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

FORM 10-Q

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

For the quarterly period ended June 30, 2011

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 No. 001-14428

RENAISSANCERE HOLDINGS LTD.
(Exact name of registrant as specified in its charter)

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

Renaissance House, 12 Crow Lane, Pembroke HM 19 Bermuda
(Address of principal executive offices)

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. Large accelerated filer x, Accelerated filer ¨, Non-accelerated filer ¨, Smaller reporting company ¨.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

The number of outstanding shares of RenaissanceRe Holdings Ltd.'s common shares, par value US $1.00 per share, as of July 22, 2011 was 51,745,412.

Total number of pages in this report: 96

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PART I — FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

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

	June 30, 2011 (Unaudited)	December 31, 2010 (Audited)
Assets		
Fixed maturity investments trading, at fair value		
(Amortized cost $3,823,651 and $3,859,442 at June 30, 2011 and December 31, 2010, respectively)	$3,864,205	$3,871,780
Fixed maturity investments available for sale, at fair value		
(Amortized cost $184,912 and $225,549 at June 30, 2011 and December 31, 2010, respectively)	202,769	244,917
Short term investments, at fair value	774,421	1,110,364
Equity investments trading, at fair value (Cost $32,676 at June 30, 2011)	32,252	—
Other investments, at fair value	839,643	787,548
Investments in other ventures, under equity method	82,197	85,603
Total investments	5,795,487	6,100,212
Cash and cash equivalents	237,737	277,738
Premiums receivable	933,519	322,080
Prepaid reinsurance premiums	245,676	60,643
Reinsurance recoverable	333,245	101,711
Accrued investment income	36,266	34,560
Deferred acquisition costs	90,858	35,648
Receivable for investments sold	257,075	99,226
Other secured assets	—	14,250
Other assets	219,226	205,373
Goodwill and other intangibles	14,383	14,690
Assets of discontinued operations held for sale	2,868	872,147
Total assets	$8,166,340	$8,138,278
Liabilities, Noncontrolling Interests and Shareholders' Equity		
Liabilities		
Reserve for claims and claim expenses	$2,170,728	$1,257,843
Unearned premiums	830,939	286,183
Debt	349,201	549,155
Reinsurance balances payable	403,152	318,024
Payable for investments purchased	102,545	195,383
Other secured liabilities	—	14,000
Other liabilities	152,853	222,310
Liabilities of discontinued operations held for sale	10,220	598,511
Total liabilities	4,019,638	3,441,409
Commitments and Contingencies		
Redeemable noncontrolling interest - DaVinciRe	628,001	757,655
Shareholders' Equity		
Preference shares	550,000	550,000
Common shares	51,753	54,110
Additional paid-in capital	5,768	—
Accumulated other comprehensive income	18,031	19,823
Retained earnings	2,889,719	3,312,392
Total shareholders' equity attributable to RenaissanceRe	3,515,271	3,936,325
Noncontrolling interest	3,430	2,889
Total shareholders' equity	3,518,701	3,939,214
Total liabilities, noncontrolling interest and shareholders' equity	$8,166,340	$8,138,278

See accompanying notes to the consolidated financial statements

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Operations
For the three and six months ended June 30, 2011 and 2010
(in thousands of United States Dollars, except per share amounts)
(Unaudited)

	Three months ended		Six months ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
Revenues				
Gross premiums written	$ 641,563	$ 506,540	$1,252,068	$1,022,551
Net premiums written	$ 427,995	$ 329,334	$ 880,570	$ 736,493
Increase in unearned premiums	(210,820)	(117,163)	(357,854)	(273,669)
Net premiums earned	217,175	212,171	522,716	462,824
Net investment income	33,328	26,173	93,609	91,882
Net foreign exchange losses	(4,521)	(609)	(3,861)	(11,951)
Equity in earnings (losses) of other ventures	5,128	3,160	(18,625)	5,316
Other (loss) income	(5,167)	(3,742)	44,978	(9,933)
Net realized and unrealized gains on investments	34,979	70,051	29,765	118,251
Total other-than-temporary impairments	—	(798)	—	(831)
Portion recognized in other comprehensive income, before taxes	—	2	—	2
Net other-than-temporary impairments	—	(796)	—	(829)
Total revenues	280,922	306,408	668,582	655,560
Expenses				
Net claims and claim expenses incurred	151,261	(18,803)	779,798	78,537
Acquisition expenses	13,883	23,580	46,218	50,015
Operational expenses	42,299	38,040	84,129	83,190
Corporate expenses	4,011	4,493	6,075	9,802
Interest expense	5,730	6,206	11,925	9,362
Total expenses	217,184	53,516	928,145	230,906
Income (loss) from continuing operations before taxes	63,738	252,892	(259,563)	424,654
Income tax benefit	1,773	958	1,825	3,921
Income (loss) from continuing operations	65,511	253,850	(257,738)	428,575
(Loss) income from discontinued operations	(10,094)	18,881	(11,620)	30,328
Net income (loss)	55,417	272,731	(269,358)	458,903
Net (income) loss attributable to noncontrolling interests	(21,903)	(51,915)	63,589	(62,465)
Net income (loss) attributable to RenaissanceRe	33,514	220,816	(205,769)	396,438
Dividends on preference shares	(8,750)	(10,575)	(17,500)	(21,150)
Net income (loss) available (attributable) to RenaissanceRe common shareholders	$ 24,764	$ 210,241	$ (223,269)	$ 375,288
Income (loss) from continuing operations available (attributable) to RenaissanceRe common shareholders per common share - basic	$ 0.68	$ 3.35	$ (4.16)	$ 5.89
(Loss) income from discontinued operations (attributable) available to RenaissanceRe common shareholders per common share - basic	(0.20)	0.34	(0.23)	0.53
Net income (loss) available (attributable) to RenaissanceRe common shareholders per common share - basic	$ 0.48	$ 3.69	$ (4.39)	$ 6.42
Income (loss) from continuing operations available (attributable) to RenaissanceRe common shareholders per common share - diluted (1)	$ 0.68	$ 3.32	$ (4.16)	$ 5.84
(Loss) income from discontinued operations (attributable) available to RenaissanceRe common shareholders per common share - diluted (1)	(0.20)	0.34	(0.23)	0.53
Net income (loss) available (attributable) to RenaissanceRe common shareholders per common share - diluted (1)	$ 0.48	$ 3.66	$ (4.39)	$ 6.37
Dividends per common share	$ 0.26	$ 0.25	$ 0.52	$ 0.50

(1) Earnings per share calculations use average common shares outstanding - basic, when in a net loss position, as required by FASB ASC Topic *Earnings per Share*.

See accompanying notes to the consolidated financial statements

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Changes in Shareholders' Equity
For the six months ended June 30, 2011 and 2010
(in thousands of United States Dollars)
(Unaudited)

	Six months ended June 30, 2011	Six months ended June 30, 2010
Preference shares		
Balance - January 1	$ 550,000	$ 650,000
Balance - June 30	550,000	650,000
Common shares		
Balance - January 1	54,110	61,745
Repurchase of shares	(2,655)	(7,417)
Exercise of options and issuance of restricted stock and awards	298	544
Balance - June 30	51,753	54,872
Additional paid-in capital		
Balance - January 1	—	—
Repurchase of shares	546	(17,979)
Change in redeemable noncontrolling interest - DaVinciRe	(143)	5,267
Exercise of options and issuance of restricted stock and awards	5,365	12,712
Balance - June 30	5,768	—
Accumulated other comprehensive income		
Balance - January 1	19,823	41,438
Change in net unrealized gains on fixed maturity investments available for sale	(1,792)	(19,283)
Portion of other-than-temporary impairments recognized in other comprehensive income	—	(2)
Balance - June 30	18,031	22,153
Retained earnings		
Balance - January 1	3,312,392	3,087,603
Net (loss) income	(269,358)	458,903
Net loss (income) attributable to noncontrolling interests	63,589	(62,465)
Repurchase of shares	(172,683)	(385,939)
Dividends on common shares	(26,721)	(28,735)
Dividends on preference shares	(17,500)	(21,150)
Balance - June 30	2,889,719	3,048,217
Noncontrolling interest	3,430	—
Total shareholders' equity	$3,518,701	$3,775,242

See accompanying notes to the consolidated financial statements

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income (Loss)
For the three and six months ended June 30, 2011 and 2010
(in thousands of United States Dollars)
(Unaudited)

	Three months ended		Six months ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
Comprehensive income (loss)				
Net income (loss)	$ 55,417	$272,731	$(269,358)	$458,903
Change in net unrealized gains on fixed maturity investments available for sale	(1,817)	(10,178)	(1,798)	(19,107)
Portion of other-than-temporary impairments recognized in other comprehensive income	—	(2)	—	(2)
Comprehensive income (loss)	53,600	262,551	(271,156)	439,794
Net (income) loss attributable to noncontrolling interests	(21,903)	(51,915)	63,589	(62,465)
Change in net unrealized gains on fixed maturity investments available for sale attributable to noncontrolling interests	3	1,562	6	(176)
Comprehensive (income) loss attributable to redeemable noncontrolling interest - DaVinciRe	(21,900)	(50,353)	63,595	(62,641)
Comprehensive income (loss) attributable to RenaissanceRe	$ 31,700	$212,198	$(207,561)	$377,153
Disclosure regarding net unrealized gains				
Total realized and net unrealized holding gains on fixed maturity investments available for sale and net other-than-temporary impairments	$ 1,292	$ 7,412	$ 902	$ 41,616
Net realized (gains) losses on fixed maturity investments available for sale	(3,106)	(16,824)	(2,694)	(61,728)
Net other-than-temporary impairments recognized in earnings	—	796	—	829
Change in net unrealized gains on fixed maturity investments available for sale	$ (1,814)	$ (8,616)	$ (1,792)	$ (19,283)

See accompanying notes to the consolidated financial statements

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RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the six months ended June 30, 2011 and 2010
(in thousands of United States dollars)
(Unaudited)

	Six months ended June 30, 2011	Six months ended June 30, 2010
Cash flows provided by operating activities		
Net (loss) income	$ (269,358)	$ 458,903
Adjustments to reconcile net (loss) income to net cash provided by operating activities		
Amortization, accretion and depreciation	17,249	26,703
Equity in undistributed losses of other ventures	21,355	7,601
Net realized and unrealized gains on fixed maturity investments	(29,765)	(119,704)
Net other-than-temporary impairments	—	829
Net unrealized gains included in net investment income	(22,270)	(5,693)
Net unrealized (gains) losses included in other income (loss)	(63,141)	13,212
Change in:		
Premiums receivable	(611,439)	(431,669)
Prepaid reinsurance premiums	(185,033)	(184,444)
Reinsurance recoverable	(231,534)	14,400
Deferred acquisition costs	(55,210)	(38,855)
Reserve for claims and claim expenses	912,885	(19,923)
Unearned premiums	544,756	548,341
Reinsurance balances payable	85,128	25,343
Other	(82,627)	(6,526)
Net cash provided by operating activities	30,996	288,518
Cash flows provided by investing activities		
Proceeds from sales and maturities of fixed maturity investments trading	2,879,215	3,583,799
Purchases of fixed maturity investments trading	(2,811,678)	(6,621,127)
Proceeds from sales and maturities of fixed maturity investments available for sale	48,135	3,158,885
Purchases of fixed maturity investments available for sale	(4,078)	(316,717)
Purchases of equity investments trading	(32,676)	—
Net sales of short term investments	50,852	209,998
Net (purchases) sales of other investments	(23,881)	66,639
Net purchases of investments in other ventures	(21,000)	—
Net sales of other assets	46,984	2,729
Net proceeds from sale of discontinued operations held for sale	269,520	—
Net cash provided by investing activities	401,393	84,206
Cash flows used in financing activities		
Dividends paid - RenaissanceRe common shares	(26,721)	(28,735)
Dividends paid - preference shares	(17,500)	(21,150)
RenaissanceRe common share repurchases	(174,792)	(411,335)
Third party DaVinciRe share transactions	(56,708)	(131,370)
Net repayment of debt	(200,000)	—
Issuance of 5.75% Senior Notes	—	249,046
Net cash used in financing activities	(475,721)	(343,544)
Effect of exchange rate changes on foreign currency cash	3,331	(4,842)
Net (decrease) increase in cash and cash equivalents	(40,001)	24,338
Net increase in cash and cash equivalents of discontinued operations	—	(7,151)
Cash and cash equivalents, beginning of period	277,738	203,112
Cash and cash equivalents, end of period	$ 237,737	$ 220,299

See accompanying notes to the consolidated financial statements

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

NOTE 1. ORGANIZATION AND BASIS OF PRESENTATION

The consolidated financial statements have been prepared on the basis of accounting principles generally accepted in the United States ("GAAP") for interim financial information and in conformity 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. In the opinion of management, these unaudited consolidated financial statements reflect all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the Company's financial position and results of operations as at the end of and for the periods presented. All significant intercompany accounts and transactions have been eliminated from these statements. Except as discussed in "Note 2. Discontinued Operations," and unless otherwise noted, the notes to the consolidated financial statements reflect the Company's continuing operations.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates. The major estimates reflected in the Company's consolidated financial statements include, but are not limited to, the reserve for claims and claim expenses, reinsurance recoverables, including allowances for reinsurance recoverables deemed uncollectible, estimates of written and earned premiums, fair value, including the fair value of investments, financial instruments and derivatives, impairment charges and the Company's net deferred tax asset.

This report on Form 10-Q should be read in conjunction with the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

RenaissanceRe Holdings Ltd. ("RenaissanceRe") was formed under the laws of Bermuda on June 7, 1993. Together with its wholly owned and majority-owned subsidiaries and DaVinciRe (as defined below), which are collectively referred to herein as the "Company", RenaissanceRe provides reinsurance and insurance coverages and related services to a broad range of customers.

- Renaissance Reinsurance Ltd. ("Renaissance Reinsurance"), the Company's principal reinsurance subsidiary, provides property catastrophe and specialty reinsurance coverages to insurers and reinsurers on a worldwide basis.
- The Company also manages property catastrophe and specialty reinsurance business written on behalf of joint ventures, which principally include Top Layer Reinsurance Ltd. ("Top Layer Re"), recorded under the equity method of accounting, and DaVinci Reinsurance Ltd. ("DaVinci"). Because the Company owns a noncontrolling equity interest in, but controls a majority of the outstanding voting power of, DaVinci's parent, DaVinciRe Holdings Ltd. ("DaVinciRe"), the results of DaVinci and DaVinciRe are consolidated in the Company's financial statements. Redeemable noncontrolling interest – DaVinciRe represents the interests of external parties with respect to the net income (loss) and shareholders' equity of DaVinciRe. Renaissance Underwriting Managers Ltd. ("RUM"), a wholly owned subsidiary, acts as exclusive underwriting manager for these joint ventures in return for fee-based income and profit participation.
- RenaissanceRe Syndicate 1458 ("Syndicate 1458") is the Company's Lloyd's syndicate which was licensed to start writing certain lines of insurance and reinsurance business effective June 1, 2009. RenaissanceRe Corporate Capital (UK) Limited ("RenaissanceRe CCL"), a wholly owned subsidiary of the Company, is Syndicate 1458's sole corporate member and RenaissanceRe Syndicate Management Ltd. ("RSML"), a wholly owned subsidiary of the Company from November 2, 2009, is the managing agent for Syndicate 1458.

- The Company, through Renaissance Trading Ltd. (“Renaissance Trading”) and RenRe Energy Advisors Ltd. (“REAL”), transacts certain derivative-based risk management products primarily to address weather and energy risk and engages in hedging and trading activities related to those transactions.
- On November 18, 2010, the Company entered into a definitive stock purchase agreement (the “Stock Purchase Agreement”) with QBE Holdings, Inc. (“QBE”) to sell substantially all of its U.S.-based insurance operations including its U.S. property and casualty business underwritten through managing general agents, its crop insurance business underwritten through Agro National Inc. (“Agro National”), its commercial property insurance operations and its claims operations. At December 31, 2010, the Company classified the assets and liabilities associated with this transaction as held for sale. The financial results for these operations have been presented in the Company’s consolidated financial statements as “discontinued operations” for all periods presented. On March 4, 2011, the Company and QBE closed the transaction contemplated by the Stock Purchase Agreement. Refer to “Note 2. Discontinued Operations,” for more information. Insurance policies previously written in connection with the Company’s Bermuda-based insurance operations not sold to QBE are included in the Company’s continuing operations and are included in the Company’s Insurance segment.

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

NOTE 2. DISCONTINUED OPERATIONS

U.S.-Based Insurance Operations

On November 18, 2010, the Company entered into a Stock Purchase Agreement with QBE to sell substantially all of its U.S.-based insurance operations**,** including its U.S. property and casualty business underwritten through managing general agents, its crop insurance business underwritten through Agro National, its commercial property insurance operations and its claims operations. At December 31, 2010, the Company classified the assets and liabilities associated with this transaction as held for sale and the assets and liabilities were recorded at the lower of the carrying value or fair value less costs to sell. The financial results for these operations have been presented as discontinued operations in the Company’s consolidated statements of operations for all periods presented.

Consideration for the transaction was book value at December 31, 2010, for the aforementioned businesses, payable in cash at closing and subject to adjustment for certain tax and other items. The transaction closed on March 4, 2011 and net consideration of $269.5 million was received by the Company.

Pursuant to the Stock Purchase Agreement, the Company is subject to a post-closing review following December 31, 2011 of the net reserve for claims and claim expenses for loss events occurring on or prior to December 31, 2010 (the “Reserve Collar”). Subsequent to the post-closing review, the Company is liable to pay, or otherwise reimburse QBE amounts up to $10.0 million for net adverse development on prior accident years net claims and claim expenses. Conversely, if prior accident years net claims and claim expenses experience net favorable development, QBE is liable to pay, or otherwise reimburse the Company amounts up to $10.0 million.

During the second quarter of 2011, the Company recognized a $10.0 million liability and corresponding expense related to the Reserve Collar. The $10.0 million represents the maximum amount payable under the Reserve Collar. The Company will continue to evaluate any favorable or adverse developments relating to the Reserve Collar quarterly pursuant to the terms of the Stock Purchase Agreement with QBE.

NOTE 3. CEDED REINSURANCE

The Company purchases reinsurance and other protection to manage its risk portfolio and to reduce its exposure to large losses. The Company currently has in place contracts that provide for recovery of a portion of certain claims and claim expenses, generally in excess of various retentions or on a proportional basis. In addition to loss recoveries, certain of the Company’s ceded reinsurance contracts provide for recoveries of additional premiums, reinstatement premiums and for lost no-claims bonuses, which are incurred when losses are ceded to other reinsurance contracts. The Company remains liable to the extent that any reinsurance company fails to meet its obligations.

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The following tables set forth the effect of reinsurance and retrocessional activity on premiums written and earned and on net claims and claim expenses incurred:

Three months ended June 30, (in thousands of U.S. dollars)	2011	2010
Premiums written		
Direct	$ 9,309	$ 2,586
Assumed	632,254	503,954
Ceded	(213,568)	(177,206)
Net premiums written	$ 427,995	$ 329,334
Premiums earned		
Direct	$ 4,033	$ 1,159
Assumed	306,757	285,689
Ceded	(93,615)	(74,677)
Net premiums earned	$ 217,175	$ 212,171
Claims and claim expenses		
Gross claims and claim expenses incurred	$ 164,670	$ (27,746)
Claims and claim expenses recovered	(13,409)	8,943
Net claims and claim expenses incurred	$ 151,261	$ (18,803)

Six months ended June 30, (in thousands of U.S. dollars)	2011	2010
Premiums written		
Direct	$ 15,561	$ 4,079
Assumed	1,236,507	1,018,472
Ceded	(371,498)	(286,058)
Net premiums written	$ 880,570	$ 736,493
Premiums earned		
Direct	$ 6,515	$ 1,720
Assumed	701,292	615,239
Ceded	(185,091)	(154,135)
Net premiums earned	$ 522,716	$ 462,824
Claims and claim expenses		
Gross claims and claim expenses incurred	$1,027,993	$ 106,379
Claims and claim expenses recovered	(248,195)	(27,842)
Net claims and claim expenses incurred	$ 779,798	$ 78,537

NOTE 4. EARNINGS PER SHARE

The Company accounts for its weighted average shares in accordance with FASB ASC Topic *Earnings per Share*. Basic earnings per common share is based on weighted average common shares and excludes any dilutive effects of stock options and restricted stock. Diluted earnings per common share assumes the exercise of all dilutive stock options and restricted stock grants. In accordance with FASB ASC Topic *Earnings per Share*, earnings per share calculations use average common shares outstanding – basic, when the Company is in a net loss position for the period.

The following tables set forth the computation of basic and diluted earnings per common share:

Three months ended June 30, (in thousands of U.S. dollars, except per share data)	2011	2010
Numerator:		
Net income available to RenaissanceRe common shareholders	$24,764	$210,241
Amount allocated to participating common shareholders (1)	(461)	(5,322)
	$24,303	$204,919
Denominator (in thousands):		
Denominator for basic income per RenaissanceRe common share -		
Weighted average common shares	50,493	55,538
Per common share equivalents of employee stock options and restricted shares	557	506
Denominator for diluted income per RenaissanceRe common share -		
Adjusted weighted average common shares and assumed conversions	51,050	56,044
Basic income per RenaissanceRe common share	$ 0.48	$ 3.69
Diluted income per RenaissanceRe common share	$ 0.48	$ 3.66

(1) Represents earnings attributable to holders of unvested restricted shares issued under the Company's 2001 Stock Incentive Plan and Non-Employee Director Stock Incentive Plan.

Six months ended June 30, (in thousands of U.S. dollars, except per share data)	2011	2010
Numerator:		
Net (loss) income (attributable) available to RenaissanceRe common shareholders	$(223,269)	$375,288
Amount allocated to participating common shareholders (1)	(514)	(9,486)
	$(223,783)	$365,802
Denominator (in thousands):		
Denominator for basic (loss) income per RenaissanceRe common share -		
Weighted average common shares	50,994	56,972
Per common share equivalents of employee stock options and restricted shares	—	493
Denominator for diluted (loss) income per RenaissanceRe common share -		
Adjusted weighted average common shares and assumed conversions (2)	50,994	57,465
Basic (loss) income per RenaissanceRe common share	$ (4.39)	$ 6.42
Diluted (loss) income per RenaissanceRe common share (2)	$ (4.39)	$ 6.37

(1) Represents earnings attributable to holders of unvested restricted shares issued under the Company's 2001 Stock Incentive Plan and Non-Employee Director Stock Incentive Plan.

(2) Earnings per share calculations use average common shares outstanding - basic, when in a net loss position, as required by the FASB ASC Topic *Earnings Per Share*.

NOTE 5. DIVIDENDS AND COMMON SHARE REPURCHASES

The Board of Directors of RenaissanceRe declared, and RenaissanceRe paid, a dividend of $0.26 per common share to shareholders of record on each of March 15 and June 15, 2011, respectively.

On May 18, 2011, the Board of Directors approved an increase in the Company's authorized share repurchase program to an aggregate amount of $500.0 million. Unless terminated earlier by resolution of the Company's Board of Directors, the program will expire when the Company has repurchased the full value of the shares authorized. The Company repurchased 2.7 million shares in open market transactions during the three months ended March 31, 2011, at an aggregate cost of $174.8 million and at an average share price of $65.84. The Company did not repurchase any shares during the three months ended June 30, 2011. Future repurchases of common shares will depend on, among other matters, the market price of the common shares and the capital requirements of the Company. See "Part II, Item 2 – Unregistered Sales of Equity Securities and Use of Proceeds" for additional information.

NOTE 6. SEGMENT REPORTING

The Company has three reportable segments: Reinsurance, Lloyd's and Insurance.

The Company's Reinsurance operations are comprised of: 1) property catastrophe reinsurance, primarily written through Renaissance Reinsurance and DaVinci; 2) specialty reinsurance, primarily written through Renaissance Reinsurance and DaVinci; and 3) certain property catastrophe and specialty joint ventures, as described herein. The Reinsurance segment is managed by the Global Chief Underwriting Officer, who leads a team of underwriters, risk modelers and other industry professionals, who have access to the Company's proprietary risk management, underwriting and modeling resources and tools.

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The Company's Lloyd's segment includes reinsurance and insurance business written through Syndicate 1458. Syndicate 1458 started writing certain lines of insurance and reinsurance business incepting on or after June 1, 2009. The syndicate was established to enhance the Company's underwriting platform by providing access to Lloyd's extensive distribution network and worldwide licenses and is managed by the Chief Underwriting Officer Lloyd's. RenaissanceRe Corporate Capital (UK) Limited ("RenaissanceRe CCL"), an indirect wholly owned subsidiary of the Company, is the sole corporate member of Syndicate 1458.

The Company's Insurance segment includes the operations of the Company's former Insurance segment that were not sold pursuant to the Stock Purchase Agreement with QBE, as discussed in "Note 1. Organization and Basis of Presentation". The Insurance segment is managed by the Global Chief Underwriting Officer. The Insurance business is written by Glencoe Insurance Ltd. ("Glencoe"). Glencoe is a Bermuda domiciled excess and surplus lines insurance company that is currently eligible to do business on an excess and surplus lines basis in 49 U.S. states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands.

The financial results of the Company's strategic investments, weather and energy risk management operations and noncontrolling interests are included in the Other category of the Company's segment results. Also included in the Other category of the Company's segment results are the Company's investments in other ventures, investments unit, corporate expenses and capital servicing costs.

The Company does not manage its assets by segment; accordingly, net investment income and total assets are not allocated to the segments.

A summary of the significant components of the Company's revenues and expenses is as follows:

Three months ended June 30, 2011	Reinsurance	Lloyd's	Insurance	Eliminations	Other	Total
Gross premiums written	$ 607,404	$34,126	$ 33	$ —	$ —	$641,563
Net premiums written	$ 395,856	$32,084	$ 55		—	$427,995
Net premiums earned	$ 199,461	$17,233	$ 481		—	$217,175
Net claims and claim expenses incurred	143,219	8,619	(577)		—	151,261
Acquisition expenses	10,431	3,305	147		—	13,883
Operational expenses	32,901	8,635	763		—	42,299
Underwriting income (loss)	$ 12,910	$ (3,326)	$ 148		—	9,732
Net investment income					33,328	33,328
Net foreign exchange losses					(4,521)	(4,521)
Equity in earnings of other ventures					5,128	5,128
Other loss					(5,167)	(5,167)
Net realized and unrealized gains on investments					34,979	34,979
Corporate expenses					(4,011)	(4,011)
Interest expense					(5,730)	(5,730)
Income from continuing operations before taxes						63,738
Income tax benefit					1,773	1,773
Loss from discontinued operations					(10,094)	(10,094)
Net income attributable to noncontrolling interests					(21,903)	(21,903)
Dividends on preference shares					(8,750)	(8,750)
Net income available to RenaissanceRe common shareholders						$ 24,764
Net claims and claim expenses incurred - current accident year	$ 162,398	$ 9,612	$ (78)			$171,932
Net claims and claim expenses incurred - prior accident years	(19,179)	(993)	(499)			(20,671)
Net claims and claim expenses incurred - total	$ 143,219	$ 8,619	$ (577)			$151,261
Net claims and claim expense ratio - current accident year	81.4%	55.8%	(16.2%)			79.2%
Net claims and claim expense ratio - prior accident years	(9.6%)	(5.8%)	(103.8%)			(9.6%)
Net claims and claim expense ratio - calendar year	71.8%	50.0%	(120.0%)			69.6%
Underwriting expense ratio	21.7%	69.3%	189.2%			25.9%
Combined ratio	93.5%	119.3%	69.2%			95.5%

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Three months ended June 30, 2010	Reinsurance	Lloyd's	Insurance	Eliminations (1)	Other	Total
Gross premiums written	$ 496,517	$34,841	$ (3,742)	$ (21,076)	$ —	$506,540
Net premiums written	$ 319,000	$32,330	$(21,996)		—	$329,334
Net premiums earned	$ 198,223	$16,630	$ (2,682)		—	$212,171
Net claims and claim expenses incurred	(30,332)	7,752	3,777		—	(18,803)
Acquisition expenses	17,941	3,172	2,467		—	23,580
Operational expenses	29,869	4,953	3,218		—	38,040
Underwriting income (loss)	$ 180,745	$ 753	$(12,144)		—	169,354
Net investment income					26,173	26,173
Net foreign exchange losses					(609)	(609)
Equity in earnings of other ventures					3,160	3,160
Other loss					(3,742)	(3,742)
Net realized and unrealized gains on fixed maturity investments					70,051	70,051
Net other-than-temporary impairments					(796)	(796)
Corporate expenses					(4,493)	(4,493)
Interest expense					(6,206)	(6,206)
Income from continuing operations before taxes						252,892
Income tax benefit					958	958
Income from discontinued operations					18,881	18,881
Net income attributable to redeemable noncontrolling interest - DaVinciRe					(51,915)	(51,915)
Dividends on preference shares					(10,575)	(10,575)
Net income available to RenaissanceRe common shareholders						$210,241
Net claims and claim expenses incurred - current accident year	$ 50,994	$ 7,814	$ 2,627			$ 61,435
Net claims and claim expenses incurred - prior accident years	(81,326)	(62)	1,150			(80,238)
Net claims and claim expenses incurred - total	$ (30,332)	$ 7,752	$ 3,777			$(18,803)
Net claims and claim expense ratio - current accident year	25.7%	47.0%	NMF			29.0%
Net claims and claim expense ratio -prior accident years	(41.0%)	(0.4%)	NMF			(37.9%)
Net claims and claim expense ratio - calendar year	(15.3%)	46.6%	NMF			(8.9%)
Underwriting expense ratio	24.1%	48.9%	NMF			29.1%
Combined ratio	8.8%	95.5%	NMF			20.2%

(1) Represents $21.0 million and $0.1 million of gross premiums ceded from the Insurance segment to the Lloyd's segment and from the Insurance segment to the Reinsurance segment, respectively.

NMF - Not a meaningful figure.

Six months ended June 30, 2011	Reinsurance	Lloyd's	Insurance	Eliminations (1)	Other	Total
Gross premiums written	$1,181,086	$ 70,746	$ 313	$ (77)	$ —	$1,252,068
Net premiums written	$ 819,422	$ 60,821	$ 327		—	$ 880,570
Net premiums earned	$ 488,890	$ 32,907	$ 919		—	$ 522,716
Net claims and claim expenses incurred	738,623	39,142	2,033		—	779,798
Acquisition expenses	40,223	5,766	229		—	46,218
Operational expenses	65,264	17,607	1,258		—	84,129
Underwriting loss	$ (355,220)	$(29,608)	$ (2,601)		—	(387,429)
Net investment income					93,609	93,609
Net foreign exchange losses					(3,861)	(3,861)
Equity in losses of other ventures					(18,625)	(18,625)
Other income					44,978	44,978
Net realized and unrealized gains on investments					29,765	29,765
Corporate expenses					(6,075)	(6,075)
Interest expense					(11,925)	(11,925)
Loss from continuing operations before taxes						(259,563)
Income tax benefit					1,825	1,825
Loss from discontinued operations					(11,620)	(11,620)
Net loss attributable to noncontrolling interests					63,589	63,589
Dividends on preference shares					(17,500)	(17,500)
Net loss attributable to RenaissanceRe common shareholders						$ (223,269)
Net claims and claim expenses incurred - current accident year	$ 829,760	$ 38,938	$ (69)			$ 868,629
Net claims and claim expenses incurred - prior accident years	(91,137)	204	2,102			(88,831)
Net claims and claim expenses incurred - total	$ 738,623	$ 39,142	$ 2,033			$ 779,798
Net claims and claim expense ratio - current accident year	169.7%	118.3%	(7.5%)			166.2%
Net claims and claim expense ratio - prior accident years	(18.6%)	0.6%	228.7%			(17.0%)
Net claims and claim expense ratio - calendar year	151.1%	118.9%	221.2%			149.2%
Underwriting expense ratio	21.6%	71.1%	161.8%			24.9%
Combined ratio	172.7%	190.0%	383.0%			174.1%

(1) Represents $0.1 million of gross premiums ceded from the Reinsurance segment to the Lloyd's segment.

