

Financial Condition Report (“FCR”) For the year ended December 31, 2020

RenaissanceRe Holdings Ltd. and subsidiaries (collectively, the
“RenaissanceRe Group”)

As submitted to the Bermuda Monetary Authority on May 31, 2021

NOTE ON FORWARD-LOOKING STATEMENTS

This FCR for the year ended December 31, 2020 of the RenaissanceRe Group contains forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which, with respect to future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, us. In particular, statements using words such as “may”, “should”, “estimate”, “expect”, “anticipate”, “intend”, “believe”, “predict”, “potential”, or words of similar import generally involve forward-looking statements. For example, we may include certain forward-looking statements in the discussion and analysis of our financial condition and results of operations with regard to trends in results, prices, volumes, operations, investment results, margins, combined ratios, fees, reserves, market conditions, risk management and exchange rates. This FCR may also contain forward-looking statements with respect to our business and industry, such as those in relation to our strategy and management objectives, market standing and product volumes, competition and new entrants in our industry, industry capital, insured losses from loss events, government initiatives and regulatory matters affecting the reinsurance and insurance industries.

The inclusion of forward-looking statements in this FCR should not be considered as a representation by us or any other person that our current objectives or plans will be achieved. Numerous factors could cause our actual results to differ materially from those addressed by the forward-looking statements, including the following:

- the uncertainty of the continuing and future impact of the COVID-19 pandemic, including measures taken in response thereto and the effect of legislative, regulatory and judicial influences on our financial performance and our ability to conduct our business;
- the frequency and severity of catastrophic and other events we cover;
- the effectiveness of our claims and claim expense reserving process;
- the effect of climate change on our business, including the trend towards increasingly frequent and severe climate events;
- our ability to maintain our financial strength ratings;
- the effect of emerging claims and coverage issues;
- collection on claimed retrocessional coverage, and new retrocessional reinsurance being available on acceptable terms and providing the coverage that we intended to obtain;
- our reliance on a small and decreasing number of reinsurance brokers and other distribution services for the preponderance of our revenue;
- our exposure to credit loss from counterparties in the normal course of business;
- the effect of continued challenging economic conditions throughout the world;
- the performance of our investment portfolio and financial market volatility;
- a contention by the United States (the “U.S.”) Internal Revenue Service (the “IRS”) that Renaissance Reinsurance Ltd. (“Renaissance Reinsurance”), or any of our other Bermuda subsidiaries, is subject to taxation in the U.S.;
- the effects of U.S. tax reform legislation and possible future tax reform legislation and regulations, including changes to the tax treatment of our shareholders or investors in our joint ventures or other entities we manage;
- the effect of cybersecurity risks, including technology breaches or failure, on our business;
- the success of any of our strategic investments or acquisitions, including our ability to manage our operations as our product and geographical diversity increases;
- our ability to retain our key senior officers and to attract or retain the executives and employees necessary to manage our business;
- our ability to effectively manage capital on behalf of investors in joint ventures or other entities we manage;
- foreign currency exchange rate fluctuations;
- soft reinsurance underwriting market conditions;

- changes in the method for determining the London Inter-bank Offered Rate (“LIBOR”) and the replacement of LIBOR;
- losses we could face from terrorism, political unrest or war;
- our ability to successfully implement our business strategies and initiatives;
- our ability to determine any impairments taken on our investments;
- the effects of inflation;
- the ability of our ceding companies and delegated authority counterparties to accurately assess the risks they underwrite;
- the effect of operational risks, including system or human failures;
- our ability to raise capital if necessary;
- our ability to comply with covenants in our debt agreements;
- changes to the regulatory systems under which we operate, including as a result of increased global regulation of the insurance and reinsurance industries;
- changes in Bermuda laws and regulations and the political environment in Bermuda;
- our dependence on the ability of our operating subsidiaries to declare and pay dividends;
- aspects of our corporate structure that may discourage third-party takeovers and other transactions;
- difficulties investors may have in serving process or enforcing judgments against us in the U.S.;
- the cyclical nature of the reinsurance and insurance industries;
- adverse legislative developments that reduce the size of the private markets we serve or impede their future growth;
- consolidation of competitors, customers and insurance and reinsurance brokers;
- the effect on our business of the highly competitive nature of our industry, including the effect of new entrants to, competing products for and consolidation in the (re)insurance industry;
- other political, regulatory or industry initiatives adversely impacting us;
- our ability to comply with applicable sanctions and foreign corrupt practices laws;
- increasing barriers to free trade and the free flow of capital;
- international restrictions on the writing of reinsurance by foreign companies and government intervention in the natural catastrophe market;
- the effect of Organisation for Economic Co-operation and Development (the “OECD”) or European Union (“EU”) measures to increase our taxes and reporting requirements;
- changes in regulatory regimes and accounting rules that may impact financial results irrespective of business operations;
- our need to make many estimates and judgments in the preparation of our financial statements; and
- the effect of the exit by the United Kingdom (the “U.K.”) from the EU.

As a consequence, our future financial condition and results may differ from those expressed in any forward-looking statements made by or on behalf of us. The factors listed above should not be construed as exhaustive. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to revise or update forward-looking statements to reflect new information, events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

DEFINITIONS

Unless the context requires otherwise, references in this Financial Condition Report (“FCR”) to “RenaissanceRe” refer to RenaissanceRe Holdings Ltd. (the parent company) and references to the “Company”, “we”, “us”, “our”, “Group” or the “RenaissanceRe Group” refer to RenaissanceRe Holdings Ltd. and its subsidiaries, which include Renaissance Reinsurance and RenaissanceRe Specialty U.S. Ltd. (“RenaissanceRe Specialty U.S.”). The Company also underwrites reinsurance on behalf of joint ventures, including DaVinci Reinsurance Ltd. (“DaVinci”), Top Layer Reinsurance Ltd. (“Top Layer Re”), and Vermeer Reinsurance Ltd. (“Vermeer”). The financial results of DaVinci and DaVinci’s parent company, DaVinciRe Holdings Ltd. (“DaVinciRe”), and those of Vermeer are consolidated in the Company’s financial statements.

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1. EXECUTIVE SUMMARY

This FCR is prepared in accordance with the Bermuda Monetary Authority's ("BMA") Insurance (Public Disclosure) Rules 2015 and Insurance (Group Supervision) Rules 2011. The FCR documents the measures governing the business operations, corporate governance framework, solvency and financial performance of the RenaissanceRe Group for the year ended December 31, 2020 and for each of Renaissance Reinsurance, RenaissanceRe Specialty U.S., DaVinci, Top Layer Re, and Vermeer (collectively our "Bermuda Operating Subsidiaries"). The report provides information to enable an informed assessment on how the RenaissanceRe Group and Bermuda Operating Subsidiaries' respective business is run in a prudent manner.

The Group uses the standard Bermuda Solvency Capital Requirement ("BSCR") model to assess the Enhanced Capital Requirement ("ECR"). The Group and the Bermuda Operating Subsidiaries are transitioning over a three-year period to a revised BSCR standard formula, and all year-end 2020 required capital numbers reflect the second year of the transitional impact. This FCR is based primarily on the Economic Balance Sheets ("EBS") and the audited financial statements prepared in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP") of RenaissanceRe and the BMA Licensed Subsidiaries as at December 31, 2020.

In a year impacted by the global COVID-19 pandemic and multiple weather-related catastrophic losses, net income available to RenaissanceRe common shareholders was \$731.5 million, compared to \$712.0 million in 2019, an increase of \$19.4 million. We generated an annualized return on average common equity of 11.7% and our book value per common share increased from \$120.53 at December 31, 2019 to \$138.46 at December 31, 2020, a 16.0% increase, after considering the change in accumulated dividends paid to our common shareholders.

We incurred an underwriting loss of \$76.5 million and had a combined ratio of 101.9% in 2020, compared to underwriting income of \$256.4 million and a combined ratio of 92.3% in 2019. Our underwriting loss in 2020 was comprised of an \$87.5 million underwriting loss in our Casualty and Specialty segment, offset by underwriting income of \$11.2 million in our Property segment. Our underwriting result in 2020 was principally impacted by the 2020 weather-related large loss events and the COVID-19 losses. The COVID-19 losses, which impacted both the Property and Casualty and Specialty segments, resulted in a net negative impact on the underwriting result of \$351.9 million and added 8.9 percentage points to the combined ratio in 2020.

Our gross premiums written increased by \$1.0 billion, or 20.8%, to \$5.8 billion, in 2020, compared to 2019, with an increase of \$568.2 million in the Property segment and an increase of \$430.3 million in the Casualty and Specialty segment.

Our total investment result, which includes the sum of net investment income and net realized and unrealized gains on investments, was \$1.2 billion in 2020, compared to \$838.3 million in 2019, an increase of \$336.4 million. The increase was primarily driven by net realized and unrealized gains on investments of \$820.6 million in 2020, compared to \$414.1 million in 2019. The net realized and unrealized gains on investments in 2020 were driven by net realized and unrealized gains on the fixed maturity investments portfolio, equity investments trading and investment-related derivatives.

1.1. REGULATORY SUPERVISOR

Insurance Supervisor Bermuda Monetary Authority BMA House 43 Victoria Street, Hamilton Bermuda	Group Supervisor Bermuda Monetary Authority BMA House 43 Victoria Street, Hamilton Bermuda
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1.2. APPROVED AUDITOR

The Insurance Act 1978 requires the appointment of an independent auditor, which must be approved by the BMA. Ernst & Young, whose contact details are shown below, is RenaissanceRe's approved auditor for both statutory and U.S. GAAP reporting.

Organization:	Ernst & Young Ltd.
Jurisdiction:	Bermuda
Address:	3 Bermudiana Road, Hamilton, HM08
Email Address:	ernst.young@bm.ey.com
Phone Number:	+1441 295 7000

1.3. ORGANIZATION

1.3.1. Overview

RenaissanceRe is a global provider of reinsurance and insurance. RenaissanceRe provides property, casualty and specialty reinsurance and certain insurance solutions to customers, principally through intermediaries. Established in 1993, we have offices in Bermuda, Australia, Ireland, Singapore, Switzerland, the U.K., and the U.S.

1.3.2. Bermuda Operating Subsidiaries

1.3.2.1. Renaissance Reinsurance

Renaissance Reinsurance is RenaissanceRe's principal reinsurance subsidiary and provides property, casualty and specialty reinsurance solutions to customers on a worldwide basis.

1.3.2.2. DaVinci

DaVinci was established in 2001 and principally writes property catastrophe reinsurance and certain casualty and specialty reinsurance lines of business on global basis. In accordance with DaVinci's underwriting guidelines, we principally seek to construct for DaVinci a portfolio of short-tail risks written primarily alongside Renaissance Reinsurance and certain other operating subsidiaries. From time to time, Renaissance Reinsurance or certain other operating subsidiaries write business for, and then cede it to, DaVinci.

Third-party investors subscribe for the majority of the shares of DaVinciRe, DaVinci's holding company. Renaissance Underwriting Managers, Ltd. ("RUM"), a wholly owned subsidiary of RenaissanceRe, acts as the exclusive underwriting manager for DaVinciRe in return for a management fee and performance-based incentive fee.

1.3.2.3. RenaissanceRe Specialty U.S.

RenaissanceRe Specialty U.S. provides property, casualty and specialty reinsurance on both a quota share and excess of loss basis. RenaissanceRe Specialty U.S. has made a submission to the IRS to

elect, pursuant to s953(d) of Internal Revenue Code of 1986, to operate subject to U.S. federal income tax.

1.3.2.4. Top Layer Re

Top Layer Re was established in 1999 and writes high excess non-U.S. property catastrophe reinsurance. Top Layer Re is 50% owned by State Farm Mutual Automobile Insurance Company ("State Farm"), a U.S. company, and 50% owned by Renaissance Reinsurance. Top Layer Re is managed by RUM in return for a management fee.

1.3.2.5. Vermeer

In 2018, we formed Vermeer, an exempted Bermuda reinsurer, with PGGM Vermogensbeheer B.V. ("PGGM"), a Dutch pension fund manager. Vermeer provides capacity focused on risk remote layers in the U.S. property catastrophe market. Vermeer is managed by RUM in return for a management fee. We maintain a majority voting control of Vermeer, while Stichting Pensioenfonds Zorg en Welzijn ("PFZW"), a pension fund represented by PGGM Vermogensbeheer B.V., a Dutch pension fund manager, retains economic benefits.

1.3.3. Other Managed Joint Ventures and Managed Funds

In addition to DaVinci, Vermeer and Top Layer Re, we pursue a number of other joint venture opportunities through our Capital Partners unit, which allow us to leverage our access to business and our underwriting capabilities on a larger capital base. The following entities are consolidated in the financial results of RenaissanceRe:

RenaissanceRe Medici Fund Ltd. ("Medici")

Medici is an exempted fund that was incorporated in Bermuda in 2009. Medici's objective is to invest substantially all of its assets in various insurance-based investment instruments that have returns primarily correlated to property catastrophe risk. Third-party investors subscribe for the majority of the participating, non-voting common shares of Medici.

Medici is managed by RenaissanceRe Fund Management Ltd. ("RFM") in return for a management fee.

Upsilon RFO Re Ltd. ("Upsilon RFO")

In 2013, we formed Upsilon RFO, a Bermuda-domiciled special purpose insurer, principally to provide additional capacity to the worldwide aggregate and per-occurrence primary and retrocessional property catastrophe excess of loss market. Upsilon RFO's creation further enhances our efforts to match desirable reinsurance risk with efficient capital through a strategic capital structure. Original business is written directly by Upsilon RFO under fully-collateralized reinsurance contracts capitalized through the sale of non-voting shares to us and RenaissanceRe Upsilon Fund Ltd. ("Upsilon Fund"), or, to a lesser extent, is written directly by Renaissance Reinsurance and then ceded to Upsilon RFO. As a segregated accounts company, Upsilon RFO is permitted to establish segregated accounts to invest in and hold identified pools of assets and liabilities. Each pool of assets and liabilities in each segregated account is ring-fenced from any claims from the creditors of Upsilon RFO's general account and from the creditors of other segregated accounts within Upsilon RFO.

RenaissanceRe Upsilon Fund Ltd. ("Upsilon Fund")

We incorporated Upsilon Fund, an exempted Bermuda limited segregated accounts company, in 2014. Upsilon Fund was formed to provide a fund structure through which third party investors can

invest in property reinsurance risk managed by us. Third-party investors purchase redeemable, non-voting preference shares linked to specific segregated accounts of Upsilon Fund and own 100% of these shares. Currently, Upsilon Fund is invested in specific segregated accounts of Upsilon RFO.

