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BERMUDA INSURANCE QUARTERLY

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BOURBON STREET TO BERMUDA

Why the Insurance Commissioner for Louisiana, one of the US states hit hardest by Hurricane Katrina, has thrown his support behind Bermuda's reinsurance market. *Pages 9 & 10*

BIQ

BERMUDA INSURANCE QUARTERLY

Volume 5, Number 4
October 2009

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Published by Bermuda Media, Suite 310, The International Centre, 26 Bermudiana Road, Hamilton HM 11, Bermuda. Postal address: PO Box HM 2032, Hamilton HM HX, Bermuda. Tel: 292-7279 Fax: 295-3189 Email: submit@bm.bm. Web: bermudamedia.bm Printed in Canada.

Published four times a year in association with PricewaterhouseCoopers.

Cover image: istockphoto.com

THE QUOTES OF THE QUARTER

"Finally! We are pleased to report a quarter in which the strength of the XL franchise shines through clearly despite challenging market conditions in the sector."

— Mike McGavick, CEO of XL Capital, *reporting a 26 percent increase in XL's book value per ordinary share to $18.89 for Q2*

"With our strong balance sheet, liquidity and market position we were able to increase capacity for our clients in Florida, both via organic growth of our already strong portfolio, and by the successful execution of our newest joint venture, Timicuan Reinsurance II Ltd."

— Neill Currie, CEO of RenaissanceRe

"Allied World continues to deliver significant book value growth to our shareholders. The company's annualised operating return on equity is 20 percent for the first half of the year and our total book value has grown more than 13 percent since year end 2008. The company's total capital now exceeds $3.2 billion, which positions us very well as our initiatives to expand the breadth of our global insurance and reinsurance operations have begun to take hold."

— Scott Carmilani, President & CEO of Allied World

"For our portfolio of business, rates continued to firm and a number of our divisions benefited, such as our ACE Tempest Re reinsurance franchise, where net premiums grew over 20 percent in the quarter. Moreover, many of our retail P&C insurance lines around the world experienced good growth as a result of continued customer flight to safety."

— Evan Greenberg, CEO of ACE Limited

PartnerRe buys Paris Re in $2 billion deal

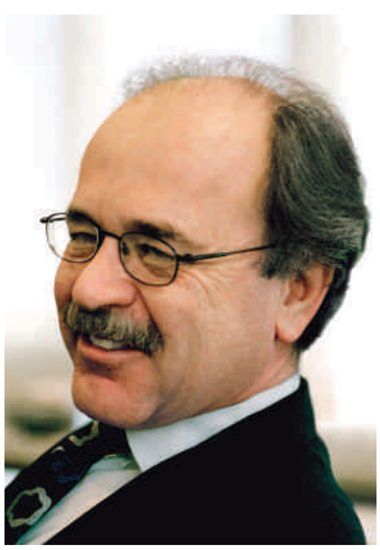
THIELE: 'IMPORTANT ACQUISITION' AND 'THE OPPORTUNITY TO ENHANCE OUR ALREADY SUCCESSFUL FRANCHISE'

Bermuda-based reinsurer PartnerRe has agreed to buy Paris Re, the French-listed, Swiss-based diversified reinsurer, in a deal valued at $2 billion.

PartnerRe will exchange 0.30 of its common shares for each Paris Re common share outstanding in a stock-for-stock deal that will add about $1.4 billion of gross written premiums to PartnerRe. The merged company will have nearly 1,400 employees and nearly $23 billion in total assets, making it the fourth-largest reinsurer in the world.

Separately, Paris Re is expected to distribute $310 million (net of the amount due on existing treasury shares held by Paris Re) in cash as a return of capital to its shareholders, leading to a total transaction value of approximately $2 billion.

Patrick Thiele, PartnerRe's CEO, said the company had been seeking to increase its assets as a safeguard against uncertainty in the insurance sector, and Paris Re's clean balance sheet and focus on reinsurance made it an attractive target.