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Six months ended June 30, 2010	Reinsurance	Lloyd's	Insurance	Eliminations (1)	Other	Total
Gross premiums written	$ 995,102	$48,865	$ 685	$ (22,101)	$ —	$1,022,551
Net premiums written	$ 707,658	$45,981	$(17,146)		—	$ 736,493
Net premiums earned	$ 441,292	$23,601	$ (2,069)		—	$ 462,824
Net claims and claim expenses incurred	68,615	10,339	(417)		—	78,537
Acquisition expenses	40,600	4,331	5,084		—	50,015
Operational expenses	63,886	11,087	8,217		—	83,190
Underwriting income (loss)	$ 268,191	$ (2,156)	$(14,953)		—	251,082
Net investment income					91,882	91,882
Net foreign exchange losses					(11,951)	(11,951)
Equity in earnings of other ventures					5,316	5,316
Other loss					(9,933)	(9,933)
Net realized and unrealized gains on fixed maturity investments					118,251	118,251
Net other-than-temporary impairments					(829)	(829)
Corporate expenses					(9,802)	(9,802)
Interest expense					(9,362)	(9,362)
Income from continuing operations before taxes						424,654
Income tax benefit					3,921	3,921
Income from discontinued operations					30,328	30,328
Net income attributable to redeemable noncontrolling interest - DaVinciRe					(62,465)	(62,465)
Dividends on preference shares					(21,150)	(21,150)
Net income available to RenaissanceRe common shareholders						$ 375,288
Net claims and claim expenses incurred - current accident year	$ 255,059	$10,500	$ 5,486			$ 271,045
Net claims and claim expenses incurred - prior accident years	(186,444)	(161)	(5,903)			(192,508)
Net claims and claim expenses incurred - total	$ 68,615	$10,339	$ (417)			$ 78,537
Net claims and claim expense ratio - current accident year	57.8%	44.5%	NMF			58.6%
Net claims and claim expense ratio - prior accident years	(42.3%)	(0.7%)	NMF			(41.6%)
Net claims and claim expense ratio - calendar year	15.5%	43.8%	NMF			17.0%
Underwriting expense ratio	23.7%	65.3%	NMF			28.8%
Combined ratio	39.2%	109.1%	NMF			45.8%

(1) Represents $21.6 million, $0.2 million and $0.2 million of gross premiums ceded from the Insurance segment to the Lloyd's segment, from the Insurance segment to the Reinsurance segment and from the Reinsurance segment to Lloyd's segment, respectively.

NMF - Not a meaningful figure.

NOTE 7. INVESTMENTS

Fixed Maturity Investments Trading

The following table summarizes the fair value of fixed maturity investments trading:

(in thousands of U.S. dollars)	June 30, 2011	December 31, 2010
U.S. treasuries	$ 454,148	$ 761,461
Agencies	189,765	216,963
Non-U.S. government (Sovereign debt)	318,832	157,867
FDIC guaranteed corporate	232,992	388,468
Non-U.S. government-backed corporate	408,057	356,119
Corporate	1,624,819	1,476,029
Agency mortgage-backed	279,354	383,403
Non-agency mortgage-backed	80,046	5,765
Commercial mortgage-backed	260,231	125,705
Asset-backed	15,961	—
Total fixed maturity investments trading, at fair value	$3,864,205	$3,871,780

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Fixed Maturity Investments Available For Sale

The following table summarizes the amortized cost, fair value and related unrealized gains and losses and non-credit other-than-temporary impairments of fixed maturity investments available for sale:

June 30, 2011 (in thousands of U.S. dollars)	Amortized Cost	Included in Accumulated Other Comprehensive Income: Gross Unrealized Gains	Included in Accumulated Other Comprehensive Income: Gross Unrealized Losses	Fair Value	Non-Credit Other-Than-Temporary Impairments (1)
Non-U.S. government (Sovereign debt)	$ 18,914	$ 2,701	$ (17)	$ 21,598	$ —
Non-U.S. government-backed corporate	1,324	62	—	1,386	—
Corporate	24,310	2,955	(396)	26,869	(1,073)
Agency mortgage-backed	16,002	1,271	—	17,273	—
Non-agency mortgage-backed	22,712	2,879	(56)	25,535	(1,951)
Commercial mortgage-backed	72,931	7,450	(2)	80,379	—
Asset-backed	28,719	1,063	(53)	29,729	(598)
Total fixed maturity investments available for sale	$ 184,912	$ 18,381	$ (524)	$202,769	$ (3,622)

(1) Represents the non-credit component of other-than-temporary impairments recognized in accumulated other comprehensive income since the adoption of guidance related to the recognition and presentation of other-than-temporary impairments under FASB ASC Topic *Investments - Debt and Equity Securities,* during the second quarter of 2009, adjusted for subsequent sales of securities. It does not include the change in fair value subsequent to the impairment measurement date.

December 31, 2010 (in thousands of U.S. dollars)	Amortized Cost	Included in Accumulated Other Comprehensive Income: Gross Unrealized Gains	Included in Accumulated Other Comprehensive Income: Gross Unrealized Losses	Fair Value	Non-Credit Other-Than-Temporary Impairments (1)
Non-U.S. government (Sovereign debt)	$ 23,836	$ 2,830	$ (146)	$ 26,520	$ —
Non-U.S. government-backed corporate	1,332	53	—	1,385	—
Corporate	33,018	3,768	(404)	36,382	(1,818)
Agency mortgage-backed	17,159	1,245	—	18,404	—
Non-agency mortgage-backed	24,972	3,452	(40)	28,384	(2,063)
Commercial mortgage-backed	86,194	7,570	(29)	93,735	—
Asset-backed	39,038	1,124	(55)	40,107	(598)
Total fixed maturity investments available for sale	$ 225,549	$ 20,042	$ (674)	$244,917	$ (4,479)

(1) Represents the non-credit component of other-than-temporary impairments recognized in accumulated other comprehensive income since the adoption of guidance related to the recognition and presentation of other-than-temporary impairments under FASB ASC Topic *Investments - Debt and Equity Securities,* during the second quarter of 2009, adjusted for subsequent sales of securities. It does not include the change in fair value subsequent to the impairment measurement date.

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

June 30, 2011 (in thousands of U.S. dollars)	Trading Amortized Cost	Trading Fair Value	Available for Sale Amortized Cost	Available for Sale Fair Value	Total Fixed Maturity Investments Amortized Cost	Total Fixed Maturity Investments Fair Value
Due in less than one year	$ 199,913	$ 200,894	$ 795	$ 787	$ 200,708	$ 201,681
Due after one through five years	1,952,391	1,970,021	14,889	16,822	1,967,280	1,986,843
Due after five through ten years	886,648	904,978	17,643	18,941	904,291	923,919
Due after ten years	149,902	152,720	11,221	13,303	161,123	166,023
Mortgage-backed	618,843	619,631	111,645	123,187	730,488	742,818
Asset-backed	15,954	15,961	28,719	29,729	44,673	45,690
Total	$ 3,823,651	$3,864,205	$ 184,912	$202,769	$ 4,008,563	$ 4,066,974

Equity Investments Trading

The following table summarizes the fair value of equity investments trading:

(in thousands of U.S. dollars)	June 30, 2011	December 31, 2010
Financial institution securities	$ 32,252	$ —

Pledged Investments

At June 30, 2011, $829.7 million of cash and investments at fair value were on deposit with, or in trust accounts for the benefit of various counterparties, including with respect to the Company's principal letter of credit facility. Of this amount, $77.1 million is on deposit with, or in trust accounts for the benefit of, U.S. state regulatory authorities.

Net Investment Income

The components of net investment income are as follows:

Three months ended June 30, (in thousands of U.S. dollars)	2011	2010
Fixed maturity investments	$ 24,426	$ 28,014
Short term investments	433	682
Equity investments trading	112	—
Other investments		
Hedge funds and private equity investments	8,230	8,188
Other	2,838	(8,184)
Cash and cash equivalents	45	22
	36,084	28,722
Investment expenses	(2,756)	(2,549)
Net investment income	$ 33,328	$ 26,173

Six months ended June 30, (in thousands of U.S. dollars)	2011	2010
Fixed maturity investments	$ 52,339	$ 56,889
Short term investments	1,028	1,168
Equity investments trading	126	—
Other investments		
Hedge funds and private equity investments	31,737	25,724
Other	13,665	13,034
Cash and cash equivalents	86	83
	98,981	96,898
Investment expenses	(5,372)	(5,016)
Net investment income	$ 93,609	$ 91,882

The Company’s net realized and unrealized gains on investments and net other-than-temporary impairments are as follows:

Three months ended June 30, (in thousands of U.S. dollars)	2011	2010
Gross realized gains	$ 15,430	$ 28,753
Gross realized losses	(4,156)	(5,962)
Net realized gains on fixed maturity investments	11,274	22,791
Net unrealized gains on fixed maturity investments trading	24,728	47,260
Net unrealized losses on equity investments trading	(1,023)	—
Net realized and unrealized gains on investments	$ 34,979	$ 70,051
Total other-than-temporary impairments	$ —	$ (798)
Portion recognized in other comprehensive income, before taxes	—	2
Net other-than-temporary impairments	$ —	$ (796)

Six months ended June 30, (in thousands of U.S. dollars)	2011	2010
Gross realized gains	$ 25,992	$ 77,601
Gross realized losses	(16,773)	(11,132)
Net realized gains on fixed maturity investments	9,219	66,469
Net unrealized gains on fixed maturity investments trading	20,970	51,782
Net unrealized losses on equity investments trading	(424)	—
Net realized and unrealized gains on investments	$ 29,765	$ 118,251
Total other-than-temporary impairments	$ —	$ (831)
Portion recognized in other comprehensive income, before taxes	—	2
Net other-than-temporary impairments	$ —	$ (829)

The following tables provide an analysis of the length of time the Company's fixed maturity investments available for sale in an unrealized loss have been in a continual unrealized loss position.

June 30, 2011 (in thousands of U.S. dollars)	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Non-U.S. government (Sovereign debt)	$ 756	$ (8)	$ 240	$ (9)	$ 996	$ (17)
Corporate	1,352	(294)	661	(102)	2,013	(396)
Non-agency mortgage-backed	573	(13)	922	(43)	1,495	(56)
Commercial mortgage-backed	493	(2)	—	—	493	(2)
Asset-backed	—	—	6,370	(53)	6,370	(53)
Total	$ 3,174	$ (317)	$ 8,193	$ (207)	$ 11,367	$ (524)

December 31, 2010 (in thousands of U.S. dollars)	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Non-U.S. government (Sovereign debt)	$ 2,363	$ (129)	$ 291	$ (17)	$ 2,654	$ (146)
Corporate	2,581	(285)	801	(119)	3,382	(404)
Non-agency mortgage-backed	—	—	1,645	(40)	1,645	(40)
Commercial mortgage-backed	2,199	(29)	—	—	2,199	(29)
Asset-backed	3,172	(39)	3,196	(16)	6,368	(55)
Total	$ 10,315	$ (482)	$ 5,933	$ (192)	$ 16,248	$ (674)

At June 30, 2011, the Company held 21 fixed maturity investments available for sale securities that were in an unrealized loss position for twelve months or greater. The Company does not intend to sell these securities and it is not more likely than not that the Company will be required to sell these securities before the anticipated recovery of the remaining amortized cost basis. The Company performed reviews of its investments for the six months ended June 30, 2011 and 2010, respectively, in order to determine whether declines in the fair value below the amortized cost basis of its fixed maturity investments available for sale were considered other-than-temporary in accordance with the applicable guidance, as discussed below.

Other-Than-Temporary Impairment Process

The Company's process for assessing whether declines in the fair value of its fixed maturity investments available for sale represent impairments that are other-than-temporary includes reviewing each fixed maturity investment available for sale that is impaired and determining: (i) if the Company has the intent to sell the debt security or (ii) if it is more likely than not that the Company will be required to sell the debt security before its anticipated recovery; and (iii) whether a credit loss exists, that is, where the Company expects that the present value of the cash flows expected to be collected from the security are less than the amortized cost basis of the security.

In assessing the Company's intent to sell securities, the Company's procedures may include actions such as discussing planned sales with its third party investment managers, reviewing sales that have occurred shortly after the balance sheet date, and consideration of other qualitative factors that may be indicative of the Company's intent to sell or hold the relevant securities. For the six months ended June 30, 2011, the Company recognized $Nil of other-than-temporary impairments due to the Company's intent to sell securities as of June 30, 2011 (June 30, 2010 - $Nil).

In assessing whether it is more likely than not that the Company will be required to sell a security before its anticipated recovery, the Company considers various factors including its future cash flow forecasts and requirements, legal and regulatory requirements, the level of its cash, cash equivalents, short term investments, fixed maturity investments trading and fixed maturity investments available for sale in an unrealized gain position, and other relevant factors. For the six months ended June 30, 2011, the Company recognized $Nil of other-than-temporary impairments due to required sales (June 30, 2010 - $Nil).

In evaluating credit losses, the Company considers a variety of factors in the assessment of a security including: (i) the time period during which there has been a significant decline below cost; (ii) the extent of the decline below cost and par; (iii) the potential for the security to recover in value; (iv) an analysis of the financial condition of the issuer; (v) the rating of the issuer; (vi) the implied rating of the issuer based on an analysis of option adjusted spreads; (vii) the absolute level of the option adjusted spread for the issuer; and (viii) an analysis of the collateral structure and credit support of the security, if applicable.

Once the Company determines that it is possible that a credit loss may exist for a security, the Company performs a detailed review of the cash flows expected to be collected from the issuer. The Company estimates expected cash flows by applying estimated default probabilities and recovery rates to the contractual cash flows of the issuer, with such default and recovery rates reflecting long-term historical averages adjusted to reflect current credit, economic and market conditions, giving due consideration to collateral and credit support, if applicable, and discounting the expected cash flows at the purchase yield on the security. In instances in which a determination is made that an impairment exists but the Company does not intend to sell the security and it is not more likely than not that the Company will be required to sell the security before the anticipated recovery of its remaining amortized cost basis, the impairment is separated into: (i) the amount of the total other-than-temporary impairment related to the credit loss; and (ii) the amount of the total other-than-temporary impairment related to all other factors. The amount of the other-than-temporary impairment related to the credit loss is recognized in earnings. The amount of the other-than-temporary impairment related to all other factors is recognized in other comprehensive income. For the six months ended June 30, 2011 and 2010, the Company recognized $Nil and $0.8 million of credit related other-than-temporary impairments, respectively, which were recognized in earnings and $Nil and $2 thousand, respectively, related to other factors.

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The following table provides a rollforward of the amount of other-than-temporary impairments related to credit losses recognized in earnings for which a portion of an other-than-temporary impairment was recognized in accumulated other comprehensive income:

Three months ended June 30, (in thousands of U.S. dollars)	2011	2010
Balance - April 1	$2,875	$ 4,064
Additions:		
Amount related to credit loss for which an other-than-temporary impairment was not previously recognized	—	—
Amount related to credit loss for which an other-than-temporary impairment was previously recognized	—	39
Reductions:		
Securities sold during the period	(246)	(505)
Securities for which the amount previously recognized in other comprehensive income was recognized in earnings, because the Company intends to sell the security or is more likely than not the Company will be required to sell the security	—	—
Increases in cash flows expected to be collected that are recognized over the remaining life of the security	—	—
Balance - June 30	$2,629	$ 3,598

Six months ended June 30, (in thousands of U.S. dollars)	2011	2010
Balance - January 1	$3,098	$ 9,987
Additions:		
Amount related to credit loss for which an other-than-temporary impairment was not previously recognized	—	—
Amount related to credit loss for which an other-than-temporary impairment was previously recognized	—	70
Reductions:		
Securities sold during the period	(469)	(6,459)
Securities for which the amount previously recognized in other comprehensive income was recognized in earnings, because the Company intends to sell the security or is more likely than not the Company will be required to sell the security	—	—
Increases in cash flows expected to be collected that are recognized over the remaining life of the security	—	—
Balance - June 30	$2,629	$ 3,598

NOTE 8. FAIR VALUE MEASUREMENTS

The use of fair value to measure certain assets and liabilities with resulting unrealized gains or losses is pervasive within the Company's financial statements. Fair value is defined under accounting guidance currently applicable to the Company to be the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between open market participants at the measurement date. The Company recognizes the change in unrealized gains and losses arising from changes in fair value in its consolidated statements of operations, with the exception of changes in unrealized gains and losses on its fixed maturity investments available for sale, which are recognized as a component of accumulated other comprehensive income in shareholders' equity.

FASB ASC Topic *Fair Value Measurements and Disclosures* prescribes a fair value hierarchy that prioritizes the inputs to the respective valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Fair values determined by Level 1 inputs utilize unadjusted quoted prices obtained from active markets for identical assets or liabilities for which the Company has access. The fair value is determined by multiplying the quoted price by the quantity held by the Company;
- Fair values determined by Level 2 inputs utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals, broker quotes and certain pricing indices; and
- Level 3 inputs are based on unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. In these cases, significant management assumptions can be used to establish management's best estimate of the assumptions used by other market participants in determining the fair value of the asset or liability.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement of the asset or liability. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and the Company considers factors specific to the asset or liability.

In order to determine if a market is active or inactive for a security, the Company considers a number of factors, including, but not limited to, the spread between what a seller is asking for a security and what a buyer is bidding for the same security, the volume of trading activity for the security in question, the price of the security compared to its par value (for fixed maturity investments), and other factors that may be indicative of market activity.

There have been no material changes in the Company's valuation techniques, nor have there been any transfers between Level 1 and Level 2, or Level 2 and Level 3, respectively, during the period represented by these consolidated financial statements.

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Below is a summary of the assets and liabilities that are measured at fair value on a recurring basis and also represents the carrying amount on the Company's consolidated balance sheet:

June 30, 2011 (in thousands of U.S. dollars)	Total	Level 1	Level 2	Level 3
Fixed maturity investments				
U.S. treasuries	$ 454,148	$454,148	$ —	$ —
Agencies	189,765	—	189,765	—
Non-U.S. government (Sovereign debt)	340,430	—	340,430	—
FDIC guaranteed corporate	232,992	—	232,992	—
Non-U.S. government-backed corporate	409,443	—	409,443	—
Corporate	1,651,688	—	1,630,424	21,264
Agency mortgage-backed	296,627	—	296,627	—
Non-agency mortgage-backed	105,581	—	105,581	—
Commercial mortgage-backed	340,610	—	340,610	—
Asset-backed	45,690	—	45,690	—
Total fixed maturity investments	4,066,974	454,148	3,591,562	21,264
Short term investments	774,421	—	774,421	—
Equity investments trading	32,252	32,252	—	—
Other investments				
Private equity partnerships	363,688	—	—	363,688
Senior secured bank loan funds	247,528	—	236,828	10,700
Catastrophe bonds	93,805	—	92,977	828
Non-U.S. fixed income funds	88,962	—	88,962	—
Hedge funds	39,753	—	39,753	—
Miscellaneous other investments	5,907	—	—	5,907
Total other investments	839,643	—	458,520	381,123
Other assets and (liabilities)				
Assumed and ceded (re)insurance contracts	52,087	—	—	52,087
Derivatives	25,351	1,323	20,955	3,073
Other	15,048	(2,784)	—	17,832
Total other assets and (liabilities)	92,486	(1,461)	20,955	72,992
	$5,805,776	$484,939	$4,845,458	$475,379

December 31, 2010 (in thousands of U.S. dollars)	Total	Level 1	Level 2	Level 3
Fixed maturity investments				
U.S. treasuries	$ 761,461	$761,461	$ —	$ —
Agencies	216,963	—	216,963	—
Non-U.S. government (Sovereign debt)	184,387	—	184,387	—
FDIC guaranteed corporate	388,468	—	388,468	—
Non-U.S. government-backed corporate	357,504	—	357,504	—
Corporate	1,512,411	—	1,490,626	21,785
Agency mortgage-backed	401,807	—	401,807	—
Non-agency mortgage-backed	34,149	—	34,149	—
Commercial mortgage-backed	219,440	—	219,440	—
Asset-backed	40,107	—	40,107	—
Total fixed maturity investments	4,116,697	761,461	3,333,451	21,785
Short term investments	1,110,364	—	1,110,364	—
Other investments				
Private equity partnerships	347,556	—	—	347,556
Senior secured bank loan funds	166,106	—	158,386	7,720
Catastrophe bonds	123,961	—	123,961	—
Non-U.S. fixed income funds	80,224	—	80,224	—
Hedge funds	41,005	—	41,005	—
Miscellaneous other investments	28,696	—	21,870	6,826
Total other investments	787,548	—	425,446	362,102
Other secured assets	14,250	—	14,250	—
Other assets and (liabilities)				
Platinum warrants	44,925	—	44,925	—
Assumed and ceded (re)insurance contracts	1,772	—	—	1,772
Derivatives	2,693	(51)	6,245	(3,501)
Other	13,629	(4,599)	—	18,228
Total other assets and (liabilities)	63,019	(4,650)	51,170	16,499
	$6,091,878	$756,811	$4,934,681	$400,386

Fixed Maturity Investments

Fixed maturity investments included in Level 1 consist of the Company’s investments in U.S. treasuries. Fixed maturity investments included in Level 2 are agencies, non-U.S. government, FDIC guaranteed corporate, non-U.S. government-backed corporate, corporate, agency mortgage-backed, non-agency mortgage-backed, commercial mortgage-backed and asset-backed fixed maturity investments.

The Company’s fixed maturity investments portfolios are priced using broker quotations and pricing services, such as index providers and pricing vendors. The pricing vendors provide pricing for a high volume of liquid securities that are actively traded. For securities that do not trade on an exchange, the pricing services generally utilize market data and other observable inputs in matrix pricing models to determine prices. Prices are generally verified using third party data. Prices obtained from broker quotations are considered non-binding, however they are based on observable inputs and by observing secondary trading of similar securities obtained from active, non-distressed markets. The Company considers these Level 2 inputs as they are corroborated with other externally obtained information. The techniques generally used to determine the fair value of our fixed maturity investments are detailed below by asset class.

U.S. treasuries

At June 30, 2011, the Company's U.S. treasuries fixed maturity investments had a weighted average effective yield of 1.1%, a weighted average credit quality of AAA, and are primarily priced by pricing vendors. When pricing these securities, the vendor utilizes daily data from many real time market sources, including active broker dealers, as such, the Company considers its U.S. treasuries fixed maturity investments Level 1. All data sources are regularly reviewed for accuracy to ensure the most reliable price source is used for each issue and maturity date.

Agencies

At June 30, 2011, the Company's agencies fixed maturity investments had a weighted average effective yield of 0.7% and a weighted average credit quality of AAA. The issuers of the Company's agencies fixed maturity investments primarily consist of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and other agencies. Fixed maturity investments included in agencies are primarily priced by pricing vendors. When evaluating these securities, the vendor gathers information from market sources and integrates other observations from markets and sector news. Evaluations are updated by obtaining broker dealer quotes and other market information including actual trade volumes, when available. The dollar value for each security is individually computed using analytical models which incorporate option adjusted spreads and other daily interest rate data. The Company considers its agencies fixed maturity investments Level 2.

Non-U.S. government (Sovereign debt)

Non-U.S. government fixed maturity investments held by the Company at June 30, 2011, had a weighted average effective yield of 2.4% and a weighted average credit quality of AA. The issuers for securities in this sector are generally non-U.S. governments and agencies as well as supranational organizations. Securities held in these sectors are primarily priced by pricing vendors who employ proprietary discounted cash flow models to value the securities. Key quantitative inputs for these models are daily observed benchmark curves for treasury, swap and high issuance credits. The pricing vendor then applies a credit spread for each security which is developed by in-depth and real time market analysis. For securities in which trade volume is low, the pricing vendor utilizes data from more frequently traded securities with similar attributes. These models may also be supplemented by daily market and credit research for international markets. The Company considers its non-U.S. government fixed maturity investments Level 2.

FDIC guaranteed corporate

The Company's FDIC guaranteed corporate fixed maturity investments had a weighted average effective yield of 0.4% and a weighted average credit quality of AAA at June 30, 2011. The issuers consist of well known corporate issuers who participate in the FDIC program. The Company's FDIC guaranteed corporate fixed maturity investments are primarily priced by pricing vendors. When evaluating these securities, the vendor gathers information from market sources regarding the issuer of the security, obtain credit data, as well as other observations from markets and sector news. Evaluations are updated by obtaining broker dealer quotes and other market information including actual trade volumes, when available. The pricing vendor also considers the specific terms and conditions of the securities, including any specific features which may influence risk. Each security is individually evaluated using a spread model which is added to the U.S. treasury curve. The Company considers its FDIC guaranteed corporate fixed maturity investments Level 2.

Non-U.S. government-backed corporate

Non-U.S. government-backed corporate fixed maturity investments are considered Level 2 by the Company and had a weighted average effective yield of 1.3% and a weighted average credit quality of AAA at June 30, 2011. Non-U.S. government-backed fixed maturity investments are primarily priced by pricing vendors who employ proprietary discounted cash flow models to value the securities. Key quantitative inputs for these models are daily observed benchmark curves for treasury, swap and high issuance credits. The pricing vendor then applies a credit spread for each security which is developed by in-depth and real time market analysis. For securities in which trade volume is low, the pricing vendor utilizes data from more frequently traded securities with similar attributes. These models may also be supplemented by daily market and credit research for international markets.

Corporate

At June 30, 2011, the Company's corporate fixed maturity investments had a weighted average effective yield of 3.9% and a weighted average credit quality of A, and principally consist of U.S. and international corporations. The Company's corporate fixed maturity investments are primarily priced by pricing vendors, and are considered Level 2 by the Company. When evaluating these securities, the vendor gathers information from market sources regarding the issuer of the security, obtains credit data, as well as other observations from markets and sector news. Evaluations are updated by obtaining broker dealer quotes and other market information including actual trade volumes, when available. The pricing vendor also considers the specific terms and conditions of the securities, including any specific features which may influence risk. Each security is individually evaluated using a spread model which is added to the U.S. treasury curve.

The fair value of certain corporate fixed maturity investments are valued using internally developed models and are considered Level 3 by the Company. The internally developed models use a combination of quantitative and qualitative factors, which may include, but are not limited to, discounted cash flow analysis, financial statements, budgets and forecasts, capital transactions and third party valuations.

Agency mortgage-backed

At June 30, 2011, the Company's agency mortgage-backed fixed maturity investments included agency residential mortgage-backed securities with a weighted average effective yield of 3.0%, a weighted average credit quality of AAA and a weighted average life of 4.4 years. The Company's agency mortgage-backed fixed maturity investments are primarily priced by pricing vendors using a mortgage pool specific model which utilizes daily inputs from the active and the to be announced ("TBA") market which is very liquid, as well as the U.S. treasury market. The vendor model also utilizes additional information, such as the weighted average maturity, weighted average coupon and other available pool level data which is provided by the sponsoring agency. Valuations are also corroborated with daily active market quotes. The Company considers its agency mortgage-backed fixed maturity investments Level 2.

Non-agency mortgage-backed

The Company's non-agency mortgage-backed fixed maturity investments include non-agency prime residential mortgage-backed and non-agency Alt-A fixed maturity investments, and the Company considers these fixed maturity investments Level 2. The Company has no fixed maturity investments classified as sub-prime held in its fixed maturity investments portfolio. At June 30, 2011, the Company's non-agency prime residential mortgage-backed fixed maturity investments have a weighted average effective yield of 5.9%, a weighted average credit quality of A and a weighted average life of 5.3 years. The Company's non-agency Alt-A fixed maturity investments held at June 30, 2011 have a weighted average effective yield of 6.7%, a weighted average credit quality of AA, a weighted average life of 4.1 years, and are from vintage years 2006 and prior. Securities held in these sectors are primarily priced by pricing vendors using a mortgage pool specific model which utilizes daily inputs from the active TBA market which is extremely liquid, as well as the U.S. treasury market. The vendor model also utilizes additional information, such as the weighted average maturity, weighted average coupon and other available pool level data which is provided by the sponsoring agency. Valuations are also corroborated by daily active market quotes.

Commercial mortgage-backed

The Company's commercial mortgage-backed fixed maturity investments held at June 30, 2011 have a weighted average effective yield of 3.5%, a weighted average credit quality of AAA and a weighted average life of 3.3 years. Securities held in these sectors are primarily priced by pricing vendors and are considered Level 2 by the Company. The pricing vendor applies dealer quotes and other available trade information such as bid and offers, prepayment speeds which may be adjusted for the underlying collateral or current price data, the U.S. treasury curve and swap curve as well as cash settlement. The model utilizes a single cash flow stream and computes both a yield to call and weighted average yield to maturity. The model generates a derived price for the bond by applying the most likely scenario.

Asset-backed

At June 30, 2011, the Company's asset-backed fixed maturity investments had a weighted average effective yield of 1.3%, a weighted average credit quality of AAA and a weighted average life of 4.1 years. The underlying collateral for the Company's asset-backed fixed maturity investments primarily consists of student loans, credit card receivables and other receivables. Securities held in these sectors are primarily priced by pricing vendors and are considered Level 2 by the Company. The pricing vendor applies dealer quotes and other available trade information such as bids and offers, prepayment speeds which may be adjusted for the underlying collateral or current price data, the U.S. treasury curve and swap curve as well as cash settlement. The model utilizes a single cash flow stream and computes both a yield to call and weighted average yield to maturity. The model generates a derived price for the bond by applying the most likely scenario.

Short term investments

Short term investments are considered Level 2 and fair values are generally determined using amortized cost which approximates fair value and, in certain cases, in a manner similar to the Company's fixed maturity investments noted above.

Equity investments, classified as trading

Equity investments are considered Level 1 by the Company and fair values are primarily priced by pricing vendors, reflecting the closing price quoted for the final trading day of the period. When pricing these securities, the vendor utilizes daily data from many real time market sources, including active broker dealers and applicable securities exchanges. All data sources are regularly reviewed for accuracy to ensure the most reliable price source is used for each issue. For accounting purposes, the Company's portfolio of equity investments is classified as trading.

Other Investments

Private equity partnerships

Included in the Company's investments in private equity partnerships at June 30, 2011 are alternative asset limited partnerships (or similar corporate structures) that invest in certain private equity asset classes including U.S. and global leveraged buyouts; mezzanine investments; distressed securities; real estate; and oil, gas and power. The fair value of private equity partnership investments is based on net asset values obtained from the investment manager or general partner of the respective entity. The type of underlying investments held by the investee which form the basis of the net asset valuation include assets such as private business ventures, for which the Company does not have access to financial information, and as a result is unable to corroborate the fair value measurement and therefore requires significant management judgment to determine the underlying value of the private equity partnership and accordingly the fair value of the Company's investment in each private equity partnership is considered Level 3. The Company also considers factors such as recent financial information, the value of capital transactions with the partnership and management's judgment regarding whether any adjustments should be made to the net asset value. The Company regularly reviews the performance of its private equity partnerships directly with the fund managers.

Senior secured bank loan funds

At June 30, 2011, the Company's investments in senior secured bank loan funds include funds that invest primarily in bank loans and other senior debt instruments. The fair value of the Company's senior secured bank loan funds are estimated using the net asset value per share of the funds. Investments of $236.8 million are redeemable in part, on a monthly basis, or in whole over a three month period. These investments are valued at the net asset value of the fund and are considered Level 2. The Company also has a $10.7 million investment in a closed end fund which invests primarily in loans. The Company has no right to redeem its investment in this fund. The Company's investment in this fund is valued using monthly net asset valuations received from the investment manager. The lock up provisions in this fund result in a lack of current observable market transactions between the fund participants and the fund, and therefore, the Company considers the fair value of its investment in this fund to be determined using Level 3 inputs.

Catastrophe bonds

The Company's other investments include investments in catastrophe bonds which are recorded at fair value. The fair value of the Company's investments in catastrophe bonds considered Level 2 are based on quoted market prices, or when such prices are not available, by reference to broker or underwriter bid indications. In addition, the Company's investments in catastrophe bonds considered Level 3 are based on internal valuation models with the inputs to the internal valuation model based on quoted market prices, or when such prices are not available, by reference to broker or underwriter bid indications.

Non-U.S. fixed income funds

The Company considers its investments in non-U.S. fixed income funds Level 2. The Company's non-U.S. fixed income funds invest primarily in European high yield bonds and non-U.S. convertible securities. The fair values of the investments in this category have been estimated using the net asset value per share of the investments which are provided by third parties such as the relevant investment manager or administrator, recent financial information issued by the applicable investee entity or available market data.

Hedge funds

The Company has investments in hedge funds that pursue multiple strategies without limiting itself to a predefined strategy or set of strategies. The strategies employed include, among others, the following: fundamentally driven long/short; event oriented; global multi-strategy; and private investments. The fair values of the Company's hedge funds have been estimated using the net asset value per share of the investments which are provided by third parties such as the relevant investment manager or administrator, recent financial information issued by the applicable investee entity or available market data to estimate fair value. The Company considers its hedge fund investments Level 2.

Other secured assets

Other secured assets represent contractual rights under a purchase agreement, contingent purchase agreement and credit derivatives agreement with a major bank to sell certain securities within the Company's catastrophe-linked securities portfolio. The Company's other secured assets are accounted for at fair value based on quoted market prices, or when such prices are not available, by reference to broker or underwriter bid indications. As such, the Company considers its other secured assets Level 2.

Other assets and liabilities

Included in other assets and liabilities measured at fair value at June 30, 2011 are certain derivative-based risk management products primarily to address weather and energy risks, and hedging and trading activities related to these risks. The trading markets for these derivatives are generally linked to energy and agriculture commodities, weather and other natural phenomena and the fair value of these contracts is obtained through the use of exchange traded market prices, or in the absence of such market prices, industry or internal valuation models, as such, these products are considered Level 1 and Level 3, respectively. The Company considers assumed and ceded reinsurance contracts accounted for at fair value as Level 3, as the fair value of these contracts is obtained through the use of internal valuation models with the inputs to the internal valuation model based on proprietary data as observable market inputs are not available. In addition, other assets and liabilities include certain other derivatives entered into by the Company; the fair value of these transactions include the fair value of certain exchange traded foreign currency forward contracts which are considered Level 1, and the fair value of certain credit derivatives, determined using industry valuation models and considered Level 2, as the inputs to the valuation model are based on observable market inputs.