Fibonacci Reinsurance Ltd. (“Fibonacci Re”)

Fibonacci Re, a Bermuda-domiciled SPI, provides collateralized capacity to Renaissance Reinsurance and its affiliates. Fibonacci Re raises capital from third party investors and us via private placement of participating notes that are listed on the Bermuda Stock Exchange.

Langhorne Holdings LLC (“Langhorne Holdings”) and Langhorne Partners LLC (“Langhorne Partners”) (collectively, “Langhorne”)

RenaissanceRe and Reinsurance Group of America, Incorporated are engaged in an initiative to source third-party capital to support reinsurers targeting large in-force life and annuity blocks. Langhorne Holdings was incorporated to own and manage certain reinsurance entities within Langhorne. Langhorne Partners is the general partner for Langhorne and manages the third-parties investing in Langhorne Holdings.

Mona Lisa Re Ltd. (“Mona Lisa”)

Mona Lisa is a Bermuda-domiciled SPI and provides reinsurance capacity to subsidiaries of RenaissanceRe, namely Renaissance Reinsurance and DaVinci, through reinsurance agreements which are collateralized and funded by Mona Lisa Re through the issuance of one or more series of principal-at-risk variable rate notes.

Shima, Norwood and Blizzard Re

Following the acquisition of Tokio Millennium Re AG and certain associated entities and subsidiaries (collectively, “TMR”), the Company managed Shima Reinsurance Ltd. (“Shima Re”), Norwood Re Ltd. (“Norwood Re”) and Blizzard Re Ltd. (“Blizzard,” together with Shima Re and Norwood Re, the “TMR managed third-party capital vehicles”), which provided third-party investors with access to reinsurance risk. The TMR managed third-party capital vehicles no longer write new business. The Company ceased providing management services to Blizzard effective November 1, 2020, and Shima Re and Norwood Re effective December 1, 2020.

1.3.4. Organizational structure

A simplified group organizational chart is set out in Appendix One. The chart depicts the position of the Bermuda Operating Subsidiaries in the RenaissanceRe Group.

1.3.5. Share ownership

1.3.5.1. RenaissanceRe Holdings Ltd.

The following table sets forth information with respect to the beneficial ownership of RenaissanceRe's common shares as of March 9, 2021 for each person known by us to own beneficially 5% or more of our outstanding common shares:

Name and address of Beneficial Owner	Number of common shares	Percentage of class¹
BlackRock, Inc. ² 40 East 52nd Street New York, NY 10022	6,142,894	12.3%
The Vanguard Group, Inc. ³ 100 Vanguard Blvd. Malvern, PA 19355	4,961,722	10.0%

¹ The percentage of class shown is based on the common shares reported as beneficially owned on Schedule 13G or Schedule 13G/A and 49,761,397 common shares outstanding as of March 9, 2021.

² According to a Statement on Schedule 13G/A filed on January 27, 2021 by BlackRock, BlackRock was the beneficial owner of 6,142,894 common shares as of December 31, 2020. BlackRock has the sole power to vote or to direct the voting of 5,805,784 common shares and sole power to dispose of or to direct the disposition of 6,142,894 common shares. On November 15, 2016, we granted BlackRock a limited waiver from the restrictions on the acquisition of share ownership set forth in our Bye-laws, up to a maximum amount of shares representing 15% of our shares outstanding. BlackRock has agreed that, in accordance with our Bye-laws, the voting rights attributable to shares owned or controlled by BlackRock will not exceed 9.9% of the voting rights attached to all of our issued and outstanding capital shares.

³ According to a Statement on Schedule 13G/A filed on February 10, 2021 by The Vanguard Group ("Vanguard"), Vanguard was the beneficial owner of 4,961,722 common shares as of December 31, 2020. Vanguard has the shared power to vote or direct the vote of 59,880 common shares, sole power to dispose of or to direct the disposition of 4,833,229 common shares and shared power to dispose or direct the disposition of 128,493 common shares. On May 11, 2018, we granted Vanguard a limited waiver from the restrictions on the acquisition of share ownership set forth in our Bye-laws, up to a maximum amount of shares representing 15% of our shares outstanding. Vanguard has agreed that, in accordance with our Bye-laws, the voting rights attributable to shares owned or controlled by Vanguard will not exceed 9.9% of the voting rights attached to all of our issued and outstanding capital shares.

1.3.5.2. Ownership of Bermuda Operating Subsidiaries

The following table sets forth information with respect to the ownership of Bermuda-domiciled insurers which are affiliated with the RenaissanceRe Group. Ownership presented is as of December 31, 2020.

Entity	Owner Name	Common share ownership percentage
Renaissance Reinsurance	RenaissanceRe*	100%
DaVinci	RenaissanceRe* Third Parties	21.4% 78.6%
RenaissanceRe Specialty U.S.	RenaissanceRe*	100%
Top Layer Re	RenaissanceRe* State Farm	50% 50%
Vermeer	RenaissanceRe PFZW	0% 100%

**Indicates that RenaissanceRe is the ultimate owner. Shares are directly held by other entities within the RenaissanceRe Group.*

2. BUSINESS AND PERFORMANCE

2.1. OVERVIEW

Our core products include property, casualty and specialty reinsurance, and certain insurance products principally distributed through intermediaries, with whom we have cultivated strong long-term relationships. We believe we have been one of the world's leading providers of catastrophe reinsurance since our founding. In recent years, through the strategic execution of several initiatives, including organic growth and acquisitions, we have expanded and diversified our casualty and specialty platform and products and believe we are a leader in certain casualty and specialty lines of business. We also pursue a number of other opportunities such as creating and managing our joint ventures and managed funds, executing customized reinsurance transactions to assume or cede risk, and managing certain strategic investments directed at classes of risk other than catastrophe reinsurance. From time to time we consider diversification into new ventures, either through organic growth, the formation of new joint ventures or managed funds, or the acquisition of, or the investment in, other companies or books of business of other companies.

We have determined our business consists of the following reportable segments: (1) Property, which is comprised of catastrophe and other property reinsurance and insurance written on behalf of our operating subsidiaries and certain joint ventures and managed funds, and (2) Casualty and Specialty, which is comprised of casualty and specialty reinsurance and insurance written on behalf of our operating subsidiaries and certain joint ventures and managed funds.

2.2. MATERIAL INCOME AND EXPENSES

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

Gross premiums written grew \$1.0 billion, or 20.8%, to \$5.8 billion, in 2020, compared to 2019, with an increase of \$568.2 million in the Property segment and an increase of \$430.3 million in the Casualty and Specialty segment. The increase in gross premiums written in 2020 was primarily driven by expanded participation on existing transactions, certain new transactions, rate improvements and business acquired as a result of the acquisition of TMR.

RenaissanceRe also generates significant investment revenue from its assets, as discussed in detail in section 2.6.3. below.

Our expenses primarily consist of: (1) net claims and claim expenses incurred on the policies of reinsurance and insurance we sell; (2) acquisition costs which typically represent a percentage of the premiums we write; (3) operating expenses which primarily consist of personnel expenses, rent and other operating expenses; (4) corporate expenses which include certain executive, legal and consulting expenses, costs for research and development, transaction and integration-related expenses, and other miscellaneous costs, including those associated with operating as a publicly traded company; (5) redeemable noncontrolling interests, which represent the interests of third parties with respect to the net income of DaVinciRe, Medici and Vermeer; and (6) interest and dividend costs related to our debt and preference shares. We are also subject to taxes in certain jurisdictions in which we operate. Since the majority of our income is currently earned in Bermuda, which does not have a corporate income tax, the tax impact to our operations has historically been minimal. In the

future, our net tax exposure may increase as our operations expand geographically, or as a result of adverse tax developments.

RenaissanceRe incurred an underwriting loss of \$76.5 million and had a combined ratio of 101.9% in 2020, compared to underwriting income of \$256.4 million and a combined ratio of 92.3% in 2019. Our underwriting loss in 2020 was comprised of an \$87.5 million underwriting loss in our Casualty and Specialty segment, offset by underwriting income of \$11.2 million in our Property segment. In comparison, underwriting income in 2019 was comprised of \$209.3 million of underwriting income in our Property segment and \$46.0 million of underwriting income in our Casualty and Specialty segment. Our underwriting result in 2020 was principally impacted by the 2020 weather-related large loss events and the COVID-19 losses.

Our Property segment generated a net claims and claim expense ratio of 74.2%, an underwriting expense ratio of 25.2% and a combined ratio of 99.4%, compared to 59.3%, 27.8% and 87.1%, respectively, in 2019. Principally impacting the Property segment underwriting result and combined ratio in 2020 were the 2020 weather-related large loss events, which resulted in a net negative impact on the underwriting result of \$651.9 million and added 35.0 percentage points to the combined ratio, and COVID-19 losses, which resulted in a net negative impact on the underwriting result of \$235.0 million and added 12.3 percentage points to the combined ratio.

Our Casualty and Specialty segment incurred an underwriting loss of \$87.5 million in 2020, compared to underwriting income of \$46.0 million in 2019. The underwriting loss in 2020 was driven by the COVID-19 losses. In 2020, our Casualty and Specialty segment generated a net claims and claim expense ratio of 73.8%, an underwriting expense ratio of 30.5% and a combined ratio of 104.3%, compared to 66.1%, 31.2% and 97.3%, respectively, in 2019. The increase in the combined ratio in 2020 was principally driven by net claims and claim expenses associated with the COVID-19 losses of \$122.1 million, which added 6.1 percentage points to the net claims and claim expense ratio during 2020.

2.3. BUSINESS SEGMENT RESULTS

Our reportable segments are defined as follows: (1) Property, which is comprised of catastrophe and other property reinsurance and insurance written on behalf of our operating subsidiaries and certain joint ventures and managed funds, and (2) Casualty and Specialty, which is comprised of casualty and specialty reinsurance and insurance written on behalf of our operating subsidiaries and certain joint ventures and managed funds.

The following table shows our gross premiums written allocated between each of our segments:

Year ended December 31, (in thousands)	2020	2019
Property	2,999,142	2,430,985
Casualty and Specialty	2,807,023	2,376,765
Total gross premiums written	5,806,165	4,807,750

We write proportional business as well as excess of loss business. In addition, RenaissanceRe Syndicate 1458 (“Syndicate 1458”) and RenaissanceRe Specialty U.S. write insurance business through delegated authority arrangements, which are included in our Property and Casualty and Specialty segments, as appropriate. Our relative mix of business between proportional business and excess of loss business has fluctuated in the past and will likely vary in the future. Proportional and delegated authority business typically have relatively higher premiums per unit of expected underwriting income, together with a higher acquisition expense ratio and combined ratio, than traditional excess of loss reinsurance as these coverages tend to be exposed to relatively more attritional, and frequent, losses while being subject to less expected severity.

2.3.1. Property segment

Our Property segment includes our catastrophe class of business, principally comprised of excess of loss reinsurance and excess of loss retrocessional reinsurance to insure insurance and reinsurance companies against natural and man-made catastrophes. It also includes our other property class of business, primarily comprised of proportional reinsurance, property per risk, property (re)insurance, binding facilities and regional U.S. multi-line reinsurance, certain of which have exposure to natural and man-made catastrophes. We write catastrophe reinsurance and insurance coverage protecting against large natural catastrophes, such as earthquakes, hurricanes, typhoons and tsunamis, as well as claims arising from other natural and man-made catastrophes such as winter storms, freezes, floods, fires, windstorms, tornadoes, explosions and acts of terrorism. We offer this coverage to insurance companies and other reinsurers primarily on an excess of loss basis. This means we begin paying when our customers’ claims from a catastrophe exceed a certain retained amount. We also offer proportional coverages and other structures on a catastrophe-exposed basis and may increase these offerings on an absolute or relative basis in the future. Recently, as our other property class of business has become a larger percentage of our Property segment gross premiums written, proportional coverage and business written through delegated authority arrangements have become a larger percentage of our Property segment.

As noted above, our excess of loss property contracts generally cover all natural perils, and our predominant exposure under such coverage is to property damage. However, other risks, including business interruption and other non-property losses, may also be covered under our property reinsurance contracts when arising from a covered peril.

We offer our coverages on a worldwide basis. Because of the wide range of possible catastrophic events to which we are exposed, including the size of such events and the potential for multiple events to occur in the same time period, our property business is volatile and our financial condition and results of operations reflect this volatility. To moderate the volatility of our risk portfolio, we may increase or decrease our presence in the property business based on market conditions and our assessment of risk-adjusted pricing adequacy. We frequently purchase reinsurance or other protection for our own account for a number of reasons, including, to optimize the expected outcome of our underwriting

portfolio, to manage capital requirements for regulated entities and to reduce the financial impact that a large catastrophe or a series of catastrophes could have on our results.

2.3.2. Casualty and specialty segment

We write casualty and specialty reinsurance and insurance covering primarily targeted classes of business where we believe we have a sound basis for underwriting and pricing the risk we assume. This business is predominately reinsurance, however our book of insurance business has been increasing in recent periods and may continue to do so.

In recent years, we have expanded our Casualty and Specialty segment operations through organic growth initiatives and acquisitions, and we plan to continue to expand these operations over time if market conditions are appropriate.

Our Casualty and Specialty segment gross premiums written may be subject to significant volatility as certain lines of business in this segment can be influenced by a small number of relatively large transactions. We seek to underwrite these lines using a disciplined underwriting approach and sophisticated analytical tools. We generally target lines of business where we believe we can adequately quantify the risks assumed and provide coverage where we believe our underwriting is robust and the market is attractive. We also seek to identify market dislocations and write new lines of business whose risk and return characteristics are estimated to exceed our hurdle rates. Furthermore, we also seek to manage the correlations of this business with our overall portfolio. We believe that our underwriting and analytical capabilities have positioned us well to manage our casualty and specialty business.

We offer our casualty and specialty reinsurance products principally on a proportional basis, and we also provide excess of loss coverage. These products frequently include tailored features such as limits or sub-limits which we believe help us manage our exposures. Any liability exceeding, or otherwise not subject to, such limits reverts to the cedant. Our Casualty and Specialty segment frequently provides coverage for relatively large limits or exposures, and thus we are subject to potential significant claims volatility.

Our Casualty and Specialty segment offers certain casualty insurance products through Syndicate 1458 including general liability, medical malpractice and professional liability. Syndicate 1458 also writes business through delegated authority arrangements.

As a result of our financial strength, we have the ability to offer significant capacity and, for select risks, we have made available significant limits. We believe these capabilities, the strength of our casualty and specialty underwriting team, and our demonstrated ability and willingness to pay valid claims are competitive advantages of our casualty and specialty business. While we believe that these and other initiatives will support growth in our Casualty and Specialty segment, we intend to continue to apply our disciplined underwriting approach.

