income means, with respect to any Person, the consolidated net income for such period as determined by GAAP, adjusted by excluding, without duplication, to the extent included in calculating such Consolidated Net Income, all extraordinary gains and losses.

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

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

Controlled Group means the Borrower and any corporation, trade or business that is, along with the Borrower, a member of a controlled group of corporations or a controlled group of trades or businesses as described in sections 414(b) and 414(c), respectively, of the Code or in section 4001 of ERISA.

Debt means, with respect to any Person, at any date, without duplication, (a) all obligations of such Person for borrowed money or in respect of loans or advances (including, without limitation, any such obligations issued by such Person that qualify as Catastrophe Bonds described in clause (a) of the definition thereof net of any escrow established (whether directly or to secure any letter of credit issued to back such Catastrophe Bonds) in connection with such Catastrophe Bonds); (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (c) all obligations in respect of letters of credit which have been drawn but not reimbursed by the Person for whose account such letter of credit was issued, and bankers' acceptances issued for the account of such Person; (d) all obligations in respect of Capitalized Leases of such Person; (e) all Hedging Obligations of such Person other than Hedging Obligations which are reflected in such Person's financial statements; (f) whether or not so included as liabilities in accordance with GAAP, all obligations of such Person to pay the deferred purchase price of property or services; (g) Debt of such Person secured by a Lien on property owned or being purchased by such Person (including Debt arising under conditional sales or other title retention agreements) whether or not such Debt is limited in recourse; (h) any Debt of another Person secured by a Lien on any assets of such first Person, whether or not such Debt is assumed by such first Person (it being understood that if such Person has not assumed or otherwise become personally liable for any such Debt, the amount of the Debt of such Person in connection therewith shall be limited to the lesser of the face amount of such Debt and the fair market value of all property of such Person securing such Debt); (i) any Debt of a partnership in which such Person is a general partner unless such debt is nonrecourse to such Person; and (j) all Contingent Liabilities of such Person whether or not in connection with the foregoing; provided that, notwithstanding anything to contrary contained herein, Debt shall not include (x) unsecured current liabilities incurred in the ordinary course of business and paid within 90 days after the due date (unless contested diligently in good faith by appropriate proceedings and, if requested by the Administrative Agent, reserved against in conformity with GAAP) other than liabilities that are for

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money borrowed or are evidenced by bonds, debentures, notes or other similar instruments or (y) any obligations of such Person under any Borrower Reinsurance Agreement or any Primary Policy.

Debt Service Coverage Ratio means the ratio of (a) the sum of (i) Available Dividends plus (ii) Consolidated EBITDA plus (iii) cash and cash equivalents on hand at the Guarantor as of the last day of the Computation Period to (b) Future Debt Service.

Default means any condition or event, which, after notice or lapse of time or both, would constitute an Event of Default.

Department is defined in Section 4.2.

Dollar(s) and the sign "\$" means lawful money of the United States of America.

Effective Date means the date on which the conditions precedent for the effectiveness of this Agreement specified in Section 8.1 shall be met.

Eligible Assignee means (a) a commercial bank organized under the laws of the United States, or any state thereof, and having a combined capital and surplus of at least \$250,000,000; (b) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development (the "OECD"), or a political subdivision of any such country, and having a combined capital and surplus of at least \$250,000,000, provided that such bank is acting through a branch or agency located in the United States; (c) a Person that is primarily engaged in the business of commercial banking and that is (i) a Subsidiary of a Lender, (ii) a Subsidiary of a Person of which a Lender is a Subsidiary, or (iii) a Person of which a Lender is a Subsidiary; and (d) mutual funds, pension funds and other institutional investors (except an Affiliate of the Borrower) regularly engaged in the making of commercial loans; provided, that any Eligible Assignee which is not organized under the laws of the United States or a state thereof must, on the date it becomes a Lender hereunder, make the representation and give the

documents required under Section 9.10.

ERISA means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, together with the regulations promulgated thereunder and under the Code, in each case as in effect from time to time. References to sections of ERISA also refer to successor sections.

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ERISA Event means, with respect to the Borrower, (a) a Reportable Event (other than a Reportable Event not subject to the provision for 30-day notice to the PBGC under regulations issued under section 4043 of ERISA), (b) the withdrawal of the Borrower or any Affiliate from a Plan during a plan year in which it was a "substantial employer" as defined in section 4001(a)(2) of ERISA if such withdrawal would have a Material Adverse Effect, (c) the filing of a notice of intent to terminate a Plan under a distress termination or the treatment of a Plan amendment as a distress termination under section 4041(c) of ERISA, (d) the institution of proceedings to terminate a Plan by the PBGC under section 4042 of ERISA, (e) the failure to make required contributions which would result in the imposition of a Lien under section 412 of the Code or section 302 of ERISA, or (f) any other event or condition which might reasonably be expected to constitute grounds under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan.

Event of Default means any of the events described in Section 7.1.

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

Federal Funds Rate means, for any day, the rate set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Bank of New York (including any such successor, "H.15(519)") on the preceding Business Day opposite the caption "Federal Funds (Effective)"; or, if for any relevant day such rate is not so published on any such preceding Business Day, the rate for such day will be the arithmetic mean as determined by the Administrative Agent of the rates for the last transaction in overnight Federal funds arranged prior to 9:00 a.m. (New York City time) on that day by each of three leading brokers of Federal funds transactions in New York City selected by the Administrative Agent.

Final Maturity Date means the fifth anniversary of the Funding Date.

Fiscal Quarter means any quarter of a Fiscal Year.

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

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

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Founding Shareholders means Persons who are signatories to the Shareholders Agreement on the Effective Date or their Affiliates.

Funding Date means the date on which the conditions precedent for the initial Borrowing specified in Section 8.2 shall be met.

Funding Percentage means for any Lender, the percentage set forth opposite the name of such Lender in Schedule 2.1 as the same may be adjusted from time to time pursuant to Section 10.8.

Future Debt Service shall mean at any time the sum of (a) the consolidated projected interest expense on all outstanding Debt of the Borrower and its Subsidiaries for the next four consecutive Fiscal Quarters plus (b) all scheduled principal payments on outstanding Debt of the Borrower and its Subsidiaries during the next four consecutive Fiscal Quarters. For purposes of this definition, (i) the projected interest expense with respect to any Debt shall be calculated by multiplying the outstanding principal amount of such Debt at the date of calculation by the annualized interest rate then applicable or which would be applicable to such principal amount and subtracting therefrom, for each mandatory reduction of principal that is scheduled to occur within such four Fiscal Quarters, the corresponding portion of such interest and (ii)

repayments of Revolving Loans hereunder (other than Revolving Loans due on the Commitment Termination Date) shall not be included as scheduled principal payments.

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

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

Guarantor means RenaissanceRe Holdings Ltd., a Bermuda company.

Guaranty means a Guaranty substantially in the form of Exhibit G executed by the Guarantor.

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

Indemnified Liabilities is defined in Section 10.5.

Indemnified Person is defined in Section 10.5.

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

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

Insurance Subsidiary means Nobel and any other Subsidiary of the Borrower created after the Effective Date which is licensed by any Governmental Authority to engage in the insurance business.

Interest Payment Date means, as to any Offshore Rate Loan, the last day of each Interest Period applicable to such Loan and if an Interest Period exceeds three months, the day three months after the commencement of the Interest Period and the last day thereof and, as to any Base Rate Loan, the last Business Day of each calendar quarter.

Interest Period means as to any Offshore Rate Loan, the period commencing on the Borrowing Date of such Loan or on the Conversion/Continuation Date on which the Loan is converted into or continued as an Offshore Rate Loan, and ending on the date one, two, three or six months thereafter as selected by the Borrower in its Notice of Borrowing or Notice of Conversion/Continuation;

provided that:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, that Interest Period shall

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be extended to the following Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the preceding Business Day;

(ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically

corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period;

(iii) no Interest Period for any Revolving Loan shall extend beyond the Revolving Commitment Termination Date; and

(iv) no Interest Period for any Term Loan shall extend beyond the Final Maturity Date.

IRS means the U.S. Internal Revenue Service, and any Governmental Authority succeeding to any of its principal functions under the Code.

Lenders is defined in the Preamble.

Lending Office means, as to any Lender, the office or offices of such Lender specified as its "Lending Office" or "Domestic Lending Office" or "Offshore Lending Office", as the case may be, on Schedule 10.2, or such other office or offices as such Lender may from time to time notify the Borrower and the Administrative Agent.

License(s) is defined in Section 4.14.

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

"Loan" means an extension of credit by a Lender to the Borrower under Article II, and may be a Base Rate Loan or an Offshore Rate Loan (each, a "Type" of Loan).

Loan Documents means this Agreement, the Guaranty, any Notes and all other agreements, instruments, certificates,

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documents, schedules or other written indicia delivered by the Borrower or any of its Subsidiaries or the Guarantor in connection with any of the foregoing.

Margin Stock means "margin stock" as such term is defined in Regulation U or X of the FRB.

Material Adverse Effect means, the occurrence of an event (including any adverse determination in any litigation, arbitration, or governmental investigation or proceeding), which has or could reasonably be expected to have a materially adverse effect on:

(a) the assets, business, financial condition or operations of the Guarantor and its Subsidiaries taken as a whole; or

(b) the ability of the Guarantor to perform any of its payment or other material obligations under any of the Loan Documents; or

(c) the legality, validity, binding effect or enforceability against the Borrower or the Guarantor of any Loan Document that by its terms purports to bind the Borrower or the Guarantor.

Multiemployer Plan means a "multiemployer plan" as defined in section 4001(a)(3) of ERISA, and to which the Borrower or any of the Subsidiaries is making, or is obligated to make, contributions, or has made, or has been obligated to make, contributions.

Net Debt Proceeds means, relative to Debt described in clause (a) or (b) of the definition of Debt issued or incurred by the Borrower or any of its Subsidiaries after the Effective Date (other than Debt under this Agreement, Debt owed to the Guarantor or any of its Subsidiaries and Debt incurred in connection with liens permitted under Section 6.7(iii) and (vi)), the excess of

(a) the gross cash proceeds received by the Borrower or such Subsidiary

over

(b) all reasonable underwriting commissions, private placement

fees, legal, investment banking, and accounting fees and disbursements, printing expenses, and any governmental or exchange fees incurred (or reasonably expected to be incurred) in connection with such issuance or incurrence which are not payable to Affiliates of the Borrower and any escrows established (whether directly or to

secure any letter of credit issued to back such Catastrophe Bonds) to support or in connection with the issuance of Catastrophe Bonds.

Nobel means Nobel Insurance Company, a Texas corporation.

Non-Insurance Subsidiary means any Subsidiary of the Borrower which is not an Insurance Subsidiary.

Note means a promissory note executed by the Borrower in favor of a Lender pursuant to Section 2.3(b), in substantially the form of Exhibit F.

Notice of Borrowing means a notice in substantially the form of Exhibit A.

Notice of Conversion/Continuation means a notice in substantially the form of Exhibit B.

Obligations means all obligations and liabilities of the Borrower and its Subsidiaries to the Administrative Agent or any of the Lenders, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, primary or secondary, joint or several, recourse or nonrecourse or now or hereafter existing or due or to become due, whether for principal, interest, fees, expenses, lease obligations, claims, indemnities or otherwise, under or in connection with this Agreement or any other Loan Document.

Offshore Rate means, for any Interest Period, with respect to Offshore Rate Loans comprising part of the same Borrowing, the rate of interest per annum (rounded upward to the next 1/16th of 1%) determined by the Administrative Agent as follows:

$$\text{Offshore Rate} = \frac{\text{IBOR}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

Where,

Eurodollar Reserve Percentage means for any day for any Interest Period the maximum reserve percentage (expressed as a decimal, rounded upward to the next 1/100th of 1%) in effect on such day (whether or not applicable to any Lender) under regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities"); and

IBOR means the rate of interest per annum determined by the Administrative Agent to be the arithmetic mean (rounded upward to the next 1/16th of 1%) of the rates of interest per annum determined by the Administrative Agent as the rate of interest at which dollar deposits in the approximate amount of the amount of the Loan to be made or continued as, or converted into, an Offshore Rate Loan by the Administrative Agent or its Affiliates and having a maturity comparable to such Interest Period would be offered by the Administrative Agent to prime international banks in the offshore dollar market at approximately 10:00 a.m. (Chicago time) two Business Days prior to the commencement of such Interest Period.

The Offshore Rate shall be adjusted automatically as to all Offshore Rate Loans then outstanding as of the effective date of any change in the Eurodollar Reserve Percentage.

Offshore Rate Loan means a Loan that bears interest based on the Offshore Rate.

Ordinary Course Litigation is defined in Section 4.4.

Organization Documents means, for any corporation, the

certificate or articles of incorporation, the bylaws, any certificate of determination or instrument relating to the rights of preferred shareholders of such corporation, any shareholder rights agreement, and all applicable resolutions of the board of directors (or any committee thereof) of such corporation.

Other Taxes means any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any other Loan Documents.

Participants is defined in Section 10.8(d).

PBGC means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions.

Person means any natural person, corporation, partnership, firm, trust, association, government, governmental agency or other entity, whether acting in an individual, fiduciary or other capacity.

Plan means any "employee pension benefit plan," as such term is defined in ERISA, which is subject to Title IV of ERISA (other than a "Multiemployer Plan"), and as to which any entity in the Controlled Group has or may have any liability, including

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any liability by reason of having been a substantial employer within the meaning of section 4063 of ERISA for any time within the preceding five years or by reason of being deemed to be a contributing sponsor under section 4069 of ERISA.

Pricing Grid means the Pricing Grid set forth on Schedule 1.2.

Pricing Level means the Pricing Level on the Pricing Grid which is applicable from time to time and in accordance with Section 2.7(c).

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

Pro Rata Share means as to any Lender at any time, the percentage equivalent (expressed as a decimal, rounded to the ninth decimal place) at such time of such Lender's Commitment divided by the combined Commitments of all Lenders.

Purchase means the purchase by the Borrower of Nobel and certain other operating subsidiaries and other certain assets of Nobel Insurance Limited pursuant to the Purchase Agreement.

Purchase Agreement means the Stock Purchase Agreement dated December 19, 1997 among the Borrower, the Guarantor, Nobel Insurance Limited and Nobel Holdings, Inc. as in effect on the Effective Date.

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

Reinsurance Agreement means any arrangement whereby an insurance company, the reinsurer, agrees to indemnify any Insurance Subsidiary against all or a portion of the insurance or reinsurance risks underwritten by such Insurance Subsidiary under any insurance policy.

Reportable Event means any of the events set forth in Section 4043(b) of ERISA or the regulations thereunder other than any such event for which the 30-day notice requirement under ERISA has been waived in regulations issued by the PBGC.

Required Lenders means, at any time, Lenders then having at least 60% of the aggregate amount of the Revolving Commitments or, if the Commitments have been terminated, Lenders then holding at least 60% of the then aggregate unpaid principal amount of the Loans.

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Requirement of Law for any Person means the Organization Documents of such Person, and any law, treaty, rule, ordinance or regulation or

determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

Revolving Commitment Termination Date means the earliest to occur of (a) the fifth anniversary of the Funding Date or (b) the date on which any Commitment Termination Event occurs.

Revolving Credit Agreement means that certain Third Amended and Restated Credit Agreement, dated as of December 12, 1996, as amended through the Effective Date, among the Guarantor, the various financial institutions party thereto from time to time and Bank of America National Trust & Savings Association, as Administrative Agent for such lenders and as thereafter amended in accordance with the Guaranty.

Revolving Loan - see Section 2.1(a).

Revolving Loan Commitment means as to any Lender the Commitment of such Lender to make Revolving Loans pursuant to Section 2.1(a). The initial amount of the Revolving Loan Commitment of each Lender is set forth on Schedule 2.1.

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

Shareholders Agreement means the Shareholders Agreement dated as of August 1, 1995 among the Guarantor, United States Fidelity and Guaranty Company, Warburg, Pincus Investors, L.P., Trustees of the General Electric Pension Trust and GE Investment Private Placement Partners I, Limited Partnership.

S&P Claims Rating means the claims paying ability rating of Renaissance Reinsurance Ltd. as determined from time to time by Standard & Poor's Rating Group. If at any time no such rating shall be determined, it shall be assumed to be below BBB+.

Statutory Financial Statements is defined in Section 4.2(a).

Subsidiary means a corporation of which the indicated Person and/or its other Subsidiaries, individually or in the aggregate, own, directly or indirectly, such number of

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outstanding shares as have at the time of any determination hereunder more than 50% of the ordinary voting power. Unless otherwise specified, "Subsidiary" shall mean a Subsidiary of the Borrower.

Taxes means any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender and the Administrative Agent, such taxes (including income taxes or franchise taxes) as are imposed on or measured by each Lender's net income by the jurisdiction (or any political subdivision thereof) under the laws of which such Lender or the Administrative Agent, as the case may be, is organized or maintains a lending office.

Term Loan - see Section 2.1(b).

Term Loan Commitment means, as to any Lender, the Commitment of such Lender to make Term Loans pursuant to Section 2.1(b). The initial amount of the Term Loan Commitment of each Lender is set forth on Schedule 2.1.

Welfare Plan means any "employee welfare benefit plan" as such term is defined in ERISA, as to which the Borrower has any liability.

SECTION 1.2 Other Interpretive Provisions.

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words "hereof", "herein", "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and subsection, Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) (i) The term "documents" includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced.

(ii) The term "including" is not limiting and means "including without limitation."

(iii) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding", and the word "through" means "to and including."

(d) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement) and other

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contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document, and (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

(e) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(f) This Agreement and other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms.

(g) This Agreement and the other Loan Documents are the result of negotiations among and have been reviewed by counsel to the Administrative Agent, the Borrower and the other parties, and are the products of all parties. Accordingly, they shall not be construed against the Lenders or the Administrative Agent merely because of the Administrative Agent's or Lenders' involvement in their preparation.

SECTION 1.3 Accounting Principles. Unless otherwise defined or the context otherwise requires, all financial and accounting terms used herein or in any of the Loan Documents or any certificate or other document made or delivered pursuant hereto shall be defined in accordance with GAAP or SAP, as the context may require. When used in this Agreement, the term "financial statements" shall include the notes and schedules thereto. In addition, when used herein, the terms "best knowledge of" or "to the best knowledge of" any Person shall mean matters within the actual knowledge of such Person (or an Executive Officer or general partner of such Person) or which should have been known by such Person after reasonable inquiry.

