SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549
Form 10-K

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

For the fiscal year ended December 31, 1997 Commission File No. 34-0-26512

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

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

Renaissance House, 8-12 East Broadway, Pembroke HM 19 Bermuda
(Address of Principal Executive Offices)
(441) 295-4513
(Registrant's telephone number)

Securities registered pursuant to Section 12(b) of the Act: Common Shares, par value $1.00 per share

Securities registered pursuant to Section 12 (g) of the Act: None

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

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

The aggregate market value of Common Shares held by nonaffiliates of the Registrant as of March 27, 1998 was $611,117,643, based on the closing sale price of the Common Shares on the New York Stock Exchange on that date.

The number of Common Shares outstanding as of March 27, 1998 was 22,535,809.

DOCUMENTS INCORPORATED BY REFERENCE

Sections of the Registrant's Annual Report to Shareholders mailed to shareholders on or about March 24, 1998 (the "Annual Report") are incorporated by reference into Part II of this Form 10-K. With the exception of the sections of the Annual Report specifically incorporated by reference herein, the Annual Report is not deemed to be filed as part of this Form 10-K.

Sections of the Registrant's definitive proxy statement to be filed with the Securities and Exchange Commission (the "Commission") pursuant to Regulation 14A under the Securities Exchange Act of 1934 relating to the Registrant's Annual General Meeting of Shareholders to be held on May 5, 1998 (the "Proxy Statement") are incorporated by reference into Part III of this Form 10-K. With the exception of the sections of the Proxy Statement specifically incorporated by reference herein, the Proxy Statement is not deemed to be filed as part of this Form 10-K.

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PART I

Unless the context otherwise requires, references herein to the "Company" include RenaissanceRe Holdings Ltd. and its subsidiaries, Renaissance Reinsurance Ltd. ("Renaissance Reinsurance"), Glencoe Insurance Ltd. ("Glencoe") and Renaissance U.S. Holdings, Inc. ("Renaissance US"). Certain terms used below are defined in the "Glossary of Selected Insurance Terms" appearing on pages 20-22 of this Report.

Note on Forward-Looking Statements

This report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. Forward-looking statements are statements other than historical information or statements of current condition. Some forward-looking statements may be identified by use of terms such as "believes," "anticipates," "intends," or "expects." These forward-looking statements relate, among other things, to the plans and objectives of the Company for future operations. In light of the risks and uncertainties inherent in all future projections, the inclusion of forward-looking statements in this report should not be considered as a representation by the Company or any other person that the objectives or plans of the Company will be achieved. Numerous factors could cause the Company's actual results to differ materially from those in the forward-looking statements, including the following: (i) the occurrence of catastrophic events with a frequency or severity exceeding the Company's estimates; (ii) a decrease in the level of demand for property catastrophe reinsurance, or increased competition owing to increased capacity of property catastrophe reinsurers; (iii) any lowering or loss of one of the financial or claims-paying ratings of the Company or one or more of its subsidiaries; (iv) actions of competitors; (v) loss of services of any one of the Company's key executive officers; (vi) the passage of federal or state legislation subjecting Renaissance Reinsurance to supervision or regulation in the United States; (vii) challenges by insurance regulators in the United States to Renaissance Reinsurance's claim of exemption from insurance regulation under the current laws; (viii) changes in economic conditions, including currency rate conditions; or (ix) a contention by the United States Internal Revenue Service that the Company or Renaissance Reinsurance is engaged in the conduct of a trade or business within the U.S. The foregoing review of important factors should not be construed as exhaustive; the Company undertakes no obligation to release publicly the results of any future revisions it may make to forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Item 1. Business

General

The Company provides reinsurance and insurance where risk of natural catastrophe represents a significant component of the overall exposure. The Company's results depend to a large extent on the frequency and severity of catastrophic events, and the concentration and coverage offered to clients impacted thereby. In addition, the Company writes other lines of insurance and reinsurance on a limited basis, and is actively exploring new opportunities. The Company's principal business is property catastrophe reinsurance, written on a worldwide basis through Renaissance Reinsurance. Based on property catastrophe gross premiums written, the Company is the largest Bermuda-based provider of property catastrophe reinsurance and one of the largest providers of this coverage in the world. The Company provides property catastrophe reinsurance coverage to insurance companies and other reinsurers primarily on an excess of loss basis. Excess of loss catastrophe coverage generally provides coverage for claims arising from large natural catastrophes, such as earthquakes and hurricanes, in excess of a specified loss. The Company is also exposed to claims arising from other natural and manmade catastrophes such as winter storms, freezes, floods, fires and tornadoes in connection with the coverages it provides.

The Company's principal operating objective is to utilize its capital efficiently by focusing on the writing of property catastrophe reinsurance and other insurance and reinsurance coverages with superior risk/return characteristics, while maintaining a low cost operating structure in the favorable regulatory and tax environment of Bermuda. The Company's primary underwriting goal is to construct a portfolio of insurance and reinsurance contracts that maximizes the return on shareholders' equity subject to prudent risk constraints. The Company seeks

to moderate the volatility inherent in the property catastrophe reinsurance market through the use of contract terms, portfolio selection methodology, diversification criteria and probability analyses. While property catastrophe reinsurance represented approximately 91% of the Company's gross premiums written in 1997 and 95% in each of 1996 and 1995 and continues to be the Company's primary focus, the Company has recently increased its commitment to the primary insurance business.

The Company is continuing to expand its primary insurance business through internal growth and acquisition. The Company capitalized Glencoe in January 1996 with a $50.0 million capital contribution and subsequently sold a 29.9% interest in Glencoe for an aggregate of $15.1 million in cash to two strategic investors, one of whom sold its 9.9% interest to the Company in August 1997 for $5.2 million in cash. During the fourth quarter of 1997, the Company contributed an additional $12 million to Glencoe, pro rata with Glencoe's remaining minority investor, maintaining the Company's ownership in Glencoe at 80%. Glencoe seeks to employ in the primary insurance market the modeling, underwriting, customer service and capital management approaches that Renaissance Reinsurance employs with respect to its reinsurance policies. Glencoe primarily writes property insurance on properties that are exposed to natural catastrophes. Glencoe operates as a Bermuda-domiciled company and is eligible to write business on an excess and surplus lines basis in 27 states, including California, where it has primarily written earthquake exposure insurance. Glencoe will also consider submissions from insureds located in other international jurisdictions where it has been approved with respect to exposures for which it has underwriting expertise. As of December 31, 1997, the Company's equity in Glencoe was $54.7 million. For the year ended December 31, 1997, Glencoe generated gross premiums written of $7.0 million and net income of $2.4 million. For the year ended December 31, 1996, Glencoe generated gross premiums written of $1.6 million and net income of $.9 million.

In January 1998, the Company began to provide personal lines homeowners coverages through DeSoto Insurance Company ("DeSoto"), a wholly owned subsidiary of Glencoe. DeSoto is a special purpose Florida homeowners insurance company that is licensed to assume and renew homeowner policies from the Florida Joint Underwriting Association (the "JUA"), a state sponsored insurance company. DeSoto initially assumed approximately 12,000 policies with an in-force premium of approximately $10 million.

On December 19, 1997, the Company announced it had executed a definitive agreement to acquire the U.S. operating subsidiaries of Nobel Insurance Limited, a Bermuda company ("Nobel") through Renaissance US (the "Nobel Acquisition"). The principal business being acquired from Nobel is the servicing and underwriting of commercial property, casualty and surety risks for specialized industries and personal lines coverage for low-value dwellings. The casualty business is expected to be substantially reinsured by American Reinsurance Company and/or Inter-Ocean Reinsurance Company Ltd., who will provide comprehensive prospective and retrospective reinsurance coverage. Nobel's principal operating unit, Nobel Insurance Company ("Nobel Insurance"), is a Texas insurance company licensed in all 50 states and the District of Columbia. Under the terms of the agreement in respect of the Nobel Acquisition, the Company has agreed to pay $54.1 million in cash for the operating subsidiaries of Nobel, and to provide approximately $8.9 million of limited recourse financing, in exchange for a limited recourse participating promissory note from Nobel (the "Note"), to enable Nobel to support certain of its obligations in the liquidation of its remaining operations. It is expected that the transaction will be financed with debt and cash at a 2:1 ratio of debt to cash. The purchase of the operating subsidiaries of Nobel is presently expected to close in the second quarter of 1998; however, there can be no assurance that the Nobel Acquisition, which is subject to customary conditions (including shareholder and regulatory approvals), will be consummated.

For the years ended December 31, 1997, 1996, and 1995, the Company achieved returns on average shareholders' equity of 24.3%, 30.2%, and 43.3%, respectively, and combined ratios of 47.5%, 51.3% and 52.0%, respectively. The year ended December 31, 1997 was a relatively light year for natural catastrophes worldwide, compared to historical averages. Accordingly, the reduced level of catastrophe losses resulted in a significantly lower loss ratio in 1997 compared to 1996 and therefore positively affected the Company's results from operations. Because of the high severity and low frequency of losses related to the property catastrophe insurance and reinsurance business, there can be no assurance that the Company will experience this reduced level of losses in future years, or that the Company will achieve similar financial results in the future.

The 1996 and 1995 results of the Company were achieved despite the occurrence of several major catastrophes in 1996 and 1995 (which, according to industry trade sources, had the fifth and third highest level of U.S. property catastrophe insured losses on record, respectively). The major catastrophes which occurred in 1996 were Hurricane Fran in September, which produced an estimated $1.6 billion of insurance industry losses, the Northeastern United States winter storms in January and the Northwestern United States floods in December. The major catastrophes which occurred in 1995 were Hurricanes Luis, Marilyn and Opal.

Ratings

Renaissance Reinsurance has been assigned an "A" claims-paying ability rating from each of Standard & Poor's Insurance Ratings Services ("S&P") and A.M. Best Company, Inc. ("AM Best"), and Glencoe has been assigned an "A-" claims-paying ability rating from A.M. Best, representing independent opinions of the financial strength and ability of Renaissance Reinsurance and Glencoe to meet their respective obligations to their policyholders. Such ratings may not reflect the considerations applicable to an investment in the Company.

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

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

Strategy

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

- Focus on the property catastrophe reinsurance business. The Company's primary focus is property catastrophe reinsurance, which represented approximately 91% of the Company's gross premiums written in 1997 and 95% in each of 1996 and 1995.

- Build a superior portfolio of property catastrophe reinsurance by utilizing proprietary modeling capabilities. The Company assesses underwriting decisions on the basis of the expected incremental return on equity of each new reinsurance contract in relation to the Company's overall portfolio of reinsurance contracts. To facilitate this, the Company has developed REMS(C), a proprietary, computer-based pricing and exposure management system. The Company utilizes REMS(C) to assess property catastrophe risks, price treaties and limit aggregate exposure. The Company combines the analyses generated by REMS(C) with its own knowledge of the client submitting the proposed program to assess the premium offered against the risk of loss that such program presents. See "Underwriting."

- Utilize the Company's capital base efficiently while maintaining prudent risk levels in the Company's reinsurance portfolio. The Company manages its risks through a variety of means, including the use of contract terms, portfolio selection methodology, diversification criteria and probability analyses. By using such measures and by employing its proprietary modeling capabilities, the Company attempts to construct a portfolio of reinsurance contracts which maximizes the use of its capital while optimizing the risk-reward characteristics of its portfolio. The Company relies less on traditional ratios, such as net premiums written to surplus, because the Company believes that such statistics do not adequately reflect the risk in the property catastrophe reinsurance business. Management believes the level of net premiums written relative to surplus does not reflect the composition of a reinsurer's attachment points, aggregate limits,

- geographic diversification, and other material elements of the risk exposures embodied in a reinsurer's book of business.

- Capitalize on the experience and skill of management. The Company's senior management team has extensive experience in the reinsurance and/or insurance industries, with an average of approximately 20 years of experience for each of the five senior executives of the Company. Additionally, senior management is supported by an officer group with an average of approximately ten years of experience in the reinsurance and/or insurance industries.

- Build and maintain long-term relationships with brokers and clients. The Company markets its reinsurance products worldwide exclusively through reinsurance brokers. The Company believes that its existing portfolio of reinsurance business is a valuable asset given the renewal practices of the reinsurance industry. The Company believes that it has established a reputation with its brokers and clients for prompt response on underwriting submissions, for fast claims payments and for the development of customized reinsurance programs. See "--Marketing."

- Maintain a low cost structure. Management believes that as a result of its ability to maintain a small staff and by basing operations in the favorable regulatory and tax environment of Bermuda, the Company is able to maintain low operating costs relative to its capital base and net premiums earned. As of March 18, 1998, the Company had 34 employees. After consummation of the Nobel Acquisition, the Company expects to employ approximately 250 additional employees, and will be subject to an increased level of U.S. regulation through the businesses purchased from Nobel. See "Regulation."

- Leverage the Company's modeling expertise by expanding into primary insurance markets with significant natural catastrophe exposures. The Company is pursuing opportunities in the United States to write an increased level of catastrophe-exposed primary insurance. The Company is exploring opportunities to write both personal and commercial coverages, on a primary basis, where natural catastrophe exposures represent a significant component of the overall exposure. In addition to Glencoe, these opportunities may be pursued through the development of new operations, such as DeSoto, or through acquisitions, such as the purchase of the operating subsidiaries of Nobel.

Industry Trends

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

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

In response to this imbalance, approximately $4.0 billion of capital entered the Bermuda-based property catastrophe reinsurance market in 1992 and 1993. The Bermuda property catastrophe reinsurance market has subsequently grown markedly, having aggregate capital of approximately $6.6 billion at December 31, 1997, and accounting for approximately 25% of the worldwide property catastrophe gross premiums written in 1997, according to industry trade reports. The increased property catastrophe reinsurance capacity represented by the Bermuda market helped balance supply and demand in the property catastrophe reinsurance market and, as a result thereof, premium rates and other terms of trade in the property catastrophe reinsurance market stabilized in 1994-1995. In each of 1996 and 1997, according to industry trade sources, worldwide price levels decreased by an average of 10% to 15%, although prices remained more stable in the United States, where the level of property catastrophe losses in recent years has been generally higher than in other markets. Based on publicly available industry trade data, price levels are expected to decline at a similar pace in 1998. In particular, rates have declined significantly in areas outside the United States, where there has been favorable loss experience, while in the United States, where the level of property catastrophe losses has generally been higher than in international markets in recent years, rates have decreased to a lesser degree. However, current premium rates and retention levels have remained, and Management believes are likely to remain, higher than those that existed in 1992.

Premium rates or other terms or conditions of trade may vary in the future, the present level of demand may not continue and the present level of supply may increase as a result of capital provided by recent or future market entrants or by existing property catastrophe reinsurers. Some of the property catastrophe reinsurers who have entered the worldwide reinsurance markets (or may enter them in the future) have or could have more capital than the Company. The full effect of this additional capital on the property catastrophe reinsurance market may not be known for some time.

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

Reinsurance Products

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

Catastrophic events of significant magnitude have historically been relatively infrequent, although the property catastrophe reinsurance market experienced a high level of worldwide catastrophe losses in terms of both frequency and severity during the period from 1987 to 1996 as compared to prior years. However, because of the

wide range of the possible catastrophic events to which the Company is exposed, and because of the potential for multiple events to occur in the same time period, the Company's business is volatile, and its results of operations may reflect such volatility. Further, the Company's financial condition may be impacted by this volatility over time or at any point in time. The effects of claims from one or a number of severe catastrophic events could have a material adverse effect on the Company. The Company expects that increases in the values and concentrations of insured property and the effects of inflation will increase the severity of such occurrences per year in the future.

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

Type of Reinsurance

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

	Years Ended December 31,					
	1997		1996		1995	
Type of Reinsurance	Gross Premiums Written	Number of Programs	Gross Premiums Written	Number of Programs	Gross Premiums Written	Number of Programs
	(dollars in millions)					
Catastrophe excess of loss	$150.8	311	$157.6	293	$146.8	271
Excess of loss retrocession	37.6	74	70.4	105	73.8	105
Proportional retrocession of catastrophe excess of loss	21.9	11	33.3	11	56.7	12
Marine, aviation and other	18.0	25	8.6	25	15.3	35
Total Reinsurance	$228.3	421	$269.9	434	$292.6	423

Catastrophe Excess of Loss Reinsurance. Catastrophe excess of loss reinsurance provides coverage when aggregate claims and claim adjustment expenses from a single occurrence of a covered peril exceed the attachment point specified in a particular contract. A portion of the Company's property catastrophe excess of loss contracts limit coverage to one occurrence in a contract year, but most such contracts provide for coverage of a second occurrence after the payment of a reinstatement premium. The coverage provided under excess of loss retrocessional contracts may be on a worldwide basis or limited in scope to selected geographic areas. Coverage can also vary from "all property" perils to limited coverage on selected perils, such as "earthquake only" coverage.

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

Proportional Retrocessional Reinsurance. The Company writes proportional retrocessions of catastrophe excess of loss reinsurance treaties when it believes that premium rates and volume are attractive. In such proportional retrocessional reinsurance, the Company assumes a specified proportion of the risk on a specified coverage and receives an equal proportion of the premium. The ceding insurer receives a commission, based upon the premiums ceded to the reinsurer, and may also be entitled to receive a profit commission based on the ratio of losses, loss adjustment expense and the reinsurer's expenses to premiums ceded. A proportional retrocessional catastrophe reinsurer is dependent upon the ceding insurer's underwriting, pricing and claims administration to yield an underwriting profit, although the Company generally obtains detailed underwriting information concerning the exposures underlying the proportional retrocessions of catastrophe excess of loss reinsurance treaties written by the Company. In addition, all of the Company's proportional retrocessions of catastrophe excess of loss reinsurance contracts have aggregate per event risk exposure limits.

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

Primary Insurance Operations; Glencoe and DeSoto; Nobel

The Company is pursuing opportunities in the United States to write an increased amount of catastrophe-exposed primary insurance. The Company expects to write both personal and commercial coverages, on a primary basis, where natural catastrophe exposures represent a significant component of the overall exposure. In September 1997, the Company promoted Keith S. Hynes, formerly the Company's Chief Financial Officer, to the position of President and Chief Executive Officer of Glencoe, to manage all aspects of the Company's initiatives in the primary insurance business.

In January 1996 the Company incorporated Glencoe in Bermuda as an excess and surplus lines insurance company. Glencoe is pursuing opportunities in the catastrophe-exposed primary insurance business in the United States, and is writing policies that primarily are exposed to earthquake and wind perils. Glencoe is eligible to do business in the United States on an excess and surplus lines basis in 26 states. For the year ended December 31, 1997, Glencoe generated gross premiums written of $7.0 million and net income of $2.4 million. For the year ended December 31, 1996, Glencoe generated gross premiums written of $1.6 million and net income of $0.9 million.

In September 1997, Glencoe organized DeSoto in Florida to pursue the assumption of policies from the Florida Residential Property and Casualty Joint Underwriting Association (the "JUA"). In January 1998, the Company began to provide personal lines coverages through DeSoto with an initial assumption of approximately 12,000 policies with an in-force premium of approximately $10 million.

On December 19, 1997, the Company announced it had executed a definitive agreement in respect of the Nobel Acquisition to acquire the operating subsidiaries of Nobel, through Renaissance U.S. The principal business of Nobel is the servicing and underwriting of commercial property, casualty and surety risks for specialized industries and personal lines coverage for low-value dwellings. The casualty business is expected to be substantially reinsured by American Reinsurance Company and/or Inter-Ocean Reinsurance Company Ltd., who will provide comprehensive prospective and retrospective reinsurance coverage. Nobel's principal operating unit,

Nobel Insurance, is a Texas insurance company, licensed in all 50 states and the District of Columbia. In the years ended December 31, 1997 and 1996, the businesses being acquired from Nobel generated unaudited gross premiums written of approximately $76.5 million and $83.7 million, respectively, and unaudited net income (loss) of approximately $3.2 million and $(1.6) million, respectively. The purchase of the operating subsidiaries of Nobel is presently expected to close in the second quarter of 1998; however, there can be no assurance that the Nobel transaction, which is subject to customary conditions (including regulatory and shareholder approvals) will be consummated.

Potential Diversification

From time to time, the Company may consider opportunistic diversification into new ventures, either through organic growth or the acquisition of other companies or books of business. In evaluating such new ventures, the Company seeks an attractive return on equity and the ability to develop or capitalize on a competitive advantage. Accordingly, the Company regularly reviews strategic transaction opportunities and periodically engages in discussions regarding possible transactions. However, other than with respect to the Nobel Acquisition, the Company has no definitive agreements with respect to any material transaction and there can be no assurance that the Company will enter into any such agreement in the future, or that any consummated transaction would contribute materially to the Company's results.

Geographic Diversification

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

The following table sets forth the percentage of the Company's gross reinsurance premiums written allocated to the territory of coverage exposure.

	Years Ended December 31,					
	1997		1996		1995	
Geographic Area	Gross Premiums Written	Percentage of Gross Premiums Written	Gross Premiums Written	Percentage of Gross Premiums Written	Gross Premiums Written	Percentage of Gross Premiums Written
	(dollars in millions)					
United States.....	$123.7	54.2%	$126.6	46.9%	$144.1	49.2%
Worldwide.....	27.9	12.2	44.5	16.5	59.1	20.2
Worldwide (excluding U.S.)(1)	32.0	14.0	38.7	14.3	41.3	14.1
Europe (including U.K.)...	21.0	9.2 31.5	11.7	25.4	8.7	
Other	16.8	7.4	19.0	7.0	11.7	4.0
Australia and New Zealand.....	6.9	3.0	9.6	3.6	11.0	3.8
Total Reinsurance.	$228.3	100.0%	$269.9	100.0%	$292.6	100.0%

(1) The category "Worldwide (excluding U.S.)" consists of contracts that cover more than one geographic zone (other than the U.S.). The exposure in this category for gross premiums written to date is predominantly from Europe. See Note 13 to Consolidated Financial Statements.

Program Limits

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

Aggregate Program Limit	Number of Programs
$50-60 million	2
$40-50 million	1
$30-40 million	5
$20-30 million	13
$10-20 million	39
Less than $10 million	361
Total	421

Underwriting

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

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

REMS(C) provides more precise exposure information than is generally analyzed currently throughout the property catastrophe reinsurance industry. REMS(C) combines computer-generated, statistical simulations that estimate catastrophic event probabilities with exposure and coverage information on each client's reinsurance contract to produce expected claims for reinsurance programs submitted to the Company. REMS(C) then uses simulation techniques to generate 40,000 years of catastrophic event activity, including events causing in excess of $250 billion in insured industry losses. From this 40,000 year simulation, the Company is able to obtain expected claims, expected profits and a probability distribution of potential outcomes for each program in its portfolio and for its total portfolio.

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

detailed data from a wide variety of sources which allows the Company to measure geographic exposure at a detailed level.

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

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

Marketing

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

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

The reinsurance brokers perform data collection, contract preparation and other administrative tasks, enabling the Company to market its reinsurance products cost effectively by maintaining a smaller staff. The Company believes that by maintaining close relationships with brokers, it is able to obtain access to a broad range of potential reinsureds. Subsidiaries and affiliates of J&H Marsh & McLennan, Inc., E.W. Blanch & Co., Benfield Greig Ltd., AON Re Group and Bates Turner, L.L.C. (a GE Capital Services Company, an affiliate of GE Investments) accounted for approximately 23.5%, 21.2%, 13.1%, 7.9% and 4.4%, respectively, of the Company's net premiums written in 1997. During such period, the Company issued authorization for coverage on programs submitted by 73 brokers worldwide. The Company received approximately 1,630 program submissions during 1997. The Company is highly selective and, from such submissions, the Company issued authorizations for coverage for only 421 programs, or 25.8% of the program submissions received.

Reserves

The Company's policy is to establish claim reserves for the settlement costs of all claims and claim adjustment expenses incurred by the Company when an event occurs. The Company incurred claims of

$50.0 million, $86.9 million and $110.6 million for the years ended December 31, 1997, 1996 and 1995, respectively.

Under generally accepted accounting principles (GAAP), the Company is not permitted to establish claim reserves with respect to its property catastrophe reinsurance policies until an event which gives rise to a claim occurs. Generally, reserves will be established without regard to whether any future claim may subsequently be contested by the Company. Any reserve for claims and claim expenses may also include reserves for unpaid reported claims and claim expenses and reserves for estimated losses that have been incurred but not reported to the Company. Such reserves are estimated by Management based upon reports received from ceding companies, as supplemented by the Company's own estimates of reserves on such reported losses as well as reserves for losses that are incurred but not reported. The Company utilizes both proprietary and commercially available models as well as historical reinsurance industry loss development patterns to assist in the establishment of appropriate claim reserves. In addition, when reviewing a proposed reinsurance contract, the Company typically receives and evaluates the insured's historical and projected loss experience with respect to certain events. The Company's reserve estimates are continually reviewed and, in accordance with GAAP, as adjustments to these reserves become necessary, such adjustments are reflected in current operations.

Claim reserves represent estimates, including actuarial and statistical projections at a given point in time, of an insurer's or reinsurer's expectations of the ultimate settlement and administration costs of claims incurred, and it is possible that the ultimate liability may exceed or be less than such estimates. Such estimates are not precise in that, among other things, they are based on predictions of future developments and estimates of future trends in claim severity and frequency and other variable factors such as inflation. During the claim settlement period, it often becomes necessary to refine and adjust the estimates of liability on a claim either upward or downward. Even after such adjustments, ultimate liability may exceed or be less than the revised estimates.

Investments

The Company's strategy is to maximize its underwriting profitability and fully deploy its capital through its underwriting activities; consequently, the Company has established an investment policy which it considers to be conservative. The Company's investment guidelines, which are established by Management and approved by the Company's Board of Directors, stress diversification of risk, preservation of capital and market liquidity. Notwithstanding the foregoing, the Company's investments are subject to market-wide risks and fluctuations, as well as to risks inherent in particular securities. The primary objective of the portfolio, as set forth in such guidelines, is to maximize investment returns consistent with these policies. To achieve this objective, the Company's current fixed income investment guidelines call for an average credit quality of AA and a target duration of two years. In 1997, the Company reallocated $50.0 million of its fixed maturity investments to non-U.S. equity securities.

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

	At December 31,		
	1997	1996	1995
	(in thousands)		
Investments available for sale at fair value.....	$710.2	$603.5	$528.8
Equity securities, at fair value.....	26.4	--	--
Cash and cash equivalents.....	122.9	199.0	139.2
Total invested assets.....	$859.5	$802.5	$681.8

The growth in the Company's portfolio of invested assets for the year ended December 31, 1997 resulted from net cash provided by operating activities of $153.3 million offset by net cash used in financing activities of $72.0 million and net unrealized depreciation of investments of $11.7 million.

At December 31, 1997, the fixed income invested asset portfolio had a dollar weighted average rating of AA, an average duration of 2.8 years and an average yield to maturity of 6.61%, before investment expenses.

All fixed income securities in the Company's investment portfolio are classified as securities available for sale and are carried at fair value. Any unrealized gains or losses as a result of changes in fair value over the period such investments are held are not reflected in the Company's statement of operations, but rather are reflected in shareholders' equity.

The Company periodically evaluates the creditworthiness of each issuer whose securities it holds. Special attention is paid to those securities whose market values have declined materially, for reasons other than changes in interest rates, to evaluate the realizable value of the investment, the specific condition of the issuer, and the issuer's ability to comply with the material terms of the security. Information reviewed may include the recent operational results and financial position of the issuer, information about its industry, recent press releases and other information as deemed necessary. If evidence does not exist to support a realizable value equal to or greater than the carrying value of the investment, and such decline in market value is determined to be other than temporary, the Company reduces the carrying amount to its net realizable value, which becomes the new cost basis. The amount of the reduction is reported as a realized loss. The Company recognizes any recovery of such reductions in the cost basis of an investment only upon the sale of the investment.

At December 31, 1997, the Company held investments and cash totaling $859.5 million with a net unrealized depreciation balance of $10.2 million. Of the $859.5 million, the Company had dollar denominated fixed income investments in Korea, Thailand and Indonesia totaling $66.2 million with a net unrealized depreciation balance of $12.7 million. During the fourth quarter, the Company recognized $3.8 million in realized losses from the writedown of investments with an exposure to the financial conditions in Asia. The primary reasons for the writedown in the investments were the declines in the financial condition of the issuer and the related reduction in credit ratings by rating agencies. These changes caused the Company to conclude that the decline in fair value of certain investments was other-than-temporary. The Company's investment portfolio, specifically the remaining securities of Asian issuers, is subject to the risks of further declines in realizable value. The Company attempts to mitigate this risk through the active management of its portfolio.

At December 31, 1997, the Company's $26.4 million of equity securities, which were sold in January of 1998, were invested in currencies other than the U.S. dollar. Also at December 31, 1997, $9.6 million of cash and cash equivalents were invested in currencies other than the U.S. dollar. The combined $36.0 million represented approximately 4.2% of the Company's invested assets.

The Company's portfolio does not contain any investments in derivative securities. Also, the Company's investment portfolio does not contain any direct investments in real estate, mortgage loans or similar securities.

Under the terms of certain reinsurance contracts, the Company may be required to provide letters of credit to reinsureds in respect of reported claims and/or unearned premiums. The Company has obtained a facility providing for the issuance of letters of credit. This facility is secured by a lien on a portion of the Company's investment portfolio. At December 31, 1997 the Company had outstanding letters of credit aggregating $24.7 million.

Investment Advisers

During 1997, each of Warburg, Pincus Investments International (Bermuda), Ltd. ("WPII"), an affiliate of Warburg, Pincus Investors, L.P.; GE Investments (U.S.) Limited ("GE Investments"), an affiliate of PT Investments, Inc. and GE Investment Private Placement Partners I - Insurance, Limited Partnership; the Bank of

N.T. Butterfield & Son Limited ("Butterfield Bank") and Falcon Asset Management (Bermuda) ("Falcon"), an affiliate of USF&G, performed investment advisory services on behalf of the Company. The terms of such services were determined in arms' length negotiations, subject to the Company's investment guidelines. The performance of, and the fees paid to, the Company's investment advisors, are reviewed periodically by the Investment Committee of the Board of Directors.

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

Type of Investment	December 31, 1997	1996	1995
	(dollars in millions)		
Fixed Maturities Available for Sale:			
U.S. Government debt securities.....	257.8	--	--
Non-U.S. government debt securities.....	256.9	239.4	201.9
Non-U.S. corporate debt securities.....	188.6	329.6	299.5
Non-U.S. mortgage backed securities.....	6.9	34.5	22.4
Subtotal.....	710.2	603.5	523.8
Equity Securities.....	26.4	--	--
Short-term investments.....	--	--	5.0
Cash and cash equivalents.....	122.9	199.0	139.2
Total fixed maturity investments, equity securities, short-term investments and cash and cash equivalents.....	$859.5	$802.5	$668.0

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

	December 31, 1997	1996	1995
	(dollars in millions)		
Due in less than one year	$84.1	$56.1	75.1
Due after one through five years	473.0	457.1	$358.3
Due after five through ten years	90.9	90.3	90.4
Due after ten years	62.2	--	--
Total	$710.2	$603.5	$523.8

Maturity and Duration of Fixed Maturity Portfolio

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

Quality of Debt Securities in Portfolio

The Company's investment guidelines stipulate that the minimum credit rating for securities purchased for the Company's portfolio is B, that a maximum of 15% of the portfolio be rated BB or below and that the overall average rating of the portfolio, including cash and cash equivalents, be at least AA.

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

	December 31,		
Rating	1997	1996	1995
AAA	56.9%	28.1%	39.5%
AA	12.2	50.1	41.6
A	14.9	20.2	15.3
BBB	5.0	1.6	3.6
BB	4.9	--	--
B	6.1	--	--
	100.0%	100.0%	100.0%

Equity Securities

At December 31, 1997, the Company's investments in equity securities, managed by GE Investments, consisted entirely of common stock, preferred stock or other forms of non-U.S. securities of established companies listed on foreign exchanges. The portfolio also included American Depositary Receipts of non-U.S. issuers. This portfolio was liquidated in January 1998.