Patrick Thiele, PartnerRe CEO: 'more balance and stability to our company'

He said: "This is an important acquisition for PartnerRe and provides us the opportunity to enhance our already successful franchise. The greater market presence, risk diversification, capital strength and scale that are created, will provide more balance and stability to our company in the face of uncertain and volatile financial and reinsurance markets.

"Paris Re has established itself as a premier European reinsurer and has a successful track record as a publicly-traded company. This acquisition strengthens PartnerRe's balance sheet and financial flexibility and allows us to leverage our infrastructure and capabilities over a broader base for the benefit of key stakeholders of both companies: clients, shareholders and employees. Our history of success in integrating acquired companies, and the rigorous analysis completed, gives us confidence that this integration process will be a smooth and successful one."

In the first stage of the transaction PartnerRe, which recently acquired approximately six per cent of Paris Re's outstanding common shares in a stock-for-stock transaction at the 0.30 exchange ratio, will acquire an additional 57 percent of Paris Re's outstanding common shares at the same exchange ratio.

The closing of that block purchase is expected to occur in the fourth quarter of 2009 subject to conditions. These include approval of certain insurance and competition regulatory authorities, PartnerRe shareholders' approval and Paris Re shareholders' approval to remove the provisions of its articles of association purporting to require a cash takeover bid for any acquisition of more than one-third of the voting rights of Paris Re. The sellers in the block purchase have agreed to vote in favour of such removal.

XL back on the front foot, says CEO

MCGAVICK REPORTS COMPANY IS ON TRACK WITH EVERYTHING IT SET OUT TO DO

XL Capital CEO Mike McGavick says the company is prepared to give up more reinsurance business if rates do not meet expectations, but its recovery from the SCA crisis means it is no longer a takeover target.

Mr McGavick, speaking at the Rendez-Vous global industry meeting in Monte Carlo, told Bloomberg: "At the reinsurance side of our business we are perfectly willing to shrink. We are not going to chase the market to foolish pricing. At the peak, XL was a $3 billion reinsurance operation and this year we might end up with $1.7 billion to $2 billion in premiums."

The company is facing a drop in policy purhases as customers cut back during the recession but Mr McGavick remained bullish about XL's future after a traumatic 2008 when it reported a net loss of $2.55 billion.

The company's capital was hit hard by sub-prime losses and exposure to Security Capital Assurance Ltd (SCA, now Syncora), the troubled bond insurer it co-founded. XL had to raise more than $2.8 billion in capital to replenish its funds and finance a $1.8 billion deal to cut all ties with SCA. The move restored XL's critical ratings with A M Best to stable, and reassured customers.

Mr McGavick, who took over from Brian O'Hara in May 2008, has overseen a reorganisation of the group, cutting 10 percent of the workforce and trimming costs. As a result, XL shares have recovered from a record low of $2.56 in February to $17.35 at August 31 — valuing the company at around $5.8 billion.

Mr McGavick said: "Our company's troubled times in the past are no longer a topic in conversations with our clients. We are also no longer seen as a takeover target as there wouldn't be many bidders out there that could afford to pay more than $5 billion right now."

XL had hired Goldman Sachs in December 2008 to explore a possible sale of the company.

Mr McGavick added: "Right now we like pricing in the US catastrophe business where we see good rate increases achievable and we like the pricing on the financials directors and officers segment. We also expect to see better prices in aviation."

On September 9, A M Best gave XL a further vote of confidence by affirming the group's financial strength rating (FSR) of 'A' (Excellent) and issuer credit ratings (ICR) of 'a' with a stable outlook for all ratings.

A M Best stated: "These rating actions reflect the early achievements of XL Capital's recovery plan following last year's settlement with Syncora Holdings Ltd, which included de-risking of the investment portfolio, reduction of corporate expenses, implementation of a more robust risk management programme and retention of key senior underwriting management.

"The group's core operating results remain strong in both primary and reinsurance segments. XL Capital's property/casualty combined ratio for the six months ended June 30, 2009 was 92.6 percent, reflective of the group's established market profile and worldwide presence, while risk-based capitalisation remains solid and fully supportive of the group's rating level."