ARTICLE II

AMOUNT AND TERMS OF COMMITMENT

SECTION 2.1 Commitments. Upon and subject to the terms and conditions hereof, each of the Lenders severally and for itself agrees as follows:

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(a) Each Lender agrees to make revolving loans to the Borrower (collectively called the "Revolving Loans" and individually called a "Revolving Loan") from time to time on any Business Day during the period from the Funding Date to the Revolving Commitment Termination Date, in an aggregate amount not to exceed at any time outstanding the amount set forth on Schedule 2.1 under the heading Revolving Loan Commitment for each respective Lender (such amount as the same may be adjusted under Section 2.2 or as a result of one or more assignments under Section 10.8, the Lender's "Revolving Loan Commitment"); provided, however, that, after giving effect to any Borrowing, the aggregate principal amount of all outstanding Revolving Loans shall not at any time exceed the combined Revolving Loan Commitments. Within the limits of each Lender's Revolving Loan Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.1(a), prepay under Section 2.6 and reborrow under this Section 2.1(a).

(b) Each Lender agrees to make a Term Loan to the Borrower (collectively called the "Term Loans" and individually called a "Term Loan") on the Funding Date in such Lender's Pro Rata Share of such aggregate amounts as the Borrower may request from all Lenders under the Term Loan Commitments, provided that the aggregate principal amount of all Term Loans shall not exceed

\$35,000,000 and no Lender's Term Loan shall exceed its Term Loan Commitment. Each Lender's Term Loan Commitment shall expire concurrently with the making of such Lender's Term Loan.

SECTION 2.2 Termination or Reduction of Commitments. (a) The Borrower may, upon not less than five Business Days' prior notice to the Administrative Agent, terminate either Commitment, or permanently reduce either Commitment by an aggregate minimum amount of \$3,000,000 or any multiple of \$500,000 in excess thereof; unless, in the case of the Revolving Loan Commitment, after giving effect thereto and to any prepayments of Revolving Loans to be made on the effective date thereof, the then-outstanding principal amount of the Revolving Loans would exceed the amount of the combined Revolving Loan Commitment then in effect. Once reduced in accordance with this Section, the Commitments may not be increased. Any reduction of the Commitments shall be applied to each Lender according to its Pro Rata Share.

(b) Mandatory Commitment Reduction. On each date a Revolving Loans Commitment reduction is required pursuant to Section 2.6(d), the Revolving Loan Commitments shall, without any further action, automatically and permanently be reduced by such amount.

SECTION 2.3 Loan Accounts. (a) The Loans made by each Lender shall be evidenced by one or more loan accounts or records

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maintained by such Lender in the ordinary course of business. The loan accounts or records maintained by each Lender shall be conclusive, absent manifest error, of the amount of the Loans made by such Lender to the Borrower and the interest and payments thereon. Any failure so to record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Loans.

(b) Upon the written request of any Lender made through the Administrative Agent, the Loans made by such Lender may be evidenced by one or more Notes, instead of loan accounts. Each such Lender shall endorse on the schedules annexed to its Note(s) the date, amount and maturity of each Loan made by it and the date and amount of each payment of principal made by the Borrower with respect thereto. Each such Lender is irrevocably authorized by the Borrower to endorse its Note(s) and each such Lender's Note shall be conclusive, absent manifest error; provided, however, that the failure of a Lender to make, or an error in making, a notation thereon with respect to any Loan shall not limit or otherwise affect the obligations of the Borrower hereunder or under any such Note to such Lender.

SECTION 2.4 Procedure for Borrowing. (a) Each Borrowing shall be made upon the Borrower's irrevocable written notice delivered to the Administrative Agent in the form of a Notice of Borrowing (which notice must be received by the Administrative Agent prior to 9:00 a.m. (San Francisco time) (x) three Business Days prior to the requested Borrowing Date, in the case of Offshore Rate Loans; and (y) one Business Day prior to the requested Borrowing Date, in the case of Base Rate Loans, specifying:

- (i) the amount of the Borrowing, which shall be in an aggregate minimum amount of \$3,000,000 or any multiple of \$500,000 in excess thereof;
- (ii) the requested Borrowing Date, which shall be a Business Day;
- (iii) the Type of Loans comprising the Borrowing; and
- (iv) the duration of the Interest Period applicable to any Offshore Loans included in such notice. If the Notice of Borrowing fails to specify the duration of the Interest Period for any Borrowing comprised of Offshore Rate Loans, such Interest Period shall be three months.

(b) The Administrative Agent will promptly notify each Lender of its receipt of any Notice of Borrowing and of the amount of such Lender's Pro Rata Share of that Borrowing.

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(c) Each Lender will make the amount of its Pro Rata Share of each Borrowing available to the Administrative Agent for the account of the Borrower at the Administrative Agent's Payment Office by 10:00 a.m. (San Francisco time) on the Borrowing Date requested by the Borrower in funds

immediately available to the Administrative Agent. The proceeds of all such Loans will then be made available to the Borrower by the Administrative Agent by wire transfer in accordance with written instructions provided to the Administrative Agent by the Borrower of like funds as received by the Administrative Agent.

(d) After giving effect to any Borrowing, there may not be more than five (5) different Interest Periods in effect.

SECTION 2.5 Conversion and Continuation Elections. (a) The Borrower may, upon irrevocable written notice to the Administrative Agent in accordance with Section 2.5(b):

(i) elect, as of any Business Day, in the case of Base Rate Loans, or as of the last day of the applicable Interest Period, in the case of any other Type of Loans, to convert any such Loans (or any part thereof in an amount not less than \$3,000,000, or that is in an integral multiple of \$500,000 in excess thereof) into Loans of any other Type; or

(ii) elect, as of the last day of the applicable Interest Period, to continue any Loans having Interest Periods expiring on such day (or any part thereof in an amount not less than \$3,000,000, or that is in an integral multiple of \$500,000 in excess thereof);

provided, that if at any time the aggregate amount of Offshore Rate Loans in respect of any Borrowing is reduced, by payment, prepayment, or conversion of part thereof to be less than \$1,000,000, such Offshore Rate Loans shall automatically convert into Base Rate Loans, and on and after such date the right of the Borrower to continue such Loans as, and convert such Loans into, Offshore Rate Loans shall terminate.

(b) The Borrower shall deliver a Notice of Conversion/Continuation to be received by the Administrative Agent not later than 9:00 a.m. (San Francisco time) at least (x) three Business Days in advance of the Conversion/Continuation Date, if the Loans are to be converted into or continued as Offshore Rate Loans; and (y) one Business Day in advance of the Conversion/Continuation Date, if the Loans are to be converted into Base Rate Loans, specifying:

(i) the proposed Conversion/Continuation Date;

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(ii) the aggregate amount of Loans to be converted or continued;

(iii) the Type of Loans resulting from the proposed conversion or continuation; and

(iv) other than in the case of conversions into Base Rate Loans, the duration of the requested Interest Period.

(c) If upon the expiration of any Interest Period applicable to Offshore Rate Loans, the Borrower has failed to select timely a new Interest Period to be applicable to such Offshore Rate Loans or if any Default or Event of Default then exists, the Borrower shall be deemed to have elected to convert such Offshore Rate Loans into Base Rate Loans effective as of the expiration date of such Interest Period.

(d) The Administrative Agent will promptly notify each Lender of its receipt of a Notice of Conversion/Continuation, or, if no timely notice is provided by the Borrower, the Administrative Agent will promptly notify each Lender of the details of any automatic conversion. All conversions and continuations shall be made ratably according to the respective outstanding principal amounts of the Loans with respect to which the notice was given held by each Lender.

(e) After giving effect to any conversion or continuation of Loans, there may not be more than five (5) different Interest Periods in effect.

(f) The Borrower may not select any Interest Period for a Term Loan if, after giving effect to such selection, the Borrower would have to prepay any Offshore Rate Loan in order to make any scheduled prepayment of such Term Loan.

SECTION 2.6 Repayments. (a) Subject to Section 3.4, the Borrower may, at any time or from time to time, upon not less than three (3) Business Days' irrevocable notice to the Administrative Agent, ratably prepay Loans in whole or in part, in minimum amounts of \$1,000,000 or any multiple of \$500,000 in excess thereof. Such notice of prepayment shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid. The Administrative Agent will promptly notify each Lender of its receipt of any such notice, and of such

Lender's Pro Rata Share of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Term Loans once repaid may not be reborrowed. Prepayments of Term Loans shall be applied in the inverse order of maturity.

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(b) If at any time the aggregate outstanding principal amount of the Revolving Loans shall exceed the Revolving Loan Commitment in effect at such time, the Borrower shall make a principal repayment of the Revolving Loans in an amount equal to such excess.

(c) The Borrower shall, immediately upon any acceleration of the maturity date of the Loans pursuant to Section 7.2, repay the Loans.

(d) Within one Business Day after the Borrower receives any Net Debt Proceeds, the Borrower shall repay the Loans and/or reduce the Revolving Loan Commitment in an amount equal to such Net Debt Proceeds unless such payment has been previously waived in writing by the Required Lenders. Net Debt Proceeds shall be applied as follows: (i) Net Debt Proceeds shall be applied to repay Term Loans (in the inverse order of maturity), and (ii) to the extent there are any Net Debt Proceeds remaining after the application required pursuant to clause (i), the Revolving Loan Commitment shall be reduced in an amount equal to such unapplied Net Debt Proceeds and, to the extent such Revolving Loan Commitment Reduction requires payment of Revolving Loans, the Net Debt Proceeds shall be applied to such repayment.

(e) The Borrower shall repay to the Lenders on the Revolving Commitment Termination Date the aggregate principal amount of Revolving Loans outstanding on such date.

(f) The Borrower shall repay to the Lenders on each date set forth below the aggregate principal amount of Term Loans set forth opposite such date:

<TABLE>
<CAPTION>

Term Loan Payment Date -----	Principal Amount -----
<S>	<C>
The second anniversary of the Funding Date	\$ 8,000,000
The third anniversary of the Funding Date	\$ 8,500,000
The fourth anniversary of the Funding Date	\$ 8,500,000
The fifth anniversary of the Funding Date	\$10,000,000

</TABLE>

The Borrower shall repay to the Lenders on the Final Maturity Date the aggregate principal amount of Term Loans outstanding on such date.

(g) Each prepayment of Offshore Rate Loans shall be accompanied by payment of accrued interest to the date of prepayment on the amount prepaid and amounts required pursuant to Section 3.4.

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SECTION 2.7 Interest. (a) Each Loan shall bear interest on the outstanding principal amount thereof from the applicable Borrowing Date at a rate per annum equal to, the Offshore Rate or the Base Rate, as the case may be (and subject to the Borrower's right to convert to other Types of Loans under Section 2.5), plus the Applicable Margin.

(b) Interest on each Loan shall be paid in arrears on each Interest Payment Date. Interest shall also be paid on the date of any prepayment of Offshore Rate Loans under Section 2.6 for the portion of the Loans so prepaid and upon payment (including prepayment) in full thereof and, during the existence of any Event of Default, interest shall be paid on demand of the Administrative Agent at the request or with the consent of the Required Lenders.

(c) Any change in the Applicable Margin or Applicable Non-Use Fee Rate resulting from a change in the S & P Claims Rating shall be effective as of the effective date of the change in the S & P Claims Rating. The Borrower agrees promptly upon any change in the S & P Claims Rating to inform the Administrative

Agent thereof.

(d) Notwithstanding clause (a) of this Section, after acceleration or, at the election of the Required Lenders while any Event of Default exists, the Borrower shall pay interest (after as well as before entry of judgment thereon to the extent permitted by law) on the principal amount of all outstanding Obligations, at a rate per annum which is determined by adding 3% per annum to the Applicable Margin then in effect for such Loans and, in the case of Obligations not subject to an interest rate, at a rate per annum equal to the Base Rate plus 3%; provided, however, that, on and after the expiration of any Interest Period applicable to any Offshore Rate Loan outstanding on the date of occurrence of such Event of Default or acceleration, the principal amount of such Loan shall, during the continuation of such Event of Default or after acceleration, bear interest at a rate per annum equal to the Base Rate plus 3%.

(e) Anything herein to the contrary notwithstanding, the obligations of the Borrower to any Lender hereunder shall be subject to the limitation that payments of interest shall not be required for any period for which interest is computed hereunder, to the extent (but only to the extent) that contracting for or receiving such payment by such Lender would be contrary to the provisions of any law applicable to such Lender limiting the highest rate of interest that may be lawfully contracted for, charged or received by such Lender, and in such event the Borrower shall pay such Lender interest at the highest rate permitted by applicable law.

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SECTION 2.8 Fees. (a) Agent Fees. The Borrower shall pay fees to the Administrative Agent for the Administrative Agent's own account, as required by the letter agreement ("Fee Letter") between the Borrower and the Administrative Agent dated February 23, 1998 and as the Borrower and the Administrative Agent may agree from time to time.

(b) Non-Use Fees. The Borrower shall pay to the Administrative Agent for the account of each Lender a non-use fee on the actual daily unused portion of such Lender's Commitments, computed on a quarterly basis in arrears on the last Business Day of each calendar quarter based upon the daily utilization for that quarter as calculated by the Administrative Agent, equal to the Applicable Non-Use Fee Rate. Such non-use fee shall accrue (x) in the case of the Revolving Loan Commitments, from the Effective Date to the Revolving Commitment Termination Date and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December commencing on June 30, 1998 through the Revolving Commitment Termination Date, with the final payment to be made on the Revolving Commitment Termination Date and (y) in the case of the Term Loan Commitments, from the Effective Date to the Funding Date and shall be due and payable on the Funding Date. The non-use fees provided in this subsection shall accrue at all times after the above-mentioned commencement date, including at any time during which one or more conditions in Article VIII are not met.

SECTION 2.9 Computation of Fees and Interest. (a) All computations of fees and interest (other than interest on Base Rate Loans) shall be made on the basis of a 360-day year and actual days elapsed (which results in more interest being paid than if computed on the basis of a 365-day year). Interest on Base Rate Loans shall be computed on the basis of a 365/366-day year and actual days elapsed. Interest and fees shall accrue during each period during which interest or such fees are computed from the first day thereof to the last day thereof.

(b) Each determination of an interest rate by the Administrative Agent shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error.

SECTION 2.10 Payments by the Borrower. (a) All payments to be made by the Borrower shall be made without set-off, recoupment or counterclaim. Except as otherwise expressly provided herein, all payments by the Borrower shall be made to the Administrative Agent for the account of the Lenders at the Administrative Agent's Payment Office, and shall be made in Dollars and in immediately available funds, no later than 10:00 a.m. (San Francisco time) on the date specified herein. The Administrative Agent will promptly distribute to each Lender its

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Pro Rata Share (or other applicable share as expressly provided herein) of such payment in like funds as received. Any payment received by the Administrative Agent later than 10:00 a.m. (San Francisco time) shall be deemed to have been

received on the following Business Day and any applicable interest or fee shall continue to accrue to such Business Day.

(b) Subject to the provisions set forth in the definition of "Interest Period" herein, whenever any payment is due on a day other than a Business Day, such payment shall be made on the following Business Day, and such extension of time shall in such case be included in the computation of interest or fees, as the case may be.

(c) Unless the Administrative Agent receives notice from the Borrower prior to the date on which any payment is due to the Lenders that the Borrower will not make such payment in full as and when required, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date in immediately available funds and the Administrative Agent may (but shall not be so required), in reliance upon such assumption, distribute to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the Borrower has not made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent on demand such amount distributed to such Lender, together with interest thereon at the Federal Funds Rate for each day from the date such amount is distributed to such Lender until the date repaid.

SECTION 2.11 Payments by the Lenders to the Administrative Agent. (a) Unless the Administrative Agent receives notice from a Lender on or prior to the Effective Date or, with respect to any Borrowing after the Effective Date, at least one Business Day prior to the date of such Borrowing, that such Lender will not make available as and when required hereunder to the Administrative Agent for the account of the Borrower the amount of that Lender's Pro Rata Share of the Borrowing, the Administrative Agent may assume that each Lender has made such amount available to the Administrative Agent in immediately available funds on the Borrowing Date and the Administrative Agent may (but shall not be so required), in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent any Lender shall not have made its full amount available to the Administrative Agent in immediately available funds and the Administrative Agent in such circumstances has made available to the Borrower such amount, that Lender shall on the Business Day following such Borrowing Date make such amount available to the Administrative Agent, together with interest at the Federal Funds Rate for each day during such period. A notice of the Administrative Agent

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submitted to any Lender with respect to amounts owing under this subsection (a) shall be conclusive, absent manifest error. If such amount is so made available, such payment to the Administrative Agent shall constitute such Lender's Loan on the date of Borrowing for all purposes of this Agreement. If such amount is not made available to the Administrative Agent on the Business Day following the Borrowing Date, the Administrative Agent will notify the Borrower of such failure to fund and, upon demand by the Administrative Agent, the Borrower shall pay such amount to the Administrative Agent for the Administrative Agent's account, together with interest thereon for each day elapsed since the date of such Borrowing, at a rate per annum equal to the interest rate applicable at the time to the Loans comprising such Borrowing.

(b) The failure of any Lender to make any Loan on any Borrowing Date shall not relieve any other Lender of any obligation hereunder to make a Loan on such Borrowing Date, but no Lender shall be responsible for the failure of any other Lender to make the Loan to be made by such other Lender on any Borrowing Date.

SECTION 2.12 Sharing of Payments, Etc. If, other than as expressly provided elsewhere herein, any Lender shall obtain on account of the Loans made by it any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) in excess of its Pro Rata Share, such Lender shall immediately (a) notify the Administrative Agent of such fact, and (b) purchase from the other Lenders such participations in the Loans made by them as shall be necessary to cause such purchasing Lender to share the excess payment pro rata with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from the purchasing Lender, such purchase shall to that extent be rescinded and each other Lender shall repay to the purchasing Lender the purchase price paid therefor, together with an amount equal to such paying Lender's ratable share (according to the proportion of (i) the amount of such paying Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off, but subject to Section 10.10) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation. The Administrative Agent will keep records (which shall be conclusive and binding in the absence of

manifest error) of participations purchased under this Section and will in each case notify the Lenders following any such purchases or repayments.

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ARTICLE III

TAXES, YIELD PROTECTION AND ILLEGALITY

SECTION 3.1 Taxes. (a) Any and all payments by the Borrower to each Lender or the Administrative Agent under this Agreement and any other Loan Document shall be made free and clear of, and without deduction or withholding for any Taxes. In addition, the Borrower shall pay all Other Taxes.

(b) The Borrower agrees to indemnify and hold harmless each Lender and the Administrative Agent for the full amount of Taxes or Other Taxes (including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section) paid by the Lender or the Administrative Agent and any liability (including penalties, interest, additions to tax and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. Payment under this indemnification shall be made within 30 days after the date the Lender or the Administrative Agent makes written demand therefor.