Derivatives

The Company's portfolio does not contain any direct investments in derivative securities.

Real Estate

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

Foreign Currency Exposures

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

Diversification and Liquidity

Pursuant to the investment guidelines of the Company, there is no limit on the percentage of the Company's fixed income portfolio that may be invested in the securities of the U.S. Government, up to 15% of the portfolio may be invested in the countries of Canada, France, Germany, Japan and the United Kingdom, and all other countries are limited to a maximum limit of 3% of the portfolio. No more than 10% of the portfolio may be invested in securities issued by any single issuer, maturing in one year or less or in obligations of any single issuer that is rated AA or AAA by S&P, or Aa or Aaa by Moody's and is either (i) a sovereign (or guaranteed by a sovereign) issuing in a currency other than its own, (ii) a local government entity or (iii) a supranational entity. Each investment adviser has limitations as follows: up to 10% of the portfolio may be invested in obligations of any

individual issuer not described above, but with ratings of AA or AAA by S&P, or Aa or Aaa by Moody's; up to 7% of the portfolio may be invested in obligations of any individual A issuer, as rated by S&P or by Moody's; up to 5% of the portfolio may be invested in obligations of any individual BBB issuer as rated by S&P or Baa issuer as rated by Moody's; and up to 3% of the portfolio may be invested in obligations of any individual BB issuer as rated by S&P or Ba as rated by Moody's. In addition, no more than 15% of each investment advisor's portfolio may be rated lower than BB by S&P or Ba3 by Moody's.

The Company is currently evaluating its investment guidelines, and as a consequence the revised guidelines may permit the Company to increase the average duration and credit risk of the portfolio.

Competition

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

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

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

Employees

As of March 27, 1998, the Company employed 34 people, all of whom are either shareholders or optionholders of the Company. The Company believes that its employee relations are satisfactory. None of the Company's employees are subject to collective bargaining agreements, and the Company knows of no current efforts to implement such agreements at the Company.

After consummation of the Nobel Acquisition, the Company expects to employ approximately 250 additional employees. None of such employees are subject to collective bargaining agreements, and the Company knows of no current efforts to implement such agreements.

Regulation

Bermuda

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

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

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

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

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

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

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

Minimum Solvency Margin. The Insurance Act provides that the statutory assets of an insurer must exceed its statutory liabilities by an amount greater than the prescribed minimum solvency margin which varies with the type of business of the insurer and the insurer's net premiums written and loss reserve level. The

minimum solvency margin for a Class 4 insurer is the greatest of $100.0 million, 50% of net premiums written (with a credit for reinsurance ceded not exceeding 25% of gross premiums) and 15% of loss and loss expense provisions and other insurance reserves. The minimum solvency margin for a Class 3 insurer is the greatest of $1.0 million, 20% of the first $6.0 million of net premiums written plus 15% of net premiums written in excess of $6.0 million, and 15% of loss and loss expense provisions and other insurance reserves.

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

Annual Statutory Financial Return. An insurer is required to file with the Registrar a Statutory Financial Return no later than four months from the insurer's financial year end (unless specifically extended). The Statutory Financial Return includes, among other matters, a report of the approved independent auditor on the Statutory Financial Statements of the insurer; a declaration of the statutory ratios; a solvency certificate; the Statutory Financial Statements themselves; the opinion of the approved Loss Reserve Specialist and certain details concerning ceded reinsurance. The solvency certificate and the declaration of the statutory ratios must be signed by the principal representative and at least two directors of the insurer who are required to state whether the Minimum Solvency Margin and, in the case of the solvency certificate, the Minimum Liquidity Ratio, have been met, and the independent approved auditor is required to state whether in its opinion it was reasonable for them to so state and whether the declaration of the statutory ratios complies with the requirements of the Insurance Act. The Statutory Financial Return must include the opinion of a Loss Reserve Specialist in respect of the loss and loss expense provisions of the insurer. Where an insurer's accounts have been audited for any purpose other than compliance with the Insurance Act, a statement to that effect must be filed with the Statutory Financial Return.

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

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

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

failure by the insurer to comply substantially with a condition imposed upon the insurer by the Minister relating to a solvency margin or a liquidity or other ratio.

United States and Other

Renaissance Reinsurance is not admitted to do business in any jurisdiction except Bermuda. The insurance laws of each state of the United States and of many other countries regulate the sale of insurance and reinsurance within their jurisdictions by alien insurers, such as Renaissance Reinsurance, which are not admitted to do business within such jurisdiction. With some exceptions, such sale of insurance or reinsurance within a jurisdiction where the insurer is not admitted to do business is prohibited. Renaissance Reinsurance does not intend to maintain an office or to solicit, advertise, settle claims or conduct other insurance activities in any jurisdiction other than Bermuda where the conduct of such activities would require that Renaissance Reinsurance be so admitted. Glencoe is eligible to write insurance in 26 states and is subject to the regulation and reporting requirements of these states. In accordance with certain requirements of the National Association of Insurance Commissioners (the "NAIC"), Glencoe has established, and is required to maintain, a trust funded with a minimum of $15.0 million as a condition of its status as a licensed, non-admitted insurer in the U.S.

DeSoto is a licensed insurer in Florida and the businesses being acquired from Nobel are subject to regulation in all 50 U.S. states and the District of Columbia. The Company's U.S. operations, which will expand significantly after the contemplated acquisition of the operating subsidiaries of Nobel, are subject to extensive regulation under statutes which delegate regulatory, supervisory and administrative powers to state insurance commissioners. Such regulation generally is designed to protect policyholders rather than investors and relates to such matters as the standard of solvency which must be met and maintained; the licensing of insurers and their agents; the nature of and extermination of the affairs of insurance companies, which includes periodic market conduct examinations by the regulatory authorities; annual and other reports, prepared on a statutory accounting basis, required to be filed on the financial condition of insurers or for other purposes; establishment and maintenance of reserves for unearned premiums and losses; and requirements regarding numerous other matters. In general, regulated insurers must file all rates for insurance directly underwritten with the insurance department of each state in which they operate on an admitted basis; reinsurance generally is not subject to rate regulation. Further, state insurance statutes typically place limitations on the amount of dividends or other distributions payable by insurance companies in order to protect their solvency. Florida, the jurisdiction of incorporation of DeSoto, requires that dividends be paid only out of earned surplus and limits the annual amount payable without the prior approval of the Florida Insurance Department to the greater of 10% of policyholders' surplus adjusted for unrealized gains or 100% of prior year statutory net income. Texas, the jurisdiction of incorporation of Nobel Insurance, currently requires that dividends be paid only out of earned statutory surplus and limits the annual amount of dividends payable without the prior approval of the Texas Insurance Department to the greater of 10% of statutory capital and surplus at the end of the previous calendar year or 100% of statutory net income from operations for the previous calendar year. These laws also impose prior approval requirements for certain transactions with affiliates.

Further, as a result of the Company's ownership of DeSoto and prospective ownership of Nobel Insurance Company, under the terms of applicable state statutes, any person or entity desiring to purchase more than 10 percent of the Company's outstanding voting securities is required to obtain prior regulatory approval for the purchase.

The NAIC has established eleven financial ratios to assist state insurance departments in their oversight of the financial condition of insurance companies operating in their respective states. The NAIC calculates these ratios based on information submitted by insurers on an annual basis and shares the information with the applicable state insurance departments. The failure of the Company's U.S. insurance subsidiaries to comply with the acceptable range of such ratios could have an adverse effect on the Company.

In their ongoing effort to improve solvency regulations, the NAIC and individual states have enacted certain laws and statutory financial statement reporting requirements. For example, NAIC rules require audited statutory financial statements as well as actuarial certification of loss and loss adjustment expense reserves therein. Other activities are focused on greater disclosure of an insurer's reliance on reinsurance and changes in its reinsurance programs and tighter rules on accounting for certain overdue reinsurance. In addition, the NAIC has implemented risk-based capital requirements for property and casualty insurance companies (see below). These regulatory initiatives and the overall focus on solvency may intensify the restructuring and consolidation of the insurance industry. It is also possible that the U.S. Congress may enact legislation regulating the insurance industry. While the impact of these regulatory efforts on the Company's operations cannot be quantified until enacted, the Company believes it will be adequately positioned to compete in an environment of more stringent regulation.

The NAIC has implemented a risk-based capital measurement formula to be applied to all property/casualty insurance companies, which formula calculates a minimum required statutory net worth based on the underwriting, investment, credit loss reserve and other business risks applicable to the insurance company's operations. An insurance company that does not meet threshold risk-based capital measurement standards could be required to reduce the scope of its operations and ultimately could become subject to statutory receivership proceedings.

The Company's U.S. insurance subsidiaries are subject to guaranty fund laws which can result in assessments, up to prescribed limits, for losses incurred by policyholders as a result of the impairment or insolvency of unaffiliated insurance companies. Typically, an insurance company is subject to the guaranty fund laws of the states in which it conducts insurance business; however, companies which conduct business on a surplus lines basis in a particular state are generally exempt from that state's guaranty fund laws. The Company does not expect the amount of any such guaranty fund assessments to be paid by the Company in 1998 to be material.

The expansion of the Company's operations through Glencoe and DeSoto and the contemplated purchase of the operating subsidiaries of Nobel, and the potential further expansion of the Company into additional insurance markets, could expose the Company or subsidiaries of the Company to increasing regulatory oversight. However, the Company intends to continue to conduct its operations so as to minimize the likelihood that RenaissanceRe Holdings Ltd. or Renaissance Reinsurance will become subject to U.S. regulation.

Other Available Information

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

GLOSSARY OF SELECTED INSURANCE TERMS

Attachment point	The amount of loss (per occurrence or in the aggregate, as the case may be) above which excess of loss reinsurance becomes operative.
Broker	One who negotiates contracts of insurance or reinsurance, receiving a commission for placement and other services rendered, between (1) a policy holder and a primary insurer, on behalf of the insured party, (2) a primary insurer and reinsurer, on behalf of the primary insurer, or (3) a reinsurer and a retrocessionaire, on behalf of the reinsurer.
Catastrophe excess of loss reinsurance	A form of excess of loss reinsurance that, subject to a specified limit, indemnifies the ceding company for the amount of loss in excess of a specified retention with respect to an accumulation of losses resulting from a "catastrophe cover."
Cede; Cedent; Ceding company	When a party reinsures its liability with another, it "cedes" business and is referred to as the "cedent" or "ceding company."
Claim adjustment expenses	The expenses of settling claims, including legal and other fees and the portion of general expenses allocated to claim settlement costs.
Claim reserves	Liabilities established by insurers and reinsurers to reflect the estimated cost of claims payments and the related expenses that the insurer or reinsurer will ultimately be required to pay in respect of insurance or reinsurance it has written. Reserves are established for losses and for claim adjustment expenses.
Excess of loss reinsurance	A generic term describing reinsurance that indemnifies the reinsured against all or a specified portion of losses on underlying insurance policies in excess of a specified amount, which is called a "level" or "retention." Also known as non-proportional reinsurance. Excess of loss reinsurance is written in layers. A reinsurer or group of reinsurers accepts a band of coverage up to a specified amount. The total coverage purchased by the cedent is referred to as a "program" and will typically be placed with predetermined reinsurers in prenegotiated layers. Any liability exceeding the outer limit of the program reverts to the ceding company, which also bears the credit risk of a reinsurer's insolvency.
Funded cover	A form of insurance where the insured pays premiums to a reinsurer to serve essentially as a deposit in order to offset future losses. On a funded cover, there is generally limited or no transfer of risk for catastrophe losses from the insured to the reinsurer.

Generally accepted accounting principles	Accounting principles as set forth in opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants and/or statements of the Financial Accounting Standards Board and/or their respective successors and which are applicable in the circumstances as of the date in question.
Incurred but not reported	Reserves for estimated losses that have been incurred by insureds and reinsureds but not yet reported to the insurer or reinsurer including unknown future developments on losses which are known to the insurer or reinsurer.
Layer	The interval between the retention or attachment point and the maximum limit of indemnity for which a reinsurer is responsible.
Net premiums written	Gross premiums written for a given period less premiums ceded to reinsurers and retrocessionaires during such period.
Proportional reinsurance	A generic term describing all forms of reinsurance in which the reinsurer shares a proportional part of the original premiums and losses of the reinsured. (Also known as pro rata reinsurance, quota share reinsurance or participating reinsurance.) In proportional reinsurance the reinsurer generally pays the ceding company a ceding commission. The ceding commission generally is based on the ceding company's cost of acquiring the business being reinsured (including commissions, premium taxes, assessments and miscellaneous administrative expense) and also may include a profit factor.
Reinstatement premium	The premium charged for the restoration of the reinsurance limit of a catastrophe contract to its full amount after payment by the reinsurer of losses as a result of an occurrence.
Reinsurance	An arrangement in which an insurance company, the reinsurer, agrees to indemnify another insurance or reinsurance company, the ceding company, against all or a portion of the insurance or reinsurance risks underwritten by the ceding company under one or more policies. Reinsurance can provide a ceding company with several benefits, including a reduction in net liability on individual risks and catastrophe protection from large or multiple losses. Reinsurance also provides a ceding company with additional underwriting capacity by permitting it to accept larger risks and write more business than would be possible without a concomitant increase in capital and surplus, and facilitates the maintenance of acceptable financial ratios by the ceding company. Reinsurance does not legally discharge the primary insurer from its liability with respect to its obligations to the insured.

Retention	The amount or portion of risk that an insurer retains for its own account. Losses in excess of the retention level are paid by the reinsurer. In proportional treaties, the retention may be a percentage of the original policy's limit. In excess of loss business, the retention is a dollar amount of loss, a loss ratio or a percentage.
Retrocessional Reinsurance; Retrocessionaire	A transaction whereby a reinsurer cedes to another reinsurer, the retrocessionaire, all or part of the reinsurance that the first reinsurer has assumed. Retrocessional reinsurance does not legally discharge the ceding reinsurer from its liability with respect to its obligations to the reinsured. Reinsurance companies cede risks to retrocessionaires for reasons similar to those that cause primary insurers to purchase reinsurance: to reduce net liability on individual risks, to protect against catastrophic losses, to stabilize financial ratios and to obtain additional underwriting capacity.
Risk excess of loss reinsurance	A form of excess of loss reinsurance that covers a loss of the reinsured on a single "risk" in excess of its retention level of the type reinsured, rather than to aggregate losses for all covered risks, as does catastrophe excess of loss reinsurance. A "risk" in this context might mean the insurance coverage on one building or a group of buildings or the insurance coverage under a single policy, which the reinsured treats as a single risk.
Statutory accounting principles ("SAP")	Recording transactions and preparing financial statements in accordance with the rules and procedures prescribed or permitted by United States state insurance regulatory authorities including the NAIC, which in general reflect a liquidating, rather than going concern, concept of accounting.
Underwriting	The insurer's or reinsurer's process of reviewing applications submitted for insurance coverage, deciding whether to accept all or part of the coverage requested and determining the applicable premiums.
Underwriting capacity	The maximum amount that an insurance company can underwrite. The limit is generally determined by the company's retained earnings and investment capital. Reinsurance serves to increase a company's underwriting capacity by reducing its exposure from particular risks.
Underwriting expenses	The aggregate of policy acquisition costs, including commissions, and the portion of administrative, general and other expenses attributable to underwriting operations.

Item 2. Properties

The Company leases office space in Bermuda, where its executive offices are located.

Item 3. Legal Proceedings

The Company is, from time to time, a party to litigation and arbitration that arises in the normal course of its business operations. While any proceeding contains an element of uncertainty, the Company believes that it is not presently a party to any such litigation or arbitration that would have a material adverse effect on its business or operations.

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

No matters were submitted to a vote of the Company's shareholders during the fourth quarter of 1997.

PART II

Item 5. Market for Registrant's Common Equity and Related Shareholder Matters.

The information with respect to the market for the Common Shares and related shareholder matters is contained under the caption "Financial and Investor Information" on the inside back cover of the Company's Annual Report to Shareholders for the year ended December 31, 1997 (the "Annual Report") and is incorporated herein by reference thereto in response to this item.

Item 6. Selected Consolidated Financial Data

Selected Consolidated Financial Data is listed on page 12 of the Annual Report and is incorporated herein by reference thereto in response to this item. The selected financial data of the Company should be read in conjunction with the Consolidated Financial Statements of the Company and related Notes thereto contained in the Annual Report and incorporated herein by reference thereto.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information with respect to Management's discussion and analysis of financial condition and results of operations, is contained under the caption "Management's Discussion and Analysis of Results of Operations and Financial Condition" on pages 13 through 24 of the Annual Report and is incorporated herein by reference thereto in response to this item.

Item 8. Financial Statements and Supplementary Data

The Consolidated Financial Statements of the Company are contained on pages 26 through 43 of the Annual Report and are incorporated herein by reference thereto in response to this item. Reference is made to Item 14(a) of this Report for the Schedules to the Consolidated Financial Statements.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

PART III

Item 10. Directors and Executive Officers of the Company.

This information with respect to directors and officers of the Company is contained under the captions "Directors and Executive Officers of the Company" on pages 6 through 8 of the Company's Definitive Proxy Statement in respect of the Annual General Meeting of Shareholders to be held on May 5, 1998 (the "Proxy Statement") and "Proposal 1" on pages 27-28 of the Proxy Statement, and is incorporated herein by reference thereto in response to this item.

Item 11. Executive Compensation

The information with respect to executive compensation is contained under the subcaption "Executive Officer and Director Compensation" on pages 16 through 26 of the Proxy Statement, and is incorporated herein by reference thereto in response to this item.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information with respect to security ownership of certain beneficial owners and Management is contained under the caption "Security Ownership of Certain Beneficial Owners, Management and Directors" on pages 9 through 11 of the Proxy Statement, and is incorporated herein by reference thereto in response to this item.

Item 13. Certain Relationships and Related Transactions

The information with respect to certain relationships and related transactions is contained under the caption "Certain Relationships and Related Transactions" on pages 12 through 14 of the Proxy Statement, and is incorporated herein by reference thereto in response to this item.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) Financial Statements and Exhibits.

1. The Consolidated Financial Statements of the Company and related Notes thereto are contained on pages 26 through 43 of the Company's 1997 Annual Report to Shareholders are incorporated herein by reference thereto.

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

3. The following exhibits are included in this Report:

3.1 Memorandum of Association.*

3.3 Amended and Restated Bye-Laws.@

4.1 Specimen Common Share certificate.*

10.1 Discretionary Investment Advisory Agreement, dated June 9, 1993, between Renaissance Reinsurance Ltd. and Warburg, Pincus Counsellors, Inc.*

10.2 Investment Management Agreement, dated as of November 1, 1993, between GE Investment Management Incorporated and Renaissance Reinsurance Ltd.*

10.3 RenaissanceRe Holdings Ltd. Restricted Stock Plan.*

10.4 Agreement and Plan of Recapitalization, dated as of March 26, 1995, by and among RenaissanceRe Holdings Ltd., Renaissance Reinsurance Ltd. and Investors named therein.*

10.5 Amended and Restated Employment Agreement, dated as of July 1, 1997, between Renaissance Reinsurance Ltd. and James N. Stanard.+

10.6 Form of Employment Agreement, dated as of June 23, 1997, between Renaissance Reinsurance Ltd. and certain executive officers.#

10.7 Employment Agreement, dated as of February 4, 1998, between Renaissance Reinsurance Ltd. and William I. Riker.

10.8 Third Amended and Restated Credit Agreement, dated as of December 12, 1996, among RenaissanceRe Holdings Ltd., various financial institutions which are, or may become, parties thereto (the "Lenders"), Fleet National Bank of Connecticut and Mellon Bank, N.A., as Co-Agents, and Bank of America National Trust and Savings Association, as Administrative Agent for the Lenders.+++

10.9 First Amendment to Amended and Restated Credit Agreement, dated as of September 8, 1997, among RenaissanceRe Holdings Ltd., the Lenders named therein, and Bank of America National Trust and Savings Association as Administrative Agent.+

10.10 Equity Purchase Agreement, dated as of December 13, 1996, by and among RenaissanceRe Holdings Ltd., Warburg, Pincus Investors, L.P., Trustees of General Electric Pension Trust, GE Private Placement Partners I, Limited Partnership and United States Fidelity and Guaranty Company. @@

10.11 RenaissanceRe Holdings Ltd. Second Amended and Restated 1993 Stock Incentive Plan.

10.12 RenaissanceRe Holdings Ltd. Amended and Restated Non-Employee Director Stock Plan (subject to shareholder approval).

10.13 Stock Purchase Agreement, dated December 19, 1997, by and among RenaissanceRe Holdings Ltd. and Renaissance U.S. Holdings, Inc. and Nobel Insurance Limited and Nobel Holdings, Inc.++

10.14 Guaranty Agreement, dated June 23, 1997, between RenaissanceRe Holdings Ltd. and The Bank of America.+

10.15 Amended and Restated Shareholders Agreement, dated as of March 23, 1996, by and among Warburg, Pincus Investors, L.P., Trustees of General Electric Pension Trust, GE Private Placement Partners I, Limited Partnership and United States Fidelity and Guaranty Company.

10.16 Amended and Restated Registration Rights Agreement, dated as of March 23, 1996, by and among Warburg, Pincus Investors, L.P., PT Investments Inc., GE Private Placement Partners I-Insurance, Limited Partnership and United States Fidelity and Guaranty Company.

10.17 Amended and Restated Declaration of Trust of RenaissanceRe Capital Trust, dated as of March 7, 1997, among the Company, as Sponsor, The Bank of New York, as Property Trustee, The Bank of New York (Delaware), as Delaware Trustee, and the Administrative Trustees named therein. @@@

10.18 Indenture, dated as of March 7, 1997, among the Company, as Sponsor, and The Bank of New York, as Debenture Trustee. @@@

10.19 Series A Capital Securities Guarantee Agreement, dated as of March 7, 1997, between the Company and The Bank of New York, as Trustee. @@@

10.20 Registration Rights Agreement, dated March 7, 1997, among the Company, the Trust, Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Salomon Brothers Inc. @@@

13.1 Annual Report to Shareholders of RenaissanceRe Holdings Ltd. for the year ended December 31, 1997 (with the exception of the information incorporated by reference into Items 5, 7, 8 and 14 of this Report, such Annual Report to Shareholders is furnished for the information of the Commission and is not deemed "filed" as part of this Report).

21.1 List of Subsidiaries of the Registrant.

23.1 Consent of Ernst & Young.

27.1 Financial Data Schedule for the Year ended December 31, 1997

27.2 Restated Financial Data Schedule for the Year ended December 31, 1996

(b) Reports on Form 8-K:

The Company filed no Current Reports on Form 8-K with the Commission during the fourth quarter of 1997.

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

** Incorporated by reference to the Registration Statement on Form S-1 of the Company (Registration No. 333-00802) which was declared effective by the Commission on February 27, 1996.

@ Incorporated by reference to the Company's Current Report on Form 8-K, filed with the Commission on January 7, 1997, relating to certain events which occurred on December 23, 1996.

@@ Incorporated by reference to the Company's Current Report on Form 8-K, filed with the Commission on December 16, 1996, relating to an event which occurred on December 13, 1996.

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

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

++ Incorporated by reference to the Company's Current Report on Form 8-K, filed with the Commission on January 6, 1998, relating to certain events which occurred on December 19, 1997.

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

\# A substantially similar form of Employment Agreement has been entered into with each of Messrs. Hynes, Lummis and Eklund.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in Hamilton, Bermuda on March 27, 1998.

RENAISSANCERE HOLDINGS LTD.

/s/ James N. Stanard

James N. Stanard

President, Chief Executive Officer and Chairman of the Board of Directors

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

Signature	Title	Date
/s/ James N. Stanard James N. Stanard	President and Chief Executive Officer and Chairman of the Board of Directors	March 27, 1998
/s/ John M. Lummis John M. Lummis	Senior Vice President and Chief Financial Officer (Principal Accounting Officer)	March 27, 1998
/s/ Arthur S. Bahr Arthur S. Bahr	Director	March 27, 1998
/s/ Thomas A. Cooper Thomas A. Cooper	Director	March 27, 1998
/s/ Edmund B. Greene Edmund B. Greene	Director	March 27, 1998
/s/ Gerald L. Igou Gerald L. Igou	Director	March 27, 1998
/s/ Kewsong Lee Kewsong Lee	Director	March 27, 1998
/s/ Dan L. Hale Dan L. Hale	Director	March 27, 1998
/s/ Howard H. Newman Howard H. Newman	Director	March 27, 1998
/s/ Scott E. Pardee Scott E. Pardee	Director	March 27, 1998
/s/ John C. Sweeney John C. Sweeney	Director	March 27, 1998

Signature	Title	Date
/s/ David A. Tanner David A. Tanner	Director	March 27, 1998

RENAISSANCERE HOLDINGS LTD AND SUBSIDIARIES.

INDEX TO SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS

Schedules other than those listed above are omitted for the reason that they are not applicable.

REPORT OF INDEPENDENT AUDITORS ON SCHEDULES

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

We have audited the consolidated financial statements of RenaissanceRe Holdings Ltd. and Subsidiaries as of December 31, 1997 and 1996 and for each of the three years in the period ended December 31, 1997, and have issued our report thereon dated January 14, 1998; such financial statements and our report thereon are incorporated by reference elsewhere in this Annual Report on Form 10-K. Our audits also included the financial statement schedules listed in item 14(a)(2) of this Annual Report on Form 10-K for the year ended December 31, 1997. These schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audit.

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

/s/ Ernst & Young

Hamilton, Bermuda
January 14, 1998

SCHEDULE I

RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

SUMMARY OF INVESTMENTS

OTHER THAN INVESTMENTS IN RELATED PARTIES

(Expressed in United States Dollars)
(dollars in thousands)

Type of Investment:	Year Ended December 31, 1997 Amortized Cost	Market Value	Amount at which shown in the Balance Sheet
Fixed Maturities Available for Sale:			
U.S. Government bonds	$ 257.8	$ 257.8	$ 257.8
Non U.S. sovereign government bonds	263.5	256.9	256.9
Non U.S. corporate debt securities	194.3	188.6	188.6
Non U.S. mortgage-backed securities	6.9	6.9	6.9
Subtotal	722.5	710.2	710.2
Equity Securities	24.2	26.4	26.4
Cash and cash equivalents	122.9	122.9	122.9
Total investments, short-term investments, cash and cash equivalents	$ 869.6	$ 859.5	$ 859.5

SCHEDULE III

RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

CONDENSED FINANCIAL INFORMATION OF REGISTRANT

RENAISSANCERE HOLDINGS LTD.
BALANCE SHEETS
(Parent Company)

(Expressed in United States Dollars)
(dollars in thousands, except per share amounts)

	December 31,	
	1997	1996
ASSETS		
Cash	$ 41,593	$ 50,212
Investments available for sale	50,753	23,106
Investment in subsidiaries	657,227	598,220
Dividend receivable	7,261	26,300
Due from subsidiary	--	--
Other assets	1,749	421
Total assets	$758,583	$698,259
LIABILITIES		
Loan payable	$ 50,000	$150,000
Minority interest - Company obligated, mandatorily redeemablecapital ecurities of a subsidiary trust holding solely junior subordinated debentures of the Company	100,000	--
Other liabilities	9,880	2,056
Total liabilities	$159,880	$152,056
Commitments and contingencies		
SHAREHOLDERS' EQUITY		
Common Shares: $1 par value-authorized 100,000,000 shares. Issued and outstanding at December 31, 1997-22,440,901 (1996-23,530,616)	$ 22,441	$23,531
Additional paid-in capital	52,481	102,902
Loans to officers and employees	--	(3,868)
Unearned Stock Grant Compensation	(4,731)	--
Net unrealized depreciation on investments	(10,155)	1,577
Retained earnings	538,667	422,061
Total shareholders' equity	598,703	546,203
Total liabilities and shareholders' equity	$758,583	$698,259

RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

CONDENSED FINANCIAL INFORMATION OF REGISTRANT

RENAISSANCERE HOLDINGS LTD.
STATEMENTS OF INCOME
(Parent Company)

(Expressed in United States Dollars)
(dollars in thousands)

	Year Ended December 31, 1997	Year Ended December 31,1996	Year Ended December 31, 1995
Income:			
Investment income	$ 5,723	$ 2,534	$ 92
Total income	5,723	2,534	92
Expenses:			
Amortization of organizational expenses	-	168	1,439
Interest expense	4,271	6,553	6,424
Corporate expenses	3,218	2,298	3,092
Total expenses	7,489	9,019	10,955
Loss before equity in net income of subsidiaries & taxes	(1,766)	(6,485)	(10,863)
Equity in net income of Reinsurance	146,209	161,855	176,185
Equity in net income of Glencoe	2,421	900	--
Income before minority interests & taxes	146,864	156,270	165,322
Minority interest - Company obligated, mandatorily redeemable capital securities of a subsidiary trust holding solely junior subordinated debentures of the Company	(6,998)	--	--
Minority interest - Glencoe	(617)	(110)	--
Net income before taxes	139,249	156,160	165,322
Income tax expense	--	--	--
Net income	139,249	156,160	165,322
Net income allocable to Series B Preference Shares	--	--	2,536
Net income available to Common Shareholders.	$ 139,249	$ 156,160	$ 162,786

SCHEDULE III (Cont'd.)

RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

CONDENSED FINANCIAL INFORMATION OF REGISTRANT-(Continued)

RENAISSANCERE HOLDINGS LTD.