2.4. GEOGRAPHICAL EXPOSURES

Our exposures are generally diversified across geographic zones but are also a function of market conditions and opportunities. Our largest exposure has historically been to the U.S. and Caribbean market, which represented 50.5% of our gross premiums written for the year ended December 31, 2020. A significant amount of our U.S. and Caribbean premium provides coverage against windstorms (mainly U.S. Atlantic hurricanes), earthquakes and other natural and man-made catastrophes.

The following table sets forth the amounts and percentages of our gross premiums written allocated to the territory of coverage exposure:

<u>Year ended December 31,</u>	2020		2019	
	Gross Premiums Written	Percentage of Gross Premiums	Gross Premiums Written	Percentage of Gross Premiums
(in thousands, except percentages)				
<i>Property Segment</i>				
U.S. and Caribbean	\$ 1,683,538	29.0%	\$ 1,368,205	28.4%
Worldwide	889,917	15.3%	643,744	13.4%
Europe	189,587	3.3%	182,544	3.8%
Japan	102,228	1.8%	90,328	1.9%
Worldwide (excluding U.S.) (1)	62,058	1.0%	79,393	1.7%
Australia and New Zealand	40,243	0.7%	32,203	0.7%
Other	31,571	0.5%	34,568	0.7%
Total Property Segment	2,999,142	51.6%	2,430,985	50.6%
<i>Casualty and Specialty Segment</i>				
U.S. and Caribbean	1,248,981	21.5%	1,071,170	22.3%
Worldwide	1,315,386	22.7%	935,626	19.5%
Europe	121,369	2.1%	227,178	4.7%
Australia and New Zealand	12,429	0.2%	34,053	0.7%
Worldwide (excluding U.S.) (1)	56,225	1.0%	25,291	0.5%
Other	52,633	0.9%	83,447	1.7%
Total Casualty and Specialty	2,807,023	48.4%	2,376,765	49.4%
Other category	—	—%	—	—%
Total gross premiums written	<u>\$ 5,806,165</u>	<u>100.0%</u>	<u>\$ 4,807,750</u>	<u>100.0%</u>

(1) The category "Worldwide (excluding U.S.)" consists of contracts that cover more than one geographic region (other than the U.S.).

2.5. BERMUDA OPERATING SUBSIDIARY RESULTS

Gross and net premiums written by each of our Bermuda Operating Subsidiaries was as follows:

Year ended December 31, (in thousands)	2020		2019	
	Gross	Net	Gross	Net
Renaissance Reinsurance	\$ 2,647,343	\$ 1,513,917	\$ 2,594,186	\$ 1,493,992
RenaissanceRe Specialty U.S.	1,527,529	1,281,069	993,482	805,619
DaVinci	577,808	519,048	440,718	379,128
Top Layer Re	37,884	22,357	35,338	19,918
Vermeer	87,795	87,795	65,151	65,151

2.6. INVESTMENT PERFORMANCE

2.6.1. Composition of asset portfolio

2.6.1.1. RenaissanceRe Group

We structure our investment portfolio to emphasize the preservation of capital and the availability of liquidity to meet our claims obligations and to be well diversified across market sectors and to generate relatively attractive returns on a risk-adjusted basis over time. The majority of our investments consist of highly-rated fixed income securities. We also hold a significant amount of short-term investments which have a maturity of one year or less when purchased. In addition, we hold other investments, including private equity investments, catastrophe bonds, private credit investments, senior secured bank loan funds, hedge funds and certain equity securities, which offer the potential for higher returns but with relatively higher levels of risk. Our investment portfolio takes into account the duration of our liabilities and the level of strategic asset risk we wish to assume over the medium- to long-term. We may from time to time re-evaluate our investment guidelines and explore investment allocations to other asset classes that either increase or decrease our overall asset risk. Our investments are subject to market-wide risks and fluctuations, as well as to risks inherent in particular securities.

At December 31, 2020, we held investments totaling \$20.6 billion, compared to \$17.4 billion at December 31, 2019. In connection with the acquisition of TMR, we acquired total investments with a fair market value of \$2.3 billion on March 22, 2019, the date of acquisition.

The table below shows the invested assets of the RenaissanceRe Group:

At December 31, (in thousands, except percentages)	2020		2019	
U.S. treasuries	\$ 4,960,409	24.1%	\$ 4,467,345	25.7%
Agencies	368,032	1.8%	343,031	1.9%
Non-U.S. government	491,531	2.4%	497,392	2.9%
Non-U.S. government-backed corporate	338,014	1.6%	321,356	1.9%
Corporate	4,261,025	20.7%	3,075,660	17.7%
Agency mortgage-backed	1,113,792	5.4%	1,148,499	6.6%
Non-agency mortgage-backed	291,444	1.4%	294,604	1.7%
Commercial mortgage-backed	791,272	3.8%	468,698	2.7%
Asset-backed	890,984	4.3%	555,070	3.2%
Total fixed maturity investments, at fair value	13,506,503	65.5%	11,171,655	64.3%
Short term investments, at fair value	4,993,735	24.3%	4,566,277	26.3%
Equity investments trading, at fair value	702,617	3.4%	436,931	2.5%
Other investments, at fair value	1,256,948	6.2%	1,087,377	6.3%
Total managed investment portfolio	20,459,803	99.4%	17,262,240	99.4%
Investments in other ventures, under equity method	98,373	0.6%	106,549	0.6%
Total investments	\$ 20,558,176	100.0%	\$ 17,368,789	100.0%

As the reinsurance coverages we sell include substantial protection for damages resulting from natural and man-made catastrophes, as well as for potentially large casualty and specialty exposures, we expect from time to time to become liable for substantial claim payments at short notice. Accordingly, our investment portfolio as a whole is structured to seek to preserve capital and provide a high level of liquidity, which means that the large majority of our investment portfolio consists of highly rated fixed income securities, including U.S. treasuries, agencies, highly rated sovereign and supranational securities, high-grade corporate securities and mortgage-backed and asset-backed securities. We also have an allocation to publicly traded equities reflected on our consolidated balance sheet as equity investments trading and an allocation to other investments (including catastrophe bonds, private equity investments, senior secured bank loan funds and hedge funds). At December 31, 2020, our portfolio of equity investments trading totaled \$702.6 million, or 3.4%, of our total investments (2019 - \$436.9 million or 2.5%). Our portfolio of other investments totaled \$1.3 billion, or 6.2%, of our total investments (2019 - \$1.1 billion or 6.3%).

2.6.1.3. Bermuda Operating Subsidiaries

The following tables summarize the fair value of investments at RenaissanceRe's Bermuda Operating Subsidiaries:

At December 31, 2020 <i>(in thousands of USD)</i>	Renaissance Reinsurance	DaVinci	RenaissanceRe Specialty U.S.	Vermeer	Top Layer Re
U.S. Treasuries	\$ 2,305,330	\$ 1,294,902	\$ 793,691	-	\$ 22,321
Agencies	128,785	42,229	143,508	-	-
Non-U.S. government (sovereign debt)	167,005	143,091	65,417	-	171
Non-U.S. government backed corporate	130,176	120,335	35,893	-	1,035
Corporate	592,723	589,279	994,578	-	15,030
Agency mortgage-backed	291,031	311,098	148,446	-	2,860
Non-agency mortgage-backed	-	13,100	16,231	-	-
Commercial mortgage-backed	36,479	89,308	205,587	-	109
Asset backed securities	4,025	54,249	304,048	-	2,426
Total fixed maturity investments	3,655,554	2,657,591	2,707,399	-	43,952
Short term investments	531,927	245,782	378,565	1,087,940	4,776
Other investments	61,188	-	-	-	-
Equity investments	115,764	105	170,385	-	-
Investments in affiliates (equity method)	1,085,291	-	-	-	-
Total investments	5,449,724	2,903,478	3,256,349	1,087,940	48,728

At December 31, 2019 <i>(in thousands of USD)</i>	Renaissance Reinsurance	DaVinci	RenaissanceRe Specialty U.S.	Vermeer	Top Layer Re
U.S. Treasuries	\$ 1,788,053	\$ 1,099,347	\$ 956,879	-	\$ 27,168
Agencies	159,096	28,512	111,133	-	-
Municipal	-	-	-	-	-
Non-U.S. government (sovereign debt)	161,217	57,682	81,413	23,032	-
Non-U.S. government backed corporate	152,372	108,888	14,736	-	1,087
Corporate	647,610	534,575	717,253	-	17,545
Agency mortgage-backed	376,799	321,347	181,506	-	2,922
Non-agency mortgage-backed	-	7,397	16,204	-	-
Commercial mortgage-backed	6,532	74,944	168,905	-	695
Asset backed securities	-	56,681	233,750	-	818
Total fixed maturity investments	3,291,679	2,289,373	2,481,779	23,032	50,235
Short term investments	279,316	235,999	190,655	956,587	4,308
Other investments	65,298	-	4,342	-	-
Equity investments	-	142	143,930	-	-
Investments in affiliates (equity method)	848,923	-	-	-	-
Total investments	4,485,216	2,525,514	2,820,706	979,619	54,543

2.6.2. Overall performance

Year ended December 31, (in thousands)	2020	2019
Net investment income	\$ 354,038	\$ 424,207
Net realized and unrealized gains (losses) on investments	820,636	414,109
Total investment result	\$ 1,174,674	\$ 838,316

Our total investment result, which includes the sum of net investment income and net realized and unrealized gains on investments, was a gain of \$1.2 billion in 2020, compared to a gain of \$838.3 million in 2019, an increase of \$336.4 million. Impacting the investment results was higher net realized and unrealized gains on investments. The net realized and unrealized gains on investments in 2020 were driven by net realized and unrealized gains on the fixed maturity investments portfolio, equity investments trading and investment-related derivatives. Also impacting the investment results for 2020 were lower returns on portfolios of fixed maturity and short-term investments, offset by higher returns on our catastrophe bonds due to growth in the portfolio.

2.6.3. Net investment income

2.6.3.1. RenaissanceRe Group

The components of net investment income were as follows:

<u>Year ended December 31,</u> (in thousands)	<u>2020</u>	<u>2019</u>
Fixed maturity investments	\$ 278,215	\$ 318,503
Short term investments	20,799	56,264
Equity investments trading	6,404	4,808
Other investments		
Catastrophe bonds	54,784	46,154
Other	9,417	8,447
Cash and cash equivalents	2,974	7,676
	372,593	441,852
Investment expenses	(18,555)	(17,645)
Net investment income	<u>\$ 354,038</u>	<u>\$ 424,207</u>

Net investment income was \$354.0 million in 2020, compared to \$424.2 million in 2019, a decrease of \$70.2 million. Impacting our net investment income for 2020 was lower returns in our fixed maturity and short-term investments, primarily as a result of lower yields on these investments following the decline in interest rates in early 2020, partially offset by higher returns on our catastrophe bonds due to growth in the portfolio.

2.6.3.2. Bermuda Operating Subsidiaries

The components of net investment income at RenaissanceRe's Bermuda Operating Subsidiaries are as follows:

At December 31, 2020 <i>(in thousands of USD)</i>	Renaissance Reinsurance	DaVinci	RenaissanceRe Specialty U.S.	Vermeer	Top Layer Re
Fixed maturity investments	\$ 57,884	\$ 45,579	\$ 58,803	158	\$ 694
Short term investment	2,620	1,961	1,070	7,610	16
Equity investments	1,705	-	2,689	-	-
Other investments	5,963	-	258	-	-
Cash and cash equivalents	(5,080)	142	102	-	25
	63,092	47,682	62,922	7,768	735
Investment expenses	4,503	2,851	3,278	350	64
Net investment income	58,589	44,831	59,644	7,418	671

At December 31, 2019 <i>(in thousands of USD)</i>	Renaissance Reinsurance	DaVinci	RenaissanceRe Specialty U.S.	Vermeer	Top Layer Re
Fixed maturity investments	\$ 79,291	\$ 48,699	\$ 52,250	138	\$ 1,197
Short term investment	10,834	7,002	4,264	15,996	137
Equity investments	-	-	2,299	-	-
Other investments	5,148	-	-	-	-
Cash and cash equivalents	4,417	956	344	7	141
	99,690	56,657	59,157	16,141	1,475
Investment expenses	4,125	2,918	2,573	221	82
Net investment income	95,565	53,739	56,584	15,920	1,393

3. GOVERNANCE, RISK AND COMPLIANCE STRUCTURE

3.1. BOARD AND SENIOR MANAGEMENT

RenaissanceRe's Board of Directors (the "Board") and management have a strong commitment to effective corporate governance. We believe we have a comprehensive corporate governance framework for our operations, the key components of which are set forth in the following documents:












- our Bye-laws (the "Bye-laws");
- our Guidelines on Significant Corporate Governance Issues (the "Corporate Governance Guidelines");
- our Code of Ethics and Conduct (the "Code of Ethics");
- our Audit Committee Charter (the "Audit Committee Charter"); and
- our Compensation and Corporate Governance Committee Charter (the "Compensation and Governance Committee Charter").

A copy of each of these documents is published on our website at www.renre.com under "Investors—Corporate Governance," except our Bye-laws, which are filed with the Securities and Exchange Commission ("SEC") and can be found on the SEC website at www.sec.gov

3.1.1. Structure of the Board

3.1.1.1. RenaissanceRe Holdings Ltd. Board

The Board of RenaissanceRe is responsible for overseeing the Group's risk management and internal control systems. Generally, the Board delegates certain of its risk management responsibilities to its committees as set forth in the committee charters and described within the RenaissanceRe's Proxy Statement for our 2021 Annual General Meeting of Shareholders filed with the SEC on March 23, 2021 (the "Proxy Statement"). The Board maintains five standing committees: the Audit Committee, the Compensation and Corporate Governance Committee (the "Compensation and Governance Committee"), the Investment and Risk Management Committee ("IRMC"), the Transaction Committee and the Offerings Committee. The membership of each Board Committee as of May 28, 2021 is shown in the table below:

	Name and Primary Occupation	Age	Since	Committee Membership				
				AC	CCGC	IRMC	TC	OC
Class I Term Expires in 2023	 David C. Bushnell IND Retired Chief Administrative Officer, Citigroup Inc.	67	2008	C				
	 James L. Gibbons IND Chairman, Harbour International Trust Company Limited	57	2008	I	I		✓	✓
	 Jean D. Hamilton IND Retired Chief Executive Officer, Prudential Institutional and Executive Vice President, Prudential Financial, Inc.	74	2005		✓		✓	✓
	 Anthony M. Santomero IND Former President, Federal Reserve Bank of Philadelphia	74	2008				C	
Class II Term Expires in 2024	 Brian G. J. Gray IND Former Group Chief Underwriting Officer, Swiss Reinsurance Company Ltd.	59	2013	I		✓	✓	✓
	 Duncan P. Hennes IND Co-Founder and Managing Member, Atrevida Partners, LLC	64	2017			✓		
	 Kevin J. O'Donnell President and Chief Executive Officer, RenaissanceRe Holdings Ltd.	54	2013				C	C
	 Henry Klehm III IND Partner, Jones Day	62	2006			C		
Class III Term Expires in 2022	 Valerie Rahmani IND Former Chief Executive Officer, Damballa, Inc.	63	2017	✓				
	 Carol P. Sanders IND Former Chief Financial Officer, Sentry Insurance a Mutual Company	54	2016	✓				
	 Cynthia Trudell IND Former Chief Human Resources Officer, PepsiCo, Inc.	68	2019		✓			

IND Independent AC Audit Committee
C Chair CCGC Compensation and Corporate Governance Committee
✓ Member IRMC Investment and Risk Management Committee
I Interim Member TC Transaction Committee
OC Offerings Committee

3.1.1.2. [Subsidiary-level Boards](#)

RenaissanceRe's subsidiaries and joint ventures generally operate pursuant to RenaissanceRe Group policies, procedures, and activities for risk management. The directors of Renaissance Reinsurance, RenaissanceRe Specialty U.S., Vermeer, and certain directors of DaVinci and Top Layer Re are senior officers of the RenaissanceRe Group. As such, the strong commitment to effective corporate governance within RenaissanceRe is implemented across all Group entities. See Appendix Two for details of our Bermuda Operating Subsidiary Board membership.