(c) If the Borrower shall be required by law to deduct or withhold any Taxes or Other Taxes from or in respect of any sum payable hereunder to any Lender or the Administrative Agent, then:

(i) the sum payable shall be increased as necessary so that after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section) such Lender or the Administrative Agent, as the case may be, receives an amount equal to the sum it would have received had no such deductions or withholdings been made;

(ii) the Borrower shall make such deductions and withholdings;

(iii) the Borrower shall pay the full amount deducted or withheld to the relevant taxing authority or other authority in accordance with applicable law; and

(iv) the Borrower shall also pay, without duplication, to each Lender or the Administrative Agent for the account of such Lender, at the time interest is paid, all additional amounts which the respective Lender specifies as necessary to preserve the after-tax yield the Lender would have received if such Taxes or Other Taxes had not been imposed.

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(d) Within 30 days after the date of any payment by the Borrower of Taxes or Other Taxes, the Borrower shall furnish the Administrative Agent the original or a certified copy of a receipt evidencing payment thereof, or other evidence of payment satisfactory to the Administrative Agent.

(e) If the Borrower is required to pay additional amounts to any Lender or the Administrative Agent pursuant to Section 3.1(c), then such Lender shall use reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its Lending Office so as to eliminate any such additional payment by the Borrower which may thereafter accrue, if such change in the judgment of such Lender is not otherwise disadvantageous to such Lender or inconsistent with such Lender's internal policies.

SECTION 3.2 Illegality. (a) If any Lender determines that the introduction of any Requirement of Law, or any change in any Requirement of Law, or in the interpretation or administration of any Requirement of Law, has made it unlawful, or that any central bank or other Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make Offshore Rate Loans, then, on notice thereof by the Lender to the Borrower through the Administrative Agent, any obligation of that Lender to make Offshore Rate Loans shall be suspended until the Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist.

(b) If a Lender determines that it is unlawful to maintain any Offshore Rate Loan, the Borrower shall, upon its receipt of notice of such fact and demand from such Lender (with a copy to the Administrative Agent), prepay in full such Offshore Rate Loans of that Lender then outstanding, together with

interest accrued thereon and amounts required under Section 3.4, either on the last day of the Interest Period thereof, if the Lender may lawfully continue to maintain such Offshore Rate Loans to such day, or immediately, if the Lender may not lawfully continue to maintain such Offshore Rate Loan. If the Borrower is required to so prepay any Offshore Rate Loan, then concurrently with such prepayment, the Borrower shall borrow from the affected Lender, in the amount of such repayment, a Base Rate Loan.

(c) If the obligation of any Lender to make or maintain Offshore Rate Loans has been so terminated or suspended, the Borrower may elect, by giving notice to the Lender through the Administrative Agent that all Loans which would otherwise be made by the Lender as Offshore Rate Loans shall be instead Base Rate Loans.

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(d) Before giving any notice to the Administrative Agent under this Section, the affected Lender shall designate a different Lending Office with respect to its Offshore Rate Loans if such designation will avoid the need for giving such notice or making such demand and will not, in the judgment of the Lender, be illegal or otherwise disadvantageous to the Lender or inconsistent with such Lender's internal policies.

SECTION 3.3 Increased Costs and Reduction of Return. (a) If any Lender determines that, due to either (i) the introduction of or any change (other than any change by way of imposition of or increase in reserve requirements included in the calculation of the Offshore Rate) in or in the interpretation of any law or regulation or (ii) the compliance by that Lender with any guideline or request from any central bank or other Governmental Authority (whether or not having the force of law), there shall be any increase in the cost to such Lender of agreeing to make or making, funding or maintaining any Offshore Rate Loans, then the Borrower shall be liable for, and shall from time to time, upon demand (with a copy of such demand to be sent to the Administrative Agent), pay to the Administrative Agent for the account of such Lender, additional amounts as are sufficient to compensate such Lender for such increased costs; provided that the Borrower shall not be obligated to pay any additional amounts which were incurred by such Lender more than 90 days prior to the date of such request.

(b) If any Lender shall have determined that (i) the introduction of any Capital Adequacy Regulation, (ii) any change in any Capital Adequacy Regulation, (iii) any change in the interpretation or administration of any Capital Adequacy Regulation by any central bank or other Governmental Authority charged with the interpretation or administration thereof, or (iv) compliance by the Lender (or its Lending Office) or any corporation controlling the Lender with any Capital Adequacy Regulation, affects or would affect the amount of capital required or expected to be maintained by the Lender or any corporation controlling the Lender and (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy and such Lender's desired return on capital) determines that the amount of such capital is increased or its rate of return is decreased as a consequence of its Commitment, loans, credits or obligations under this Agreement, then, upon demand of such Lender to the Borrower through the Administrative Agent, the Borrower shall pay to the Lender, from time to time as specified by the Lender, additional amounts sufficient to compensate the Lender for such increase; provided that the Borrower shall not be obligated to pay any additional amounts which were incurred by such Lender more than 90 days prior to the date of such request.

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SECTION 3.4 Funding Losses. The Borrower shall reimburse each Lender and hold each Lender harmless from any loss or expense which the Lender may sustain or incur as a consequence of:

(a) the failure of the Borrower to make on a timely basis any payment of principal of any Offshore Rate Loan;

(b) the failure of the Borrower to borrow, continue or convert a Loan after the Borrower has given (or is deemed to have given) a Notice of Borrowing or a Notice of Conversion/ Continuation that includes an Offshore Rate Loan;

(c) the failure of the Borrower to make any prepayment in accordance with any notice delivered under Section 2.6;

(d) the prepayment (including pursuant to Section 2.6) or other payment (including after acceleration thereof) of an Offshore Rate Loan on a day that is not the last day of the relevant Interest Period; or

(e) the automatic conversion under Section 2.5 of any Offshore Rate Loan to a Base Rate Loan on a day that is not the last day of the relevant Interest Period;

including any such loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain its Offshore Rate Loans or from fees payable to terminate the deposits from which such funds were obtained. For purposes of calculating amounts payable by the Borrower to the Lenders under this Section and under Section 3.3(a), each Offshore Rate Loan made by a Lender (and each related reserve, special deposit or similar requirement) shall be conclusively deemed to have been funded at the IBOR used in determining the Offshore Rate for such Offshore Rate Loan by a matching deposit or other borrowing in the interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Offshore Rate Loan is in fact so funded.

SECTION 3.5 Inability to Determine Rates. If the Administrative Agent determines that for any reason adequate and reasonable means do not exist for determining the Offshore Rate for any requested Interest Period with respect to a proposed Offshore Rate Loan, or the Administrative Agent determines (or the Required Lenders advise the Administrative Agent) that the Offshore Rate applicable pursuant to Section 2.7(a) for any requested Interest Period with respect to a proposed Offshore Rate Loan does not adequately and fairly reflect the cost to the Lenders of funding such Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain Offshore Rate

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Loans, as the case may be, hereunder shall be suspended until the Administrative Agent revokes such notice in writing. Upon receipt of such notice, the Borrower may revoke any Notice of Borrowing or Notice of Conversion/ Continuation then submitted by it. If the Borrower does not revoke such Notice, the Lenders shall make, convert or continue the Loans, as proposed by the Borrower, in the amount specified in the applicable notice submitted by the Borrower, but such Loans shall be made, converted or continued as Base Rate Loans instead of Offshore Rate Loans.

SECTION 3.6 Certificates of Lenders. Any Lender claiming reimbursement or compensation under this Article III shall deliver to the Borrower (with a copy to the Administrative Agent) a certificate setting forth in reasonable detail the amount payable to the Lender hereunder and such certificate shall be conclusive and binding on the Borrower in the absence of manifest error.

SECTION 3.7 Substitution of Lenders. Upon the receipt by the Borrower from any Lender (an "Affected Lender") of a claim for compensation under Section 3.1, 3.2 or 3.3 the Borrower may: (i) request the Affected Lender to use its reasonable efforts to obtain a replacement bank or financial institution satisfactory to the Borrower to acquire and assume all or a ratable part of all of such Affected Lender's Loans and Commitment (a "Substitute Lender"); (ii) request one more of the other Lenders to acquire and assume all or part of such Affected Lender's Loans and Commitment; or (iii) designate a Substitute Lender. Any such designation of a Substitute Lender under clause (i) or (iii) shall be subject to the prior written consent of the Administrative Agent (which consent shall not be unreasonably withheld).

SECTION 3.8 Survival. The agreements and obligations of the Borrower in this Article III shall survive the payment of all other Obligations.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

To induce the Lenders to enter into this Agreement and to make Loans hereunder, the Borrower represents and warrants (provided that for purposes of giving representations and warranties prior to the date the Purchase has been consummated, the Borrower has assumed that the Purchase has been consummated in accordance with the terms of the Purchase Agreement) to each Lender that:

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SECTION 4.1 Due Organization, Authorization, etc. Each of the Borrower and each Subsidiary (a) is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, (b) is duly qualified to do business and in good standing in each jurisdiction where, because of the nature of its activities or properties, such qualification is

required except where the failure to qualify would not have a Material Adverse Effect, which jurisdictions are set forth with respect to the Borrower and each Subsidiary on Schedule 4.1 as revised from time to time by the Borrower pursuant to Section 5.1(1), (c) has the requisite corporate power and authority and the right to own and operate its properties, to lease the property it operates under lease, and to conduct its business as now and proposed to be conducted, and (d) has obtained all material licenses, permits, consents or approvals from or by, and has made all filings with, and given all notices to, all Governmental Authorities having jurisdiction, to the extent required for such ownership, operation and conduct (including, without limitation, the consummation of the transactions contemplated by this Agreement) as to each of the foregoing, except where the failure to do so would not have a Material Adverse Effect. The execution, delivery and performance by the Borrower of this Agreement and the consummation of the transactions contemplated hereby and thereby are within its corporate powers and have been duly authorized by all necessary corporate action (including, without limitation, shareholder approval, if required). Each of the Borrower and its Subsidiaries has received all other material consents and approvals (if any shall be required) necessary for such execution, delivery and performance, and such execution, delivery and performance do not and will not contravene or conflict with, or create a Lien or right of termination or acceleration under, any Requirement of Law or Contractual Obligation binding upon the Borrower or such Subsidiaries. This Agreement and each of the Loan Documents to which the Borrower is a party is (or when executed and delivered will be) the legal, valid, and binding obligation of the Borrower enforceable against the Borrower in accordance with its respective terms; provided that the Borrower assumes for purposes of this Section 4.1 that this Agreement and the other Loan Documents have been validly executed and delivered by each of the parties thereto other than the Borrower.

SECTION 4.2 Statutory Financial Statements. (a) The Annual Statement and the March 31, 1998 Quarterly Statement of each of the Insurance Subsidiaries (including, without limitation, the provisions made therein for investments and the valuation thereof, reserves, policy and contract claims and statutory liabilities) as filed with the appropriate Governmental Authority of its jurisdiction of domicile (the "Department") and delivered to each Lender prior to the execution and delivery of this Agreement, as of and for the 1997 Fiscal Year and the Fiscal

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Quarter ended March 31, 1998, (collectively the "Statutory Financial Statements"), have been prepared in accordance with SAP applied on a consistent basis (except as noted therein). Each such Statutory Financial Statement was in compliance with applicable law when filed. To the best of the Borrower's knowledge, the 1997 Fiscal Year and the March 31, 1998 Statutory Financial Statements fairly present the financial position, the results of operations and changes in equity of each such Insurance Subsidiary as of and for the respective dates and periods indicated therein in accordance with SAP applied on a consistent basis, except as set forth in the notes thereto or on Schedule 4.2(a). Except for liabilities and obligations, including, without limitation, reserves, policy and contract claims and statutory liabilities (all of which have been computed in accordance with SAP), disclosed or provided for in the Statutory Financial Statements, the Insurance Subsidiaries did not have, as of the respective dates of each of such financial statements, any liabilities or obligations (whether absolute or contingent and whether due or to become due) which, in conformity with SAP, applied on a consistent basis, would have been required to be or should be disclosed or provided for in such financial statements. All books of account of each of the Insurance Subsidiaries fully and fairly disclose all of the transactions, properties, assets, investments, liabilities and obligations of such Insurance Subsidiary and all of such books of account are in the possession of each such Insurance Subsidiary and are true, correct and complete in all material respects.

(b) With respect to any representation and warranty with respect to the 1997 Fiscal Year and the March 31, 1998 Statutory Financial Statements, such representation and warranty is to the best of the Borrower's knowledge. With respect to any representation and warranty which is deemed to be made after the date hereof by the Borrower, references to the Statutory Financial Statements shall refer to the Statutory Financial Statements which as of such date shall have most recently been furnished by or on behalf of the Insurance Subsidiaries to each Lender pursuant to this Agreement.

(c) Except as set forth on Schedule 4.2(c), there has been no change in the business, assets, operations or financial condition of the Borrower or any Subsidiary which has had or could reasonably be expected to have a Material Adverse Effect since December 31, 1997.

SECTION 4.3 GAAP Financial Statements. (a) The Borrower has heretofore furnished to the Lenders the consolidated financial statements of Nobel Insurance Limited and its Subsidiaries for the Fiscal Year ending December 31, 1997 and the Fiscal Quarter ending March 31, 1998. To the best of the Borrower's

knowledge, such financial statements are free of

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material misstatement and present fairly, in all material respects, the consolidated financial condition of Nobel Insurance Limited and its Subsidiaries at such dates.

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

(c) The forecasted cash flow statement of the Borrower and its Subsidiaries (after giving effect to the Purchase and the borrowings hereunder), copies of which have been delivered to each Lender, have been prepared by the Borrower in light of the past operations of the business of Nobel Insurance Limited and its Subsidiaries and represent, as of the date of this Agreement, the good faith estimate of the Borrower and its senior management for the most probable course of the business of the Borrower and its Subsidiaries after giving effect to such transactions.

SECTION 4.4 Litigation and Contingent Liabilities. (a) Except as set forth (including estimates of the dollar amounts involved) in Schedule 4.4 hereto and (b) except for claims which are covered by Insurance Policies, coverage for which has not been denied in writing, or which relate to Primary Policies or Borrower Reinsurance Agreements issued by the Borrower or its Insurance Subsidiaries or to which it is a party entered into by the Borrower or its Insurance Subsidiaries in the ordinary course of business (referred to herein as "Ordinary Course Litigation"), no claim, litigation (including, without limitation, derivative actions), arbitration, governmental investigation or proceeding or inquiry is pending or, to its knowledge, threatened against the Borrower or any of its Subsidiaries (i) which would, if adversely determined, have a Material Adverse Effect or (ii) which relates to any of the transactions contemplated hereby, and there is no basis known to the Borrower for any of the foregoing. Other than any liability incident to such claims, litigation or proceedings, the Borrower has no material Contingent Liabilities not provided for or referred to in the financial statements delivered pursuant to Section 4.3.

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SECTION 4.5 Employee Benefit Plans. Set forth on Schedule 4.5 as revised from time to time by the Borrower pursuant to Section 5.1(1) is a list of all Plans and all Multiemployer Plans respectively, which, to the knowledge of the Borrower, are maintained with respect to employees of the Borrower or its Subsidiaries.

SECTION 4.6 Investment Company Act. Neither the Borrower nor any of its Subsidiaries is an "investment company" or a company "controlled by an investment company," within the meaning of the Investment Company Act of 1940, as amended.

SECTION 4.7 Regulations U and X. Neither the Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock. None of the Borrower, any of its Subsidiaries, any Affiliate of any of them or any Person acting on their behalf has taken or will take action to cause the execution, delivery or performance of this Agreement, the making or existence of the Loans or the use of proceeds of the Loans to violate Regulations U or X of the FRB.

SECTION 4.8 Proceeds. The proceeds of the Term Loans will be used to finance the Purchase and the costs associated therewith. The proceeds of the Revolving Loans will be used for general corporate purposes (including capital contributions to Subsidiaries and acquisitions permitted under Section 6.3). None of such proceeds will be used in violation of applicable law, and none of such proceeds will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of buying or carrying any margin stock as

defined in Regulation U of the FRB.

SECTION 4.9 Insurance. Schedule 4.9 as revised from time to time by the Borrower pursuant to Section 5.1(1) sets forth a true and correct summary of all Insurance Policies. No notice of any pending or threatened cancellation or premium increase has been received by the Borrower or its Subsidiaries with respect to any such Insurance Policies. The Borrower and its Subsidiaries are in substantial compliance with all material conditions contained in such Insurance Policies.

SECTION 4.10 Ownership of Properties. On the date of any Loan, the Borrower and its Subsidiaries will have good title to all of their respective material properties and assets, real and personal, of any nature whatsoever.

SECTION 4.11 Business Locations. Schedule 4.11 as revised from time to time by the Borrower pursuant to Section 5.1(1) lists each of the locations where the Borrower maintains an office, a place of business or any records.

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SECTION 4.12 Accuracy of Information. All factual written information furnished heretofore or contemporaneously herewith by or on behalf of the Borrower or any of its Subsidiaries to the Administrative Agent or the Lenders for purposes of or in connection with this Agreement, the Purchase or any of the transactions contemplated hereby, as supplemented to the date hereof, is and all other such factual written information hereafter furnished by or on behalf of the Borrower or any of its Subsidiaries to the Administrative Agent or the Lenders will be, true and accurate in every material respect on the date as of which such information is dated or certified and not incomplete by omitting to state any material fact necessary to make such information not misleading; provided, however, that with respect to information provided by the Borrower with respect to Nobel (including its Statutory Financial Statements or GAAP financial statements) and other information relating to the Purchase, the Borrower's representation hereunder is to the best of its knowledge.

SECTION 4.13 Subsidiaries. Schedule 4.13 as updated from time to time pursuant to Section 5.1(1) contains a complete list of the Borrower's Subsidiaries and designates each such Subsidiary as an Insurance Subsidiary or a Non-Insurance Subsidiary.

SECTION 4.14 Insurance Licenses. Schedule 4.14 as revised from time to time by the Borrower pursuant to Section 5.1(1) lists all of the jurisdictions in which any of the Insurance Subsidiaries hold licenses (including, without limitation, licenses or certificates of authority from applicable insurance departments), permits or authorizations to transact insurance business (collectively, the "Licenses"). Except as set forth on Schedule 4.14, to the best of the Borrower's knowledge, no such License is the subject of a proceeding for suspension or revocation or any similar proceedings, there is no sustainable basis for such a suspension or revocation, and no such suspension or revocation is threatened by the Department. Schedule 4.14 as revised from time to time by the Borrower pursuant to Section 5.1(1) indicates the line or lines of insurance which each such Insurance Subsidiary is permitted to be engaged in with respect to each License therein listed. The Insurance Subsidiaries do not transact any insurance business, directly or indirectly, in any jurisdiction other than those enumerated on Schedule 4.14 as revised from time to time by the Borrower pursuant to Section 5.1(1) hereto, where such business requires that any such Insurance Subsidiary obtain any license, permit, governmental approval, consent or other authorization.