STATEMENTS OF CASH FLOWS
(Parent Company)
(Expressed in United States Dollars)
(dollars in thousands)

	Year Ended December 31, 1997	Year Ended December 31,1996	Year Ended December 31, 1995
Cash flows from operating activities			
Net income	$ 139,249	156,160	$ 165,322
Less equity in net income of subsidiaries	148,013	162,755	176,185
	(8,764)	(6,595)	(10,863)
Adjustments to reconcile net income to net cash provided by operating activities			
Other	(4,013)	3,630	1,020
Net cash applied to operating activities	(12,777)	(2,965)	(9,843)
Cash flows applied to investing activities			
Contributions to subsidiary	(12,000)	(50,000)	--
Proceeds from sales of investments	73,793	40,624	--
Purchases of investments	(105,223)	(63,440)	--
Dividends from subsidiary	124,770	135,629	--
Purchase of minority interest in subsidiary	(5,185)	--	--
Proceeds from sale of minority interest in subsidiary	--	15,126	--
Net cash provided by (applied to) investing activities	76,155	77,939	--
Cash flows from financing activities			
Proceeds from issuance of Common Shares	--	--	54,496
Proceeds from issuance of Capital Securities	100,000	--	--
Repurchase of Common Shares	(53,458)	(73,460)	--
Dividend to Common Shareholders	(22,643)	(20,489)	(4,096)
Net proceeds from (repayment of) bank loan	(100,000)	50,000	40,000
Redemption of Series B 15% Cumulative Redeemable Voting Preference Shares	--	--	(57,874)
Repayments from (loans to) officers	4,104	(868)	(2,628)
Net cash provided by financing activities	(71,997)	(44,817)	29,898
Net increase in cash and cash equivalents	$ (8,619)	$ 30,157	$ 20,055
Balance at beginning of year	50,212	20,055	--
Balance at end of year	$ 41,593	$ 50,212	$ 20,055

SCHEDULE V

RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

SUPPLEMENTARY INSURANCE INFORMATION

(Expressed in United States Dollars)
(dollars in thousands)

	December 31, 1997			Year Ended December 31, 1997					
	Deferred Policy Acquisition Costs	Future Policy Benefits, Losses, Claims and Claims Expenses	Unearned Premiums	Premium Revenue	Net Investment Income	Benefits, Claims, Losses and Settlement Expenses	Amortization of Deferred Policy Acquisition Costs	Other Operating Expenses	Net Premiums Written
Property..	$ 5,739	$ 110,037	$ 57,008	$ 211,490	$ 49,573	$ 50,015	$ 25,227	$ 25,131	$ 195,752

	December 31, 1996			Year Ended December 31, 1996					
	Deferred Policy Acquisition Costs	Future Policy Benefits, Losses, Claims and Claims Expenses	Unearned Premiums	Premium Revenue	Net Investment Income	Benefits, Claims, Losses and Settlement Expenses	Amortization of Deferred Policy Acquisition Costs	Other Operating Expenses	Net Premiums Written
Property..	$6,819	$105,421	$65,617	$252,828	$44,280	$86,945	$26,162	$16,731	$251,564

	December 31, 1995			Year Ended December 31, 1995					
	Deferred Policy Acquisition Costs	Future Policy Benefits, Losses, Claims and Claims Expenses	Unearned Premiums	Premium Revenue	Net Investment Income	Benefits, Claims, Losses and Settlement Expenses	Amortization of Deferred Policy Acquisition Costs	Other Operating Expenses	Net Premiums Written
Property..	$6,163	$100,445	$60,444	$288,886	$32,320	$110,555	$29,286	$10,448	$289,928

SCHEDULE VI

RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

REINSURANCE

(Expressed in United States Dollars)
(dollars in thousands)

	Gross Amount	Ceeded to Other Companies	Assumed from Other Companies	Net Amount	Percentage of Amount Assumed to Net
Year ended December 31, 1997					
Property Premiums Written	$ 7,041	$ 32,535	$221,246	$195,752	113%
Year ended December 31, 1996					
Property Premiums Written	$ 1,552	$ 18,349	$268,361	$251,564	107%
Year ended December 31, 1995					
Property Premiums Written	$ --	$ 2,866	$292,794	$289,928	101%

SCHEDULE X

RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES

SUPPLEMENTARY INFORMATION CONCERNING

PROPERTY/CASUALTY INSURANCE OPERATIONS

(Expressed in United States Dollars)
(dollars in thousands)

Affiliation with Registrant	Deferred Policy Acquisition Costs	Reserve for Unpaid Claims and Claims Expenses	Discount if any, Deducted	Unearned Premiums	Earned Premiums	Net Investment Income
Consolidated Subsidiaries						
Year ended December 31, 1997.	$5,739	$110,037	$ --	$57,008	$211,490	$49,573
Year ended December 31, 1996.	$6,819	$105,421	$ --	$65,617	$252,828	$44,280
Year ended December 31, 1995.	$6,163	$100,445	$ --	$60,444	$288,886	$32,320

Affiliation with Registrant	Claims and Claims Expense Insured Related to: Current Year	Claims and Claims Expense Insured Related to: Prior Years	Amortization of Deferred Policy Acquisition Costs	Paid Claims and Claims Expenses	Net Premiums Written
Consolidated Subsidiaries					
Year ended December 31, 1997.	$50,015	$ 0	$25,227	$45,399	$195,752
Year ended December 31, 1996.	$ 75,118	$11,827	$26,162	$81,969	$251,564
Year ended December 31, 1995.	$ 80,939	$29,616	$29,286	$73,378	$289,928

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

EXHIBITS

to

FORM 10-K

Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 1997

RenaissanceRe Holdings Ltd.

EXHIBIT INDEX

Exhibit No.	Description	Page
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3.2	Amended and Restated Bye-Laws.@	
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10.6	Form of Employment Agreement, dated as of June 23, 1997, between Renaissance Reinsurance Ltd. and certain executive officers.#	
10.7	Employment Agreement, dated as of February 4, 1998, between Renaissance Reinsurance Ltd. and William I. Riker.	
10.8	Third Amended and Restated Credit Agreement, dated as of December 12, 1996, among RenaissanceRe Holdings Ltd., various financial institutions which are, or may become, parties thereto (the "Lenders"), Fleet National Bank of Connecticut and Mellon Bank, N.A., as Co-Agents, and Bank of America National Trust and Savings Association, as Administrative Agent for the Lenders.+++	
10.9	First Amendment to Amended and Restated Credit Agreement, dated as of September 8, 1997, among RenaissanceRe Holdings Ltd., the Lenders named therein, and Bank of America National Trust and Savings Association as Administrative Agent.+	

Exhibit No.	Description	Page
10.10	Equity Purchase Agreement, dated as of December 13, 1996, by and among RenaissanceRe Holdings Ltd., Warburg, Pincus Investors, L.P., Trustees of General Electric Pension Trust, GE Private Placement Partners I, Limited Partnership and United States Fidelity and Guaranty Company. @@	
10.11	RenaissanceRe Holdings Ltd. Second Amended and Restated 1993 Stock Incentive Plan.	
10.12	RenaissanceRe Holdings Ltd. Amended and Restated Non-Employee Director Stock Plan (subject to shareholder approval).	
10.13	Stock Purchase Agreement, dated December 19, 1997, by and among RenaissanceRe Holdings Ltd. and Renaissance U.S. Holdings, Inc. and Nobel Insurance Limited and Nobel Holdings, Inc.++	
10.14	Guaranty Agreement, dated June 23, 1997, between RenaissanceRe Holdings Ltd. and The Bank of America.+	
10.15	Amended and Restated Shareholders Agreement, dated as of March 23, 1996, by and among Warburg, Pincus Investors, L.P., Trustees of General Electric Pension Trust, GE Private Placement Partners I, Limited Partnership and United States Fidelity and Guaranty Company.	
10.16	Amended and Restated Registration Rights Agreement, dated as of March 23, 1996, by and among Warburg, Pincus Investors, L.P., PT Investments Inc., GE Private Placement Partners I-Insurance, Limited Partnership and United States Fidelity and Guaranty Company.	
10.17	Amended and Restated Declaration of Trust of RenaissanceRe Capital Trust, dated as of March 7, 1997, among the Company, as Sponsor, The Bank of New York, as Property Trustee, The Bank of New York (Delaware), as Delaware Trustee, and the Administrative Trustees named therein. @@@	
10.18	Indenture, dated as of March 7, 1997, among the Company, as Sponsor, and The Bank of New York, as Debenture Trustee. @@@	
10.19	Series A Capital Securities Guarantee Agreement, dated as of March 7, 1997, between the Company and The Bank of New York, as Trustee. @@@	
10.20	Registration Rights Agreement, dated March 7, 1997, among the Company, the Trust, Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Salomon Brothers Inc. @@@	
13.1	Annual Report to Shareholders of RenaissanceRe Holdings Ltd. for the year ended December 31, 1997 (with the exception of the information incorporated by reference into Items 5, 7, 8 and 14 of this Report, such Annual Report to Shareholders is furnished for the information of the Commission and is not deemed "filed" as part of this Report).	
21.1	List of Subsidiaries of the Registrant.	
23.1	Consent of Ernst & Young.	
27.1	Financial Data Schedule for the Year ended December 31, 1997.	
27.2	Restated Financial Data Schedule for the Year ended December 31, 1996.	

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

** Incorporated by reference to the Registration Statement on Form S-1 of the Company (Registration No. 333-00802) which was declared effective by the Commission on February 27, 1996.

@ Incorporated by reference to the Company's Current Report on Form 8-K, filed with the Commission on January 7, 1997, relating to certain events which occurred on December 23, 1996.

@@ Incorporated by reference to the Company's Current Report on Form 8-K, filed with the Commission on December 16, 1996, relating to an event which occurred on December 13, 1996.

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

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

++ Incorporated by reference to the Company's Current Report on Form 8-K, filed with the Commission on January 6, 1998, relating to certain events which occurred on December 19, 1997.

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

A substantially similar form of Employment Agreement has been entered into with each of Messrs. Hynes, Lummis and Eklund.

FORM OF EMPLOYMENT AGREEMENT

This Employment Agreement is dated as of June 23, 1997 and is entered into between Renaissance Reinsurance Ltd., a Bermuda company (the "Company"), and _____ ("Executive").

WHEREAS, Executive is currently employed as a [Senior] Vice President and _____ of the Company; and

WHEREAS, Executive and the Company desire to embody in this Agreement the terms and conditions under which Executive shall continue to be employed by the Company.

NOW, THEREFORE, the parties hereby agree:

ARTICLE I.

Employment, Duties and Responsibilities

1.01. Employment. During the Term (as defined below), Executive shall serve as a [Senior] Vice President and _____ of the Company [and its parent, RenaissanceRe Holdings Ltd. ("Holdings")]. Executive agrees to devote his full time and efforts to promote the interests of the Company.

1.02. Duties and Responsibilities. Executive shall have such duties and responsibilities as specified by the Company's Board of Directors (the "Company's Board") from time to time and as are consistent with his position.

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

ARTICLE II.

Term

2.01. Term. Subject to Article V, the employment of the Executive under this Agreement shall be for a term (the "Term") commencing as of the date first written above and continuing until July 1, 1998; provided, however, that the Term

shall be extended for successive one-year periods as of July 1st of each year commencing with July 1, 1998 (each, a "Renewal Date") unless, with respect to any such Renewal Date, either party hereto gives the other party at least 30 days prior written notice of its election not to so extend the Term.

ARTICLE III.

Compensation and Expenses

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

(a) Salary; Bonus. The Company shall pay Executive a base salary at a rate to be determined by the Board, upon recommendation of the Chief Executive Officer, payable in accordance with the normal payment procedures of the Company and subject to such withholding and other normal employee deductions as may be required by law. Bonuses shall be payable at the discretion of the Company.

(b) Awards. Executive may participate in the Second Amended and Restated 1993 Stock Incentive Plan of RenaissanceRe Holdings Ltd. (the "Plan"). Executive may receive grants from time to time as determined by the Compensation Committee of the Holdings Board. Executive shall enter into separate award agreements with respect to such awards granted to him ("Awards") under the Plan, and his rights with respect to such Awards shall be governed by the Plan and such award agreements.

(c) Benefits. Executive shall be eligible to participate in such life insurance, health, disability and major medical insurance benefits, and in such other employee benefit plans and programs for the benefit of the employees and officers of the Company, as may be maintained from time to time during the Term, in each case to the extent and in the manner available to other officers of the Company and subject to the terms and provisions of such plan or program.

(d) Vacation. Executive shall be entitled to reasonable paid vacation periods, not to exceed five weeks for each full year during the Term, to be taken at his discretion, in a manner consistent with his obligations to the Company under this Agreement, and subject, with respect to timing, to the reasonable approval of the Chief Executive Officer of the Company.

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

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

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

(b) Automobile. The Company shall provide Executive with an automobile with a value comparable to automobiles customarily provided to executive officers of comparable Bermuda-based companies.

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

ARTICLE IV.

Exclusivity, Etc.

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

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

business having a class of capital stock which is traded on any major stock exchange or in a national over-the-counter market.

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

4.04. Non-Competition Obligations. During the Term and, other than in the case of the death or disability of the Executive, upon any termination of the employment of the Executive (including a termination by reason of either party's election not to extend the Term as provided in Section 2.01), the Executive shall not, for a period of one year from the date of such termination (the "Non-Competition Period"), directly or indirectly, whether as an employee consultant, independent contractor, partner, joint venturer or otherwise, (A) engage in any business activities reasonably determined by the Company's Board to be competitive, to a material extent, with any substantial type or kind of business activities conducted by the Company or any of its divisions, subsidiaries or affiliates at

the time of such termination; (B) on behalf of any person or entity engaged in business activities competitive with the business activities of the Company or any of its divisions, subsidiaries or affiliates, solicit or induce, or in any manner attempt to solicit or induce, any person employed by, or as agent of, the Company or any of its divisions, subsidiaries or affiliates to terminate such person's contract of employment or agency, as the case may be, with the Company or with any such division, subsidiary or affiliate or (C) divert, or attempt to divert, any person, concern, or entity from doing business with the Company or any of its divisions, subsidiaries or affiliates, nor will he attempt to induce any such person, concern or entity to cease being a customer or supplier of the Company or any of its divisions, subsidiaries or affiliates. The preceding sentence notwithstanding, in the case of (i) a voluntary termination of employment by the Executive which is not for "Good Reason" following a "Change in Control" (each as hereinafter defined), (ii) a termination by the Company for Cause (as hereinafter defined), or (iii) an election by the Executive not to extend the term as provided in Section 2.01, the Company may elect, within 14 days after the date of such termination, to waive the Executive's non-competition obligations, in which case it shall not be required to make payments to the Executive during the Non-Competition Period, as provided in Section 5.05(a).

4.05. Remedies. Executive acknowledges that the Company's remedy at law for a breach by him of the provisions of this Article IV will be inadequate. Accordingly, in the event of a breach or threatened breach by Executive of any provision of this Article IV, the Company shall be entitled to injunctive relief in addition to any other remedy it may have. If any of the provisions of, or covenants contained in, this Article IV are hereafter construed to be invalid or unenforceable in any jurisdiction, the same shall not affect the remainder of the provisions or the enforceability thereof in any other jurisdiction, which shall be given full effect, without regard to the invalidity or unenforceability in such other jurisdiction. If any of the provisions of, or covenants contained in, this Article IV are held to be unenforceable in any jurisdiction because of the duration or geographical scope thereof, the parties agree that the court making such determination shall have the power to reduce the duration or geographical scope of such provision or covenant and, in its reduced form, such provision or covenant shall be enforceable; provided, however, that the determination of such court shall not affect the enforceability of this Article IV in any other jurisdiction.

ARTICLE V.

Termination

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

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

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

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

5.05. Effect of Termination.

(a) Obligations of Company. In the event of any termination of the Executive's employment hereunder, the Company shall pay Executive any earned but unpaid base salary. In addition, except as provided in Section 5.06, upon a termination of Executive's employment for any reason other than the Executive's death or disability (including a termination by reason of either party's election not to extend the Term as provided in Section 2.01), the Company shall continue to pay Executive during the Non-Competition Period, his then current base salary, and an amount equal to the highest regular annual bonus paid or payable to the Executive over the preceding three fiscal years (excluding any extraordinary or non-recurring bonus), such amounts to be payable in equal monthly installments commencing on the date which is one month after the date of such termination. The preceding sentence notwithstanding, in the event of a termination of employment described in the last sentence of Section 4.04 of this Agreement, if the Company elects to waive the Executive's non-competition obligations within 14

days after the date of such termination, the Company shall not be required to make such additional payments.

(b) Awards. Executive's rights with respect to Awards, upon any termination of his employment with the Company, shall be governed exclusively by the terms and conditions of the Plan and any award agreements executed by Executive in connection with the Plan.

(c) Obligations of Executive. Executive may terminate his employment at any time by 10 days' written notice to the Company. Executive shall have no obligations to the Company under this Agreement after the termination of his employment, except and to the extent Sections 4.03, 4.04 or 4.05 shall apply.

5.06. Termination Following a Change in Control. In the event that a Change in Control occurs (as hereinafter defined) and, on or within two years following the date of such Change in Control, the Executive's employment is terminated by the Company without Cause, or the Company elects not to extend the Term as provided in Section 2.01, or the Executive terminates his employment voluntarily for "Good Reason" (as hereinafter defined), then in lieu of the payments described in the second sentence of Section 5.05(a), the Company shall pay the Executive, within fifteen days following the date of such termination, a lump sum cash amount equal to two times the sum of:

(i) Executive's annual base salary at the highest rate in effect during the Term; and

(ii) the highest regular annual bonus paid or payable to the Executive over the preceding three fiscal years (excluding any extraordinary or non-recurring bonus).

For purposes of this Agreement, "Good Reason" means

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

(ii) any failure by the Company to comply with any of the provisions of Section 3 of this Agreement, other than an insubstantial or inadvertent failure which is remedied by the Company promptly after receipt of notice thereof from Executive;

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

(iv) any failure by the Company to obtain the assumption of and agreement to perform this Agreement by a successor as contemplated by Section 6.02(b) of this Agreement.

For purposes of this Agreement, "Change in Control" means the sale or other disposition of more than 51% of the value of all of Holdings' outstanding equity securities to one or more persons other than the "Investors" (as such term is defined in the Plan), but excluding any transaction which, in the discretion of the Holdings Board, is to be accounted for as a pooling of interests.

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

ARTICLE VI.

Miscellaneous

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

6.02. Benefit of Agreement; Assignment; Beneficiary. (a) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns, including, without limitation, any corporation or person which may acquire all or substantially all of the Company's assets or business, or with or into which the Company may be consolidated or merged. This Agreement shall also inure to the benefit of, and be enforceable by, Executive and his personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

(b) The Company shall require any successor (whether direct or indirect, by operation of law, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

6.03. Notices. Any notice required or permitted hereunder shall be in writing and shall be sufficiently given if personally delivered or if sent by telegram or telex or by registered or certified mail, postage prepaid, with return receipt requested, addressed: (a) in the case of the Company to Renaissance Reinsurance Ltd., Renaissance House, East Broadway, Hamilton, Bermuda, Attention: Secretary, or to such other address and/or to the attention of such other person as the Company shall designate by written notice to Executive; and (b) in the case of Executive, to Executive at his then current home address as shown on the Company's books, or to such other address as Executive shall designate by written notice to the Company. Any notice given hereunder shall be deemed to have been given at the time of receipt thereof by the person to whom such notice is given.

6.04. Entire Agreement; Amendment. This Agreement contains the entire agreement of the parties hereto with respect to the terms and conditions of Executive's employment and supersedes any and all prior agreements and understandings, whether written or oral, between the parties hereto with respect to compensation due for services rendered hereunder. This Agreement may not be changed or modified except by an instrument in writing signed by both of the parties hereto.

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

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

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

that damages are an adequate remedy for any breach by the Company of this Agreement.

6.08. Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the internal laws of Bermuda without reference to the principles of conflict of laws. The parties submit to the non-exclusive jurisdiction of the courts of Bermuda.

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

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

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

6.12. Termination; Survivorship. This Agreement shall terminate upon termination of the Executive's employment, except that the respective rights and obligations of the parties under this Agreement as set forth herein shall survive any termination of this Agreement to the extent necessary to the intended preservation of such rights and obligations.

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

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

6.15. Subsidiaries, etc. (a) The obligations of the Company under this Agreement may be satisfied by any subsidiary

or affiliate of the Company for which Executive serves as an employee under this Agreement, to the extent such obligations relate to Executive's employment by such subsidiary or affiliate.

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

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

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

RENAISSANCE REINSURANCE LTD.

By:

Name:
Title:

[Executive]

EMPLOYMENT AGREEMENT

This Employment Agreement is dated as of February 4, 1998 and is entered into between Renaissance Reinsurance Ltd., a Bermuda company (the "Company"), and William I. Riker ("Executive").

WHEREAS, Executive is currently employed as Senior Vice President of the Company pursuant to an agreement dated May 27, 1997 (the "Prior Agreement"); and

WHEREAS, Executive and the Company desire to replace the Prior Agreement and to embody in this Agreement new terms and conditions under which Executive shall continue to be employed by the Company.

NOW, THEREFORE, the parties hereby agree:

ARTICLE I.

Employment, Duties and Responsibilities

1.01. Employment. During the Term (as defined below), Executive shall serve as President and Chief Operating Officer of the Company and Executive Vice President of its parent, RenaissanceRe Holdings Ltd. ("Holdings"). Executive agrees to devote his full time and efforts to promote the interests of the Company.

1.02. Duties and Responsibilities. Executive shall have such duties and responsibilities as specified by the Company's Board of Directors (the "Company's Board") from time to time and as are consistent with his position.

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

ARTICLE II.

Term

2.01. Term. Subject to Article V, the employment of Executive under this Agreement shall be for a term (the "Term") commencing as of the date first written above and continuing until June 30, 2003, unless sooner terminated as provided herein.

ARTICLE III.

Compensation and Expenses

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

(a) Salary; Bonus. The Company shall pay Executive a base salary at a rate to be determined by the Company's Board, upon recommendation of the Chief Executive Officer of the Company, payable in accordance with the normal payment procedures of the Company and subject to such withholding and other normal employee deductions as may be required by law. Bonuses shall be payable at the discretion of the Company.

(b) Restricted Stock. Executive shall participate in the Second Amended and Restated 1993 Stock Incentive Plan RenaissanceRe Holdings Ltd., as amended through the date hereof and hereafter from time to time (the "Plan"). Executive is hereby granted 75,000 shares of restricted common stock of Holdings (the "Restricted Stock") under the Plan. The Restricted Stock shall vest at the rate of 20% per year on a cumulative basis, commencing on June 30, 1999, and shall be subject to the terms of the Plan and a Restricted Stock Agreement with respect to the Restricted Stock to be entered into at even date herewith.

(c) Benefits. Executive shall be eligible to participate in such life insurance, health, disability and major medical insurance benefits, and in such other employee benefit plans and programs for the benefit of the employees and officers of the Company, as may be maintained from time to time during the Term, in each case to the extent and in the manner available to other officers of the Company and subject to the terms and provisions of such plan or program.

(d) Vacation. Executive shall be entitled to reasonable paid vacation periods, not to exceed five weeks for each full year during the Term, to be taken at his discretion, in a manner consistent with his obligations to the Company under this Agreement, and subject, with respect to timing, to the reasonable approval of the Chief Executive Officer of the Company.

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

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

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

(b) Automobile. The Company shall provide Executive with an automobile with a value comparable to automobiles customarily provided to executive officers of comparable Bermuda-based companies.

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

ARTICLE IV.

Exclusivity, Etc.

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

4.02. Other Business Ventures. Executive agrees that during the Term he will not own, directly or indirectly, any controlling or substantial stock or other beneficial interest in

any business enterprise which is engaged in business activities that are competitive with the business activities of the Company or any of its divisions, subsidiaries or affiliates. The preceding sentence notwithstanding, Executive may own, directly or indirectly, up to 1% of the outstanding capital stock of any business having a class of capital stock which is traded on any major stock exchange or in a national over-the-counter market.

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

4.04. Non-Competition Obligations. During the Term and, other than in the case of the death or disability of Executive, upon any termination of the employment of Executive, Executive shall not, until the earlier of (x) two years from the date of such termination or (y) June 30, 2004 (the "Non-Competition Period"), directly or indirectly, whether as an employee consultant, independent contractor, partner, joint venturer or otherwise, (A) engage in any business activities

reasonably determined by the Company's Board to be competitive, to a material extent, with any substantial type or kind of business activities conducted by the Company or any of its divisions, subsidiaries or affiliates at the time of such termination; (B) on behalf of any person or entity engaged in business activities competitive with the business activities of the Company or any of its divisions, subsidiaries or affiliates, solicit or induce, or in any manner attempt to solicit or induce, any person employed by, or as agent of, the Company or any of its divisions, subsidiaries or affiliates to terminate such person's contract of employment or agency, as the case may be, with the Company or with any such division, subsidiary or affiliate or (C) divert, or attempt to divert, any person, concern, or entity from doing business with the Company or any of its divisions, subsidiaries or affiliates, nor will he attempt to induce any such person, concern or entity to cease being a customer or supplier of the Company or any of its divisions, subsidiaries or affiliates. The preceding sentence notwithstanding, in the case of (i) a voluntary termination of employment by Executive prior to a "Change in Control," or a voluntary termination following a "Change in Control" which is not for "Good Reason" (each as hereinafter defined), or (ii) a termination by the Company for Cause (as hereinafter defined), the Company may elect, within 14 days after the date of such termination, to waive Executive's non-competition obligations, in which case it shall not be required to make payments to Executive during the Non-Competition Period, as provided in Section 5.05(a).

4.05. Remedies. Executive acknowledges that the Company's remedy at law for a breach by him of the provisions of this Article IV will be inadequate. Accordingly, in the event of a breach or threatened breach by Executive of any provision of this Article IV, the Company shall be entitled to injunctive relief in addition to any other remedy it may have. If any of the provisions of, or covenants contained in, this Article IV are hereafter construed to be invalid or unenforceable in any jurisdiction, the same shall not affect the remainder of the provisions or the enforceability thereof in any other jurisdiction, which shall be given full effect, without regard to the invalidity or unenforceability in such other jurisdiction. If any of the provisions of, or covenants contained in, this Article IV are held to be unenforceable in any jurisdiction because of the duration or geographical scope thereof, the parties agree that the court making such determination shall have the power to reduce the duration or geographical scope of such provision or covenant and, in its reduced form, such provision or covenant shall be enforceable; provided, however, that the determination of such court shall not affect the enforceability of this Article IV in any other jurisdiction.

ARTICLE V.

Termination

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

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

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

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

5.05. Effect of Termination.

(a) Obligations of Company. In the event of any termination of Executive's employment hereunder, the Company shall pay Executive any earned but unpaid base salary. In addition, except as provided in Section 5.06, upon a termination of Executive's employment for any reason other than Executive's death or disability, the Company shall continue to pay Executive during the Non-Competition Period, his then current base salary, and an amount equal to the highest regular annual bonus paid or payable to Executive over the preceding three fiscal years (excluding any extraordinary or non-recurring bonus), such amounts to be payable in equal monthly installments commencing on the date which is one month after the date of such termination. The preceding sentence notwithstanding, in the event of a termination of employment described in the last sentence of Section 4.04 of this Agreement, if the Company elects to waive Executive's non-competition obligations within 14 days after the

date of such termination, the Company shall not be required to make such additional payments.

(b) Restricted Stock. Except as otherwise provided in Section 5.06(B) hereof, Executive's rights with respect to Restricted Stock upon any termination of his employment with the Company shall be governed exclusively by the terms and conditions of the Plan and any agreements executed by Executive in connection with the Restricted Stock.

(c) Obligations of Executive. Executive may terminate his employment at any time by 10 days' written notice to the Company. Executive shall have no obligations to the Company under this Agreement after the termination of his employment, except and to the extent Sections 4.03, 4.04 or 4.05 shall apply.

5.06. Termination Following a Change in Control. In the event that a Change in Control occurs (as hereinafter defined) and, on or within two years following the date of such Change in Control, Executive's employment is terminated by the Company without Cause, or Executive terminates his employment voluntarily for "Good Reason" (as hereinafter defined), then

(A) in lieu of the payments described in the second sentence of Section 5.05(a), the Company shall pay Executive, within fifteen days following the date of such termination, a lump sum cash amount equal to two times the sum of:

(i) Executive's annual base salary at the highest rate in effect during the Term; and

(ii) the highest regular annual bonus paid or payable to Executive over the preceding three fiscal years (excluding any extraordinary or non-recurring bonus) and

(B) notwithstanding anything to the contrary in the Plan, the portion of the Restricted Stock that had not yet vested shall not vest as of the date of such Change in Control but shall become fully vested as of the date of such termination.

For purposes of this Agreement, "Good Reason" means

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

(ii) any failure by the Company to comply with any of the provisions of Section 3 of this Agreement,

other than an insubstantial or inadvertent failure which is remedied by the Company promptly after receipt of notice thereof from Executive;

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

(iv) any failure by the Company to obtain the assumption of and agreement to perform this Agreement by a successor as contemplated by Section 6.02(b) of this Agreement.

For purposes of this Agreement, "Change in Control" means the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of securities representing more than 50% of the value and voting power of all of the outstanding equity securities of Holdings (the "Outstanding Equity Securities"); provided, however, that the following acquisitions shall not constitute a Change in Control: (i) any acquisition by Holdings, (ii) any acquisition by one or more of the "Investors" (as such term is defined in the Plan) or any entity directly or indirectly controlling, controlled by, or under common control with, one or more of the Investors (an "Investor Affiliate"), or (iii) any acquisition by a corporation pursuant to a merger, consolidation or other similar transaction (a "Corporate Event") if, as a result of such Corporate Event, (A) substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Equity Securities immediately prior to such Corporate Event beneficially own, directly or indirectly, securities representing more than 50% of the value and voting power of the then outstanding equity securities of the corporation resulting from such Corporate Event (including a corporation which, as a result of such transaction, owns Holdings or all or substantially all of Holdings' assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Event, of the Outstanding Equity Securities, and (B) no Person other than (1) one or more of the Investors or any Investor Affiliate, or (2) any corporation resulting from such Corporate Event, beneficially owns, directly or indirectly, securities representing more than 50% of the value and voting power of the then outstanding equity securities of the corporation resulting from such Corporate Event.

Except as specifically provided in this Section 5.06, the effect of a termination of Executive's employment following a

Change in Control shall be governed by the provisions of Section of 5.05.

ARTICLE VI.

Miscellaneous

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

6.02. Benefit of Agreement; Assignment; Beneficiary. (a) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns, including, without limitation, any corporation or person which may acquire all or substantially all of the Company's assets or business, or with or into which the Company may be consolidated or merged. This Agreement shall also inure to the benefit of, and be enforceable by, Executive and his personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

(b) The Company shall require any successor (whether direct or indirect, by operation of law, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

6.03. Notices. Any notice required or permitted hereunder shall be in writing and shall be sufficiently given if personally delivered or if sent by telegram or telex or by registered or certified mail, postage prepaid, with return receipt requested, addressed: (a) in the case of the Company, to Renaissance Reinsurance Ltd., Renaissance House, East Broadway, Hamilton, Bermuda, Attention: Secretary, or to such other address and/or to the attention of such other person as the Company shall designate by written notice to Executive; and (b) in the case of Executive, to Executive at his then current home address as shown on the Company's books, or to such other address as Executive shall designate by written notice to the Company. Any notice given hereunder shall be deemed to have been given at the time of receipt thereof by the person to whom such notice is given.

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

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

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

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

6.08. Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the internal laws of Bermuda without reference to the principles of conflict of laws. The parties submit to the non-exclusive jurisdiction of the courts of Bermuda.

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

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

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

6.12. Termination; Survivorship. This Agreement shall terminate upon termination of Executive's employment, except that the respective rights and obligations of the parties under this Agreement as set forth herein shall survive any termination of this Agreement to the extent necessary to the intended preservation of such rights and obligations.

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

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

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

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

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

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

RENAISSANCE REINSURANCE LTD.

By: /s/ John M. Lummis

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

/s/ William I. Riker

William I. Riker

SECOND AMENDED AND RESTATED
1993 STOCK INCENTIVE PLAN OF
RENAISSANCERE HOLDINGS LTD.

1. Purpose

The purpose of the Second Amended and Restated 1993 Stock Incentive Plan (the "Plan") of RenaissanceRe Holdings Ltd. (the "Company") is to provide a means through which the Company and the Subsidiaries, as applicable, may attract able persons to enter and remain in the employ of the Company and to provide a means whereby those employees upon whom the responsibilities of the successful administration and management of the Company rest, and whose present and potential contributions to the welfare of the Company are of importance, can acquire and maintain Common Share ownership, thereby strengthening their commitment to the welfare of the Company and promoting an identity of interest between the Company's shareholders and such employees. As used herein with reference to the employment of a Participant, the term "Company" shall include the Subsidiaries, as applicable.

2. Definitions

The following definitions shall be applicable throughout the Plan.

(a) "Base Shares" means the Base Shares issued under the 1995 Plan.

(b) "Board" means the Board of Directors of the Company.

(c) "Bonus Shares" means the Bonus Shares issued under the 1995 Plan.

(d) "Cause" means the definition of such term in a Participant's employment agreement, without regard to whether such employment agreement has expired, or in the absence of such an agreement, (1) a Participant's failure to substantially perform his duties as an employee of the Company, (2) the engaging by the Participant in misconduct which is injurious to the Company, monetarily or otherwise, (3) the commission by the Participant of an act of fraud or embezzlement against the Company, (4) the conviction of the Participant of a felony, or (5) a material breach of any Non-Competition Obligation.

(e) "Change in Control" means the sale or other disposition of more than 90% of the value of all of the Company's outstanding equity securities to one or more persons other than the Investors, but excluding any transaction which, in the discretion of the Board, is to be accounted for as a pooling of interests.

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

(g) "Committee" means the Compensation Committee of the Board.

(h) "Common Shares" means the common shares of the Company, par value $1.00 per share.

(i) "Disability" means the definition of such term in a Participant's employment agreement, without regard to whether the term of such employment agreement has expired, or in the absence of such agreement, the complete and permanent inability by reason of illness or accident to perform the duties of the occupation at which a Participant was employed when such disability commenced, as determined by the Board based upon medical evidence acceptable to it.

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

(k) "Investors" shall have the meaning given such term in the Shareholders Agreement.

(l) "ISO" means an "incentive stock option" within the meaning of Section 422 of the Code.