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Reinsurance Contracts Accounted for at Fair Value

The Company assumes and cedes certain reinsurance contracts that are accounted for at fair value under the fair value option. The fair value of these contracts is obtained through the use of internal valuation models. These contracts are recorded on the Company's balance sheet in other assets and other liabilities and totaled $52.3 million and $0.2 million, respectively, at June 30, 2011 (December 31, 2010 - $1.8 million and $Nil, respectively). During the three and six months ended June 30, 2011, the Company recorded (losses) gains of $(1.0) million and $42.6 million, respectively, which are included in other (loss) income and represent changes in the fair value of these contracts (June 30, 2010 - losses of $0.9 million and $2.3 million, respectively).

Senior Notes

In January 2003, RenaissanceRe issued $100.0 million, which represents the carrying amount on the Company's consolidated balance sheet, of 5.875% Senior Notes due February 15, 2013, with interest on the notes payable on February 15 and August 15 of each year. At June 30, 2011, the fair value of the 5.875% Senior Notes was $105.3 million (December 31, 2010 - $105.9 million).

In March 2010, RenRe North America Holdings Inc. ("RRNAH") issued $250.0 million of 5.75% Senior Notes due March 15, 2020, with interest on the notes payable on March 15 and September 15 of each year. At June 30, 2011, the fair value of the 5.75% Senior Notes was $257.6 million (December 31, 2010 - $252.4 million). The fair value of RenaissanceRe's 5.875% Senior Notes and RRNAH's 5.75% Senior Notes is determined using indicative market pricing obtained from third-party service providers.

Below is a reconciliation of the beginning and ending balances, for the periods shown, of assets and liabilities measured at fair value on a recurring basis using Level 3 inputs. Interest and dividend income are included in net investment income and are excluded from the reconciliation.

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			
(in thousands of U.S. dollars)	**Fixed maturity investments trading**	**Other investments**	**Other assets and (liabilities)**	**Total**
Balance - April 1, 2011	$ 21,826	$ 381,815	$ 68,380	$472,021
Total unrealized (losses) gains				
Included in net investment income	(562)	6,135	—	5,573
Included in other (loss) income	—	—	91	91
Total realized gains				
Included in net investment income	—	—	—	—
Included in other (loss) income	—	—	3,307	3,307
Total foreign exchange gains (losses)	—	553	(91)	462
Purchases	—	11,219	8,984	20,203
Sales	—	—	(6,864)	(6,864)
Settlements	—	(18,599)	(815)	(19,414)
Net transfers in and/or out of Level 3	—	—	—	—
Balance - June 30, 2011	$ 21,264	$ 381,123	$ 72,992	$475,379

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(in thousands of U.S. dollars)	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) Fixed maturity investments trading	Other investments	Other assets and (liabilities)	Total
Balance - January 1, 2011	$ 21,785	$ 362,102	$ 16,499	$400,386
Total unrealized gains (losses)				
Included in net investment income	(521)	29,892	—	29,371
Included in other income (loss)	—	—	41,599	41,599
Total realized gains				
Included in net investment income	—	—	—	—
Included in other income (loss)	—	—	12,822	12,822
Total foreign exchange losses	—	1,922	(142)	1,780
Purchases	—	28,684	10,615	39,299
Sales	—	—	(11,024)	(11,024)
Settlements	—	(41,477)	2,623	(38,854)
Net transfers in and/or out of Level 3	—	—	—	—
Balance - June 30, 2011	$ 21,264	$ 381,123	$ 72,992	$475,379

Three months ended June 30, 2010 (in thousands of U.S. dollars)	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) Other investments	Other assets and (liabilities)	Total
Balance - April 1	$ 393,388	$ 8,386	$401,774
Total net unrealized (losses) gains			
Included in net investment income	(5,724)	—	(5,724)
Included in other (loss) income	—	8,921	8,921
Total net realized gains			
Included in net investment income	—	—	—
Included in other (loss) income	—	7,393	7,393
Total net foreign exchange losses	(1,051)	(217)	(1,268)
Purchases	11,304	1,233	12,537
Issuances	—	(10,064)	(10,064)
Settlements	(83,254)	(499)	(83,753)
Net transfers in and/or out of Level 3	—	—	—
Balance - June 30	$ 314,663	$ 15,153	$329,816

Six months ended June 30, 2010 (in thousands of U.S. dollars)	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) Other investments	Other assets and (liabilities)	Total
Balance - January 1	$ 393,913	$ 17,026	$410,939
Total net unrealized (losses) gains			
Included in net investment income	3,167	—	3,167
Included in other (loss) income	—	14	14
Total net realized gains			
Included in net investment income	—	—	—
Included in other (loss) income	—	13,112	13,112
Total net foreign exchange losses	(3,266)	(701)	(3,967)
Purchases	19,674	4,301	23,975
Issuances	—	(27,233)	(27,233)
Settlements	(98,825)	8,634	(90,191)
Net transfers in and/or out of Level 3	—	—	—
Balance - June 30	$ 314,663	$ 15,153	$329,816

The Fair Value Option for Financial Assets and Financial Liabilities

The Company has elected to account for certain assets and liabilities at fair value under FASB ASC Topic *Financial Instruments*. The Company has elected to use the guidance under FASB ASC Topic *Financial Instruments*, as it represents the most current authoritative GAAP. Below is a summary of the balances the Company has elected to account for at fair value:

(in thousands of U.S. dollars)	June 30, 2011	December 31, 2010
Other investments	$839,643	$ 787,548
Other secured assets	$ —	$ 14,250
Other assets and (liabilities)	$ 69,919	$ 20,000

Included in net investment income for the three and six months ended June 30, 2011 was $5.7 million and $33.7 million, respectively, of net unrealized gains related to the changes in fair value of other investments (June 30, 2010 - net unrealized (losses) gains of $(19.2) million and $5.7 million, respectively). Net unrealized losses related to the changes in the fair value of other secured assets recorded in other (loss) income was $36 thousand and $0.1 million, respectively, for the three and six months ended June 30, 2011 (June 30, 2010 - net unrealized losses of $0.2 million and $0.3 million, respectively). Net unrealized losses related to the changes in the fair value of other assets and liabilities recorded in other (loss) income was $(0.8) million and $43.3 million for the three and six months ended June 30, 2011 (June 30, 2010 – net unrealized losses of $0.2 million and $1.0 million, respectively).

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Measuring the Fair Value of Other Investments Using Net Asset Valuations

The table below shows the Company's portfolio of other investments measured using net asset valuations:

At June 30, 2011 (in thousands of U.S. dollars)	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity partnerships	$ 363,688	$ 171,457	See below	See below
Senior secured bank loan funds	247,528	14,636	See below	See below
Non-U.S. fixed income funds	88,962	—	Monthly, bi-monthly	5 - 20 days
Hedge funds	39,753	—	Annually, bi-annually	45 - 90 days
Total other investments measured using net asset valuations	$ 739,931	$ 186,093		

Private equity partnerships – Included in the Company's investments in private equity partnerships are alternative asset limited partnerships (or similar corporate structures) that invest in certain private equity asset classes including U.S. and global leveraged buyouts; mezzanine investments; distressed securities; real estate; and oil, gas and power. The fair values of the investments in this category have been estimated using the net asset value of the investments. The Company generally has no right to redeem its interest in any of these private equity partnerships in advance of dissolution of the applicable partnership. Instead, the nature of these investments is that distributions are received by the Company in connection with the liquidation of the underlying assets of the applicable limited partnership. It is estimated that the majority of the underlying assets of the limited partnerships would liquidate over 7 to 10 years from inception of the limited partnership.

Senior secured bank loan funds – The Company's investment in senior secured bank loan funds includes funds that invest primarily in bank loans and other senior debt instruments. The fair values of the investments in this category have been estimated using the net asset value per share of the funds. Investments of $236.8 million are redeemable, in part on a monthly basis, or in whole over a three month period.

The Company also has a $10.7 million investment in a closed end fund which invests in loans. The Company has no right to redeem its investment in this fund.

Non-U.S. fixed income funds – The Company's non-U.S. fixed income funds invest primarily in European high yield bonds and non-U.S. convertible securities. The fair values of the investments in this category have been estimated using the net asset value per share of the funds. Investments of $51.3 million are redeemable, in whole or in part, on a bi-monthly basis. The remaining $37.7 million can generally only be redeemed by the Company at a rate of 10% per month. The issuers of these securities may permit redemptions which exceed this amount, but they are not obliged to do so.

Hedge funds – The Company invests in hedge funds that pursue multiple strategies. The strategies employed include, among others, the following: fundamentally driven long/short; event oriented; and private investments. The fair values of the investments in this category have been estimated using the net asset value per share of the funds. Included in the Company's hedge funds is $7.4 million of so called "side pocket" investments which are not redeemable at the option of the shareholder. As to each investment in a hedge fund that includes side pocket investments, if the investment is otherwise fully redeemed, the Company will still retain its interest in the side pocket investments until the underlying investments attributable to such side pockets are liquidated, realized or deemed realized at the discretion of the fund manager.

NOTE 9. NONCONTROLLING INTERESTS

Redeemable Noncontrolling Interest – DaVinciRe

In October 2001, the Company formed DaVinciRe and DaVinci with other equity investors. RenaissanceRe owns a noncontrolling economic interest in DaVinciRe; however, because RenaissanceRe controls a majority of DaVinciRe's outstanding voting rights, the consolidated financial statements of DaVinciRe are included in the consolidated financial statements of the Company. The portion of DaVinciRe's earnings owned by third parties for the three and six months ended June 30, 2011 and 2010 is recorded in the consolidated statements of operations as net loss (income) attributable to noncontrolling interests. The Company's ownership in DaVinciRe was 42.8% at June 30, 2011 (December 31, 2010 - 41.2%).

DaVinciRe shareholders are party to a shareholders agreement (the "Shareholders Agreement") which provides DaVinciRe shareholders, excluding RenaissanceRe, with certain redemption rights that enable each shareholder to notify DaVinciRe of such shareholder's desire for DaVinciRe to repurchase up to half of such shareholder's initial aggregate number of shares held, subject to certain limitations, such as limiting the aggregate of all share repurchase requests to 25% of DaVinciRe's capital in any given year and satisfying all applicable regulatory requirements. If total shareholder requests exceed 25% of DaVinciRe's capital, the number of shares repurchased will be reduced among the requesting shareholders pro-rata, based on the amounts desired to be repurchased. Shareholders desiring to have DaVinci repurchase their shares must notify DaVinciRe before March 1 of each year. The repurchase price will be based on GAAP book value as of the end of the year in which the shareholder notice is given, and the repurchase will be effective as of such date. Payment will be made by April 1 of the following year, following delivery of the audited financial statements for the year in which the repurchase was effective. The repurchase price is subject to a true-up for development on outstanding loss reserves after settlement of all claims relating to the applicable years.

Certain third party shareholders of DaVinciRe submitted repurchase notices on or before the required annual redemption notice date of March 1, 2010, in accordance with the Shareholders Agreement. The repurchase notices submitted on or before March 1, 2010, were for shares of DaVinciRe with a GAAP book value of $88.4 million at December 31, 2010. Furthermore, DaVinciRe resolved to return additional capital of $86.6 million to the remaining shareholders, including the Company, after the receipt of the repurchase notices described above. Effective January 1, 2011, DaVinciRe redeemed the shares and returned additional capital for an aggregate of $175.0 million, less a $17.5 million reserve holdback. As a result of the above transactions, the Company's ownership interest in DaVinciRe increased to 44.0% effective January 1, 2011.

In advance of the March 1, 2011 redemption notice date, certain third party shareholders of DaVinciRe have submitted repurchase notices, in accordance with the Shareholders Agreement, for shares of DaVinciRe with a GAAP book value of $17.6 million at June 30, 2011.

On June 1, 2011, DaVinciRe completed an equity raise of $100.0 million from new and existing shareholders, including $30.0 million contributed by the Company. The capital raised will be used to support the ongoing underwriting activities of DaVinci, which primarily writes property catastrophe reinsurance and certain classes of specialty reinsurance. As a result of the equity raise, the Company's ownership in DaVinciRe decreased to 42.8% effective June 1, 2011, compared to 44.0% effective January 1, 2011. The Company expects its ownership in DaVinciRe to fluctuate over time.

The activity in the Company's redeemable noncontrolling interest – DaVinciRe is detailed in the table below:

Three months ended June 30, **(in thousands of U.S. dollars)**	**2011**	**2010**
Balance - April 1	$536,717	$658,525
Purchase of shares from redeemable noncontrolling interest	(446)	(1,337)
Sale of shares to redeemable noncontrolling interest	70,000	—
Comprehensive income:		
Net income attributable to redeemable noncontrolling interest	21,733	51,915
Other comprehensive loss attributable to redeemable noncontrolling interest	(3)	(1,562)
Balance - June 30	$628,001	$707,541

Six months ended June 30, (in thousands of U.S. dollars)	2011	2010
Balance - January 1	$ 757,655	$ 786,647
Purchase of shares from redeemable noncontrolling interest	(135,618)	(141,747)
Sale of shares to redeemable noncontrolling interest	70,000	—
Comprehensive income:		
Net (loss) income attributable to redeemable noncontrolling interest	(64,030)	62,465
Other comprehensive (loss) income attributable to redeemable noncontrolling interest	(6)	176
Balance - June 30	$ 628,001	$ 707,541

Angus Fund L.P. (the "Angus Fund")

In December 2010, REAL and RenRe Commodity Advisors Inc. ("RRCA"), both wholly owned subsidiaries of the Company, formed the Angus Fund with other equity investors. REAL, the general partner of the Angus Fund, invested $40 thousand in the Angus Fund, representing a 1.0% ownership interest at June 30, 2011 (December 31, 2010—$40 thousand and 1.0%, respectively), and RRCA, a limited partner, invested $1.0 million in the Angus Fund, representing a 24.2% ownership interest at June 30, 2011 (December 31, 2010 - $1.0 million and 24.8%, respectively). The Angus Fund was formed to provide capital to, and make investments in, companies primarily in the heating oil and propane distribution industries to supplement the Company's weather and energy risk management operations. The Angus Fund meets the definition of a variable interest entity ("VIE"), and therefore the Company evaluated its ownership in the Angus Fund to determine if it is the primary beneficiary. The Company has concluded it is the primary beneficiary of the Angus Fund as it has the power to direct, and has a more than insignificant economic interest in, the activities of the Angus Fund and as such, the financial position and results of operations of the Angus Fund are consolidated. The Company expects its ownership in the Angus Fund to fluctuate over time. The portion of the Angus Fund's earnings owned by third parties for the three and six months ended June 30, 2011 is recorded in the consolidated statements of operations as net loss (income) attributable to noncontrolling interests.

The activity in noncontrolling interest is detailed in the table below:

Three months ended June 30, (in thousands of U.S. dollars)	2011
Balance - April 1	$3,160
Net sale of shares to noncontrolling interest	100
Net income attributable to noncontrolling interest	170
Balance - June 30	$3,430

Six months ended June 30, (in thousands of U.S. dollars)	2011
Balance - January 1	$2,889
Net sale of shares to noncontrolling interest	100
Net income attributable to noncontrolling interest	441
Balance - June 30	$3,430

NOTE 10. DERIVATIVE INSTRUMENTS AND OTHER SECURED ASSETS AND OTHER SECURED LIABILITIES

The Company enters into derivative instruments such as futures, options, swaps, forward contracts and other derivative contracts primarily to manage its foreign currency exposure, obtain exposure to a particular financial market, for yield enhancement, or for trading and speculation. The Company accounts for its derivatives in accordance with FASB ASC Topic *Derivatives and Hedging*, which requires all derivatives to be recorded at fair value on the Company's balance sheet as either assets or liabilities, depending on the rights or obligations of the derivatives, with changes in fair value reflected in current earnings. The Company does not currently apply hedge accounting in respect of any positions reflected in its consolidated financial statements. Where the Company has entered into master netting agreements with counterparties, or the Company has the legal and contractual right to offset positions, the derivative positions are generally netted by counterparty and are reported accordingly in other assets and other liabilities.

The table below shows the location on the consolidated balance sheets and fair value of the Company's principal derivative instruments:

	Derivative Assets			
	At June 30, 2011		At December 31, 2010	
(in thousands of U.S. dollars)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate futures	Other assets	$ 1,476	Other assets	$ 2,459
Foreign currency forward contracts (1)	Other assets	21,679	Other assets	6,341
Credit default swaps	Other assets	3,326	Other assets	3,064
Energy and weather contracts (4)	Other assets	8,449	Other assets	17,925
Platinum warrant	Other assets	—	Other assets	44,925
Total		$ 34,930		$ 74,714

	Derivative Liabilities			
	At June 30, 2011		At December 31, 2010	
(in thousands of U.S. dollars)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate futures	Other liabilities	$ 152	Other liabilities	$ 719
Foreign currency forward contracts (2)	Other liabilities	4,045	Other liabilities	3,141
Foreign currency forward contracts (3)	Other liabilities	6	Other liabilities	44
Energy and weather contracts (4)	Other liabilities	5,376	Other liabilities	15,013
Total		$ 9,579		$ 18,917

(1) Contracts used to manage foreign currency risks in underwriting operations.
(2) Contracts used to manage foreign currency risks in investment operations.
(3) Contracts used to manage foreign currency risks in energy and risk operations.
(4) Included in other assets is $9.3 million of derivative assets and $0.9 million of derivative liabilities at June 30, 2011 (December 31, 2010 - $21.7 million and $3.7 million, respectively). Included in other liabilities is $6.9 million of derivative assets and $12.3 million of derivative liabilities at June 30, 2011 (December 31, 2010 - $9.9 million and $24.9 million, respectively).

The location and amount of the gain (loss) recognized in the Company's consolidated statements of operations related to its derivative instruments is shown in the following table:

Three months ended June 30, (in thousands of U.S. dollars)	Location of gain (loss) recognized on derivatives	Amount of (loss) gain recognized on derivatives 2011	2010
Interest rate futures	Net investment income	$ (7,693)	$ 88
Foreign currency forward contracts (1)	Net foreign exchange losses	9,208	2,182
Foreign currency forward contracts (2)	Net foreign exchange losses	(7,752)	23,357
Foreign currency forward contracts (3)	Net foreign exchange losses	(212)	3,899
Credit default swaps	Other (loss) income	420	(369)
Energy and weather contracts	Other (loss) income	1,429	4,095
Platinum warrant	Other (loss) income	—	(1,668)
Total		$ (4,600)	$ 31,584

(1) Contracts used to manage foreign currency risks in underwriting operations.
(2) Contracts used to manage foreign currency risks in investment operations.
(3) Contracts used to manage foreign currency risks in energy and risk operations.

Six months ended June 30, (in thousands of U.S. dollars)	Location of gain (loss) recognized on derivatives	Amount of gain (loss) recognized on derivatives 2011	2010
Interest rate futures	Net investment income	$ (8,347)	$ (465)
Foreign currency forward contracts (1)	Net foreign exchange losses	17,007	474
Foreign currency forward contracts (2)	Net foreign exchange losses	(21,152)	38,809
Foreign currency forward contracts (3)	Net foreign exchange losses	(648)	916
Credit default swaps	Other (loss) income	1,142	(87)
Energy and weather contracts	Other (loss) income	9,929	7,185
Platinum warrant	Other (loss) income	2,975	(5,365)
Total		$ 906	$ 41,467

(1) Contracts used to manage foreign currency risks in underwriting operations.
(2) Contracts used to manage foreign currency risks in investment operations.
(3) Contracts used to manage foreign currency risks in energy and risk operations.

The Company is not aware of the existence of any credit risk-related contingent features that it believes would be triggered in its derivative instruments that are in a net liability position at June 30, 2011.

Interest Rate Futures

The Company uses interest rate futures within its portfolio of fixed maturity investments to manage its exposure to interest rate risk, which can include increasing or decreasing its exposure to this risk. At June 30, 2011, the Company had $6.0 billion of notional long positions and $259.9 million of notional short positions of primarily Eurodollar and U.S. Treasury and non-U.S. dollar futures contracts (December 31, 2010 - $2.2 billion and $209.1 million, respectively). The fair value of these derivatives is determined using exchange traded prices.

Foreign Currency Derivatives

The Company's functional currency is the U.S. dollar. The Company writes a portion of its business in currencies other than U.S. dollars and may, from time to time, experience foreign exchange gains and losses in the Company's consolidated financial statements. All changes in exchange rates, with the exception of non-U.S. dollar denominated investments classified as available for sale and non-monetary assets and liabilities, are recognized currently in the Company's consolidated statements of operations.

Underwriting Operations Related Foreign Currency Contracts

The Company's foreign currency policy with regard to its underwriting operations is generally to hold foreign currency assets, including cash, investments and receivables that approximate the foreign currency liabilities, including claims and claim expense reserves and reinsurance balances payable. When necessary, the Company may use foreign currency forward and option contracts to minimize the effect of fluctuating foreign currencies on the value of non-U.S. dollar denominated assets and liabilities associated with its underwriting operations. The fair value of the Company's underwriting operations related foreign currency contracts is determined using indicative pricing obtained from counterparties or broker quotes. At June 30, 2011, the Company had outstanding underwriting related foreign currency contracts of $114.1 million in notional long positions and $499.8 million in notional short positions, denominated in U.S. dollars (December 31, 2010 - $42.0 million and $188.1 million, respectively).

Investment Portfolio Related Foreign Currency Forward Contracts

The Company's investment operations are exposed to currency fluctuations through its investments in non-U.S. dollar fixed maturity investments, short term investments and other investments. To economically hedge its exposure to currency fluctuations from these investments, the Company has entered into foreign currency forward contracts. Foreign exchange gains (losses) associated with the Company's hedging of these non-U.S. dollar investments are recorded in net foreign exchange losses in its consolidated statements of operations. The fair value of the Company's investment portfolio related foreign currency forward contracts is determined using an interpolated rate based on closing forward market rates. At June 30, 2011, the Company had outstanding investment portfolio related foreign currency contracts of $187.7 million in notional long positions and $447.0 million in notional short positions, denominated in U.S. dollars (December 31, 2010 - $69.2 million and $281.0 million, respectively).

Energy and Risk Operations Related Foreign Currency Contracts

The Company's energy and risk operations are exposed to currency fluctuations through certain derivative transactions it enters into that are denominated in non-U.S. dollars. The Company may, from time to time, use foreign currency forward and option contracts to minimize the effect of fluctuating foreign currencies on the value of non-U.S. dollar denominated assets and liabilities associated with these operations. The fair value of the Company's energy and risk operations related foreign currency contracts is based on exchange traded prices. At June 30, 2011, the Company's energy and risk management operations had outstanding foreign currency contracts of $Nil in notional long positions and $0.4 million in notional short positions, denominated in U.S. dollars (December 31, 2010 - $Nil and $10.0 million, respectively).

Credit Derivatives

The Company's exposure to credit risk is primarily due to its fixed maturity investments, short term investments, premiums receivable and reinsurance recoverable. From time to time, the Company purchases credit derivatives to hedge its exposures in the insurance industry, to assist in managing the credit risk associated with ceded reinsurance, or to assume or hedge credit risk. The fair value of the credit derivatives is determined using industry valuation models, broker bid indications or internal pricing valuation techniques. The fair value of these credit derivatives can change based on a variety of factors including changes in credit spreads, default rates and recovery rates, the correlation of credit risk between the referenced credit and the counterparty, and market rate inputs such as interest rates. At June 30, 2011, the Company had outstanding credit derivatives of $15.0 million in notional long positions and $96.5 million in notional short positions, denominated in U.S. dollars (December 31, 2010 - $15.0 million and $118.0 million, respectively).

Energy and Weather-Related Derivatives

The Company regularly transacts in certain derivative-based risk management products primarily to address weather and energy risks and engages in hedging and trading activities related to these risks. The trading markets for these derivatives are generally linked to energy and agriculture commodities, weather and other natural phenomena. Currently, a significant percentage of the Company's derivative-based risk management products are transacted on a dual-trigger basis combining weather or other natural phenomenon, with prices for commodities or securities related to energy or agriculture. The fair value of these contracts is obtained through the use of quoted market prices, or in the absence of such quoted prices, industry or internal valuation models. Generally, the Company's current portfolio of such derivative contracts is of comparably short duration and such contracts are predominantly seasonal in nature. Over time, the Company currently expects that its participation in these markets, and the impact of these operations on its financial results, is likely to increase on both an absolute and relative basis.

The Company had the following gross derivative contract positions outstanding relating to its energy and weather derivatives trading activities.

	Quantity (1)		
	June 30, 2011	December 31, 2010	Unit of measurement
Energy	84,619,434	136,767,119	One million British thermal units ("MMBTUs")
Temperature	1,286,001	5,419,846	$ per Degree Day Fahrenheit
Agriculture	6,607,000	260,000	Bushels

(1) Represents the sum of gross long and gross short derivative contracts.

At June 30, 2011, RenaissanceRe had provided guarantees in the aggregate amount of $245.5 million to certain counterparties of the weather and energy risk operations of Renaissance Trading. In the future, RenaissanceRe may issue guarantees for other purposes or increase the amount of guarantees issued to counterparties of Renaissance Trading.

Other Secured Assets and Other Secured Liabilities

Other secured assets and other secured liabilities represented the contractual rights and obligations under a purchase agreement, contingent purchase agreement and credit derivatives agreement (collectively, the "Agreements") with a major bank to sell certain securities within the Company's catastrophe-linked securities portfolio ("Cat-Linked Securities"). Under the terms of the Agreements, the Company sold its ownership interest in Cat-Linked Securities to the bank at par. During the three and six months ended June 30, 2011, Cat-Linked Securities with a par amount of $14.0 million and $14.0 million matured, respectively (June 30, 2010 - $10.0 million and $10.0 million, respectively). The Agreements allowed the Company to repurchase these securities at par and obligated the Company to repurchase the securities under certain circumstances including catastrophe triggering events and events of default. As a result of these transactions, the Company received a spread over LIBOR on the outstanding Cat-Linked Securities, less a financing fee.

The Company accounted for the sale of the Cat-Linked Securities under the Agreements as a secured borrowing with a pledge of collateral under the provisions of FASB ASC Topic *Transfers and Servicing*, and accordingly recognized no gain or loss upon the transaction date. The credit derivatives agreement was accounted for at fair value with changes in fair value recognized in other (loss) income. As a result of the Agreements, the Company recognized its Cat-Linked Securities as other secured assets, which represented the fair value of the pledged collateral and credit derivatives agreement, and other secured liabilities which represented its obligation to repurchase the Cat-Linked Securities at par. The Company recognized $36 thousand and $0.1 million, respectively, of other loss in its consolidated statements of operations from these transactions, representing a spread over LIBOR less the financing fee on the Cat-Linked Securities for the three and six months ended June 30, 2011, inclusive of the change in the fair value of the credit derivatives agreement (June 30, 2010 - $0.2 million and $0.3 million, respectively).

NOTE 11. CONDENSED CONSOLIDATING FINANCIAL INFORMATION PROVIDED IN CONNECTION WITH OUTSTANDING DEBT OF SUBSIDIARIES

The following tables present condensed consolidating balance sheets at June 30, 2011 and December 31, 2010, condensed consolidating statements of operations for the three and six months ended June 30, 2011 and 2010, and statements of cash flows for the six months ended June 30, 2011 and 2010, respectively, for RenaissanceRe, RRNAH and RenaissanceRe's other subsidiaries. RRNAH is a wholly owned subsidiary of RenaissanceRe.

On March 17, 2010, RRNAH issued, and RenaissanceRe guaranteed, $250.0 million of 5.75% Senior Notes due March 15, 2020, with interest on the notes payable on March 15 and September 15. The notes can be redeemed by RRNAH prior to maturity subject to payment of a "make-whole" premium. The notes, which are senior obligations, contain various covenants, including limitations on mergers and consolidations, restrictions as to the disposition of the stock of designated subsidiaries and limitations on liens of the stock of designated subsidiaries.

Condensed Consolidating Balance Sheet June 30, 2011	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Assets					
Total investments	$ 401,633	$ 140,755	$ 5,253,099	$ —	$ 5,795,487
Cash and cash equivalents	3,014	276	234,447	—	237,737
Investments in subsidiaries	2,962,925	132,062	—	(3,094,987)	—
Due from subsidiaries and affiliates	278,948	—	—	(278,948)	—
Premiums receivable	—	—	933,519	—	933,519
Prepaid reinsurance premiums	—	—	245,676	—	245,676
Reinsurance recoverable	—	—	333,245	—	333,245
Accrued investment income	3,549	402	32,315	—	36,266
Deferred acquisition costs	—	—	90,858	—	90,858
Other assets	39,233	16,980	635,929	(1,458)	490,684
Assets of discontinued operations held for sale	—	2,868	—	—	2,868
Total assets	$ 3,689,302	$ 293,343	$ 7,559,088	$ (3,375,393)	$ 8,166,340
Liabilities, Noncontrolling Interests and Shareholders' Equity					
Liabilities					
Reserve for claims and claim expenses	$ —	$ —	$ 2,170,728	$ —	$ 2,170,728
Unearned premiums	—	—	830,939	—	830,939
Debt	124,000	249,201	—	(24,000)	349,201
Amounts due to subsidiaries and affiliates	—	2,488	—	(2,488)	—
Reinsurance balances payable	—	—	403,152	—	403,152
Other liabilities	50,031	15,315	191,510	(1,458)	255,398
Liabilities of discontinued operations held for sale	—	10,220	—	—	10,220
Total liabilities	174,031	277,224	3,596,329	(27,946)	4,019,638
Redeemable noncontrolling interest - DaVinciRe	—	—	628,001	—	628,001
Shareholders' Equity					
Total shareholders' equity	3,515,271	16,119	3,334,758	(3,347,447)	3,518,701
Total liabilities, noncontrolling interests and shareholders' equity	$ 3,689,302	$ 293,343	$ 7,559,088	$ (3,375,393)	$ 8,166,340

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.
(2) Includes Parent Guarantor and Subsidiary Issuer consolidating adjustments.

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Condensed Consolidating Balance Sheet December 31, 2010	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Assets					
Total investments	$ 517,640	$ 12,560	$ 5,570,012	$ —	$ 6,100,212
Cash and cash equivalents	3,414	3,940	270,384	—	277,738
Investments in subsidiaries	3,533,266	140,923	—	(3,674,189)	—
Due from subsidiaries and affiliates	145,298	—	—	(145,298)	—
Premiums receivable	—	—	322,080	—	322,080
Prepaid reinsurance premiums	—	—	60,643	—	60,643
Reinsurance recoverable	—	—	101,711	—	101,711
Accrued investment income	3,720	5	30,835	—	34,560
Deferred acquisition costs	—	—	35,648	—	35,648
Other assets	139,654	2,307	318,077	(126,499)	333,539
Assets of discontinued operations held for sale	—	872,147	—	—	872,147
Total assets	$ 4,342,992	$1,031,882	$ 6,709,390	$ (3,945,986)	$ 8,138,278
Liabilities, Noncontrolling Interests and Shareholders' Equity					
Liabilities					
Reserve for claims and claim expenses	$ —	$ —	$ 1,257,843	$ —	$ 1,257,843
Unearned premiums	—	—	286,183	—	286,183
Debt	377,512	374,196	200,000	(402,553)	549,155
Amounts due to subsidiaries and affiliates	—	843	—	(843)	—
Reinsurance balances payable	—	—	318,024	—	318,024
Other liabilities	29,155	22,623	379,915	—	431,693
Liabilities of discontinued operations held for sale	—	598,511	—	—	598,511
Total liabilities	406,667	996,173	2,441,965	(403,396)	3,441,409
Redeemable noncontrolling interest - DaVinciRe	—	—	757,655	—	757,655
Shareholders' Equity					
Total shareholders' equity	3,936,325	35,709	3,509,770	(3,542,590)	3,939,214
Total liabilities, noncontrolling interests and shareholders' equity	$ 4,342,992	$1,031,882	$ 6,709,390	$ (3,945,986)	$ 8,138,278

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.

(2) Includes Parent Guarantor and Subsidiary Issuer consolidating adjustments.