3.1.2. [Executive Officers](#)

RenaissanceRe's executive officers provide functional oversight of our business units and have primary responsibility for setting company policy and decision-making authority. Our executive officers, as defined in the Exchange Act, include our Chief Executive Officer, Chief Financial Officer, Group Chief Underwriting Officer, Group Chief Risk Officer, Group General Counsel, Chief Investment Officer and Chief Accounting Officer.

3.1.3. [Segregation of responsibilities](#)

The Board of RenaissanceRe is responsible for overseeing enterprise-wide risk management and is actively involved in the monitoring of risks that could affect us. The members of the Board have regular, direct access to the senior executives and other officers responsible for coordinating enterprise-wide risk management, including our Chief Financial Officer, Group Chief Risk Officer, and Group General Counsel, each of whom reports directly to our Chief Executive Officer, as well as other senior personnel such as our Chief Investment Officer, Chief Accounting Officer, Chief Human Resources Officer, Head of Internal Audit, Chief Compliance Officer, Chief Technology Officer, Corporate Information Security Officer and Corporate Actuary.

As noted in section 3.1.1., generally, the Board delegates its risk management responsibilities to its committees as set forth in the committee charters. Responsibilities of those committees are summarized below:

3.1.3.1. [Audit Committee](#)

The Audit Committee's primary purposes are to assist the Board with the oversight of: (i) the integrity, quality, and accuracy of our financial statements, including internal controls; (ii) our compliance with legal and regulatory requirements; (iii) our independent auditor's qualifications, independence and performance; and (iv) the performance of our internal audit function. The Audit Committee's responsibilities and duties are described in its charter.

3.1.3.2. [Compensation and Corporate Governance Committee](#)

The Compensation Committee's primary purposes are to assist the Board in carrying out its responsibilities with respect to: (i) Board and key executive compensation; (ii) Board nomination and evaluation matters; and (iii) corporate governance matters. The Compensation and Corporate Governance Committee's responsibilities and duties are described in its charter.

3.1.3.3. [Investment and Risk Management Committee](#)

The IRMC's primary purpose is to assist the Board with oversight of our investment activities and financial risk management. The IRMC's responsibilities and duties are described in its charter.

3.1.3.4. Transaction Committee

The Transaction Committee has the authority of the Board to consider and approve, on behalf of the full Board, certain strategic investments and other possible transactions.

3.1.3.5. Offerings Committee

The Offerings Committee has the authority to consider and approve, on behalf of the full Board, transactions pursuant to our shelf registration program, including setting the terms, amount and price of any such offering.

3.1.4. Remuneration policy

RenaissanceRe's Compensation and Governance Committee reviews our compensation programs for consistency with our risk management practices and to assist us in ensuring that our programs align our executives and employees with the long-term interests of shareholders in light of the market cycles and earnings volatility that characterizes our industry.

Our executive officers and key members of our human resources function help support the Compensation and Governance Committee's process and the Chief Executive Officer regularly attends and participates in portions of the Compensation and Governance Committee's meetings. Our Chief Executive Officer provides the Compensation and Governance Committee with strategic context regarding our products, underwriting and operational risks, strategy and performance, and shareholder value creation over time. He also advises the Compensation and Governance Committee on matters such as the alignment of our incentive plan performance measures with our overall strategy and the impact of the design of our equity incentive awards on our ability to attract, motivate and retain highly talented executive officers and employees. The Chief Executive Officer also makes recommendations regarding the compensation of key executive officers who report to him, and reports to the Compensation and Governance Committee regarding his evaluation of their performance. In addition, our executive officers collaborate on the development of our strategic plan which the Compensation and Governance Committee uses as the basis for setting the goals and targets for our performance-based compensation.

The key principles of our executive compensation philosophy include:

- Making a meaningful portion of executive officer compensation at-risk pay through annual incentive bonuses and long-term incentive awards;
- Rewarding our executive officers based primarily on our overall performance, rather than the performance of individual business units or functions; and
- Requiring our executive officers to own a significant number of our shares and forbidding pledging, hedging and similar transactions with our shares.

In addition, the Compensation and Governance Committee has the authority to retain and dismiss compensation consultants, financial and other advisors and independent legal counsel as it deems necessary in accordance with the procedures set forth in the charter and considering independence and potential conflicts of interest. The Committee's current independent compensation consultant is Mercer (U.S.) Inc. ("Mercer"). Among other things, Mercer has supported the Committee with market intelligence on compensation trends, views and recommendations with respect to our compensation programs, and analyses and recommendations with respect to the amount and form of senior executive and director compensation.

For detailed information regarding our executive compensation programs, see our Proxy Statement which is available on our website www.renre.com

Our remuneration structure also aligns our non-executive employees with the long-term interests of our shareholders. The compensation of most of our non-executive employees includes both fixed and variable compensation components, consisting of a fixed base salary, a variable merit-based discretionary bonus (the amount of which is determined using the same performance metrics as those used for our executive officers), and, for some employees, long-term equity-based incentive awards. The combination of compensation components is designed to attract, retain and motivate employees, while the long-term remuneration component aligns the interests of employees with those of the shareholders.

3.1.5. Executive pensions and retirement schemes

Our executive officers do not participate in any retirement programs that are not generally available to our employees.

3.1.6. Material transactions with related parties

We have adopted a written policy with respect to the review, approval, and ratification of transactions with related persons. The policy covers, among other things, transactions between us and any of our executive officers, directors, nominees for director, any of their immediate family members or any other related persons as defined in Item 404 of Regulation S-K. Each transaction covered by this policy is reviewed to determine whether the transaction is in the best interests of RenaissanceRe and our shareholders. These transactions are disclosed in detail in the section "Certain Relationships and Related Transactions" in our Proxy Statement, which is available on our website www.renre.com (Investors – SEC Filings).

3.2. FITNESS AND PROPRIETY

3.2.1. Fit and proper process

3.2.1.1. Board

The Compensation and Corporate Governance Committee's responsibilities, as more fully described in its charter which is available on our website at www.renre.com (Investors – Corporate Governance), include being primarily responsible for identifying and recommending qualified candidates for nomination to the Board. When identifying and considering potential director nominees and evaluating the current composition of our Board, the Compensation and Governance Committee focuses on the composition and competencies of our Board as a whole, how the traits possessed by individual directors and director nominees complement one another, the ability of the current and proposed members to operate collegially and effectively, and the intersection of these factors with our current strategy, operational plans and oversight requirements. The factors considered by the Compensation and Governance Committee when evaluating individual director nominees include:

- personal and professional ethics, integrity and values;
- independence, including the ability to represent all of our shareholders and other key stakeholders without any conflicting relationship with any particular constituency;
- business acumen, leadership qualities and record of accomplishment;
- professional experience and industry expertise in light of our evolving strategic and operational plans over time;
- compatibility with the existing Board composition;
- ability and willingness to devote sufficient time to carrying out Board duties and responsibilities fully and effectively, particularly in light of our Bermuda headquarters location;
- commitment to serve on our Board for a potentially extended period of time, with a view toward effective oversight of management's efforts to ensure the safety and soundness of our Company in light of the market cycles and earnings volatility that characterize our industry;

- maintaining a diverse set of skills, experience and viewpoints on the Board as a whole, including with respect to racial, ethnic and gender diversity; and
- other attributes of the candidate, our business and strategic conditions and external factors that the Compensation and Governance Committee deems appropriate.

The Compensation and Governance Committee evaluates and discusses diversity at both the Board and committee levels when carrying out its director selection, recruitment and nomination obligations and also when assessing the performance of current directors. This assessment is undertaken at least annually.

The New York Stock Exchange (“NYSE”) listing standards require that a majority of our directors be independent. For a director to be considered independent, the Board must determine that the director does not have any direct or indirect material relationship with us either directly or as a partner, shareholder or officer of an organization that has a relationship with us. Our Corporate Governance Guidelines provide that a majority of our directors will meet the NYSE’s independence criteria and set forth additional parameters that the Board uses to determine director independence, which we believe are more stringent than the independence requirements in the NYSE listing standards. In addition, the Board considers all relevant facts and circumstances known or reported to it in making independence determinations.

The Compensation and Governance Committee has reviewed the independence of each of our current directors and affirmatively determined that each of our directors other than Mr. O’Donnell is independent. Mr. O’Donnell is not independent because of his employment as our President and Chief Executive Officer.

3.2.1.2. Senior Management

RenaissanceRe’s standard recruitment, promotion and on-going performance management processes align with seeking to ensure senior management is fit and proper. During recruiting, candidates are thoroughly vetted via a robust interview process to ensure they possess the integrity, skills, experience, qualifications and abilities required to perform the role to a high standard. In addition, extensive background checks are carried out to ensure candidates meet RenaissanceRe’s expectations regarding integrity and compliance. Subsequent to hiring, senior management are regularly assessed against established performance objectives on an annual basis at a minimum, via the RenaissanceRe’s standard performance management process which reflect integrity, competency and ability, to ensure they remain fit and proper. Our Corporate Governance Guidelines and Compensation and Governance Committee Charter set forth the requirements as to the Compensation and Governance Committee’s responsibility regarding evaluation of the Chief Executive Officer’s performance, management succession planning and establishing compensation and benefit programs for key executive officers.

3.2.2. Skills and expertise

3.2.2.1. Board

As discussed in our Corporate Governance Guidelines, we do not set specific criteria for directors but believe that candidates should show evidence of leadership in their particular field and have broad experience and the ability to exercise sound business judgment. The Board considers the diversity, skills, and experience of candidates in the context of the needs of the Board as a whole. In selecting directors, the Board generally seeks a combination of qualities and experience that will contribute to the exercise of the duties of the Board, including active or former chief executive or senior officers of major complex businesses, leading academics and entrepreneurs.

A summary background of the current members of our Board follows:



Brian G. J. Gray

INDEPENDENT

Committees: **Investment and Risk Management, Transaction, Offerings, Audit (Interim)**

Age: **59**

Director Since: **2013**

Other Public

Background and Qualifications

Company Boards

- None

From 2008 until his retirement in 2012, Mr. Gray served as Group Chief Underwriting Officer of Swiss Reinsurance Company Ltd. ("Swiss Re") and was a member of Swiss Re's Group Executive Committee. From 2005 through 2008, he was a member of the Group Executive Board, responsible for underwriting Property and Specialty Product Lines on a global basis for Swiss Re. Mr. Gray joined Swiss Re in Canada ("Swiss Re Canada") in 1985, and served in a variety of roles, including President and Chief Executive Officer of Swiss Re Canada from 2001 to 2005 and Senior Vice President of Swiss Re Canada from 1997 to 2001.



Duncan P. Hennes

INDEPENDENT

Committees: **Investment and Risk Management**

Age: **64**

Director Since: **2017**

Other Public

Background and Qualifications

Company Boards

- Citigroup Inc.
(2013 to present)

Mr. Hennes has served as the Co-Founder and Managing Member of Atrevida Partners, LLC ("Atrevida") since 2007. Prior to co-founding Atrevida, he served as Co-Founder and Partner of Promontory Financial Group from 1999 to 2006. Prior to that, Mr. Hennes served in a number of senior executive positions at Bankers Trust Corporation, including Executive Vice President in charge of Trading, Sales and Derivatives, and as the Chairman of the Board of Oversight Partners I, the consortium that took control of Long Term Capital Management, from 1987 to 1998. From 1998 to 1999 he was the Chief Executive Officer at Soros Fund Management, LLC. Mr. Hennes currently serves as the Chair of the Risk Management Committee and as a member of the Audit Committee, Compliance Committee, Executive Committee and Personnel and Compensation Committee of Citigroup Inc. ("Citigroup") and as a member of the Board of Directors of Citibank, N.A.



Kevin J. O'Donnell

CHIEF EXECUTIVE OFFICER

Committees: **Transaction (Chair), Offerings (Chair)**

Age: **54**

Director Since: **2013**

**Other Public Company
Boards**

- None

Background and Qualifications

Mr. O'Donnell has served as our Chief Executive Officer since July 2013 and as our President since November 2012. Mr. O'Donnell previously served in a number of roles since joining the Company in 1996, including Global Chief Underwriting Officer, Executive Vice President, Senior Vice President, Vice President and Assistant Vice President. Mr. O'Donnell served as the Chair of the Global Reinsurance Forum from 2018 to 2020 and as the Chair of the Association of Bermuda Insurers and Reinsurers in 2017 and 2018.



Henry Klehm III

INDEPENDENT

Committees: **Compensation and Corporate Governance (Chair)**

Age: **62**

Director Since: **2006**

**Other Public Company
Boards**

- None

Background and Qualifications

Mr. Klehm has been a partner at the law firm Jones Day since 2008 and has been the Practice Leader of the firm's Securities Litigation and SEC Enforcement Practice since January 2017. From 2002 to 2007, Mr. Klehm served as Global Head of Compliance for Deutsche Bank, AG. Prior to joining Deutsche Bank, AG, Mr. Klehm served as Chief Regulatory Officer and Deputy General Counsel at Prudential Financial from 1999 to 2002. Prior to joining Prudential Financial, Mr. Klehm served in various positions with the U.S. Securities and Exchange Commission (the "Commission" or the "SEC"), including as Senior Associate Director of the Northeast Regional Office.