SECTION 4.15 Taxes. The Borrower and each of its Subsidiaries has filed all tax returns that are required to be filed by it, and has paid or provided adequate reserves for the

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payment of all material taxes, including, without limitation, all payroll taxes and federal and state withholding taxes, and all assessments payable by it that have become due, other than (a) those that are not yet delinquent or that are disclosed on Schedule 4.15 or that are being contested in good faith by appropriate proceedings and with respect to which reserves have been established, and are being maintained, in accordance with GAAP or (b) those which the failure to file or pay would not have a Material Adverse Effect. Except as set forth in Schedule 4.15, on the Effective Date there is no ongoing audit or, to the Borrower's knowledge, other governmental investigation of the tax liability of the Borrower or any of its Subsidiaries and there is no unresolved claim by a taxing authority concerning the Borrower's or any such Subsidiary's tax liability, for any period for which returns have been filed or

were due. As used in this Section 4.15, the term "taxes" includes all taxes of any nature whatsoever and however denominated, including, without limitation, excise, import, governmental fees, duties and all other charges, as well as additions to tax, penalties and interest thereon, imposed by any government or instrumentality, whether federal, state, local, foreign or other.

SECTION 4.16 Securities Laws. Neither the Borrower nor any Affiliate, nor anyone acting on behalf of any such Person, has directly or indirectly offered any interest in the Loans or any other Obligation for sale to, or solicited any offer to acquire any such interest from, or has sold any such interest to any Person that would subject the issuance or sale of the Loans or any other liability to registration under the Securities Act of 1933, as amended.

SECTION 4.17 Compliance with Laws. Neither the Borrower nor any of its Subsidiaries is in violation of any law, ordinance, rule, regulation, order, policy, guideline or other requirement of any Governmental Authority, if the effect of such violation could reasonably be expected to have a Material Adverse Effect and, to the best of the Borrower's knowledge, no such violation has been alleged and each of the Borrower and its Subsidiaries (i) has filed in a timely manner all reports, documents and other materials required to be filed by it with any Governmental Authority, if such failure to so file could reasonably be expected to have a Material Adverse Effect; and the information contained in each of such filings is true, correct and complete in all material respects and (ii) has retained all records and documents required to be retained by it pursuant to any law, ordinance, rule, regulation, order, policy, guideline or other requirement of any Governmental Authority, if the failure to so retain such records and documents could reasonably be expected to have a Material Adverse Effect.

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SECTION 4.18 Year 2000 Issues. The Borrower and its Subsidiaries have developed and implemented a comprehensive, detailed program to address on a timely basis the "Year 2000 Problem" (that is the risk that computer applications used by the Borrower or its Subsidiaries may be unable to recognize and perform properly date-sensitive functions involving certain dates prior and any date after December 31, 1999) and reasonably anticipates that it will on a timely basis successfully resolve the Year 2000 Problem for all material computer applications used by the Borrower or any of its Subsidiaries. The Borrower believes, based upon inquiry made, that each supplier and vendor of the Borrower and its Subsidiaries that is of material importance to the financial well being of the Borrower and its Subsidiaries taken as a whole will also successfully resolve on a timely basis the Year 2000 Problem for all of its material computer applications.

SECTION 4.19 Purchase. The Purchase will be consummated substantially in accordance with the terms of the Purchase Agreement and will comply in all respects with all applicable legal requirements. All necessary governmental, regulatory, shareholder and other consents and approvals required for the consummation of the Purchase will be, prior to the consummation thereof, duly obtained and in full force and effect.

ARTICLE V

AFFIRMATIVE COVENANTS

Until the Loans and all other Obligations are paid in full, and until the Revolving Commitment Termination Date, the Borrower agrees that, unless at any time the Required Lenders shall otherwise expressly consent in writing, it will:

SECTION 5.1 Reports, Certificates and Other Information. Furnish or cause to be furnished to the Administrative Agent and the Lenders:

(a) GAAP Financial Statements:

(i) Within 50 days after the close of each of the first three Fiscal Quarters of each Fiscal Year of the Borrower, a copy of the unaudited consolidated and consolidating balance sheets of the Borrower and its Subsidiaries, as of the close of such quarter and the related consolidated and consolidating statements of income and cash flows for that portion of the Fiscal Year ending as of the close of such Fiscal Quarter, all prepared in accordance with GAAP (subject to normal year-end adjustments and except that footnote and

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schedule disclosure may be abbreviated) and accompanied by the certification of the chief executive officer, chief financial officer or treasurer of the Borrower that all such financial statements are complete and correct and present fairly in accordance with GAAP (subject to normal year-end adjustments) the consolidated results of operations and cash flows of the Borrower as at the end of such Fiscal Quarter and for the period then ended.

(ii) Within 95 days after the close of each Fiscal Year, (A) a copy of the annual audited consolidated financial statements of the Borrower and its Subsidiaries, consisting of consolidated balance sheets and consolidated statements of income and retained earnings and cash flows, setting forth in comparative form in each case the consolidated figures for the previous Fiscal Year, which financial statements shall be prepared in accordance with GAAP, certified without material qualification (including any Year 2000 Problem) by the independent certified public accountants regularly retained by the Borrower, or any other firm of independent certified public accountants of recognized national standing selected by the Borrower and reasonably acceptable to the Required Lenders that all such financial statements are complete and correct and present fairly in accordance with GAAP the consolidated financial position and the consolidated results of operations and cash flows of the Borrower and its Subsidiaries as at the end of such Fiscal Year and for the period then ended and (B) a copy of the consolidating balance sheets and consolidating statements of income and retained earnings and cash flows for the Borrower and its Subsidiaries as of the end of such Fiscal Year, accompanied by the certificate of the chief executive officer, chief financial officer or treasurer of the Borrower that all such consolidating financial statements are complete and correct and present fairly the results of operations and cash flows of the Borrower as at the end of such Fiscal Year and for the period then ended.

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

(c) SAP Financial Statements. Within (i) 5 days after the date filed with the Department for each of its Fiscal Years,

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but in any event within 125 days after the end of each Fiscal Year of each Insurance Subsidiary a copy of the Annual Statement of each Insurance Subsidiary for such Fiscal Year and (ii) 5 days after the date filed with any Department for each of its Fiscal Quarters, but in any event within 60 days after the end of each Fiscal Quarter of each Insurance Subsidiary a copy of the Quarterly Statement of each Insurance Subsidiary for such Fiscal Quarter, if any, required by such Department to be filed, each of which statements delivered pursuant to clause (i) or (ii) to be prepared in accordance with SAP and accompanied by the certification of the chief financial officer or chief executive officer of each Insurance Subsidiary that such financial statement is complete and correct and presents fairly in accordance with SAP the financial position of such Insurance Subsidiary for the period then ended.

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

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

(i) Promptly after completion of each such item but in no event later than the 95th day after the close of each Fiscal Year of the Borrower, a copy of the Borrower's business plan.

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

(iii) Copies of all filings (other than nonmaterial tax filings) with Governmental Authorities by the Borrower or any Subsidiary not later than five (5) Business Days after such filings are made, including, without limitation, filings which seek approval of Governmental Authorities with respect to

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transactions between the Borrower or such Subsidiary and its Affiliates.

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

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

(vi) Simultaneously with delivery of the financial statements provided pursuant to Section 5.1(a)(i), a list of all investments (including, without limitation, Permitted Investments) of the Borrower and its Insurance Subsidiaries as of the end of such Fiscal Quarter.

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

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

(f) Compliance Certificates. Concurrently with the delivery to the Administrative Agent of the GAAP financial statements under Sections 5.1(a)(i) and 5.1(a)(ii), for each Fiscal Quarter and Fiscal Year of the Borrower, and at any other time no later than thirty (30) Business Days following a written request of the Administrative Agent, a duly completed Compliance Certificate, signed by the chief financial officer or treasurer of the Borrower, containing, among other things, a computation of, and showing compliance with, each of the applicable financial ratios and restrictions contained in Sections 6.1, 6.2 and 6.10, and to the effect that, to the best of such officer's knowledge, as of such date no Default has occurred and is continuing.

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(g) Reports to SEC and to Shareholders. Promptly upon the filing or making thereof (i) copies of each filing and report made by the Borrower or any of its Subsidiaries with or to any securities exchange or the Securities and Exchange Commission and (ii) if the Borrower has issued stock in a public offering, of each communication from the Borrower to shareholders generally.

(h) Notice of Litigation, License and ERISA Matters. Promptly upon learning of the occurrence of any of the following, written notice thereof, describing the same and the steps being taken by the Borrower with respect thereto: (i) the institution of, or any adverse determination in, any litigation, arbitration proceeding or governmental proceeding (including any Internal Revenue Service or Department of Labor proceeding with respect to any Plan or Welfare Plan) which could, if adversely determined, be reasonably expected to have a Material Adverse Effect and which is not Ordinary Course Litigation, (ii) the occurrence of an ERISA Event; (iii) the commencement of any dispute which might lead to the modification, transfer, revocation, suspension or termination of this Agreement or any Loan Document or (iv) any event which could be reasonably expected to have a Material Adverse Effect or a material adverse effect on the ability of the Borrower to perform any of its payment or other material obligations under any of the Loan Documents.

(i) Insurance Reports. Within five (5) Business Days of receipt of such notice by the Borrower or its Subsidiaries, written notice of any

cancellation or material adverse change in any material Insurance Policy carried by the Borrower or any of its Subsidiaries.

(j) List of Directors and Officers and Amendments. Concurrently with the delivery of the financial statements required pursuant to Section 5.1(a) (i) and (ii), a list of the Executive Officers and Directors of the Borrower and its Subsidiaries to the extent such information is not included in the information provided pursuant to Section 5.1(g) and to the extent such information has changed since the last delivery pursuant to this Section.

(k) Formation of Subsidiaries. Promptly upon formation of any Subsidiary, written notice of the name, purpose and capitalization of such Subsidiary.

(l) Updated Schedules. From time to time, and in any event concurrently with delivery of the financial statements under Section 5.1(a) (i) and (ii), revised Schedules 4.1, 4.5, 4.9, 4.11, 4.13 and 4.14, if applicable, showing changes from the Schedules previously delivered.

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

SECTION 5.2 Corporate Existence; Foreign Qualification. Do and cause to be done at all times all things necessary to (a) maintain and preserve the corporate existence of the Borrower and each Insurance Subsidiary of the Borrower (except that inactive Subsidiaries of the Borrower may be merged out of existence or dissolved), (b) be, and ensure that each Subsidiary of the Borrower is, duly qualified to do business and be in good standing as a foreign corporation in each jurisdiction where the nature of its business makes such qualification necessary unless the failure to be so qualified would not have a Material Adverse Effect, and (c) do or cause to be done all things necessary to preserve and keep in full force and effect the Borrower's corporate existence.

SECTION 5.3 Books, Records and Inspections. (a) Maintain, and cause each of its Subsidiaries to maintain, materially complete and accurate books and records in accordance with GAAP and in addition, with respect to each Insurance Subsidiary, SAP, (b) permit, and cause each of its Subsidiaries to permit, access at reasonable times by the Administrative Agent to its books and records, (c) permit, and cause each of its Subsidiaries to permit, the Administrative Agent or its designated representative to inspect at reasonable times its properties and operations, and (d) permit, and cause each of its Subsidiaries to permit, the Administrative Agent to discuss its business, operations and financial condition with its officers and its independent accountants.

SECTION 5.4 Insurance. Maintain, and cause each of its Subsidiaries to maintain, Insurance Policies to such extent and against such hazards and liabilities as is required by law or customarily maintained by prudent companies similarly situated.

SECTION 5.5 Taxes and Liabilities. Pay, and cause each of its Subsidiaries to pay, when due all material taxes, assessments and other material liabilities except as contested in good faith and by appropriate proceedings with respect to which reserves have been established, and are being maintained, in accordance with GAAP if and so long as such contest could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.6 Employee Benefit Plans. Maintain, and cause each of its Subsidiaries to maintain, each Plan and Welfare Plan in compliance in all material respects with all applicable Requirements of Law.

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SECTION 5.7 Compliance with Laws. Comply, and cause each of its Subsidiaries to comply, (a) with all federal and local laws, rules and regulations related to its businesses (including, without limitation, the establishment of all insurance reserves required to be established under SAP and applicable laws restricting the investments of the Borrower), and (b) with all Contractual Obligations binding upon such entity, except where, in each case, failure to so comply would not in the aggregate have a Material Adverse Effect.

SECTION 5.8 Maintenance of Permits. Maintain, and cause each of its Subsidiaries to maintain, all permits, licenses and consents as may be required for the conduct of its business by any federal or local government agency or instrumentality except where failure to maintain the same could not reasonably

be expected to have a Material Adverse Effect.

SECTION 5.9 Conduct of Business. Engage, and cause each Subsidiary to engage, primarily in the same business in which the Borrower and its Subsidiaries are engaged on the date hereof (including, without limitation, making no major changes in its business lines, geographic exposures or retention levels); provided, however, Nobel may cede its casualty business to American Re-Insurance Company and/or Inter-Ocean Reinsurance Company Ltd.

ARTICLE VI

NEGATIVE COVENANTS

Until the Loans and all other Obligations are paid in full and until the Revolving Commitment Termination Date, the Borrower agrees that, unless at any time the Required Lenders shall otherwise expressly consent in writing, it will:

SECTION 6.1 Debt Service Coverage Ratio. Not permit the Debt Service Coverage Ratio to be less than 1.25:1.00 as of the end of any Fiscal Quarter.

SECTION 6.2 Risk Based Capital. Not permit the adjusted surplus (as defined by the applicable Department's Risk Based Capital Guidelines) of each Insurance Subsidiary to be less than 125% of such Insurance Subsidiary's respective Company Action Level (as defined by the applicable Department's Risk Based Capital Guidelines) as of the end of each Fiscal Year.

SECTION 6.3 Mergers, Consolidations and Sales. Not, and not permit any of its Insurance Subsidiaries to, (a) merge or consolidate, or purchase or otherwise acquire all or substantially all of the assets or stock of any class of, or any

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partnership or joint venture interest in, any other Person (other than a newly formed Subsidiary or the acquisition of a Subsidiary which complies with clause (ii) of this Section 6.3), or (b) sell, transfer, convey or lease all or any substantial part of its assets or sell or assign with or without recourse any receivables, other than any sale, transfer, conveyance or lease in the ordinary course of business except for (i) any such merger or consolidation, sale, transfer, conveyance, lease or assignment of any wholly owned Subsidiary into, with or to the Borrower or any other wholly owned Subsidiary, (ii) purchases or acquisitions which comply with Section 5.9 provided no Default or Event of Default has occurred and is continuing or would result therefrom and (iii) the Purchase.

SECTION 6.4 Regulations U and X. Not, and not permit any of its Subsidiaries to, hold margin stock (as such term is defined in Regulation U of the FRB) having a value in excess of 20% of the value of the assets of the Borrower and its Subsidiaries taken as a whole after taking into account the application of the proceeds of the Loans.

SECTION 6.5 Other Agreements. Not, and not permit any of its Subsidiaries to, enter into any agreement containing any provision which would be violated or breached by the performance of obligations hereunder or under any instrument or document delivered or to be delivered by it hereunder or in connection herewith.

SECTION 6.6 Transactions with Affiliates. Not, and not permit any Subsidiary to, enter into, or cause, suffer or permit to exist, directly or indirectly, any arrangement, transaction or contract with any of its Affiliates unless such arrangement, transaction or contract is on an arm's length basis; provided that transactions between the Borrower and the Guarantor or any wholly-owned Subsidiary of the Guarantor or between any wholly-owned Subsidiaries of the Borrower shall be excluded from the restrictions set forth in this Section 6.6.

SECTION 6.7 Liens. Not, and not permit any of its Subsidiaries to, create or permit to exist any Lien with respect to any assets now or hereafter existing or acquired, except the following: (i) Liens for current taxes not delinquent or for taxes being contested in good faith and by appropriate proceedings and with respect to which adequate reserves have been established, and are being maintained, in accordance with GAAP; (ii) easements, party wall agreements, rights of way, restrictions, minor defects or irregularities in title and other similar Liens not interfering in any material respect with the ordinary conduct of the business of the Borrower and its Subsidiaries taken as a whole; (iii) Liens in connection with the acquisition of fixed assets after the date hereof and attaching

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only to the property being acquired; (iv) Liens incurred in the ordinary course of business in connection with workers' compensation, unemployment insurance or other forms of governmental insurance or benefits and Liens pursuant to letters of credit or other security arrangements in connection with such insurance or benefits; (v) attachments, judgments and other similar Liens for sums not exceeding \$5,000,000 (excluding any portion thereof which is covered by insurance so long as the insurer is reasonably likely to be able to pay and has accepted a tender of defense and indemnification without reservation of rights); (vi) attachments, judgments and other similar Liens for sums of \$5,000,000 or more (excluding any portion thereof which is covered by insurance so long as the insurer is reasonably likely to be able to pay and has accepted a tender of defense and indemnification without reservation of rights) provided the execution or other enforcement of such Liens is effectively stayed and claims secured thereby are being actively contested in good faith and by appropriate proceedings and have been bonded off; (vii) Liens identified on Schedule 6.7 and extensions, renewals or replacements thereof but only if the principal amount of the Debt secured thereby immediately prior to such extension, renewal or replacement is not increased and such Lien is not extended to any other property; (viii) mechanics', workers', materialmen's, landlord liens and other like Liens arising in the ordinary course of business in respect of obligations which are not delinquent or which are being contested in good faith and by appropriate proceedings and with respect to which adequate reserves have been established, and are being maintained, in accordance with GAAP, and (ix) liens pursuant to trust, letter of credit or other security arrangements in connection with Primary Policies, Borrower Reinsurance Agreements or Catastrophe Bonds; provided, however, that, no Lien shall be permitted to exist on the shares of stock of any Subsidiary.

SECTION 6.8 Restrictions On Negative Pledge Agreements. Not, and not permit any of its Subsidiaries to, create, incur, assume or suffer to exist any agreement, other than this Agreement which places any restrictions upon the right of the Borrower or any of its Subsidiaries to sell, pledge or otherwise dispose of any material portion of its properties now owned or hereafter acquired other than as permitted under Section 6.7, except for such restrictions imposed by federal or state laws upon the right of the Borrower or any of its Subsidiaries to sell, pledge or otherwise dispose of securities owned by it.

SECTION 6.9 No Amendment of Certain Documents. Not enter into or permit to exist any amendment, modification or waiver of the Purchase Agreement as in effect on the Effective Date which would in any manner be materially adverse to the interests of the Lenders.