(m) "Non-Competition Obligation" means the definition of such term in a Participant's employment agreement, without regard to whether such employment agreement has expired, or in the absence of such an agreement, the obligation of each Participant, in consideration of the receipt of awards hereunder, for the one year period commencing on the termination of such Participant's employment, not to directly or indirectly, whether as an employee consultant, independent contractor,

partner, joint venturer or otherwise, (A) engage in any business activities reasonably determined by the Board to be competitive, to a material extent, with any substantial type or kind of business activities conducted by the Company or its Subsidiary at the time of such termination; (B) on behalf of any person or entity engaged in business activities competitive with the business activities of the Company or its Subsidiary, solicit or induce, or in any manner attempt to solicit or induce, any person employed by, or as agent of, the Company or its Subsidiary to terminate such person's contract of employment or agency, as the case may be, with the Company or its Subsidiary, or (C) divert, or attempt to divert, any person, concern, or entity from doing business with the Company or its Subsidiary, or attempt to induce any such person, concern or entity to cease being a customer or supplier of the Company or its Subsidiary.

(n) "NQSO" means an Option which is not an ISO.

(o) "Option" means an option to purchase Common Shares, which may be either an ISO or a NQSO.

(p) "Participant" means an employee of the Company who has been granted awards pursuant to the Plan.

(q) "Plan" means the Second Amended and Restated 1993 Stock Incentive Plan of RenaissanceRe Holding Ltd.

(r) "1995 Plan" means the Amended and Restated 1993 Stock Incentive Plan of RenaissanceRe Holdings Ltd., effective as of March 26, 1995.

(s) "Reload Options" shall mean Options granted pursuant to Section 7(d) hereof.

(t) "Restricted Stock" means Common Shares subject to such restrictions as may be prescribed by the Committee.

(u) "Shareholders Agreement" means that certain amended and restated shareholders agreement dated as of the 23rd day of December, 1996, among the Investors.

(v) "Subsidiary" means any "subsidiary corporation" of the Company within the meaning of Section 424(f) of the Code.

(w) "Without Cause" means the definition of such term in a Participant's employment agreement, without regard to whether such employment agreement has expired, or in the absence of such an agreement, any termination by the Company for reasons other than Cause or Disability.

3. Restatement of Plan; Effective Date, Duration, Shares Reserved

(a) The Plan is an amendment and restatement of the 1995 Plan, and shall be effective on the date of its adoption by the Board, subject to approval by the shareholders of the Company. In the event the Plan is so approved, it shall continue in effect for a period of ten years from such date, after which no awards may be granted, provided that the expiration of the Plan shall not affect the obligations of the Company and Participants with respect to outstanding awards.

(b) Subject to adjustments pursuant to the provisions of Section 10 hereof, the maximum number of Common Shares which may be issued or sold hereunder shall not exceed 4,000,000, inclusive of shares issued or sold pursuant to awards granted under the 1995 Plan. Such shares may be either authorized but unissued shares; provided, however, that shares with respect to which an Option has been exercised, or as to which Base Shares, Bonus Shares or Restricted Stock have vested, shall not again be available for issuance hereunder. If outstanding Options granted hereunder shall terminate or expire for any reason without being wholly exercised, or if Base Shares, Bonus Shares or Restricted Stock are forfeited, the Common Shares allocable to the unexercised portion of such Options or the forfeited Base Shares, Bonus Shares or Restricted Stock will again be available for issuance under the Plan. The number of Common Shares available for issuance shall be increased by the number of shares tendered to or withheld by the Company in connection with the payment of the purchase price or tax withholding obligations relating to any award hereunder. The preceding sentence notwithstanding, the maximum number of shares for which ISOs may be granted under the Plan shall not exceed 4,000,000, and the maximum number of shares for which Options may be granted to any single Participant shall not exceed 4,000,000.

4. Administration

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

(a) Select the Participants in the Plan;

(b) Determine the number of Options or other awards to be granted to each Participant;

(c) Determine the time or times when Options or other awards will be granted;

(d) Determine the terms of each award, including whether an Option will be an ISO or an NQSO and the terms for payment of the exercise price; and

(e) Prescribe the form or forms of agreements evidencing Options and other awards.

Subject to the provisions of the Plan and the terms of any employment agreement entered into with a Participant which relate to the Plan, the Committee shall have the authority to interpret the Plan, to establish, adopt, or revise such rules and regulations and to make all such determinations relating to the Plan as it may deem necessary or advisable for the administration of the Plan.

5. Eligibility

Participants shall be limited to officers and employees of the Company who have received written notification from the Committee, or from a person designated by the Committee, that they have been selected to receive awards under the Plan.

6. Terms of Outstanding Base Shares, Bonus Shares and Options Unchanged

The adoption of the Plan shall not affect the terms and conditions applicable to outstanding Base Shares, Bonus Shares and Options.

7. Terms of Options; Other Awards

(a) General. Options may be granted under the Plan from time to time as determined by the Committee. Subject to the provisions of the Plan, the Committee will determine the terms of Options to be granted. Options may be granted at a price below, equal to or above Fair Market Value, as determined by the Committee in its sole discretion. All Options granted under the Plan will have a maximum term of ten years from the date of grant, subject to earlier termination as provided in the Plan or in a Participant's Option agreement.

(b) Pool A Options. Under the 1995 Plan, the Company granted Options for an aggregate of 675,000 Common Shares ("Pool A Options") to Participants.

(c) Pool B Options. The Company has granted Options ("Pool B Options") for an aggregate of [303,300] Common Shares.

(d) Reload Options. (i) Reload Options may be granted from time to time by the Committee, in its sole discretion, in the event a Participant, while employed by the Company, exercises an Option by the delivery of Common

Shares which have been held by the Participant for a period of at least six months, or in the event a Participant's tax withholding obligations upon exercise of Options are satisfied by the Company withholding Common Shares with an aggregate Fair Market Value equal to the minimum tax withholding amount due thereon, as provided in Section 9(c)(ii) hereof. Such Reload Options shall entitle the Participant to purchase that number of Common Shares equal to the number of Common Shares so delivered to, or withheld by, the Company, provided that the total number of shares covered by Reload Options shall not exceed the number of shares subject to the original Option grant.

(ii) The price per share of Reload Options shall be the Fair Market Value Per Share on the date such Reload Option is granted. The duration of such Reload Option shall not extend beyond ten years from the date of grant of the underlying award to which the grant of the Reload Option relates. Reload Options shall be fully vested and exercisable on the date of grant. Other specific terms and conditions applicable to Reload Options granted under the Plan shall be determined by the Committee.

(e) Special Provisions Applicable to ISOs. The following special provisions shall be applicable to ISOs granted under the Plan.

(i) No ISOs shall be granted under the Plan after ten years from the earlier of (1) the date the Plan is adopted by the Board, or (2) the date the Plan is approved by the Company's shareholders.

(ii) ISOs may not be granted to a person who owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, any of its Subsidiaries, or any "parent corporation" of the Company within the meaning of Section 424(e) of the Code.

(iii) If the aggregate fair market value of the Common Shares with respect to which ISOs are exercisable for the first time by any Participant during a calendar year (under all plans of the Company and its parent corporations and Subsidiaries) exceeds $100,000, such ISOs shall be treated, to the extent of such excess, as NQSOs. For purposes of the preceding sentence, the fair market value of the Common Shares shall be based on the Fair Market Value per share, determined at the time the ISOs covering such shares were granted.

(iv) The exercise price per Common Share of an ISO may not be less than the Fair Market Value Per Share on the date the ISO is granted.

(f) Other Awards. The Committee may grant other forms of share-based awards, including without limitation Restricted Stock, on such terms as it shall establish in its sole discretion.

8. Termination of Employment

Except to the extent specifically provided otherwise in a Participant's award agreement, the following provisions shall apply to Base Shares, Bonus Shares and Options upon a Participant's termination of employment with the Company.

(a) In General. In the event a Participant's employment with the Company is terminated for any reason other than his or her death or Disability, all Base Shares, Bonus Shares, Restricted Stock and Options which have not vested as of the date of such termination shall be immediately forfeited. The Participant shall have a period of up to 30 days within which to exercise any Options which were vested as of the date of termination, and such vested Options shall lapse and be cancelled to the extent not so exercised.

(b) Death or Disability. In the event a Participant's employment with the Company is terminated by reason of his or her death or Disability or if such Participant shall die or become disabled within 30 days of his or her involuntary termination of employment other than for Cause, all Base Shares, Bonus Shares, Restricted Stock and Options which have not vested as of the date of such termination shall become immediately vested. Such Participant (or such Participant's estate) shall have up to one year after such termination to exercise vested Options.

9. General

(a) Privileges of share ownership. (i) Except as otherwise specifically provided in the Plan, no person shall be entitled to the privileges of share ownership in respect of Common Shares which are subject to Options until such shares have been issued to that person upon exercise of an Option according to its terms. Except as otherwise provided in the Plan, holders of Base Shares, Bonus Shares and Restricted Stock will be entitled to the privileges of share ownership in respect of such shares, including the right to vote and receive dividends, whether or not such shares are vested.

(ii) The Committee may, at its discretion, approve cash payments to Participants on certain Options. Participants who hold any such Options as of the date immediately following the record date for a dividend declared in respect of the Common Shares shall receive a cash payment with respect to such Options equal to the

product of (A) the per share dollar amount of the dividend so declared and (B) the number of Common Shares issuable upon exercise of such Options as of the date immediately following such record date. Such amounts shall generally be paid at the time dividends are paid and shall not be contingent upon the exercise of such Options.

(b) Government and other regulations. The obligations of the Company under the Plan shall be subject to all applicable laws, rules, regulations and other governmental requirements; it being understood, however, that the Company shall take all reasonable actions as may be required to ensure that the benefits intended to be conferred on the Participants hereunder shall not be reduced to any material extent by any unanticipated governmental requirements.

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

(d) Payment of Exercise Price. The exercise price of Options may be paid in cash or by such other means as may be approved by the Committee in its discretion; provided that any right to such pay exercise price by tendering Common Shares shall be limited to shares which have been held by the Participant for at least six months. In the event the Committee shall provide that the exercise price of an Option may be paid by delivery of shares of Restricted Stock, and the exercise price is so paid by the Participant, the Participant shall receive, in connection with such exercise, an equal number of shares of Restricted Stock having the same restrictions and any remaining Common

Shares issued upon such exercise shall have such restrictions, if any, as are set forth in such Participant's option agreement with the Company.

(e) Claim to Base Shares, and Bonus Shares and Options; employment rights. No employee or other person shall have any claim or right to be granted Base Shares, Bonus Shares or Options under the Plan nor, having been selected for the grant of Base Shares, Bonus Shares or Options, to be selected for additional grants. Neither this Plan nor any action taken hereunder shall be construed as giving any Participant any right to be retained in the employ of the Company.

(f) Agreements. Each Participant to whom Options are granted under the Plan shall be required to enter into a written agreement authorized by the Board in respect of such grant. The Board may, in any such agreement, prescribe terms and conditions governing the grant.

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

(h) Governing law. The Plan shall be governed by and construed in accordance with the internal laws of Bermuda without reference to the principles of conflicts of law thereof.

(i) Funding. No provision of the Plan shall require the Company for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Company maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the Plan other than as unsecured general creditors of the Company, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other employees under general law.

(j) Nontransferability. Options granted under the Plan, and all unvested Base Shares and Bonus Shares, may not be sold, assigned, donated, or transferred or otherwise disposed of, mortgaged, pledged or encumbered except, in the event of a Participant's death, by will or the laws of descent and distribution. During a Participant's lifetime, Options granted under the Plan may be exercised only by the Participant.

(k) Restrictive Legends. The certificates evidencing Common Shares issued under the Plan shall bear such restrictive legends as the Committee deems necessary to reflect transfer restrictions applicable thereto.

(l) Relationship to other benefits. No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance or other benefit plan of the Company except as otherwise specifically provided.

(m) Expenses. The expenses of administering the Plan shall be borne by the Company and its Subsidiaries, as applicable.

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

(o) Tax Liabilities. The Company will provide Participants with reasonable financing arrangements with respect to compensation income tax liabilities associated with the receipt or vesting of the Base Shares and Bonus Shares.

10. Changes in Capital Structure

Base Shares, Bonus Shares, Options and other awards under the Plan shall be subject to adjustment or substitution, as determined by the Board in its reasonable discretion, as to the number, price or kind of shares or other consideration subject to such Base Shares, Bonus Shares, Options and such other awards or as otherwise determined by the Board to be equitable (i) in the event of changes in the outstanding Common Shares or in the capital structure of the Company, by reason of share dividends, share splits, recapitalizations, reorganizations, mergers, consolidations, combinations, exchanges, or other relevant changes in capitalization occurring after the date of grant of any such Base Shares, Bonus Shares, Options and such other awards or (ii) in the event of any change in applicable laws or any change in circumstances which results in or would result in any substantial dilution or enlargement of the rights granted to, or available for, Participants in the Plan, or which otherwise warrants

equitable adjustment because it interferes with the intended operation of the Plan. In addition, in the event of any such adjustments, exchanges or substitution, the aggregate number of Common Shares available under the Plan shall be appropriately adjusted, as determined by the Board in its reasonable discretion.

11. Effect of Change in Control

In the event of a Change in Control, notwithstanding any vesting schedule provided for hereunder, all outstanding Base Shares, Bonus Shares and Options, shall automatically vest and such Options shall be deemed exercised and in exchange therefor Participants shall be paid a cash amount based on the difference between (1) the price per share paid for the Common Shares in connection with such Change in Control, and (2) the exercise price per share (which in the case of Base Shares and Bonus Shares shall be zero).

12. Nonexclusivity of the Plan

The adoption of this Plan by the Board shall not be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under this Plan, and such arrangements may be either applicable generally or only in specific cases.

13. Amendments and Termination

The Board may at any time terminate the Plan. With the express written consent of an individual Participant, the Board may cancel or reduce or otherwise alter outstanding Base Shares, Bonus Shares and Options. The Board may, at any time, or from time to time, amend or suspend and, if suspended, reinstate, the Plan in whole or in part. Notwithstanding anything herein which could be deemed to be to the contrary, the Board may not take any action, including any amendment or termination of the Plan, which shall impair to any material extent the rights of a Participant in respect of Base Shares, Bonus Shares, Options and other awards pursuant to the Plan previously granted to a Participant without the written consent of such Participant. Except as provided in Section 10, the Board may not, without approval of the shareholders of the Company, increase the aggregate number of Common Shares issuable under the Plan.

15. Non-Competition Obligations

Each Participant, as condition of, and in consideration of, the granting of any Base Share, Bonus

Share or Option, shall expressly agree to be bound by a Non-Competition Obligation.

AMENDED AND RESTATED
RENAISSANCERE HOLDINGS LTD.
NON-EMPLOYEE DIRECTOR STOCK PLAN

SECTION 1. PURPOSE. RenaissanceRe Holdings Ltd., a Bermuda company (the "Company"), hereby adopts the Amended and Restated RenaissanceRe Holdings Ltd. Non-Employee Director Stock Plan (the "Plan"), subject to the approval of the Company's shareholders. The purpose of the Plan is to provide an incentive to the Participants (defined below) (i) to join and remain in the service of the Company, (ii) to maintain and enhance the long-term performance and profitability of the Company and (iii) to acquire a financial interest in the success of the Company. The Plan shall become effective upon the date of its approval by the requisite vote of the Company's shareholders (the "Effective Date").

SECTION 2. ELIGIBILITY. Members of the Company's Board of Directors (the "Board") who are not employees of (i) the Company, (ii) any of the Investors (as defined below), or (iii) any of their respective affiliates, will be granted awards pursuant to the provisions of the Plan (a "Participant or Participants"). The "Investors" shall mean and include each of (i) Warburg, Pincus Investors, L.P., (ii) PT Investments, Inc., (iii) GE Private Placement Partners I-Insurance, Limited Partnership and (iv) United States Fidelity and Guaranty Company. For purposes of the Plan, an "Affiliate" of an entity shall mean any entity directly or indirectly controlling, controlled by, or

under common control with such entity. Any Participant who terminates service as a director of the Company shall automatically cease participation in the Plan as of the date of his or her termination.

SECTION 3. ADMINISTRATION.

3.1 The Board. The Plan shall be administered by the Board.

3.2 Board Authority. The Board shall have the authority to: (i) exercise all of the powers granted to it under the Plan, (ii) construe, interpret and implement the Plan, (iii) prescribe, amend and rescind rules and regulations relating to the Plan, (iv) make all determinations necessary in administering the Plan and (v) correct any defect, supply any omission, and reconcile any inconsistency in the Plan.

3.3 Binding Determinations. The determination of the Board on all matters within its authority relating to the Plan shall be conclusive.

3.4 No Liability. No member of the Board shall be liable for any action or determination made in good faith with respect to the Plan or any award hereunder.

SECTION 4. SHARES SUBJECT TO PLAN

4.1 Shares. Awards under the Plan shall be for Common Shares, $1.00 par value, of the Company and any other shares into which such shares shall thereafter be changed by reason of merger, reorganization, recapitalization, consolidation, split-up,

combination of shares, or similar event as set forth in and in accordance with this Section 4 (the "Shares").

4.2 Shares Available for Awards. Subject to Section 4.3 (relating to adjustments upon changes in the Company's capitalization), as of any date the total number of Shares with respect to which awards may be granted under the Plan shall be equal to the excess (if any) of (i) 200,000 Shares, over (ii) the sum of (A) the number of Shares subject to outstanding awards granted under the Plan, and (B) the number of Shares previously transferred pursuant to awards granted under the Plan. In accordance with (and without limitation upon) the preceding sentence, Shares covered by awards granted under the Plan which expire or terminate for any reason whatsoever shall again become available for awards under the Plan. In addition, any shares which are tendered to or withheld by the Company in connection with the exercise of Options or the payment of withholding taxes shall again become available for awards under the Plan. Shares granted under the Plan shall be authorized and unissued common shares of the Company.

4.3 Adjustments upon Certain Changes. In the event of any merger, reorganization, recapitalization, consolidation, sale or other distribution of substantially all of the assets of the Company, any stock dividend, stock split, spin-off, split-up, distribution of cash, securities or other property by the Company, or other change in the Company's corporate structure affecting the Shares, then the Board shall substitute or adjust as it determines to be equitable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be

awarded under the Plan: (i) the aggregate number of Shares reserved for issuance under the Plan, (ii) the number of Shares subject to outstanding awards and (iii) the amount to be paid by Participants or the Company, as the case may be, with respect to any outstanding awards.

SECTION 5. AWARDS UNDER THE PLAN. Each Participant shall automatically be granted non-discretionary awards under the Plan in the form of (i) "Director Shares" and (ii) "Options" (as such terms are defined below).

SECTION 6. DIRECTOR SHARES

6.1 Awards. Each Participant who, as of the date of each annual general meeting of the Company's shareholders, shall continue to serve as a director of the Company after the date of such annual general meeting shall automatically be granted an award of Director Shares in such number as shall be determined by the Board. The Board may also grant Director Shares to Participants from time to time, in such number as it shall determine in its discretion.

6.2 Vesting. Director Shares shall either be fully (100%) vested on the grant date or subject to such vesting restrictions as may be established by the Board.

6.3 Shareholder Rights. A Participant shall have the right to receive dividends and other rights of a shareholder with respect to awards of Director Shares.

6.4 Transferability. Director Shares shall be non-transferable during any period after the grant date that such Shares are subject to vesting restrictions, but shall otherwise be transferable by the Participant, subject to any applicable securities law restrictions.

SECTION 7. OPTIONS.

7.1 Awards. As of the date that a Participant first becomes a member of the Board (or such later date as the Board may establish in its discretion), such Participant shall automatically be granted an option to purchase 6,000 Shares (each, an "Option") at a price per Share equal to the Fair Market Value of a Share on the date of grant or as otherwise determined by the Board. Thereafter, as of each subsequent annual general meeting of shareholders, such Participant (so long as he continues to serve as a director of the Company after the date of such subsequent annual general meeting) shall automatically be granted an Option to purchase 2,000 Shares, at a price per Share equal to the Fair Market Value of a Share on the date of grant. The Board may also grant Options to Participants from time-to-time, at such per Share price and in such number as it shall determine in its discretion.

7.2 Vesting. All Options granted under the Plan shall either be fully (100%) vested on the date of grant or subject to such vesting restrictions as may be established by the Board.

7.3 Option Term. Options granted under the Plan shall be exercisable for a maximum period of 10 years from the date of grant, subject to earlier termination as provided by the Board at the time of grant.

7.4 Share Certificates; Transferability. Share certificates representing the Shares covered by Options awarded to a Participant shall be registered in the Participant's name. Options may not be sold, transferred, assigned, pledged or otherwise encumbered by the Participant other than by will or the laws of descent and distribution. At the time a Participant's Options are exercised, a certificate for Shares covered by the Options shall be registered in the Participant's name and delivered to the Participant (or to such Participant's legal representative or designated beneficiary in the event of the Participant's death).

7.5 Shareholder Rights. The Participant shall have no rights as a shareholder of Shares covered by Options until the time such Options are exercised and certificates for Shares covered by such Options are registered in the Participant's name as provided in Section 7.4.

7.6 Exercise of Options. Options granted under the Plan may be exercised by written notice to the Company in such form as the Board may designate, accompanied by full payment of the exercise price therefor. The exercise price may be paid (i) in cash or cash equivalents, (ii) by tendering previously owned

Shares with a Fair Market Value equal to the exercise price, (iii) pursuant to brokerage arrangements approved by the Board providing for simultaneous exercising of Options and sale of Shares, and (iv) by any combination of such methods. The Board may require that Participants enter into written Option Agreements with the Company setting forth the terms of Option grants.

SECTION 8. WITHHOLDING TAXES; RIGHT TO OFFSET. The Company shall be entitled to require as a condition of delivery of any Shares to a Participant hereunder that the Participant remit an amount sufficient to satisfy all foreign, federal, state, local and other governmental withholding tax requirements related thereto (if any) and any or all indebtedness or other obligation of the Participant to the Company or any of its subsidiaries.

SECTION 9. PLAN AMENDMENTS AND TERMINATION. The Board may suspend or terminate the Plan at any time and may amend it at any time and from time to time, in whole or in part, provided, that the Board may not, without approval of the Company's shareholders, materially increase the maximum number of Shares which may be issued under the Plan. No termination, modification or amendment of the Plan may adversely affect the rights conferred by outstanding Options or Director Shares without the written consent of the affected Participant. Unless terminated earlier, the Plan will terminate on the tenth anniversary of the

Effective Date and no additional awards may be granted under the Plan after such tenth anniversary.

SECTION 10. MISCELLANEOUS.

10.1 Listing, Registration and Legal Compliance. If the Board shall at any time determine that any Consent (as hereinafter defined) is necessary or desirable as a condition of, or in connection with, the granting of any award under the Plan, the issuance or purchase of Shares or other rights hereunder or the taking of any other action hereunder (each such action being hereinafter referred to as a "Plan Action"), then such Plan Action shall not be taken, in whole or in part, unless and until such Consent shall have been effected or obtained to the full satisfaction of the Board. Without limiting the generality of the foregoing, in the event that (i) the Company shall be entitled under the Plan to make any payment in cash, Shares or both, and (ii) the Board shall determine that a Consent is necessary or desirable as a condition of, or in connection with, payment in any one or more of such forms, then the Board shall be entitled to determine not to make any payment whatsoever until such Consent shall have been obtained in the manner aforesaid. The term "Consent" as used herein with respect to any Plan Action means (i) the listings, registrations or qualifications in respect thereof upon any securities exchange or under any foreign, federal, state or local law, rule or regulation, (ii) any and all consents, clearances and approvals in respect of a

Plan Action by any governmental or other regulatory body, or (iii) any and all written agreements and representations by a Participant with respect to the disposition of Shares or with respect to any other matter, which the Board shall deem necessary or desirable to comply with the terms of any such listing, registration or qualification or to obtain an exemption from the requirement that any such listing, qualification or registration be made.

10.2 Right of Discharge Reserved. Nothing in the Plan shall confer upon any Participant the right to serve as a director of the Company or affect any right that the Company or any Participant may have to terminate the Participant's service as a director.

10.3 Fair Market Value. For purposes of the Plan, as of any date when the Shares are listed on the NASDAQ National Market system ("NASDAQ-NMS") or listed on one or more national securities exchanges, the "Fair Market Value" of the Shares as of any date shall be deemed to be the mean between the high and low sale prices of the Shares reported on the NASDAQ-NMS or the principal national securities exchange on which the Shares are listed and traded on the immediately preceding business date, or, if there is no such sale on that date, then on the last preceding date on which such a sale was reported. If the Shares are not listed on the NASDAQ-NMS or listed on an exchange, the "Fair Market Value" of the Shares shall mean the amount determined by

the Board to be the fair market value based upon a good faith attempt to value the Shares accurately.

SECTION 11. GOVERNING LAW. The Plan is deemed adopted, made and delivered in Bermuda and shall be governed by the laws of Bermuda without reference to principles of conflicts of laws.

SECTION 12. NOTICES. All notices and other communications hereunder shall be given in writing, shall be personally delivered against receipt or sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery or of mailing, and if mailed, shall be addressed (a) to the Company, at its principal corporate headquarters, Attn: Chief Financial Officer, and (b) to a Participant, at the Participant's principal residential address last furnished to the Company. Either party may, by notice, change the address to which notice to such party is to be given.

SECTION 13. SECTION HEADINGS. The Section headings contained herein are for the purposes of convenience only and are not intended to define or limit the contents of said Sections.

AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

This Amended and Restated Shareholders Agreement, dated as of this 23 day of March 1998, is entered into by and among RenaissanceRe Holdings Ltd., a company organized under the laws of Bermuda (the "Company"), Warburg, Pincus Investors, L.P., a Delaware limited partnership ("Warburg"), PT Investments, Inc., a Delaware corporation ("PT Investments"), GE Investment Private Placement Partners I-Insurance, Limited Partnership, a Delaware limited partnership ("Insurance L.P."), and United States Fidelity and Guaranty Company, a Maryland corporation ("USF&G") (Warburg, Insurance L.P., PT Investments and USF&G are referred to herein as the "Institutional Investors").

R E C I T A L S

WHEREAS, in an effort to reduce the Company's related person insurance income exposure and to mitigate the effects of subpart F income on certain direct and indirect holders of common shares, par value $1.00 per share (the "Full Voting Common Shares"), of the Company, the Board of Directors of the Company (the "Board") deemed it advisable and in the best interests of the Company and its shareholders to consummate the Recapitalization (as defined below);

WHEREAS, PT Investments is a wholly owned subsidiary of Trustees of General Electric Pension Trust ("GE Pension Trust") and the partners of GE Investment Private Placement Partners I, Limited Partnership ("GE Investment") (other than GE Pension Trust) are also the partners of Insurance L.P.;

WHEREAS, the Board has authorized the creation by redesignation of the authorized share capital of the Company of two new series of capital shares of the Company (the "Recapitalization") consisting of (i) 16,789,776 shares of Diluted Voting Class I Common Shares, par value $1.00 per share (the "Diluted Voting I Shares"), and 1,639,641 shares of Diluted Voting Class II Common Shares, par value $1.00 per share (the "Diluted Voting II Shares" and together with the Diluted Voting I Shares, the "Diluted Voting Shares") (the Diluted Voting Shares together with the Full Voting Common Shares are referred to herein as the "Common Shares") issuable in exchange for an equal number of Full Voting Common Shares held by certain shareholders of the Company on a one-for-one basis, subject to approval of the Board;

WHEREAS, each holder of Diluted Voting I Shares is entitled to a fixed voting interest in the Company of up to 9.9% of all outstanding voting rights attached to the Common Shares, inclusive of the percentage interest in the Company represented by the Common Shares owned directly, indirectly or constructively by a holder of Diluted Voting Shares within the meaning of Section 958 of the Internal Revenue Code of 1986, as amended, and

applicable rules and regulations thereunder (the "Controlled Common Shares");

WHEREAS, each holder of Diluted Voting II Shares is entitled to one-third of a vote for each Diluted Voting II Share; provided that in no event shall a holder of Diluted Voting II Shares have greater than 9.9% of all outstanding voting rights attached to the Common Shares, inclusive of the percentage interest in the Company represented by the Controlled Common Shares;

WHEREAS, at a Special General Meeting of Shareholders of the Company (the "Special Meeting") held on December 23, 1996, the shareholders of the Company approved the amendment to the Bye-Laws setting forth (i) the terms, rights and preferences of the Diluted Voting Shares and (ii) certain corporate governance changes;

WHEREAS, following the Special Meeting (i) GE Pension Trust exchanged all of its Full Voting Common Shares for 2,826,650 Diluted Voting I Shares and contributed such shares to PT Investments and (ii) GE Investment exchanged all of its Full Voting Common Shares for (x) 1,372,541 Diluted Voting I Shares and contributed such shares to PT Investments and (y) 1,454,109 Diluted Voting II Shares and contributed such shares to Insurance L.P.; and

WHEREAS, each of Warburg and USF&G has the right at any time in the future to exchange all or a portion of their respective Full Voting Common Shares for an equal number of Diluted Voting I Shares upon two days written notice to the Company and without further requisite action on the part of the Board.

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

1. COVENANTS OF THE PARTIES

(a) Election of Directors. The Board on the date hereof consists of Arthur S. Bahr, Thomas A. Cooper, Edmund B. Greene, Dan L. Hale, Gerald L. Igou, Kewsong Lee, Scott E. Pardee, Howard H. Newman, James N. Stanard, John C. Sweeney and David A. Tanner. Each Institutional Investor agrees to take all action within its respective powers, including but not limited to the voting of capital shares of the Company, and the Company agrees to use its reasonable best efforts, required to have at all times (i) three Board members designated by Warburg (the "Warburg Directors"), (ii) one Board member designated by PT Investments (the "PT Investments Director"), (iii) one Board member designated by Insurance L.P. (the "Insurance L.P. Director"), (iv) one Board member designated by USF&G (the "USF&G Director") and (v) James N. Stanard (so long as he is the

Company's Chief Executive Officer). The Warburg Directors currently serving on the Board are Messrs. Lee and Newman. The PT Investments Director currently serving on the Board is Mr. Igou. The Insurance L.P. Director currently serving on the board is Mr. Greene. The USF&G Director currently serving on the Board is Mr. Hale. The number of directors serving on the Board shall be fixed at eleven; provided, that a majority of the members of the Board may, at its discretion, expand the size of the Board to 12 directors and fill any additional position so created.

(b) Appointment of Board Committees.

(i) The Board has established Compensation, Investment and Audit Committees. For so long as Warburg, PT Investments or USF&G, as the case may be, is entitled to elect at least one Director to the Board, subject to the provisions of Section 1(d) below, Warburg, PT Investments and USF&G shall cause the Board to appoint one Warburg Director, the PT Investments Director and the USF&G Director to the Compensation Committee. The Compensation Committee presently consists of Messrs. Bahr, Cooper, Hale and Newman. The Audit Committee presently consists of Messrs. Bahr, Cooper, Lee, Hale and Pardee. Notwithstanding the foregoing, should it be the case that, pursuant to Section 1(d) below, PT Investments shall not have the right under this Agreement to nominate a director to the Board but Insurance L.P. shall have the right under this Agreement to nominate a director to the Board, the rights ascribed to PT Investments under this paragraph shall be ascribed to Insurance L.P.

(ii) Notwithstanding anything to the contrary set forth in Section 1(b)(i) above, the Board shall have the right, at any time from the date hereof, to adjust the composition of the Committees set forth in Section 1(b)(1) above, upon ten days' written notice (an "Adjustment Notice") to each party hereto, provided, that no party shall be deemed to have consented to the matters set forth in an Adjustment Notice unless an authorized officer of such party shall have provided a written response consenting to such matters or a designee of such party to the Board shall have voted in favor of such matters at a meeting of the Board.

(iii) Notwithstanding anything to the contrary set forth in this Section 1(b), the composition of the committees of the Board shall at all times comply with the provisions of applicable laws and the rules of any national securities exchange or similar organization to which the Company is subject.