Valerie Rahmani

INDEPENDENT

Committees: Audit

Age: 63

Director Since: 2017

Other Public Company Boards

- Computer Task Group, Incorporated (2015 to present)
- London Stock Exchange Group, plc (2017 to present)
- Aberdeen Asset Management PLC (2015 to 2017)

Background and Qualifications

Dr. Rahmani has more than 30 years of experience in the technology industry, including more than 25 years at IBM serving in roles of increasing seniority across multiple global business segments from 1981 to 2009, most recently as General Manager of Internet Security Systems. Subsequent to her tenure at IBM, Dr. Rahmani was Chief Executive Officer at Damballa, Inc., a privately held Internet security software company, from 2009 to 2012. From 2017 to 2019, she served as the part-time head of the Innovation Panel at Standard Life Aberdeen plc, a UK-based FTSE 100 global investment company. She currently serves as Chair of the Compensation Committee and as a member of the Audit Committee and the Nominating and Corporate Governance Committee of Computer Task Group, Incorporated, an information technology solutions and software company, and as a member of the Nomination Committee, Risk Committee and the Remuneration Committee of the Board of the London Stock Exchange Group, plc.



Carol P. Sanders

INDEPENDENT

Committees: Audit

Age: 54

Director Since: 2016

Other Public Company Boards

- Alliant Energy Corporation (2005 to present)
- First Business Financial Services, Inc. (2016 to present)

Background and Qualifications

Ms. Sanders has served as the President of Carol P. Sanders Consulting, LLC, providing consulting services to the insurance and technology industries, since June 2015. From June 2013 until June 2015, she served as Executive Vice President, Chief Financial Officer and Treasurer of Sentry Insurance a Mutual Company. Previously she served as the Executive Vice President and Chief Operating Officer of Jewelers Mutual Insurance Company from November 2012 until June 2013, where she also served as Senior Vice President, Chief Financial Officer and Treasurer from May 2011 until November 2012 and as Chief Financial Officer and Treasurer from 2004 until May 2011, after holding a series of positions of increasing responsibility in finance, accounting, treasury and tax. Ms. Sanders currently serves as Chair of the Nominating and Governance Committee, as a member of the Audit Committee and the Executive Committee and as the Lead Independent Director of Alliant Energy Corporation, a public utility holding company, and as Chair of the Audit Committee of First Business Financial Services, Inc., a registered bank holding company.



Cynthia Trudell

INDEPENDENT

Committees: Compensation and Corporate Governance

Age: 68

Director Since: 2019

Other Public Company Boards

- ISS A/S
(2015 to present)
- Canadian Tire Corporation
(2019 to present)
- The Pepsi Bottling Group, Inc.
(2008 to 2010)
- Canadian Imperial Bank of Commerce
(2005 to 2008)
- PepsiCo, Inc.
(2000 to 2007)

Background and Qualifications

From 2011 until her retirement in September 2017, Ms. Trudell served as Executive Vice President and Chief Human Resources Officer of PepsiCo, Inc. ("PepsiCo"). From 2007 through 2011, she served as Senior Vice President and Chief Personnel Officer of PepsiCo. Prior to her tenure at PepsiCo, Ms. Trudell held a number of executive operating and general management positions with General Motors Corporation from 1981 to 2001, and Brunswick Corporation from 2001 to 2006, including chairwoman and president of Saturn Corporation, president of IBC Vehicles and president of Sea Ray Group. Since 2015, Ms. Trudell has served on the board of ISS A/S, a global facility services provider based in Denmark and publicly traded on the NASDAQ OMX Copenhagen, where she currently serves as a member of the Remuneration Committee and the Nomination Committee. Since 2019, Ms. Trudell has served on the board of Canadian Tire Corporation, a Canadian retail company publicly traded on the Toronto Stock Exchange, where she is Chair of the Management Resources and Compensation Committee and a member of the Audit Committee and Governance Committee. From 2013 to 2019, she served as a member of the Defense Business Board, which provides business advice to the U.S. Department of Defense.



David C. Bushnell

INDEPENDENT

Committees: Audit (Chair)

Age: 67

Director Since: 2008

Other Public Company Boards

- Cordia Bancorp Inc.
(2011 to 2016)

Background and Qualifications

Mr. Bushnell has served as the principal of Bushnell Consulting, a financial services consulting firm, since 2008. Mr. Bushnell retired from Citigroup Inc. in 2007, after 22 years of service. Mr. Bushnell served as the Senior Risk Officer of Citigroup from 2003 through 2007 and retired as Chief Administrative Officer in 2007. Following his retirement from Citigroup, Mr. Bushnell served as a consultant to Citigroup until December 31, 2008. Previously, Mr. Bushnell worked for Salomon Smith Barney Inc. (later acquired by Citigroup) and its predecessors in a variety of positions, including as a managing director and Chief Risk Officer. In addition to his board service on Cordia Bancorp Inc. ("Cordia"), a public bank holding company, Mr. Bushnell served as Chief Risk Officer of Cordia and its wholly owned subsidiary, Bank of Virginia, from 2011 until Cordia was acquired in September 2016.



James L. Gibbons

INDEPENDENT NON-EXECUTIVE CHAIR OF THE BOARD

Committees: Transaction, Offerings, Compensation and Corporate Governance (Interim), Audit (Interim)

Age: 57

Director Since: 2008

Other Public Company Boards

- Nordic American Tankers Limited (2013 to 2016)

Background and Qualifications

Mr. Gibbons, a Bermudian citizen, is Executive Chairman of Harbour International Trust Company Limited and the Treasurer, a Director and member of the Executive Committee of Edmund Gibbons Limited (“EGL”). Mr. Gibbons also serves as a Director and member of the Risk Committee of Clarien Group Limited (“Clarien”), an international financial company. He was also Non-Executive President of Bermuda Air Conditioning Limited (“BACL”) through March 2019 and currently serves as a Director of BACL. Mr. Gibbons served as Chair of Capital G Bank Limited from 1999 to 2013 and as President and Chief Executive Officer of Capital G Limited from 1999 to 2010, prior to the change of name to Clarien from Capital G in 2014.



Jean D. Hamilton

INDEPENDENT

Committees: Compensation and Corporate Governance, Transaction, Offerings

Age: 74

Director Since: 2005

Other Public Company Boards

- None
- Investment Company Boards
- First Eagle Funds (2003 to present)
 - First Eagle Variable Funds (2003 to present)
 - First Eagle Credit Opportunities Fund (2020 to present)

Background and Qualifications

Ms. Hamilton held various positions with Prudential Financial, Inc., including Executive Vice President, and was Chief Executive Officer of Prudential Institutional from 1998 through her retirement in 2002. Currently, she is an independent consultant and private investor as well as a Senior Managing Director and Partner of Brock Capital Group LLC. Prior to joining Prudential, she held several positions with The First National Bank of Chicago, including Senior Vice President and Head of the Northeastern Corporate Banking Department. She is currently a Trustee, a member of the Audit Committee and Deferred Compensation Committee, and Chair of the Board Valuation and Liquidity Committee of First Eagle Funds and First Eagle Variable Funds, and a Trustee, a member of the Audit Committee and Chair of the Credit Valuation and Allocation Committee of First Eagle Credit Opportunities Fund.



Anthony M. Santomero

INDEPENDENT

Committees: Investment and Risk Management (Chair)

Age: 74

Director Since: 2008

Other Public Company Boards

- Citigroup Inc. (2009 to 2019)

Investment Company Boards

- Columbia Funds Group (2009 to present)
- Columbia Seligman Premium Technology Growth Fund (2019 to present)
- Tri-Continental Corporation (2019 to present)

Background and Qualifications

Mr. Santomero served as Senior Advisor at McKinsey & Company from 2006 to 2008. From 2000 to 2006, Mr. Santomero was President and Chief Executive Officer of the Federal Reserve Bank of Philadelphia. Prior to joining the Federal Reserve, Mr. Santomero was the Richard K. Mellon Professor of Finance at the University of Pennsylvania’s Wharton School and held various positions there, including Director of the Financial Institutions Center and Deputy Dean. Mr. Santomero has served as a Trustee of Penn Mutual Life Insurance Company since 2009. He has served on the Board of Directors of Columbia Funds Group since 2009 and as a member of the Governance Committee since 2020, and on the Board of Directors of two of Columbia Funds’ registered investment company funds, Columbia Seligman Premium Technology Growth Fund and Tri-Continental Corporation since 2019. Until April 2019, Mr. Santomero served as the Chair of the Risk Management Committee and as a member of both the Audit Committee and Executive Committee of Citigroup, as well as Chairman of the Board of Directors of Citibank, N.A. In addition, he served on the Board of Directors of B of A Fund Series Trust from 2008 until 2011.

3.2.2.2. Executive Officers

A summary background of our current executive officers, as defined in the Exchange Act, follows:



Kevin J. O’Donnell

Age: 54

President and Chief Executive Officer

Mr. O’Donnell has served as our Chief Executive Officer since July 2013 and as our President since November 2012. Mr. O’Donnell has served in a number of roles since joining the Company in 1996, including Global Chief Underwriting Officer, Executive Vice President, Senior Vice President, Vice President and Assistant Vice President. Mr. O’Donnell also served as the Chair of the Global Reinsurance Forum from 2018 to 2020 and as the Chair of the Association of Bermuda Insurers and Reinsurers in 2017 and 2018.



Robert Qutub

Age: 59

Executive Vice President and Chief Financial Officer

Mr. Qutub has served as our Executive Vice President and Chief Financial Officer since August 2016. Prior to joining RenaissanceRe, Mr. Qutub served as Chief Financial Officer and Treasurer for MSCI Inc., a leading provider of portfolio construction and risk management tools and services for global investors, from July 2012 to May 2016. Prior to MSCI Inc., Mr. Qutub was with Bank of America from November 1994 to June 2012, where he held several segment Chief Financial Officer roles. He has served on the Board of Directors of USAA Federal Savings Bank since June 2014 and also served in the United States Marine Corps.



Ross A. Curtis

Age: 48

Executive Vice President and Group Chief Underwriting Officer

Mr. Curtis has served as our Group Chief Underwriting Officer since July 2014 and Executive Vice President since May 2020. Mr. Curtis has served in a number of roles since joining the Company in 1999 as a Catastrophe Reinsurance Analyst, including Chief Underwriting Officer of European Operations based in London from 2010 to 2014 and Senior Vice President of Renaissance Reinsurance Ltd. in Bermuda, primarily responsible for underwriting the international and retrocessional property catastrophe portfolios and assisting in the development of our specialty reinsurance lines, from 2006 to 2010.



Ian D. Branagan

Age: 53

Executive Vice President and Group Chief Risk Officer

Mr. Branagan has served as our Group Chief Risk Officer since 2009 and as Executive Vice President since May 2020. Mr. Branagan joined the Company in 1998 to open our Dublin office, later relocating to Bermuda with additional responsibilities for underwriting risk and modeling across our (re)insurance operations. Mr. Branagan subsequently assumed the responsibility of managing risk globally, including as Head of Group Risk Modeling in 2005 and, in 2013, relocated to our London office. Prior to joining the Company, Mr. Branagan led the international activities of Applied Insurance Research Inc. ("AIR"), which included the development and marketing of AIR's catastrophe models and tools.



Shannon L. Bender

Age: 54

Senior Vice President, Group General Counsel and Corporate Secretary

Ms. Bender has served as our Senior Vice President, Group General Counsel and Corporate Secretary since joining the Company in January 2021. Prior to joining RenaissanceRe, Ms. Bender served as Senior Vice President and Chief Corporate Counsel of CIT Group Inc.



Sean G. Brosnan

Age: 46

Senior Vice President and Chief Investment Officer

Mr. Brosnan has served as our Senior Vice President and Chief Investment Officer since April 2017. Mr. Brosnan has served in a number of roles since joining the company in 2004, including Vice President, Managing Director of Investments from 2012 to 2017 and Chief Executive Officer of Renaissance Reinsurance of Europe Unlimited Company from 2014 to 2017. Prior to joining the Company, Mr. Brosnan worked in investment and finance positions at Irish Life Investment Managers and Bank of Ireland. Mr. Brosnan is a Chartered Certified Accountant and a CFA Charterholder.



James C. Fraser

Age: 45

Senior Vice President and Chief Accounting Officer

Mr. Fraser has served as our Senior Vice President and Chief Accounting Officer since December 2016. He joined RenaissanceRe in 2009, and served as our Vice President and Head of Internal Audit from 2011 through 2016. Prior to joining the Company, Mr. Fraser worked in finance and risk management positions at XL Capital and Deloitte. Mr. Fraser is a Chartered Professional Accountant and a Certified Internal Auditor.

3.3. RISK MANAGEMENT AND SOLVENCY SELF-ASSESSMENT

3.3.1. Risk management framework

We believe that high-quality and effective Enterprise Risk Management (“ERM”) is best achieved when it is a shared cultural value throughout the organization and consider ERM to be a key process which is the responsibility of every individual within RenaissanceRe. We have developed and utilize tools and processes we believe support a culture of risk management and create a robust framework of ERM within our organization. We believe that our ERM processes and practices help us to identify potential events that may affect us, quantify, evaluate and manage the risks to which we are exposed, and provide reasonable assurance regarding the achievement of our objectives. We believe that effective ERM can provide us with a significant competitive advantage. We also believe that effective ERM assists our efforts to minimize the likelihood of suffering financial outcomes in excess of the ranges which we have estimated in respect of specific investments, underwriting decisions, or other operating or business activities, although we do not believe this risk can be eliminated. We believe that our risk management tools support our strategy of pursuing opportunities and help us to identify opportunities we believe to be the most attractive. In particular, we utilize our risk management tools to support our efforts to monitor our capital and liquidity positions, on a consolidated basis and for each of our major operating subsidiaries, and to allocate an appropriate amount of capital to support the risks we have assumed in the aggregate and for each of our major operating subsidiaries. We believe that our risk management efforts are essential to our corporate strategy and our goal of achieving long-term growth in tangible book value per share plus the change in accumulated dividends for our shareholders.

Our Board of Directors is responsible for overseeing enterprise-wide risk management and is actively involved in the monitoring of risks that could affect us. The members of the Board have regular, direct access to the senior executives and other officers responsible for identifying and monitoring our risks and coordinating our ERM, including our Group Chief Risk Officer, Chief Financial Officer, and Group General Counsel, each of whom reports directly to our Chief Executive Officer, as well as other senior personnel such as our Chief Investment Officer, Chief Compliance Officer, Chief Accounting Officer, Global Corporate Controller and Head of Internal Audit. The Board also receives regular reports from the Controls and Compliance Committee described below.