No wonder Mr McGavick is in a bullish mood. Commenting on the group's Q2 results, he said: "This quarter for XL marks a return to positive growth in shareholder value while we continue to deliver solid operating performance. We are on track with everything we set out to do and the benefits are showing as expected. XL is back to competing from the front foot."

ARGUS TAKES ON BAICO LOCAL HEALTHCARE POLICYHOLDERS

The Argus Group has agreed to take on the health insurance policyholders of British American Insurance Company's (BAICO) Bermuda branch. The agreement with the Official Receiver, who is responsible for winding up the Bermuda branch of British American, will ensure that all of British American's local health policyholders continue to receive healthcare coverage from the Argus Group.

All British American health insurance policyholders whose insurance premiums are paid up to date, have the opportunity to substitute their British American health insurance policy with an Argus policy.

Argus said in a statement: "There will be no gap in coverage for those who make this substitution. The new Argus policy will provide the same benefits, terms and conditions as the British American policy at the same premium rates until at least April 1, 2010." Any policyholder who did not substitute their policy by September 30, 2009, will no longer be covered by British American.

Matthew Elderfield, BMA CEO

Official Receiver Stephen Lowe, the Registrar of Companies, said Government was now working on finding solutions for BAICO's non-health policyholders, including about 4,000 life insurance clients.

KPMG, which is acting as agent for the Official Receiver, has advised life customers to continue paying their premiums. If an alternative insurer is not found to take on the life policies, it said all premiums paid after July 29 will be repaid to clients.

The Bermuda Monetary Authority (BMA) announced the winding up of BAICO on August 3, saying it had taken the action to protect local policyholders as a result of "continuing severe financial difficulties" faced by BAICO and its parent company, CL Financial Group of Trinidad and Tobago.

The BMA said it had already imposed certain restrictions on BAICO Bermuda branch including the cessation of new business and a requirement to secure local assets for the benefit of local policyholders at a level exceeding normal statutory requirements.

Deputy Premier and Finance Minister Paula Cox, said: "The BMA and the Government of Bermuda are very grateful to the domestic insurance companies who have worked hard to find this solution, and in particular to the Argus Group for their efforts to assist BAICO Bermuda branch's health policyholders during this difficult time."

BMA CEO Matthew Elderfield commented: "The financial problems of British American are affecting tens of thousands of policyholders across numerous jurisdictions. The actions being taken to secure local assets will help minimise the impact on local policyholders, but it will take some time to assess the financial position and the options for the future before the exact size of any shortfall for non-health policyholders can be determined.

IPC staff to lose jobs after merger

HOSTILE TAKEOVER LEAVES OTHER STAFF WITH NO LONG-TERM DECISION ON THEIR FUTURE

IPCRe's interim CEO John Weale and four senior underwriters will lose their jobs at the end of the year following the hostile takeover by Validus Holdings Ltd.

Chief Financial Officer Joseph Consolino told Reuters on September 9 that Validus would keep all 30 current IPCRe employees on its payroll until December 31, but that no long-term decision had been made.

Validus closed its $1.77 billion acquisition of the property-catastrophe reinsurer on September 4, after a drawn-out and often acrimonious bidding war against rival Bermuda reinsurers Max Capital and Flagstone Re. Analysts say the takeover increases Validus' capacity to sell reinsurance in a hardening market.

Validus Holdings acquired IPCRe Holdings in exchange for a .9727 common voting share of Validus Holdings for each IPCRe common share and cash consideration of $7.50 per share.

Rating agency A M Best said the acquisition effectively put IPCRe into runoff "as all renewal business going forward will be written by Validus".

Mr Weale, who had been IPCRe's CFO for 13 years, took over from founding CEO Jim Bryce, who retired on June 30 but continues to serve as a consultant until the end of the year.

He said the company, which was formed in 1995 in the wake of Hurricane Andrew, had succeeded because it remained focused on property-catastrophe reinsurance and because of the quality of its underwriting. Its only significant loss year was 2005, following the triple whammy of Hurricanes Katrina, Rita and Wilma.