(c) Replacement Directors. In the event that any director (a "Withdrawing Director") designated in the manner set forth in Section 1(a) hereof is unable to serve, or once having commenced to serve, is removed or withdraws from the Board, such

Withdrawing Director's replacement (the "Substitute Director") shall be designated by the Institutional Investor(s) that designated such Withdrawing Director; provided, however, that this provision shall not apply to vacancies on the Board due to resignations pursuant to clauses (i), (ii) or (v) of Section 1(b) hereof. In the event any one of Warburg, PT Investments, Insurance L.P. or USF&G desires to remove any director nominated by such party, with or without cause, then each Institutional Investor agrees to take all action within its respective power, including but not limited to the voting of Full Voting Common Shares, Diluted Voting I Shares and/or Diluted Voting II Shares, as applicable, of the Company, to cause the removal of such director and the election of any Substitute Director promptly following his or her nomination pursuant to this Section 1(b).

(d) Number of Directors; Termination; Rights Non-Transferable.

(i) At such time as Warburg Owns less than 3,706,144 Common Shares, but at least 1,853,073 Common Shares, then the number of directors that Warburg shall be entitled to nominate shall be reduced to two and, in the event that there are more than two Warburg Directors serving on the Board at such time, then Warburg shall cause one of its directors to resign.

(ii) At such time as Warburg Owns less than 1,853,073 Common Shares, but at least 741,229 Common Shares, then the number of directors that Warburg shall be entitled to nominate shall be reduced to one and, in the event that there is more than one Warburg Director serving on the Board at such time, then Warburg shall cause one or more of its directors to resign.

(iii) Except as provided in the immediately following clause (iv), at such time as PT Investments and Insurance L.P. shall, in the aggregate, Own less than 1,853,073 Common Shares, then PT Investments shall not have any right to nominate a director and Insurance L.P. shall have the right to nominate one director. For so long as Insurance L.P. Owns any Common Shares, it shall have the right to nominate one director.

(iv) At such time as Insurance L.P. shall Own no Common Shares and PT Investments shall own at least 741,229 Common Shares, Insurance L.P. shall not have the right to nominate a director and PT Investments shall have the right to nominate one director.

(v) At such time as any one of Warburg, PT Investments or USF&G, respectively, Owns less than 741,229 Common Shares, then such party shall no longer be entitled to nominate any director to the Board and, in the event that there are any Warburg Directors or any PT Investments

Director or USF&G Director serving on the Board at such time, then Warburg, PT Investments or USF&G, as the case may be, shall cause such director(s) to resign.

(vi) Any Institutional Investor may, by written notice to each other Institutional Investor, terminate its rights and obligations under this Agreement and cease to be a party to this Agreement for all purposes (a) at such time as such Institutional Investor Owns less than 741,229 Common Shares, (b) in the case of Warburg or USF&G only, if Warburg or USF&G, as the case may be, ceases to Own at least 10% of the total number of Common Shares outstanding on the date of such notice, and (c) in the case of PT Investments and Insurance L.P. only, if PT Investments and Insurance L.P. cease to Own, collectively, at least 10% of the total number of Common Shares outstanding on the date of such notice.

(vii) The rights of Warburg, PT Investments, Insurance L.P. and USF&G under this Agreement are not transferable, whether by sale of capital stock or otherwise, to any Person or entity other than an Affiliate of Warburg, PT Investments, Insurance L.P. or USF&G, respectively.

(e) Board of Directors of Renaissance Reinsurance. The Board shall cause the Board of Directors of Renaissance Reinsurance to consist at all times of the same number of directors as the Board and the same persons who are serving on the Board.

2. INTERPRETATION OF THIS AGREEMENT

(a) Terms Defined. As used in this Agreement, the following terms have the respective meaning set forth below:

Affiliate: means any person or entity, directly or indirectly, controlling, controlled by or under common control with such person or entity.

Own: means either (i) own under the rules set forth in section 958 of the U.S. Internal Revenue Code of 1986 (which includes shares directly owned, indirectly owned through ownership of another entity and constructively owned because of certain relationships (such as family relationships or ownership relationships)) or (ii) beneficially own directly or indirectly as a result of the possession of sole or shared voting power within the meaning of section 13(d)(3) of the U.S. Securities Exchange Act of 1934.

Person: an individual, partnership, joint-stock company, corporation, trust or unincorporated organization, and a government or agency or political subdivision thereof.

(b) Directly or Indirectly. Where any provision in this Agreement refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

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

(d) Section Headings. The headings of the sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part thereof.

3. MISCELLANEOUS

(a) Notices.

(i) All communications under this Agreement shall be in writing and shall be delivered by hand or mailed by overnight courier or by registered or certified mail, postage prepaid:

(A) if to USF&G, at 6225 Centennial Way, Baltimore, Maryland 21202, Attention: Dan L. Hale, with a copy to: Corporate Secretary, or at such other address as it may have furnished the Company in writing;

(B) if to Warburg, at 466 Lexington Avenue, New York, New York 10017, Attention: Howard H. Newman, with a copy to: Kewsong Lee, or at such other address as it may have furnished the Company in writing;

(C) if to Insurance L.P., at c/o GE Investment Management Incorporated, 3003 Summer Street, Stamford, Connecticut 06905, Attention: Controller to Alternative Investments, with copies to: Associate General Counsel to Alternative Investments and GE Investment, 2029 Century Park East, Suite 1230, Los Angeles, California 90067, or at such other address as Insurance L.P. may have furnished the Company in writing;

(D) if to PT Investments, at 3003 Summer Street, Stamford, Connecticut 06905, Attention: Controller to Alternative Investments, with a copy to: Associate General Counsel to Alternative Investments, or such other address as PT Investments may have furnished the Company in writing; and

(E) if to the Company, at its offices, currently Renaissance House, 8-12 East Broadway, Pembroke HM 19 Bermuda, marked for the attention of the President,

with a copy to the Secretary of the Company, or at such other address as it may have furnished in writing to each of the Institutional Investors, with a copy to: Willkie Farr & Gallagher, 153 East 53rd Street, New York, New York 10022, Attention: John S. D'Alimonte.

(ii) Any notice so addressed shall be deemed to be given: if delivered by hand, on the date of such delivery; if mailed by courier, on the first business day following the date of such mailing; and if mailed by registered or certified mail, on the third business day after the date of such mailing.

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

(c) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties.

(d) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same agreement.

(e) Entire Agreement; Amendment and Waiver. This Agreement constitutes the entire understanding of the parties hereto with respect to the matters covered by this Agreement and supersedes all prior understandings among such parties, including the Amended and Restated Shareholders Agreement, dated as of December 27, 1996, by and among the parties signatory to this Agreement (other than PT Investments and Insurance L.P.), Trustees of General Electric Pension Trust and GE Investment Private Placement Partners I, Limited Partnership. This

Agreement may be amended, and the observance of any term of this Agreement may be waived, with (and only with) the written consent of the Company and each of the Institutional Investors.

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Shareholders Agreement as of the date first above written.

RENAISSANCERE HOLDINGS LTD.

By: /s/ John M. Lummis
Name: John M. Lummis
Title: Senior Vice President and
Chief Financial Officer

WARBURG, PINCUS INVESTORS, L.P.

By: Warburg, Pincus & Co.,
General Partner

By: /s/ Kewsong Lee
Name: Kewsong Lee
Title: Partner

UNITED STATES FIDELITY AND
GUARANTY COMPANY

By: /s/ Dan Hale
Name: Dan Hale
Title: Executive Vice President

PT INVESTMENTS, INC.

By: /s/ Michael M. Pastore
Name: Michael M. Pastore
Title: Vice President

GE INVESTMENT PRIVATE PLACEMENT
PARTNERS I - INSURANCE, LIMITED
PARTNERSHIP

By: GE Investment Management Incorporated,
General Partner

By: /s/ Michael M. Pastore
Name: Michael M. Pastore
Title: Vice President

AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT

THIS AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT, dated as of March 23, 1998, is entered into by and among RenaissanceRe Holdings Ltd., a company organized under the laws of Bermuda (the "Company"), Warburg, Pincus Investors, L.P., a Delaware limited partnership ("Warburg"), PT Investments, Inc., a Delaware corporation ("PT Investments"), GE Investment Private Placement Partners I-Insurance, Limited Partnership, a Delaware limited partnership ("Insurance L.P."), United States Fidelity and Guaranty Company, a Maryland corporation ("USF&G"), and the individuals whose names and addresses appear on Schedule I hereto, as such Schedule I may be amended from time to time (the "Management Investors") (Warburg, PT Investments, Insurance L.P. and USF&G are referred to herein as the "Institutional Investors" and each of Warburg, PT Investments, Insurance L.P., USF&G and each of the Management Investors are referred to herein individually as an "Investor" and collectively as the "Investors").

R E C I T A L S

WHEREAS, the authorized capital shares of the Company consist of (i) common shares, par value $1.00 per share (the "Full Voting Common Shares"), (ii) Diluted Voting Class I Common Shares, par value $1.00 per share (the "DVI Shares"), (iii) Diluted Voting Class II Common Shares, par value $1.00 per share (the "DVII Shares") (the Full Voting Common Shares, DVI Shares and DVII Shares are collectively referred to herein as the "Common Shares") and (iv) preference shares, par value $1.00 per share;

WHEREAS, the Company wishes to grant to the Investors rights to have Common Shares registered under the Securities Act of 1933, as amended (the "Securities Act"), upon the terms and subject to the conditions of this Agreement; and

WHEREAS, Schedule I hereto sets forth, for each of the Investors, the number of Common Shares to which such registration rights relate.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants herein contained, the parties hereto hereby agree as follows:

SECTION 1. REGISTRATION RIGHTS.

(a) Definitions.

As used in this Agreement:

(i) "Commission" shall mean the U.S. Securities and Exchange Commission or any other federal agency at the time administering the Securities Act;

(ii) an "ERISA Conflict" shall be deemed to result for the purposes of this Agreement, as to any contemplated action, if PT Investments shall furnish an opinion of outside counsel to the effect that a reasonable possibility exists that such action will result in a violation of the Employee Retirement Income Security Act of 1974, as amended;

(iii) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended;

(iv) the term "Holder" shall mean any holder of Registrable Securities;

(v) the term "Initiating Holder" shall mean: (i) on any date that is prior to June 30, 1998, any Holder or Holders (other than Holders who are Management Investors) who in the aggregate are Holders of more than 10% of the then outstanding Registrable Securities, (ii) at any time on or after June 30, 1998, any Holder or Holders (other than Holders who are Management Investors) who in the aggregate are Holders of more than 5% of the then outstanding Registrable Securities and (iii) at any from the date hereof, Insurance L.P. and its permitted transferees and assigns, for so long as Insurance L.P. or such transferees and assigns shall own more than 5% of the then outstanding Registrable Securities;

(vi) the terms "register," "registered" and "registration" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act (and any post-effective amendments filed or required to be filed) and the declaration or ordering of effectiveness of such registration statement;

(vii) the term "Registrable Securities" means (A) any Common Shares held by an Investor, (B) any additional Common Shares acquired by the Investors, including any Full Voting Common Shares issued to Management Investors upon the exercise of options granted under the RenaissanceRe Holdings

Ltd. Amended and Restated 1993 Stock Incentive Plan (the "Incentive Plan"), and (C) any capital shares of the Company issued as a dividend or other distribution with respect to, or in exchange for or in replacement of, the Common Shares referred to in clause (A) or (B) above; provided, however, that the Company shall be required to honor a demand for registration of DVI Shares or DVII Shares only if it shall be a condition to the delivery of the DVI Shares or DVII Shares contemplated by such registration that, immediately following the sale thereof by the holder, such DVI Shares or DVII Shares shall be converted into Full Voting Common Shares.

(viii) "Registration Expenses" shall mean all expenses incurred by the Company in compliance with Sections 1(b) and 1(c) hereof, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel for the Company and all fees and disbursements of counsel for each of the Holders, blue sky fees and expenses and the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company, which shall be paid in any event by the Company); and

(ix) "Selling Expenses" shall mean all underwriting discounts and selling commissions applicable to the sale of Registrable Securities.

(b) Requested Registration.

(i) Request for Registration. If the Company shall receive from an Initiating Holder, at any time, a written request that the Company effect any registration with respect to all or a part of the Registrable Securities, the Company shall:

(A) promptly give written notice of the proposed registration to all other Holders of Registrable Securities; and

(B) as soon as practicable, use all reasonable efforts to effect such registration (including, without limitation, the execution of an undertaking to file post-effective amendments, appropriate qualification under applicable blue sky or other state securities laws and appropriate compliance with applicable regulations issued under the Securities Act, and the participation by Company officers in road show presentations, as such participation may be reasonably requested by the underwriters of an underwritten offering) as may be so

requested and as would permit or facilitate the sale and distribution of all or such portion of such Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any Holder or Holders joining in such request as are specified in a written request received by the Company within 10 business days after written notice from the Company is given under Section 1(b)(i)(A) above; provided that the Company shall not be obligated to effect, or take any action to effect, any such registration pursuant to this Section 1(b):

(x) In any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification or compliance, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act or applicable rules or regulations thereunder;

(y) After the Company has effected (i) two such registrations pursuant to this Section 1(b) requested by each of Warburg and USF&G and (ii) three such registrations pursuant to this Section 1(b) requested by PT Investments and/or Insurance L.P. and such registrations have been declared or ordered effective by the Commission and the sales of such Registrable Securities shall have closed; or

(z) If the Registrable Securities requested by all Holders to be registered pursuant to such request are not anticipated to result in aggregate proceeds (before deduction of any underwriting discounts and commissions) of at least $25,000,000, or consist of at least 1,000,000 Common Shares.

The registration statement filed pursuant to the request of the Initiating Holders may, subject to the provisions of Section 1(b)(ii) below, include other securities of the Company which are held by officers or directors of the Company, or which are held by persons who, by virtue of agreements with the Company, are entitled to include their securities in any such registration, but the Company's right to include any of its securities in any such registration shall be subject to the limitations set forth in Section 1(b)(ii) below.

The registration rights set forth in this Section 1(b) shall be assignable, in whole or in part, to any transferee of Common Shares provided such transferee agrees to be bound by all provisions of this Agreement.

(ii) Underwriting. If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Section 1(b).

If officers or directors of the Company holding Common Shares (other than Registrable Securities) shall request inclusion in any registration pursuant to Section 1(b), or if holders of securities of the Company other than Registrable Securities who are entitled, by contract with the Company or otherwise, to have securities included in such a registration (the "Other Shareholders") request such inclusion, the Holders shall offer to include the securities of such officers, directors and Other Shareholders in the underwriting and may condition such offer on their acceptance of the further applicable provisions of this Section 1. The Holders whose shares are to be included in such registration and the Company shall (together with all officers, directors and Other Shareholders proposing to distribute their securities (other than Registrable Securities) through such underwriting) enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected for such underwriting by the Initiating Holders and reasonably acceptable to the Company, provided that no underwriter whose selection would result in an ERISA Conflict may participate in any such underwriting. Notwithstanding any other provision of this Section 1(b), if the representative advises the Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the securities of the Company held by officers or directors (other than Registrable Securities) of the Company and the securities held by Other Shareholders shall be excluded from such registration to the extent so required by such limitations. If, after the exclusion of such shares, further reductions are still required, the number of shares included in the registration by each Holder shall be reduced on a pro rata basis (based on the number of shares held by the respective Holders) by such minimum number of shares as is necessary to comply with such request. No Registrable Securities or any other securities excluded from the underwriting by reason of the underwriter's marketing limitation shall be included in such registration. If any officer, director or Other Shareholder who has requested inclusion in such registration as provided above disapproves of the terms of the underwriting, such person may

elect to withdraw therefrom by written notice to the Company, the underwriter and the Initiating Holders. The securities so withdrawn shall also be withdrawn from registration. If the underwriter has not limited the number of Registrable Securities or other securities to be underwritten, the Company may include its securities for its own account in such registration if the representative so agrees and if the number of Registrable Securities and other securities which would otherwise have been included in such registration and underwriting will not thereby be limited.

(iii) Notwithstanding the foregoing, if the Company shall furnish to Holders requesting the filing of a registration statement pursuant to this Section 1(b), a certificate signed by the President or Chief Executive Officer of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its shareholders for such registration statement to be filed and it is therefore essential to defer the filing of such registration statement, then the Company shall have the right to defer such filing for a period of not more than 120 days after receipt of the request of the Initiating Holders; provided however, that the Company may not utilize this right more than once in any twelve (12) month period.

(c) Company Registration.

(i) If the Company shall determine to register any of its equity securities either for its own account or for the account of a security holder or holders, other than a registration relating solely to employee benefit plans, or a registration relating solely to a Rule 145 transaction, or a registration on any registration form which does not permit secondary sales or does not include substantially the same information as would be required to be included in a registration statement covering the sale of Registrable Securities, the Company will:

(A) promptly give to each of the Holders a written notice thereof (which shall include a list of the jurisdictions in which the Company intends to attempt to qualify such securities under the applicable blue sky or other state securities laws); and

(B) include in such registration (and any related qualification under blue sky laws or other compliance), and in any underwriting involved therein, all the Registrable Securities specified in a written request or

requests, made by the Holders within fifteen (15) days after receipt of the written notice from the Company described in clause (i) above, except as set forth in Section 1(c)(ii) below. Such written request may specify all or a part of the Holders' Registrable Securities.

(ii) Underwriting. If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise each of the Holders as a part of the written notice given pursuant to Section 1(c)(i)(A). In such event, the right of each of the Holders to registration pursuant to this Section 1(c) shall be conditioned upon such Holders' participation in such underwriting and the inclusion of such Holders' Registrable Securities in the underwriting to the extent provided herein. The Holders whose shares are to be included in such registration shall (together with the Company and the Other Shareholders distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected for underwriting by the Company, provided that no underwriter whose selection would result in an ERISA Conflict may participate in any such underwriting. Notwithstanding any other provision of this Section 1(c), if the representative determines that marketing factors require a limitation on the number of shares to be underwritten, the Company shall so advise all holders of securities requesting registration, and the number of shares of securities that are entitled to be included in the registration and underwriting shall be allocated in the following manner: The securities of the Company held by officers, directors and Other Shareholders of the Company (other than Registrable Securities) shall be excluded from such registration and underwriting to the extent required by such limitation, and, if a limitation on the number of shares is still required, the number of shares that may be included in the registration and underwriting by each of the Holders shall be reduced, on a pro rata basis (based on the number of shares held by such Holder), by such minimum number of shares as is necessary to comply with such limitation. If any of the Holders or any officer, director or Other Shareholder disapproves of the terms of any such underwriting, he may elect to withdraw therefrom by written notice to the Company and the underwriter. Any Registrable Securities or other securities excluded or withdrawn from such underwriting shall be withdrawn from such registration.

(iii) Number and Transferability. Each of the Holders shall be entitled to have its shares included in an unlimited

number of registrations pursuant to this Section 1(c). The registration rights granted pursuant to this Section 1(c) shall be assignable, in whole or in part, to any transferee of the Common Shares provided such transferee agrees to be bound by all provisions of this Agreement.

(d) Form S-3. The Company shall use its best efforts to qualify for registration on Form S-3 for secondary sales. After the Company has qualified for the use of Form S-3, Holders of Registrable Securities shall have the right to request unlimited registrations on Form S-3 (such requests shall be in writing and shall state the number of shares of Registrable Securities to be disposed of and the intended method of disposition of shares by such holders), subject only to the following:

(i) The Company shall not be required to effect a registration pursuant to this Section 1(d) unless the Holder or Holders of Registrable Securities requesting registration propose to dispose of shares of Registrable Securities resulting in aggregate proceeds (before deduction of underwriting discounts and expenses of sale) of more than $10,000,000.

(ii) The Company shall not be required to effect a registration pursuant to this Section 1(d) within 180 days of the effective date of the most recent registration pursuant to this Section 1(d) in which securities held by the requesting Holder could have been included for sale or distribution.

(iii) The Company shall not be required to effect a registration pursuant to this Section 1(d) if the Company shall furnish to the Holders a certificate signed by the President or Chief Executive Officer of the Company stating that in the good faith judgment of the Board, it would be seriously detrimental to the Company and its shareholders for such registration statement to be filed and it is therefore essential to defer the filing of such registration statement. In such event, the Company shall have the right to defer the filing of the registration statement no more than once during any 12 month period for a period of not more than 120 days after receipt of the request of the Holder or Holders under this Section 1(d).

(iv) The Company shall not be obligated to effect any registration pursuant to this Section 1(d) in any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification or compliance, unless the Company is already subject to service in such jurisdiction and except

as may be required by the Securities Act or applicable rules or regulations thereunder.

The Company shall give written notice thereof to all Holders of Registrable Securities within five days of the receipt of a request for registration pursuant to this Section 1(d) and shall provide a reasonable opportunity for other Holders of Registrable Securities to participate in the registration, provided that if the registration is for an underwritten offering, the terms of Section 1(b)(ii) shall apply to all participants in such offering. Subject to the foregoing, the Company will use its best efforts to effect promptly the registration of all shares of Registrable Securities on Form S-3 to the extent requested by the Holder or Holders thereof for purposes of disposition.

(e) Expenses of Registration. All Registration Expenses incurred in connection with any registration, qualification or compliance pursuant to this Section 1 shall be borne by the Company, and all Selling Expenses shall be borne by the Holders of the securities so registered pro rata on the basis of the number of their shares so registered; provided, however, that the Company shall not be required to pay any Registration Expenses if, as a result of the withdrawal of a request for registration by any of the Holders, as applicable, the registration statement does not become effective, in which case each of the Holders and Other Shareholders requesting registration shall bear such Registration Expenses pro rata on the basis of the number of their shares so included in the registration request, and provided, further, that such registration shall not be counted as a registration pursuant to Section 1(b)(i)(B)(y).

(f) Registration Procedures. In the case of each registration effected by the Company pursuant to this Section 1, the Company will keep the Holders, as applicable, advised in writing as to the initiation of each registration and as to the completion thereof. At its expense, the Company will:

(i) keep such registration effective for a period of 120 days or until the Holders, as applicable, have completed the distribution described in the registration statement relating thereto, whichever first occurs; provided, however, that (A) such 120-day period shall be extended for a period of time equal to the period during which the Holders, as applicable, refrain from selling any securities included in such registration in accordance with provisions in Section 1(j) hereof; and (B) in the case of any registration of Registrable Securities on Form S-3 which are intended to be offered on a continuous or delayed basis, such 120-day period shall be extended until all such Registrable Securities are sold, provided that Rule 415, or any successor rule

under the Securities Act, permits an offering on a continuous or delayed basis, and provided further that applicable rules under the Securities Act governing the obligation to file a post-effective amendment permit, in lieu of filing a post-effective amendment which (y) includes any prospectus required by Section 10(a)(3) of the Securities Act or (z) reflects facts or events representing a material or fundamental change in the information set forth in the registration statement, the incorporation by reference of information required to be included in (y) and (z) above to be contained in periodic reports filed pursuant to Section 13 or 15(d) of the Exchange Act in the registration statement; and

(ii) furnish such number of prospectuses and other documents incident thereto as each of the Holders, as applicable, from time to time may reasonably request.

(g) Indemnification.

(i) The Company will indemnify each of the Holders, as applicable, each of its officers, directors and partners, and each person controlling each of the Holders, with respect to each registration which has been effected pursuant to this Section 1, and each underwriter, if any, and each person who controls any underwriter, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any prospectus, offering circular or other document (including any related registration statement, notification or the like) incident to any such registration, qualification or compliance, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or any violation by the Company of the Securities Act or any rule or regulation thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any such registration, qualification or compliance, and will reimburse each of the Holders, each of its officers, directors and partners, and each person controlling each of the Holders, each such underwriter and each person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating and defending any such claim, loss, damage, liability or action, provided that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based on any untrue statement or omission based upon written information furnished to the Company by any Holder with respect to such Holder or underwriter with respect

to such underwriter and stated to be specifically for use therein.

(ii) Each of the Holders will, if Registrable Securities held by it are included in the securities as to which such registration, qualification or compliance is being effected, indemnify the Company, each of its directors and officers and each underwriter, if any, of the Company's securities covered by such a registration statement, each person who controls the Company or such underwriter within the meaning of the Securities Act and the rules and regulations thereunder, each Other Shareholder and each of their officers, directors, and partners, and each person controlling such Other Shareholder against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact with respect to such Holder contained in any such registration statement, prospectus, offering circular or other document made by such Holder, or any omission (or alleged omission) to state therein a material fact with respect to such Holder required to be stated therein or necessary to make the statements by such Holder therein not misleading, and will reimburse the Company and such Other Shareholders, directors, officers, partners, persons, underwriters or control persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular or other document in reliance upon and in conformity with written information furnished to the Company by such Holder with respect to such Holder and stated to be specifically for use therein; provided, however, that the obligations of each of the Holders hereunder shall be limited to an amount equal to the proceeds to such Holder of securities sold as contemplated herein.

(iii) Each party entitled to indemnification under this Section 1(g) (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or any litigation resulting therefrom shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld) and the

Indemnified Party may participate in such defense at such party's expense (unless the Indemnified Party shall have reasonably concluded that there may be a conflict of interest between the Indemnifying Party and the Indemnified Party in such action, in which case the fees and expenses of counsel shall be at the expense of the Indemnifying Party), and provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 1 unless the Indemnifying Party is materially prejudiced thereby. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation. Each Indemnified Party shall furnish such information regarding itself or the claim in question as an Indemnifying Party may reasonably request in writing and as shall be reasonably required in connection with the defense of such claim and litigation resulting therefrom.

(iv) If the indemnification provided for in this Section 1(g) is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any loss, liability, claim, damage or expense referred to herein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party hereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and of the Indemnified Party on the other in connection with the statements or omissions which resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(v) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with any underwritten public offering contemplated by this Agreement are in conflict with the foregoing provisions, the

provisions in such underwriting agreement shall be controlling.

(vi) The foregoing indemnity agreement of the Company and Holders is subject to the condition that, insofar as they relate to any loss, claim, liability or damage made in a preliminary prospectus but eliminated or remedied in the amended prospectus on file with the Commission at the time the registration statement in question becomes effective or the amended prospectus filed with the Commission pursuant to Commission Rule 424(b) (the "Final Prospectus"), such indemnity agreement shall not inure to the benefit of any underwriter if a copy of the Final Prospectus was furnished to the underwriter and was not furnished to the person asserting the loss, liability, claim or damage at or prior to the time such action is required by the Securities Act.

(vii) Any indemnification payments required to be made to an Indemnified Party under this Section 1(g) shall be made as the related claims, losses, damages, liabilities or expenses are incurred.

(h) Information by the Holders. Each of the Holders and each Other Shareholder holding securities included in any registration, shall furnish to the Company such information regarding such Holder or Other Shareholder and the distribution proposed by such Holder or Other Shareholder as the Company may reasonably request in writing and as shall be reasonably required in connection with any registration, qualification or compliance referred to in this Section 1. The Institutional Investors shall not be required, in connection with any underwriting arrangements entered into in connection with any registration, to provide any information, representations or warranties, or covenants with respect to the Company, its business or its operations and such Institutional Investors shall not be required to provide any indemnification with respect to any registration statement except as specifically provided for in Section 1(g)(ii) hereof.

(i) Rule 144 Reporting.

With a view to making available the benefits of certain rules and regulations of the Commission which may permit the sale of the restricted securities to the public without registration, the Company agrees to:

(A) make and keep public information available as those terms are understood and defined in Rule 144, at all times from and after 90 days after the date hereof;

(B) use its best efforts to file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act at all times that it is subject to such reporting requirements; and

(C) so long as the Holder owns any Registrable Securities, furnish to the Holder upon request, a written statement by the Company as to its compliance with the reporting requirements of Rule 144, and of the Securities Act and the Exchange Act (it is subject to such reporting requirements), a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed as the Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing the Holder to sell any such securities without registration.

(j) "Market Stand-off" Agreement. Each of the Holders agrees, if requested by the Company and an underwriter of Common Shares (or other securities) of the Company, not to sell or otherwise transfer or dispose of any Common Shares (or other securities) of the Company held by such Holder during the 90-day period following the effective date of a registration statement of the Company filed under the Securities Act, provided that all officers and directors of the Company enter into similar agreements.

If requested by the underwriters, the Holders shall execute a separate agreement to the foregoing effect. The Company may impose stop-transfer instructions with respect to the Common Shares (or other securities) subject to the foregoing restriction until the end of said 90-day period. The provisions of this Section 1(j) shall be binding upon any transferee who acquires Registrable Securities, whether or not such transferee is entitled to the registration rights provided hereunder.

(k) Termination. The registration rights set forth in this Section 1 shall not be available to any Holder if, in the opinion of counsel to the Company, all of the Registrable Securities then owned by such Holder could be sold in any 90-day period pursuant to Rule 144 under the Act (without giving effect to the provisions of Rule 144(k)).

SECTION 2. MISCELLANEOUS.

(a) Assignability. This Agreement shall be binding upon and inure to the benefit of the respective heirs, personal representatives, successors and assigns of the parties hereto.

(b) Notices. All communications under this Agreement shall be in writing and shall be delivered by hand or mailed by overnight courier or by registered or certified mail, postage prepaid:

(A) if to USF&G, at 6225 Centennial Way, Baltimore, Maryland 21209, Attention: Dan L. Hale, with a copy to: Corporate Secretary, or at such other address as it may have furnished the Company in writing;

(B) if to Warburg, at 466 Lexington Avenue, New York, New York 10017, Attention: Howard Newman, with a copy to: Kewsong Lee, or at such other address as it may have furnished the Company in writing;

(C) if to Insurance L.P., at c/o GE Investment Management Incorporated, 3003 Summer Street, Stamford, Connecticut 06905, Attention: Controller to Alternative Investments, with copies to: Associate General Counsel to Alternative Investments and GE Investment, 2029 Century Park East, Suite 1230, Los Angeles, California 90067, or at such other address as GE Investment may have furnished the Company in writing;

(D) if to PT Investments, at 3003 Summer Street, Stamford, Connecticut 06905, Attention: Controller to Alternative Investments, with a copy to: Associate General Counsel to Alternative Investments, or such other address as GE Pension Trust may have furnished the Company in writing; and

(E) if to the Company, at its offices, currently Renaissance House, East Broadway, Pembroke HMGX, Bermuda, marked for the attention of the President, with a copy to the Secretary of the Company, or at such other address as it may have furnished in writing to each of the Institutional Investors, with a copy to: Willkie Farr & Gallagher, 153 East 53rd Street, New York, New York 10022, Attention: John S. D'Alimonte.

(ii) Any notice so addressed shall be deemed to be given: if delivered by hand, on the date of such delivery; if mailed by courier, on the first business day following the date of such mailing; and if mailed by registered or certified mail, on the third business day after the date of such mailing.

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

(d) Entire Agreement; Amendment. This Agreement constitutes the entire understanding of the parties hereto with respect to the matters to which it relates and supercedes all prior understandings among such parties with respect to such matters, including without limitation the Amended and Restated Registration Rights Agreement, dated as of December 27, 1996, by and among the parties signatory to this Agreement (other than PT Investments and Insurance L.P.), Trustees of General Electric Pension Trust and GE Investment Private Placement Partners I, Limited Partnership. This Agreement may be amended, and the observance of any term of this Agreement may be waived, with (and only with) the written consent of the Company and each of the Institutional Investors, provided that new Management Investors may be added as parties to this Agreement in connection with such individuals purchasing Common Shares upon any such Management Investor having duly executed a counterpart to this Agreement.

(e) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, the Company and each of the undersigned parties has executed this Agreement effective for all purposes as of the date first written above.

RENAISSANCERE HOLDINGS LTD.

By: /s/ John M. Lummis

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

WARBURG, PINCUS INVESTORS, L.P.

By: Warburg, Pincus & Co., General Partner

By: /s/ Kewsong Lee

Name: Kewsong Lee
Title: Partner

PT INVESTMENTS, INC.