Condensed Consolidating Statement of Operations For the three months ended June 30, 2011	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Revenues					
Net premiums earned	$ —	$ —	$ 217,175	$ —	$ 217,175
Net investment income	5,586	203	29,441	(1,902)	33,328
Net foreign exchange gains (losses)	5	—	(4,526)	—	(4,521)
Equity in earnings of other ventures	—	—	5,128	—	5,128
Other income (loss)	29	—	(5,196)	—	(5,167)
Net realized and unrealized gains (losses) on investments	3,324	(39)	31,694	—	34,979
Total revenues	8,944	164	273,716	(1,902)	280,922
Expenses					
Net claims and claim expenses incurred	—	—	151,261	—	151,261
Acquisition expenses	—	—	13,883	—	13,883
Operational expenses	(1,196)	1,542	41,953	—	42,299
Corporate expenses	3,474	48	489	—	4,011
Interest expense	2,559	3,617	645	(1,091)	5,730
Total expenses	4,837	5,207	208,231	(1,091)	217,184
Income (loss) before equity in net income (loss) of subsidiaries and taxes	4,107	(5,043)	65,485	(811)	63,738
Equity in net income (loss) of subsidiaries	29,407	(2,568)	—	(26,839)	—
Income (loss) from continuing operations before taxes	33,514	(7,611)	65,485	(27,650)	63,738
Income tax benefit	—	1,512	261	—	1,773
Income (loss) from continuing operations	33,514	(6,099)	65,746	(27,650)	65,511
Loss from discontinued operations	—	(10,094)	—	—	(10,094)
Net income (loss)	33,514	(16,193)	65,746	(27,650)	55,417
Net loss attributable to noncontrolling interests	—	—	(21,903)	—	(21,903)
Net income (loss) attributable to RenaissanceRe	33,514	(16,193)	43,843	(27,650)	33,514
Dividends on preference shares	(8,750)	—	—	—	(8,750)
Net income (loss) available (attributable) to RenaissanceRe common shareholders	$ 24,764	$ (16,193)	$ 43,843	$ (27,650)	$ 24,764

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.
(2) Includes Parent Guarantor and Subsidiary Issuer consolidating adjustments.

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Condensed Consolidating Statement of Operations For the three months ended June 30, 2010	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Revenues					
Net premiums earned	$ —	$ —	$ 212,171	$ —	$ 212,171
Net investment (loss) income	(2,589)	550	28,212	—	26,173
Net foreign exchange losses	(530)	—	(79)	—	(609)
Equity in earnings of other ventures	—	—	3,160	—	3,160
Other loss	(374)	—	(3,368)	—	(3,742)
Net realized and unrealized gains on fixed maturity investments	2,406	993	66,652	—	70,051
Net other-than-temporary impairments	—	—	(796)	—	(796)
Total revenues	(1,087)	1,543	305,952	—	306,408
Expenses					
Net claims and claim expenses incurred	—	—	(18,803)	—	(18,803)
Acquisition expenses	—	—	23,580	—	23,580
Operational expenses	(1,429)	1,326	36,527	1,616	38,040
Corporate expenses	3,720	61	712	—	4,493
Interest expense	1,469	4,353	5,340	(4,956)	6,206
Total expenses	3,760	5,740	47,356	(3,340)	53,516
(Loss) income before equity in net income (loss) of subsidiaries and taxes	(4,847)	(4,197)	258,596	3,340	252,892
Equity in net income (loss) of subsidiaries	225,663	(13,249)	—	(212,414)	—
Income (loss) from continuing operations before taxes	220,816	(17,446)	258,596	(209,074)	252,892
Income tax benefit (expense)	—	1,020	(62)	—	958
Income (loss) from continuing operations	220,816	(16,426)	258,534	(209,074)	253,850
Income from discontinued operations	—	18,881	—	—	18,881
Net income	220,816	2,455	258,534	(209,074)	272,731
Net income attributable to redeemable noncontrolling interest - DaVinciRe	—	—	(51,915)	—	(51,915)
Net income attributable to RenaissanceRe	220,816	2,455	206,619	(209,074)	220,816
Dividends on preference shares	(10,575)	—	—	—	(10,575)
Net income available to RenaissanceRe common shareholders	$ 210,241	$ 2,455	$ 206,619	$ (209,074)	$ 210,241

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.
(2) Includes Parent Guarantor and Subsidiary Issuer consolidating adjustments.

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Condensed Consolidating Statement of Operations For the six months ended June 30, 2011	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Revenues					
Net premiums earned	$ —	$ —	$ 522,716	$ —	$ 522,716
Net investment income	10,750	219	84,643	(2,003)	93,609
Net foreign exchange gains (losses)	96	—	(3,957)	—	(3,861)
Equity in losses of other ventures	—	—	(18,625)	—	(18,625)
Other income	195	—	44,783	—	44,978
Net realized and unrealized gains (losses) on investments	2,332	(39)	27,472	—	29,765
Total revenues	13,373	180	657,032	(2,003)	668,582
Expenses					
Net claims and claim expenses incurred	—	—	779,798	—	779,798
Acquisition expenses	—	—	46,218	—	46,218
Operational expenses	(2,416)	3,044	83,501	—	84,129
Corporate expenses	5,515	109	451	—	6,075
Interest expense	7,534	7,335	1,754	(4,698)	11,925
Total expenses	10,633	10,488	911,722	(4,698)	928,145
Income (loss) before equity in net loss of subsidiaries and taxes	2,740	(10,308)	(254,690)	2,695	(259,563)
Equity in net loss of subsidiaries	(208,799)	(732)	—	209,531	—
Loss from continuing operations before taxes	(206,059)	(11,040)	(254,690)	212,226	(259,563)
Income tax benefit (expense)	290	3,077	(1,542)	—	1,825
Loss from continuing operations	(205,769)	(7,963)	(256,232)	212,226	(257,738)
Loss from discontinued operations	—	(11,620)	—	—	(11,620)
Net loss	(205,769)	(19,583)	(256,232)	212,226	(269,358)
Net loss attributable to noncontrolling interests	—	—	63,589	—	63,589
Net loss attributable to RenaissanceRe	(205,769)	(19,583)	(192,643)	212,226	(205,769)
Dividends on preference shares	(17,500)	—	—	—	(17,500)
Net loss attributable to RenaissanceRe common shareholders	$ (223,269)	$ (19,583)	$ (192,643)	$ 212,226	$ (223,269)

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.
(2) Includes Parent Guarantor and Subsidiary Issuer consolidating adjustments.

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Condensed Consolidating Statement of Operations For the six months ended June 30, 2010	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Revenues					
Net premiums earned	$ —	$ —	$ 462,824	$ —	$ 462,824
Net investment income	3,055	880	87,947	—	91,882
Net foreign exchange losses	(695)	—	(11,256)	—	(11,951)
Equity in earnings of other ventures	—	—	5,316	—	5,316
Other income (loss)	267	—	(10,200)	—	(9,933)
Net realized and unrealized gains (losses) on fixed maturity investments	6,565	(2,432)	114,118	—	118,251
Net other-than-temporary impairments	—	—	(829)	—	(829)
Total revenues	9,192	(1,552)	647,920	—	655,560
Expenses					
Net claims and claim expenses incurred	—	—	78,537	—	78,537
Acquisition expenses	—	—	50,015	—	50,015
Operational expenses	(1,408)	1,534	81,656	1,408	83,190
Corporate expenses	8,373	73	1,356	—	9,802
Interest expense	2,905	7,323	6,457	(7,323)	9,362
Total expenses	9,870	8,930	218,021	(5,915)	230,906
(Loss) income before equity in net income (loss) of subsidiaries and taxes	(678)	(10,482)	429,899	5,915	424,654
Equity in net income (loss) of subsidiaries	397,116	(28,250)	—	(368,866)	—
Income (loss) before taxes	396,438	(38,732)	429,899	(362,951)	424,654
Income tax benefit (expense)	—	3,926	(5)	—	3,921
Income (loss) from continuing operations	396,438	(34,806)	429,894	(362,951)	428,575
Income from discontinued operations		30,328			30,328
Net income (loss)	396,438	(4,478)	429,894	(362,951)	458,903
Net income attributable to redeemable noncontrolling interest - DaVinciRe	—	—	(62,465)	—	(62,465)
Net income (loss) attributable to RenaissanceRe	396,438	(4,478)	367,429	(362,951)	396,438
Dividends on preference shares	(21,150)	—	—	—	(21,150)
Net income (loss) available (attributable) to RenaissanceRe common shareholders	$ 375,288	$ (4,478)	$ 367,429	$ (362,951)	$ 375,288

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.
(2) Includes Parent Guarantor and Subsidiary Issuer consolidating adjustments.

Condensed Consolidating Statement of Cash Flows For the six months ended June 30, 2011	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	RenaissanceRe Consolidated
Cash flows provided by (used in) operating activities				
Net cash provided by (used in) operating activities	$ 123,220	$ (25,043)	$ (67,181)	$ 30,996
Cash flows provided by investing activities				
Proceeds from sales and maturities of fixed maturity investments trading	28,749	72,982	2,777,484	2,879,215
Purchases of fixed maturity investments trading	(33,626)	(208,847)	(2,569,205)	(2,811,678)
Proceeds from sales and maturities of fixed maturity investments available for sale	—	—	48,135	48,135
Purchases of fixed maturity investments available for sale	—	—	(4,078)	(4,078)
Purchases of equity investments trading	—	—	(32,676)	(32,676)
Net sales of short term investments	24,965	7,468	18,419	50,852
Net sales (purchases) of other investments	102,717	—	(126,598)	(23,881)
Net purchases of investments in other ventures	—	—	(21,000)	(21,000)
Net sales of other assets	—	—	46,984	46,984
Dividends and return of capital from subsidiaries	718,294	9,306	(727,600)	—
Contributions to subsidiaries	(262,115)	(5,700)	267,815	—
Due (from) to subsidiary	(230,079)	1,645	228,434	—
Net proceeds from sale of discontinued operations held for sale	—	269,520	—	269,520
Net cash provided by investing activities	348,905	146,374	(93,886)	401,393
Cash flows used in financing activities				
Dividends paid - RenaissanceRe common shares	(26,721)	—	—	(26,721)
Dividends paid - preference shares	(17,500)	—	—	(17,500)
RenaissanceRe common share repurchases	(174,792)	—	—	(174,792)
Third party DaVinciRe share transactions	—	—	(56,708)	(56,708)
Net repayment of debt	(253,512)	(124,995)	178,507	(200,000)
Net cash used in financing activities	(472,525)	(124,995)	121,799	(475,721)
Effect of exchange rate changes on foreign currency cash	—	—	3,331	3,331
Net decrease in cash and cash equivalents	(400)	(3,664)	(35,937)	(40,001)
Cash and cash equivalents, beginning of year	3,414	3,940	270,384	277,738
Cash and cash equivalents, end of year	$ 3,014	$ 276	$ 234,447	$ 237,737

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.

Condensed Consolidating Statement of Cash Flows For the six months ended June 30, 2010	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	RenaissanceRe Consolidated
Cash flows provided by (used in) operating activities				
Net cash provided by (used in) operating activities	$ 17,878	$ (15,829)	$ 286,469	$ 288,518
Cash flows provided by investing activities				
Proceeds from sales and maturities of investments trading	445,754	—	3,138,045	3,583,799
Purchases of investments trading	(426,443)	—	(6,194,684)	(6,621,127)
Proceeds from sales and maturities of investments available for sale	37,457	244,147	2,877,281	3,158,885
Purchases of investments available for sale	(240)	(246,570)	(69,907)	(316,717)
Net sales (purchases) of short term investments	8,281	(135)	201,852	209,998
Net (purchases) sales of other investments	(1,818)	—	68,457	66,639
Net sales of other assets	—	—	2,729	2,729
Dividends and return of capital from subsidiaries	717,360	24,226	(741,586)	—
Contributions to subsidiaries	(476,546)	(18,728)	495,274	—
Due (from) to subsidiary	(118,467)	(717)	119,184	—
Net cash provided by investing activities	185,338	2,223	(103,355)	84,206
Cash flows (used in) provided by financing activities				
Dividends paid - RenaissanceRe common shares	(28,735)	—	—	(28,735)
Dividends paid - preference shares	(21,150)	—	—	(21,150)
RenaissanceRe common share repurchases	(411,335)	—	—	(411,335)
Return of additional paid in capital to parent company	—	(149,600)	149,600	—
Net issuance of debt	246,344	169,109	(166,407)	249,046
Third party DaVinciRe share transactions	—	—	(131,370)	(131,370)
Net cash (used in) provided by financing activities	(214,876)	19,509	(148,177)	(343,544)
Effect of exchange rate changes on foreign currency cash	(594)	—	(4,248)	(4,842)
Net (decrease) increase in cash and cash equivalents	(12,254)	5,903	30,689	24,338
Net increase in cash and cash equivalents of discontinued operations	—	—	(7,151)	(7,151)
Cash and cash equivalents, beginning of year	15,206	7,606	180,300	203,112
Cash and cash equivalents, end of year	$ 2,952	$ 13,509	$ 203,838	$ 220,299

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.

NOTE 12. LITIGATION

There are no material changes from the legal proceedings previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2010.

The Company and its subsidiaries are subject to lawsuits and regulatory actions in the normal course of business that do not arise from or directly relate to claims on reinsurance treaties or contracts or direct surplus lines insurance policies. This category of business litigation may involve allegations of underwriting or claims-handling errors or misconduct, employment claims, regulatory actions or disputes arising from the Company's business ventures. The Company's operating subsidiaries are subject to claims litigation involving disputed interpretations of policy coverages. Generally, the Company's direct surplus lines insurance operations are subject to greater frequency and diversity of claims and claims-related litigation than its reinsurance operations and, in some jurisdictions, may be subject to direct actions by allegedly injured persons or entities seeking damages from policyholders. These lawsuits, involving claims on policies issued by the Company's subsidiaries which are typical to the insurance industry in general and in the normal course of business, are considered in its loss and loss expense reserves which are discussed in its loss reserves discussion. In addition, the Company may from time to time engage in litigation or arbitration related to its claims for payment in respect of ceded reinsurance. Any such litigation or arbitration contains an element of uncertainty, and the Company believes the inherent uncertainty in such matters may have increased recently and will likely continue to increase. Currently, the Company believes that no individual litigation or arbitration to which it is presently a party is likely to have a material adverse effect on its financial condition, business or operations.

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

The following is a discussion and analysis of our results of operations for the three and six months ended June 30, 2011 and 2010. The following also includes a discussion of our liquidity and capital resources at June 30, 2011. This discussion and analysis should be read in conjunction with the unaudited consolidated financial statements and notes thereto included in this filing and the audited consolidated financial statements and notes thereto contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010. This filing contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from the results described or implied by these forward-looking statements. See "Note on Forward-Looking Statements."

OVERVIEW

RenaissanceRe was established in Bermuda in 1993 to write principally property catastrophe reinsurance and today is a leading global provider of reinsurance and insurance coverages and related services. Our aspiration is to be the world's best underwriter of high-severity, low frequency risks. Through our operating subsidiaries, we seek to produce superior returns for our shareholders by being a trusted, long-term partner to our customers for assessing and managing risk, delivering responsive solutions, and keeping our promises. We accomplish this by leveraging our core capabilities of risk assessment and information management, and by investing in our capabilities to serve our customers across the cycles that have historically characterized our markets. Overall, our strategy focuses on superior risk selection, customer relationships and capital management. We provide value to our customers and joint venture partners in the form of financial security, innovative products, and responsive service. We are known as a leader in paying valid reinsurance claims promptly. We principally measure our financial success through long-term growth in tangible book value per common share plus the change in accumulated dividends, which we believe is the most appropriate measure of our Company's financial performance, and believe we have delivered superior performance in respect of this measure over time.

Since a substantial portion of the reinsurance and insurance we write provides protection from damages relating to natural and man-made catastrophes, our results depend to a large extent on the frequency and severity of such catastrophic events, and the coverages we offer to customers affected by these events. We are exposed to significant losses from these catastrophic events and other exposures that we cover. Accordingly, we expect a significant degree of volatility in our financial results and our financial results may vary significantly from quarter-to-quarter or from year-to-year, based on the level of insured catastrophic losses occurring around the world.

Our revenues are principally derived from three sources: 1) net premiums earned from the reinsurance and insurance policies we sell; 2) net investment income and realized and unrealized gains from the investment of our capital funds and the investment of the cash we receive on the policies which we sell; and 3) other income received from our joint ventures, advisory services, weather and energy risk management operations and various other items.

Our expenses primarily consist of: 1) net claims and claim expenses incurred on the policies of reinsurance and insurance we sell; 2) acquisition costs which typically represent a percentage of the premiums we write; 3) operating expenses which primarily consist of personnel expenses, rent and other operating expenses; 4) corporate expenses which include certain executive, legal and consulting expenses, costs for research and development, and other miscellaneous costs, including those associated with operating as a publicly traded company; 5) redeemable noncontrolling interest - DaVinciRe, which represents the interest of third parties with respect to the net income (loss) of DaVinciRe; and 6) interest and dividend costs related to our debt and preference shares. We are also subject to taxes in certain jurisdictions in which we operate; however, since the majority of our income is currently earned in Bermuda, a non-taxable jurisdiction, the tax impact to our operations has historically been minimal.

The operating results, also known as the underwriting results, of an insurance or reinsurance company are discussed frequently by reference to its net claims and claim expense ratio, underwriting expense ratio, and combined ratio. The net claims and claim expense ratio is calculated by dividing net claims and claim expenses incurred by net premiums earned. The underwriting expense ratio is calculated by dividing underwriting expenses (acquisition expenses and operational expenses) by net premiums earned. The combined ratio is the sum of the net claims and claim expense ratio and the underwriting expense ratio. A combined ratio below 100% generally indicates profitable underwriting prior to the consideration of investment income. A combined ratio over 100% generally indicates unprofitable underwriting prior to the consideration of investment income. We also discuss our net claims and claim expense ratio on an accident year basis. This ratio is calculated by taking net claims and claim expenses, excluding development on net claims and claim expenses from events that took place in prior fiscal years, divided by net premiums earned.

Discontinued Operations

On November 18, 2010, we entered into a Stock Purchase Agreement with QBE to sell substantially all of our U.S.-based insurance operations**,** including our U.S. property and casualty business underwritten through managing general agents, our crop insurance business underwritten through Agro National, our commercial property insurance operations and our claims operations. The Company has classified the assets and liabilities associated with this transaction as held for sale and its financial results are reflected in our Consolidated Financial Statements as “discontinued operations.” Except as explicitly described as held for sale or as discontinued operations, and unless otherwise noted, all discussions and amounts presented herein relate to our continuing operations.

Consideration for the transaction was book value at December 31, 2010 for the aforementioned businesses, payable in cash at closing and subject to adjustment for certain tax and other items. The transaction closed on March 4, 2011 and net consideration of $269.5 million was received by the Company.

Segments

Our reportable segments include: (1) Reinsurance, which includes catastrophe reinsurance, specialty reinsurance and certain property catastrophe and specialty joint ventures, (2) Lloyd’s, which includes reinsurance and insurance business written through Syndicate 1458, and (3) Insurance, which includes the Bermuda-based insurance operations of our former Insurance segment which were not sold pursuant to the Stock Purchase Agreement with QBE. In addition, our Other category primarily reflects our strategic investments, weather and energy risk management operations, investments unit, corporate expenses, capital servicing costs and noncontrolling interests.

Reinsurance

Our Reinsurance segment has two main units:

(1) Property catastrophe reinsurance, written for our own account, and for DaVinci, is our traditional core business. We believe we are one of the world’s leading providers of this coverage, based on catastrophe gross premiums written. This coverage protects against large natural catastrophes, such as earthquakes, hurricanes and tsunamis, as well as claims arising from other natural and man-made catastrophes such as winter storms, freezes, floods, fires, wind storms, tornadoes, explosions and acts of terrorism. We offer this coverage to insurance companies and other reinsurers primarily on an excess of loss basis. This means that we begin paying when our customers’ claims from a catastrophe exceed a certain retained amount.

(2) Specialty reinsurance, written for our own account, and for DaVinci, covering certain targeted classes of business where we believe we have a sound basis for underwriting and pricing the risk that we assume. Our portfolio includes various classes of business, such as catastrophe exposed workers’ compensation, surety, terrorism, political risk, trade credit, financial, mortgage guarantee, catastrophe-exposed personal lines property, casualty clash, certain other casualty lines and other specialty lines of reinsurance that we collectively refer to as specialty reinsurance. We believe that we are seen as a market leader in certain of these classes of business. We are seeking to expand our specialty reinsurance operations over time, although we cannot assure you that we will do so, particularly in light of current and forecasted market conditions.

Lloyd’s

Our Lloyd’s segment includes insurance and reinsurance business written for our own account through Syndicate 1458. Syndicate 1458 started writing certain lines of insurance and reinsurance business incepting on or after June 1, 2009. The syndicate was established to enhance our underwriting platform by providing access to Lloyd’s extensive distribution network and worldwide licenses. RenaissanceRe CCL, an indirect wholly owned subsidiary of the Company, is the sole corporate member of Syndicate 1458.

Insurance

Our Insurance segment includes the insurance policies written in connection with our Bermuda-based insurance operations which were not sold to QBE. Our Insurance segment is managed by the Global Chief Underwriting Officer. The Bermuda-based insurance business is written by Glencoe, a Bermuda domiciled excess and surplus lines insurance company that is currently eligible to do business on an excess and surplus lines basis in 49 U.S. states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Although we are not actively underwriting new business in the Insurance segment, we may from time to time evaluate potential new business opportunities for our Insurance segment.

Other

Our Other category primarily includes the results of: (1) our share of strategic investments in certain markets we believe offer attractive risk-adjusted returns or where we believe our investment adds value, such as our investments in the Tower Hill Companies, Essent Group Ltd. and the Angus Fund, where, rather than assuming exclusive management responsibilities ourselves, we partner with other market participants; (2) our weather and energy risk management operations primarily through Renaissance Trading and REAL, (3) our investment unit which manages and invests the funds generated by our consolidated operations and (4) corporate expenses, capital services costs and noncontrolling interests.

New Business

From time to time we consider diversification into new ventures, either through organic growth, the formation of new joint ventures, or the acquisition of or the investment in other companies or books of business of other companies. This potential diversification includes opportunities to write targeted, additional classes of risk-exposed business, both directly for our own account and through possible new joint venture opportunities. We also regularly evaluate potential strategic opportunities that we believe might utilize our skills, capabilities, proprietary technology and relationships to support possible expansion into further risk-related coverages, services and products. Generally, we focus on underwriting or trading risks where reasonably sufficient data may be available, and where our analytical abilities may provide us a competitive advantage, in order for us to seek to model estimated probabilities of losses and returns in accordance with our approach in respect of our then current portfolio of risks.

We regularly review potential strategic transactions that might improve our portfolio of business, enhance or focus our strategies, expand our distribution or capabilities, or to seek other benefits. In evaluating potential new ventures or investments, we generally seek an attractive estimated return on equity, the ability to develop or capitalize on a competitive advantage, and opportunities which we believe will not detract from our core operations. While we regularly review potential strategic transactions and periodically engage in discussions regarding possible transactions, there can be no assurance that we will complete any such transactions or that any such transaction would be successful or materially enhance our results of operations or financial condition. We believe that our ability to potentially attract investment and operational opportunities is supported by our strong reputation and financial resources, and by the capabilities and track record of our ventures unit.

Risk Management

We seek to develop and effectively utilize sophisticated computer models and other analytical tools to assess and manage the risks that we underwrite and attempt to optimize our portfolio of reinsurance and insurance contracts and other financial risks. Our policies, procedures, tools and resources to monitor and assess our operational risks companywide, as well as our global enterprise-wide risk management practices, are overseen by our Chief Risk Officer, who reports directly to our Chief Financial Officer.

With respect to our Reinsurance operations, since 1993 we have developed and continuously seek to improve our proprietary, computer-based pricing and exposure management system, REMS©. We believe that REMS©, as updated from time to time, is a more robust underwriting and risk management system than is currently commercially available elsewhere in the reinsurance industry and offers us a significant competitive advantage. REMS© was originally developed to analyze catastrophe risks, though we continuously seek ways to enhance the program in order to analyze other classes of risk.

SUMMARY OF CRITICAL ACCOUNTING ESTIMATES

The Company's critical accounting estimates are discussed in Management's Discussion and Analysis of Financial Condition and Results of Operations found in our Annual Report on Form 10-K for the year ended December 31, 2010.

SUMMARY OF RESULTS OF OPERATIONS

For the three months ended June 30, 2011 compared to the three months ended June 30, 2010

Summary Overview

Three months ended June 30, (in thousands of U.S. dollars, except per share amounts and ratios)	2011	2010	Change
Gross premiums written	$641,563	$506,540	$ 135,023
Net premiums written	427,995	329,334	98,661
Net premiums earned	217,175	212,171	5,004
Net claims and claim expenses incurred	151,261	(18,803)	170,064
Acquisition expenses	13,883	23,580	(9,697)
Operational expenses	42,299	38,040	4,259
Underwriting income	9,732	169,354	(159,622)
Net investment income	33,328	26,173	7,155
Net realized and unrealized gains on investments	34,979	70,051	(35,072)
Net other-than-temporary impairments	—	(796)	796
Income from continuing operations	65,511	253,850	(188,339)
(Loss) income from discontinued operations	(10,094)	18,881	(28,975)
Net income	55,417	272,731	(217,314)
Net income available to RenaissanceRe common shareholders	24,764	210,241	(185,477)
Net income available to RenaissanceRe common shareholders per common share - diluted	$ 0.48	$ 3.66	$ (3.18)
Net claims and claim expense ratio - current accident year	79.2%	29.0%	50.2%
Net claims and claim expense ratio - prior accident years	(9.6%)	(37.9%)	28.3%
Net claims and claim expense ratio - calendar year	69.6%	(8.9%)	78.5%
Underwriting expense ratio	25.9%	29.1%	(3.2%)
Combined ratio	95.5%	20.2%	75.3%

	June 30, 2011	March 31, 2011	Change	% Change
Book value per common share	$ 57.30	$ 57.01	$ 0.29	0.5%
Accumulated dividends per common share	10.40	10.14	0.26	2.6%
Book value per common share plus accumulated dividends	$ 67.70	$ 67.15	$ 0.55	

Net income available to RenaissanceRe common shareholders was $24.8 million in the second quarter of 2011, compared to $210.2 million in the second quarter of 2010. Net income available to RenaissanceRe common shareholders per fully diluted common share was $0.48 for the second quarter of 2011, compared to $3.66 in the second quarter of 2010. The decrease in net income attributable to RenaissanceRe common shareholders in the second quarter of 2011, compared to the second quarter of 2010, was primarily due to:

- *Significantly Decreased Underwriting Income* – our underwriting income of $9.7 million in the second quarter of 2011 decreased $159.6 million, from $169.4 million in the second quarter of 2010, primarily due to underwriting losses of $99.9 million as a result of the large U.S. tornadoes in the second quarter of 2011 and a decrease in favorable development of $59.6 million, to $20.7 million in the second quarter of 2011, compared to $80.2 million of favorable development in the second quarter of 2010, as described in more detail below;

- *Lower Investment Results* – including a $35.1 million decrease in net realized and unrealized gains on investments and offset in part by a $7.2 million increase in net investment income, which collectively decreased our net income by $27.9 million in the second quarter of 2011, compared to the second quarter of 2010. The decrease in our investment results was primarily due to the lower total returns on the fixed maturity investments portfolio, and partially offset by improved returns on certain non-investment grade allocations included in other investments;
- *Loss From Discontinued Operations* – loss from discontinued operations of $10.1 million in the second quarter of 2011 is primarily due to the recognition of a $10.0 million expense related to a contractual obligation to pay, or otherwise reimburse, QBE for amounts up to $10.0 million for net adverse development on prior accident years net claims and claims expenses; and partially offset by
- *Net Income Attributable to Redeemable Noncontrolling Interest – DaVinciRe* – our net income attributable to redeemable noncontrolling interest – DaVinciRe was $21.7 million in the second quarter of 2011, compared to $51.9 million in the second quarter of 2010, a decrease of $30.2 million, principally due to a significant reduction in underwriting income due to the increase in current accident year net claims and claim expenses as noted above, which also impacted DaVinciRe and decreased its net income in the second quarter of 2011.

Book value per common share increased $0.29 to $57.30 at June 30, 2011, compared to $57.01 at March 31, 2011. Book value per common share plus accumulated dividends increased $0.55 to $67.70 at June 30, 2011, compared to $67.15 at March 31, 2011. The 0.5% increase in book value per common share was driven by comprehensive income attributable to RenaissanceRe common shareholders of $31.7 million, combined with $13.4 million and $8.8 million of common and preferred dividends, respectively, during the second quarter of 2011. We did not repurchase any common shares under our authorized share repurchase program during the second quarter of 2011.

Net Negative Impact of Large U.S. Tornadoes in the Second Quarter of 2011

The net negative impact from the large U.S. tornadoes in the second quarter of 2011 includes the sum of estimates of net claims and claim expenses incurred, earned reinstatement premiums assumed and ceded, lost profit commissions and redeemable noncontrolling interest – DaVinciRe. Our estimates are based on a review of our potential exposures, preliminary discussions with certain counterparties and catastrophe modeling techniques. Given the magnitude and recent occurrence of these events, delays in receiving claims data, potential uncertainties relating to reinsurance recoveries and other uncertainties inherent in loss estimation, meaningful uncertainty remains regarding losses from these events. Accordingly, our actual net negative impact from these events will vary from these preliminary estimates, perhaps materially so. Changes in these estimates will be recorded in the period in which they occur.

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See the supplemental financial data below for additional information detailing the net negative impact due to the large U.S. tornadoes in the second quarter of 2011 on our consolidated financial statements for the second quarter of 2011.

Three months ended June 30, 2011 (in thousands of U.S. dollars, except ratios)	Large U.S. Tornadoes
Net claims and claim expenses incurred	$(121,655)
Reinstatement premiums earned	22,499
Lost profit commissions	(708)
Net impact on underwriting result	(99,864)
Redeemable noncontrolling interest - DaVinciRe	29,054
Net negative impact	$ (70,810)
Percentage point impact on consolidated combined ratio	51.8
Net negative impact on Reinsurance segment underwriting result	$ (96,944)
Net negative impact on Lloyd’s segment underwriting result	(2,920)
Net negative impact on underwriting result	$ (99,864)

Underwriting Results

In the second quarter of 2011, we generated underwriting income of $9.7 million, compared to $169.4 million in the second quarter of 2010. The decrease in underwriting income was driven primarily by a $170.1 million increase in net claims and claim expenses, partially offset by a $5.0 million increase in net premiums earned and a $9.7 million decrease in acquisition costs. We generated a net claims and claim expense ratio of 69.6%, an underwriting expense ratio of 25.9% and a combined ratio of 95.5% in the second quarter of 2011, compared to negative 8.9%, 29.1% and 20.2%, respectively, in the second quarter of 2010.

Gross premiums written increased $135.0 million, or 26.7%, to $641.6 million in the second quarter of 2011, compared to $506.5 million in the second quarter of 2010. As discussed in more detail below, the increase in gross premiums written was primarily due to more favorable pricing and terms experienced in our catastrophe unit during the June 2011 renewals, compared to the June 2010 renewals, $22.5 million of reinstatement premiums in the second quarter of 2011 principally within our catastrophe unit, and excluding the impact of an intercompany quota share agreement in the second quarter of 2010, and an increase in our Lloyd’s segment gross premiums written of $20.3 million in the second quarter of 2011, compared to the second quarter of 2010, primarily due to Syndicate 1458 increasing its book of business across most lines of business. The improving market conditions in our catastrophe unit were principally driven by the comparably high level of catastrophes experienced in the first and second quarters of 2011 which impacted the capital position of many participants in the (re)insurance industry, combined with the forecast of above normal hurricane activity in the Atlantic basin. Excluding the impact of $22.5 million of reinstatement premiums written in the second quarter of 2011, our gross premiums written increased $112.5 million, or 22.2%, in the second quarter of 2011, compared to the second quarter of 2010.

Net premiums written increased $98.7 million in the second quarter of 2011 to $428.0 million from $329.3 million in the second quarter of 2010. The increase in net premiums written was primarily due to the increase in gross premiums written noted above and offset by a $36.4 million increase in ceded premiums written in the second quarter of 2011 compared to the second quarter of 2010.

Net claims and claim expenses increased by $170.1 million to $151.3 million in the second quarter of 2011, compared to negative $18.8 million in the second quarter of 2010, due to higher current accident year losses and a decrease in favorable development on prior years reserves. Insured losses from catastrophes were higher in the second quarter of 2011, compared to the second quarter of 2010, specifically as a result of the large U.S. tornadoes which occurred in the second quarter of 2011 and impacted our Reinsurance and Lloyd's segment results, as discussed in more detail below. We experienced $20.7 million of favorable development on prior years reserves in the second quarter of 2011, compared to $80.2 million in the second quarter of 2010, as discussed in detail below.

The decrease in the underwriting expense ratio to 25.9% in the second quarter of 2011, from 29.1% in the second quarter of 2010, was primarily due to a $9.7 million decrease in acquisition expense as a result of an increase in profit commissions earned during the second quarter of 2011, combined with reinstatement premiums written and earned, which do not incur acquisition expenses.