In an interview with *The Royal Gazette*, he said: "We built the company up from $300 million of initial capital to one that was worth $2.1 billion at the end of August. Having also paid out something like $800 million in dividends and share repurchases, we certainly generated a lot of value in that time."

He said the Validus merger process had been "as fair as it could have been in the circumstances" and agreed that job losses were inevitable as there was considerable overlap between the businesses. Validus started up after the devastating hurricane season of 2005.

The takeover has drawn contrasting reaction from the rating agencies. A M Best and Moody's improved their ratings of both

'The ratings contemplate the prospective benefits that will be realised through the acquisition due to the larger capital base and market profile'

‘We built the company up from $300 million of initial capital to one worth $2.1 billion at the end of August’

companies but Standard & Poor’s lowered IPCRe’s credit rating.

AM Best said it would have no impact on the two reinsurers and removed Validus and IPCRe from being under review with negative implications and affirmed the financial strength ratings of “A-minus” (Excellent) and issuer credit ratings (ICR) of “a-minus” with a stable outlook.

Moody’s affirmed Validus Holdings Ltd’s ‘Baa2’ long-term issuer rating and Validus Reinsurance Ltd’s ‘A3’ insurance financial strength rating. It also moved Validus’ outlook to stable from negative but noted that the acquisition will increase Validus’ natural catastrophe exposure, based on annual aggregate modeled losses as a percent of equity.

A M Best noted that all IPC Re’s renewal business would now be written by Validus. “Management has indicated its intention to move capital from IPCRe to Validus commensurate with the movement of risk as business renews.

“The ratings contemplate the prospective benefits that will be realised through the acquisition due to the larger capital base and market profile.

“However, it will take time to truly gauge these prospective benefits’ impact on the Validus franchise.

“Partially offsetting these strengths is Validus’ susceptibility to low frequency, high severity events as a property catastrophe focused reinsurer, and the increased uncertainty over the short term due to the business that was previously underwritten by IPCRe.”

S&P said it lowered its counterparty credit rating on IPC Holdings Ltd. to ‘BBB-minus’ from ‘BBB’ and removed it from CreditWatch, where it was placed on June 16, 2009, with negative implications. After IPC shareholders approved the acquisition on September 4, S&P said it aligned the counterparty credit rating on IPC Holdings Ltd with that on Validus Holdings Ltd (‘BBB’/Positive).

S&P said the acquisition would “significantly enhance Validus’ competitive position” by expanding its market presence in the global property catastrophe marketplace.

S&P noted that while it was concerned about Validus’ “aggressive appetite” for acquisitions, it was encouraged by the company’s so-far successful integration of Talbot Underwriting Holdings, acquired in 2007. As property catastrophe is one of Validus’ core lines of business, it says the group is familiar with IPC’s book of business, which should be quickly integrated into Validus’ proprietary VCAPS underwriting system.

More mergers on the horizon?

With no windstorm losses to talk about, reinsurance executives at the annual Rendez-Vous conference in Monte Carlo in September were left to speculate about further possible mergers.

And in the wake of the Validus Holdings’ aggressive takeover of IPC Re, rumours are rife about further mergers and acquisitions in the months ahead.

Bermuda-based companies Ariel Re, Montpelier Re and Harbor Point Ltd were the subjects of the most speculation.

It is an open secret that reinsurers in Bermuda have been speaking to each other about mergers as they have been struggling with not only the lack of capital in the market but also low book value.

Don Kramer has recently said that he will “not go on forever” as Ariel Re CEO, and Tony Taylor is due to step down next year from Montpelier Re.

Harbor Point Ltd was also formed in 2005 and took over the reinsurance business of Chubb Re. A merger of this kind would give a big organisation a much larger capital base.

BMA sets capital model standards

FRAMEWORK ENHANCED TO OBTAIN EQUIVALENCE STATUS WITH WORLD'S LEADING REGULATORS

The Bermuda Monetary Authority (BMA), the insurance industry's regulatory body, has chalked up another milestone in preparing Bermuda for international regulatory equivalence.

It has now formally established the standards and applications process for permitting the use of insurers' internal capital models to assess the regulatory capital required for such companies.