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SECTION 6.10 Dividends, Etc.. Not, and not permit its Subsidiaries to, (a) declare or pay any dividends on any of its capital stock (other than payments of dividends by a Subsidiary to the Borrower), (b) purchase or redeem any capital stock of the Guarantor or any of its Subsidiaries other than the Borrower or any of its Subsidiaries or any warrants, options or other rights in respect of such stock, or (c) set aside funds for any of the foregoing, except that the Borrower may declare or pay dividends on any of its Capital Stock provided no Default or Event of Default has occurred and is continuing on the date of or would result from such declaration or payment.

ARTICLE VII

EVENTS OF DEFAULT AND THEIR EFFECT

SECTION 7.1 Events of Default. Each of the following shall constitute an Event of Default under this Agreement:

(a) Non-Payment of Loan. Default in the payment when due of any principal on the Loans.

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

(c) Non-Payment of Other Debt. (i) Default in the payment when due (subject to any applicable grace period), whether by acceleration or otherwise, of any other Debt of, or guaranteed by, the Borrower or any of its Subsidiaries if the aggregate amount of Debt of the Borrower and/or any of its Subsidiaries which is accelerated or due and payable, or which (subject to any applicable grace period) may be accelerated or otherwise become due and payable, by reason of such default or defaults is \$5,000,000 or more, or (ii) default in the performance or observance of any obligation or condition with respect to any such other Debt of, or guaranteed by, the Borrower and/or any of its

Subsidiaries if the effect of such default or defaults is to accelerate the maturity (subject to any applicable grace period) of any such Debt of \$5,000,000 or more in the aggregate or to permit the holder or holders of such Debt of \$5,000,000 or more in the aggregate, or any trustee or agent for such holders, to cause such Debt to become due and payable prior to its expressed maturity.

(d) Other Material Obligations. Except for obligations covered under other provisions of this Article VII, default in the payment when due, or in the performance or observance of, any material obligation of, or material condition

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agreed to by, the Borrower or any of its Subsidiaries with respect to any material purchase or lease obligation of \$5,000,000 or more (unless the existence of any such default is being contested by the Borrower in good faith and by appropriate proceedings and the Borrower has established, and is maintaining, adequate reserves therefor in accordance with GAAP) which default continues for a period of 30 days.

(e) Bankruptcy, Insolvency, etc. (i) The Guarantor, the Borrower or any Insurance Subsidiary becomes insolvent or generally fails to pay, or admits in writing its inability to pay, debts as they become due; (ii) there shall be commenced by or against the Guarantor, the Borrower or any Insurance Subsidiary any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, supervision, conservatorship, liquidation, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, rehabilitation, conservation, supervision, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, obligations or liabilities, or (B) seeking appointment of a receiver, trustee, custodian, rehabilitator, conservator, supervisor, liquidator or other similar official for it or for all or any substantial part of its assets, in each case which (1) results in the entry of an order for relief or any such adjudication or appointment or (2) if filed against such Person, remains undismissed, undischarged or unstayed for a period of 60 days; or (iii) there shall be commenced against any of such Person any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) any of such Persons shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause(ii) or (iii) above; or (v) any Governmental Authority shall issue any order of conservation, supervision or any other order of like effect relating to any of such Persons.

(f) Non-compliance With Section 6.1. The Borrower shall fail to comply with the covenant set forth in Section 6.1 unless the Borrower thereafter complies with such covenant on or before the last day of the Fiscal Quarter following the Fiscal Quarter in which such noncompliance occurred.

(g) Non-compliance With Other Financial Conditions. Failure by the Borrower to comply with its covenants set forth in Section 6.2, 6.8, 6.9, or 6.10.

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(h) Non-compliance With Other Provisions. Failure by the Borrower to comply with or to perform any provision of this Agreement or the other Loan Documents (and not constituting an Event of Default under any of the other provisions of this Article VII) and continuance of such failure for 30 days after notice thereof from the Administrative Agent to the Borrower.

(i) Guarantor Default. Failure by the Guarantor (or any of its Insurance Subsidiaries) to comply or perform any covenants or agreements of Guarantor or any its Insurance Subsidiaries set forth in the Guaranty or the other Loan Documents applicable to the Guarantor or any of the Insurance Subsidiaries (other than those constituting an Event of Default under any of the other provisions of this Article VII).

(j) Warranties and Representations. Any warranty or representation made by or on behalf of the Guarantor, the Borrower or any Subsidiary in any of the Loan Documents is inaccurate or incorrect or is breached or false or misleading in any material respect as of the date such warranty or representation is made; or any schedule, certificate, financial

statement, report, notice, or other instrument furnished by or on behalf of the Guarantor, the Borrower or any Subsidiary to the Administrative Agent or the Lenders is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified.

(k) Employee Benefit Plans. A contribution failure occurs with respect to any Plan sufficient to give rise to a Lien against the Borrower or any of its Subsidiaries under section 302(f)(1) of ERISA (as in effect on the Effective Date); or withdrawal by one or more companies in the Controlled Group from one or more Multiemployer Plans to which it or they have an obligation to contribute and the withdrawal liability (without unaccrued interest) to Multiemployer Plans as a result of such withdrawal or withdrawals (including any outstanding withdrawal liability that the Controlled Group has incurred on the date of such withdrawal) is \$5,000,000 or more.

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

(m) Change in Control. A Change in Control occurs.

(n) Judgments. A final judgment or judgments which exceed an aggregate of \$5,000,000 (excluding any portion thereof which is covered by insurance so long as the insurer is reasonably likely to be able to pay and has accepted a tender of defense and indemnification without reservation of rights) shall

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be rendered against the Borrower or any Subsidiary and shall not have been discharged or vacated or had execution thereof stayed pending appeal within 60 days after entry or filing of such judgment(s).

(o) Change in Law. Any change is made in the Insurance Code which affects the dividend practices of any Insurance Subsidiary and which is reasonably likely to have a Material Adverse Effect and such circumstances shall continue for 120 days.

(p) Defaults Under Revolving Credit Agreement. An event of default shall have occurred and be continuing under the Revolving Credit Agreement. If the Revolving Credit Agreement is terminated, the occurrence of any event or the existence of any circumstance which would have, had it occurred or existed prior to such termination, constituted an event of default, shall constitute an Event of Default hereunder.

SECTION 7.2 Effect of Event of Default. If any Event of Default described in Section 7.1(e) shall occur, the Loans and all other Obligations shall become immediately due and payable, all without notice of any kind; and, in the case of any other Event of Default, the Administrative Agent upon the written request of the Required Lenders shall terminate the Commitments hereunder and declare all or any portion of the Loans and all other Obligations to be due and payable, whereupon the Commitments shall terminate and all or such portion of the Loans and all other Obligations shall become immediately due and payable, all without further notice of any kind. The Administrative Agent shall promptly advise the Borrower of any such declaration but failure to do so shall not impair the effect of such declaration. Notwithstanding the foregoing, the effect as an Event of Default of any event described in Section 7.1(a) may not be waived except by consent of all of the Lenders and acknowledged by the Administrative Agent in writing.

ARTICLE VIII

CONDITIONS

SECTION 8.1 Conditions to Occurrence of the Effective Date. The occurrence of the Effective Date shall be subject to receipt by the Administrative Agent of all of the following, each duly executed and dated the Effective Date (or such earlier date as shall be satisfactory to the Administrative Agent), each in form and substance satisfactory to the Administrative Agent:

(a) This Agreement and Certain Related Documents. This Agreement, the Guaranty and such other Loan Documents as are required to be delivered by the terms of this Agreement.

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(b) Resolutions. Certified copies of resolutions of the Board of Directors of each of the Borrower and the Guarantor authorizing the execution, delivery and performance, respectively, of those documents and matters required of it with respect to the Loan Documents to which such Person is a party.

(c) Incumbency and Signatures. A certificate of an Authorized Officer of each of the Borrower and the Guarantor certifying the names of the individual or individuals authorized to sign the Loan Documents to which such Person is a party, together with a sample of the true signature of each such individual. (The Lenders may conclusively rely on each such certificate until formally advised by a like certificate of any changes therein.)

(d) Opinions of Counsel. A favorable opinion of U.S. counsel to the Borrower and the Guarantor substantially in the form of Exhibit D-1, and addressing such legal matters as the Administrative Agent may require and a favorable opinion of Bermuda counsel to the Guarantor, substantially in the form of Exhibit D-2, and addressing such other legal matters as the Administrative Agent may require.

(e) Organization Documents, etc. A Certificate of an Authorized Officer of the Borrower certifying true and correct copies of the Purchase Agreement and the Organization Documents of the Borrower.

(f) Insurance Proceedings. Certificate of an Authorized Officer of the Borrower and the Guarantor that there are no material insurance regulatory proceedings pending or threatened against the Borrower or any Insurance Subsidiary (including Nobel) in any jurisdiction.

(g) Fees. The fees referred to in Section 2.8 which are due and payable on or prior to the Effective Date shall have been paid to the Administrative Agent where applicable for the benefit of the Lenders.

(h) Other. Such other documents as the Administrative Agent may reasonably request.

SECTION 8.2 Conditions to Occurrence of the Funding Date. The occurrence of the Funding Date and the initial Borrowing hereunder shall be subject to receipt by the Administrative Agent of all of the following, each duly executed and dated the Funding Date (or such earlier date as shall be satisfactory to the Administrative Agent), each in form and substance satisfactory to the Administrative Agent:

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(a) Insurance Proceedings. Certificate of an Authorized Officer of the Borrower and the Guarantor that there are no material insurance regulatory proceedings pending or, to its knowledge, threatened against the Borrower or any Insurance Subsidiary (including Nobel) in any jurisdiction.

(b) Material Adverse Change Certificate. An officer's certificate, signed by an Authorized Officer of the Borrower and the Guarantor, certifying that to such officer's best knowledge, since December 31, 1997, no event has occurred which individually or in the aggregate (i) could reasonably be expected to have a Material Adverse Effect or (ii) could reasonably be expected to have a materially adverse effect on the assets, business, financial conditions, operations or prospects of Nobel or the other entities being acquired by the Borrower in the Purchase.

(c) Effective Date. The Effective Date shall have occurred.

(d) Capital Structure. The Administrative Agent and its counsel shall be satisfied with the existing and proposed capital structure and corporate structure of the Borrower.

(e) Purchase. There shall not exist any litigation or claims with respect to any aspect of the Purchase, any related transaction or any other transaction contemplated by the Purchase Agreement or the financing thereof which the Administrative Agent reasonably considers to be material.

(f) The Funding and Close. The Administrative Agent shall have received evidence, reasonably satisfactory to the Administrative Agent, that the Purchase will be closed within 72 hours of the Funding Date on terms and conditions reasonably satisfactory to the Lenders and that sufficient cash is available to the Borrower to consummate the Purchase taking into account the Term Loans hereunder.

(g) Officer's Certificate. A certificate (which shall be given on the date the Purchase is closed) executed by an Authorized Officer of the Borrower certifying that:

(i) the Purchase has been consummated in accordance with the terms of the Purchase Agreement;

(ii) the Purchase complied in all respects with all applicable legal requirements, and all necessary governmental, regulatory, shareholder and other consents and approvals required for the consummation of the Purchase were duly obtained, were and continue to be in full force and effect;

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(iii) the Purchase and the consummation thereof do not violate any statute or regulations or any order, judgment, or decree of any Governmental Authority and will not result in a breach, or constitute a default under, any agreement, indenture, order or decree affecting the Guarantor, the Borrower or any of its Subsidiaries;

(iv) all of the representations and warranties of the Borrower, and to the best of the Borrower's knowledge, the other parties to the Purchase Agreement, contained in the Purchase Agreement and the other documents executed in connection therewith are true and correct in all material respects as of the Funding Date of the Purchase; and

(v) that Nobel has entered into agreements with American Re-Insurance Company and/or Inter-Ocean Reinsurance Company Ltd. providing for the reinsurance by such Persons of the casualty business of Nobel.

(h) Other. Such other documents as the Administrative Agent may reasonably request.

SECTION 8.3 Conditions to All Borrowings. The obligation of the Lenders to make all Loans (including the initial Loans) shall be subject to the prior or concurrent satisfaction (in form and substance satisfactory to the Administrative Agent) of each of the conditions precedent set forth below:

(a) No Default. No Default (excluding a Default under Section 7.1(f) but including an Event of Default under Section 7.1(f)) shall have occurred and be continuing or will result from the making of the Loans and no Default or Event of Default shall have occurred and be continuing under the Loan Documents or will result from the making of the Loans and no Default (as defined under the Revolving Credit Agreement) has occurred and is continuing.

(b) Warranties and Representations. (i) All warranties and representations contained in this Agreement (other than Section 4.4 except in the case of the initial Loans) and the representations and warranties of the Guarantor contained in Article III of the Guaranty shall be true and correct in all material respects as of the date of any Loan, with the same effect as though made on the date of and concurrently with the making of such Loan (except where such representation speaks as of specified date) and (ii) all covenants contained herein and in such documents to be performed by each of the parties thereto (other than the Administrative Agent or the Lenders) prior to the date of any Loan shall have been performed.

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(c) Litigation. (i) No litigation (including, without limitation, derivative actions), arbitration, governmental investigation or proceeding or inquiry shall be, on the date of any Loan, pending, or to the knowledge of the Borrower, threatened which seeks to enjoin or otherwise prevent the consummation of, or to recover any damages or to obtain material relief as a result of, the transactions contemplated hereunder or, in the reasonable opinion of the Required Lenders, could be reasonably expected to be materially adverse to any of the parties to this Agreement and which is not Ordinary Course Litigation, and (ii) in the reasonable opinion of the Required Lenders, no material adverse development shall have occurred in any litigation (including, without limitation, derivative actions), arbitration, government investigation or proceeding or inquiry disclosed in Schedule 4.4 which is likely to have a Material Adverse Effect.

(d) Fees. The fees referred to in Section 2.8 which are due and payable on or prior to the Funding Date or the date of any Loan shall have been paid to the Administrative Agent, where applicable, for the benefit of the Lenders.

(e) Borrowing Request. The Administrative Agent shall have received a Notice of Borrowing.

(f) Material Adverse Effect. There shall not have occurred any event which, in the reasonable judgment of the Required Lenders, constitutes a Material Adverse Effect.

ARTICLE IX

THE ADMINISTRATIVE AGENT

SECTION 9.1 Appointment and Authorization. Each Lender hereby irrevocably (subject to Section 9.9) appoints, designates and authorizes the Administrative Agent to take such action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Loan Document, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent.

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SECTION 9.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care.

SECTION 9.3 Liability of Administrative Agent. None of the Agent-Related Persons shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct), or (b) be responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by the Guarantor, the Borrower or any Subsidiary or Affiliate of the Borrower, or any officer thereof, contained in this Agreement or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of the Guarantor, the Borrower or any other party to any Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of the Guarantor, the Borrower or any of the Borrower's Subsidiaries or Affiliates.

SECTION 9.4 Reliance by Administrative Agent. (a) The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any

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other Loan Document in accordance with a request or consent of the Required Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders.

(b) For purposes of determining compliance with the conditions

specified in Section 8.1, each Lender that has executed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter either sent by the Administrative Agent to such Lender for consent, approval, acceptance or satisfaction, or required thereunder to be consented to or approved by or acceptable or satisfactory to the Lender.

SECTION 9.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest and fees required to be paid to the Administrative Agent for the account of the Lenders, unless the Administrative Agent shall have received written notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". The Administrative Agent will notify the Lenders of its receipt of any such notice. The Administrative Agent shall take such action with respect to such Default or Event of Default as may be requested by the Required Lenders in accordance with Article VII; provided, however, that unless and until the Administrative Agent has received any such request, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interest of the Lenders.

SECTION 9.6 Credit Decision. Each Lender acknowledges that none of the Agent-Related Persons has made any representation or warranty to it, and that no act by the Administrative Agent hereinafter taken, including any review of the affairs of the Borrower and its Subsidiaries, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon any Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Guarantor, the Borrower and its Subsidiaries, and all applicable bank regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower hereunder. Each Lender also represents that it will, independently and without reliance upon any Agent-

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Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower. Except for notices, reports and other documents expressly herein required to be furnished to the Lenders by the Administrative Agent, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Guarantor or the Borrower which may come into the possession of any of the Agent-Related Persons.

SECTION 9.7 Indemnification. Whether or not the transactions contemplated hereby are consummated, the Lenders shall indemnify upon demand the Agent-Related Persons (to the extent not reimbursed by or on behalf of the Borrower and without limiting the obligation of the Borrower to do so), pro rata, from and against any and all Indemnified Liabilities; provided, however, that no Lender shall be liable for the payment to the Agent-Related Persons of any portion of such Indemnified Liabilities resulting solely from such Person's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender shall reimburse the Administrative Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including Attorney Costs) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Loan Document, or any document contemplated by or referred to herein, to the extent that the Administrative Agent is not reimbursed for such expenses by or on behalf of the Borrower. The undertaking in this Section shall survive the payment of all Obligations hereunder and the resignation or replacement of the Administrative Agent.

SECTION 9.8 Administrative Agent in Individual Capacity. BofA and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Guarantor, the Borrower and its Subsidiaries and Affiliates as though BofA were not the Administrative Agent hereunder and without notice to or consent of the Lenders. The Lenders acknowledge that, pursuant to such activities, BofA or its Affiliates may receive information regarding the Guarantor, the Borrower or its Affiliates (including information that may be

subject to confidentiality obligations in favor of the Guarantor, the Borrower or such Subsidiary) and acknowledge that the Administrative Agent shall be under no obligation to provide such information to them. With respect to its Loans, BofA shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" include BofA in its individual capacity.

SECTION 9.9 Successor Administrative Agent. The Administrative Agent may, and at the request of the Required Lenders shall, resign as Administrative Agent upon 30 days' notice to the Lenders. If the Administrative Agent resigns under this Agreement, the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders which successor agent shall be approved by the Borrower. If no successor agent is appointed prior to the effective date of the resignation of the Administrative Agent, the Administrative Agent may appoint, after consulting with the Lenders and the Borrower, a successor agent from among the Lenders. Upon the acceptance of its appointment as successor agent hereunder, such successor agent shall succeed to all the rights, powers and duties of the retiring Administrative Agent and the term "Administrative Agent" shall mean such successor agent and the retiring Administrative Agent's appointment, powers and duties as Administrative Agent shall be terminated. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article IX and Sections 10.4 and 10.5 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement. If no successor agent has accepted appointment as Administrative Agent by the date which is 30 days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and the Lenders shall perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above.