Our ERM framework operates via a three lines of defense model. The first line of defense consists of individual functions that deliberately assume risks on our behalf and own and manage risk within RenaissanceRe on a day-to-day and business operational basis. The second line of defense is responsible for risk oversight and also supports the first line to understand and manage risk. A dedicated risk team led by the Group Chief Risk Officer is responsible for this second line and reports to the Board of Director's Investment and Risk Management Committee and the Chief Executive Officer. The third line of defense, our Internal Audit team, reports to the Audit Committee of the Board of Directors and provides independent, objective assurance as to the assessment of the adequacy and effectiveness of our internal control systems and also coordinates risk-based audits and compliance reviews and other specific initiatives to evaluate and address risk within targeted areas of our business.

The principal risk areas that make up our ERM framework are assumed risk (including reserve risk), business environment risk and operational risk:

- **Assumed Risk.** We define assumed risk as activities where we deliberately take risk against our capital base, including underwriting risks and other quantifiable risks such as credit risk and market risk as they relate to investments, ceded reinsurance credit risk and strategic investment risk, each of which can be analyzed in substantial part through quantitative tools and techniques. Of these, we believe underwriting risk to be the most material to us. In order to understand, monitor, quantify and proactively assess underwriting risk, we seek to develop and

deploy appropriate tools to estimate the comparable expected returns on potential business opportunities and the impact that such incremental business could have on our overall risk profile. The tools and methods to seek to achieve these objectives are described in Part I., Item 1. Business, Underwriting and Enterprise Risk Management in our Annual Report Form 10-K for the year ended December 31, 2020 ("Form 10-K"). Embedded within our consideration of assumed risk is our management of our aggregate, consolidated risk profile. In part through the utilization of REMS® and our other systems and procedures, we analyze our in-force aggregate assumed risk portfolio on a daily basis. We believe this capability helps us to manage our aggregate exposures and to rigorously analyze and evaluate individual proposed transactions in the context of our in-force portfolio. This aggregation process captures line of business, segment and corporate risk profiles, calculates internal and external capital tests and explicitly models ceded reinsurance. Generally, additional data is added quarterly to our aggregate risk framework to reflect updated or new information or estimates relating to matters such as interest rate risk, credit risk, capital adequacy and liquidity. This information is used in day-to-day decision making for underwriting, investments and operations and is also reviewed quarterly from both a unit level and consolidated financial position perspective. We also regularly assess, monitor and review our regulatory risk capital and related constraints.

- **Reserve Risk** is a subcomponent of assumed risk. We define reserve risk as the risks related to our reserve for net claims and claim expenses, including the amount, both absolute and relative, of our outstanding reserve for net claims and claim expenses, and the impact of economic, social, legal and regulatory matters. Our reserve for net claims and claim expenses is subject to significant uncertainty and has the potential to develop adversely in future periods. While reserve risk may increase in both absolute terms and relative to its overall consideration in our ERM framework, we employ robust resources, procedures and technology to identify, understand, quantify and manage this risk.
- **Business Environment Risk.** We define business environment risk as the risk of changes in the business, political or regulatory environment that could negatively impact our short term or long-term financial results or the markets in which we operate. This risk area also typically includes emerging risks. These risks are predominately extrinsic to us and our ability to alter or eliminate these risks is limited, so we focus our efforts on monitoring developments, assessing potential impacts of any changes, and investing in cost effective means to attempt to mitigate the consequences of and ensure compliance with any new requirements applicable to us.
- **Operational Risk.** We are subject to a number of additional risks arising out of operational, regulatory, and other matters. We define operational risk to include the risk we fail to create, manage, control or mitigate the processes, structures or functions required to execute our strategic and tactical plans and assemble an optimized portfolio of assumed risk, and to adjust to and comply with the evolving requirements of business environment risk applicable to us. In light of the rapid evolution of our markets, business environment, and business initiatives, we seek to continually invest in the tools, processes and procedures we use to mitigate our exposure to operational risk on a cost-effective basis. As with assumed risk and business environment risk, operational risk presents intrinsic uncertainties, and we may fail to appropriately identify or mitigate applicable operational risk.

Controls and Compliance Committee ("CCC"). We believe that a key component of our current operational risk management platform is our CCC. The CCC is comprised of our Chief Financial Officer, Group General Counsel, Chief Compliance Officer, Chief Accounting Officer, Global Corporate Controller, Group Chief Risk Officer, Head of Internal Audit, staff compliance and controls professionals and representatives from our other business units. The purpose of the CCC is to establish, assess the effectiveness of, and enforce policies, procedures and practices relating to accounting, financial

reporting, internal controls, regulatory, legal, compliance and related matters, and to ensure compliance with applicable laws and regulations, our Code of Ethics and Conduct (the “Code of Ethics”), and other relevant standards. In addition, the CCC is charged with reviewing certain transactions that potentially raise complex and/or significant tax, legal, accounting, regulatory, financial reporting, reputational or compliance issues.

We address other areas of operational risk through our disaster recovery program, human resource practices such as motivating and retaining top talent, our strict tax protocols and our legal and regulatory policies and procedures.

Ongoing Development and Enhancement. We seek to reflect and categorize risks we monitor in part through quantitative risk distributions, even where we believe that such quantitative analysis is not as robust or well developed as our tools and models for measuring and evaluating other risks, such as catastrophe and market risks. We also seek to improve the methods by which we measure risks and believe effective risk management is a continual process that requires ongoing improvement and development. We seek from time to time to identify effective new practices or additional developments both from within our industry and from other sectors. We believe that our ongoing efforts to embed ERM throughout our organization help us produce and maintain a competitive advantage and achieve our corporate goals.

3.3.2. Solvency self-assessment

The RenaissanceRe Group has a risk tolerance framework which dictates tolerance guidelines and applies to all members of the RenaissanceRe Group. The tolerance framework is reviewed with RenaissanceRe’s Board. Direct oversight of those tolerances is discharged to the IRMC, which meets on a quarterly basis to review compliance with tolerance limits through review of various risk test results produced by the risk function.

In order to review compliance, we produce, utilize and report on models which measure our utilization of capital in light of regulatory capital considerations and constraints. RenaissanceRe also performs stress tests in order to test the adequacy of available capital relative to certain scenarios including very large loss occurrences at the individual subsidiary and Group levels. These stress and scenario tests show the approximate losses expected given a series of historical events (actual or hypothetical).

The various capital and liquidity tests performed incorporate a stochastic depiction of all sources of risks and compare the tail outcomes to capital and liquidity on hand. These tests are performed on an operating entity and consolidated group basis, which ensures that cross-group dependencies are explicitly captured. The results of these tests are reviewed by the management team and are shared with the Board as appropriate.

In addition, the internal audit function may, as part of their annual internal audit review process, undertake reviews of various aspects of the solvency assessment process, reporting results of those reviews to the IRMC and Audit Committee.

3.3.3. Integration of solvency needs, capital and risk

RenaissanceRe’s strategy is based on integrated management of capital and risk. RenaissanceRe’s ability to expand and contract capital is one of its main strengths with respect to capital management. Risk selection is based on a clear vision of the desired risk/reward profile. Deals are assessed incrementally based on marginal-capital attribution and a risk-adjusted score that is consistent across lines of business. This decision-making platform is fully aligned with the planning process allowing us to manage capital to support the expected portfolio. Our finance, underwriting, Capital Partners, and

risk teams meet regularly to assess the expected portfolio and plan capital management. We adjust our plans in real time if conditions change unexpectedly in either the reinsurance or capital markets.

3.3.4. Solvency self-assessment approval process

The risk management function is responsible for risk aggregation, coordination and oversight. The IRMC receives quarterly updates of risk positions, concentrations, tail-loss projections, exposures by region and peril, and measures of required capital.

RenaissanceRe's Solvency Self-Assessment Report is provided to the Board for review, enabling the Board to evaluate RenaissanceRe's overall solvency needs taking into account the specific risk profile, approved risk tolerance limits and the group's business strategy.

3.4. INTERNAL CONTROLS

3.4.1. Internal control system

Our management is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles and to reflect management's judgments and estimates concerning effects of events and transactions that are accounted for or disclosed.

Management, with the participation of the Chief Executive Officer and Chief Financial Officer, assessed our internal control over financial reporting as of December 31, 2020 using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013). Based on this assessment, management concluded that RenaissanceRe internal control over financial reporting was effective as of December 31, 2020.

Ernst & Young Ltd., the independent registered public accountants who audited our consolidated financial statements included in our Form 10-K, audited our internal control over financial reporting as of December 31, 2020 and their attestation report on our internal control over financial reporting noted that those controls were effective.

3.4.2. Compliance function

RenaissanceRe has a compliance program which we believe addresses identified potentially significant compliance risks. This program is designed and overseen by the Chief Compliance Officer, is resourced by a number of personnel and contains elements designed to: identify significant legal, regulatory and compliance risks; assess the potential likelihood and severity of these identified risks; design and implement responsive mitigants (including policies, training, the availability of relevant resources, etc.); monitor the operating effectiveness of the program, including risk-based compliance testing; and report on the performance of the program to senior management and internal committees. In particular, the compliance function has implemented policies, protocols and guidelines designed to address the most significant or likely risks. These policies are available to all employees on RenaissanceRe's intranet and are reinforced via the training program and other communications referred to above. We ensure awareness of and compliance with these policies by requiring that each employee annually certify as to their understanding and compliance with the policies that apply to them. The compliance program is overseen by the CCC. As outlined in the Audit Committee Charter, the Audit Committee oversees various aspects of the compliance program, including aspects related to the Code of Ethics and Conduct, the effectiveness of the compliance program, including the CCC itself, and RenaissanceRe's whistleblowing program.

3.5. INTERNAL AUDIT

The internal audit function operates in accordance with its charter, which outlines the mission, scope, responsibilities and reporting structure of the function. The charter is periodically reviewed and subject to approval by the Board. The scope of internal audit's work is to determine whether operational risk management, internal control and governance processes, as designed and represented by management, are adequate and operating effectively.

Internal audit plans audit activities in response to an assessment of the significant financial, compliance and operational risks of the Group and those plans are reviewed by management and approved by the Audit Committee.

The internal audit team is comprised of professional staff with sufficient knowledge, skills, experience and professional certifications to meet the requirements of the Internal Audit Charter.

The Head of Internal Audit oversees the internal audit function and assists management and the Audit Committee in discharging their responsibilities by: a) furnishing them with analyses, advice and recommendations concerning the key risk areas reviewed and related assurance activities performed; b) promoting effective and efficient controls; and c) pursuing corrective action on significant issues.

The Head of Internal Audit also oversees the activities of any external consultants who are engaged from time-to-time to assist in the completion of Internal Audit projects.

3.5.1. Oversight by Audit Committee

As outlined in its charter, the Audit Committee is responsible for ensuring that the internal audit function provides management and the Audit Committee with ongoing assessments of RenaissanceRe's risk management processes, system of internal control and governance processes. As part of this, the Audit Committee (a) reviews the budget, qualifications, activities, effectiveness and organizational structure of the internal audit function, the performance of the internal audit function, and participate in the appointment, replacement, or dismissal of the Head of Internal Audit; (b) conduct private review sessions at least four times a year with the Head of Internal Audit; (c) review the proposed scope and plan for conducting internal audits, any progress reports on the proposed internal audit plan (with explanations for any deviations from the original plan), and (d) review summaries of any significant issues raised during the performance of internal audits and related responses from management.

3.5.2. Independence of Internal Audit

To provide for the independence of internal audit:

- the Head of Internal Audit reports functionally to the Audit Committee of the Board and administratively to the Chief Executive Officer, supported by the Chief Financial Officer;
- the Audit Committee is responsible for assessing performance of the Head of Internal Audit and the internal audit function as a whole;
- the Audit Committee is responsible for reviewing and approving the internal audit function budget and resource plan;
- the Audit Committee reviews and approves the remuneration of the Head of Internal Audit;
- the Audit Committee has the final decision with regards to the hiring and firing of the Head of Internal Audit; and
- the independence of the internal audit function is evaluated by the Audit Committee on an annual basis with assistance from the CCC. In conjunction with this annual evaluation, the Head of Internal Audit will confirm to the Audit Committee, at least annually, the organizational independence of the internal audit function.

3.6. ACTUARIAL FUNCTION

RenaissanceRe directly employs a number of actuaries in key management and operating positions and obtains select actuarial services from third party service providers. RenaissanceRe's actuarial function spans pricing and modelling; reserving; and risk management. The team is proficient with regards to knowledge of actuarial and financial mathematics and can appropriately ensure its correct application commensurate to the complexity of risks inherent in the business.

The function has regular access to senior management and the Board to discuss any actuarial issues.

3.7. OUTSOURCING

The RenaissanceRe Group is a fully staffed global group which views its internal 'integrated system' as both a competitive strength and substantial risk mitigant. RenaissanceRe is committed to conducting its business in an appropriate manner and, where certain delineated business and/or operational functions are outsourced, will take reasonable steps to avoid undue additional operational risk when relying on a third party for the performance of operational functions, critical to the performance of its business. RenaissanceRe will not outsource activities or functions that would:

- allow delegation by senior personnel of their own responsibilities and will ensure that any outsourcing arrangement will not undermine authorization;
- unduly increase operational risk;
- impair the ability of supervisory authorities to monitor the compliance of RenaissanceRe's obligations; and
- undermine continuous and satisfactory services to policy holders.

3.7.1. External outsourcing arrangements

We outsource certain aspects of investment management, risk analytics and investment accounting to third party service providers. These arrangements are subject to rigorous oversight. A meaningful component of the investments of the RenaissanceRe Group are managed by third party asset managers. The managers are selected by the investments team and the process by which the managers are selected is reviewed and overseen by the IRMC. The mandates and guidelines that govern these arrangements are designed by the investment team, and the investments team oversees and reviews these third-party managers to ensure compliance with investment guidelines for the mandates.

3.7.2. Intra-group outsourcing

The RenaissanceRe Group operates an integrated shared service approach to employees; information technology including tools and systems; investments; compliance; internal audit; and actuarial services.

We believe that high-quality, effective and broadly consistent operational and enterprise wide risk management is a core organizational goal, and that it is best achieved when it is a shared cultural value throughout the organization. We seek to propagate a generally consistent approach to business execution and risk management across our platforms and consider these to be key processes. We have developed and utilize tools and processes we believe support our integrated system approach, fostering a consistent culture of risk management and robust framework of operational risk management across our organization.

4. RISK PROFILE

4.1. MATERIAL RISKS

RenaissanceRe's principal risk areas that make up our enterprise risk management framework are assumed risk, business environment risk, and operational risk. These risks are discussed in section 3.3.1 above.

4.2. MITIGATION OF RISKS

RenaissanceRe believes that effective risk management is best achieved when it is a shared cultural value throughout the organization and considers it to be a key process which is the responsibility of every individual within RenaissanceRe. Risks are mitigated through a variety of ways but are ultimately reported and monitored by the risk management function. The risk management function and the IRMC verify that risks are kept within agreed limits. Further, Internal Audit review the controls in place to mitigate risk exposures for operating effectiveness. The results of various risk tests and control testing are escalated to the Board as appropriate.