Underwriting Results by Segment

Reinsurance Segment

Below is a summary of the underwriting results and ratios for our Reinsurance segment followed by an analysis of our catastrophe unit and specialty unit underwriting results and ratios:

Reinsurance segment overview

Three months ended March 31, (in thousands of U.S. dollars, except ratios)	2011	2010	Change
Gross premiums written (1)	$607,404	$496,517	$ 110,887
Net premiums written	$395,856	$319,000	$ 76,856
Net premiums earned	199,461	198,223	1,238
Net claims and claim expenses incurred	143,219	(30,332)	173,551
Acquisition expenses	10,431	17,941	(7,510)
Operational expenses	32,901	29,869	3,032
Underwriting income	$ 12,910	$180,745	$(167,835)
Net claims and claim expenses incurred - current accident year	$162,398	$ 50,994	$ 111,404
Net claims and claim expenses incurred - prior accident years	(19,179)	(81,326)	62,147
Net claims and claim expenses incurred - total	$143,219	$ (30,332)	$ 173,551
Net claims and claim expense ratio - current accident year	81.4%	25.7%	55.7%
Net claims and claim expense ratio - prior accident years	(9.6%)	(41.0%)	31.4%
Net claims and claim expense ratio - calendar year	71.8%	(15.3%)	87.1%
Underwriting expense ratio	21.7%	24.1%	(2.4%)
Combined ratio	93.5%	8.8%	84.7%

(1) Reinsurance gross premiums written includes $Nil and $0.1 million of premiums assumed from the Insurance segment for the three months ended June 30, 2011 and 2010, respectively.

Reinsurance Segment Gross Premiums Written – Gross premiums written in our Reinsurance segment increased by $110.9 million, or 22.3%, to $607.4 million in the second quarter of 2011, compared to $496.5 million in the second quarter of 2010, primarily due to an increase in gross premiums written in our catastrophe unit which experienced an improving pricing environment during the June 2011 reinsurance renewals, compared to the then softening market conditions experienced during the June 2010 reinsurance renewals and was positively impacted by reinstatement premiums written on the large U.S. tornadoes in the second quarter of 2011. Excluding the impact of $22.4 million of reinstatement premiums written in the second quarter of 2011 within our catastrophe unit, our Reinsurance segment gross premiums written increased $88.5 million, or 17.8%. Our Reinsurance segment premiums are prone to significant volatility due to the timing of contract inception and also due to the business being characterized by a relatively small number of relatively large transactions.

Reinsurance Segment Underwriting Results – Our Reinsurance segment generated underwriting income of $12.9 million in the second quarter of 2011, compared to $180.7 million of underwriting income in the second quarter of 2010, a decrease of $167.8 million. In the second quarter of 2011, our Reinsurance segment generated a net claims and claim expense ratio of 71.8%, an underwriting expense ratio of 21.7% and a combined ratio of 93.5%, compared to negative 15.3%, 24.1% and 8.8%, respectively, in the second quarter of 2010.

The $167.8 million decrease in underwriting income and 84.7 percentage point increase in the combined ratio was principally due to a $111.4 million increase in current accident year losses and a $62.1 million decrease in favorable development on prior years reserves in the second quarter of 2011, compared to the second quarter of 2010. The increase in current accident year losses was primarily due to $118.7 million of net claims and claim expenses related to the large U.S. tornadoes in the second quarter of 2011, which added 55.5 percentage points to the Reinsurance segment's combined ratio after considering the impact of net reinstatement premiums earned and lost profit commission related to these events, as detailed in the table below.

Three months ended June 30, 2011 **(in thousands of U.S. dollars, except ratios)**	**Large U.S. Tornadoes**
Net claims and claim expenses incurred	$(118,655)
Reinstatement premiums earned	22,419
Lost profit commissions	(708)
Net impact on Reinsurance segment underwriting result	$ (96,944)
Net negative impact on catastrophe unit underwriting result	$ (96,944)
Net negative impact on specialty unit underwriting result	—
Net impact on Reinsurance segment underwriting result	$ (96,944)
Percentage point impact on Reinsurance segment combined ratio	55.5

During the second quarter of 2011, we experienced favorable development on prior years reserves of $19.2 million principally attributable to net reductions in estimated ultimate losses on certain specific events within the catastrophe unit of $11.8 million and $7.4 million related to lower than expected claims emergence within the specialty unit. During the second quarter of 2010, we experienced favorable development on prior years reserves of $81.3 million, including $60.9 million and $20.5 million in our catastrophe and specialty units, respectively. The favorable development on prior year reserves in our catastrophe unit was primarily due to reductions of $33.6 million in estimated ultimate losses associated with a review of mature, large, mainly international catastrophe events conducted during the quarter, $11.2 million associated with decreases in estimated ultimate losses on certain specific catastrophe events, including the 2004 hurricanes, 2005 hurricanes and the 2009 Australian floods, as a result of lower than expected claims emergence, and $15.7 million due to better than expected claims emergence associated with a large number of relatively small catastrophes. In addition, our specialty unit experienced lower than expected claims emergence on prior accident year losses in the second quarter of 2010 which resulted in $20.5 million of favorable development on prior year reserves. The decrease in the underwriting expense ratio to 21.7% in the second quarter of 2011, from 24.1% in the second quarter of 2010, was principally driven by a $7.5 million decrease in acquisition expenses due to an increase in profit commissions earned during the second quarter of 2011, combined with the reinstatement premiums written and earned, which do not incur acquisition expenses.

We have entered into joint ventures and specialized quota share cessions of our book of business. In accordance with the joint venture and quota share agreements, we are entitled to certain profit commissions and fee income, subject to the terms of these agreements. We record these profit commissions and fees as a reduction in acquisition and operating expenses and, accordingly, these fees have generally reduced our underwriting expense ratios. These fees totaled $24.6 million and $14.7 million for the second quarters of 2011 and 2010, respectively, and resulted in a corresponding decrease to the Reinsurance segment underwriting expense ratio of 12.3% and 6.8% for the second quarters of 2011 and 2010, respectively. In addition, our agreements with DaVinci provide for certain fee income

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and profit commissions. Because the results of DaVinci, and its parent DaVinciRe, are consolidated in our results of operations, these fees and profit commissions are eliminated in our consolidated financial statements and are principally reflected in redeemable noncontrolling interest – DaVinciRe. The net impact of all fees and profit commissions related to these joint ventures and specialized quota share cessions within our Reinsurance segment was $15.5 million and $21.5 million for the second quarters of 2011 and 2010, respectively.

Catastrophe

Below is a summary of the underwriting results and ratios for our catastrophe unit:

Catastrophe unit overview

Three months ended June 30, (in thousands of U.S. dollars, except ratios)	2011	2010	Change
Property catastrophe gross premiums written			
Renaissance	$366,929	$302,625	$ 64,304
DaVinci	216,317	186,917	29,400
Total property catastrophe gross premiums written (1)	$583,246	$489,542	$ 93,704
Net premiums written	$373,039	$312,491	$ 60,548
Net premiums earned	167,509	173,910	(6,401)
Net claims and claim expenses incurred	127,374	(40,043)	167,417
Acquisition expenses	5,896	15,380	(9,484)
Operational expenses	25,460	24,045	1,415
Underwriting income	$ 8,779	$174,528	$(165,749)
Net claims and claim expenses incurred - current accident year	$139,161	$ 20,826	$ 118,335
Net claims and claim expenses incurred - prior accident years	(11,787)	(60,869)	49,082
Net claims and claim expenses incurred - total	$127,374	$ (40,043)	$ 167,417
Net claims and claim expense ratio - current accident year	83.1%	12.0%	71.1%
Net claims and claim expense ratio - prior accident years	(7.1%)	(35.0%)	27.9%
Net claims and claim expense ratio - calendar year	76.0%	(23.0%)	99.0%
Underwriting expense ratio	18.8%	22.6%	(3.8%)
Combined ratio	94.8%	(0.4%)	95.2%

(1) Includes gross premiums written ceded from the Insurance segment to the catastrophe unit of $Nil and $0.1 million for the three months ended June 30, 2011 and 2010, respectively.

Catastrophe Reinsurance Gross Premiums Written – In the second quarter of 2011, our catastrophe reinsurance gross premiums written increased by $93.7 million, or 19.1%, to $583.2 million, compared to the second quarter of 2010. The increase is primarily due to an improving pricing environment during the June 2011 reinsurance renewals, compared to the market conditions experienced during the June 2010 reinsurance renewals and reinstatement premiums written on the large U.S. tornadoes in the second quarter of 2011. Excluding the impact of $22.4 million of reinstatement premiums written in the second quarter of 2011, our catastrophe unit gross premiums written increased $71.3 million, or 14.6%. Our property catastrophe reinsurance gross premiums written continue to be characterized by a large percentage of U.S. and Caribbean premium, as we have found business derived from exposures in Europe or the rest of the world to be, in general, less attractive on a risk-adjusted basis during recent periods. A significant amount of our U.S. and Caribbean premium provides coverage against windstorms, mainly U.S. Atlantic hurricanes, as well as earthquakes and other natural and man-made catastrophes.

Catastrophe Reinsurance Underwriting Results – Our catastrophe unit generated underwriting income of $8.8 million in the second quarter of 2011, compared to $174.5 million in the second quarter of 2010, a decrease of $165.7 million. The decrease in underwriting income was due primarily to a $167.4 million increase in net claims and claim expenses as a result of the large U.S. tornadoes in the second quarter of 2011, and partially offset by a $9.5 million decrease in acquisition expenses, as discussed below.

In the second quarter of 2011, our catastrophe unit generated a net claims and claim expense ratio of 76.0%, an underwriting expense ratio of 18.8% and a combined ratio of 94.8%, compared to negative 23.0%, 22.6% and negative 0.4%, respectively, in the second quarter of 2010. The increase in the net claims and claim expense ratio and combined ratio is primarily due to $118.7 million of net claims and claim expenses related to the large U.S. tornadoes in the second quarter of 2011, which added 67.7 percentage points to the catastrophe unit's combined ratio after considering the impact of net reinstatement premiums earned and lost profit commissions related to these events, as detailed in the table below.

Three months ended June 30, 2011 **(in thousands of U.S. dollars, except ratios)**	**Large U.S. Tornadoes**
Net claims and claim expenses incurred	$(118,655)
Reinstatement premiums earned	22,419
Lost profit commissions	(708)
Net impact on catastrophe unit underwriting result	$ (96,944)
Percentage point impact on catastrophe unit combined ratio	67.7

During the second quarter of 2011, we experienced $11.8 million of favorable development on prior year reserves, compared to $60.9 million of favorable development on prior accident years reserves in the second quarter of 2010. The favorable development in the second quarter of 2011 was primarily related to decreases in estimated ultimate losses on certain specific events, including $3.5 million related to the 2005 hurricanes and $3.0 million related to the 2007 California wildfires, with the remainder due to better than expected claims emergence associated with a number of other catastrophes. The favorable development in the second quarter of 2010 was due to reductions of $33.6 million in estimated ultimate losses associated with a review of mature, large, mainly international catastrophe events conducted during the quarter, $11.2 million associated with decreases in estimated ultimate losses on certain specific catastrophe events, including the 2004 hurricanes, 2005 hurricanes and the 2009 Australian floods, as a result of lower than expected claims emergence, and $15.7 million due to better than expected claims emergence associated with a large number of relatively small catastrophes.

The decrease in the underwriting expense ratio to 18.8% in the second quarter of 2011, from 22.6% in the second quarter of 2010, was primarily due to a $9.5 million decrease in acquisition expense as a result of an increase in profit commissions earned during the second quarter of 2011, combined with reinstatement premiums written and earned, which do not incur acquisition expenses.

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Specialty

Below is a summary of the underwriting results and ratios for our specialty reinsurance unit:

Specialty unit overview

Three months ended June 30, (in thousands of U.S. dollars, except ratios)	2011	2010	Change
Specialty gross premiums written			
Renaissance	$23,066	$ 7,389	$15,677
DaVinci	1,092	(414)	1,506
Total specialty gross premiums written	$24,158	$ 6,975	$17,183
Net premiums written	$22,817	$ 6,509	$16,308
Net premiums earned	31,952	24,313	7,639
Net claims and claim expenses incurred	15,845	9,711	6,134
Acquisition expenses	4,535	2,561	1,974
Operational expenses	7,441	5,824	1,617
Underwriting income	$ 4,131	$ 6,217	$ (2,086)
Net claims and claim expenses incurred - current accident year	$23,237	$ 30,168	$ (6,931)
Net claims and claim expenses incurred - prior accident years	(7,392)	(20,457)	13,065
Net claims and claim expenses incurred - total	$15,845	$ 9,711	$ 6,134
Net claims and claim expense ratio - current accident year	72.7%	124.1%	(51.4%)
Net claims and claim expense ratio - prior accident years	(23.1%)	(84.2%)	61.1%
Net claims and claim expense ratio - calendar year	49.6%	39.9%	9.7%
Underwriting expense ratio	37.5%	34.5%	3.0%
Combined ratio	87.1%	74.4%	12.7%

Specialty Reinsurance Gross Premiums Written – In the second quarter of 2011, our specialty reinsurance gross premiums written increased $17.2 million, or 246.4%, to $24.2 million, compared to $7.0 million in the second quarter of 2010, primarily due to the inception of a number of new contracts during the second quarter of 2011 which met our risk-adjusted return thresholds. Our specialty reinsurance premiums are prone to significant volatility as this business is characterized by a relatively small number of comparably large transactions.

Specialty Reinsurance Underwriting Results – Our specialty unit generated $4.1 million of underwriting income in the second quarter of 2011, compared to $6.2 million in the second quarter of 2010, a decrease of $2.1 million, principally due to increases in net claims and claim expenses incurred of $6.1 million and underwriting expenses of $3.6 million, partially offset by an increase in net premiums earned of $7.6 million.

In the second quarter of 2011, our specialty unit generated a net claims and claim expense ratio of 49.6%, an underwriting expense ratio of 37.5% and a combined ratio of 87.1%, compared to 39.9%, 34.5% and 74.4%, respectively, in the second quarter of 2010. The 12.7 percentage point increase in the combined ratio is principally driven by the $7.6 million increase in net premiums earned, the $13.1 million decrease in favorable development on prior accident years and the $6.9 million decrease in current accident year losses. The favorable development on prior accident years in the second quarter of 2011 was primarily due to lower than expected claims emergence. In addition, underwriting expenses increased due to higher allocated operating expenses and a relative increase in contracts with higher acquisition expense ratios during the second quarter of 2011.

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Lloyd's Segment

Below is a summary of the underwriting results and ratios for our Lloyd's segment:

Lloyd's segment overview

Three months ended June 30, (in thousands of U.S. dollars, except ratios)	2011	2010	Change
Lloyd's gross premiums written			
Specialty	$17,546	$ 6,508	$ 11,038
Catastrophe	16,580	7,324	9,256
Insurance	—	21,009	(21,009)
Total Lloyd's gross premiums written (1)	$34,126	$34,841	$ (715)
Net premiums written	$32,084	$32,330	$ (246)
Net premiums earned	17,233	16,630	603
Net claims and claim expenses incurred	8,619	7,752	867
Acquisition expenses	3,305	3,172	133
Operational expenses	8,635	4,953	3,682
Underwriting (loss) income	$ (3,326)	$ 753	$ (4,079)
Net claims and claim expenses incurred - current accident year	$ 9,612	$ 7,814	$ 1,798
Net claims and claim expenses incurred - prior accident years	(993)	(62)	(931)
Net claims and claim expenses incurred - total	$ 8,619	$ 7,752	$ 867
Net claims and claim expense ratio - current accident year	55.8%	47.0%	8.8%
Net claims and claim expense ratio - prior accident years	(5.8%)	(0.4%)	(5.4%)
Net claims and claim expense ratio - calendar year	50.0%	46.6%	3.4%
Underwriting expense ratio	69.3%	48.9%	20.4%
Combined ratio	119.3%	95.5%	23.8%

(1) Includes gross premiums written ceded from the Insurance segment to the Lloyd's unit of $Nil and $21.0 million for the three months ended June 30, 2011 and 2010, respectively.

Lloyd's Gross Premiums Written – Gross premiums written in our Lloyd's segment decreased by $0.7 million, or 2.1%, to $34.1 million in the second quarter of 2011, compared to $34.8 million in the second quarter of 2010. Excluding the impact of an intercompany quota share agreement in the second quarter of 2010, gross premiums written in the Lloyd's segment increased $20.3 million, or 146.7%, primarily due to Syndicate 1458 growing its book of business across the majority of its lines of business.

Lloyd's Underwriting Results – Our Lloyd's segment incurred an underwriting loss of $3.3 million and a combined ratio of 119.3% in the second quarter of 2011, compared to generating underwriting income of $0.8 million and a combined ratio of 95.5%, in the second quarter of 2010. Included in net claims and claim expenses for the second quarter of 2011 are $3.0 million of net claims and claim expenses related to the large U.S. tornadoes in the second quarter of 2011. Operational expenses increased $3.7 million, to $8.6 million in the second quarter of 2011, compared to the second quarter of 2011, and principally include compensation and related operating expenses. The increase in the underwriting expense ratio to 69.3% in the second quarter of 2011, from 48.9% in the second quarter of 2010, was principally driven by the increase in operational expenses, noted above.

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Insurance Segment

Below is a summary of the underwriting results and ratios for our Insurance segment:

Insurance segment overview

Three months ended June 30, (in thousands of U.S. dollars, except ratios)	2011	2010	Change
Gross premiums written	$ 33	$ (3,742)	$ 3,775
Net premiums written	$ 55	$(21,996)	$22,051
Net premiums earned	$ 481	$ (2,682)	$ 3,163
Net claims and claim expenses incurred	(577)	3,777	(4,354)
Acquisition expenses	147	2,467	(2,320)
Operational expenses	763	3,218	(2,455)
Underwriting income (loss)	$ 148	$(12,144)	$12,292
Net claims and claim expenses incurred - current accident year	$ (78)	$ 2,627	$ (2,705)
Net claims and claim expenses incurred - prior years	(499)	1,150	(1,649)
Net claims and claim expenses incurred - total	$ (577)	$ 3,777	$ (4,354)
Net claims and claim expense ratio - current accident year	(16.2%)	NMF	NMF
Net claims and claim expense ratio - prior accident years	(103.8%)	NMF	NMF
Net claims and claim expense ratio - calendar year	(120.0%)	NMF	NMF
Underwriting expense ratio	189.2%	NMF	NMF
Combined ratio	69.2%	NMF	NMF

NMF - Not a meaningful figure.

Insurance policies and quota-share reinsurance contracts written in connection with our Bermuda-based insurance operations not sold to QBE are included in continuing operations and are reported in our Insurance segment. Although we are not actively underwriting new business in the Insurance segment at this time, we may from time to time evaluate potential new business opportunities for our Insurance segment.

Net Investment Income

Three months ended June 30, (in thousands of U.S. dollars)	2011	2010	Change
Fixed maturity investments	$24,426	$28,014	$ (3,588)
Short term investments	433	682	(249)
Equity investments trading	112	—	112
Other investments			
Hedge fund and private equity investments	8,230	8,188	42
Other	2,838	(8,184)	11,022
Cash and cash equivalents	45	22	23
	36,084	28,722	7,362
Investment expenses	(2,756)	(2,549)	(207)
Net investment income	$33,328	$26,173	$ 7,155

Net investment income increased $7.2 million to $33.3 million in the second quarter of 2011, compared to $26.2 million in the second quarter of 2010. The $7.2 million increase in net investment income was principally driven by an improvement of $11.0 million in the returns on certain non-investment grade investments included in other investments, and partially offset by a $3.6 million decrease in net investment income related to fixed maturity investments due to the continued low interest rate environment being experienced. The hedge fund, private equity and other investment portfolios are accounted for at fair value with the change in fair value recorded in net investment income which included net unrealized gains of $5.7 million in the second quarter of 2011, compared to $19.2 million of net unrealized losses in the second quarter of 2010.

Commencing in the first quarter of 2011, we established a portfolio of certain publicly traded equities which are reflected in our consolidated balance sheet as equity investments trading. This portfolio of equity investments is carried at fair value with dividend income included in net investment income, and realized and unrealized gains included in net realized and unrealized gains on investments, in our consolidated statements of operations. We expect to add to this portfolio during subsequent periods, although we do not expect it to represent a material portion of our invested assets or our financial results for the reasonably foreseeable period.

Historically low interest rates and lower spreads as compared to recent years have lowered the yields at which we invest our assets relative to historical levels. We expect these developments, combined with the current composition of our investment portfolio and other factors, to put downward pressure on our net investment income for the near term.

Net Realized and Unrealized Gains on Investments and Net Other-Than-Temporary Impairments

Three months ended June 30, (in thousands of U.S. dollars)	2011	2010	Change
Gross realized gains	$15,430	$28,753	$(13,323)
Gross realized losses	(4,156)	(5,962)	1,806
Net realized gains on fixed maturity investments	$11,274	$22,791	$(11,517)
Net unrealized gains on fixed maturity investments trading	24,728	47,260	(22,532)
Net unrealized losses on equity investments trading	(1,023)	—	(1,023)
Net realized and unrealized gains on investments	$34,979	$70,051	$(35,072)
Total other-than-temporary impairments	—	(798)	798
Portion recognized in other comprehensive income, before taxes	—	2	(2)
Net other-than-temporary impairments	$ —	$ (796)	$ 796

Our investment portfolio is structured to preserve capital and provide us with a high level of liquidity. A large majority of our investments are invested in the fixed income markets and, therefore, our realized holding gains and losses on investments are highly correlated to fluctuations in interest rates. Therefore, as interest rates decline, we will tend to have realized gains from the turnover of our investment portfolio, and as interest rates rise, we will tend to have realized losses from the turnover of our investment portfolio.

Net realized gains on investments were $11.3 million in the second quarter of 2011, compared to $22.8 million in the second quarter of 2010, a decrease of $11.5 million. The unrealized gains on our fixed maturity investments trading of $24.7 million during the second quarter of 2011 decreased $22.5 million, compared to $47.3 million in the second quarter of 2010, primarily as a result of the relatively lower interest rate environment. In addition, we recognized an unrealized loss of $1.0 million on our investments in certain publicly traded equity positions during the second quarter of 2011.

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Equity in Earnings of Other Ventures

Three months ended June 30, (in thousands of U.S. dollars)	2011	2010	Change
Top Layer Re	$3,967	$2,609	$1,358
Tower Hill Companies	1,216	229	987
Other	(55)	322	(377)
Total equity in earnings of other ventures	$5,128	$3,160	$1,968

Equity in earnings of other ventures primarily represents our pro-rata share of the net income (loss) from our investments in the Top Layer Re and the Tower Hill Companies. Equity in earnings of other ventures was $5.1 million in the second quarter of 2011, compared to $3.2 million in the second quarter of 2010. The $2.0 million increase was primarily due to improved profitability within both Top Layer Re and the Tower Hill Companies.

The equity in earnings from the Tower Hill Companies is recorded one quarter in arrears.

Other (Loss) Income

Three months ended June 30, (in thousands of U.S. dollars)	2011	2010	Change
Assumed and ceded reinsurance contracts accounted for as derivatives and deposits	$(1,022)	$(1,041)	$ 19
Weather and energy risk management operations	(3,779)	(492)	(3,287)
Mark-to-market on Platinum warrant	—	(1,668)	1,668
Other items	(366)	(541)	175
Total other (loss) income	$(5,167)	$(3,742)	$(1,425)

In the second quarter of 2011, we incurred an other loss of $5.2 million, compared to $3.7 million in the second quarter of 2010. The $1.4 million decrease is primarily due to other loss attributable to our weather and energy risk management operations which decreased $3.3 million due to overall less favorable trading conditions experienced during the second quarter of 2011, compared to the second quarter of 2010, partially offset by the absence of a mark-to-market adjustment on the Platinum warrant due to its sale during the first three months of 2011.

Certain contracts we enter in our weather and energy risk operations are based in part on proprietary weather forecasts provided to us by our Weather Predict subsidiary. The weather and energy risk operations in which we engage are both seasonal and volatile, and there is no assurance that our performance to date will be indicative of future periods. We continue to allocate an increasing amount of capital to our weather and energy risk management operations, and have offered certain new financial products within this group. Although there can be no assurances, it is possible that our results from these activities will increase on an absolute or relative basis over time.

Other Items

Net Income Attributable to Noncontrolling Interests

Net income attributable to noncontrolling interests decreased $30.0 million, to $21.9 million in the second quarter of 2011, compared to $51.9 million in the second quarter of 2010, primarily due to decreased profitability of DaVinciRe. The decreased profitability of DaVinciRe is primarily due to lower underwriting income in the second quarter of 2011, compared to the second quarter of 2010, principally due to the large U.S. tornadoes in the second quarter of 2011.

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(Loss) Income from Discontinued Operations

(Loss) income from discontinued operations includes the financial results of substantially all of our U.S.-based insurance operations sold to QBE. Loss from discontinued operations of $10.1 million in the second quarter of 2011 is primarily due to the recognition of a $10.0 million expense related to a contractually agreed obligation to pay, or otherwise reimburse, QBE for amounts potentially up to $10.0 million in respect of net adverse development on prior accident years net claims and claims expenses for reserves that were sold to QBE in conjunction with the sale. The $10.0 million represents the maximum amount payable under the reserve collar. We will continue to evaluate any favorable or adverse developments relating to the reserve collar quarterly pursuant to the terms of the Stock Purchase Agreement with QBE. Income from discontinued operations of $18.9 million in the second quarter of 2010 is primarily driven by favorable development on prior accident years in the crop insurance line of business in the second quarter of 2010.

SUMMARY OF RESULTS OF OPERATIONS

For the six months ended June 30, 2011 compared to the six months ended June 30, 2010

Summary Overview

Six months ended June 30, (in thousands of U.S. dollars, except per share amounts and ratios)	2011	2010	Change
Gross premiums written	$1,252,068	$1,022,551	$ 229,517
Net premiums written	880,570	736,493	144,077
Net premiums earned	522,716	462,824	59,892
Net claims and claim expenses incurred	779,798	78,537	701,261
Acquisition expenses	46,218	50,015	(3,797)
Operational expenses	84,129	83,190	939
Underwriting (loss) income	(387,429)	251,082	(638,511)
Net investment income	93,609	91,882	1,727
Net realized and unrealized gains on investments	29,765	118,251	(88,486)
Net other-than-temporary impairments	—	(829)	829
(Loss) income from continuing operations	(257,738)	428,575	(686,313)
(Loss) income from discontinued operations	(11,620)	30,328	(41,948)
Net (loss) income	(269,358)	458,903	(728,261)
Net (loss) income (attributable) available to RenaissanceRe common shareholders	(223,269)	375,288	(598,557)
Net (loss) income (attributable) available to RenaissanceRe common shareholders per common share - diluted	$ (4.39)	$ 6.37	$ (10.76)
Net claims and claim expense ratio - current accident year	166.2%	58.6%	107.6%
Net claims and claim expense ratio - prior accident years	(17.0%)	(41.6%)	24.6%
Net claims and claim expense ratio - calendar year	149.2%	17.0%	132.2%
Underwriting expense ratio	24.9%	28.8%	(3.9%)
Combined ratio	174.1%	45.8%	128.3%

	June 30, 2011	December 31, 2010	Change	% Change
Book value per common share	$ 57.30	$ 62.58	$ (5.28)	(8.4%)
Accumulated dividends per common share	10.40	9.88	0.52	5.3%
Book value per common share plus accumulated dividends	$ 67.70	$ 72.46	$ (4.76)	

Net (loss) income (attributable) available to RenaissanceRe common shareholders was $(223.3) million in the first six months of 2011, compared to $375.3 million in the first six months of 2010. Net (loss) income (attributable) available to RenaissanceRe common shareholders per fully diluted common share was $(4.39) for the first six months of 2011, compared to $6.37 in the first six months of 2010. The net loss attributable to RenaissanceRe common shareholders in the first six months of 2011, compared to the net income available to RenaissanceRe common shareholders in the first six months of 2010, was primarily due to:

- *Significant Catastrophe Events and Corresponding Underwriting Losses* – our underwriting loss of $387.4 million in the first six months of 2011 deteriorated $638.5 million from underwriting income of $251.1 million in the first six months of 2010, primarily due to $662.5 million of underwriting losses as a result of the Australian flooding, the February 2011 New Zealand earthquake, the earthquake and tsunami in Japan (collectively, the “Tohoku earthquake”), and the large U.S. tornadoes;
- *Lower Investment Results* – primarily related to an $88.5 million decrease in net realized and unrealized gains on investments in the first six months of 2011, compared to the first six months of 2010. The decrease in our investment results was primarily due to lower total returns in the fixed maturity investment portfolio, partially offset by higher returns in our investment in private equity investments;
- *Equity in Losses of Other Ventures* – primarily due to our equity investment in Top Layer Re incurred a loss of $18.5 million in the first six months of 2011, a decrease of $24.5 million compared to the first six months of 2010, due to claims and claim expenses in Top Layer Re related to the February 2011 New Zealand earthquake, as described in more detail below; and partially offset by
- *Net Loss Attributable to Redeemable Noncontrolling Interest – DaVinciRe* – our net loss attributable to redeemable noncontrolling interest – DaVinciRe was $64.0 million in the first six months of 2011, compared to net income attributable to redeemable noncontrolling interest – DaVinciRe of $62.5 million in the first six months of 2010, a change of $126.5 million, and principally due to a significant reduction in underwriting income, due to the increase in current accident year net claims and claim expenses as noted above, which also impacted DaVinciRe and resulted in a net loss in the first six months of 2011, and consequently decreased redeemable noncontrolling interest – DaVinciRe; and
- *Increased Other Income* – our other income was $45.0 million in the first six months of 2011, an improvement of $54.9 million compared to the first six months of 2010, primarily due to our ceded reinsurance contracts accounted for at fair value which generated $42.5 million in income in the first six months of 2011, compared to a loss of $2.6 million in the first six months of 2010, principally as a result of net recoverables from the Tohoku earthquake, combined with a $3.0 million gain on sale of the Platinum warrant, compared to an other loss of $5.4 million in the first six months of 2010.

Book value per common share decreased $5.28 to $57.30 at June 30, 2011, compared to $62.58 at December 31, 2010. Book value per common share plus accumulated dividends decreased $4.76 to $67.70 at June 30, 2011, compared to $72.46 at December 31, 2010. The 8.4% decrease in book value per common share was driven by comprehensive loss attributable to RenaissanceRe common shareholders of $207.6 million, combined with $26.7 million and $17.5 million of common and preferred dividends, respectively, during the first six months of 2011. During the first quarter of 2011, we repurchased approximately 2.7 million common shares in open market transactions at an aggregate cost of $174.8 million and at an average share price of $65.84. We did not repurchase any common shares under our authorized share repurchase program during the second quarter of 2011.

Net Negative Impact of Specific Events

Net negative impact includes the sum of estimates of net claims and claim expenses incurred, earned reinstatement premiums assumed and ceded, lost profit commissions, redeemable noncontrolling interest – DaVinci Re and equity in the net claims and claim expenses of Top Layer Re, and other income in respect of ceded reinsurance contracts accounted for at fair value. Our estimates are based on a review of our potential exposures, preliminary discussions with certain counterparties and catastrophe modeling techniques. Given the magnitude and recent occurrence of the various catastrophe events described herein, delays in receiving claims data, the contingent nature of business interruption and other exposures, potential uncertainties relating to reinsurance recoveries and other uncertainties inherent in loss estimation, meaningful uncertainty remains regarding losses from these events. In addition, a significant portion of the net claims and claim expenses associated with the February 2011 New Zealand and Tohoku earthquakes are concentrated with a few large clients and therefore the loss estimates for these events may vary significantly based on the claims experience of those clients. Accordingly, our actual net negative impact from these events will vary from these preliminary estimates, perhaps materially so. Changes in these estimates will be recorded in the period in which they occur.

See the supplemental financial data below for additional information detailing the net negative impact due to the large catastrophes of the first quarter of 2011, namely, the Australian flooding, the February 2011 New Zealand earthquake and the Tohoku earthquake, and the large U.S. tornadoes in the second quarter of 2011, on our consolidated financial statements for the first six months of 2011.

Six months ended June 30, 2011 (in thousands, except ratios)	Australian Flooding	February 2011 New Zealand Earthquake	Tohoku Earthquake	Large Tornadoes	Total
Net claims and claim expenses incurred	$(46,118)	$ (209,954)	$(399,989)	$(121,655)	$(777,716)
Assumed reinstatement premiums earned	8,672	23,375	82,087	22,499	136,633
Ceded reinstatement premiums earned	—	(2,140)	(9,889)	—	(12,029)
(Lost) earned profit commissions	(1,550)	(8,452)	1,337	(708)	(9,373)
Net impact on underwriting result	(38,996)	(197,171)	(326,454)	(99,864)	(662,485)
Equity in losses of Top Layer Re	—	(23,758)	—	—	(23,758)
Recoveries from ceded reinsurance contracts accounted for at fair value	—	—	44,903	—	44,903
Redeemable noncontrolling interest - DaVinciRe	8,148	42,183	66,120	29,054	145,505
Net negative impact	$(30,848)	$ (178,746)	$(215,431)	$ (70,810)	$(495,835)
Percentage point impact on consolidated combined ratio	6.3	36.2	60.6	16.6	143.2
Net negative impact on Reinsurance segment underwriting result	$(38,996)	$ (191,217)	$(313,912)	$ (96,944)	$(641,069)
Net negative impact on Lloyd's segment underwriting result	—	(5,954)	(12,542)	(2,920)	(21,416)
Net negative impact on underwriting result	$(38,996)	$ (197,171)	$(326,454)	$ (99,864)	$(662,485)

See the supplemental financial data below for additional information detailing the net negative impact due to the large catastrophes of the first six months of 2010, namely, the Chilean earthquake and European windstorm Xynthia ("Xynthia"), on our consolidated financial statements for the first six months of 2010.