SECTION 9.10 Withholding Tax. (a) Each Lender which is not organized under the laws of the United States or a state thereof hereby agrees, to the extent permitted by applicable law (including any applicable double taxation treaty), to execute and deliver to the Borrower and the Administrative Agent on or before the first scheduled payment date (or, if later, the date it becomes a party to this Agreement), a properly completed IRS Form 1001 or Form 4224, as appropriate, or, such other form or forms as may be required under the Code or other laws of the United States as a condition to exemption from United States withholding tax. Such Lender agrees to promptly notify the Administrative Agent and the Borrower of any change in circumstances or

Requirement of Law which would modify or render invalid any claimed exemption.

(b) Each Lender hereby represents and warrants to the Borrower that on the Effective Date (or, if later, the date it becomes a party to this Agreement) it is entitled to receive payments of principal of, and interest on, Loans made by such Lender without withholding or deduction of U.S. withholding tax.

(c) If the IRS or any other Governmental Authority of the United States or other jurisdiction asserts a claim that the Borrower and/or the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify the Borrower and/or the Administrative Agent of a change in circumstances which rendered the exemption from withholding tax ineffective, or for any other reason) such Lender shall indemnify the Borrower and/or the Administrative Agent fully for all amounts paid, directly or indirectly, by the Borrower and/or the Administrative Agent as tax or otherwise, including penalties and interest, and including any taxes imposed by any jurisdiction on the amounts payable to the Borrower and/or the Administrative Agent under this Section, together with all costs and expenses (including Attorney Costs). The obligation of the Lenders under this subsection shall survive the payment of all Obligations and the resignation or replacement of the Administrative Agent.

ARTICLE X

MISCELLANEOUS

SECTION 10.1 Amendments and Waivers. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent with respect to any departure by the Borrower therefrom, shall be effective unless the same shall be in writing and signed by the Required Lenders (or by the Administrative Agent at the written request of the Required Lenders) and the Borrower and acknowledged by the Administrative Agent, and then any such waiver

or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such waiver, amendment, or consent shall, unless in writing and signed by all the Lenders and the Borrower and acknowledged by the Administrative Agent, do any of the following:

(a) increase or extend any Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 7.2);

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(b) postpone or delay any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document;

(c) reduce or forgive the principal of, or the rate of interest specified herein on any Loan, or any fees or other amounts payable hereunder or under any other Loan Document;

(d) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Loans which is required for the Lenders or any of them to take any action hereunder;

(e) release the Guarantor from its obligations under the Guaranty; or

(f) amend this Section 10.1, or Section 2.12, or any provision herein providing for consent or other action by all Lenders;

and, provided further, that no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Required Lenders or all the Lenders, as the case may be, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document.

SECTION 10.2 Notices. (a) All notices, requests and other communications shall be in writing (including, unless the context expressly otherwise provides, by facsimile transmission, provided that any matter transmitted by the Borrower by facsimile (i) shall be immediately confirmed by a telephone call to the recipient at the number specified on Schedule 10.2, and (ii) except in the case of Notices of Borrowing and Notices of Conversions/Continuation, shall be followed promptly by delivery of a hard copy original thereof) and mailed, faxed or delivered, to the address or facsimile number specified for notices on Schedule 10.2; or, as directed to the Borrower or the Administrative Agent, to such other address as shall be designated by such party in a written notice to the other parties, and as directed to any other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Administrative Agent.

(b) All such notices, requests and communications shall, when transmitted by overnight delivery, or faxed, be effective when delivered for overnight (next-day) delivery, or transmitted in legible form by facsimile machine, respectively, or, if delivered, upon delivery, except that notices pursuant to Article II or IX shall not be effective until actually received by the Administrative Agent.

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(c) Any agreement of the Administrative Agent and the Lenders herein to receive certain notices by telephone or facsimile is solely for the convenience and at the request of the Borrower. The Administrative Agent and the Lenders shall be entitled to rely on the authority of any Person purporting to be a Person authorized by the Borrower to give such notice and the Administrative Agent and the Lenders shall not have any liability to the Borrower or other Person on account of any action taken or not taken by the Administrative Agent or the Lenders in reliance upon such telephonic or facsimile notice. The obligation of the Borrower to repay the Loans shall not be affected in any way or to any extent by any failure by the Administrative Agent and the Lenders to receive written confirmation of any telephonic or facsimile notice or the receipt by the Administrative Agent and the Lenders of a confirmation which is at variance with the terms understood by the Administrative Agent and the Lenders to be contained in the telephonic or facsimile notice.

SECTION 10.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

SECTION 10.4 Costs and Expenses. The Borrower shall:

(a) whether or not the transactions contemplated hereby are consummated, pay or reimburse BofA (including in its capacity as Administrative Agent) within ten Business Days after demand for all costs and expenses incurred by BofA (including in its capacity as Administrative Agent) in connection with the development, preparation, delivery, administration and execution of, and any amendment, supplement, waiver or modification to (in each case, whether or not consummated), this Agreement, any Loan Document and any other documents prepared in connection herewith or therewith, and the consummation of the transactions contemplated hereby and thereby, including reasonable Attorney Costs incurred by BofA (including in its capacity as Administrative Agent) with respect thereto; and

(b) pay or reimburse the Administrative Agent and each Lender within ten Business Days after demand for all costs and expenses (including Attorney Costs) incurred by them in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Agreement or any other Loan Document during the existence of an Event of Default or after acceleration of the Loans (including in connection with any "workout" or restructuring regarding the

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Loans, and including any bankruptcy or other insolvency proceeding or appellate proceeding).

SECTION 10.5 Indemnity. Whether or not the transactions contemplated hereby are consummated, the Borrower shall indemnify and hold the Agent-Related Persons, and each Lender and each of its respective officers, directors, employees, counsel, agents and attorneys-in-fact (each, an "Indemnified Person") harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses and disbursements (including Attorney Costs) of any kind or nature whatsoever which may at any time (including at any time following repayment of the Loans and the termination, resignation or replacement of the Administrative Agent or replacement of any Lender) be imposed on, incurred by or asserted against any such Person in any way relating to or arising out of this Agreement or any document contemplated by or referred to herein, or the transactions contemplated hereby, or any action taken or omitted by any such Person under or in connection with any of the foregoing, including with respect to any investigation, litigation or proceeding (including any bankruptcy or other insolvency proceeding or appellate proceeding) related to or arising out of this Agreement or the Loans or the use of the proceeds thereof, whether or not any Indemnified Person is a party thereto (all the foregoing, collectively, the "Indemnified Liabilities"); provided, that the Borrower shall have no obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities resulting solely from the gross negligence or willful misconduct of such Indemnified Person. The agreements in this Section shall survive payment of all other Obligations.

SECTION 10.6 Payments Set Aside. To the extent that the Borrower makes a payment to the Administrative Agent or the Lenders, or the Administrative Agent or the Lenders exercise their right of set-off, and such payment or the proceeds of such set-off or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any bankruptcy or other insolvency proceeding or otherwise, then (a) to the extent of such recovery the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its pro rata share of any amount so recovered from or repaid by the Administrative Agent.

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SECTION 10.7 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, except that the Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent and each Lender.

SECTION 10.8 Assignments, Participations, etc. (a) Any Lender may, with the written consent of the Borrower (at all times other than during the existence of an Event of Default) and the Administrative Agent, which consents shall not be unreasonably withheld, at any time assign and delegate to one or more Eligible Assignees (provided that no written consent of the Borrower or the

Administrative Agent shall be required in connection with any assignment and delegation by a Lender to an Eligible Assignee that is an Affiliate of such Lender) (each an "Assignee") all, or any ratable part of all, of the Loans, the Commitments and the other rights and obligations of such Lender hereunder, provided, however, that (x) any assignment and delegation shall be a constant and not a varying, percentage of all of the assigning Lender's Commitments and Loans hereunder, (y) the aggregate principal amount of the Commitments and Loans assigned by any Lender to someone other than another Lender shall be in a minimum amount of \$5,000,000 (or if less, the entire Commitments then held by such Lender) and after giving effect to any such assignment by a Lender, the aggregate amount of the Commitments and/or Loans held by such assigning Lender is at least \$5,000,000 (unless such Lender has assigned the entire Commitment and Loans then held by it). The Borrower and the Administrative Agent may continue to deal solely and directly with such Lender in connection with the interest so assigned to an Assignee until (i) written notice of such assignment, together with payment instructions, addresses and related information with respect to the Assignee, shall have been given to the Borrower and the Administrative Agent by such Lender and the Assignee; (ii) such Lender and its Assignee shall have delivered to the Borrower and the Administrative Agent an Assignment and Acceptance in the form of Exhibit E ("Assignment and Acceptance") and (iii) the assignor Lender or Assignee has paid to the Administrative Agent a processing fee in the amount of \$3,000.

(b) From and after the date that the Administrative Agent notifies the assignor Lender that it has received (and provided the required consents with respect to) an executed Assignment and Acceptance and payment of the above-referenced processing fee, (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, shall have the rights and obligations of a Lender under the Loan Documents, and (ii) the assignor Lender shall, to

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the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under the Loan Documents.

(c) Immediately upon each Assignee's making its processing fee payment under the Assignment and Acceptance, this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to reflect the addition of the Assignee and the resulting adjustment of the Commitments arising therefrom. The Commitment allocated to each Assignee shall reduce such Commitments of the assigning Lender pro tanto.

(d) Any Lender may at any time sell to one or more commercial banks or other Persons not Affiliates of the Borrower (a "Participant") participating interests in any Loans, the Commitment of that Lender and the other interests of that Lender (the "Originating Lender") hereunder and under the other Loan Documents provided that such assignment shall be a constant and not a varying percentage of that Lender's Commitments and Loans; provided, however, that (i) the originating Lender's obligations under this Agreement shall remain unchanged, (ii) the Originating Lender shall remain solely responsible for the performance of such obligations, (iii) the Borrower and the Administrative Agent shall continue to deal solely and directly with the Originating Lender in connection with the originating Lender's rights and obligations under this Agreement and the other Loan Documents, and (iv) no Lender shall transfer or grant any participating interest under which the Participant has rights to approve any amendment to, or any consent or waiver with respect to, this Agreement or any other Loan Document, except to the extent such amendment, consent or waiver would require unanimous consent of the Lenders as described in the first proviso to Section 10.1. In the case of any such participation, the Participant shall be entitled to the benefit of Sections 3.1, 3.3 and 10.5 to the extent the Lender selling such participation would be so entitled, and if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement.

(e) Notwithstanding any other provision in this Agreement, any Lender may at any time create a security interest in, or pledge, all or any portion of its rights under and interest in this Agreement and any Note held by it in favor of any Federal Reserve Bank in accordance with Regulation A of the FRB or U.S. Treasury Regulation 31 CFR ss.203.14, and such Federal

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Reserve Bank may enforce such pledge or security interest in any manner permitted under applicable law.

SECTION 10.9 Confidentiality. Each Lender agrees to take and to cause its Affiliates to take normal and reasonable precautions and exercise due care to maintain the confidentiality of all information identified as "confidential" or "secret" by the Borrower and provided to it by the Guarantor, the Borrower or any Subsidiary, or by the Administrative Agent on behalf of the Guarantor, the Borrower or any Subsidiary of either of them, under this Agreement or any other Loan Document, and neither it nor any of its Affiliates shall use any such information other than in connection with or in enforcement of this Agreement and the other Loan Documents or in connection with other business now or hereafter existing or contemplated directly with the Guarantor, the Borrower or any Subsidiary; except to the extent such information (i) was or becomes generally available to the public other than as a result of disclosure by the Lender, or (ii) was or becomes available on a non-confidential basis from a source other than the Guarantor or the Borrower, provided that such source is not bound by a confidentiality agreement with the Guarantor or the Borrower known to the Lender; provided, however, that any Lender may disclose such information (A) at the request or pursuant to any requirement of any Governmental Authority to which the Lender is subject or in connection with an examination of such Lender by any such authority; (B) pursuant to subpoena or other court process; (C) when required to do so in accordance with the provisions of any applicable Requirement of Law; (D) to the extent reasonably required in connection with any litigation or proceeding to which the Administrative Agent, any Lender or their respective Affiliates may be party; (E) to the extent reasonably required in connection with the exercise of any remedy hereunder or under any other Loan Document; (F) to such Lender's independent auditors and other professional advisors; (G) to any Participant or Assignee, actual or potential, provided that such Person agrees in writing to keep such information confidential to the same extent required of the Lenders hereunder; (H) as to any Lender or its Affiliate, as expressly permitted under the terms of any other document or agreement regarding confidentiality to which the Guarantor, the Borrower or any Subsidiary is party or is deemed party with such Lender or such Affiliate; and (I) to its Affiliates which are either such Lender's parent or it or its parent's wholly owned Subsidiary or, with the prior written consent of the Borrower which shall not be unreasonably withheld, its other Affiliates.

SECTION 10.10 Set-off. In addition to any rights and remedies of the Lenders provided by law, if an Event of Default exists or the Loans have been accelerated, each Lender is authorized at any time and from time to time, without prior notice to the Borrower, any such notice being waived by the

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Borrower to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by, and other indebtedness at any time owing by, such Lender to or for the credit or the account of the Borrower against any and all Obligations owing to such Lender, now or hereafter existing, irrespective of whether or not the Administrative Agent or such Lender shall have made demand under this Agreement or any Loan Document and although such Obligations may be contingent or unmatured. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such set-off and application made by such Lender; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application.

SECTION 10.11 Notification of Addresses, Lending Offices, Etc. Each Lender shall notify the Administrative Agent in writing of any changes in the address to which notices to the Lender should be directed, of addresses of any Lending Office, of payment instructions in respect of all payments to be made to it hereunder and of such other administrative information as the Administrative Agent shall reasonably request.

SECTION 10.12 Counterparts. This Agreement may be executed in any number of separate counterparts, each of which, when so executed, shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute but one and the same instrument.

SECTION 10.13 Severability. The illegality or unenforceability of any provision of this Agreement or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement required hereunder.

SECTION 10.14 No Third Parties Benefited. This Agreement is made and entered into for the sole protection and legal benefit of the Borrower, the Lenders, the Administrative Agent and the Agent-Related Persons, and their permitted successors and assigns, and no other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or

claim in connection with, this Agreement or any of the other Loan Documents.

SECTION 10.15 Governing Law and Jurisdiction. (a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF ILLINOIS; PROVIDED THAT THE ADMINISTRATIVE AGENT AND THE LENDERS SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF ILLINOIS OR OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS EACH WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS AND IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID OR BY ANY OTHER MEANS PERMITTED BY ILLINOIS OR FEDERAL LAW.

SECTION 10.16 Waiver of Jury Trial. THE BORROWER, THE LENDERS AND THE ADMINISTRATIVE AGENT EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY AGENT-RELATED PERSON, PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE BORROWER, THE LENDERS AND THE ADMINISTRATIVE AGENT EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

SECTION 10.17 Entire Agreement. This Agreement, together with the other Loan Documents, embodies the entire agreement and understanding among the Borrower, the Lenders and the Administrative Agent, and supersedes all prior or contemporaneous agreements and understandings of such Persons, verbal or written, relating to the subject matter hereof and thereof.

RENAISSANCE U.S. HOLDINGS, INC.

By: _____
Title: _____

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

By: /s/ Gary R. Peet
Title: Managing Director

FLEET NATIONAL BANK, as Lender

By: /s/ Thomas McKinley

Title: SVP

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MELLON BANK N.A., as Lender

By: /s/ Edward Chidine

Title: Vice President

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DEUTSCHE BANK AG, NEW YORK AND/OR
CAYMAN ISLANDS BRANCH, as Lender

By: /s/ John S. McGill

Title: Vice President

By: /s/ Gayma Shivnarain

Title: Vice President

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FIRST UNION NATIONAL BANK, as
Lender

By: /s/ Gail Golightly

Title: Senior Vice President

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SCHEDULE 1.2

Pricing Grid

<TABLE>
<CAPTION>

	Pricing Level I	Pricing Level II	Pricing Level III
<S> S & P Claims Rating	<C> BBB+ or below	<C> A-, A or A+	<C> AA- or above
Offshore Rate	0.625%	0.500%	0.375%
Non-Use Fee Rate	0.175%	0.150%	0.125%

</TABLE>

SCHEDULE 2.1

COMMITMENTS

Lender	Revolving Loan Commitment Amount	Term Loan Commitment	Pro Rata Share
-----	-----	-----	-----
Bank of America National Trust & Savings Associa- tion	\$ 3,600,000	\$ 8,400,000	24.0000%
Fleet National Bank	\$ 2,850,000	\$ 6,650,000	19.0000%
Mellon Bank, N.A.	\$ 2,850,000	\$ 6,650,000	19.0000%
First Union National Bank	\$ 2,850,000	\$ 6,650,000	19.0000%
Deutsche Bank AG	\$ 2,850,000	\$ 6,650,000	19.0000%
	=====	=====	
	\$15,000,000	\$35,000,000	100.0000%

GUARANTY

Dated as of June 24, 1998

among

RENAISSANCERE HOLDINGS LTD.,

as Guarantor,

and

BANK OF AMERICA NATIONAL

TRUST & SAVINGS ASSOCIATION,

as Administrative Agent

GUARANTY

THIS GUARANTY (this "Guaranty") is entered into as of June 24, 1998 between RENAISSANCERE HOLDINGS LTD., a Bermuda company ("Guarantor"), in favor of the Lenders and the Administrative Agent (individually a "Guarantied Party" and collectively the "Guarantied Parties"). Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to such terms pursuant to Article I.

W I T N E S S E T H:

WHEREAS, pursuant to a Credit Agreement, dated as of June 24, , 1998 (as from time to time, in whole or in part, the same may be amended, modified, supplemented, restated, refinanced, refunded or renewed, the "Credit Agreement"), among Renaissance U.S. Holdings, Inc. (the "Borrower"), Bank of America National Trust & Savings Association, as administrative agent (the "Administrative Agent"), and various financial institutions (together with their respective successors and assigns, collectively the "Lenders" and each individually a "Lender");

WHEREAS, the Lenders have agreed to make Revolving Loans and Term Loans to the Borrower on the terms and subject to the conditions contained in the Credit Agreement;

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

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

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

NOW THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, and in order to induce the Lenders to make Loans (including the initial Loans) to the Borrower pursuant to the Credit Agreement, Guarantor agrees, for the benefit of the Guarantied Parties, as follows:

ARTICLE I.

DEFINITIONS

SECTION 1.1. Certain Terms. Capitalized terms used herein, unless otherwise defined herein, shall have the meanings assigned thereto in the Credit Agreement; provided that such definitions shall survive any termination of the Credit Agreement. In addition, when used herein the following terms shall have the following meanings (such definitions to be equally applicable to the

singular and plural forms thereof):

"Administrative Agent" - see Recitals.

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"Borrower" - see Recitals.