4.3. MATERIAL RISK CONCENTRATIONS

Underwriting risk tolerances clearly define how much of a class or type of risk RenaissanceRe is willing to take. The risk tolerance limits are generally overseen by the RenaissanceRe Board. Monitoring against these risk tolerances is done on a quarterly basis via a combination of various tests of capital adequacy, and any breaches would be reported to the IRMC.

The Board, via the IRMC, approves various limits and guidelines for investment asset allocation and compliance with those limits and guidelines is monitored quarterly. In the investment portfolio, we review on a regular basis our asset concentration, credit quality and adherence to credit limit guidelines. In addition, we limit the amount of credit exposure to any one financial institution and, except for U.S. Government securities, none of our investments exceed 10% of shareholders' equity as at December 31, 2020.

4.4. INVESTMENT OF ASSETS IN ACCORDANCE WITH PRUDENT PERSON PRINCIPLES

Our investment portfolio strategy seeks to preserve capital and provide us with a high level of liquidity, which means that the large majority of our investment portfolio consists of highly rated fixed income securities, including U.S. treasuries, agencies, highly rated sovereign and supranational securities, high-grade corporate securities and mortgage-backed and asset-backed securities. We also have an allocation to publicly traded equities reflected on our consolidated balance sheet as equity investments trading and an allocation to other investments (including catastrophe bonds, private equity partnerships, senior secured bank loan funds, hedge funds) and at times, other miscellaneous investments.

The IRMC assists the Board with oversight of our investment activities and financial risk management. The IRMC's responsibilities, as more fully described in its charter, include reviewing management's procedures regarding development and compliance with investment strategies, risk limits, guidelines and objectives; ensuring adequate procedures to monitor adherence to our investment guidelines and limits; and overseeing and reviewing performance measurement systems we use to monitor the performance of our investment portfolio and evaluate our performance.

As previously noted, the majority of the assets of the RenaissanceRe Group are managed by third party asset managers. The investment team selects those managers and oversees and reviews those managers to ensure compliance with investment guidelines.

4.5. STRESS AND SCENARIO TESTING

We produce, utilize and report on models which measure our utilization of capital in light of regulatory capital considerations and constraints. We also perform stress tests in order to test the adequacy of available capital relative to certain scenarios, including very large loss occurrences, at the individual subsidiary and Group levels.

RenaissanceRe runs various scenario tests (otherwise known as deterministic) based on various catastrophe loss events (both actual and hypothetical). Depending on the facts and circumstances, deterministic tests are run on specific events and their related footprints in order to determine industry ground up losses under each scenario or event. RenaissanceRe is able to run deterministic tests showing approximate losses expected on a deal or (re)insurance program and has the ability to aggregate and/or filter these deterministic statistics to balance sheet level. The underwriting and risk management teams review these results to assess the impact of modelled gross and net losses to the in-force portfolio, including assessing the capital adequacy of RenaissanceRe entities.

The various capital and liquidity tests we perform incorporate a stochastic depiction of all sources of risks and compare the tail outcomes to capital and liquidity on hand. These tests are performed on an operating entity and consolidated group basis, which ensures that cross-group dependencies are explicitly captured. The results of these tests are reviewed by the management team and are shared with the Board as appropriate. These stress tests include:

- Our quarterly stress test which is designed to capture our ability to recapitalize our operating entities following a loss using only the excess capital available at the parent company and undrawn lines of credit, subject to leverage constraints; and
- Adequacy of available liquidity relative to a very large loss occurrence on a gross basis. This test is intended to reflect the fact that the entity is often required to pay its losses before it can collect from its reinsurers.

We also run scenarios prescribed by the BMA to assess the capital adequacy of subsidiaries under adverse financial market and underwriting conditions.

5. SOLVENCY VALUATION

5.1. VALUATION BASES AND ASSUMPTIONS

5.1.1. Valuation of assets

The fundamental approach of EBS regime in Bermuda, is that the EBS should use the insurer's existing GAAP balance sheet as a starting point. RenaissanceRe has used the valuation principles outlined by the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011; Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Rules 2008; BMA Insurance (Prudential Standards) (Class 3A Solvency Requirement) Rules 2011, collectively, the "Solvency Requirement Rules" and the BMA's "Guidance Note for Statutory Reporting Regime" to prepare its EBS. Those valuation principles are summarized below:

Deferred acquisition costs ("DAC")

Under the EBS regime, DAC are valued at nil in order to avoid double counting as DAC are implicitly included in the premium provisions valuation within Technical Provisions.

Intangible assets

Goodwill is valued at nil. Other intangible assets can be recognized only if they can be sold separately and that the expected future economic benefits will flow to the insurer and the value of the assets can be reliably measured. No intangible assets have been recognized in the EBS of RenaissanceRe or the Bermuda Operating Subsidiaries.

Investments and cash and cash equivalents

Financial instruments are valued at fair value for EBS purposes. This is consistent with the valuation approach under GAAP.

Accounts and premiums receivable

Receivables are valued in accordance with GAAP, however, under the EBS regime, a significant amount of premiums receivable (i.e. those that are not yet due at the balance sheet date) are transferred to Technical Provisions.

Funds held by ceding reinsurers

RenaissanceRe writes certain business on a funds held basis. Under such arrangements, the cedant retains the premiums that would have otherwise been paid to RenaissanceRe. Funds held are recorded in accordance with GAAP.

Deferred tax asset

RenaissanceRe and RenaissanceRe Specialty U.S. Ltd. each recognize deferred tax assets in their respective EBS in conformity with GAAP principles. Deferred tax primarily relates to net operating loss carryforwards and GAAP versus tax basis accounting differences relating to reserves for claims and claim expenses, deferred interest expense, accrued expenses, unearned premiums, deferred underwriting results, deferred acquisition expenses, amortization and depreciation and investments.

Other assets

Other assets are measured consistent with GAAP.

Letters of credit, guarantees and other instruments

Top Layer Re is the beneficiary of \$75.0 million of letters of credit pledged by Renaissance Reinsurance and State Farm. This has been approved by the BMA as additional statutory economic capital and thus is recognized in Top Layer Re's EBS.

5.1.2. Technical provisions and best estimate

Technical provisions included in the EBS and utilized in the calculations for capital requirements for the RenaissanceRe Group and the individual Bermuda-licensed insurers are calculated in accordance with the requirements of the Solvency Requirement Rules and the BMA's "Guidance Note for Statutory Reporting Regime".

Technical provisions comprise the sum of:

- o a best estimate of probability-weighted average of future cash flows, discounted using the relevant risk-free interest rate term structure; and
- o a risk margin to reflect the uncertainty associated with the probability-weighted cash flows, which is calculated using the cost of capital approach and a risk-free discount rate term structure.

The best estimate for the loss and loss expense provision is calculated using GAAP reserves as the starting point and then performing a series of adjustments, including:

- o removal of prudence margins;
- o incorporation of events not in data; and
- o discounting of cash flows.

The best estimate for the premium provision is calculated by using the unearned premium, adjusting for bound but not incepted business as at December 31, 2020 and applying expected future loss ratios, expense ratios and appropriate claims pay-out patterns to derive cash flows which are then discounted.

The best estimate of premium provision (net of recoveries), loss and loss expense provision (net of recoveries), and risk margin as at December 31, 2020 and December 31, 2019 were as follows:

At December 31, 2020 <i>(in thousands)</i>	Best estimate net premium provision	Best estimate net loss and loss expense provision	Risk Margin
RenaissanceRe	\$ (54,044)	\$ 7,310,666	\$ 827,199
Renaissance Reinsurance	(71,706)	2,914,228	281,486
DaVinci Reinsurance	(150,208)	768,807	96,935
RenaissanceRe Specialty U.S.	43,621	2,147,435	354,824
Top Layer Re	3,462	5,501	479
Vermeer	(22,012)	9,104	17,876

At December 31, 2019 <i>(in thousands)</i>	Best estimate net premium provision	Best estimate net loss and loss expense provision	Risk Margin
RenaissanceRe	\$ 96,119	\$ 6,309,425	\$ 606,423
Renaissance Reinsurance	(13,108)	2,493,751	204,605
DaVinci Reinsurance	(124,841)	547,936	78,395
RenaissanceRe Specialty U.S.	93,869	1,678,112	191,316
Top Layer Re	6,309	5,921	1,465
Vermeer	(14,909)	-	7,793

5.1.3. Reinsurance recoverables

The best estimate of reinsurance recoveries is based on principles similar to, and consistent with, those underlying the gross best estimate of loss provisions. The balance is adjusted for counterparty credit rating based on rating agency and experience default statistics.

5.1.4. Valuation of other liabilities

Insurance and reinsurance balances payable

Insurance and reinsurance balances payable are recorded in accordance with GAAP, however, under the EBS regime, a significant amount of reinsurance balances payable are transferred to Technical Provisions.

Loans and notes payable

Loans and notes payable are recorded in accordance with GAAP.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are recorded in accordance with GAAP, which approximates fair value due to their short maturities.

Sundry liabilities

RenaissanceRe's other liabilities are recorded in accordance with GAAP.

Letters of credit, guarantees and other instruments

Renaissance Reinsurance has committed capital to support a \$37.5 million letter of credit facility for Top Layer Re. Renaissance Reinsurance recognizes this \$37.5 million as a liability in its EBS. As the parent entity, RenaissanceRe also recognizes this liability.

All other capital commitments made by RenaissanceRe, including on a contingent basis, are recognized on the EBS in accordance with GAAP and the BMA's EBS valuation rules referenced in 5.1.1 above.

6. CAPITAL MANAGEMENT

6.1. OVERVIEW

Capital management is a fundamental, firm-wide strategy, inextricably linked to our risk management and underwriting activities.

We aim to write as much attractively priced business as is accessible to us and then manage our capital accordingly.

We generally look to raise capital when we forecast increased demand in the market, at times by accessing capital through joint ventures or other structures, and return capital to our shareholders or joint venture investors when the demand for our coverages appears to decline and when we believe a return of capital would be beneficial to our shareholders or joint venture and managed fund investors. In using joint ventures and managed funds, we aim to leverage our access to business and our underwriting capabilities on an efficient capital base, develop fee income, generate profit commissions, diversify our portfolio and provide attractive risk-adjusted returns to our capital providers. We also routinely evaluate and review potential joint venture opportunities and strategic investments.

Capital, in aggregate, is primarily managed at the RenaissanceRe group level, while ensuring adequate capital resources at the operating subsidiary levels to meet policyholder obligations. In the normal course of our operations, we may from time to time evaluate additional share or debt issuances given prevailing market conditions and capital management strategies, including for our operating subsidiaries and joint ventures and managed funds. In addition, we enter into agreements with financial institutions to obtain letter of credit facilities for the benefit of our operating subsidiaries in their reinsurance and insurance business. Our total shareholders' equity attributable to RenaissanceRe and debt was as follows:

	At December 31, 2020	At December 31, 2019	Change
(in thousands)			
Common shareholders' equity	\$ 7,035,248	\$ 5,321,367	\$ 1,713,881
Preference shares	525,000	650,000	(125,000)
Total shareholders' equity attributable to RenaissanceRe	7,560,248	5,971,367	1,588,881
3.600% Senior Notes due 2029	392,391	391,475	916
3.450% Senior Notes due 2027	296,787	296,292	495
3.700% Senior Notes due 2025	298,428	298,057	371
5.750% Senior Notes due 2020 (1)	-	249,931	(249,931)
4.750% Senior Notes due 2025 (DaVinciRe) (2)	148,659	148,350	309
Total debt	1,136,265	1,384,105	(247,840)
Total shareholders' equity attributable to RenaissanceRe and debt	\$ 8,696,513	\$ 7,355,472	\$ 1,341,041

- (1) On March 15, 2020, the Company repaid in full at maturity the aggregate principal amount of \$250.0 million, plus applicable accrued interest, of the 5.75% Senior Notes due 2020 of RenRe North America Holdings Inc. and RenaissanceRe Finance Inc.
- (2) RenaissanceRe owns a noncontrolling economic interest in its joint venture DaVinciRe. Because RenaissanceRe controls a majority of DaVinciRe's outstanding voting rights, the consolidated financial statements of DaVinciRe are included in the consolidated financial statements of RenaissanceRe. However, RenaissanceRe does not guarantee or provide credit support for DaVinciRe and RenaissanceRe's financial exposure to DaVinciRe is limited to its investment in DaVinciRe's shares and counterparty credit risk arising from reinsurance transactions.

RenaissanceRe's operating subsidiaries maintain capital levels that are sufficient for the risk exposure at the legal entity level. Excess capital is usually returned to the parent company and if additional capital injections are necessary, the parent company will capitalize the subsidiary accordingly.

6.1.1. RenaissanceRe Holdings Ltd.

As a Bermuda-domiciled holding company, RenaissanceRe has limited operations of its own and its assets consist primarily of investments in subsidiaries, and cash and securities in amounts which fluctuate over time. Accordingly, RenaissanceRe's future cash flows largely depend on the availability of dividends and distributions or other statutorily permissible payments from our subsidiaries, investment income and fee income. As discussed above, the ability to pay such dividends is limited by the applicable laws and regulations in the various jurisdictions in which our subsidiaries operate.

RenaissanceRe's principal uses of liquidity are: (1) common share related transactions including dividend payments to our common shareholders and common share repurchases, (2) preference share related transactions including dividend payments to our preference shareholders and preference share redemptions, (3) interest and principal payments on debt, (4) capital investments in our subsidiaries, (5) acquisition of new or existing companies or businesses, such as our acquisition of TMR and (6) certain corporate and operating expenses.

We attempt to structure our organization in a way that facilitates efficient capital movements between RenaissanceRe and our operating subsidiaries and to ensure that adequate liquidity is available when required, considering applicable laws and regulations, and the domiciliary location of sources of liquidity and related obligations.

6.1.2. Bermuda Operating Subsidiaries

Bermuda regulations require BMA approval for any reduction of capital in excess of 15% of statutory capital, as defined in the Insurance Act 1978 ("Insurance Act"). The Insurance Act also requires the Bermuda insurance subsidiaries of RenaissanceRe to maintain certain measures of solvency and liquidity. At December 31, 2020, the statutory capital and surplus of our Bermuda insurance subsidiaries exceeded the minimum amount required to be maintained under Bermuda law.

6.2. ELIGIBLE CAPITAL

6.2.1. Eligible capital categorized by tiers

The eligible capital of RenaissanceRe and our Bermuda Operating Subsidiaries per BMA definitions is summarized in the table below.