Six months ended June 30, 2010 (in thousands of United States dollars)	Chilean Earthquake	Xynthia	Total
Net claims and claim expenses incurred	$(159,378)	$(23,895)	$(183,273)
Net reinstatement premiums earned	27,000	2,679	29,679
Lost profit commissions	(6,577)	(852)	(7,429)
Net impact on underwriting result	(138,955)	(22,068)	(161,023)
Noncontrolling interest - DaVinciRe	32,934	5,356	38,290
Net negative impact	$(106,021)	$(16,712)	$(122,733)
Impact on combined ratio	35.2	5.1	40.9

Underwriting Results

In the first six months of 2011, we incurred an underwriting loss of $387.4 million, compared to generating underwriting income of $251.1 million in the first six months of 2010. The decrease in underwriting income was driven primarily by a $701.3 million increase in net claims and claim expenses, partially offset by a $59.9 million increase in net premiums earned. We generated a net claims and claim expense ratio of 149.2%, an underwriting expense ratio of 24.9% and a combined ratio of 174.1%, in the first six months of 2011, compared to 17.0%, 28.8% and 45.8%, respectively, in the first six months of 2010.

Gross premiums written increased $229.5 million, or 22.4%, to $1,252.1 million in the first six months of 2011, compared to $1,022.6 million in the first six months of 2010. As discussed in more detail below, the increase in gross premiums written was primarily due to: $136.6 million of reinstatement premiums in the first six months of

2011, principally within our catastrophe unit, compared to $29.7 million in the first six months of 2010; improved pricing and terms experienced in our catastrophe unit during the June 2011 renewals, compared to the June 2010 renewals, which resulted in more contracts meeting our risk-adjusted return thresholds; and an increase in gross premiums written across the majority of the lines of business within our Lloyd’s segment, resulting in an increase in gross premiums written in the Lloyd’s segment of $21.9 million in the first six months of 2011, compared to the first six months of 2010. The market conditions in our catastrophe unit were relatively soft as we entered 2011, principally due to the comparably strong capital position of many participants in the (re)insurance industry, combined with recent years of relatively low levels of insured catastrophe losses; however, as a result of the large catastrophes experienced in the first quarter of 2011, namely the Australian flooding, the February 2011 New Zealand earthquake and the Tohoku earthquake, combined with the large U.S. tornadoes in the second quarter of 2011, the then softening market conditions exhibited an improvement and positively impacted the pricing and terms of the June 2011 renewals, compared to the June 2010 renewals. Excluding the impact of $136.6 million and $29.7 million of reinstatement premiums written in the first six months of 2011 and 2010, respectively, our gross premiums written increased $122.6 million, or 12.3%.

Net premiums written increased $144.1 million in the first six months of 2011 to $880.6 million from $736.5 million in the first six months of 2010. The increase in net premiums written was primarily due to the increase in gross premiums written noted above and offset by an $85.4 million increase in ceded premiums written in the first six months of 2011 compared to the first six months of 2010. Net premiums earned increased $59.9 million to $522.7 million in the first six months of 2011, compared to $462.8 million in the first six months of 2010, primarily due to the increase in gross premiums written, as noted above.

Net claims and claim expenses increased by $701.3 million to $779.8 million in the first six months of 2011, compared to $78.5 million in the first six months of 2010, due to higher current accident year losses and a decrease in favorable development on prior years reserves. Insured losses from catastrophes were significantly higher in the first six months of 2011, compared to the first six months of 2010, specifically as a result of the impact of the Australian flooding, the February 2011 New Zealand earthquake, the Tohoku earthquake and the large U.S. tornadoes, which occurred in the first six months of 2011 and impacted our Reinsurance and Lloyd’s segment results, as discussed in more detail below, compared to the first six months of 2010 which was impacted by the Chilean earthquake and Xynthia, and, as a result, our current accident year net claims and claim expenses increased to $868.6 million in the first six months of 2011, compared to $271.0 million in the first six months of 2010.

We experienced $88.8 million of favorable development on prior years reserves in the first six months of 2011, compared to $192.5 million in the first six months of 2010, as discussed in more detail below.

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Underwriting Results by Segment

Reinsurance Segment

Below is a summary of the underwriting results and ratios for our Reinsurance segment followed by an analysis of our catastrophe unit and specialty unit underwriting results and ratios:

Reinsurance segment overview

Six months ended June 30, (in thousands of U.S. dollars, except ratios)	2011	2010	Change
Gross premiums written (1)	$1,181,086	$ 995,102	$ 185,984
Net premiums written	$ 819,422	$ 707,658	$ 111,764
Net premiums earned	488,890	441,292	47,598
Net claims and claim expenses incurred	738,623	68,615	670,008
Acquisition expenses	40,223	40,600	(377)
Operational expenses	65,264	63,886	1,378
Underwriting (loss) income	$ (355,220)	$ 268,191	$(623,411)
Net claims and claim expenses incurred - current accident year	$ 829,760	$ 255,059	$ 574,701
Net claims and claim expenses incurred - prior accident years	(91,137)	(186,444)	95,307
Net claims and claim expenses incurred - total	$ 738,623	$ 68,615	$ 670,008
Net claims and claim expense ratio - current accident year	169.7%	57.8%	111.9%
Net claims and claim expense ratio - prior accident years	(18.6%)	(42.3%)	23.7%
Net claims and claim expense ratio - calendar year	151.1%	15.5%	135.6%
Underwriting expense ratio	21.6%	23.7%	(2.1%)
Combined ratio	172.7%	39.2%	133.5%

(1) Reinsurance gross premiums written includes $Nil and $0.2 million of premiums assumed from the Insurance segment for the six months ended June 30, 2011 and 2010, respectively.

Reinsurance Segment Gross Premiums Written – Gross premiums written in our Reinsurance segment increased by $186.0 million, or 18.7%, to $1,181.1 million in the first six months of 2011, compared to $995.1 million in the first six months of 2010, primarily due to an increase in gross premiums written in our catastrophe unit which was positively impacted by reinstatement premiums written on the February 2011 New Zealand earthquake, the Tohoku earthquake and the large U.S. tornadoes. Excluding the impact of $135.8 million and $29.7 million of reinstatement premiums written in the first six months of 2011 and 2010, respectively, our Reinsurance segment gross premiums written increased $79.9 million, or 8.3%, primarily due to the improving market conditions in our core markets during the June 2011 renewals, and partially offset by the then softer market conditions in our core markets during the January 2011 renewals. Our Reinsurance segment premiums are prone to significant volatility due to the timing of contract inception and also due to the business being characterized by a relatively small number of relatively large transactions.

Reinsurance Segment Underwriting Results – Our Reinsurance segment incurred an underwriting loss of $355.2 million in the first six months of 2011, compared to $268.2 million of underwriting income in the first six months of 2010, a decrease of $623.4 million. In the first six months of 2011, our Reinsurance segment generated a net claims and claim expense ratio of 151.1%, an underwriting expense ratio of 21.6% and a combined ratio of 172.7%, compared to 15.5%, 23.7% and 39.2%, respectively, in the first six months of 2010.

The $623.4 million decrease in underwriting income and 133.5 percentage point increase in the combined ratio was principally due to a $574.7 million increase in current accident year losses and a $95.3 million decrease in favorable development on prior years reserves in the first six months of 2011, compared to the first six months of 2010. The increase in current accident year losses was primarily due to the large catastrophes of the first quarter of 2011, namely, the Australian flooding, the February 2011 New Zealand earthquake and the Tohoku earthquake, and the large U.S. tornadoes in the second quarter of 2011, which negatively impacted the Reinsurance segment's underwriting result and combined ratio by $641.1 million and 151.0 percentage points, respectively, after considering the impact of net reinstatement premiums earned and net lost profit commission related to these events, as detailed in the table below.

Six months ended June 30, 2011 (in thousands, except ratios)	Australian Flooding	February 2011 New Zealand Earthquake	Tohoku Earthquake	Large U.S. Tornadoes	Total
Net claims and claim expenses incurred	$(46,118)	$ (204,000)	$(386,985)	$(118,655)	$(755,758)
Assumed reinstatement premiums earned	8,672	23,375	81,327	22,419	135,793
Ceded reinstatement premiums earned	—	(2,140)	(9,591)	—	(11,731)
(Lost) earned profit commissions	(1,550)	(8,452)	1,337	(708)	(9,373)
Net impact on Reinsurance segment underwriting result	$(38,996)	$ (191,217)	$(313,912)	$ (96,944)	$(641,069)
Net negative impact on catastrophe unit underwriting result	$(32,996)	$ (178,717)	$(293,912)	$ (96,944)	$(602,569)
Net negative impact on specialty unit underwriting result	(6,000)	(12,500)	(20,000)	—	(38,500)
Net impact on Reinsurance segment underwriting result	$(38,996)	$ (191,217)	$(313,912)	$ (96,944)	$(641,069)
Percentage point impact on Reinsurance segment combined ratio	6.8	37.6	62.8	17.3	151.0

During the first six months of 2010, our Reinsurance segment experienced $183.3 million of net claims and claim expenses related to the Chilean earthquake and Xynthia, as detailed in the table below.

Six months ended June 30, 2010 (in thousands of United States dollars)	Chilean Earthquake	Xynthia	Total
Net claims and claim expenses incurred	$(159,378)	$(23,895)	$(183,273)
Net reinstatement premiums earned	27,000	2,679	29,679
Lost profit commissions	(6,577)	(852)	(7,429)
Net impact on Reinsurance segment underwriting result	$(138,955)	$(22,068)	$(161,023)
Percentage point impact on Reinsurance segment combined ratio	37.5	5.4	43.5

During the first six months of 2011, we experienced favorable development on prior years reserves of $91.1 million, compared to $186.4 million of favorable development in the first six months of 2010. The favorable development of $91.1 million in the first six months of 2011 is principally attributable to reductions in estimated ultimate losses on certain specific events within the catastrophe unit of $31.5 million and within the specialty unit of $32.8 million related to lower than expected claims emergence and $26.8 million associated with actuarial assumption changes and the remainder due to certain specific events. The decrease in the underwriting expense ratio to 21.6% in the first six months of 2011, from 23.7% in the first six months of 2010, was principally driven by net premiums earned as a result of the reinstatement premiums written and earned, which do not incur acquisition expenses, and an increase in profit commissions earned in the first six months of 2011.

We have entered into joint ventures and specialized quota share cessions of our book of business. In accordance with the joint venture and quota share agreements, we are entitled to certain profit commissions and fee income, subject to the terms of these agreements. We record these profit commissions and fees as a reduction in acquisition and operating expenses and, accordingly, these fees have generally reduced our underwriting expense ratios. These fees totaled $29.1 million and $26.1 million for the first six months of 2011 and 2010, respectively, and resulted in a corresponding decrease to the Reinsurance segment underwriting expense ratio of 6.0% and 5.6% for the first six months of 2011 and 2010, respectively. In addition, our agreements with DaVinci provide for certain fee income and profit commissions. Because the results of DaVinci, and its parent DaVinciRe, are consolidated in our results of operations, these fees and profit commissions are eliminated in our consolidated financial statements and are principally reflected in redeemable noncontrolling interest – DaVinciRe. The net impact of all fees and profit commissions related to these joint ventures and specialized quota share cessions within our Reinsurance segment was $16.7 million and $43.0 million for the first six months of 2011 and 2010, respectively.

Catastrophe

Below is a summary of the underwriting results and ratios for our catastrophe unit:

Catastrophe unit overview

Six months ended June 30, (in thousands of U.S. dollars, except ratios)	2011	2010	Change
Property catastrophe gross premiums written			
Renaissance	$ 678,571	$570,919	$ 107,652
DaVinci	403,353	342,743	60,610
Total property catastrophe gross premiums written (1)	$1,081,924	$913,662	$ 168,262
Net premiums written	$ 725,676	$629,755	$ 95,921
Net premiums earned	422,798	386,808	35,990
Net claims and claim expenses incurred	713,892	109,461	604,431
Acquisition expenses	29,509	34,054	(4,545)
Operational expenses	50,461	52,057	(1,596)
Underwriting (loss) income	$ (371,064)	$191,236	$(562,300)
Net claims and claim expenses incurred - current accident year	$ 745,388	$201,922	$ 543,466
Net claims and claim expenses incurred - prior accident years	(31,496)	(92,461)	60,965
Net claims and claim expenses incurred - total	$ 713,892	$109,461	$ 604,431
Net claims and claim expense ratio - current accident year	176.3%	52.2%	124.1%
Net claims and claim expense ratio - prior accident years	(7.5%)	(23.9%)	16.4%
Net claims and claim expense ratio - calendar year	168.8%	28.3%	140.5%
Underwriting expense ratio	19.0%	22.3%	(3.3%)
Combined ratio	187.8%	50.6%	137.2%

(1) Includes gross premiums written ceded from the Insurance segment to the catastrophe unit of $Nil and $0.2 million for the six months ended June 30, 2011 and 2010, respectively.

Catastrophe Reinsurance Gross Premiums Written – In the first six months of 2011, our catastrophe reinsurance gross premiums written increased by $168.3 million, or 18.4%, to $1,081.9 million, compared to $913.7 million in the first six months of 2010. The increase is primarily due to reinstatement premiums written on the February 2011 New Zealand and Tohoku earthquakes, the large U.S. tornadoes in the second quarter of 2011, and the improving market conditions in our core markets during the June 2011 renewals, partially offset by the then softer market conditions in our core markets during the January 2011 renewals. Excluding the impact of $135.8 million and $29.7 million of reinstatement premiums written in the first six months of 2011 and 2010, respectively, our catastrophe unit gross premiums written increased $62.1 million, or 7.0%. Our property catastrophe reinsurance gross premiums written continue to be characterized by a large percentage of U.S. and Caribbean premium, as we have found business derived from exposures in Europe or the rest of the world to be, in general, less attractive on a risk-adjusted basis during recent periods. A significant amount of our U.S. and Caribbean premium provides coverage against windstorms, mainly U.S. Atlantic hurricanes, as well as earthquakes and other natural and man-made catastrophes.

Catastrophe Reinsurance Underwriting Results – Our catastrophe unit incurred an underwriting loss of $371.1 million in the first six months of 2011, compared to $191.2 million of underwriting income in the first six months of 2010, a decrease of $562.3 million. The decrease in underwriting income was primarily due to a $543.5 million increase in current accident year claims and claim expenses as a result of the large events in the first six months of 2011, a decrease of $61.0 million in favorable development on prior accident years claims and claim expenses and partially offset by a $36.0 million increase in net premiums earned due to the reinstatement premiums written and earned, noted above.

In the first six months of 2011, our catastrophe unit generated a net claims and claim expense ratio of 168.8%, an underwriting expense ratio of 19.0% and a combined ratio of 187.8%, compared to 28.3%, 22.3% and 50.6%, respectively, in the first six months of 2010. The increase in the net claims and claim expense ratio and combined ratio is primarily due to $717.3 million of net claims and claim expenses related to the large catastrophes of the first six months of 2011, which added 165.3 percentage points to the catastrophe unit's combined ratio after considering the impact of net reinstatement premiums earned and net lost profit commission related to these events, as detailed in the table below.

Six months ended June 30, 2011 (in thousands, except ratios)	Australian Flooding	February 2011 New Zealand Earthquake	Tohoku Earthquake	Large U.S. Tornadoes	Total
Net claims and claim expenses incurred	$(40,118)	$ (191,500)	$(366,985)	$(118,655)	$(717,258)
Assumed reinstatement premiums earned	8,672	23,375	81,327	22,419	135,793
Ceded reinstatement premiums earned	—	(2,140)	(9,591)	—	(11,731)
(Lost) earned profit commissions	(1,550)	(8,452)	1,337	(708)	(9,373)
Net impact on catastrophe unit underwriting result	$(32,996)	$ (178,717)	$(293,912)	$ (96,944)	$(602,569)
Percentage point impact on catastrophe unit combined ratio	6.2	39.9	65.8	19.3	165.3

During the first six months of 2010, our catastrophe unit experienced $175.8 million of net claims and claim expenses related to the Chilean earthquake and Xynthia, which added 47.1 percentage points to the catastrophe unit's combined ratio after considering the impact of net reinstatement premiums earned and lost profit commission related to these events, as detailed in the table below.

Six months ended June 30, 2010 (in thousands of United States dollars)	Chilean Earthquake	Xynthia	Total
Net claims and claim expenses incurred	$(151,878)	$(23,895)	$(175,773)
Net reinstatement premiums earned	27,000	2,679	29,679
Lost profit commissions	(6,577)	(852)	(7,429)
Net impact on catastrophe unit underwriting result	$(131,455)	$(22,068)	$(153,523)
Percentage point on catastrophe unit combined ratio	40.2	6.1	47.1

During the first six months of 2011, we experienced $31.5 million of favorable development on prior year reserves, compared to $92.5 million of favorable development on prior years reserves in the first six months of 2010. The favorable development in the first six months of 2011 was primarily related to decreases in estimated ultimate losses on certain specific events, including $5.0 million related to tropical cyclone Tasha and $7.3 million related to the 2005 hurricanes, with the remainder due to better than expected claims emergence associated with a number of other catastrophes. The favorable development in the first six months of 2010 was due to reductions of $33.6 million to the estimated ultimate losses of mature, large, mainly international catastrophe events as a result of a review conducted during the second quarter of 2010, combined with reductions in net ultimate losses associated with the 2005 hurricanes of $14.6 million, the 2008 hurricanes of $6.9 million, and European windstorm Klaus of $5.2 million, with the remainder due to a reduction in ultimate losses on a large number of relatively small catastrophes. The decrease in the underwriting expense ratio to 19.0% in the first six months of 2011, from 22.3% in the first six months of 2010, was principally driven by an increase in net premiums earned as a result of the reinstatement premiums written and earned, which do not incur additional acquisition expenses, and an increase in profit commissions earned during the first six months of 2011.

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Specialty

Below is a summary of the underwriting results and ratios for our specialty reinsurance unit:

Specialty unit overview

Six months ended June 30, (in thousands of U.S. dollars, except ratios)	2011	2010	Change
Specialty gross premiums written			
Renaissance	$ 97,461	$ 79,838	$ 17,623
DaVinci	1,701	1,602	99
Total specialty gross premiums written	$ 99,162	$ 81,440	$ 17,722
Net premiums written	$ 93,746	$ 77,903	$ 15,843
Net premiums earned	66,092	54,484	11,608
Net claims and claim expenses incurred	24,731	(40,846)	65,577
Acquisition expenses	10,714	6,546	4,168
Operational expenses	14,803	11,829	2,974
Underwriting income	$ 15,844	$ 76,955	$(61,111)
Net claims and claim expenses incurred - current accident year	$ 84,372	$ 53,137	$ 31,235
Net claims and claim expenses incurred - prior accident years	(59,641)	(93,983)	34,342
Net claims and claim expenses incurred - total	$ 24,731	$(40,846)	$ 65,577
Net claims and claim expense ratio - current accident year	127.7%	97.5%	30.2%
Net claims and claim expense ratio - prior accident years	(90.3%)	(172.5%)	82.2%
Net claims and claim expense ratio - calendar year	37.4%	(75.0%)	112.4%
Underwriting expense ratio	38.6%	33.8%	4.8%
Combined ratio	76.0%	(41.2%)	117.2%

Specialty Reinsurance Gross Premiums Written – In the first six months of 2011, our specialty reinsurance gross premiums written increased $17.7 million, or 21.8%, to $99.2 million, compared to $81.4 million in the first six months of 2010, primarily due to the inception of a number of new contracts during the second quarter of 2011 which met our risk-adjusted return thresholds. Our specialty reinsurance premiums are prone to significant volatility as this business is characterized by a relatively small number of comparably large transactions.

Specialty Reinsurance Underwriting Results – Our specialty unit generated $15.8 million of underwriting income in the first six months of 2011, compared to $77.0 million in the first six months of 2010, a decrease of $61.1 million, principally due to an increase in net claims and claim expenses. The $65.6 million increase in net claims and claim expenses is driven by a $31.2 million increase in current accident year losses primarily due to estimated losses associated with several large events including the Tohoku earthquake of $20.0 million, the February 2011 New Zealand earthquake of $12.5 million and the Australian flooding of $6.0 million, combined with a $34.3 million decrease in favorable development on prior accident years. The favorable development on prior accident years was principally the result of $32.8 million due to actual reported loss activity coming in better than expected and $26.8 million due to changes in our actuarial assumptions. In the first six months of 2011, our specialty unit generated a net claims and claim expense ratio of 37.4%, an underwriting expense ratio of 38.6% and a combined ratio of 76.0%, compared to negative 75.0%, 33.8% and negative 41.2%, respectively, in the first six months of 2010. The 4.8 percentage point increase in the underwriting expense ratio was principally driven by an increase in operational expenses due to higher allocated operating expenses and a relative increase in contracts with higher acquisition expense ratios during the first six months of 2011.

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Lloyd's Segment

Below is a summary of the underwriting results and ratios for our Lloyd's segment:

Lloyd's segment overview

Six months ended June 30, (in thousands of U.S. dollars, except ratios)	2011	2010	Change
Lloyd's gross premiums written			
Specialty	$ 46,781	$14,230	$ 32,551
Catastrophe	23,965	12,993	10,972
Insurance	—	21,642	(21,642)
Total Lloyd's gross premiums written (1)	$ 70,746	$48,865	$ 21,881
Net premiums written	$ 60,821	$45,981	$ 14,840
Net premiums earned	32,907	23,601	9,306
Net claims and claim expenses incurred	39,142	10,339	28,803
Acquisition expenses	5,766	4,331	1,435
Operational expenses	17,607	11,087	6,520
Underwriting loss	$(29,608)	$ (2,156)	$(27,452)
Net claims and claim expenses incurred - current accident year	$ 38,938	$10,500	$ 28,438
Net claims and claim expenses incurred - prior accident years	204	(161)	365
Net claims and claim expenses incurred - total	$ 39,142	$10,339	$ 28,803
Net claims and claim expense ratio - current accident year	118.3%	44.5%	73.8%
Net claims and claim expense ratio - prior accident years	0.6%	(0.7%)	1.3%
Net claims and claim expense ratio - calendar year	118.9%	43.8%	75.1%
Underwriting expense ratio	71.1%	65.3%	5.8%
Combined ratio	190.0%	109.1%	80.9%

(1) Includes gross premiums written ceded from the Insurance segment to the Lloyd's segment and from the Reinsurance segment to the Lloyd's segment of $Nil and $Nil for the six months ended June 30, 2011, respectively (2010 - $21.6 million and $0.2 million, respectively)

Lloyd's Gross Premiums Written – Gross premiums written in our Lloyd's segment increased by $21.9 million, or 44.8% to $70.7 million in the first six months of 2011, compared to $48.9 million in the first six months of 2010. Excluding the impact of an intercompany quota share agreement in the second quarter of 2010, gross premiums written in the Lloyd's segment increased $43.5 million, or 159.9%, primarily due to Syndicate 1458 growing its book of business across the majority of its lines of business, most notably its specialty lines of business.

Lloyd's Underwriting Results – Our Lloyd's segment incurred an underwriting loss of $29.6 million and a combined ratio of 190.0% in the first six months of 2011, compared to an underwriting loss of $2.2 million and a combined ratio of 109.1% in the first six months of 2010. Net claims and claim expenses for the first six months of 2011 are comprised primarily of $14.0 related to the Tohoku earthquake, $6.0 million related to the February 2011 New Zealand earthquake and $3.0 million related to the large U.S. tornadoes in the second quarter of 2011, with the remainder due primarily to incurred but not reported loss activity in the specialty lines of business. Operational expenses increased $6.5 million, to $17.6 million in the first six months of 2011, compared to the first six months of 2010, and principally include compensation and related operating expenses. The increase in the underwriting expense ratio to 71.1% in the first six months of 2011, from 65.3% in the first six months of 2010, was primarily driven by the increase in operational expenses, noted above.

During the first six months of 2011 our Lloyd's segment experienced net claims and claim expenses related to the February 2011 New Zealand and Tohoku earthquakes and the large U.S. tornadoes in the second quarter of 2011, which added 64.5 percentage points to the Lloyd's segment combined ratio after considering the impact of net reinstatement premiums earned related to these events, as detailed in the table below.

Six months ended June 30, 2011 (in thousands, except ratios)	February 2011 New Zealand Earthquake	Tohoku Earthquake	Large U.S. Tornadoes	Total
Net claims and claim expenses incurred	$ (5,954)	$ (13,004)	$ (3,000)	$(21,958)
Assumed reinstatement premiums earned	—	760	80	840
Ceded reinstatement premiums earned	—	(298)	—	(298)
Net impact on Lloyd's segment underwriting result	$ (5,954)	$ (12,542)	$ (2,920)	$(21,416)
Percentage point impact on Lloyd's segment combined ratio	18.1	36.0	8.7	64.5

Insurance Segment

Below is a summary of the underwriting results and ratios for our Insurance segment:

Insurance segment overview

Six months ended June 30, (in thousands of U.S. dollars, except ratios)	2011	2010	Change
Gross premiums written	$ 313	$ 685	$ (372)
Net premiums written	$ 327	$(17,146)	$17,473
Net premiums earned	$ 919	$ (2,069)	$ 2,988
Net claims and claim expenses incurred	2,033	(417)	2,450
Acquisition expenses	229	5,084	(4,855)
Operational expenses	1,258	8,217	(6,959)
Underwriting loss	$(2,601)	$(14,953)	$12,352
Net claims and claim expenses incurred - current accident year	$ (69)	$ 5,486	$ (5,555)
Net claims and claim expenses incurred - prior years	2,102	(5,903)	8,005
Net claims and claim expenses incurred - total	$ 2,033	$ (417)	$ 2,450
Net claims and claim expense ratio - current accident year	(7.5%)	NMF	NMF
Net claims and claim expense ratio - prior accident years	228.7%	NMF	NMF
Net claims and claim expense ratio - calendar year	221.2%	NMF	NMF
Underwriting expense ratio	161.8%	NMF	NMF
Combined ratio	383.0%	NMF	NMF

NMF - Not a meaningful figure.

Insurance policies and quota-share reinsurance contracts written in connection with our Bermuda-based insurance operations not sold to QBE are included in continuing operations and are reported in our Insurance segment. Although we are not actively underwriting new business in the Insurance segment at this time, we may from time to time evaluate potential new business opportunities for our Insurance segment.

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Net Investment Income

Six months ended June 30, (in thousands of U.S. dollars)	2011	2010	Change
Fixed maturity investments	$52,339	$56,889	$(4,550)
Short term investments	1,028	1,168	(140)
Equity investments trading	126	—	126
Other investments			
Hedge fund and private equity investments	31,737	25,724	6,013
Other	13,665	13,034	631
Cash and cash equivalents	86	83	3
	98,981	96,898	2,083
Investment expenses	(5,372)	(5,016)	(356)
Net investment income	$93,609	$91,882	$ 1,727

Net investment income was $93.6 million in the first six months of 2011, compared to $91.9 million in the first six months of 2010. The $1.7 million increase in net investment income was principally driven by a $6.0 million increase in net investment income from our hedge fund and private equity investments due to higher total returns, and partially offset by a $4.6 million decrease in net investment income from our fixed maturity investments portfolio due to lower yields experienced in the first six months of 2011, compared to the first six months of 2010. The hedge fund, private equity and other investment portfolios are accounted for at fair value with the change in fair value recorded in net investment income which included net unrealized gains of $33.7 million in the first six months of 2011, compared to $5.7 million in the first six months of 2010.

Commencing in the first quarter of 2011, we established a portfolio of certain publicly traded equities which are reflected in our consolidated balance sheet as equity investments trading. This portfolio of equity investments is carried at fair value with dividend income included in net investment income, and realized and unrealized gains included in net realized and unrealized (losses) gains on investments, in our consolidated statements of operations. We expect to add to this portfolio during subsequent periods, although we do not expect it to come to represent a material portion of our invested assets or our financial results for the reasonably foreseeable period.

Historically low interest rates and lower spreads as compared to recent years have lowered the yields at which we invest our assets relative to historical levels. We expect these developments, combined with the current composition of our investment portfolio and other factors, to put downward pressure on our net investment income for the near term.

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Net Realized and Unrealized Gains on Investments and Net Other-Than-Temporary Impairments

Six months ended June 30, (in thousands of U.S. dollars)	2011	2010	Change
Gross realized gains	$ 25,992	$ 77,601	$(51,609)
Gross realized losses	(16,773)	(11,132)	(5,641)
Net realized gains (losses) on fixed maturity investments	$ 9,219	$ 66,469	$(57,250)
Net unrealized gains on fixed maturity investments trading	20,970	51,782	(30,812)
Net unrealized losses on equity investments trading	(424)	—	(424)
Net realized and unrealized gains on investments	$ 29,765	$118,251	$(88,486)
Total other-than-temporary impairments	—	(831)	831
Portion recognized in other comprehensive income, before taxes	—	2	(2)
Net other-than-temporary impairments	$ —	$ (829)	$ 829

Our investment portfolio is structured to preserve capital and provide us with a high level of liquidity. A large majority of our investments are invested in the fixed income markets and, therefore, our realized holding gains and losses on investments are highly correlated to fluctuations in interest rates. Therefore, as interest rates decline, we will tend to have realized gains from the turnover of our investment portfolio, and as interest rates rise, we will tend to have realized losses from the turnover of our investment portfolio.

Net realized and unrealized gains on investments were $29.8 million in the first six months of 2011, compared to $118.3 million in the first six months of 2010, a decrease of $88.5 million. The unrealized gains on our fixed maturity investments trading of $20.9 million during the first six months of 2011 decreased $30.8 million, compared to $51.8 million in the first six months of 2010, primarily as a result of the relatively lower interest rate environment. In addition, we recognized an unrealized loss of $0.4 million on our investments in certain publicly traded equity positions during the first six months of 2011.

Equity in (Losses) Earnings of Other Ventures

Six months ended June 30, (in thousands of U.S. dollars)	2011	2010	Change
Tower Hill Companies	$ 767	$ (842)	$ 1,609
Top Layer Re	(18,542)	5,989	(24,531)
Other	(850)	169	(1,019)
Total equity in (losses) earnings of other ventures	$(18,625)	$5,316	$(23,941)

Equity in (losses) earnings of other ventures primarily represents our pro-rata share of the net (loss) income from our investments in the Tower Hill Companies and Top Layer Re. Equity in losses of other ventures was $18.6 million in the first six months of 2011, compared to equity in earnings of other ventures of $5.3 million in the first six months of 2010. The $23.9 million decrease was primarily due to our equity in losses of Top Layer Re of $18.5 million during the first six months of 2011, primarily as a result of Top Layer Re experiencing net claims and claim expenses related to the February 2011 New Zealand earthquake.

The equity in earnings from the Tower Hill Companies is recorded one quarter in arrears.

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Other Income (Loss)

Six months ended June 30, (in thousands of U.S. dollars)	2011	2010	Change
Assumed and ceded reinsurance contracts accounted for as derivatives and deposits	$42,499	$(2,557)	$45,056
Mark-to-market on Platinum warrant	2,975	(5,365)	8,340
Weather and energy risk management operations	(484)	(2,317)	1,833
Other items	(12)	306	(318)
Total other income (loss)	$44,978	$(9,933)	$54,911

In the first six months of 2011, we generated $45.0 million of other income, compared to an other loss of $9.9 million in the first six months of 2010. The $54.9 million improvement is primarily due to assumed and ceded reinsurance contracts accounted for at fair value generating income of $42.5 million in the first six months of 2011, compared to a loss of $2.6 million in the first six months of 2010, principally as a result of net recoverables from the Tohoku earthquake. In addition, we recognized a gain on sale of the Platinum warrants (which had provided the Company the right to purchase 2.5 million common shares from Platinum for $27.00 per share) of $3.0 million in the first quarter of 2011, compared to a mark-to-market loss of $5.4 million in the first six months of 2010, and results from our weather and energy risk management operations improved $1.8 million due to overall more favorable trading conditions experienced during the first six months of 2011, compared to the first six months of 2010.

Certain contracts we enter into and our weather and energy risk operations are based in part on proprietary weather forecasts provided to us by our Weather Predict subsidiary. The weather and energy risk operations in which we engage are both seasonal and volatile, and there is no assurance that our performance to date will be indicative of future periods. We continue to allocate an increasing amount of capital to our weather and energy risk management operations, and have offered certain new financial products within this group. Although there can be no assurances, it is possible that our results from these activities will increase on an absolute or relative basis over time.