"Credit Agreement" - see Recitals.

"Guarantied Parties" - see Preamble.

"Guarantor" - see Preamble.

"Guaranty" - see Preamble.

"Indemnified Parties" - see Section 5.2.

"Lender" or "Lenders" - see Recitals.

"Obligations" - see Section 2.1.

"Subrogation Rights" - see Section 2.6.

ARTICLE II.

GUARANTY PROVISIONS

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

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

(b) indemnifies and holds harmless each Guarantied Party for any and all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred by such Guarantied Party in enforcing any rights under this Guaranty.

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

SECTION 2.2. Acceleration of Guaranty. Guarantor agrees that, upon the occurrence of an Event of Default under Section 7.1(e) of the Credit Agreement, if such event shall occur at a

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time when any of the Obligations may not then be due and payable, Guarantor will pay to the Administrative Agent, for the benefit of the Administrative Agent and the Lenders, the full amount which would be payable hereunder by Guarantor if all Obligations of the Borrower were then due and payable.

SECTION 2.3. Guaranty Absolute, etc. This Guaranty shall in all respects be a continuing, absolute, unconditional and irrevocable guaranty of payment, and shall remain in full force and effect until all Obligations of the Borrower have been paid in full, all obligations of Guarantor hereunder shall have been paid in full and all Commitments shall have terminated. Guarantor guarantees that the Obligations of the Borrower will be paid strictly in accordance with the terms of the Credit Agreement and each other Loan Document under which they arise, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of any Guarantied Party with respect thereto. The liability of Guarantor under this Guaranty shall be absolute, unconditional and irrevocable irrespective of:

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

(b) the failure of any Guarantied Party:

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

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

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

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

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

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

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

SECTION 2.4. Reinstatement, etc. Guarantor agrees that this Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is rescinded or must otherwise be restored by any Guarantied Party, upon the insolvency, bankruptcy or reorganization of the Borrower, any other obligor or otherwise, all as though such payment had not been made.

SECTION 2.5. Waiver, etc. Guarantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations of the Borrower or any other obligor, and this Guaranty and any requirement that the Administrative Agent or any other Guarantied Party protect, secure, perfect or insure any security interest or Lien, or any property subject thereto, or exhaust any right or take any action against the Borrower, any other obligor or any other Person (including any other guarantor) or entity or any collateral securing the Obligations of the Borrower or any other obligor, as the case may be.

SECTION 2.6. Waiver of Subrogation; Subordination. Guarantor hereby irrevocably waives with respect to the Borrower, until termination of the Commitment of the Lenders with respect to the Borrower and thereafter until the prior indefeasible payment in full in cash of all Obligations of the Borrower under the Loan Documents, any claim or other rights which it may now or hereafter acquire against the Borrower or any other obligor that arises from the existence, payment, performance or enforcement of Guarantor's obligations under this Guaranty or any other Loan Document or otherwise, including any right of subrogation, reimbursement, exoneration, or indemnification, any right to participate in any claim or remedy of the Guarantied Parties against the Borrower or any other obligor or any collateral which any Guarantied Party now has or hereafter acquires, whether or not such claim, remedy or right (all such claims, remedies and rights being collectively called "Subrogation Rights") arises in equity, or under contract, statute or common law, including the right to take or receive from the Borrower or any other obligor, directly or indirectly, in cash or other property or by set-off or in any manner, payment or security on account of such claim or other rights. If any amount shall be paid to Guarantor in violation of the preceding sentence and the Obligations shall not have been paid in cash, in full, and the Commitments of the Lenders have not been terminated, such amount shall be deemed to have been paid to Guarantor for the benefit of, and held in trust for, the Guarantied Parties, and shall forthwith be paid to the Guarantied Parties to be credited and applied upon the obligations of the Borrower, whether matured or unmatured. Guarantor acknowledges that it will receive direct and indirect benefits from the

financing arrangements contemplated by the Credit Agreement and that the waiver set forth in this Section is knowingly made in contemplation of such benefits.

SECTION 2.7. Successors, Transferees and Assigns; Transfers of Notes, etc. This Guaranty shall:

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

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(b) inure to the benefit of and be enforceable by the Administrative Agent and each other Guarantied Party.

Without limiting the generality of clause (b), each Lender may assign or otherwise transfer (in whole or in part) any Note or Loan held by it to any other Person, and such other Person shall thereupon become vested with all rights and benefits in respect thereof granted to such Lenders under any Loan Document (including this Guaranty) or otherwise. Notwithstanding anything contained in this Section 2.7 to the contrary, this Section 2.7 shall not be deemed to enlarge or create additional rights with respect to any Lender's ability to assign its Commitments and Loans or rights under any Note or any other Loan Document pursuant to Section 10.8 of the Credit Agreement, and this Section 2.7 is expressly made subject thereto.

SECTION 2.8. Payments Free and Clear of Taxes, etc. Guarantor hereby agrees that:

(a) any and all payments made by such Guarantor hereunder shall be made in accordance with Section 3.1 of the Credit Agreement free and clear of, and without deduction for, any and all Taxes.

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

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

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

ARTICLE III.

REPRESENTATIONS AND WARRANTIES; INCORPORATION BY REFERENCE

To induce the Administrative Agent and each Lender to enter into the Credit Agreement and to make the Loans thereunder, Guarantor represents and warrants to the Administrative Agent and each Lender that:

SECTION 3.1. Organization, etc. Guarantor and each of its Subsidiaries is a company duly organized, validly existing and in good standing under the laws of the jurisdiction of its

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incorporation or formation and each of Guarantor and its Subsidiaries is duly qualified to transact business and in good standing as a foreign corporation, authorized to do business in each jurisdiction where the nature of its business makes such qualification necessary except where the failure to so qualify could reasonably be expected to have a Material Adverse Effect.

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

SECTION 3.3. No Conflict. The execution, delivery and performance by Guarantor of this Guaranty does not and will not (a) contravene or conflict with

any provision of any law, statute, rule or regulation, (b) contravene or conflict with, result in any breach of, or constitute a default under, any material agreement or instrument binding on Guarantor or any of its Subsidiaries (including, without limitation, any writ, judgment, injunction or other similar court order), (c) result in the creation or imposition of or the obligation to create or impose any Lien upon any of the property or assets of the Guarantor or any of its Subsidiaries or (d) contravene or conflict with any provision of the memorandum of incorporation or by-laws of Guarantor.

SECTION 3.4. Incorporation by Reference. Guarantor agrees that the representations and warranties of Guarantor set forth in Section 4 of the Revolving Credit Agreement (other than Sections 4.2, 4.3 and 4.8,) shall be incorporated by reference in this Guaranty in their entirety as if fully set forth herein with the same effect as if applied to this Guaranty. All capitalized terms set forth in such Sections shall have the meanings provided in the Revolving Credit Agreement; provided that for purposes of this Guaranty, to the extent set forth in the Revolving Credit Agreement (a) the term "Borrower" shall be deemed to refer to Guarantor and (b) the terms "Agent", "Lenders", and "Required Lenders" shall be deemed to refer to the Administrative Agent, the Lenders and the Required Lenders as such terms are defined in the Credit Agreement. Such representations and warranties shall not be affected in any manner by the termination of the Revolving Credit Agreement.

ARTICLE IV.

COVENANTS

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

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Required Lenders as such terms are defined in the Credit Agreement. Such covenants shall not be affected in any manner by any amendment or modification of or the termination of the Revolving Credit Agreement; provided, that any amendment, agreement or waiver to the Revolving Credit Agreement which has been agreed to by the Required Lenders (as defined in the Credit Agreement), as Lenders under the Revolving Credit Agreement, shall be, upon the effectiveness thereof, automatically deemed to be an amendment, modification or supplement of the Revolving Credit Agreement as incorporated herein without further action on the part of the Guarantor or the Guaranteed Parties.

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

ARTICLE V.

MISCELLANEOUS

SECTION 5.1. The Guarantor agrees to pay, or cause to be paid, on demand all reasonable expenses of the Administrative Agent (including the non-duplicative fees and reasonable expenses of counsel (including allocated costs and expenses of in-house counsel) and of local counsel, if any, who may be retained by such counsel) in connection with:

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

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

The Guarantor further agrees to pay, and to hold the Guaranteed Parties harmless from all liability for, any stamp or other Taxes (other than income taxes of the

Guarantied Parties) which may be payable in connection with the execution or delivery of the Credit Agreement, any Borrowing thereunder, the issuance of the Notes, this Guaranty or any other Loan Document. The Guarantor also agrees to reimburse the Guarantied Parties upon demand for all reasonable expenses (including attorneys' fees and legal expenses) incurred by the Guarantied Parties in connection with the enforcement of any Obligations or obligations hereunder and the consideration of legal issues relevant hereto and thereto. All obligations of the Guarantor provided for in this Section 6.1 shall survive termination of this Agreement. Notwithstanding the foregoing, no Guarantied Party shall have the right to reimbursement under this Section 6.1 for amounts determined by a court of competent jurisdiction to have arisen from the gross negligence or willful misconduct of such Guarantied Party.

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SECTION 5.2. The Guarantor agrees to indemnify each Guarantied Party and its directors, officers, employees, persons controlling or controlled by any of them or their respective agents, consultants, attorneys and advisors (the "Indemnified Parties") and hold each Indemnified Party harmless from and against any and all liabilities, losses, claims, damages, costs and expenses of any kind to which any of the Indemnified Parties may become subject, whether directly or indirectly (including, without limitation, the reasonable fees and disbursements of counsel for any Indemnified Party), relating to or arising out of the Credit Agreement, this Guaranty, the other Loan Documents, or any actual or proposed use of the proceeds of the Loans hereunder; provided, that no Indemnified Party shall have the right to be indemnified hereunder for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction. All obligations of the Guarantor provided for in this Section 6.2 shall survive termination of the Credit Agreement and this Guaranty.

SECTION 5.3. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile) and shall be given to in the case of the Guarantor at its address or facsimile number set forth on the signature page hereof and in the case of any Guarantied Party, care of the Administrative Agent at the address or facsimile number set forth on its signature page to the Credit Agreement, provided that all reports and other notices required pursuant to Section 5.1 of the Revolving Credit Agreement shall be provided to the Administrative Agent and to each Lender at its address or facsimile number set forth on its signature page to the Credit Agreement) or such other address or facsimile or telex number as such party may hereafter specify for the purpose by written notice to the Administrative Agent or the Guarantor, as the case may be. Each such notice, request or other communication shall be effective (a) if given by facsimile when such facsimile is transmitted in legible form to the facsimile number specified in this Section, receipt confirmed and (b) if given by overnight delivery, when delivered for overnight (next day) delivery, addressed as specified in this Section.

SECTION 5.4. This Guaranty, and the terms, covenants and conditions hereof, shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns, except Guarantor shall not be permitted to assign this Guaranty nor any interest herein nor in the Collateral, nor any part thereof, nor otherwise pledge, encumber or grant any option with respect to the Collateral, nor any part thereof, except in accordance with the terms of the Credit Agreement.

SECTION 5.5. The provisions of this Guaranty may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to by Guarantor and by the Administrative Agent, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. The Administrative Agent shall not execute any such amendment, modification or waiver unless it has received the consent of the Required Lenders or all the Lenders, as the case may be, as provided in Section 10.1 of the Credit Agreement.

SECTION 5.6. The section headings in this Guaranty are inserted for convenience of reference and shall not be considered a part of this Guaranty or used in its interpretation.

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SECTION 5.7. No action of any Guarantied Party permitted hereunder shall in any way affect or impair the rights of any Guarantied Party and the obligations of Guarantor under this Guaranty. Guarantor hereby acknowledges that there are no conditions to the effectiveness of this Guaranty.

SECTION 5.8. All obligations of Guarantor and rights of the Guarantied Parties or obligation expressed in this Guaranty shall be in addition to and not in limitation of those provided in applicable law or in any other written instrument or agreement relating to any of the Obligations.

SECTION 5.9. Governing Law and Jurisdiction. THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF ILLINOIS; PROVIDED THAT THE ADMINISTRATIVE AGENT AND THE LENDERS SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

SECTION 5.10. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS GUARANTY OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF ILLINOIS OR OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE GUARANTOR, THE ADMINISTRATIVE AGENT AND THE LENDERS CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE GUARANTOR, THE ADMINISTRATIVE AGENT AND THE LENDERS IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. THE GUARANTOR, THE ADMINISTRATIVE AGENT AND THE LENDERS EACH WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS AND IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID OR BY ANY OTHER MEANS PERMITTED BY ILLINOIS OR FEDERAL LAW.

SECTION 5.11. This Guaranty may be executed in any number of counterparts, each of which shall for all purposes be deemed an original, but all such counterparts shall constitute but one and the same agreement. Guarantor hereby acknowledges receipt of a true, correct and complete counterpart of this Guaranty.

SECTION 5.12. The Administrative Agent acts herein as agent for itself and any and all future holders of the Obligations.

SECTION 5.13. Waiver of Jury Trial . THE GUARANTOR, THE LENDERS AND THE ADMINISTRATIVE AGENT EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS GUARANTY, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION,

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PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY AGENT-RELATED PERSON, PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE GUARANTOR, THE LENDERS AND THE ADMINISTRATIVE AGENT EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS GUARANTY OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS GUARANTY AND THE OTHER LOAN DOCUMENTS.

SECTION 5.14. Currency Indemnity. If, for the purposes of obtaining judgment in any court in any jurisdiction with respect to any Loan Document, it becomes necessary to convert into the currency of such jurisdiction (the "Judgment Currency") any amount due under any Loan Document in any currency other than the Judgment Currency (the "Currency Due"), then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose, "rate of exchange" means the rate at which the Administrative Agent is able, on the relevant date, to purchase the Currency Due with the Judgment Currency in accordance with its normal practice at its main branch in San Francisco, California. In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given and the date of payment of the amount due, the Guarantor will, on the day of payment, pay such additional amount, if any, or be entitled to receive reimbursement of such amount, if any, as may be necessary to ensure that the amount paid on such date is the amount in the Judgment Currency which when converted at the rate of exchange prevailing on the date of payment is the amount then due under any Loan Document in the Currency Due. If the amount of the Currency Due which the Administrative Agent is so able to purchase is less than the amount of the Currency Due originally due to it, the Guarantor shall indemnify and save the Administrative Agent harmless from and against loss or damage arising as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in any Loan Document, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Administrative Agent from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under any Loan Document or under any judgment or order.

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IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed

and delivered by its officer thereunto duly authorized as of the date first above written.

RENAISSANCERE HOLDINGS LTD.

By: /s/ John M. Lummis

Name: /s/ John M. Lummis

Title: Senior Vice President and CFO

Notice Address:

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

SECOND AMENDMENT AGREEMENT

THIS SECOND AMENDMENT AGREEMENT (this "Amendment"), dated as of June 15, 1998, is among RENAISSANCERE HOLDINGS LTD. (the "Borrower"), the Lenders listed on the signature pages hereto, and BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION as Administrative Agent for the Lenders;

W I T N E S S E T H:

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

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

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

Section 1.. Credit Agreement Definitions Capitalized terms used herein that are defined in the Credit Agreement shall have the same meaning when used herein unless otherwise defined herein.

Section 2.. Amendments To Credit Agreement. Effective on (and subject to the occurrence of) the Second Amendment Effective Date (as defined below), the Credit Agreement shall be amended as follows:

2.1. Amendment to Section 1.1. Section 1.1 of the Credit Agreement is amended as follows:

(a) The definition of "Catastrophe Bonds" is amended in its entirety to read as follows:

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

(b) Clause (c) of the definition of "Change in Control" is amended in its entirety to read as follows:

"(c) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of the Borrower (together with any new directors whose election by the Board of Directors or

whose nomination by the stockholders of the Borrower was approved by a vote of the directors of the Borrower then still in office who are either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Borrower's Board of Directors then in office."

(c) The definition of "Debt" is amended as follows:

(i) Clause (a) is amended by inserting the following at the end thereof:

"(including, without limitation, any such obligation issued by such Person that qualify as Catastrophe Bonds described in clause (a) of the definition thereof net of any escrow established (whether directly or to secure any letter of credit issued to back such Catastrophe Bonds) in connection with such Catastrophe Bonds)"

(ii) Clause (e) is amended by inserting following the word "all" and before the words "Hedging Obligations" the word "net";

(iii) Clause (h) is amended by inserting the following at the end thereof:

"(it being understood that if such Person has not assumed or otherwise become personally liable for any such

Debt, the amount of the Debt of such person in connection therewith shall be limited to the lesser of the face amount of such Debt and the fair market value of all property of such person securing such Debt);"

(iv) Clause (i) is amended by inserting the following at the end thereof:

"unless such Debt is nonrecourse to such Person".

(d) The definition of "Hedging Obligations" is amended by inserting following the words "other than Reinsurance Agreements" the words "and Catastrophe Bonds".

(e) Clause (b) of the definition of "Net Debt Proceeds" is amended by inserting the following at the end thereof:

"and any escrows established (whether directly or to secure any letter of credit issued to back such Catastrophe Bonds) to support or in connection with the issuance of Catastrophe Bonds"

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

"Renaissance U.S. Credit Agreement" means any credit agreement entered into by Renaissance U.S. Holdings, Inc. with various financial

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institutions and Bank of America National Trust and Savings Association, as administrative agent.

2.2. Amendment to Section 5.1. Section 5.1(e) is amended as follows:

(a) Subclause (i) is amended in its entirety to read as follows:

"Promptly after completion of each such item but in no event later than the 95th day after the close of each Fiscal Year of the Borrower, a copy of the Borrower's business plan;"

(b) Subclause (iv) is amended by inserting the words "or any Insurance Subsidiary" following the words "the Borrower" each time it appears in such subclause (iv).

(c) Subclause (v) is amended by inserting the following at the end thereof: "or any Insurance Subsidiary".

(d) Subclause (vi) is amended by inserting following the words "and its" and before the words "Subsidiaries" the word "Insurance".

(e) Clause (h) (ii) and (iii) are deleted and the following inserted therefor:

"(ii) an ERISA Event; and"

and subclauses (iv) and (v) are renumbered (iii) and (iv) respectively.

2.3. Amendment to Section 5.3. Section 5.3(a) of the Credit Agreement is amended in its entirety to read as follows:

(a) Maintain, and cause each of its Subsidiaries to maintain, materially complete and accurate books and records in accordance with GAAP and in addition, with respect to each Insurance Subsidiary, SAP,

2.4. Amendment to Section 5.10. Section 5.10 of the Credit Agreement is amended by inserting the following at the end thereof: "; provided, however Nobel Insurance Company may cede its casualty business to American Re-Insurance Company and/or Inter-Ocean Reinsurance Company Ltd.