Tier 1 capital is comprised of fully paid common shares, contributed surplus or share premium, convertible preferred shares, and statutory economic surplus as of December 31, 2020. These amounts are then reduced by the amount of encumbered assets as defined by the BMA.

Tier 2 capital is comprised of preference share assets and letters of credit which have been granted eligible capital status by the BMA and certain encumbered assets as defined by the BMA.

Tier 3 capital is comprised of certain debt instruments which have been granted eligible capital status by the BMA.

December 31, 2020						
<i>(in thousands)</i>						
Tier	Renaissance Re	Renaissance Reinsurance	DaVinci	RenaissanceRe Specialty U.S.	Vermeer	Top Layer Re
Tier 1	\$ 7,340,844	\$ 1,628,056	\$ 2,162,700	\$ 799,596	\$ 1,121,012	\$ 48,083
Tier 2	3,248,830	707,491	34,140	114,149	-	75,000
Tier 3	689,178	-	-	-	-	-
	\$ 11,278,852	\$ 2,335,547	\$ 2,196,840	\$ 913,745	\$ 1,121,012	\$ 123,083

December 31, 2019						
<i>(in thousands)</i>						
Tier	Renaissance Re	Renaissance Reinsurance	DaVinci	RenaissanceRe Specialty U.S.	Vermeer	Top Layer Re
Tier 1	\$ 5,532,599	\$ 1,940,412	\$ 1,975,097	\$ 547,043	\$ 1,017,375	\$ 62,936
Tier 2	3,536,569	653,985	81,247	139,766	-	75,000
Tier 3	687,767	-	-	-	-	-
	\$ 9,756,935	\$ 2,594,397	\$ 2,056,344	\$ 686,809	\$ 1,017,375	\$ 137,936

6.2.2. Eligible capital available to meet capital requirements

The eligible capital available to meet the minimum solvency margin (“MSM”) and ECR for each of RenaissanceRe and Bermuda Operating Subsidiaries as at December 31, 2020 was categorized as follows:

6.2.2.1. RenaissanceRe

<i>(in thousands)</i>				
Tier	ECR		MSM	
Tier 1	\$	7,340,844	\$	7,340,844
Tier 2		3,248,830		1,835,211
Tier 3		689,178		-
	\$	<u>11,278,852</u>	\$	<u>9,176,055</u>

6.2.2.2. Bermuda Operating Subsidiaries

Renaissance Reinsurance

<i>(in thousands)</i>				
Tier	ECR		MSM	
Tier 1	\$	1,628,056	\$	1,628,056
Tier 2		707,491		407,014
Tier 3		-		-
	\$	<u>2,335,547</u>	\$	<u>2,035,071</u>

DaVinci

<i>(in thousands)</i>				
Tier	ECR		MSM	
Tier 1	\$	2,162,700	\$	2,162,700
Tier 2		34,140		34,140
Tier 3		-		-
	\$	<u>2,196,840</u>	\$	<u>2,196,840</u>

RenaissanceRe Specialty U.S.

<i>(in thousands)</i>				
Tier	ECR		MSM	
Tier 1	\$	799,596	\$	799,596
Tier 2		114,149		114,149
Tier 3		-		-
	\$	<u>913,745</u>	\$	<u>913,745</u>

Vermeer

<i>(in thousands)</i>				
Tier	ECR		MSM	
Tier 1	\$	1,121,012	\$	1,121,012
Tier 2		-		-
Tier 3		-		-
	\$	<u>1,121,012</u>	\$	<u>1,121,012</u>

Top Layer Re

<i>(in thousands)</i>				
Tier	ECR		MSM	
Tier 1	\$	48,083	\$	48,083
Tier 2		48,083		12,021
Tier 3		-		-
	\$	<u>96,166</u>	\$	<u>60,104</u>

6.2.3. Encumbered assets

RenaissanceRe may deposit cash and investments with various counterparties, or in trust accounts for the benefit of those counterparties, in respect of contracts with cedants that require RenaissanceRe to partially or fully collateralize estimates of its obligations. Assets are released to RenaissanceRe upon the payment of the obligations.

Whilst in deposit for the benefit of counterparties, assets are considered to be encumbered, affecting the availability of those assets to meet the ECR.

6.2.4. Approved Ancillary Capital Instruments

In line with approval received from the BMA, RenaissanceRe recognizes the carrying value of 3.45% Senior Notes issued in 2017 and 3.6% Senior Notes in 2019 as Tier 3 ancillary capital.

As noted in 5.1.1 above, Top Layer Re has ancillary capital in the form of letters of credit which were approved as eligible Tier 2 capital.

6.3. REGULATORY CAPITAL REQUIREMENT

The BMA is the group supervisor of the RenaissanceRe Group and of the individual Bermuda licensed insurers. Under the Insurance Act, insurance groups are required to maintain available statutory capital and surplus to an amount that is equal to or exceeds the value of its group ECR, which is calculated at the end of its relevant year by reference to the BSCR model or an approved internal capital model provided that the group ECR shall at all times be an amount equal to or exceeding the Group Minimum Solvency Margin.

RenaissanceRe, and its Bermuda-based insurer subsidiaries, establish their ECR and MSM by reference to the BSCR model.

6.3.1. ECR and MSM

As of December 31, 2020, and December 31, 2019 respectively, the regulatory capital requirements were assessed as follows:

Year Ended December 31, 2020 <i>(in thousands, except percentages)</i>	ECR		MSM
RenaissanceRe	\$ 4,911,769	231%	\$2,825,621
Renaissance Reinsurance	1,454,280	164%	754,951
DaVinci Reinsurance	1,178,011	186%	294,503
RenaissanceRe Specialty U.S.	838,770	109%	209,692
Top Layer Reinsurance Ltd.	61,819	199%	15,486
Vermeer	527,569	212%	132,475

Year Ended December 31, 2019 <i>(in thousands, except percentages)</i>	ECR		MSM
RenaissanceRe	\$ 3,861,617	254%	\$2,369,642
Renaissance Reinsurance	1,343,496	196%	789,791
DaVinci Reinsurance	1,156,393	178%	297,322
RenaissanceRe Specialty U.S.	602,161	168%	141,295
Top Layer Reinsurance Ltd.	64,547	214%	16,094
Vermeer	428,273	238%	108,189

ECR ratios at December 31, 2020 were impacted by discount rates utilized in the valuation of technical provisions being at a historical low. This resulted in higher liabilities being carried on the Economic Balance Sheet (and thus lower available capital) and higher technical provisions subject to reserve risk charges in the BSCR model. For example, utilizing February 2021 and March 2021 discount rates, the ECR ratio of RenaissanceRe Specialty U.S. increases from 109% to 121% and 126% respectively. In addition, subsequent to the year end, RenaissanceRe contributed \$200 million of capital into RenaissanceRe Specialty U.S. to support 2021 growth.

6.3.2. Non-compliance with regulatory capital requirements

The RenaissanceRe Group, and its Bermuda-regulated subsidiaries, have not had any instances of non-compliance with the BMA's regulatory capital requirements. We have maintained capital in excess of the MSM and the ECR as calculated by the BSCR model without exception.

7. SUBSEQUENT EVENTS

In the first quarter of 2021 the Company had a net negative impact on net loss attributable to RenaissanceRe common shareholders of \$179.8 million resulting from Winter Storm Uri.

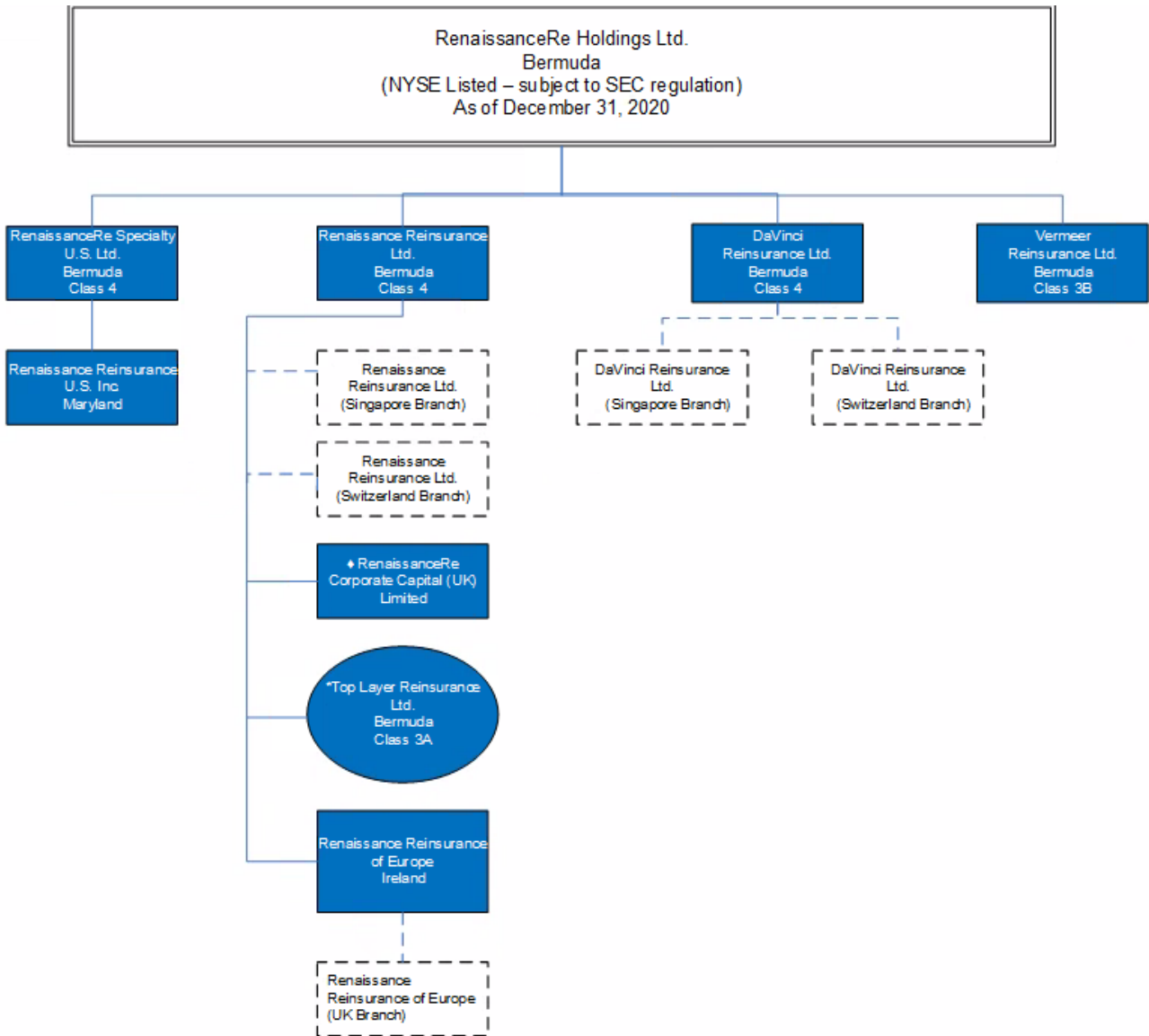
During the three months ended March 31, 2021, the Company repurchased 1,076,344 common shares in open market transactions at an aggregate cost of \$171.6 million and an average price of \$159.47 per common share. At March 31, 2021, \$328.4 million remained available for repurchase under the share repurchase program. Subsequent to March 31, 2021 and through the period ended April 23, 2021, the Company repurchased 330 thousand common shares in open market transactions at an aggregate cost of \$55.3 million and an average price of \$167.62 per common share.

During the three months ended March 31, 2021, DaVinciRe completed an equity capital raise of \$250.0 million, comprised of \$150.9 million from third-party investors and \$99.1 million from RenaissanceRe. In addition, RenaissanceRe sold an aggregate of \$40.0 million of its shares in DaVinciRe to third-party investors and purchased an aggregate of \$156.7 million of shares from third-party investors. The Company's noncontrolling economic ownership in DaVinciRe subsequent to these transactions was 28.7%.

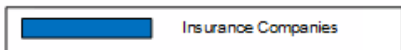
During the three months ended March 31, 2021, \$470.3 million of Upsilon RFO non-voting preference shares were issued to existing investors, including \$32.3 million to the Company. Also during the three months ended March 31, 2021 and following the release of collateral that was previously held by cedants associated with prior years' contracts, Upsilon RFO returned \$145.0 million of capital to its investors, including \$9.2 million to the Company. At March 31, 2021, the Company's participation in the risks assumed by Upsilon RFO was 12.8%.

Effective April 1, 2021, the Company raised over \$100.0 million of capital through Medici. Following this transaction, the Company's ownership in Medici was 13.7%.

APPENDIX ONE: SIMPLIFIED GROUP STRUCTURE



Key



* Not consolidated in RenaissanceRe Holdings Ltd. Financial Statements

◆ RenaissanceRe Corporate Capital (UK) Limited is the Lloyd's sponsor for RenaissanceRe Syndicate 1458

This is a simplified depiction of the Bermuda Operating Subsidiaries within the RenaissanceRe Group as at December 31, 2020. This indicates that RenaissanceRe is the ultimate owner of those Bermuda Operating Subsidiaries. Shares are directly held by other entities within the RenaissanceRe Group.

APPENDIX TWO: REGISTERS OF DIRECTORS AS OF MAY 19, 2021

Renaissance Reinsurance Ltd.

<u>NAME</u>	<u>DIRECTOR</u>	<u>OFFICE</u>
Kevin J. O'Donnell	Director	President and Chief Executive Officer
Robert Qutub	Director	Executive Vice President and Chief Financial Officer
James C. Fraser	Director	Senior Vice President and Chief Accounting Officer

RenaissanceRe Specialty U.S. Ltd.

<u>NAME</u>	<u>DIRECTOR</u>	<u>OFFICE</u>
Robert Qutub	Director	Executive Vice President and Chief Financial Officer
James C. Fraser	Director	Senior Vice President and Chief Accounting Officer
Helen L. James	Director	Senior Vice President and Global Corporate Controller

Vermeer Reinsurance Ltd.

<u>NAME</u>	<u>DIRECTOR</u>	<u>OFFICE</u>
Justin D. O'Keefe	Director	Senior Vice President
Christopher S. Parry	Director	Senior Vice President
Sebastien Iaxx	Director	Senior Vice President
Veronique C. Bernard	Director	Controller, Vice President

Top Layer Reinsurance Ltd.

<u>NAME</u>	<u>DIRECTOR</u>	<u>OFFICE (if applicable)</u>
Kevin J. O'Donnell	Class C Director	Chief Executive Officer
Justin D O'Keefe	Class C Director	
Jon Farney	Class A Director	
Chris Schell	Class A Director	
Jeffrey McCarty	Class A Director	
Daniel J. Krause	Class A Director	