Other Items

Corporate Expenses

Corporate expenses were $6.1 million in the first six months of 2011, compared to $9.8 million in the first six months of 2010, with the decrease primarily due to a corporate insurance recovery recorded in the first quarter of 2011.

Interest Expense

Interest expense increased $2.6 million to $11.9 million in the first six months of 2011, compared to $9.4 million in the first six months of 2010, primarily due to interest expense on the $250.0 million of 5.75% Senior Notes which were issued by RRNAH on March 17, 2010.

Income Tax Benefit

Income tax benefit decreased $2.1 million to a benefit of $1.8 million in the first six months of 2011, compared to $3.9 million in the first six months of 2010, due primarily to a decrease in pretax losses in our U.S.-based operations.

Net Loss (Income) Attributable to Noncontrolling Interests

The net loss attributable to the noncontrolling interests of $63.6 million in the first six months of 2011 deteriorated from net income attributable to noncontrolling interests of $62.5 million in the first six months of 2010, primarily due to net losses of DaVinciRe. DaVinciRe incurred an underwriting loss in the first six months of 2011, compared to underwriting income in the first six months of 2010, principally due to the large catastrophes of the first quarter of 2011.

(Loss) Income from Discontinued Operations

(Loss) income from discontinued operations includes the financial results of substantially all of our U.S.-based insurance operations sold to QBE. Loss from discontinued operations of $11.6 million in the first six months of 2011 is primarily due to the recognition of a $10.0 million expense related to a contractually agreed obligation to pay, or otherwise reimburse, QBE for amounts potentially up to $10.0 million in respect of net adverse development on prior accident years net claims and claims expenses for reserves that were sold to QBE in conjunction with the sale. The $10.0 million represents the maximum amount payable under the reserve collar. We will continue to evaluate any favorable or adverse developments related to the reserve collar quarterly pursuant to the terms of the Stock Purchase Agreement with QBE. Income from discontinued operations in the first six months of 2010 of $30.3 million of income is primarily driven by favorable development on prior accident years in the crop insurance line of business in the first quarter of 2010.

LIQUIDITY AND CAPITAL RESOURCES

Financial Condition

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

The payment of dividends by our subsidiaries is, under certain circumstances, limited under statutory regulations and insurance law, which require our insurance subsidiaries to maintain certain measures of solvency and liquidity. In addition, Bermuda regulations require approval from the Bermuda Monetary Authority (“BMA”) for any reduction of capital in excess of 15% of statutory capital, as defined in the Insurance Act. The Insurance Act also requires these Bermuda insurance subsidiaries of the Company maintain certain measures of solvency and liquidity. At June 30, 2011, the statutory capital and surplus of our Bermuda insurance and reinsurance subsidiaries was $2.6 billion, and the amount of capital and surplus required to be maintained under Bermuda law, the Minimum Solvency Margin, was $505.9 million. During the first six months of 2011, DaVinciRe and the operating subsidiaries of RenRe Insurance Holdings Ltd. returned capital to our holding company, which included dividends declared and return of capital, net of capital contributions received, of $6.5 million and $547.3 million, respectively, compared with $175.8 million and $Nil, respectively, during the first six months of 2010. During the first six months of 2011, our holding company contributed capital to Renaissance Reinsurance, net of dividends received, of $160.9 million, compared with Renaissance Reinsurance returning capital to our holding company, which included dividends declared and returned capital, net of capital contributions received, of $281.3 million during the first six months of 2011.

As discussed in the “Capital Resources” section below, Renaissance Reinsurance is obligated to make a mandatory capital contribution of up to $50.0 million in the event that a loss reduces Top Layer Re’s capital below a specified level. Although not required to maintain Top Layer Re’s minimum solvency margin as defined by the BMA, nor mandatorily obligated to, Renaissance Reinsurance contributed $20.5 million in additional paid-in capital to Top Layer Re following the February 2011 New Zealand earthquake.

Under the Insurance Act, Renaissance Reinsurance and DaVinci are classified as Class 4 insurers, and therefore must maintain capital at a level equal to its Enhanced Capital Requirement (“ECR”) which is established by reference to the Bermuda Solvency and Capital Requirement (“BSCR”) model. The BSCR is a standard mathematical model designed to give the BMA more advanced methods for determining an insurer’s capital adequacy. Underlying the BSCR is the belief that all insurers should operate on an ongoing basis with a view to maintaining their capital at a prudent level in excess of the minimum solvency margin otherwise prescribed under the Insurance Act. Alternatively, under the Insurance Act, insurers may, subject to the terms of the Insurance Act and to the BMA’s oversight, elect to utilize an approved internal capital model to determine regulatory capital. In either case, the ECR shall at all times equal or exceed the Class 4 insurer’s Minimum Solvency Margin and may be adjusted in circumstances where the BMA concludes that the insurer's risk profile deviates significantly from the assumptions underlying its ECR or the insurer's assessment of its risk management policies and practices used to calculate the ECR applicable to it. While not specifically referred to in the Insurance Act, the BMA has also established a Target Capital Level ("TCL") for each Class 4 insurer equal to 120% of its ECR. While a Class 4 insurer is not currently required to maintain its statutory capital and surplus at this level, the TCL serves as an early warning tool for the BMA and failure to maintain statutory capital at least equal to the TCL will likely result in increased BMA regulatory oversight. The Company has completed and filed the 2010 BSCR for Renaissance Reinsurance and DaVinci, and both companies have exceeded the target level of required capital.

RenaissanceRe CCL and Syndicate 1458 are subject to regulation by the Council of Lloyd's. Syndicate 1458 is also subject to regulation by the Financial Services Authority (the "FSA") under the Financial Services and Markets Act 2000. Underwriting capacity of a member of Lloyd's must be supported by providing a deposit in the form of cash, securities or letters of credit, which are referred to as Funds at Lloyd's, in an amount determined by Lloyd's in relation to the member's underwriting capacity. This amount is determined by Lloyd's through application of a risk-based capital formula. At June 30, 2011, the Company maintained $93.5 million and £19.0 million as a Funds at Lloyd's facility. In addition, the FSA requires Lloyd's syndicates to satisfy an annual solvency test and to maintain solvency on a continuous basis, which Syndicate 1458 was in compliance with at June 30, 2011.

In the aggregate, our operating subsidiaries have historically produced sufficient cash flows to meet their expected claims payments and operational expenses and to provide dividend payments to us. Our subsidiaries also maintain a concentration of investments in high quality liquid securities, which management believes will provide additional liquidity for extraordinary claims payments should the need arise. See "Capital Resources" section below.

Cash Flows and Liquidity

During the first six months of 2011, our cash and cash equivalents decreased $40.0 million, to $237.7 million at June 30, 2011, compared to $277.7 million at December 31, 2010.

Cash flows provided by operating activities. Cash flows provided by operating activities during the first six months of 2011 were $31.0 million, compared to $288.5 million in the first six months of 2010. Cash flows provided by operating activities during the first six months of 2011 were primarily the result of certain adjustments to reconcile our net loss of $269.4 million to net cash provided by operating activities, including: an increase in our reserve for claims and claim expenses of $912.9 million; an increase in unearned premiums of $544.8 million; an increase in reinsurance balances payable of $85.1 million; and partially offset by an increase in premiums receivable and prepaid reinsurance premiums of $611.4 million and $185.0 million, respectively; an increase in deferred acquisition costs of $55.2 million; and net unrealized gains included in other income of $63.1 million principally due to reinsurance contracts accounted for at fair value which experienced net recoverables from the Tohoku earthquake during the first quarter of 2011. As discussed under "Summary of Results of Operations for the six months ended June 30, 2011 compared to the six months ended June 30, 2010", we incurred underwriting losses and lower investment results, which contributed to the decrease in cash flows used in operating activities.

Cash flows provided by investing activities. During the first six months of 2011, our cash flows provided by investing activities were $401.4 million, which principally reflected $269.5 million in net proceeds from the sale of substantially all of our U.S.-based insurance operations to QBE and $47.0 million related to the sale of our Platinum warrant during the first quarter of 2011. In addition, during the first six months of 2011, in response to the large catastrophes of the first six months and the desire to have appropriate capital resources available to pay valid claims quickly, we had net cash inflows of $162.4 million resulting from our fixed maturity and short term investments.

Cash flows used in financing activities. Our cash flows used in financing activities in the first six months of 2011 were $475.7 million, principally comprised of the repurchase of $174.8 million of our common shares, the payment of $26.7 million and $17.5 million in dividends to our common and preferred shareholders, respectively, the repurchase of $126.7 million of DaVinciRe shares and the repayment of the outstanding principal of the DaVinciRe revolving credit facility of $200.0 million, as discussed below in the "Capital Resources" section. Partially offsetting the above cash flows used in financing activities, was a $70.0 million cash inflow related to the redeemable noncontrolling interest portion of the DaVinciRe equity capital raise executed during the second quarter of 2011.

During the first six months of 2010, our cash and cash equivalents increased $24.3 million, to $220.3 million at June 30, 2011, compared to $203.1 million at December 31, 2009.

Cash flows provided by operating activities. Cash flows provided by operating activities in the first six months of 2010 were $288.5 million, which principally consisted of our net income of $458.9 million and an increase in our reserve for unearned premiums of $548.3 million, and partially offset by an increase in premiums receivable of $431.7 million, an increase in prepaid reinsurance premiums of $184.4 and an adjustment for net realized and unrealized gains on fixed maturity investments of $119.7 million. As discussed under "Summary of Results of Operations for the six months ended June 30, 2011 compared to the six months ended June 30, 2010", we generated positive underwriting income and improved investment results in the first six months of 2010, which contributed to cash flows provided by operating activities. In addition, our claims and claim expenses, net, decreased $5.5 million in the first six months of 2010, compared to a decrease of $189.8 million in the first six months of 2009, primarily as a result of $132.2 million of paid claims and claim expenses during the first six months of 2010, and partially offset by $126.7 million of incurred claims and claim expenses. Cash flows provided by operating activities in the first six months of 2010 were primarily used to support our investing and financing activities, as discussed below.

Cash flows provided by investing activities. During the first six months of 2010, our cash flows provided by investing activities were $84.2 million, which principally reflects our decision to use a portion of our cash flows provided by operating activities to fund investing activities. In addition, during the first six months of 2010, we decreased our allocation to short term investments, and increased our allocation to fixed maturity investments, as a result of the continuing low interest rate environment. In the first six months of 2010, we purchased $6.6 billion of fixed maturity investments trading, compared to $nil in the first six months of 2009, as a result of our decision during the fourth quarter of 2009 to designate, upon acquisition, certain fixed maturity investments as trading, rather than as available for sale. As a result, we currently expect our fixed maturity investments available for sale balance to decrease and the fixed maturity trading balance to increase over time.

Cash flows used in financing activities. Our cash flows used in financing activities in the first six months of 2010 were $343.5 million, primarily as a result of the repurchase of $411.3 million of our common shares, the payment of $28.7 million and $21.2 million in dividends to our common and preferred shareholders, respectively, and the net repurchase of $131.4 million of DaVinciRe shares, partially offset by $249.0 million of net proceeds from the issuance of debt, as discussed in the "Capital Resources" section below.

A large portion of the coverages we provide can produce losses of high severity and low frequency, therefore it is not possible to accurately predict our future cash flows from operating activities. As a consequence, cash flows from operating activities may fluctuate, perhaps significantly, between individual quarters and years. Due to the magnitude and relatively recent occurrence of the large catastrophes in the first six months of 2011, the Chilean and New Zealand earthquakes in 2010, hurricanes Gustav and Ike during 2008, and the large storms of 2005, especially Katrina, meaningful uncertainty remains regarding losses from these events and our actual ultimate net losses from these events will likely vary from preliminary estimates, perhaps materially. As a result, our cash flows from operations would be impacted accordingly.

Reserves for Claims and Claim Expenses

We believe the most significant accounting judgment made by management is our estimate of claims and claim expense reserves. Claims and claim expense reserves represent estimates, including actuarial and statistical projections at a given point in time, of the ultimate settlement and administration costs for unpaid claims and claim expenses arising from the insurance and reinsurance contracts we sell. We establish our claims and claim expense reserves by taking claims reported to us by insureds and ceding companies, but which have not yet been paid ("case reserves"), adding the costs for additional case reserves ("additional case reserves") which represent our estimates for claims previously reported to us which we believe may not be adequately reserved as of that date, and adding estimates for the anticipated cost of claims incurred but not yet reported to us ("IBNR").

The following table summarizes our claims and claim expense reserves by line of business and split between case reserves, additional case reserves and IBNR:

June 30, 2011 (in thousands of U.S. dollars)	Case Reserves	Additional Case Reserves	IBNR	Total
Catastrophe	$ 406,522	$ 473,439	$ 630,651	$1,510,612
Specialty	108,613	51,439	347,795	507,847
Total Reinsurance	515,135	524,878	978,446	2,018,459
Lloyd's	10,498	10,450	39,008	59,956
Insurance	35,196	5,577	51,540	92,313
Total	$ 560,829	$ 540,905	$1,068,994	$2,170,728
December 31, 2010 **(in thousands of U.S. dollars)**				
Catastrophe	$ 173,157	$ 281,202	$ 163,021	$ 617,380
Specialty	102,521	60,196	350,573	513,290
Total Reinsurance	275,678	341,398	513,594	1,130,670
Lloyd's	172	6,874	12,985	20,031
Insurance	40,943	3,317	62,882	107,142
Total	$ 316,793	$ 351,589	$ 589,461	$1,257,843

Our estimates of claims and claim expense reserves are not precise in that, among other matters, they are based on predictions of future developments and estimates of future trends and other variable factors. Some, but not all, of our reserves are further subject to the uncertainty inherent in actuarial methodologies and estimates. Because a reserve estimate is simply an insurer's estimate at a point in time of its ultimate liability, and because there are numerous factors which affect reserves and claims payments but cannot be determined with certainty in advance, our ultimate payments will vary, perhaps materially, from our estimates of reserves. If we determine in a subsequent period that adjustments to our previously established reserves are appropriate, such adjustments are recorded in the period in which they are identified. During the six months ended June 30, 2011 and 2010, changes to prior year estimated claims reserves (decreased) increased our net (loss) income by $88.8 million and $192.5 million, respectively, excluding the consideration of changes in reinstatement premiums, profit commissions, redeemable noncontrolling interest – DaVinciRe and income tax.

Our reserving methodology for each line of business uses a loss reserving process that calculates a point estimate for the Company's ultimate settlement and administration costs for claims and claim expenses. We do not calculate a range of estimates. We use this point estimate, along with paid claims and case reserves, to record our best estimate of additional case reserves and IBNR in our consolidated financial statements. Under GAAP, we are not permitted to establish estimates for catastrophe claims and claim expense reserves until an event occurs that gives rise to a loss.

Reserving for our reinsurance claims involves other uncertainties, such as the dependence on information from ceding companies, which among other matters, includes the time lag inherent in reporting information from the primary insurer to us or to our ceding companies and differing reserving practices among ceding companies. The information received from ceding companies is typically in the form of bordereaux, broker notifications of loss and/or discussions with ceding companies or their brokers. This information can be received on a monthly, quarterly or transactional basis and normally includes estimates of paid claims and case reserves. We sometimes also receive an estimate or provision for IBNR. This information is often updated and adjusted from time-to-time during the loss settlement period as new data or facts in respect of initial claims, client accounts, industry or event trends may be reported or emerge in addition to changes in applicable statutory and case laws.

We recorded $540.5 million of gross claims and claim expenses incurred in 2008 as a result of losses arising from hurricanes Gustav and Ike which struck the U.S. in 2008. In 2010, we recorded $159.7 million, $166.8 million and $23.0 million of gross claims and claim expenses as a result of losses arising from the Chilean and September 2010 New Zealand earthquakes and the Australian flooding, respectively. Additionally, in the first quarter of 2011, we recorded $55.8 million, $271.6 million and $569.0 million of gross claims and claim expenses as a result of losses arising from the Australian flooding, the February 2011 New Zealand earthquake and the Tohoku earthquake, respectively. In the second quarter of 2011, we recorded $143.8 million of gross claims and claim expenses as a result of the large U.S. tornadoes. Our estimates of losses from these events are based on factors including currently available information derived from the Company's preliminary claims information from certain customers and brokers, industry assessments of losses from the events, proprietary models, and the terms and conditions of our contracts. The uncertainty of our estimates for the 2011 and 2010 events is additionally impacted by the preliminary nature of the information available, the magnitude and relative infrequency of the events, the expected duration of the respective claims development period, inadequacies in the data provided thus far by industry participants and the potential for further reporting lags or insufficiencies (particularly in respect of the Chilean, September 2010 New Zealand, February 2011 New Zealand and Tohoku earthquakes); and in the case of Australian flooding, significant uncertainty as to the form of the claims and legal issues including, but not limited to, the number, nature and fiscal periods of the loss events under the relevant terms of insurance contracts and reinsurance treaties. In addition, a significant portion of the net claims and claim expenses associated with the New Zealand and Tohoku earthquakes are concentrated with a few large clients and therefore the loss estimates for these events may vary significantly based on the claims experience of those clients. A significant portion of our reinsurance recoverable relates to the New Zealand and Tohoku earthquakes. There is inherent uncertainty and complexity in evaluating loss reserve levels and reinsurance recoverable amounts, due to the nature of the losses relating to earthquake events, including that loss development time frames tend to take longer with respect to earthquake events. The contingent nature of business interruption and other exposures will also impact losses in a meaningful way, especially with regard to the Tohoku earthquake, which we believe may give rise to significant complexity in respect of claims handling, claims adjustment and other coverage issues, over time. Given the magnitude and relatively recent occurrence of these events, and the continuing uncertainty relating to the large storms of 2005, especially hurricane Katrina, and those of 2008, meaningful uncertainty remains regarding total covered losses for the insurance industry and, accordingly, several of the key assumptions underlying our loss estimates. In addition, our actual net losses from these events may increase if our reinsurers or other obligors fail to meet their obligations.

Because of the inherent uncertainties discussed above, we have developed a reserving philosophy which attempts to incorporate prudent assumptions and estimates, and we have generally experienced favorable net development on prior year reserves in the last several years. However, there is no assurance that this will occur in future periods.

Capital Resources

Our total capital resources are as follows:

(in thousands of U.S. dollars)	June 30, 2011	December 31, 2010	Change
Common shareholders' equity	$2,965,271	$ 3,386,325	$(421,054)
Preference shares	550,000	550,000	—
Total shareholders' equity attributable to RenaissanceRe	3,515,271	3,936,325	(421,054)
5.875% Senior Notes	100,000	100,000	—
5.750% Senior Notes	249,201	249,155	46
RenaissanceRe revolving credit facility - borrowed	—	—	—
RenaissanceRe revolving credit facility - unborrowed	150,000	150,000	—
DaVinciRe revolving credit facility - borrowed	—	200,000	(200,000)
DaVinciRe revolving credit facility - unborrowed	—	—	—
Renaissance Trading credit facility - borrowed	—	—	—
Renaissance Trading credit facility - unborrowed	10,000	10,000	—
Total capital resources	$4,024,472	$ 4,645,480	$(621,008)

In the first six months of 2011, our capital resources decreased by $621.0 million, principally due to the decrease in shareholders' equity as a result of our comprehensive loss attributable to RenaissanceRe of $207.6 million, $26.7 million of dividends on common shares, $174.8 million of common share repurchases during the first quarter of 2011, and the repayment on April 1, 2011 of outstanding principal of $200.0 million, and subsequent expiry, of the DaVinciRe revolving credit facility, as discussed in detail below.

Excluding shareholders' equity as described above, capital resources at June 30, 2011 have not changed materially compared to December 31, 2010, except as noted below.

5.75% Senior Notes

On March 17, 2010, RRNAH issued $250.0 million of 5.75% Senior Notes due March 15, 2020, with interest on the notes payable on March 15 and September 15 of each year. The notes, which are senior obligations, are guaranteed by RenaissanceRe and were issued pursuant to an Indenture, dated as of March 17, 2010, by and among RenaissanceRe, RRNAH, and Deutsche Bank Trust Company Americas, as trustee (the "Trustee"), as supplemented by the First Supplemental Indenture, dated as of March 17, 2010 (as so supplemented, the "Indenture").

In connection with the Stock Purchase Agreement with QBE and following a successful consent solicitation, effective January 21, 2011, RenaissanceRe, RRNAH and the Trustee entered into a Waiver Agreement in order to effect a one-time waiver of the asset sales covenant contained in Section 8.1 of the Indenture insofar as such covenant related to the sale to QBE under the Stock Purchase Agreement.

RenaissanceRe Revolving Credit Facility ("Credit Agreement")

Effective April 22, 2010, RenaissanceRe entered into a revolving credit agreement with various financial institutions parties thereto, Bank of America, N.A., as fronting bank, letter of credit administrator and administrative agent for the lenders thereunder, and Wells Fargo Bank, National Association, as syndication agent.

In connection with the Stock Purchase Agreement with QBE, effective January 18, 2011, the parties to the Credit Agreement entered into an Amendment, Consent and Waiver to the Credit Agreement, dated as of January 18, 2011, in order to, among other things, provide for a waiver by the lenders under the Credit Agreement of certain covenants as they related to the Stock Purchase Agreement and the transactions contemplated thereby.

DaVinciRe Revolving Credit Facility

DaVinciRe was party to a Third Amended and Restated Credit Agreement, dated as of April 5, 2006 (as amended, the "DaVinciRe Credit Agreement"), which provided for a revolving credit facility in an aggregate amount of up to $200.0 million and was scheduled to mature on April 5, 2011. On April 1, 2011, DaVinciRe repaid in full the $200.0 million borrowed under the DaVinciRe Credit Agreement and terminated the lenders' lending commitment thereunder. In connection with such repayment and termination, on March 30, 2011, DaVinciRe entered into a loan agreement with RenaissanceRe (the "Loan Agreement") under which RenaissanceRe made a loan to DaVinciRe in the principal amount of $200.0 million on April 1, 2011. The loan matures on March 31, 2021 and interest on the loan is payable at a rate of three-month LIBOR plus 3.5% and is due at the end of each March, June, September and December, commencing on June 30, 2011. Under the terms of the Loan Agreement, DaVinciRe is required to maintain a debt to capital ratio of no greater than 0.40 to 1.00 and a net worth of no less than $500.0 million. At July 22, 2011, $200.0 million remained outstanding under the Loan Agreement.

Principal Letter of Credit Facility

Effective April 22, 2010, RenaissanceRe and its affiliates, Renaissance Reinsurance, Renaissance Reinsurance of Europe, Glencoe and DaVinci (such affiliates, collectively, the "Account Parties"), entered into a Third Amended and Restated Reimbursement Agreement with various banks and financial institutions parties thereto (collectively, the "Banks"), Wells Fargo Bank, National Association, as issuing bank, administrative agent and collateral agent for the Banks, and certain other agents (the "Reimbursement Agreement").

The Reimbursement Agreement serves as our principal secured letter of credit facility and the commitments thereunder expire on April 22, 2013. As of December 31, 2010, the Reimbursement Agreement provided commitments from the Banks in an aggregate amount of $1.0 billion. Effective as of February 15, 2011, we reduced the commitments under the Reimbursement Agreement from $1.0 billion to $700.0 million. Effective March 7, 2011, RenaissanceRe further reduced the commitments under the Reimbursement Agreement from $700.0 million to $600.0 million. The reduction was implemented in connection with a reassessment of the future collateral needs of the Account Parties, taking into account, among other things, their access to alternative sources of credit enhancement. Prior to the expiration date set forth above and after giving effect to the full $400.0 million reduction, the commitments of the Banks under the Reimbursement Agreement may be increased from time to time up to an aggregate amount not to exceed $1.1 billion, subject to the satisfaction of certain conditions.

In connection with the Stock Purchase Agreement with QBE, effective January 18, 2011, the parties to the Reimbursement Agreement entered into an Amendment, Consent and Waiver to the Reimbursement Agreement, dated as of January 18, 2011, in order to, among other things, provide for a waiver by the Banks of certain covenants as they related to the Stock Purchase Agreement and the transactions contemplated thereby.

Bilateral Letter of Credit Facility (“Bilateral Facility”)

Effective September 17, 2010, each of Renaissance Reinsurance, DaVinci and Glencoe (collectively, the “Bilateral Facility Participants”), entered into a secured letter of credit facility with Citibank Europe plc (“CEP”). The Bilateral Facility provides a commitment from CEP to issue letters of credit for the account of one or more of the Bilateral Facility Participants and their respective subsidiaries in multiple currencies and in an aggregate amount of up to $300.0 million. Effective July 14, 2011, CEP and the Bilateral Facility Participants entered into a letter agreement pursuant to which the termination date of the Bilateral Facility was extended from December 31, 2012 to December 31, 2013.

Letters of Credit

At June 30, 2011, we had $423.1 million of letters of credit with effective dates on or before June 30, 2011 outstanding under the Reimbursement Agreement and total letters of credit outstanding under all facilities of $528.5 million.

Renaissance Reinsurance is also party to a collateralized letter of credit and reimbursement agreement in the amount of $37.5 million that supports our Top Layer Re joint venture. Renaissance Reinsurance is obligated to make a mandatory capital contribution of up to $50.0 million in the event that a loss reduces Top Layer Re’s capital below a specified level.

Renaissance Trading Margin Facility and Guarantees

Renaissance Trading maintains a brokerage facility with a leading prime broker, which has an associated margin facility. This margin facility, which we believe allows Renaissance Trading to prudently manage its cash position related to its exchange traded products, is supported by a $10.0 million guarantee issued by RenaissanceRe. Interest on amounts outstanding under this facility is at overnight LIBOR plus 75 basis points. At June 30, 2011, $Nil was outstanding under the facility.

At June 30, 2011, RenaissanceRe had provided guarantees in the aggregate amount of $245.5 million to certain counterparties of the weather and energy risk operations of Renaissance Trading. In the future, RenaissanceRe may issue guarantees for other purposes or increase the amount of guarantees issued to counterparties of Renaissance Trading.

Redeemable Noncontrolling Interest – DaVinciRe

DaVinciRe shareholders are party to a shareholders agreement (the “Shareholders Agreement”) which provides DaVinciRe shareholders, excluding us, with certain redemption rights, that enable each shareholder to notify DaVinciRe of such shareholder’s desire for DaVinciRe to repurchase up to half of such shareholder’s aggregate number of shares held, subject to certain limitations, such as limiting the aggregate of all share repurchase requests to 25% of DaVinciRe's capital in any given year and satisfying all applicable regulatory requirements. If total shareholder requests exceed 25% of DaVinciRe's capital, the number of shares repurchased will be reduced among the requesting shareholders pro-rata, based on the amounts desired to be repurchased. Shareholders desiring to have DaVinciRe repurchase their shares must notify DaVinciRe before March 1 of each year. The repurchase price will be based on GAAP book value as of the end of the year in which the shareholder notice is given, and the repurchase will be effective as of such date. Payment will be made by April 1 of the following year, following delivery of the audited financial statements for the year in which the repurchase was effective. The repurchase price is subject to a true-up for development on outstanding loss reserves after settlement of all claims relating to the applicable years.

On June 1, 2011, DaVinciRe completed an equity raise of $100.0 million from new and existing shareholders. The capital raised will be used to support the ongoing underwriting activities of DaVinci, which primarily writes property catastrophe reinsurance and certain classes of specialty reinsurance. As a result of the equity raise, our ownership in DaVinciRe decreased to 42.8% effective June 1, 2011, compared to 44.0% at January 1, 2011. We expect our ownership in DaVinciRe to fluctuate over time.

In advance of the March 1, 2011 redemption notice date, certain third party shareholders of DaVinciRe have submitted repurchase notices, in accordance with the Shareholders Agreement, for shares of DaVinciRe with a GAAP book value of $17.6 million at June 30, 2011.

Investments

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

(in thousands of U.S. dollars, except percentages)	June 30, 2011		December 31, 2010		Change
U.S. treasuries	$ 454,148	7.8%	$ 761,461	12.4%	$(307,313)
Agencies	189,765	3.3%	216,963	3.6%	(27,198)
Non-U.S. government (Sovereign debt)	340,430	5.9%	184,387	3.0%	156,043
FDIC guaranteed corporate	232,992	4.0%	388,468	6.4%	(155,476)
Non-U.S. government-backed corporate	409,443	7.1%	357,504	5.9%	51,939
Corporate	1,651,688	28.4%	1,512,411	24.7%	139,277
Agency mortgage-backed	296,627	5.1%	401,807	6.6%	(105,180)
Non-agency mortgage-backed	105,581	1.8%	34,149	0.6%	71,432
Commercial mortgage-backed	340,610	5.9%	219,440	3.6%	121,170
Asset-backed	45,690	0.8%	40,107	0.7%	5,583
Total fixed maturity investments, at fair value	4,066,974	70.1%	4,116,697	67.5%	(49,723)
Short term investments, at fair value	774,421	13.4%	1,110,364	18.2%	(335,943)
Equity investments trading, at fair value	32,252	0.6%	—	0.0%	32,252
Other investments, at fair value	839,643	14.5%	787,548	12.9%	52,095
Total managed investments portfolio	5,713,290	98.6%	6,014,609	98.6%	(301,319)
Investments in other ventures, under equity method	82,197	1.4%	85,603	1.4%	(3,406)
Total investments	$5,795,487	100.0%	$6,100,212	100.0%	$(304,725)

Our total investments at June 30, 2011 decreased $304.7 million from December 31, 2010, primarily as a result of $174.8 million of common share repurchases, $26.7 million and $17.5 million of common share and preferred share dividends, respectively, and $200.0 million to repay the DaVinciRe revolving credit facility, as described in the "Capital Resources" section above, partially offset by investing a portion of the net proceeds from sale of our discontinued operations held for sale of $269.5 million. Our investment guidelines stress preservation of capital, market liquidity, and diversification of risk. Notwithstanding the foregoing, our investments are subject to market-wide risks and fluctuations, as well as to risks inherent in particular securities.

The reinsurance coverages we sell include substantial protection for damages resulting from natural and man-made catastrophes, as such, we expect from time to time to become liable for substantial claim payments on short notice. Accordingly, our investment portfolio as a whole is structured to seek to preserve capital and provide a high level of liquidity which means that the large majority of our investment portfolio consists of highly rated fixed income securities, including U.S. treasuries, agencies, highly rated sovereign and supranational securities, high-grade corporate securities, FDIC guaranteed corporate securities and mortgage-backed and asset-backed securities. We also have an allocation to equity investments trading and other investments, including hedge funds, private equity partnerships, senior secured bank loan funds and other investments. At June 30, 2011, our invested asset portfolio of fixed maturities and short term investments had a dollar weighted average rating of AA (December 31, 2010 – AA), an average duration of 2.7 years (December 31, 2010 – 3.2 years) and a weighted average effective yield of 2.4% (December 31, 2010 – 2.1%).

Other Investments

The table below shows our portfolio of other investments:

(in thousands of U.S. dollars)	June 30, 2011	December 31, 2010	Change
Private equity partnerships	$363,688	$ 347,556	$ 16,132
Senior secured bank loan funds	247,528	166,106	81,422
Catastrophe bonds	93,805	123,961	(30,156)
Non-U.S. fixed income funds	88,962	80,224	8,738
Hedge funds	39,753	41,005	(1,252)
Miscellaneous other investments	5,907	28,696	(22,789)
Total other investments	$839,643	$ 787,548	$ 52,095

The fair value of certain of our fund investments, which principally include hedge funds, private equity partnerships, senior secured bank loan funds and non-U.S. fixed income funds, is generally established on the basis of the net valuation criteria established by the managers of such investments, if applicable. These net asset valuations are determined based upon the valuation criteria established by the governing documents of such investments. Such valuations may differ significantly from the values that would have been used had ready markets existed for the shares, partnership interests or notes. Many of our fund investments are subject to restrictions on redemptions and sales which are determined by the governing documents and limit our ability to liquidate these investments in the short term. In addition, due to a lag in reporting, some of our fund managers, fund administrators, or both, are unable to provide final fund valuations as of our current reporting date. In these circumstances, we estimate the fair value of these funds by starting with the prior month's or quarter's fund valuation, adjusting these valuations for capital calls, redemptions or distributions and the impact of changes in foreign currency exchange rates, and then estimating the return for the current period. In circumstances in which we estimate the return for the current period, we use all credible information available to us. This principally includes preliminary estimates reported to us by our fund managers, obtaining the valuation of underlying portfolio investments where such underlying investments are publicly traded and therefore have a readily observable price, using information that is available to us with respect to the underlying investments, reviewing various indices for similar investments or asset classes, as well as estimating returns based on the results of similar types of investments for which we have reported results, or other valuation methods, as necessary. Actual final fund valuations may differ, perhaps materially so, from our estimates and these differences are recorded in the period they become known as a change in estimate. Our estimate of the fair value of catastrophe bonds are based on quoted market prices, or when such prices are not available, by reference to broker or underwriter bid indications.

Interest income, income distributions and realized and unrealized gains and losses on other investments are included in net investment income and resulted in $45.4 million of net investment income for the first six months of 2011, compared to $38.8 million in the first six months of 2010. Of this amount, $33.7 million relates to net unrealized gains compared with $5.7 million for the first six months of 2011 and 2010, respectively.