By: /s/ Michael M. Pastore

Name: Michael M. Pastore
Title: Vice President

GE INVESTMENT PRIVATE PLACEMENT PARTNERS I-INSURANCE, LIMITED PARTNERSHIP

By: GE Investment Management Incorporated, General Partner

By: /s/ Michael M. Pastore

Name: Michael M. Pastore
Title: Vice President

UNITED STATES FIDELITY AND GUARANTY COMPANY

By: /s/ Dan Hale

Name: Dan Hale
Title: Executive Vice President

/s/ David A. Eklund

David A. Eklund

/s/ Keith S. Hynes

Keith S. Hynes

/s/ William I. Riker

William I. Riker

/s/ James N. Stanard

James N. Stanard

SCHEDULE I

Investor	Number of Shares Held
Warburg, Pincus Investors L.P.	3,873,402
GE Investment Private Placement Partners I - Insurance, Limited Partnership	318,213
PT Investments, Inc.	2,448,504
United States Fidelity and Guaranty Company	2,426,137
David A. Eklund	29,200
Keith S. Hynes	164,956
William I. Riker	145,364
James N. Stanard	905,187
Total(1)	10,310,963

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(1) Does not reflect an aggregate of 365,044 Full Voting Common Shares issuable upon the exercise of outstanding options granted under the Incentive Plan as of December 31, 1997, all of which Full Voting Common Shares are Registrable Securities as defined in Section 1(a)(viii)(b) of this Agreement.

[RENAISSANCERE HOLDINGS LOGO]

ANNUAL REPORT 1997

COMPANY OVERVIEW

RenaissanceRe Holdings Ltd. ("RenaissanceRe") provides reinsurance and insurance coverage where the risk of natural catastrophes represents a significant component of the overall exposure. We are a leader in using sophisticated computer models to construct an optimal portfolio of these coverages.

Our principal business is property catastrophe reinsurance. Our subsidiary, Renaissance Reinsurance Ltd. ("Renaissance Reinsurance"), is one of the largest providers of this coverage in the world. We provide reinsurance to insurance companies and other reinsurers primarily on an excess of loss basis, which means that we begin paying when their claims, from all of the homes, businesses and properties that they insure from a particular catastrophe, exceed a certain retained amount. Through these coverages we are subject to claims arising from large natural catastrophes, such as earthquakes and hurricanes, although we are also exposed to claims arising from other events such as winter storms, floods, tornadoes, fires and explosions.

We have also begun to provide primary insurance. This business is written through two subsidiaries, Glencoe Insurance Ltd. ("Glencoe") and DeSoto Insurance Company ("DeSoto"). Through these subsidiaries we write commercial insurance in various areas of the United States and homeowners insurance in Florida, focusing on business exposed to natural catastrophes.

CONTENTS

FINANCIAL HIGHLIGHTS

RenaissanceRe Holdings Ltd. and Subsidiaries

(dollar amounts in thousands, except per share amounts)	1997	1996	1995	1994	1993(1)
Gross premiums written	$228,287	$269,913	$292,607	$273,481	$66,118
Net income available to common shareholders	139,249	156,160	162,786	96,419	31,281
Common dividends declared and paid	22,643	20,489	4,096	--	--
PER SHARE AMOUNTS					
Operating income(2) - diluted	$ 6.19	$ 6.12	$ 6.65	$ 4.23	$ 1.37
Net income - diluted	6.06	6.01	6.75	4.24	1.37
Book value	26.68	23.21	18.99	11.79	7.67
Dividends declared	1.00	0.80	0.16	--	--
RETURN ON AVERAGE SHAREHOLDER'S EQUITY	24.3%	30.2%	43.3%	44.1%	32.7%
OPERATING RATIOS					
Claims and claim expense ratio	23.7%	34.3%	38.3%	47.0%	2.8%
Underwriting expense ratio	23.8%	17.0%	13.7%	14.6%	17.9%
Combines ratio	47.5%	51.3%	52.0%	61.6%	20.7%

(1)For the period June 7, 1993 (date of incorporation) through December 31, 1993.

(2)Excludes realized gains (losses) on investments.

[GRAPH REPRESENTING RETURN ON AVERAGE EQUITY FOR YEAR ENDING DEC. 31 1993-1997]

[GRAPH REPRESENTING BOOK VALUE PER SHARE FOR YEAR ENDING DEC. 31 1993-1997]

[GRAPH REPRESENTING QUARTERLY DIVIDENDS PER SHARE FROM 1995-1997]

LETTER TO SHAREHOLDERS

Dear Fellow Shareholder:

Overall, this was a fine year for RenaissanceRe. In a continuing environment of softening prices and fierce competition in the insurance and reinsurance industries, we have continued to effectively execute our success factors of underwriting, marketing and capital management.

We again achieved one of the highest ROE's in the property and casualty insurance industry and had modest growth in earnings per share. We were, however, aided by a mild year for natural catastrophes, following three above-average years.

We completed a strategic planning process that crystallized our position on diversification (for an explanation please see page 11) and then made meaningful strides in executing that plan by building capabilities in the catastrophe-exposed primary business in the U.S.

Although we suffered a 2.8% decline in our asset portfolio in the fourth quarter due to the Asian financial crisis, we moved quickly to rebalance the portfolio to maintain its conservative profile. These moves are described by John Lummis on page 9.

Market Conditions

1997 saw a continuation and intensification of insurance market trends of competition and consolidation.

Virtually all segments of the worldwide insurance and reinsurance markets have seen falling prices; the property catastrophe market is no exception. Faced with the classic strategic trade-off between market share and profitability, we remain focused on maintaining the quality (by which I mean the risk/reward relationship) of our portfolio. Therefore we allowed its size to decline for the second year in a row. While net written premium was down 22%, our exposure to loss (after reinsurance that we purchase) was also reduced. Note that the decline in premium over the last two years is almost entirely due to our net position in the retrocessional market (reinsurance of reinsurers): we are purchasing more and selling less. Reinsurance of primary insurance clients was about flat this year, after growing in 1996.

[PHOTO OF JAMES N. STANARD]

Consolidation continues among our production sources, our clients and our competitors. We remain committed to using brokers as our sole source of reinsurance proposals. Our emphasis on rapid response and creative product design keeps us in a strong position with the now fewer and larger brokers. We also leveraged our reputation as a highly sophisticated catastrophe modeler into a marketing tool by conducting over thirty modeling seminars for our clients.

Consolidation among our clients has been a major contributor to the drop in our retrocessional premium income, as the combined entity usually buys less reinsurance.

Consolidation among our competitors has not hurt us so far. With the security we offer, we benefit from the trend of clients seeking to deal with a smaller number of reinsurers - we are one of the survivors when cuts are made.

Primary Operations

Our biggest operational accomplishment this year was the expansion of our primary insurance businesses. Although still a small contributor to earnings, we are carefully constructing a platform from which to pursue selected catastrophe-exposed primary insurance business. Glencoe, our 80%-owned surplus lines company, is now eligible in 26 states in the U.S. We started DeSoto to write homeowners business in Florida, and have a definitive agreement to purchase Nobel Insurance Company, a specialist in low value dwelling homeowners insurance. Nobel has a strong management team led by CEO Jef Amsbaugh. Jef established a fine track record since taking charge of an essentially bankrupt company in 1989. Keith Hynes explains our strategy behind these moves on page 7.

We are sometimes asked whether these primary operations could jeopardize our reinsurance client relationships. This is an important issue, but hardly unique to Renaissance Reinsurance; almost all major reinsurers have some primary operations. Further, it is not unusual for us to reinsure each of two fierce competitors in the same market, relying on confidential business plans provided by each one. The important issue is fair and ethical dealing in such situations. Our primary operations are run by a different management team than reinsurance and we have an explicit "Chinese wall" policy insuring confidentiality of client information. In fact, our surplus lines primary capability in Glencoe has been viewed favorably by some of our reinsurance clients with whom we have forged cooperative arrangements. To them, Glencoe simply provides another vehicle to shed unwanted catastrophe risk.

Challenges

In 1998 we will be working hard to:

- - Maintain our position as a leading specialist in catastrophe reinsurance in the face of continued competition and consolidation. Bill Riker explains our plan to do this on page 5.

- - Effectively execute our primary operations strategy. Our primary business derives its strength from our core catastrophe management skills, but presents us with new management challenges: increased delegation and dispersion of risk-taking authority, requiring management controls not needed in smaller reinsurance shops; importance of expense control; more complex processing systems; and regulatory complexities not found in reinsurance.

Conclusion

We enter 1998 with the strongest management team, client relationships, and balance sheet ever. Although smaller in size, the quality of our catastrophe excess portfolio is comparable to past years. We have established a focused diversification strategy and made meaningful progress toward executing it. Overall, we are well positioned to provide value and security to our customers and attractive returns to our shareholders. To that, we pledge our very best effort.

Sincerely,

/s/ James N. Stanard
James N. Stanard
Chairman, President and Chief Executive Officer

REINSURANCE

The year 1997 solidified our position as a market leader. Low loss activity contributed to continued pricing softness, with declines of 10-15% in the U.S. and greater declines in the international arena. Early in the year, it was clear that to retain our lead as the premier catastrophe market we needed to:

- - "Raise the bar" on service to our clients and producers;

- - Maintain underwriting discipline by further refining our risk selection methodologies; and

- - Enhance the relationships we enjoy with our clients and producers.

[PHOTO WILLIAM I. RIKER]
WILLIAM I. RIKER
President & Chief Operating Officer
Renaissance Reinsurance Ltd.

[PHOTO DAVID A. EKLUND]
DAVID A. EKLUND
Executive Vice President
Renaissance Reinsurance Ltd.

We accomplished all three. The core service we provide to our clients and producers is the application of our technological skills to their business needs. Increasingly, our clients rely on us for informed solutions and insight regarding catastrophe exposure management. We conducted seminars for over thirty clients in 1997 during which we explained the behaviors of the different catastrophe models and how they can be most effectively utilized. Based on positive client feedback, we will expand this program in 1998. As information providers and technology facilitators to our clients, we are able to earn preferred positions on their reinsurance programs.

We remain a market leader in the development of custom products for our clients. Many clients are expressing more interest in developing multi-year reinsurance agreements with their reinsurers. Our analytical skills and modeling capabilities enable us to structure such agreements while protecting us from unfavorable long-duration contracts.

Superior service helps assure that we get the "first call". In the reinsurance market, the opportunity to structure a new contract is extremely valuable, as you are then given priority choice when the transaction is concluded. For example, we provided companies who were assuming risks from the Florida Residential Property and Casualty Joint Underwriting Association ("JUA") with unique information which enabled them to optimize their selections from the JUA and accomplish their corporate goals. We are now the leading reinsurer for these new companies.

New insurance programs are being developed around technology that monitors and selects risks. These new programs often need sophisticated, flexible structures. We have worked closely with many organizations to develop programs which meet these complex needs. Only Renaissance Reinsurance and a few other sophisticated reinsurers can properly underwrite these structures.

In raising the bar for service, we reorganized our underwriting service responsibilities to provide better and faster contract documentation. We have also automated our high resolution modeling capabilities so that we are now considered the most responsive reinsurance company in the world in this field.

Just as an ebbing tide brings the rocks to the surface, decreased pricing makes understanding the risks you write more important. We improved our proprietary REMS system and completed a new version, REMS 32, in the early spring. The enhancements included faster performance, improved tracking of our customer service, as well as refined and improved analytical analysis.

In 1997 we also expanded our relationship with EQECAT, one of the newer, more sophisticated catastrophe modelers in the market; their models have been added to our portfolio of the best models in the world. On the international front, we work closely with Cartograph, one of the leaders in developing models for international regions.

We continue to have the best multiple model capability in the world, a key competitive advantage. As clients and brokers become more proficient in using these tools, it disadvantages reinsurers lacking multiple model capabilities.

To us, information is a competitive weapon. We have built detailed files on the complete catastrophe reinsurance industry and we are confident that our information constitutes the best database in the world.

Tale of Two Markets

The emergence of new technology has changed the way reinsurers and insurers evaluate catastrophe exposure, enabling them to better quantify and understand the risks. However, not all reinsurers have embraced this technology and reinsurers lacking technology are relying on outdated heuristics to evaluate risks. This market rift, between those organizations which possess and utilize new technology and those who don't, is responsible for numerous recent examples of irrational pricing, almost exclusively on the side of underpricing the risk.

Many of the major reinsurance players have invested in technology and can now better evaluate the "true cost" (expected losses) of the catastrophe product. Understanding "true costs" is especially difficult in the catastrophe business because we only get hints of true price discovery every few years (in the form of catastrophes); hence, mistakes will not surface in years with low catastrophe experiences and may not surface for many years.

Fortunately, relationship-driven, value-oriented clients are focusing on long-term quality, benefiting the sophisticated players like Renaissance Reinsurance.

Where are we going?

With a growing technology endowment, we continue to do a better job of selecting and managing risks.

The migration of business to the informed, technologically sophisticated markets will widen the gap between the two markets. Adverse selection, against companies that do not embrace and properly utilize new technologies, will eventually erode the margins of these companies in "average years".

In this framework, what are the questions to ask reinsurers?

- - How do you measure and evaluate your expected margins?

- - How do you avoid adverse selection as technology enables clients to tailor their risks, and other reinsurers to select risks?

- - How do you determine/measure when you will no longer write a risk?

- - How do you incorporate price adequacy into your risk profile?

Answers to these questions can shed light on which of the two markets a reinsurer is participating in.

In conclusion, we are maintaining our course of combining traditional values and unsurpassed technology to retain our premier position as the most innovative supplier of property catastrophe reinsurance in the world.

[PHOTO OF KEITH S. HYNES]
KEITH S. HYNES
Executive Vice President
Primary Operations
RenaissanceRe Holdings Ltd.

Our primary operations have the same goals and operate on the same business principles that have made our reinsurance business successful. We seek to maintain a portfolio of risks in both that is better than the market average. We believe this is the only way to achieve our second goal, which is to produce an attractive return on capital. We achieve these goals through superior execution of the basics of the insurance business, underwriting and marketing, and by matching the level of capital to the requirements of each business.

During 1997, we established the foundation for our primary activities. Glencoe achieved surplus lines eligibility in 26 states. Its gross premium written increased to $7.0 million from $1.5 million in 1996. We anticipate premiums will grow further, but are focusing on maintaining a superior book of business in the current, very competitive market conditions. Glencoe is presently focused on writing commercial, catastrophe-exposed property business. It has achieved profitability in each of its first two years of operations.

Based on our belief that there are segments of the homeowners insurance market that can meet our goals, we incorporated DeSoto Insurance Company in September with an initial capitalization of $10 million. In December, DeSoto became the first "special purpose homeowners insurance company" to be licensed by the State of Florida Department of Insurance. A special purpose homeowners insurance company is not subject to assessment by either the Florida Residential Property and Casualty Joint Underwriting Association (JUA) or the Florida Windstorm Underwriting Association (WUA). DeSoto's freedom from JUA and WUA assessments confers a unique competitive advantage. This regulatory advantage is augmented by our ability to assess and manage catastrophe exposure, which is a critical success factor for any company writing Florida homeowners business. DeSoto commenced operations on January 1, 1998, an assumption of approximately 12,000 policies from the JUA. The in-force premium of these policies was approximately $10 million.

[CATASTROPHE RISK ACCESS POINTS CHART APPEARS HERE, SHOWING DATA FOR RENAISSANCE REINSURANCE, NOBEL, GLENCOE AND DESOTO]

Both Glencoe and DeSoto extend RenaissanceRe's capabilities into contiguous business areas and leverage RenaissanceRe's catastrophe exposure assessment and management skills. The chart on this page shows several points in the insurance business where catastrophe risk can be accessed. Renaissance Reinsurance has achieved a leadership position in writing and managing catastrophe coverage in the reinsurance and retrocessional markets. Glencoe provides the opportunity to write catastrophe-exposed business in the excess and surplus lines market. DeSoto will be obtaining catastrophe risk in the Florida homeowners market through an assumption of policies from the state JUA. We expect to establish vehicles to write catastrophe-exposed business in additional sectors of the insurance/reinsurance marketplace.

In December, we reached a definitive agreement to acquire Nobel Insurance Company ("Nobel") and related entities for $54.1 million. Nobel is a licensed insurer in all 50 states, writing in three focused insurance businesses. The product line which we find most attractive is Nobel's low value dwelling homeowners insurance (coverage for homes valued under $100,000). We've been one of Nobel's reinsurers for its homeowners business, and have developed respect for their management team. Nobel is a leader in this business in the southeast United States, but does not write in Florida because of an aversion to catastrophe exposure. We believe that the low value dwelling business is a segment of the homeowners market where we can meet our corporate goals, and that Nobel, together with the Company, have the requisite skills to be successful.

Nobel's second business segment is commercial casualty insurance, made up of commercial auto and general liability. Nobel was founded in 1978 as a captive casualty insurer for the explosives industry. Nobel continues to be the leading casualty insurer for the explosives industry and has increased its customer base beyond the explosives industry. A unique aspect of our acquisition of Nobel is our strategic partnership with American Reinsurance Company and Inter-Ocean Reinsurance Company Ltd., who will be providing comprehensive prospective and retrospective reinsurance protection for Nobel's casualty business.

Nobel's third business segment is surety insurance, where they provide coverage to small and mid-size contractors.

In addition to Nobel's insurance business, our acquisition includes IAS/CAT Crew, which is an independent loss adjustment firm. Through the IAS/CAT Crew division, Nobel is a leader in providing catastrophe claims adjustment and planning services. Should a catastrophe occur, this capability will be valuable to Glencoe, DeSoto and to Renaissance Reinsurance's customers.

CAPITAL MANAGEMENT

[PHOTO OF JOHN M. LUMMIS]

JOHN M. LUMMIS
Senior Vice President &
Chief Financial Officer
RenaissanceRe Holdings Ltd.

Capital management at RenaissanceRe serves two key constituencies - our shareholders and our customers. We seek to generate attractive returns on our shareholders' equity while providing unquestioned security to our customers.

At first look, it might appear that the interests of these two constituencies are in conflict: higher return on equity might be presumed to come at the expense of our customers. However, our management of risk and capital is designed to harmonize the interests of our shareholders and our customers.

RenaissanceRe is differentiated from its peers by the way we integrate underwriting and capital management. Our underwriters assess each potential contract in the context of our whole portfolio. Each contract we write is allocated capital based on its correlation with the rest of the portfolio; the lower the correlation, the lower the capital allocation (other things being equal).

Our system enables us to identify risks that are attractive in our portfolio even where they are unattractive in the customer's portfolio. Both customer and reinsurer win, as a risk - one that might be viewed as too large or concentrated for a customer's balance sheet - finds a better "fit" in our portfolio.

In addition to carefully evaluating the risks we assume, RenaissanceRe rigorously assesses the financial structure that stands behind these risks:

- - We seek to optimize the reinsurance that we purchase to enhance the risk/reward characteristics of the net reinsurance portfolio.

- - We also seek to lower our overall cost of capital through the prudent use of debt and preferred financing.

- - Finally, we are committed to actively managing our equity.

A year of low catastrophe losses, such as 1997, does not test our capital and risk management. But while others may ignore the risks in this environment, we will continue to actively manage our portfolio of risks.

1997 Achievements

RenaissanceRe's focus on capital was reflected in several ways during 1997:

- - In January and June, we repurchased a total of 1.5 million shares, representing 6.4% of shares outstanding at the beginning of the year. The total value was $53.5 million, or an average of $35.33 per share. The January transaction was entered into shortly after a purchase of 2.1 million shares for $71.9 million in December 1996 from our founding shareholders. The June transaction was entered into in conjunction with a secondary offering by these shareholders.

- - The Company's Board of Directors increased the quarterly dividend from $.20 to $.25 per share in February 1997 - the third consecutive annual increase.

- - The Company issued $100 million of 8.54% trust preferred, capital securities. Proceeds were used to retire bank debt. This security is attractive to us for its equity features in our capital structure.

- - The Company updated its proprietary underwriting and risk management system, REMS, to incorporate retrocessional purchases. This enhancement allows us to evaluate the amount of capital that is released under our capital allocation rules by virtue of retrocessional purchases.

- - The Company increased its public ownership from 26% of the shares outstanding at the beginning of the year to 54% at the end of the year. This increase occurred through two secondary offerings by our founding shareholders.

Investment Portfolio

The majority of our assets are invested in what we call our core portfolio (currently about 85% of the total invested assets). The mandate to our investment manager for this portfolio is to maintain high credit quality (average AA) with focus on preservation of capital and liquidity. The remainder of our assets are invested in higher risk asset classes, equity and non-investment grade bond portfolios focused on total return.

At year end, we held bonds in Korea, Thailand and Indonesia with a market value of $66 million. In view of the increased risk associated with these bonds following the financial crisis in Asia, we concluded that we needed to reduce the overall risk in the investment portfolio. We achieved this by selling our equity positions valued at $52.9 million (at a gain of $1.9 million). We decided to retain our portfolio of primarily sovereign, dollar denominated bonds rather than selling these bonds into the distressed market prevailing at year end. We believe this portfolio will recover in value and, at current prices, is an attractive use of capital.

Through our move into U.S. Treasuries and the sale of our equities, we have maintained the conservative profile of our investment portfolio.

1998

The most important capital management question that faces RenaissanceRe is how to utilize the excess capital that the reinsurance business is likely to generate in 1998. While the reinsurance portfolio is declining in size, it continues to generate substantial profits, beyond what can be deployed in that business. There will be two uses of this excess capital:

- - First, it will be deployed in supporting new business activities, particularly in the growth of our primary, catastrophe-exposed businesses, but potentially in other new businesses as well. However, because of our high standards for new business ventures (as described on the following page), it is possible that we will be unable to fully deploy our excess capital.

- - To the extent that we have capital in excess of the needs of the business, we will evaluate returning capital to our shareholders through share repurchases and cash dividends.

As we actively manage our common equity, we will also continue to optimize our use of retrocessional coverage, debt and preferred stock financing. Our actions will be taken with a view to maximizing returns for our shareholders and providing security for our customers.

FOCUSED DIVERSIFICATION

The key strategic question we faced this year concerned diversification. We started the year with a very strong position in a relatively small, specialized market: property catastrophe excess reinsurance. Through effective risk selection, marketing and capital management, we have generated outstanding ROE's for five years in a row. However, profit potential in this market is limited by the absence of loss activity which would firm prices. Given this situation, what should we do?

Our Mission

TO OBTAIN A PORTFOLIO OF PROPERTY CATASTROPHE REINSURANCE, INSURANCE AND FINANCIAL RISKS THAT PRODUCES AN ATTRACTIVE RETURN ON CAPITAL AND IS SIGNIFICANTLY BETTER THAN THE MARKET AVERAGE. WE DO THIS BY PROVIDING QUALITY TO CUSTOMERS IN THE FORM OF EXCELLENT FINANCIAL SECURITY, INNOVATIVE PRODUCTS AND RESPONSIVE SERVICE.

One strategic alternative would be aggressive diversification. This would follow the consolidation theme in the industry, and, some argue, would improve the valuation of our stock, based on the theory that if risk is spread among many different types of insurance, earnings become more predictable. We rejected this because it did not fit with our culture of tight control of risk, and our organization lacked experience in managing a wide range of businesses.

A second alternative would be a pure "stick to our knitting" strategy. This would have us continue to strengthen our position in the catastrophe market while we wait for the inevitable market turn. Such a strategy has some appeal, but we concluded that it would not maximize the value of the Company because we would not be fully utilizing the core skills and competitive advantages which we have developed.

This led to a third course that we call "focused diversification" - searching for opportunities to replicate our success as a start-up (we have demonstrated that we know how to start a successful business) in another market. As we explained in last year's report, any diversification must meet three tests:

1. It must produce an attractive return on capital;

2. We must be able to develop a competitive advantage; and

3. It must not divert important resources from our core business.

As you might expect, the most promising opportunities are those that are extensions of our core property catastrophe expertise. Glencoe, DeSoto, and the homeowners segment of Nobel all extend our established catastrophe expertise into the primary market. We refer to this extension of existing skills to related markets as "mining".

We also search for opportunities beyond the catastrophe business (which we refer to as "exploring"). Here, we look for an intersection of an attractive market opportunity, an ability to develop a competitive advantage, and a cultural fit (our ability to execute). So far, we have not seen any attractive market opportunities, but we are actively pursuing new ideas.

To define the boundaries of our exploration activities, we revised our mission statement (shown on the left) to encompass "financial risks" beyond insurance.

With the rapid change occurring in the markets for financial risk-bearing, we are optimistic that we will find niches where we can excel. However, our focus is on attractive return on capital, not revenue growth or diversification for its own sake. So we will patiently wait for opportunities that fit with our strategy.

SELECTED FINANCIAL DATA

The following summary financial information should be read in conjunction with the Consolidated Financial Statements and the notes thereto presented on pages 26 to 43 in this Annual Report.

(dollar amounts in thousands, except per share data)	1997	1996	1995	1994	1993(1)
INCOME STATEMENT DATA					
Gross premiums written	$228,287	$269,913	$292,607	$273,481	$66,118
Net premiums written	195,752	251,564	289,928	269,954	66,118
Net premiums earned	211,490	252,828	288,886	242,762	34,643
Net investment income	49,573	44,280	32,320	14,942	2,725
Total revenues	254,726	294,959	326,566	261,392	38,631
Claims and claim expenses	50,015	86,945	110,555	114,095	982
Acquisition and operating expenses	50,358	42,893	39,734	35,378	6,218
Net income	139,249	156,160	162,786	96,419	31,281
Earnings per Common Share - basic	$ 6.19	$ 6.15	$ 6.84	$ 4.24	$ 1.37
Earnings per Common Share - diluted	6.06	6.01	6.75	4.24	1.37
Dividends per share	1.00	0.80	0.16	--	--
BALANCE SHEET DATA					
Total investments	$736,538	$603,484	$528,836	$284,493	$136,811
Cash and cash equivalents	122,929	198,982	139,163	153,049	33,028
Total assets	960,749	904,764	757,060	509,410	208,512
Reserve for claims and claim adjustment expenses	110,037	105,421	100,445	63,268	982
Capital Securities(2)	100,000	--	--	--	--
Shareholders' equity	598,703	546,203	486,336	265,247	172,471
Book value per Common Share	$ 26.68	$ 23.21	$ 18.99	$ 11.79	$ 7.67
OPERATING RATIOS					
Claims and claim expense ratio	23.7%	34.3%	38.3%	47.0%	2.8%
Underwriting expense ratio	23.8%	17.0%	13.7%	14.6%	17.9%
Combined ratio	47.5%	51.3%	52.0%	61.6%	20.7%

(1) For the period June 7, 1993 (date of incorporation) through December 31, 1993.

(2) Represents Minority interest - Company obligated, mandatorily redeemable capital securities of a subsidiary trust holding solely junior subordinated debentures of the Company.

GENERAL

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

The Company's principal operating objective is to utilize its capital efficiently by focusing on the writing of property catastrophe insurance and reinsurance contracts with superior risk/return characteristics, while maintaining a low cost operating structure in the favorable regulatory and tax environment of Bermuda. The Company's primary underwriting goal is to construct a portfolio of insurance and reinsurance contracts that maximizes the return on shareholders' equity subject to prudent risk constraints.

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

The Company is continuing to expand its primary insurance business through internal growth and acquisition. In 1997 the Company wrote $7 million of primary insurance through Glencoe, an 80 percent-owned subsidiary. Glencoe provides primary catastrophe-exposed property coverage on an excess and surplus lines basis, and is eligible to write business in 26 states.

In January 1998, the Company began to provide personal lines coverages through DeSoto, a wholly owned subsidiary of Glencoe. DeSoto is a special purpose Florida homeowners insurance company that is licensed to assume and renew homeowner policies from the Florida JUA, a state sponsored insurance company. DeSoto's initial assumption approximated 12,000 policies and an in-force premium of $10 million.

On December 19, 1997, the Company announced it had executed a definitive agreement to acquire the operating subsidiaries of Nobel Insurance Limited, through a newly established U.S. holding company. The principal businesses of Nobel Insurance Limited are the service and underwriting of commercial property, casualty and surety risks for specialized industries and personal lines coverage for low value dwellings. The casualty business will be substantially reinsured by American Reinsurance Company and Inter-Ocean Reinsurance Company Ltd., who will provide comprehensive prospective and retrospective reinsurance. Nobel Insurance Limited's principal operating unit, Nobel Insurance Company ("Nobel"), is a Texas domiciled company, licensed in 50 states. The purchase of the operating subsidiaries of Nobel Insurance Limited is expected to close in the second quarter of 1998. See Note 1 to the Consolidated Financial Statements and "Financial Condition - Liquidity and Capital Requirements" regarding financing of the acquisition.

In connection with, and because it desires to take advantage of, the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company cautions readers regarding certain forward-looking statements in the following discussion and elsewhere in this Annual Report. Forward-looking statements are statements not based on historical information and which relate to future operations, strategies, financial results or other developments. In particular, statements using verbs such as "expect", "anticipate", "hope", "believe" or words of similar impact generally involve forward-looking statements.

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, the Company. Whether or not actual results differ materially from forward-looking statements may depend on numerous foreseeable and unforeseeable events or developments; some of which may be national or international in scope, such as general economic conditions and interest rates; some of which may be related to the reinsurance and insurance industries generally, such as pricing competition, industry consolidation and regulatory developments, and others of which may relate to the Company specifically, such as risks with implementing business strategies and related organizational implications, adequacy of reserves, exposure to catastrophe losses, technological risks inherent in developing technological infrastructures, credit, interest rate, currency and other risks associated with the Company's investment portfolio, and other factors. The Company disclaims any obligation to update forward-looking information.

RESULTS OF OPERATIONS

Year Ended December 31, 1997 Compared to Year Ended December 31, 1996

For the year ended December 31, 1997, net income available to common shareholders was $139.2 million compared to $156.2 million for the year ended December 31, 1996. The decrease was primarily due to a decrease in gross premiums written, an increase in ceded reinsurance premiums, an increase in operating expenses and an increase in foreign exchange losses, which were partially offset by a decrease in claims and claim expenses incurred and an increase in net investment income. The above factors, combined with a 12 percent decrease in the number of weighted average shares outstanding, as a result of the purchase of Common Shares during late December 1996 and during 1997, resulted in an increase in earnings per Common Share, on a diluted basis, to $6.06 for the year ended December 31, 1997 from $6.01 for the year ended December 31, 1996. Operating earnings (excluding realized gains and losses on investments) decreased during 1997 to $142.1 million for the year ended December 31, 1997 from $159.1 million for the same period in 1996.

Gross premiums written for the year ended December 31, 1997 decreased 15.4 percent to $228.3 million from $269.9 million for the year ended December 31, 1996. The property catastrophe reinsurance market continues to be extremely competitive due to the increased capital in the reinsurance market and the limited opportunities to profitably deploy such capital. Because the property catastrophe business has recently been among the most profitable segments of the market, it is accordingly the focus of much competition which has resulted in lower premiums measured on a risk adjusted basis. The decline in premiums written is the result of the Company selectively deciding to non-renew those policies where the pricing does not reflect the risk, and the reduced premiums on renewed business.

The 15.4 percent premium decrease was the result of a 17.4 percent decrease in premiums due to the Company not renewing coverage and a 9.6 percent decrease related to changes in pricing, participation levels and coverage on renewed business, partially offset by an 11.6 percent increase in premiums related to new business. A majority of the decline in premiums written related to reductions in the Company's book of assumed retrocessional premiums which were $59.5 million in 1997 compared to $103.7 million in 1996.

During 1997, consistent with its risk management practices and the availability of coverage responsive to the Company's risk profile, the Company increased the level of property catastrophe reinsurance coverage purchased for its own account. Ceded premiums written in 1997 were $32.5 million compared to $18.3 million in 1996. To the extent that appropriately priced coverage is available, the Company anticipates continued use of reinsurance to reduce the potential volatility of its results.