2.5. Amendment to Section 6.4. Section 6.4 of the Credit Agreement is amended in its entirety to read as follows:

"Section 6.4 Regulations U and X. Not, and not permit any of its Subsidiaries to, hold margin stock (as such term is defined in Regulation U of the FRB) having a value in excess of 20% of the value of the assets of the Borrower and its Subsidiaries taken as a whole after taking into account the application of the proceeds of the Loans.

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2.6. Amendment to Section 6.7. Section 6.7 of the Credit Agreement is amended as follows:

(a) Clause (ii) is amended in its entirety to read as follows:

"(ii) easements, party wall agreements, rights of way, restrictions, minor defects or irregularities in title and other similar Liens not interfering in any material respect with the ordinary course of the business of the Borrower and its Subsidiaries taken as a whole;"

(b) Clause (iv) is amended by inserting the following at the end thereof:

"and Liens pursuant to letters of credit or other security arrangements in connection with such insurance or benefits,"

(c) Clause (v) is amended by inserting between the words "materialmen's" and the words "and other" the words ", landlord liens".

(d) The following new subclauses (viii), (ix) and (x) are inserted at the end of subclause (vii) and before the words "provided however":

(viii) attachments, judgments and other similar Liens for sums not exceeding \$5,000,000 (excluding any portion thereof which is covered by insurance so long as the insurer is reasonably likely to be able to pay and has accepted a tender of defense and indemnification without reservation of rights);

(ix) attachments, judgments and other similar Liens for sums of \$5,000,000 or more (excluding any portion thereof which is covered by insurance so long as the insurer is reasonably likely to be able to pay and has accepted a tender of defense and indemnification without reservation of rights) provided the execution or other enforcement of such Liens is effectively stayed and claims secured thereby are being actively contested in good faith and by appropriate proceedings and have been bonded off;

(x) Liens on assets acquired by Renaissance U.S. Holdings, Inc. from Nobel Insurance Limited outstanding on the date of such acquisition and extensions, renewals or replacements thereof but only if the principal amount of Debt secured thereby immediately prior to such extension, renewal or replacement is not increased and such Lien is not extended to any other property;

2.7. Section 6.8. Section 6.8 of the Credit Agreement is amended by inserting the following at the end thereof:

"and restrictions imposed by the Renaissance U.S. Credit Agreement."

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2.8. Amendment to Section 7.1. Section 7.1 of the Credit Agreement is amended as follows:

(a) Clause (d) is amended by inserting following the words "lease obligation" and before the parenthetical, the words "of \$5,000,000 or more".

(b) Clause (j) is amended by deleting the word "material" at the end thereof and inserting "\$5,000,000 or more" therefor.

Section 3.. Representation And Warranties. In order to induce the Lenders and the Administrative Agent to execute and deliver this Amendment, the Borrower hereby represents and warrants to the Lenders and to the Administrative Agent that:

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

(b) the warranties of the Borrower contained in Article IV of the Credit Agreement are true and correct as of the date hereof, with the same effect as though made on such date; provided that (i) with respect to clause (a) of Section 4.2, the reference to "1995 Fiscal Year" therein shall instead be a reference to "1996 Fiscal Year" and (ii) with respect to clause (a) of Section 4.3, the reference to "December 31, 1996" shall instead be a reference to "December 31, 1997" and the reference to the nine months ended September 30, 1996 shall instead be a reference to "the three months ended March 31, 1998".

Section 4. Conditions to Effectiveness. The Amendment set forth in Section 2 hereof shall become effective on the date (the "Second Amendment Effective

Date") when the Administrative Agent shall have received all of the following, each in form and substance satisfactory to the Administrative Agent:

- (a) eight counterparts of this Amendment executed by the Borrower and the Required Lenders;
- (b) a certificate of an authorized officer of the Borrower as to the satisfaction of the conditions set forth in Section 3 of this Amendment; and
- (c) such other documents as the Administrative Agent or any Lender may reasonably request.

Section 5. Reaffirmation of Loan Documents. From and after the date hereof, each reference that appears in any other Loan Document to the Credit Agreement shall be deemed to be a reference to the Credit Agreement as amended hereby. As amended hereby, the Credit Agreement, is hereby reaffirmed, approved and confirmed in every respect and shall remain in full force and effect.

Section 6. Counterparts; Effectiveness. This Amendment may be executed by the parties hereto in any number of counterparts and by the different parties on separate counterparts and

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each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same agreement.

Section 7. Governing Law; Entire Agreement. This Amendment shall be deemed a contract made under and governed by the laws of the State of Illinois, without giving effect to conflicts of laws principles. This agreement constitutes the entire understanding among the parties hereto with respect to the subject matter hereof and supersedes any prior agreements with respect thereto.

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

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

RENAISSANCERE HOLDINGS LTD.

By: _____
Title:

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

By: _____
Title:

FLEET NATIONAL BANK

By: _____
Title:

MELLON BANK, N.A.

By: _____
Title:

THE BANK OF N.T. BUTTERFIELD & SON LIMITED

By: _____
Title:

BANK OF MONTREAL

By: _____
Title:

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

By: _____
Title:

By: _____
Title:

BANK OF BERMUDA

By: _____
Title:

THIRD AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

This Third Amended and Restated Employment Agreement (the "Agreement") is dated as of June 3, 1998, and is entered into between Renaissance Reinsurance Ltd., a Bermuda Company (the "Company"), and James N. Stanard ("Executive").

WHEREAS, Executive and the Company are parties to an Amended and Restated Employment Agreement, dated July 1, 1997 (the "Prior Agreement"); and

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

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

ARTICLE I

Employment, Duties and Responsibilities

1.01. Employment. The Executive shall continue to serve as Chief Executive Officer and Chairman of the Board of the Company and its parent, RenaissanceRe Holdings Ltd. ("Holdings"). Executive agrees to devote his full time and efforts to promote the interests of the Company.

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

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

ARTICLE II

Term

2.01. Term. The term of this Agreement (the "Term") shall commence on June 23, 1997 and, unless terminated earlier as provided in Article V, shall continue until the earlier of (i)

July 1, 2001, or (ii) the date which is one year following a "Change in Control" (as defined in Section 5.06 below).

ARTICLE III

Compensation and Expenses

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

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

(b) Additional Bonus.

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

and State income tax rate then applicable to Executive.

(ii) The foregoing notwithstanding, in the event of (x) a termination of Executive's employment by reason of Executive's death or disability (as defined in Section 5.03) or (y) a termination of Executive's employment by the Company without "Cause" (as defined in Section 5.04 below) or by Executive for "Good Reason" (as defined in Section 5.01 below) prior to a Change in Control, the Additional Bonus and the Gross-Up Payment shall be accelerated and shall be paid on the date of such termination pursuant to clause (i) above. In the event of a termination of Executive's employment by the Company without Cause or by Executive for Good Reason on or after a Change in Control, or in the event of an expiration of this Agreement one

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year following a Change in Control, any portion of the Additional Bonus and the Gross-Up Payment not previously paid shall be accelerated and paid on the last day of the "Non-Competition Period" (as defined in Section 4.04 below) pursuant to clause (i) above. No payments of Additional Bonus or Gross-Up Payment shall be made following a termination of Executive's employment for Cause, or by Executive without Good Reason, regardless of whether a Change in Control has occurred.

(c) Awards.

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

(ii) Effective as of the date of this Agreement, the Company, by action of the Section 162(m) Subcommittee of the Stock Option Committee of the Board of Directors, has granted to Executive 111,111 shares of restricted common stock of Holdings ("Restricted Stock") and options ("Options") to purchase 66,667 shares of unrestricted common stock of Holdings ("Common Stock"). The Options shall vest at the rate of 25% a year commencing as of the date hereof, with the first vesting date being June 23, 1998, and shall be governed by the terms and conditions of the Plan. The Restricted Stock shall vest on June 3, 1998 with respect to 83,333 shares and on June 23, 1998 with respect to 27,778 shares, and shall otherwise be governed by the terms and conditions of the Plan and the Restricted Stock Agreements dated June 23, 1997. The vesting of such Awards and any future Awards shall be accelerated in the event of a termination of Executive's employment by the Company without Cause, or by Executive for Good Reason, or by reason of Executive's death or disability unless, with respect only to future Awards, Executive is otherwise notified by the Company at the time of grant. The Options shall be exercisable at a price of \$38 per share. The Company and the Executive will enter into customary Award agreements with respect to such Awards.

(iii) (A) Executive shall be eligible to earn an incentive bonus (the "Incentive Bonus"). Subject to subparagraph (iii)(B), the Incentive Bonus shall be payable over four years as follows: a payment in the amount of \$475,000 shall be made in each of June 1999, June 2000 and June 2001, and a payment of \$375,000 shall be made in June 2002.

(B) Incentive Bonuses shall be paid only if the Company meets cumulative Return on Equity ("ROE") targets for each immediately preceding fiscal year established under the Company's business plan adopted by the Holdings Board. ROE shall be computed on a cumulative basis (i.e., percentage excesses or

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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.

(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 2002, 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.

(E) In the event Executive's employment is terminated under circumstances where a portion of the 83,333 shares of Restricted Stock as to which vesting was accelerated to June 3, 1998, would have been forfeited to Holdings, based on the forfeiture conditions which were applicable to such shares under the terms of the Plan and the Restricted Stock Agreement relating to such shares dated June 23, 1997 (i.e., had the vesting of such shares not been so accelerated), the Executive shall, not later than five days following the date of such termination, transfer and deliver to Holdings a number of shares of Common Stock (other than shares comprising the Restricted Stock) equal to the number of shares of Restricted Stock which would have been so forfeited. Holdings and the Company acknowledge that the foregoing obligation shall be unsecured and Executive shall not be required to escrow, set aside, legend or otherwise designate any specific shares of Common Stock for purposes of satisfying such obligation.

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

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

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

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

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

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

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

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(c) Automobile. The Company shall provide Executive with an automobile with a value comparable to automobiles customarily provided to Chief Executive Officers of comparable Bermuda-based companies.

(d) Personal Travel. The Company shall provide Executive with first-class air travel between Bermuda and the United States for the personal purposes of Executive and members of his immediate family, up to a maximum of 40 visits by Executive and 12 visits for his family during each year of employment.

(e) Financial Services. The Company shall provide Executive with the services of a professional tax and financial planning company.

(f) Incentive Gross-Up. To the extent that benefits provided to Executive under subsections 3.02(a), (c) and (d) of this Agreement result in imputed income and a resulting increased income tax liability to Executive, the Company shall pay Executive a tax reimbursement benefit in an amount such that, after deduction of all income taxes payable with respect to such tax

reimbursement benefit, the amount retained by Executive will be equal to the amount of such increased income tax liability.

ARTICLE IV

Exclusivity, Etc.

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

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

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

4.04. Non-Competition Obligations. During Executive's employment and, upon any termination of Executive's employment (including upon the expiration of the Term on the earlier of July 1, 2001 or the date one year following a Change in Control), other than (a) a termination of Executive's employment by reason of his death or disability, or (b) a termination of Executive's employment by the Company without Cause, or by Executive for Good Reason, which occurs prior to a Change in Control, the Executive shall not, for a period of one year from the date of such termination (the "Non-Competition Period"), directly or indirectly, whether as an employee consultant, independent contractor, partner, joint venturer or otherwise, (i) engage in any business activities reasonably determined by the Board to be competitive, to a material extent, with any substantial type or kind of business activities conducted by the Company or any of

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its divisions, subsidiaries or affiliates at the time of such termination; (ii) on behalf of any person or entity engaged in business activities competitive with the business activities of the Company or any of its divisions, subsidiaries or affiliates, solicit or induce, or in any manner attempt to solicit or induce, any person employed by, or as agent of, the Company or any of its divisions, subsidiaries or affiliates to terminate such person's contract of employment or agency, as the case may be, with the Company or with any such division, subsidiary or affiliate or (iii) divert, or attempt to divert, any person, concern, or entity from doing business with the Company or any of its divisions, subsidiaries or affiliates, nor will he attempt to induce any such

person, concern or entity to cease being a customer or supplier of the Company or any of its divisions, subsidiaries or affiliates. The preceding sentence notwithstanding, (I) in the event of a termination of Executive's employment by the Company for Cause, or by Executive without Good Reason, which occurs within one year following a Change in Control, the Non-Competition Period shall be one year from the date of such termination, plus a number of days equal to (x) 365, minus (y) the number of days which have elapsed from the date of such Change in Control until the date of such termination, provided that it shall expire no later than June 30, 2002; and (II) irrespective of whether a Change in Control has occurred, in the case of (A) a voluntary termination of employment by the Executive which is not for Good Reason, (B) a termination by the Company for Cause, or (C) a termination which occurs by reason of the expiration of the Term on the earlier of July 1, 2001 or the date one year following a Change in Control, the Company may elect, within 14 days after the date of such termination, to waive the Executive's non-competition obligations, in which case it shall not be required to make payments to the Executive during the Non-Competition Period, as provided in Section 5.05(a) of this Agreement.

4.05. Remedies. Executive acknowledges that the Company's remedy at law for a breach by him of the provisions of this Article IV will be inadequate. Accordingly, in the event of the breach or threatened breach by Executive of any provision of this Article IV, the Company shall be entitled to injunctive relief in addition to any other remedy it may have. If any of the provisions of, or covenants contained in, this Article IV are hereafter construed to be invalid or unenforceable in any jurisdiction, the same shall not affect the remainder of the provisions or the enforceability thereof in any other jurisdiction, which shall be given full effect, without regard to the invalidity or unenforceability in such other jurisdiction. If any of the provisions of, or covenants contained in, this Article IV are held to be unenforceable in any jurisdiction because of the duration or geographical scope thereof, the parties agree that the court making such determination shall have the power to reduce the duration or geographical scope of such provision or covenant and, in its reduced form, such provision or

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covenant shall be enforceable; provided, however, that the determination of such court shall not affect the enforceability of this Article IV in any other jurisdiction.

ARTICLE V

Termination

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

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

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

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

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

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

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

or

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

5.05. Effect of Termination.

(a) Obligations of Company. In the event of any termination of the Executive's employment hereunder, the Company shall pay Executive any earned but unpaid Base Salary. In addition, except as provided in Section 5.06 of this Agreement, upon a termination of Executive's employment for any reason other than the Executive's death or disability (including the expiration of this Agreement on July 1, 2001 or one year following a Change in Control), the Company shall continue to pay Executive for a period of twelve (12) months his then current Base Salary, and an amount equal to the highest regular discretionary bonus paid or payable to Executive over the preceding three fiscal years (excluding the Additional Bonus, the 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, upon any termination of his employment with the Company, shall be governed exclusively by this Agreement, the terms and conditions of the Plan and any agreement executed by Executive in connection with such Awards. With respect to the Award of Options to purchase 66,667 shares of Common Stock described in Section 3.01(c) hereof, and any Awards granted prior or subsequent to the date hereof, the Award agreements shall provide (or shall be amended to provide) that in the event of termination of Executive's employment by reason of the expiration of this Agreement on July 1, 2001 or one year following a Change in Control, Executive shall continue to be treated as employed by the Company for purposes of vesting in such Awards, for so long as (i) Executive has not engaged in conduct which would be inconsistent with the non-competition obligations described in Section 4.04 of this Agreement, and (ii) Executive has not voluntarily resigned from the Holdings Board, and (iii) with respect only to Awards granted prior to the date hereof, Executive is either serving on the Holdings Board or providing substantial services to the Company and/or Holdings in a

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

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

5.06. Termination Following a Change in Control.

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

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

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

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of the outstanding equity securities of Holdings (the "Outstanding Equity Securities"); provided, however, that the following acquisitions shall not constitute a Change of Control: (i) any acquisition by Holdings, (ii) any acquisition by one or more of the "Investors" (as such term is defined in the Plan) or any entity directly or indirectly controlling, controlled by, or under common control with, one or more of the Investors (an "Investor Affiliate"), or (iii) any acquisition by a corporation pursuant to a merger, consolidation or other similar transaction (a "Corporate Event") if, as a result of such Corporate Event, (A) substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Equity Securities immediately prior to such Corporate Event beneficially own, directly or indirectly, securities representing more than 50% of the value and voting power of the then outstanding equity securities of the corporation resulting from such Corporate Event (including a corporation which, as a result of such transaction, owns Holdings or all or substantially all of Holdings' assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Event, of the Outstanding Equity Securities, and (B) no Person other than (1) one or more of the Investors or any Investor Affiliate, or (2) any corporation resulting from such Corporate Event, beneficially owns, directly or indirectly, securities representing more than 50% of the value and voting power of the then outstanding equity securities of the corporation resulting from such Corporate Event.

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

ARTICLE VI

Miscellaneous

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

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6.02. Benefit of Agreement; Assignment; Beneficiary.

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

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

6.03. Notices. Any notice required or permitted hereunder shall be in writing and shall be sufficiently given if personally delivered or if sent by telegram or telex or by registered or certified mail, postage prepaid, with return receipt requested, addressed: (a) in the case of the Company to Renaissance Reinsurance Ltd., Sofia House, 48 Church Street, Hamilton, Bermuda, Attention: Board of Directors, or to such other address and/or to the attention of such other person as the Company shall designate by written notice to Executive; and (b) in the case of Executive, to James N. Stanard, at the address shown on the Company's records, or to such other address as Executive shall designate by written notice to the Company. Any notice given hereunder shall be deemed to have been given at the time of receipt thereof by the person to whom such notice is given.

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

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

6.06. Headings. The Article and Section headings herein are for convenience of reference only, do not constitute a part

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of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

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

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

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

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

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

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

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

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

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

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

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

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

RENAISSANCE REINSURANCE LTD.

By: /s/ John M. Lummis

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

/s/ James N. Stanard

James N. Stanard

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 shares of Paget Insurance Agents, Inc., a corporation organized under the laws of Florida, is owned by RenaissanceRe Holdings Ltd.
5. 100% of the issued and outstanding shares of Pembroke Managing Agents, Inc., a corporation organized under the laws of Florida, is owned by RenaissanceRe Holdings Ltd.
6. 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.
7. 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.
8. 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.
9. 100% of the issued and outstanding capital shares of Nobel Service Corporation, a corporation organized under the laws of Texas, is owned by Renaissance U.S. Holdings Inc.
10. 100% of the issued and outstanding capital shares of IAS Claim Services, Inc., a corporation organized under the laws of Delaware, is owned by Renaissance U.S. Holdings Inc.
11. 100% of the issued and outstanding capital shares of Nobel Insurance Agency, Inc., a corporation organized under the laws of Texas, is owned beneficially by Renaissance U.S. Holdings Inc.
12. 100% of the issued and outstanding capital shares of Nobel Managing Agents, Inc., a corporation organized under the laws of Texas, is owned by Nobel Insurance Company.

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