We have committed capital to private equity partnerships and other entities of $853.0 million, of which $663.1 million has been contributed at June 30, 2011. Our remaining commitments to these funds at June 30, 2011 totaled $186.1 million. In the future, we may enter into additional commitments in respect of private equity partnerships or individual portfolio company investment opportunities.

EFFECTS OF INFLATION

The potential exists, after a catastrophe loss, for the development of inflationary pressures in a local economy. The anticipated effects on us are considered in our catastrophe loss models. Our estimates of the potential effects of inflation are also considered in pricing and in estimating reserves for unpaid claims and claim expenses. In addition, it is possible that the risk of general economic inflation has increased which could, among other things, cause claims and claim expenses to increase and also impact the performance of our investment portfolio. The actual effects of this inflation on our results cannot be accurately known until, among other items, claims are ultimately settled. The onset, duration and severity of an inflationary period cannot be estimated with precision.

OFF-BALANCE SHEET AND SPECIAL PURPOSE ENTITY ARRANGEMENTS

At June 30, 2011, we have not entered into any off-balance sheet arrangements, as defined by Item 303(a)(4) of Regulation S-K.

CONTRACTUAL OBLIGATIONS

In the normal course of its business, the Company is a party to a variety of contractual obligations as summarized in the Company's 2010 Annual Report on Form 10-K. These contractual obligations are considered by the Company when assessing its liquidity requirements. As of June 30, 2011, there are no material changes in the Company's contractual obligations as disclosed in the Company's table of contractual obligations included in the Company's Annual Report on Form 10-K for the year ended December 31, 2010.

In certain circumstances, our contractual obligations may be accelerated to dates other than those in the Company's 2010 Annual Report on Form 10-K, due to defaults under the agreement governing those obligations (including pursuant to cross-default provisions in such agreement) or in connection with certain changes in control of the Company, if applicable. In addition, in connection with any such default under the agreement governing these obligations, in certain circumstances these obligations may bear an increased interest rate or be subject to penalties as a result of such a default.

Current Outlook

Impact of Recent Catastrophes and Other Developments

In the first half of 2011, the global insurance and reinsurance markets experienced significant losses from natural catastrophes, including the Australian flooding, earthquakes affecting New Zealand, tornadoes in the U.S. and, most materially, the Tohoku earthquake. According to leading global intermediaries and other published reports, aggregate industry losses in the first half of 2011 are expected to exceed the total of all losses for 2010, which itself was an active year for insured natural catastrophes, as to which leading industry publications reported ten events that triggered insured losses of at least $1.0 billion, including the Chilean earthquake, the September 2010 New Zealand earthquake and European windstorm Xynthia, with additional earthquakes in Pakistan and, in particular, Haiti, though largely uninsured, causing extensive loss of life. Overall, we believe these events have somewhat depleted the excess capital we estimated was held by private market insurers and reinsurers in 2010, and may lead, over time, to increased demand for the coverages and solutions in which we specialize. In addition, we currently estimate that demand may be favorably impacted by the release of Version 11.0 of the RMS Atlantic Hurricane Model for the U.S. ("RMS version 11") and the continued low investment return environment. However, we cannot assure you that increased demand will indeed materialize or be sustained, or will lead directly to improvements in our book of business. In addition, RMS has recently released a further updated model relating to European windstorms, which we believe is likely to affect demand for our products in Europe, although it is unclear at this time whether or not such impact will be favorable.

General Economic Conditions

While economic conditions in the U.S. and certain of our other key markets in general improved in 2010 and the first quarter of 2011, compared to immediately preceding periods, meaningful uncertainty remains regarding the strength, duration and comprehensiveness of any economic recovery. In the second quarter, a range of financial data indicated that economic recovery in the U.S. and other of our key markets may have slowed or stalled, driven by factors including the financial and fiscal instability of several European jurisdictions, the uncertainty engendered by the U.S. debt ceiling debate, the rising cost of oil and for energy more generally, the rising prices for various agricultural and other commodities, and other factors. Accordingly, we continue to believe that meaningful risk remains for continued uncertainty or disruptions in general economic conditions, including dislocations in the financial markets which could give rise to increased economic uncertainty, or to further deterioration of economic conditions. Moreover, if economic growth were to re-emerge, such growth may be only at a comparably suppressed rate for a relatively extended period of time. If the current economic conditions persist at their current levels or decline, demand for the products sold by us or our customers or our overall ability to write business at risk-adequate rates could weaken. In addition, persistent low levels of economic activity could adversely impact other areas of our financial performance, such as by contributing to unforeseen premium adjustments, mid-term policy cancellations or commutations, or asset devaluation. Any of the foregoing or other outcomes of a prolonged period of relative economic weakness could adversely impact our financial position or results of operations. In addition, during a period of extended economic weakness, we believe our consolidated credit risk, reflecting our counterparty dealings with customers, agents, brokers, retrocessionaires, capital providers and parties associated with our investment portfolio, among others, is likely to be increased. Several of these risks could materialize, and our financial results could be negatively impacted, even after the end of the economic downturn.

Moreover, we continue to monitor the risk that our principal markets will experience increased inflationary conditions, which would, among other things, cause costs related to our claims and claim expenses to increase, and impact the performance of our investment portfolio. The onset, duration and severity of an inflationary period cannot be estimated with precision.

Our catastrophe-exposed operations are subject to the ever-present potential for significant volatility in capital due primarily to our exposure to severe catastrophic events. Our specialty reinsurance portfolio is also exposed to emerging risks arising from the ongoing relative economic weakness, including with respect to a potential increase of claims in directors and officers, errors and omissions, surety, casualty clash and other lines of business.

Historically low interest rates and lower spreads as compared to recent years have lowered the yields at which we invest our assets relative to historical levels. We expect these developments, combined with the current composition of our investment portfolio and other factors, to continue to put downward pressure on our net investment income for the near term. In 2009 and 2010, our investment results benefited substantially from factors including spreads tightening and improving valuations at levels which we would not anticipate repeating in future periods. In addition to impacting our reported net income, potential future losses on our investment portfolio, including potential future mark-to-market results, would adversely impact our equity capital. Moreover, as we invest cash from new premiums written or reinvest the proceeds of invested assets that mature or that we choose to sell, the yield on our portfolio is impacted by the prevailing environment of comparably low yields. While it is possible yields will improve in future periods, we currently expect the challenging economic conditions to persist and we are unable to predict with certainty when conditions will substantially improve, or the pace of any such improvement.

Market Conditions and Competition

While the January 2011 renewal season reflected continued softening and uncertainty in the predominant part of the markets in which we focus, albeit at a diminished pace compared to the softening trends experienced overall in January 2010, regions directly impacted by the catastrophe events of 2010 evidenced signs of stabilization and, for certain coverages or accounts, improvement. As noted above, the first six months of 2011 have been marked by significant global catastrophe losses. In addition, the release of RMS version 11 has also had an impact on the perceived capital positions and views of risk of a range of market participants. Following these developments, leading global intermediaries and other observers have reported, in general, that the June 1 and July 1, 2011 reinsurance renewal seasons for catastrophe-exposed reinsurance coverage were characterized by price increases on a risk-adjusted basis as measured by Version 9.0 of the RMS Atlantic Hurricane Model for the U.S., the widely used prior RMS model. On a risk-adjusted basis using RMS version 11 or the current model release from AIR, a leading catastrophe model vendor, market wide pricing is reported by these sources to be down, or flat. Specific renewal terms vary widely by insured account and, at times, in respect of specific reinsurers and coverages; we believe these variances may have been greater during this renewal season than is typically the case. Moreover, according to U.S. state regulators, brokers and other parties, there is also growing evidence of rate increases on underlying U.S. primary property insurance business, which over time may support increased demand for catastrophe reinsurance coverage. Notwithstanding these catastrophe market developments, leading global intermediaries and other sources have generally reported that July 1 renewals in the U.S. casualty reinsurance market continued to reflect a relatively soft pricing environment, with little change from immediately preceding casualty renewals overall.

As a result of a range of industry developments, we currently estimate that demand for catastrophe coverages may continue to increase in both Europe and in Japan and the Asia-Pacific region more broadly. These factors include the catastrophic losses of 2011 to date and the implementation by market participants and other stakeholders of revised catastrophe models relating to exposures in certain of the markets subject to January 1 renewal terms. However, it is not certain that any increase in demand will indeed occur, will be sustained over time, or will not be offset by adverse or unforeseen factors. It is also possible that we will encounter more significant competitive barriers than we have in the past and therefore render us unable to participate in improving markets, should they transpire, to the degree we may wish to pursue opportunities in such markets. We believe that our strong relationships, and track record of superior claims paying ability and other client service will enable us to compete for the business we find attractive; however, our relationships in emerging markets are not as developed as they are in our current core markets.

The market for our catastrophe reinsurance products is generally dynamic and volatile. The market dynamics noted above, increased or decreased catastrophe loss activity, and changes in the amount of capital in the industry can result in significant changes to the pricing, policy terms and demand for our catastrophe reinsurance products over a relatively short period of time. In addition, changes in state-sponsored catastrophe funds, or residual markets, which have generally grown dramatically in recent years, or the implementation of new government-subsidized or sponsored programs, can dramatically alter market conditions. We believe that the overall trend of increased frequency and severity of catastrophic U.S. Atlantic and Gulf Coast region storms experienced in recent years may continue for the foreseeable future. Increased understanding of the potential increase in frequency and severity of storms may contribute to increased demand for protection in respect of coastal risks which could impact pricing and terms and conditions in coastal areas over time. We do not believe that the comparably low level of weather-related losses incurred in 2009 and 2010, despite the active Atlantic basin activity in those years, is indicative of the likely level of such losses in future periods. Overall, we expect higher property loss cost trends, driven by increased severity and by the potential for increased frequency, to continue in the future. At the same time, certain markets we target continue to be impacted by fundamental weakness experienced by primary insurers, due to the ongoing economic dislocation and, in many cases, inadequate primary insurance rate levels. These conditions, which occurred in a period characterized by unusually low insured catastrophic losses, have contributed to certain publicly announced instances of insolvency, regulatory supervision and other regulatory actions, and have weakened the ability of certain carriers to invest in reinsurance and other protections for coming periods, and in some cases to meet their existing premium obligations. It is possible that these dynamics will continue in future periods.

In addition, we continue to explore potential strategic transactions or investments, and other opportunities, from time to time that are presented to us or that we originate. In evaluating these potential investments and opportunities, we seek to improve the portfolio optimization of our business as a whole, to enhance our strategy, to achieve an attractive estimated return on equity in respect of investments, to develop or capitalize on a competitive advantage, and to source business opportunities that will not detract from our core operations.

Legislative and Regulatory Update

Under current Bermuda law, the Company is not subject to any tax computed on profits or income or computed on any capital asset, gain or appreciation. The Company has been exempted from any such tax until March 2016 pursuant to the Bermuda Exempted Undertakings Tax Protection Act of 1966. During June 2011, the Minister of Finance of Bermuda granted an extension of this assurance to the Company with effect until March 2035.

In April 2010, the U.S. House Financial Services Committee approved H.R. 2555, titled “The Homeowners Defense Act,” by a vote of 39-26. Concurrently, the Financial Services Committee passed legislation which would expand the National Flood Insurance Program (the “NFIP”) to cover damage to or loss of real or related personal property located in the U.S. arising from any windstorm (any hurricane, tornado, cyclone, typhoon, or other wind event) (this legislation, together with H.R. 2555, is referred to below as the “House Bills”). H.R. 2555 would, if enacted, provide for the creation of (i) a federal reinsurance catastrophe fund; (ii) a federal consortium to facilitate qualifying state residual markets and catastrophe funds in securing reinsurance; and (iii) a federal bond guarantee program for state catastrophe funds in qualifying state residual markets. While neither of the House Bills was ultimately passed in the 2010 Congress, members of both the House and Senate continue to express support for this legislation and it remains possible this legislation or similar legislation will be considered by Congress.

In early 2011, California’s two Senators, Dianne Feinstein and Barbara Boxer, introduced the Earthquake Insurance Affordability Act of 2011 (S. 367), pursuant to which the federal government would provide limited federal backing to certain qualifying state-affiliated organizations that provide catastrophic residential earthquake insurance as a way to help them reduce the amount they spend each year in reinsurance premiums. According to published reports, the sole state organization currently eligible to participate is the California Earthquake Authority (the “CEA”). Should the legislation be enacted, the CEA has stated it would decrease significantly the relative and, perhaps, the absolute amount of private reinsurance purchased by the CEA in the future.

If enacted, any of these bills, or legislation similar to these proposals, would, we believe, likely contribute to the growth of state entities offering below market priced insurance and reinsurance in a manner adverse to us and market participants more generally. While none of this legislation has been enacted to date, and although we believe such legislation will continue to be vigorously opposed, if adopted these bills would likely diminish the role of private market catastrophe reinsurers and could adversely impact our financial results, perhaps materially. Throughout 2009 and into early 2010, Congress passed a series of short term extensions of the NFIP. In September 2010, Congress extended the program for a one year period; this extension is scheduled to expire September 30, 2011. In July 2011, the U.S. House passed, by a 406-22 vote, the Flood Insurance Reform Act of 2011, which would renew the NFIP through September 30, 2016, and effect substantial reforms in the program. Among other things, pursuant to this statute, the Federal Emergency Management Agency (“FEMA”) would be explicitly authorized to carry out initiatives to determine the capacity of private insurers, reinsurers, and financial markets to assume a greater portion of the flood risk exposure in the United States, and to assess the capacity of the private reinsurance market to assume some of the program’s risk. FEMA would be required to submit a report on this assessment within six months of enactment. The House bill would also increase the annual limitation on program premium increases from 10 percent to 20 percent of the average of the risk premium rates for the properties concerned; would establish a four-year phase-in, after the first year, in annual 20 percent increments, of full actuarial rates for a newly mapped risk premium rate area; and would instruct FEMA to establish new flood insurance rate maps. If enacted, these reforms could increase the role of private risk-bearing capital in respect of U.S. flood perils, perhaps significantly. However, at this time the Senate has not passed companion legislation, and there can be no assurance that Congress will ultimately pass reform legislation, or that the studies and pilot programs contemplated by the bill will indeed contribute meaningfully to private sector reforms. At the same time, expansions or weakening of the NFIP, or a failure to act on the expiring current program in a timely fashion, particularly if unanticipated by industry participants, could have dislocating impacts on the industry and our customers and potentially have an adverse impact on us.

In 2007, the State of Florida enacted legislation to expand the Florida Hurricane Catastrophe Fund's ("FHCF") provision of below-market rate reinsurance to up to $28.0 billion per season (the "2007 Florida Bill"). In May of 2009, the Florida legislature enacted Bill No. CS/HB 1495 (the "2009 Bill"), which will gradually phase out $12.0 billion in optional reinsurance coverage under the FHCF over the succeeding five years. The 2009 Bill increased the cost of the optional coverage, which is believed to have contributed to reductions in the amount of this coverage purchased by eligible insurers until the phase-out is complete. The 2009 Bill similarly allows the state-sponsored property insurer, Citizens Property Insurance Corporation ("Citizens"), to raise its rates up to 10% starting in 2010 and every year thereafter, until such time that it has sufficient funds to pay its claims and expenses. For 2010, the approved rate increase for Citizens was approximately 5%. The rate increases and cut back on coverage by FHCF and Citizens are expected to support, over time, a relatively increased role of the private insurers in Florida, a market in which we have established substantial market share.

In May 2011, the Florida legislature passed Florida Senate bill 408 ("SB 408"), relating principally to property insurance. Among other things, SB 408 requires an increase in minimum capital and surplus for newly licensed Florida domestic insurers from $5 million to $15 million; institutes a 3-year claims filing deadline for new and reopened claims from the date of a hurricane or windstorm; allows an insurer to offer coverage where replacement cost value is paid, but initial payment is limited to actual cash value; allows admitted insurers to seek rate increases up to 15% to adjust for third party reinsurance costs; and institutes a range of reforms relating to various matters that have increased the costs of insuring sinkholes in Florida. While we believe SB 408 should contribute over time to stabilization of the Florida market, legislation intended to further reform and stabilize Citizens was not passed in the 2011 legislative session.

We believe the 2007 Florida Bill caused a substantial decline in the private reinsurance and insurance markets in and relating to Florida, and contributed to the ongoing instability in the Florida primary insurance market, where many insurers reported substantial and continuing losses in 2009 and 2010, each unusually low catastrophe years. Because of our position as one of the largest providers of catastrophe-exposed coverage, both on a global basis and in respect of the Florida market, the 2007 Florida Bill and the weakened financial position of Florida insurers may have a disproportionate adverse impact on us compared to other reinsurance market participants. The advent of a large windstorm, or of multiple smaller storms, could potentially challenge the assessment-based claims paying capacity of Citizens and the FHCF. Any inability, or delay, in the claims paying ability of these entities or of private market participants could further weaken or destabilize the Florida market, potentially giving rise to an unpredictable range of adverse impacts. Adverse market, regulatory or legislative changes impacting Florida could affect our ability to sell certain of our products and could therefore have a material adverse effect on our operations.

In July 2009, U.S. Rep. Richard Neal introduced H.R. 3424 (the "Neal Bill"), which provides that foreign insurers and reinsurers would be capped in deducting reinsurance premiums ceded from U.S. units to offshore affiliates. The Obama Administration included similar provisions in its formal 2010 and 2011 budgetary proposals. While the sale of our U.S.-based insurance operations likely reduces our relative exposure to this proposed legislation, we believe that the passage of such legislation could nonetheless adversely affect the reinsurance market broadly and our operations in particular, perhaps materially.

In March 2009, U.S. Senator Carl Levin and Rep. Lloyd Doggett introduced legislation in the U.S. Senate and House, respectively, entitled the "Stop Tax Haven Abuse Act" (S. 506). Rep. Doggett introduced similar legislation in 2010 and early 2011. If enacted, this legislation would, among other things, cause to be treated as a U.S. corporation for U.S. tax purposes generally, entities whose shares are publicly traded on an established securities market, or whose gross assets are $50.0 million or more, if the "management and control" of such a corporation is, directly or indirectly, treated as occurring primarily within the U.S. The proposed legislation provides that a corporation will be so treated if substantially all of the executive officers and senior management of the corporation who exercise day-to-day responsibility for making decisions involving strategic, financial, and operational policies of the corporation are located primarily within the U.S. In addition, among other things, the legislation would establish presumptions for entities and transactions in jurisdictions deemed to be "offshore secrecy jurisdictions" and would provide a list of such jurisdictions. To date, this legislation has not been approved by either the House of Representatives or the Senate. However, we can provide no assurance that this legislation or similar legislation will not ultimately be adopted. While we do not believe that the legislation would impact us, it is possible that an adopted bill would include additional or expanded provisions which could negatively impact us, or that the interpretation or enforcement of the current proposal, if enacted, would be more expansive or adverse than we currently estimate.

In July 2010 the Dodd-Frank Act Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") was signed into law by President Obama. The Dodd-Frank Act represents a comprehensive overhaul of the financial services industry within the United States, establishes the new federal Bureau of Consumer Financial Protection (the "BCFP"), and will require the BCFP and other federal agencies to implement many new rules. At this time, it is difficult to predict the extent to which the Dodd-Frank Act or the resulting regulations will impact the Company's business. However, compliance with these new laws and regulations will result in additional costs, which may adversely impact the Company's results of operations, financial condition or liquidity. Even if we are not subject to additional regulation by the federal government, new or additional state, federal or international financial sector regulatory reform, including the Dodd-Frank Act, could have a significant impact on us. For example, legislative or regulatory changes, or their resultant impact on our market, could have an unexpected adverse effect on our customers, our competitive position or our rights as a creditor. Although we do not currently expect material adverse consequences to our business from the developments of which we are aware, we cannot assure you this expectation will prove accurate or that the Dodd-Frank Act or other developments will not impact our business more adversely than we currently estimate.

NOTE ON FORWARD-LOOKING STATEMENTS

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

In particular, statements using words such as “may”, “should”, “estimate”, “expect”, “anticipate”, “intends”, “believe”, “predict”, “potential”, or words of similar import generally involve forward-looking statements. For example, we may include certain forward-looking statements in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” with regard to trends in results, prices, volumes, operations, investment results, margins, combined ratios, reserves, market conditions, risk management and exchange rates. This Form 10-K also contains forward-looking statements with respect to our business and industry, such as those relating to our strategy and management objectives, market standing and product volumes, insured losses from loss events, government initiatives and regulatory matters affecting the reinsurance and insurance industries.

In light of the risks and uncertainties inherent in all future projections, the inclusion of forward-looking statements in this report should not be considered as a representation by us or any other person that our objectives or plans will be achieved. Numerous factors could cause our actual results to differ materially from those addressed by the forward-looking statements, including the following:

- we are exposed to significant losses from catastrophic events and other exposures that we cover, which we expect to cause significant volatility in our financial results from time to time;
- the frequency and severity of catastrophic events or other events which we cover could exceed our estimates and cause losses greater than we expect;
- the risk of the lowering or loss of any of the ratings of RenaissanceRe Holdings Ltd. or of one or more of our subsidiaries or changes in the policies or practices of the rating agencies;
- the risk that the sale of substantially all of our U.S.-based insurance operations to QBE on March 4, 2011 may fail to materially enhance our financial results or position or to further our strategy;
- risks associated with appropriately modeling, pricing for, and contractually addressing new or potential factors in loss emergence, such as the trend toward potentially significant global warming and other aspects of climate change which have the potential to adversely affect our business, which could cause us to underestimate our exposures and potentially adversely impact our financial results;
- risks due to our dependence on a few insurance and reinsurance brokers for the preponderance of our revenue, a risk we believe is increasing as a larger portion of our business is provided by a small number of these brokers;
- the risk that our customers may fail to make premium payments due to us (a risk that we believe has increased in certain of our key markets), as well as the risk of failures of our reinsurers, brokers or other counterparties to honor their obligations to us, including as regards to the large seismic events of 2010 and 2011, and also including their obligations to make third party payments for which we might be liable;
- we operate in a highly competitive environment, which we expect to increase over time from new competition from non-traditional participants as capital markets products provide alternatives and replacements for our more traditional reinsurance and insurance products and as a result of consolidation in the (re)insurance industry;
- the inherent uncertainties in our reserving process, particularly as regards to the large seismic events of 2010 and 2011, and also including those related to the 2005 and 2008 catastrophes, which uncertainties could increase as the product classes we offer evolve over time;

- risks relating to adverse legislative developments including the risk of passage of the House Bills or of the putative Earthquake Insurance Affordability Act, the risk of new legislation in Florida continuing to expand the reinsurance coverages offered by the Florida Hurricane Catastrophe Fund (“FHCF”) and the insurance policies written by state-sponsored Citizens Property Insurance Corporation (“Citizens”), or failing to reduce such coverages or implementing new programs which reduce the size of the private market, and the risk that new, state-based or federal legislation will be enacted and adversely impact us;
- risks relating to the inability, or delay, in the claims paying ability of Citizens, FHCF or of private market participants in Florida, particularly following a large windstorm or of multiple smaller storms, which could further weaken or destabilize the Florida market, potentially giving rise to an unpredictable range of adverse impacts;
- changes in insurance regulations in the U.S. or other jurisdictions in which we operate, including the risks that U.S. federal or state governments will take actions to diminish the size of the private markets in respect of the coverages we offer, the risk of potential challenges to the Company’s claim of exemption from insurance regulation under certain current laws and the risk of increased global regulation of the insurance and reinsurance industry;
- the passage of federal or state legislation subjecting Renaissance Reinsurance Ltd. (“Renaissance Reinsurance”) or our other Bermuda subsidiaries to supervision, regulation or taxation in the U.S. or other jurisdictions in which we operate, or increasing the taxation of business ceded to us;
- a contention by the Internal Revenue Service that Renaissance Reinsurance, or any of our other Bermuda subsidiaries, is subject to U.S. taxation;
- risks associated with implementing our business strategies and initiatives, including risks related to developing or enhancing the operations, controls and other infrastructure necessary in respect of our more recent, new or proposed initiatives;
- the risk that there could be regulatory or legislative changes adversely impacting us, as a Bermuda-based company, relative to our competitors, or actions taken by multinational organizations having such an impact;
- risks associated with highly subjective judgments, such as valuing our more illiquid assets, and determining the impairments taken on our investments, which could impact our financial position or operating results;
- risks associated with our investment portfolio, including the risk that investment managers may breach our investment guidelines, or the inability of such guidelines to mitigate risks arising out of the ongoing period of relative economic weakness;
- risks associated with inflation, which could cause loss costs to increase, and impact the performance of our investment portfolio, thereby adversely impacting our financial position or operating results;
- the risk we might be bound to policyholder obligations beyond our underwriting intent;
- risks associated with counterparty credit risk, including with respect to reinsurance brokers, customers, agents, retrocessionaires, capital providers, parties associated with our investment portfolio and/or our energy trading business, and premiums and other receivables owed to us, which risks we believe continue to be heightened as a result of the ongoing period of relative economic weakness;
- emerging claims and coverage issues, which could expand our obligations beyond the amount we intend to underwrite;
- loss of services of any one of our key senior officers, or difficulties associated with the transition of new members of our senior management team;
- the risk that ongoing or future industry regulatory developments will disrupt our business, or that of our business partners, or mandate changes in industry practices in ways that increase our costs, decrease our revenues or require us to alter aspects of the way we do business;
- acts of terrorism, war or political unrest;
- risks that the Dodd-Frank Act may adversely impact our business, or significantly increase our operating costs;
- operational risks, including system or human failures;
- risks in connection with our management of third party capital;

- changes in economic conditions, including interest rate, currency, equity and credit conditions which could affect our investment portfolio or declines in our investment returns for other reasons which could reduce our profitability and hinder our ability to pay claims promptly in accordance with our strategy, which risks we believe are currently enhanced in light of the ongoing period of relative economic weakness, both globally and in the U.S.;
- the impact of an inability to reach agreement on a national debt ceiling in the United States, on the perceived inability of the United States to continue to pay its debt obligations when due, including the possible downgrade of U.S. securities by credit rating agencies, and the resulting effect on the value of securities in our investment portfolio as well as the uncertainty in the market generally;
- risks relating to failure to comply with covenants in our debt agreements;
- risks relating to the inability of our operating subsidiaries to declare and pay dividends to the Company;
- risks that we may require additional capital in the future, particularly after a catastrophic event or to support potential growth opportunities in our business, which may not be available or may be available only on unfavorable terms;
- risks associated with our increased allocation of capital to our weather and energy risk management operations, including the risks that these operations may give rise to unforeseen or unanticipated losses, as well as the possibility that the results of these operations do not meaningfully impact our financial results over time;
- risks that certain of our new or potentially expanding business lines could have a significant negative impact on our financial results or cause significant volatility in our results for any particular period;
- risks arising out of possible changes in the distribution or placement of risks due to increased consolidation of customers or insurance and reinsurance brokers, or from potential changes in their business practices which may be required by future regulatory changes; and
- risks relating to changes in regulatory regimes and/or accounting rules, which could result in significant changes to our financial results, including but not limited to, the European Union directive concerning capital adequacy, risk management and regulatory reporting for insurers.

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

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are principally exposed to five types of market risk: interest rate risk; foreign currency risk; credit risk; energy and weather-related risk; and equity price risk. The Company's investment guidelines permit, subject to approval, investments in derivative instruments such as futures, options, foreign currency forward contracts and swap agreements, which may be used to assume risks or for hedging purposes. See the Company's Form 10-K for the fiscal year ended December 31, 2010 for additional information related to the Company's exposure to these risks.

Item 4. CONTROLS AND PROCEDURES

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

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

Evaluation: An evaluation was performed under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as required by Rules 13a-15(b) and 15d-15(b) of the Exchange Act. Based upon that evaluation, the Company's management, including our Chief Executive Officer and Chief Financial Officer, concluded that, at June 30, 2011, the Company's disclosure controls and procedures were effective at the reasonable assurance level in ensuring that information required to be disclosed in Company reports filed under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and (ii) accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. There has been no change in the Company's internal control over financial reporting during the three months ended June 30, 2011 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II — OTHER INFORMATION

Item 1 — Legal Proceedings

There are no material changes from the legal proceedings previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2010.

RenaissanceRe and its subsidiaries are subject to lawsuits and regulatory actions in the normal course of business that do not arise from or directly relate to claims on reinsurance treaties or contracts or direct surplus lines insurance policies. This category of business litigation may involve allegations of underwriting or claims-handling errors or misconduct, employment claims, regulatory actions or disputes arising from our business ventures. Our operating subsidiaries are subject to claims litigation involving disputed interpretations of policy coverages. Generally, our direct surplus lines insurance operations are subject to greater frequency and diversity of claims and claims-related litigation than our reinsurance operations and, in some jurisdictions, may be subject to direct actions by allegedly injured persons or entities seeking damages from policyholders. These lawsuits, involving claims on policies issued by our subsidiaries which are typical to the insurance industry in general and in the normal course of business, are considered in our loss and loss expense reserves which are discussed in more detail above under "Reserves for Claims and Claim Expenses." In addition, we may from time to time engage in litigation or arbitration related to our claims for payment in respect of ceded reinsurance. Any such litigation or arbitration contains an element of uncertainty, and we believe the inherent uncertainty in such matters may have increased recently and will likely continue to increase. Currently, we believe that no individual litigation or arbitration to which we are presently a party is likely to have a material adverse effect on our financial condition, business or operations.

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Item 1A — Risk Factors

There are no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2010.

Item 2 — Unregistered Sales of Equity Securities and Use of Proceeds

The Company's share repurchase program may be effected from time to time, depending on market conditions and other factors, through open market purchases and privately negotiated transactions. On May 18, 2011, the Company approved an increase in its authorized share repurchase program to an aggregate amount of $500.0 million. Unless terminated earlier by resolution of the Company's Board of Directors, the program will expire when the Company has repurchased the full value of the shares authorized. The table below details the repurchases that were made under the program during the three months ended June 30, 2011, and also includes other shares purchased which represents withholdings from employees surrendered in respect of withholding tax obligations on the vesting of restricted stock, or in lieu of cash payments for the exercise price of employee stock options.

	Total shares purchased		Other shares purchased		Shares purchased under repurchase program		Dollar amount still available under repurchase program (in millions)
	Shares purchased	Average price per share	Shares purchased	Average price per share	Shares purchased	Average price per share	
Beginning dollar amount available to be repurchased							$ 436.9
April 1 - 30, 2011	—	$ —	—	$ —	—	$ —	—
May 1 - 31, 2011	881	$ 69.78	881	$ 69.78	—	$ —	—
May 18, 2011 - increased authorized share repurchase program to $500.0 million							
							63.1
Dollar amount available to be repurchased							500.0
June 1 - 30, 2011	—	$ —	—	$ —	—	$ —	—
Total	881	$ 69.78	881	$ 69.78	—	$ —	$ 500.0

In the future, the Company may adopt additional trading plans or authorize purchase activities under the remaining authorization, which the Board may increase in the future.

Item 3 — Defaults Upon Senior Securities

None

Item 5 — Other Information

None

Item 6 – Exhibits

31.1	Certification of Neill A. Currie, Chief Executive Officer of RenaissanceRe Holdings Ltd., pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.
31.2	Certification of Jeffrey D. Kelly, Chief Financial Officer of RenaissanceRe Holdings Ltd., pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.
32.1	Certification of Neill A. Currie, Chief Executive Officer of RenaissanceRe Holdings Ltd., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Jeffrey D. Kelly, Chief Financial Officer of RenaissanceRe Holdings Ltd., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

SIGNATURES

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

RenaissanceRe Holdings Ltd.

By: /s/ Jeffrey D. Kelly
Jeffrey D. Kelly
Executive Vice President,
Chief Financial Officer

By: /s/ Mark A. Wilcox
Mark A. Wilcox
Senior Vice President,
Corporate Controller and
Chief Accounting Officer

Date: July 27, 2011

Exhibit 31.1

CERTIFICATION

I, Neill A. Currie, certify that:

1. I have reviewed this Form 10-Q of RenaissanceRe Holdings Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 27, 2011

/s/ Neill A. Currie

Neill A. Currie
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Jeffrey D. Kelly, certify that:

1. I have reviewed this Form 10-Q of RenaissanceRe Holdings Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 27, 2011

/s/ Jeffrey D. Kelly

Jeffrey D. Kelly
Chief Financial Officer

Exhibit 32.1

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

In connection with the Form 10-Q of RenaissanceRe Holdings Ltd. (the "Company") for the fiscal quarter ended June 30, 2011, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Neill A. Currie, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ Neill A. Currie

Neill A. Currie
Chief Executive Officer
July 27, 2011

Exhibit 32.2

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

In connection with the Form 10-Q of RenaissanceRe Holdings Ltd. (the “Company”) for the fiscal quarter ended June 30, 2011, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jeffrey D. Kelly, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ Jeffrey D. Kelly

Jeffrey D. Kelly
Chief Financial Officer
July 27, 2011