Property catastrophe reinsurance premiums accounted for approximately 91 percent of the Company's gross premiums written in 1997. The remaining gross premiums written in 1997 consisted primarily of excess and surplus lines primary premiums written by Glencoe, and premiums on aviation and marine coverages. The Company's gross premiums written by geographic region were as follows:

YEARS ENDED DECEMBER 31, (in thousands)	1997	1996
GEOGRAPHIC REGION		
United States	$123,717	$126,611
Worldwide	27,930	44,460
Worldwide (excluding U.S.)	32,005	38,746
Europe (including the United Kingdom)	21,007	31,534
Other	16,738	18,958
Australia and New Zealand	6,890	9,604
TOTAL GROSS PREMIUMS WRITTEN	$228,287	$269,913

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

The table below sets forth the Company's combined ratio and components thereof:

YEARS ENDED DECEMBER 31,	1997	1996
Claims/claim adjustment expense ratio	23.7%	34.3%
Underwriting expense ratio	23.8	17.0
COMBINED RATIO	47.5%	51.3%

Claims and claim expenses incurred for the year ended December 31, 1997 were $50.0 million compared to $86.9 million for the year ended December 31, 1996. Compared to historical averages, the year ended December 31, 1997 was a relatively light year for natural catastrophes worldwide. Accordingly, the reduced level of catastrophe losses resulted in a significantly lower loss ratio in 1997 compared to 1996 and therefore positively affected the Company's results from operations. Due to the high severity and low frequency of losses related to the property catastrophe insurance and reinsurance business, there can be no assurance that the Company will experience this reduced level of losses in future years.

Included in the expenses for the year ended December 31, 1996 are provisions of $15.0 million for claims incurred from Hurricane Fran which struck North Carolina during the third quarter of 1996, $9.3 million for claims incurred by regional midwestern clients related to severe wind and hail storms during the second quarter of 1996, $8.3 million for losses related to the Northeast U.S. winter storms in the first quarter of 1996, and a provision of $7.0 million for Northwestern U.S. floods in December of 1996. Also, during 1996, there was $12.1 million of development on prior year losses, which primarily related to a $3.2 million development on losses related to the 1994 Northridge Earthquake and a net development of $3.5 million for Hurricanes Luis, Marilyn and Opal which occurred in 1995.

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

Underwriting expenses, consisting of brokerage commissions, excise taxes and other costs directly related to underwriting, for the year ended December 31, 1997 were $50.4 million or 23.8 percent of net premiums earned, compared to $42.9 million or 17.0 percent for the year ended December 31, 1996. The primary contributors to the increase in underwriting expenses were the increased operating costs related to the hiring of additional professional staff and continued investment in modeling technology. Also, since there is no reduction in acquisition expenses related to the purchase of reinsurance, the purchase of reinsurance causes acquisition costs to be a higher percentage of net premiums earned. Additionally, premiums written by Glencoe, due to the nature of the business, have a higher ratio of acquisition costs.

Net investment income (excluding net realized investment gains and losses) for the year ended December 31, 1997 was $49.6 million, compared to $44.3 million for the year ended December 31, 1996. The increase in investment income resulted primarily from the increase in the amount of invested assets which was primarily the result of cash flows provided by operations, partially offset by amounts used to purchase common stock during the year. Invested assets at December 31, 1997 were $859.5 million compared to $802.5 million at December 31, 1996.

During each of 1997 and 1996, the Company recorded net realized losses on investments of $2.9 million. Included in the 1997 net realized loss figure is a provision of $3.8 million for what the Company believes to be an other than temporary impairment of certain securities of Asian issuers held by the Company as at December 31, 1997. See Financial Condition - Investments.

During 1997 the Company realized net foreign exchange losses of $3.4 million compared to net realized foreign exchange gains of $0.8 million for the year ended December 31, 1996. The foreign exchange losses recorded in 1997 resulted primarily in the strengthening of the U.S. dollar against the British pound and the German mark. The exchange gains in 1996 resulted primarily in the weakening of the U.S. dollar against the British pound.

During the year ended December 31, 1997 net income available to common shareholders was reduced by $7.0 million for minority interests related to the Capital Securities that were issued in March 1997. The proceeds from the Capital Securities were utilized to partially reduce the

amount outstanding under the Company's Revolving Credit Facility and accordingly, interest expense for the year ended December 31, 1997 decreased to $4.3 million from $6.6 million for the year ended December 31, 1996.

Year Ended December 31, 1996 Compared to Year Ended December 31, 1995

For the year ended December 31, 1996, net income available to common shareholders was $156.2 million compared to $162.8 million for the year ended December 31, 1995. The decrease was primarily due to a decrease in gross premiums written, an increase in ceded reinsurance premiums and an increase in operating expenses, which were partially offset by an increase in net investment income. The above factors, combined with an 8 percent increase in the number of weighted average shares outstanding, as a result of the initial public offering of 3,105,000 Common Shares in July 1995, resulted in a decrease in earnings per Common Share, on a diluted basis, to $6.01 for the year ended December 31, 1996 from $6.75 for the year ended December 31, 1995. Operating earnings (excluding realized gains and losses on investments) were $159.1 million for the year ended December 31, 1996 compared to $160.5 million for the year ended December 31, 1995.

Gross premiums written for the year ended December 31, 1996 decreased 7.8 percent to $269.9 million from $292.6 million for the year ended December 31, 1995. The decline in the gross premiums written was primarily related to the competitive market for property catastrophe reinsurance. The principal components of the decline related to a decrease in premiums from renewing business of 8.8 percent, an 11.8 percent decrease due to the Company not renewing coverage and a decrease in reinstatement premiums of 1.3 percent, which was partially offset by a 14.1 percent increase in premiums related to new business.

Reinsurance ceded premiums written were $18.3 million for the year ended December 31, 1996 compared to $2.7 million for the year ended December 31, 1995, resulting in net premiums written of $251.6 million for the year ended December 31, 1996 compared with $289.9 million for the year ended December 31, 1995.

Approximately 95 percent of the Company's gross premiums written in 1996 were in respect of property catastrophe reinsurance. The remaining gross premiums written in 1996 consisted primarily of aviation and marine coverages. The Company's gross premiums written by geographic region were as follows:

YEAR ENDED DECEMBER 31, (IN THOUSANDS)	1996	1995
GEOGRAPHIC REGION		
United States	$126,611	$144,077
Worldwide	44,460	59,137
Worldwide (excluding U.S.)	38,746	41,311
Europe (including the United Kingdom)	31,534	25,365
Other	18,958	11,720
Australia and New Zealand	9,604	10,997
TOTAL GROSS PREMIUMS WRITTEN	$269,913	$292,607

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

The table below sets forth the Company's combined ratio and components thereof:

YEAR ENDED DECEMBER 31,	1996	1995
Claims and claim expense ratio	34.3%	38.3%
Underwriting expense ratio	17.0	13.7
COMBINED RATIO	51.3%	52.0%

Claims and claim expenses incurred for the year ended December 31, 1996 were $86.9 million. Included in the expenses for the year are provisions of $15.0 million for claims incurred from Hurricane Fran which struck North Carolina during the third quarter of 1996, $9.3 million for claims incurred by regional midwestern clients related to severe wind and hail storms during the second quarter of 1996, $8.3 million for losses related to the Northeast U.S. winter storms in the first quarter of 1996, and a provision of $7.0 million for Northwestern U.S. floods in December of 1996. Also, during 1996, there was $12.1 million of development on prior year losses, which primarily related to a $3.2 million development on losses related to the 1994 Northridge Earthquake and a net development of $3.5 million for Hurricanes Luis, Marilyn and Opal which occurred in 1995. In comparison, claims and claim expenses incurred for the year ended December 31, 1995 were $110.6 million or 38.3 percent of net premiums earned.

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

Underwriting expenses, consisting of brokerage commissions, excise taxes and other costs directly related to underwriting, for the year ended December 31, 1996 were $42.9 million or 17.0 percent of net premiums earned, compared to $39.7 million or 13.7 percent for the year ended December 31, 1995. The primary contributors to the increase in underwriting expenses were the increased operating costs related to the hiring of additional professional staff. Also affecting the increase in acquisition costs as a percentage of net premiums earned is the increase in reinsurance purchased, which provides no reduction in the associated acquisition expenses.

Net investment income (excluding net realized investment gains and losses) for the year ended December 31, 1996 was $44.3 million, compared to $32.3 million for the year ended December 31, 1995. The increase in investment income resulted primarily from the increase in the amount of invested assets which was primarily the result of cash flows provided by operating activities and increased borrowings under the Company's Revolving Credit Facility. The Company recorded net realized losses of $2.9 million on the sale of investments compared to net realized gains of $2.3 million for the year ended December 31, 1995.

The Company realized net foreign exchange gains for each of the years ended December 31, 1996 and 1995 of $0.8 million and $3.0 million, respectively. The exchange gains in 1996 resulted primarily from the weakening of the U.S. dollar against the British pound and in 1995 resulted from the weakening of the U.S. dollar against most European currencies, the Japanese yen and the Australian dollar.

FINANCIAL CONDITION

Liquidity and Capital Requirements

As a holding company, RenaissanceRe relies on investment income, cash dividends and other permitted payments from its subsidiaries to make principal payments, interest payments, cash distributions on outstanding obligations and pay quarterly dividends, if any, to the Company's shareholders. The payment of dividends by the Company's subsidiaries to the Company is, under certain circumstances, limited under Bermuda insurance law. The Bermuda Insurance Act 1978, amendments thereto and related regulations of Bermuda (the "Act"), requires the Company's subsidiaries to maintain certain measures of solvency and liquidity. As at December 31, 1997 the statutory capital and surplus of the Company's subsidiaries was $665.2 million, and the amount required to be maintained was $115.0 million. During 1997 Renaissance Reinsurance paid aggregate cash dividends of $117.5 million to RenaissanceRe. See Notes 11 and 16 to the Consolidated Financial Statements.

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

In January 1996, the Company capitalized a new subsidiary, Glencoe, with a $50.0 million capital contribution, $38.0 million of which was derived from a dividend from Renaissance Reinsurance and the balance of which came from other available funds. In June 1996 the Company sold a 29.9 percent interest in Glencoe, which is reflected as minority interest on the consolidated balance sheets. During the third quarter of 1997, the Company purchased an additional 9.9 percent of Glencoe for $5.2 million and increased its ownership of Glencoe from 70.1 percent to 80.0 percent. Also, during the fourth quarter of 1997, the Company contributed an additional $12 million to Glencoe pro-rata with Glencoe's minority investor, maintaining the Company's ownership in Glencoe at 80.0 percent.

Under the terms of its agreement to acquire the operating subsidiaries of Nobel Insurance Limited, the Company is required to pay $54.1 million in cash, and will provide approximately $8.9 million of limited recourse financing, in exchange for a promissory note from Nobel Insurance Limited (the "Note"), to enable Nobel Insurance Limited to support certain of its obligations in the liquidation of the remaining operations. It is expected that the transaction will be financed with debt and cash at a 2:1 ratio of debt to cash. See Note 1 to the Consolidated Financial Statements.

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

Cash flows from operating activities resulted principally from premium and investment income, net of paid losses, acquisition costs and underwriting expenses. Cash flows from operations in 1997 were $153.3 million, compared to $174.8 million in 1996. The 1997 cash flows from

operations were utilized to purchase $53.5 million of the Company's Common Shares and pay aggregate quarterly dividends of $22.6 million. The 1996 cash flows from operations were utilized to purchase $73.5 million of the Company's Common Shares and pay aggregate quarterly dividends of $20.5 million.

The operating results of the Company have generated cash flows from operations in 1997 and 1996 significantly in excess of its commitments. To the extent that capital is not utilized in the Company's reinsurance business, the Company will consider using such capital to invest in new opportunities or will consider returning such capital to its shareholders.

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

Capital Resources

The total capital of the Company as at December 31, 1997 and 1996 was as follows:

(in thousands)	1997	1996
Revolving Credit Facility	$ 50,000	$150,000
Minority interest - Company obligated mandatorily redeemable capital securities of a subsidiary trust	100,000	--
Shareholders' Equity	598,703	546,203
TOTAL CAPITAL RESOURCES	$748,703	$696,203

On March 7, 1997 the Company completed the sale of $100 million of Capital Securities - see Note 7 to the Consolidated Financial Statements. The Capital Securities mature on March 1, 2027, and pay cumulative cash distributions at an annual rate of 8.54 percent, payable semi-annually. Such securities are required to be classified as minority interest, rather than as a component of shareholders' equity of the Company.

During the third quarter of 1997, the Company executed the First Amendment to the Third Amended and Restated Credit Agreement dated as of December 12, 1996 (the "Revolving Credit Facility"). The amendments became effective on September 8, 1997, except for the amendments relating to invested assets, which were effective on June 30, 1997. The Revolving Credit Facility was amended to a) extend the termination date from December 1, 1999 to December 1, 2001; b) specifically define the Capital Securities as a component of Net Worth; c) amend the definition of invested assets and the covenants related to invested assets; d) amend certain restrictions regarding acquisitions, and e) amend certain fee schedules. As of December 31, 1997, $50 million was outstanding under the Revolving Credit Facility. Under the terms of the agreement, and if the Company is in compliance with the covenants thereunder, the Company has access to an additional $150 million should the need arise. During 1997, the average interest cost of the Revolving Credit Facility was 6.07 percent.

Shareholders' Equity

During 1997, shareholders' equity increased by $52.5 million, from $546.2 million at December 31, 1996 to $598.7 million at December 31, 1997. The components of the increase included net income from continuing operations of $139.2 million and a repayment of officers loans of $3.9

million, partially offset by the purchase of Common Shares of $53.5 million (see below), the payment of dividends of $22.6 million, the unrealized depreciation on investments of $11.7 million and $2.8 million of costs related to two secondary offerings and the Company's stock option plan.

Significant capital transactions have included:

- - On June 23, 1997, in conjunction with a secondary offering for the Company's founding institutional shareholders, the Company purchased and cancelled 700,000 Common Shares at $36.29 per share for an aggregate purchase price of $25.4 million from the Company's founding institutional shareholders or their successors.

- - On December 13, 1996, the Board of Directors approved a capital plan, which was comprised of two components. First the Company purchased and cancelled 2,085,361 Common Shares at $34.50 per share from its founding institutional investors or their successors for an aggregate purchase price of $71.9 million. Second, on January 22, 1997, the Company completed a fixed price tender offer and purchased and cancelled 813,190 Common Shares from its public shareholders at $34.50 per share for an aggregate purchase price of $28.1 million.

- - In July 1995, the Company completed the Initial Public Offering of its Common Shares. The net proceeds of approximately $54.5 million were used to reduce the Company's then-outstanding borrowings under the Revolving Credit Facility and for general corporate purposes.

Investments

Primarily because of the potential for large claims payments, the Company's investment portfolio is structured to provide a high level of liquidity. During 1997, the Company adjusted its investment guidelines to allow the reallocation of $50 million of its fixed maturity portfolio to equity securities. The table below shows the aggregate amounts of investments available for sale, equity securities and cash and cash equivalents comprising the Company's portfolio of invested assets:

YEAR ENDED DECEMBER 31, (IN THOUSANDS)	1997	1996
Investments available for sale at fair value	$710,166	$603,484
Equity securities, at fair value	26,372	--
Cash, cash equivalents	122,929	198,982
TOTAL INVESTED ASSETS	$859,467	$802,466

The growth in the Company's portfolio of invested assets for the year ended December 31, 1997 resulted from net cash provided by operating activities of $153.3 million offset by net cash used in financing activities of $72.0 million and net unrealized depreciation of investments of $11.7 million.

The Company's current investment guidelines call for the invested asset portfolio, including cash and cash equivalents, to have at least an AA rating as measured by Standard & Poor's Ratings Group. At December 31, 1997, the invested asset portfolio had a dollar weighted average rating of AA, an average duration of 2.8 years and an average yield to maturity of 6.61 percent, before investment expenses.

All fixed income securities in the Company's investment portfolio are classified as securities available for sale and are carried at fair value. Any unrealized gains or losses as a result of changes in fair value over the period such investments are held are not reflected in the Company's statement of operations, but rather are reflected in shareholders' equity. See Notes 2 and 3 to the Consolidated Financial Statements.

The Company periodically evaluates the creditworthiness of each issuer whose securities it holds. Special attention is paid to those securities whose market values have declined materially, for reasons other than changes in interest rates, to evaluate the realizable value of the investment, the specific condition of the issuer, and the issuer's ability to comply with the material terms of the security. Information reviewed may include the recent operational results and financial position of the issuer, information about its industry, recent press releases and other information as deemed necessary. If evidence does not exist to support a realizable value equal to or greater than the carrying value of the investment, and such decline in market value is determined to be other than temporary, the Company reduces the carrying amount to its net realizable value, which becomes the new cost basis. The amount of the reduction is reported as a realized loss. The Company recognizes any recovery of such reductions in the cost basis of an investment only upon the sale of the investment.

As at December 31, 1997 the Company held investments and cash totaling $859.5 million with a net unrealized depreciation balance of $10.2 million. Of the $859.5 million, the Company had dollar denominated fixed income investments in Korea, Thailand and Indonesia totaling $66.2 million with a net unrealized depreciation balance of $12.7 million. During the fourth quarter, the Company recognized $3.8 million in realized losses from the writedown of investments with an exposure to the financial conditions in Asia. The primary reasons for the writedown in the investments were the declines in the financial condition of the respective issuers and the related reduction in credit ratings by rating agencies. These changes caused the Company to conclude that the decline in fair value of certain investments was other than temporary. The Company's investment portfolio, specifically the remaining securities of Asian issuers, is subject to the risks of further declines in realizable value. The Company attempts to mitigate this risk through the active management of its portfolio.

At December 31, 1997 the Company's $26.4 million of equity securities, which were sold in January of 1998, were invested in currencies other than the U.S. dollar. Also at December 31, 1997, $9.6 million of cash and cash equivalents were invested in currencies other than the U.S. dollar. The combined $36.0 million represented approximately 4.2 percent of the Company's invested assets.

The Company's investment portfolio does not contain any investments in derivatives. Also, the Company's investment portfolio does not contain any direct investments in real estate, mortgage loans or similar securities.

Under the terms of certain reinsurance contracts, the Company may be required to provide letters of credit to reinsureds in respect of reported claims and/or unearned premiums. The Company has obtained a facility providing for the issuance of letters of credit. This facility is secured by a lien on a portion of the Company's investment portfolio. At December 31, 1997 the Company had outstanding letters of credit aggregating $24.7 million.

In order to encourage employee ownership of Common Shares, the Company has guaranteed certain loan and pledge agreements (collectively, the "Employee Credit Facility") between certain employees of the Company (the "Participating Employees") and Bank of America Illinois ("BofA"). Pursuant to the terms of the Employee Credit Facility, BofA has agreed to loan the Participating Employees up to an aggregate of $25 million solely to purchase Common Shares and to pay certain taxes relating to compensation payable in Common Shares. Each loan under the Employee Credit Facility is required to be initially collateralized by the respective Participating

Employee with Common Shares or other collateral acceptable to BofA. If the value of the collateral provided by a Participating Employee subsequently decreases, such Participating Employee is required to contribute additional collateral in the amount of such deficiency. Loans under the Employee Credit Facility are otherwise nonrecourse to the Participating Employees. Given the level of collateral, the Company does not presently anticipate that it will be required to honor any guarantees under the Employee Credit Facility, although there can be no assurance that the Company will not be so required in the future.

CURRENCY

The Company's functional currency is the United States ("U.S.") dollar. The Company writes a substantial portion of its business in currencies other than U.S. dollars and may, from time to time, experience significant exchange gains and losses and incur underwriting losses in currencies other than U.S. dollars, which will in turn affect the Company's financial statements. See Note 2 to the Consolidated Financial Statements.

The Company's foreign currency policy is to hold foreign currency assets, including cash and receivables, that approximate the net monetary foreign currency liabilities, including loss reserves and reinsurance balances payable. All changes in the exchange rates are recognized currently in the Company's statement of income. As a result of the Company's exposure to foreign currency fluctuations, it is anticipated that during periods in which the U.S. dollar appreciates, the Company will likely recognize foreign exchange losses.

EFFECTS OF INFLATION

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

YEAR 2000

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

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

Currently, none of the Company's reinsurance or insurance policies specifically provides coverage for Year 2000 losses. The Company has begun to explicitly exclude coverage for Year 2000 losses from its policies, and expects to adopt this wording for the majority of its policies and contracts going forward. The Company believes that the potential for a material loss due to this exposure has been, or will be, minimized; however, there can be no assurance that potential losses would not have an adverse effect on the future results of operations.

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

CURRENT OUTLOOK

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

Additionally, the Company's financial strength has enabled it to pursue opportunities outside of the property catastrophe reinsurance market, such as the expansion of Glencoe, the capitalization of DeSoto and the purchase of Nobel. The Company believes that its financial strength will enable it to continue to pursue other opportunities in the future. There can be no assurance that the Company's pursuit of such opportunities will materially impact the Company's financial condition and results of operations.

During recent fiscal years, there has been considerable consolidation among the leading reinsurance brokerage firms; whereby 70.1 percent of the Company's assumed premiums are sourced from five reinsurance brokers. Although there can be no assurance as to how this consolidation may effect the property catastrophe reinsurance business and the business of the Company, the Company believes that its valued relationships with the brokers will minimize any effect on the Company's business.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Management is responsible for the integrity of the consolidated financial statements and other financial information presented in this annual report. The accompanying consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States, applying certain estimates and judgements as required.

The Company's internal controls are designed so that transactions are authorized and executed in accordance with management's authorization, to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard the assets against unauthorized use or disposition. Such controls are based on established policies and procedures and are implemented by qualified personnel with an appropriate segregation of duties.

Ernst & Young, independent auditors, are retained to audit the Company's consolidated financial statements and express their opinion thereon. Their accompanying report is based on audits conducted in accordance with auditing standards generally accepted in the United States, which includes the consideration of the Company's internal controls and an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. These procedures enable them to obtain a reasonable assurance about whether the financial statements are free of material misstatement and provide a reasonable basis for their opinion.

The Board of Directors exercises its responsibility for these financial statements through its Audit Committee. The Audit Committee meets periodically with the independent auditors, both privately and with management present, to review accounting, auditing, internal controls and financial reporting matters.

/s/ James N. Stanard
- --------------------
James N. Stanard
Chairman, President and Chief Executive Officer

/s/ John M. Lummis
- -------------------
John M. Lummis
Senior Vice President and Chief Financial Officer

REPORT OF INDEPENDENT AUDITORS

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF RENAISSANCERE HOLDINGS LTD.

We have audited the accompanying consolidated balance sheets of RenaissanceRe Holdings Ltd. and Subsidiaries as of December 31, 1997 and 1996 and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of RenaissanceRe Holdings Ltd. and Subsidiaries as of December 31, 1997 and 1996, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1997, in conformity with accounting principles generally accepted in the United States.

Ernst & Young

Hamilton, Bermuda
January 14, 1998

CONSOLIDATED BALANCE SHEETS

RenaissanceRe Holdings Ltd. and Subsidiaries

AT DECEMBER 31, (expressed in thousands of United States dollars, except per share amounts)	1997	1996
ASSETS		
Investments and cash		
Fixed maturity investments available for sale, at fair value (Amortized cost $722,447 and $601,907 at December 31, 1997 and 1996, respectively) (Note 3)	$ 710,166	$ 603,484
Equity securities, at fair value (cost $24,229) (Note 3)	26,372	--
Cash and cash equivalents	122,929	198,982
Total investments and cash	859,467	802,466
Reinsurance premiums receivable	56,568	56,685
Ceded reinsurance balances	17,454	19,783
Accrued investment income	12,762	13,913
Deferred acquisition costs	5,739	6,819
Other assets	8,759	5,098
TOTAL ASSETS	$ 960,749	$ 904,764
LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY LIABILITIES		
Reserve for claims and claim adjustment expenses (Note 5)	$ 110,037	$ 105,421
Reserve for unearned premiums	57,008	65,617
Bank loan (Note 6)	50,000	150,000
Reinsurance balances payable	21,778	18,072
Other	9,541	4,215
TOTAL LIABILITIES	248,364	343,325
MINORITY INTEREST - COMPANY OBLIGATED, MANDATORILY REDEEMABLE CAPITAL SECURITIES OF A SUBSIDIARY TRUST HOLDING SOLELY JUNIOR SUBORDINATED DEBENTURES OF THE COMPANY (NOTE 7)	100,000	--
MINORITY INTEREST - GLENCOE	13,682	15,236
COMMITMENTS AND CONTINGENCIES (NOTE 17)		
SHAREHOLDERS' EQUITY (NOTES 8, 11 AND 16)		
Common Shares: $1 par value-authorized 100,000,000 shares; issued and outstanding at December 31, 1997- 22,440,901 shares (1996 - 23,530,616 shares)	22,441	23,531
Additional paid-in capital	52,481	102,902
Unearned stock grant compensation (Note 15)	(4,731)	--
Loans to officers (Note 15)	--	(3,868)
Net unrealized appreciation (depreciation) on investments (Note 3)	(10,155)	1,577
Retained earnings	538,667	422,061
TOTAL SHAREHOLDERS' EQUITY	598,703	546,203
TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	$ 960,749	$ 904,764
BOOK VALUE PER COMMON SHARE	$ 26.68	$ 23.21

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

RenaissanceRe Holdings Ltd. and Subsidiaries

YEARS ENDED DECEMBER 31, (expressed in thousands of United States dollars, except per share amounts)	1997	1996	1995
REVENUES			
Gross premiums written	$228,287	$ 269,913	$ 292,607
Net premiums written	$195,752	$ 251,564	$ 289,928
Decrease (increase) in unearned premium	15,738	1,264	(1,042)
Net premiums earned	211,490	252,828	288,886
Net investment income (Note 3)	49,573	44,280	32,320
Foreign exchange gains (losses)	(3,442)	789	3,045
Net realized gains (losses) on investments (Note 3)	(2,895)	(2,938)	2,315
TOTAL REVENUES	254,726	294,959	326,566
EXPENSES			
Claims and claim expenses incurred (Note 5)	50,015	86,945	110,555
Acquisition costs	25,227	26,162	29,286
Operational expenses	25,131	16,731	10,448
Corporate expenses	3,218	2,298	4,531
Interest expense	4,271	6,553	6,424
TOTAL EXPENSES	107,862	138,689	161,244
Income before minority interests and taxes	146,864	156,270	165,322
Minority interest - Company obligated, mandatorily redeemable capital securities of a subsidiary trust holding solely junior subordinated debentures of the Company (Note 7)	(6,998)	--	--
Minority interest - Glencoe	(617)	(110)	--
Income before taxes	139,249	156,160	165,322
Income tax expense (Note 12)	--	--	--
Net income	139,249	156,160	165,322
Net income allocable to Series B Preference Shares	--	--	2,536
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	$139,249	$ 156,160	$ 162,786
EARNINGS PER COMMON SHARE - BASIC	$ 6.19	$ 6.15	$ 6.84
EARNINGS PER COMMON SHARE - DILUTED	$ 6.06	$ 6.01	$ 6.75

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

RenaissanceRe Holdings Ltd. and Subsidiaries

YEARS ENDED NET DECEMBER 31, 1997, 1996 and 1995 (expressed in thousands of United States dollars)	COMMON SHARES	ADDITIONAL PAID-IN CAPITAL	UNEARNED STOCK GRANT COMPENSATION	LOANS TO OFFICERS	NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	RETAINED EARNINGS	TOTAL SHAREHOLDERS' EQUITY
BALANCE, DECEMBER 31, 1994	$ 141,201	$ --	$ --	$ --	$ (3,654)	$127,700	$ 265,247
Net income	--	--	--	--	--	165,322	165,322
Income allocated to Series B Preference Shares	--	--	--	--	--	(2,536)	(2,536)
Net unrealized appreciation of investments	--	--	--	--	6,353	--	6,353
Conversion of Series A Preference Shares	(127,175)	127,175	--	--	--	--	--
Exercise of options, share grants and related items	974	3,506	--	--	--	--	4,480
Stock dividend to common shareholders	7,500	(7,500)	--	--	--	--	--
Issuance of Common Shares	3,105	51,189	--	--	--	--	54,294
Loans to officers	--	--	--	(2,728)	--	--	(2,728)
Dividends declared and paid to common shareholders	--	--	--	--	--	(4,096)	(4,096)
BALANCE, DECEMBER 31, 1995	25,605	174,370	--	(2,728)	2,699	286,390	486,336
Net income	--	--	--	--	--	156,160	156,160
Net unrealized depreciation of investments	--	--	--	--	(1,122)	--	(1,122)
Purchase of Common Shares	(2,085)	(70,860)	--	--	--	--	(72,945)
Secondary registration costs	--	(515)	--	--	--	--	(515)
Exercise of options and related items	11	(93)	--	--	--	--	(82)
Loans to officers	--	--	--	(1,140)	--	--	(1,140)
Dividends declared and paid to common shareholders	--	--	--	--	--	(20,489)	(20,489)
BALANCE, DECEMBER 31, 1996	23,531	102,902	--	(3,868)	1,577	422,061	546,203
Net income	--	--	--	--	--	139,249	139,249
Net unrealized depreciation of investments	--	--	--	--	(11,732)	--	(11,732)
Purchase of Common Shares	(1,513)	(51,945)	--	--	--	--	(53,458)
Secondary registration costs	--	(1,300)	--	--	--	--	(1,300)
Exercise of options, share grants and related items	423	2,824	(4,731)	--	--	--	(1,484)
Repayment of loans from officers	--	--	--	3,868	--	--	3,868
Dividends declared and paid to common shareholders	--	--	--	--	--	(22,643)	(22,643)
BALANCE, DECEMBER 31, 1997	$ 22,441	$ 52,481	(4,731)	$ --	$ (10,155)	$538,667	$ 598,703

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

RenaissanceRe Holdings Ltd. and Subsidiaries

YEARS ENDED DECEMBER 31, (expressed in thousands of United States dollars)

CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	1997	1996	1995
Net income	$139,249	$156,160	$165,322
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	1,121	296	548
Realized loss (gain) on investments	2,895	2,938	(2,315)
Reinsurance balances, net	3,823	16,906	(5,440)
Ceded reinsurance balances	2,328	(17,756)	(1,293)
Accrued investment income	1,151	938	(6,117)
Reserve for unearned premiums	(8,610)	5,173	1,043
Reserve for claims and claim adjustment expenses	4,617	4,976	37,177
Other, net	6,710	5,186	6,382
NET CASH PROVIDED BY OPERATING ACTIVITIES	153,284	174,817	195,307
CASH FLOWS APPLIED TO INVESTING ACTIVITIES			
Proceeds from maturities and sales of investments	697,532	317,582	268,575
Purchase of investments available for sale	(829,193)	(404,888)	(579,764)
Net sales of short-term investments	--	4,988	72,547
Purchase of equities	(81,452)	--	--
Proceeds from sale of equities	57,958	--	--
Purchase of furniture and equipment	--	(2,989)	(349)
Purchase of minority interest in Glencoe	(5,185)	--	--
Proceeds from sale of minority interest in Glencoe	3,000	15,126	--
NET CASH APPLIED TO INVESTING ACTIVITIES	(157,340)	(70,181)	(238,991)
CASH FLOWS PROVIDED BY (APPLIED TO) FINANCING ACTIVITIES			
Purchase of Common Shares	(53,458)	(73,460)	--
Proceeds from issuance of Common Shares	--	--	54,496
Net proceeds from (repayment of) bank loan	(100,000)	50,000	40,000
Redemption of Series B 15% Cumulative Redeemable Voting Preference Shares	--	--	(57,874)
Proceeds from issuance of Capital Securities	100,000	--	--
Dividends paid	(22,643)	(20,489)	(4,096)
Repayments from (loans to) officers	4,104	(868)	(2,728)
NET CASH PROVIDED BY (APPLIED TO) FINANCING ACTIVITIES	(71,997)	(44,817)	29,798
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(76,053)	59,819	(13,886)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	198,982	139,163	153,049
CASH AND CASH EQUIVALENTS, END OF YEAR	$122,929	$198,982	$139,163

See accompanying notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION

RenaissanceRe Holdings Ltd. ("RenaissanceRe"), was formed under the laws of Bermuda on June 7, 1993 and serves as the holding company for its wholly owned subsidiaries, Renaissance Reinsurance Ltd. ("Renaissance Reinsurance") and RenaissanceRe Capital Trust ("the Trust") and its majority owned subsidiary, Glencoe Insurance Ltd. ("Glencoe"). Renaissance Reinsurance and Glencoe were also incorporated in Bermuda and the Trust was incorporated in Delaware.

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

On December 19, 1997, the Company announced it had executed a definitive agreement to acquire the operating subsidiaries of Nobel Insurance Limited, through a newly established U. S. holding company. The principal businesses of Nobel Insurance Limited are the service and underwriting of commercial property, casualty and surety risks for specialized industries and personal lines coverage for low value dwellings. The principal operating unit, Nobel Insurance Company ("Nobel"), is a Texas domiciled company, licensed in 50 states. In connection with the acquisition, Nobel's lead casualty reinsurers, American Reinsurance Company, and Inter-Ocean Reinsurance Company Ltd., have agreed to provide reinsurance for the casualty business with respect to future and prior accident years. Under the terms of the agreement, the Company will acquire the subsidiaries for $54.1 million in cash, and will provide $8.9 million of limited recourse financing to enable Nobel Insurance Limited to support certain obligations in the liquidation of its remaining operations. The acquisition is expected to be financed with a combination of bank debt and cash.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements have been prepared on the basis of United States generally accepted accounting principles ("GAAP") and include the accounts of RenaissanceRe and its subsidiaries, Renaissance Reinsurance and Glencoe. RenaissanceRe, Renaissance Reinsurance and Glencoe are collectively referred to herein as the "Company". All intercompany transactions and balances have been eliminated on consolidation. Minority interests represent the interests of external parties in respect of net income and shareholders' equity of Glencoe and the Trust (see Note 7). Certain comparative information has been reclassified to conform to current presentation.

Use of estimates in financial statements

The preparation of financial statements in conformity with 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. The Company's principal estimates include claims and claim adjustment expenses and certain premiums estimated on information from ceding companies. Actual results could differ from those estimates.

Premium revenues and related expenses

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

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

Claims and claim adjustment expenses

The reserve for claims and claim adjustment expenses includes estimates for unpaid claims and claim adjustment expenses on reported losses as well as an estimate of losses incurred but not reported. The reserve is based on reports and individual case estimates received from ceding companies as well as management estimates of ultimate losses. Inherent in the estimates of ultimate losses are expected trends in claim severity and frequency and other factors which could vary significantly as claims are settled. Accordingly, ultimate losses may vary materially from the amounts provided in the consolidated financial statements. These estimates are reviewed regularly and, as experience develops and new information becomes known, the reserves are adjusted as necessary. Such adjustments, if any, are reflected in results of operations in the period in which they become known and are accounted for as changes in estimates.

Investments

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

Realized gains or losses on the sale of investments are determined on the basis of the specific identification method and include adjustments to the net realizable value of investments for declines in value that are considered to be other-than-temporary. Net investment income includes interest and dividend income together with amortization of market premiums and discounts and is net of investment management and custody fees. The amortization of premium and accretion of discount for fixed maturity securities is computed utilizing the interest method. The effective yield utilized in the interest method is adjusted when sufficient information exists to estimate the probability and timing of prepayments. Fair values of investments are based on quoted market prices, or when such prices are not available, by reference to broker or underwriter bid indications.

Fair value of financial instruments

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

Earnings per share

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

Foreign exchange

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

Cash and cash equivalents

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

Stock incentive compensation plans

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

New accounting pronouncements

In June 1997, the FASB issued SFAS No. 130, "Reporting Comprehensive Income" and SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information". SFAS No. 130 requires that a company classify items of other comprehensive income in a financial statement and display the accumulated balance of other comprehensive income in the equity section of a statement of financial position. SFAS No. 131 requires disclosures about segments of a company and related information about the different types of business activities and the different economic environments in which it operates. These statements will be effective for periods beginning after December 15, 1997 with earlier application permitted. The effect of adopting these standards will not be material to the Company's financial position.

NOTE 3. INVESTMENTS

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

DECEMBER 31, 1997 (amounts expressed in thousands)	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	FAIR VALUE
U.S. Government bonds	$257,788	$ 15	$ (18)	$257,785
Non-U.S. government bonds	263,463	1,892	(8,512)	256,843
Non-U.S. corporate bonds	194,320	1,808	(7,513)	188,615
Non-U.S. mortgage-backed securities	6,876	47	--	6,923
	$722,447	$3,762	$(16,043)	$710,166

DECEMBER 31, 1996 (amounts expressed in thousands)	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	FAIR VALUE
Non-U.S. government bonds	$239,019	$1,338	$ (1,001)	$239,356
Non-U.S. corporate bonds	328,398	2,110	(933)	329,575
Non-U.S. mortgage-backed securities	34,490	63	--	34,553
	$601,907	$3,511	$ (1,934)	$603,484

The gross unrealized gains and losses on equity securities at December 31, 1997 were as follows:

DECEMBER 31, 1997 (amounts expressed in thousands)	COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	FAIR VALUE
Equity securities	$24,229	$3,777	$(1,634)	$26,372

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

(amounts expressed in thousands)	DECEMBER 31, 1997 AMORTIZED COST	FAIR VALUE
Due within one year	$ 83,831	$ 84,105
Due after one through five years	477,443	473,027
Due after five through ten years	99,202	90,875
Due after ten years	61,971	62,159
	$722,447	$710,166

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

	AT DECEMBER 31, 1997	1996
AAA	56.9%	28.1%
AA	12.2	50.1
A	14.9	20.2
BBB	5.0	1.6
BB	4.9	--
B	6.1	--
	100.0%	100.0%

Investment income

The components of net investment income are as follows:

(amounts expressed in thousands)	YEARS ENDED DECEMBER 31, 1997	1996	1995
Fixed maturities	$42,183	$36,335	$25,936
Short-term investments	--	53	2,974
Cash and cash equivalents	9,338	9,460	5,122
	51,521	45,848	34,032
Investment expenses	1,948	1,568	1,712
NET INVESTMENT INCOME	$49,573	$44,280	$32,320

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

(amounts expressed in thousands)	YEARS ENDED DECEMBER 31, 1997	1996	1995
Gross realized gains	$ 4,741	$ 1,240	$ 2,488
Gross realized losses	(7,636)	(4,178)	(173)
Net realized gains (losses) on investments	(2,895)	(2,938)	2,315
Unrealized gains (losses)	(11,732)	(1,122)	6,353
TOTAL REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS	$(14,627)	$(4,060)	$8,668

Proceeds from maturities and sales of fixed maturity investments were $697.5 million, $317.6 million and $268.6 million for the years ended December 31, 1997, 1996 and 1995, respectively. Proceeds from the sales of equity securities were $58.0 million for the year ended December 31, 1997.

At December 31, 1997, the Company's investments in equity securities and in cash and cash equivalents included $36.0 million of investments in non-U.S. dollar currencies, representing approximately 4.2 percent of invested assets. At December 31, 1996, cash and cash equivalents included $25.3 million of investments in non-U.S. dollar currencies, representing approximately 3.2 percent of invested assets.

NOTE 4. CEDED REINSURANCE

The Company utilizes reinsurance to reduce its exposure to large losses. The Company currently has in place contracts that provide for recovery of a portion of certain claims and claim expenses from reinsurers in excess of various retentions and loss warranties. If reinsurers are unable to meet their obligations under the agreements, the Company would remain liable to the extent that any reinsurance company fails to meet its obligation. To date, there have been no losses reported to indicate that the Company's reinsurance coverage will be reached, and there are no amounts recoverable for claims and claim expenses from reinsurers. The earned reinsurance premiums ceded during 1997 were $25.1 million.

NOTE 5. RESERVE FOR CLAIMS AND CLAIM ADJUSTMENT EXPENSES

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

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

	YEARS ENDED DECEMBER 31,		
(amounts expressed in thousands)	1997	1996	1995
Balance as of January 1	$105,421	$100,445	$ 63,268
Incurred related to:			
Current year	50,015	75,118	80,939
Prior years	--	11,827	29,616
Total incurred	50,015	86,945	110,555
Paid related to:			
Current year	3,740	26,415	29,253
Prior years	41,659	55,554	44,125
Total paid	45,399	81,969	73,378
BALANCE AS OF DECEMBER 31	$110,037	$105,421	$100,445

The Company had no development of prior year reserves in 1997. During 1996, the Company incurred $11.8 million of claims and claim expenses for 1995 and prior periods primarily as a result of reserve increases for claims related to the Northridge, California earthquake and a retrocessional quota share contract. The additional development on both of these claims was partially offset by additional premiums received under the reinsured contracts. During 1995, the Company incurred $29.6 million of claims and claim expenses for 1994 and prior periods primarily as a result of reserve increases for claims related to the Northridge, California earthquake, reserve changes related to a retrocessional quota share contract and a large industrial catastrophe that occurred late in 1994. The additional development on these claims was partially offset by additional premiums received under the reinsured contracts. The Company's total reserve for incurred but not reported claims was $66.5 million at the end of 1997 compared to $42.7 million at the end of 1996.

NOTE 6. BANK LOAN

On December 12, 1996, the Company amended and restated its unsecured Revolving Credit Facility with a syndicate of commercial banks. The amended and restated Revolving Credit Facility provides for the borrowing of up to $200 million on terms generally extended to prime borrowers. Effective September 8, 1997 the Revolving Credit Facility was amended to extend the termination date from December 1, 1999 to December 1, 2001. The full amount of the Revolving Credit Facility is available with two optional one year extensions, if requested by the Company and approved by the lenders, subject to certain maximum leverage ratios and other covenants. As of December 31, 1997, $50 million was outstanding under this agreement.

Interest payments on the Company's Revolving Credit Facility totaled $4.6 million, $6.9 million and $5.8 million for the years ended December 31, 1997, 1996 and 1995, respectively.

NOTE 7. CAPITAL SECURITIES

On March 7, 1997 the Company completed the sale of $100 million of "Company Obligated, Mandatorily Redeemable Capital Securities of a Subsidiary Trust holding solely $103,092,783.51 of the Company's 8.54 percent Junior Subordinated Debentures due March 1, 2027" ("Capital Securities") issued by the Trust, a newly created subsidiary business trust of the Company. The Capital Securities pay cumulative cash distributions at an annual rate of 8.54 percent, payable semi-annually. Proceeds from the offering were used to repay a portion of the Company's outstanding indebtedness. Effective September 11, 1997 the Trust exchanged the Capital Securities for substantially the same securities registered under the Securities Act of 1933.

The Trust is a wholly owned subsidiary of the Company and is consolidated into the Company's consolidated financial statements. The Capital Securities and the related accrued dividends, are reflected in the consolidated financial statements as a minority interest.

NOTE 8. SHAREHOLDERS' EQUITY

The Company's 100,000,000 authorized $1.00 par value Common Shares consist of three separate series with differing voting rights as follows:

	AUTHORIZED	ISSUED AND OUTSTANDING
Full Voting Common Shares (the Common Shares) (includes all shares registered and available to the public)	81,570,583	19,674,184
Diluted Voting Class I Common Shares (the Diluted Voting I Shares)	16,789,776	2,448,504
Diluted Voting Class II Common Shares (the Diluted Voting II Shares)	1,639,641	318,213
	100,000,000	22,440,901

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

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

On June 23, 1997, concurrent with a secondary offering, the Company purchased for cancellation 700,000 Common Shares at $36.29 per share, for an aggregate price of $25.4 million from the

Company's founding institutional shareholders or their successors.

On May 8, 1997 the shareholders voted to reduce the authorized number of Common Shares from 200,000,000 to 100,000,000. Subsequent to that vote, shareholders approved the authorization of 100,000,000 shares of preference stock.

On December 13, 1996, the Board of Directors approved a capital plan which was comprised of two components. First, the Company purchased 2,085,361 Common Shares at $34.50 per share for an aggregate price of $71.9 million on a pro-rata basis from its founding institutional investors. Second, on January 22, 1997 the Company completed a fixed price tender offer for 813,190 Common Shares at $34.50 per share for an aggregate price of $28.1 million.

In November 1997, June 1997 and February 1996, the Company paid for the costs of secondary offerings of the Company's Common Shares sold by the founding institutional investors. The Company incurred costs of $0.6, $0.7 and $0.5 million, respectively, with respect to the registrations which are reflected as a reduction to additional paid-in capital on the balance sheet.

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

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

- - The Company effected a consolidation and subdivision of its authorized share capital allocated to Common Shares of $1.00 par value each and reallocated the entire $200 million authorized capital of the Company to its Common Shares. The Company issued a stock dividend of one fully-paid Common Share for each two issued and outstanding Common Shares (the "Stock Dividend"). This issuance reclassified $7.5 million to the Company's Common Shares from additional paid-in capital.

- - The Series A Preference Shares were converted into 21,037,500 Common Shares.

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

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

NOTE 9. EARNINGS PER SHARE

As discussed in Note 2, the Company adopted SFAS No. 128 - "Earnings per Share", as of December 31, 1997. The numerator in both the Company's basic and diluted earnings per share calculations are identical. The following table sets forth the reconciliation of the denominator from basic to diluted weighted average shares outstanding:

(in thousands of per share amounts)	1997	1996	1995
Weighted average shares - basic	22,496	25,388	23,794
Per share equivalents of employee stock options and restricted shares	471	607	327
WEIGHTED AVERAGE SHARES - DILUTED	22,967	25,995	24,121

NOTE 10. RELATED PARTY TRANSACTIONS AND MAJOR CUSTOMERS

The Company has in force several treaties with USF&G, subsidiaries of USF&G and affiliates of General Electric Investments ("GEI") covering property catastrophe risks in several geographic regions. The terms of these treaties were determined in arms length negotiations and the Company believes that such terms are comparable to terms the Company would expect to negotiate in similar transactions with unrelated parties. For the years ended December 31, 1997, 1996 and 1995, the Company received $19.2 million, $27.9 million and $45.7 million in reinsurance premiums and deposits related to these treaties, respectively.

Renaissance Reinsurance has entered into Investment Advisory Agreements with each of Warburg, Pincus Investments International (Bermuda) Ltd., ("Counselors"), an affiliate of Warburg, Pincus, GE Investment Management, an affiliate of GEI, and Falcon Asset Management (Bermuda), Ltd. ("Falcon"), an affiliate of USF&G. Counselors, GE Investment Management and Falcon currently manage approximately 95 percent of the Company's investment portfolio, subject to the Company's investment guidelines. The terms of the Investment Advisory Agreements were determined in arms length negotiations. The performance of, and the fees paid to, Counselors, GE Investment Management and Falcon under the Investment Advisory Agreements are reviewed periodically by the Board. Such fees paid to Counselors, GE Investment Management and Falcon aggregated to $1.2 million, $1.1 million and $1.4 million for the years ended December 31, 1997, 1996 and 1995, respectively.

During the years ended December 31, 1997, 1996 and 1995, the Company received 70.1%, 58.5%, and 47.9%, respectively, of its premium assumed from its five largest reinsurance brokers. Subsidiaries and affiliates of J&H Marsh & McLennan, Inc., E. W. Blanch & Co., Benfield Greig Ltd., AON Re Group and Bates Turner, L.L.C. (a GE Capital Services Company, an affiliate of GEI) accounted for approximately 23.5%, 21.2%, 13.1%, 7.9% and 4.4%, respectively, of the Company's net premiums written in 1997.

NOTE 11. DIVIDENDS

During 1997, four regular quarterly dividends of $0.25 per share were paid to shareholders of record as of February 19, May 22, August 20, and November 20. During 1996, four regular quarterly dividends of $0.20 per share were paid to shareholders of record as of February 20, May 16, August 20, and November 19. During 1995 the Company paid a dividend of $0.16 per share, payable to shareholders of record as of November 21. The total amount of dividends paid to common shareholders during 1997, 1996 and 1995 was $22.6 million, $20.5 million and $4.1 million, respectively.

NOTE 12. TAXATION

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

NOTE 13. GEOGRAPHIC INFORMATION

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

(amounts expressed in thousands)	YEARS ENDED DECEMBER 31, 1997	1996	1995
United States	$123,717	$126,611	$144,077
Worldwide	27,930	44,460	59,137
Worldwide (excluding U.S.)	32,005	38,746	41,311
Europe (including the United Kingdom)	21,007	31,534	25,365
Other	16,738	18,958	11,720
Australia and New Zealand	6,890	9,604	10,997
TOTAL GROSS PREMIUMS WRITTEN	$228,287	$269,913	$292,607

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

NOTE 14. EMPLOYEE BENEFIT PLANS

Pension plans

The Company's employees that are not subject to U.S. taxation may participate in a contributory savings and investment plan. Each employee in the non-U.S. plan may contribute to the plan. Employee contributions are matched at a rate of 100 percent of the first 6 percent of compensation contributed to the plan. The Company's employees that are subject to U.S. taxation participate in a defined contribution savings and investment plan. Employee contributions are matched at a rate of 50 percent, subject to IRS and ERISA regulations. In addition the Company provides a health benefit plan providing hospital, medical and other health benefits.

NOTE 15. STOCK INCENTIVE COMPENSATION PLANS

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

The Company adopted the disclosure-only method under SFAS No. 123, "Accounting for Stock Based Compensation", as of December 31, 1996. In accordance with SFAS No. 123, the fair value of option grants is estimated on the date of grant using the Black-Scholes option pricing model for pro forma footnote purposes with the following assumptions used for grants in all years; dividend yield of 2.5 percent, expected option life of five years, and expected volatility of 25.09 percent per annum. The risk-free interest rate was assumed to be 6.50 percent in 1996 and 6.00 percent in 1997. If the compensation cost had been determined based upon the fair value method recommended in SFAS No. 123, the Company's net income would have been $135.4 million, $155.4

million and $161.8 million for each of 1997, 1996 and 1995, respectively, and the Company's earnings per share on a diluted basis would have been $5.89, $5.98 and $6.71 for each of 1997, 1996 and 1995, respectively.

The following is a table of the changes in options outstanding for 1997, 1996 and 1995:

	OPTIONS AVAILABLE FOR GRANT	OPTIONS OUTSTANDING	WEIGHTED AVERAGE EXERCISE PRICE	FAIR VALUE OF OPTIONS	RANGE OF EXERCISE PRICES
Balance, December 31, 1994	--	100,000	$ 1.00		
Authorized	2,900,000				
Options granted					
Exercise price at market price	(877,650)	877,650	$13.43	$ 3.59	$13.00-$15.55
Exercise price below market price	(24,000)	24,000	$19.50	$ 10.37	$19.50
Options exercised		(100,000)	$ 1.00		
Balance, December 31, 1995	1,998,350	901,650	$13.59		
Options granted					
Exercise price at market price	(424,349)	424,349	$29.41	$ 7.86	$29.25-$29.55
Options exercised		(28,738)	$14.91		
Balance, December 31, 1996	1,574,001	1,297,261	$18.74		
Authorized	1,000,000				
Shares turned in or withheld	114,287				
Options granted					
Exercise price at market price	(705,949)	705,949	$37.49	$ 9.67	$34.18-$44.61
Options forfeited	144,436	(144,436)	$28.91		
Options exercised		(571,967)	$15.23		
Restricted stock issued	(174,704)				
Restricted stock forfeited	8,249				
Balance, December 31,1997	1,960,320	1,286,807	$26.67		
TOTAL OPTIONS EXERCISABLE AT DECEMBER 31, 1997		149,285			

In 1996, the Company established a Non-Employee Director Stock Plan to issue stock options and shares of restricted stock. The maximum number of shares which may be issued under the plan shall not exceed 100,000 Common Shares. Under this plan, 24,000 options to purchase Common Shares and 1,870 restricted Common Shares have been issued. The options and restricted Common Shares vest ratably over three years.

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

statements as a non-cash compensation expense. There was no compensation expense in 1997 or 1996. Compensation expense for this plan was $2.8 million in 1995.

During 1997, the shareholders approved an increase in the number of authorized shares by 1,000,000 shares, the issuance of share-based awards, the issuance of restricted Common Shares and an adjustment in the calculation of shares available for issuance thereunder by deeming the number of shares tendered to, or withheld by the Company in connection with certain option exercises and in satisfaction of tax withholding liabilities to be so available.

During 1997, the Company's Board of Directors approved an employee stock bonus plan. Under the plan, eligible employees may elect to receive a grant of Common Shares of up to 50 percent of their bonus in lieu of cash, with an associated grant of an equal number of restricted shares. The restricted Common Shares vest ratably over three years. During the restricted period, the employee receives dividends and votes the restricted Common Shares, but the restricted shares may not be sold, transferred or assigned. In 1997, the Company issued 46,424 restricted shares with a value of $1.7 million under this plan. Additionally, the Board of Directors granted 128,279 restricted shares with a value of $4.9 million to certain executive officers of the Company. The shares granted to executive officers vest ratably over four years. At the time of grant, the market value of the shares awarded under these plans is recorded as unearned stock grant compensation and is presented as a separate component of shareholders' equity. The unearned compensation is charged to operations over the vesting period. Compensation expense related to these plans was $0.7 million in 1997.

NOTE 16. STATUTORY REQUIREMENTS

Under the Insurance Act, 1978, amendments thereto and related regulations of Bermuda ("the Act"), Renaissance Reinsurance and Glencoe are required to prepare statutory financial statements and to file in Bermuda a statutory financial return. The Act also requires Renaissance Reinsurance and Glencoe to maintain certain measures of solvency and liquidity during the period. As at December 31, 1997 the statutory capital and surplus of the Company's subsidiaries was $665 million and the amount required to be maintained was $115 million.

Under the Act, Renaissance Reinsurance is classified as a Class 4 insurer, and is therefore restricted as to the payment of dividends in the amount of 25 percent of the prior year's statutory capital and surplus, unless at least two members of the board of directors attest that a dividend in excess of this amount would not cause Renaissance Reinsurance to fail to meet its relevant margins. During 1997, Renaissance Reinsurance paid aggregate cash dividends of $117.5 million to RenaissanceRe.

Glencoe is also eligible as an excess and surplus lines insurer in a number of states in America. There are various capital and surplus requirements in these states, with the most onerous requiring the Company to maintain a minimum of $15 million in capital and surplus. In this regard the declaration of dividends from retained earnings and distributions from additional paid-in capital are limited to the extent that the above requirements are met.

NOTE 17. COMMITMENTS AND CONTINGENCIES

Lease commitments and fixed assets

The Company maintains an operating lease with respect to its offices. Rent payments totaled $0.6 million in 1997 which will continue through September 30, 2001. In addition, the Company is

party to certain lease commitments with respect to housing on behalf of certain officers of the Company.

Financial instruments with off-balance sheet risk

As of December 31, 1997, the Company did not maintain any financial instruments that exposed the Company to any off-balance sheet risks.

Concentration of credit risk

None of the Company's investments exceeded 10 percent of shareholders' equity at December 31, 1997.

Letters of credit

Effective as of December 31, 1997 the Company's bankers have issued letters of credit of approximately $24.7 million in favor of certain ceding companies. The letters of credit are secured by cash and cash equivalents of similar amounts.

Employment agreements

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

Employee credit facility

In June of 1997, the Company executed a credit facility in order to encourage direct, long-term ownership of the Company's stock, and to facilitate purchases of the Company's stock by officers of the Company. Under the terms of the facility, the purchases are financed by personal loans to the officers from the bank. Such loans are collateralized by the stock purchased. The Company guarantees the loans, but has recourse to the collateral if it incurs a loss under the guarantee. In addition, the Company has agreed to provide loans to the officers for interest payments under the bank loans. At December 31, 1997, the bank loans guaranteed by the Company totaled $7.9 million. At December 31, 1997, the common stock that collateralizes the loans had a fair value of $20.4 million.

NOTE 18. QUARTERLY FINANCIAL RESULTS (UNAUDITED)

(amounts expressed in thousands, except per share amounts)	QUARTER ENDED MARCH 31,		QUARTER ENDED JUNE 30,		QUARTER ENDED SEPTEMBER 30,		QUARTER ENDED DECEMBER 31,	
	1997	1996	1997	1996	1997	1996	1997	1996
Net premiums earned	$ 55,901	$ 61,699	$ 51,463	$ 62,015	$ 52,995	$ 63,453	$ 51,131	$ 65,661
Net investment income	12,125	10,058	12,216	10,267	12,653	12,620	12,579	11,335
Net foreign exchange gains (losses)	(1,643)	(94)	479	(558)	(356)	266	(1,922)	1,175
Net realized investment gains (losses)	166	(617)	(302)	(1,514)	1,053	(660)	(3,812)	(147)
Total revenue	$ 66,549	$ 71,046	$ 63,856	$ 70,210	$ 66,345	$ 75,679	$ 57,976	$ 78,024
Claims and claim expenses incurred	$ 14,238	$ 19,981	$ 11,106	$ 19,336	$ 14,673	$ 26,298	$ 9,998	$ 21,330
Net income	$ 35,437	$ 39,171	$ 37,005	$ 39,281	$ 35,408	$ 36,463	$ 31,399	$ 41,245
Earnings per share - basic	$ 1.56	$ 1.54	$ 1.63	$ 1.54	$ 1.59	$ 1.43	$ 1.41	$ 1.64
Earnings per share - diluted	$ 1.52	$ 1.50	$ 1.59	$ 1.51	$ 1.56	$ 1.40	$ 1.38	$ 1.60
Weighted average shares - basic	22,779	25,443	22,700	25,445	22,233	25,532	22,271	25,130
Weighted average shares - diluted	23,295	26,088	23,201	26,076	22,699	26,084	22,673	25,732
Claims and claim expense ratio	25.5%	32.4%	21.6%	31.2%	27.7%	41.5%	19.6%	32.5%
Underwriting expense ratio	22.0%	15.6%	23.4%	16.0%	24.1%	17.4%	25.9%	18.7%
Combined ratio	47.5%	48.0%	45.0%	47.2%	51.8%	58.9%	45.5%	51.2%

All earnings per share amounts have been restated to conform to the requirements of Financial Accounting Standards Board Statement No. 128, "Earnings per Share".

DIRECTORS AND OFFICERS (as of March 1, 1998)

BOARD OF DIRECTORS

RenaissanceRe Holdings Ltd.

JAMES N. STANARD(3)
Chairman of the Board

ARTHUR S. BAHR(1) (2)
Retired
General Electric Investment Corporation

THOMAS A. COOPER(1) (2)
TAC Associates

EDMUND B. GREENE
General Electric Company

DAN L. HALE(1) (2)
USF&G

GERALD L. IGOU(3)
General Electric Investment Corporation

KEWSONG LEE(1)
E. M. Warburg, Pincus & Co., L.L.C.

HOWARD H. NEWMAN(2)
E. M. Warburg, Pincus & Co., L.L.C.

SCOTT E. PARDEE(1) (3)
Massachusetts Institute of Technology

JOHN C. SWEENEY(3)
Falcon Asset Management

DAVID A. TANNER(3)
E. M. Warburg, Pincus & Co., L.L.C.(4)

Committees of the Board:

(1) Audit
(2) Compensation
(3) Investment
(4)through December 1, 1997

OFFICERS

RenaissanceRe Holdings Ltd.

JAMES N. STANARD
Chairman of the Board,
President & Chief Executive Officer

KEITH S. HYNES
Executive Vice President

WILLIAM I. RIKER
Executive Vice President

JOHN M. LUMMIS
Senior Vice President
& Chief Financial Officer

MARTIN J. MERRITT
Vice President & Controller

JOHN D. NICHOLS, JR.
Vice President, Secretary & Treasurer

Renaissance Reinsurance Ltd.

JAMES N. STANARD
Chairman of the Board

WILLIAM I. RIKER
President & Chief Operating Officer

DAVID A. EKLUND
Executive Vice President

ROBERT E. HYKES
Vice President

JAYANT S. KHADILKAR
Vice President

KEVIN J. O'DONNELL
Vice President

RUSSELL M. SMITH
Vice President

Glencoe Insurance Ltd.

JAMES N. STANARD
Chairman of the Board

KEITH S. HYNES
President & Chief Executive Officer

ALBERT J. COLOSIMO
Vice President

CRAIG W. TILLMAN
Assistant Vice President

DeSoto Insurance Company

KEITH S. HYNES
Chairman of the Board

ROBERT L. RICKER
President

JOHN D. MCCONNELL
Chief Financial Officer

FINANCIAL AND INVESTOR INFORMATION

For general information about the Company or for copies of the annual report, quarterly earnings releases and Forms 10-K and 10-Q, please contact:

John D. Nichols, Jr.
Vice President, Secretary & Treasurer
Tel: 441-299-7215
Internet: jdn@renre.com

STOCK INFORMATION

The Company's stock is listed on The New York Stock Exchange under the symbol RNR.

The following table sets forth the high and low closing sales prices per share, as reported on the New York Stock Exchange Composite Tape for the four fiscal quarters of 1997 and 1996:

	1997 PRICE RANGE		1996 PRICE RANGE	
	HIGH	LOW	HIGH	LOW
First quarter	40.00	32.63	31.75	26.88(1)
Second quarter	39.63	34.13	31.00	26.88(1)
Third quarter	45.88	37.88	30.88	26.75
Fourth quarter	49.94	39.88	36.00	27.88

(1) The Company's stock was traded on the Nasdaq National Market ("NNM") through July 23, 1996. For this period the prices above represent the NNM high ask and low bid information.

INDEPENDENT AUDITORS

Ernst & Young
Hamilton, Bermuda

TRANSFER AGENT

ChaseMellon Shareholder Services, L.L.C.
Overpeck Centre
85 Challenger Road
Ridgefield Park, NJ 07660
USA
Web site: www.chasemellon.com

All written requests should be sent to:
Shareholder Services
RenaissanceRe Holdings Ltd.
Renaissance House
8-12 East Broadway
P.O. Box HM2527
Hamilton HMGX, Bermuda

RENAISSANCERE HOLDINGS LTD.

Renaissance House
8-12 East Broadway
Pembroke HM19, Bermuda
Tel: 441-295-4513
Fax: 441-292-9453
Internet: jdn(a)renre.com
Web site: www.renre.com

Exhibit 21.1

SUBSIDIARIES OF RENAISSANCERE HOLDINGS LTD.

1. 100% of the issued and outstanding capital shares of Renaissance Reinsurance Ltd., a company organized under the laws of Bermuda, is owned by RenaissanceRe Holdings Ltd.

2. 80% of the issued and outstanding capital shares of Glencoe Insurance Ltd., a company organized under the laws of Bermuda, is owned by RenaissanceRe Holdings Ltd.

3. 100% of the issued and outstanding capital shares of DeSoto Insurance Company, a company organized under the laws of Florida, is owned by Glencoe Insurance Ltd.

4. 100% of the issued and outstanding capital shares of Renaissance U.S. Holdings, Inc., a corporation organized under the laws of Delaware, is owned by RenaissanceRe Holdings Ltd.

Exhibit 23.1

CONSENT OF ERNST & YOUNG

To the Board of Directors of
RenaissanceRe Holdings Ltd.

We consent to the incorporation by reference in the registration statement (No. 333-06339) on Form S-8 of RenaissanceRe Holdings Ltd. of our report dated January 14, 1998, relating to the consolidated financial statements of RenaissanceRe Holdings Ltd. and Subsidiaries as of and for the years ended December 31, 1997 and 1996 and for each of the years in the three year period ended December 31, 1997 and our report dated January 14, 1998 on the schedules included in the Company's 1997 Annual Report on Form 10-K, which reports are incorporated by reference/included in the December 31, 1997 Annual Report on Form 10-K of RenaissanceRe Holdings Ltd.

/s/ Ernst & Young

Hamilton, Bermuda
March 26, 1998

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DEC-31-1997
DEC-31-1997
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(3,740)
(41,659)
110,037
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DEC-31-1996
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105,421
65,617
0
0
150,000
0
0
23,531
522,672
904,764
252,828
44,170
(2,938)
789
86,945
26,162
16,731
156,160
0
156,160
0
0
0
156,160
6.15
6.01
100,445
75,118
11,827
(26,415)
(55,554)
105,421
(11,827)