The Authority has also developed new proposals for applying greater disclosure requirements to Class 4 and 3B insurers for both audited general purpose financial statements as well as statutory filings.

According to the BMA, both developments advance the Authority's preparations for assessments to determine broad equivalence of its insurance framework under regimes of other major international jurisdictions, such as Europe's Solvency II Directive (*see page 15*).

BMA CEO Matthew Elderfield, said: "The Authority has worked for some time on enhancing our insurance framework with the view to obtaining equivalence status with other leading regulators in the world. These latest developments are a significant milestone for the Authority, and show that we are making steady progress towards this important goal for Bermuda."

To support these developments, the Authority has published two market communications: "Guidance Notes: Standards and Application Framework for the Use of Internal Capital Models for Regulatory Capital Purposes" and "Consultation Paper on Disclosure and Transparency".

The internal capital models (ICM) Guidance Notes, which apply initially to Class 4 companies, outline the various components of the Authority's ICM framework including: provisions relating to pre-application conditions; application review procedures, and post-approval monitoring and control activities. The paper also provides guidance on the insurers' self-assessment process, which requires an insurer to confirm that its ICM meets a number of general criteria prior to the Authority starting an ICM review.

The implementation of the Authority's internal capital model framework is part of its enhanced solvency regime, which includes the Bermuda Solvency Capital Requirement (BSCR), the BMA's standardised capital adequacy model introduced in 2008, and an Own Risk and Solvency Assessment (ORSA) regime, which is currently in development.

In its Consultation Paper on Disclosure and Transparency, the BMA proposes a measured approach to enhancing its disclosure regime, with three distinct phases of implementation. The BMA said: "Taking this approach affords the Authority the opportunity to ensure that its proposals keep step with international developments while allowing sufficient time for consultation with industry participants."

Bermuda bosses named in power list

PARTNERRE'S PATRICK THIELE TOPS BERMUDA-CONNECTED NAMES IN REINSURANCE 'POWER' RANKINGS

A number of Bermuda-connected names were ranked in the 2009 edition of *Reinsurance Magazine*'s Reinsurance Power List.

The UK-based industry publication placed **Patrick Thiele**, PartnerRe's CEO, seventh on the 39-name list, for his $2 billion buyout of Paris Re (*see page 1*), making PartnerRe the world's fourth largest reinsurer.

Other Bermuda-connected names ranked as follows, together with *Reinsurance Magazine*'s comments:

9. Evan Greenberg, CEO, ACE
"ACE shares have been tipped widely to do well this year after a none-too-shabby 2008, and Greenberg's decision to move its tax base from Bermuda to Switzerland will save the company more money."

10. John Charman, CEO, AXIS Capital
"Now that XL is perceived to have lost its way, Charman and Axis are in a decent position to pick up lost business."

13. Robert Clements, Founder, Ironshore
"While Integro didn't have an easy 2008, Ironshore just kept growing — particularly off the back of the demise of AIG. We await 2010–11's IPO eagerly."

19. Don Kramer, CEO, Ariel Holdings
"Ariel Re, one of reinsurance's largest privately-owned insurers, wasn't shy when it came to buying Atrium. However, CEO Don Kramer dismissed discussions of a dance with Chaucer. Will he deal with US exchanges in 2010? If the green shoots of recovery are there then Kramer is sure to see it."

21. Scott Carmilani, CEO, Allied World
"Carmilani … showed that he's not afraid to break out the wallet when Allied bought Darwin Professional in October last year. We can't wait for Allied to buy a Lloyd's reinsurer and we can think of one that's currently on the trading block."

23. Ed Noonan, CEO, Validus
"Validus won over IPC's shareholders by showing them the one thing that they all wanted: money. After raising the price of the deal a couple of times, it seems certain Noonan will lead the combined company that will be one of the biggest players on the Bermudian scene."

26. Mike McGavick, CEO, XL Group
"Since McGavick's arrival, XL has managed to retain underwriters, kept the ratings agencies from downgrading it further and has seen underwriting income improve. There are proclamations that the bad years are behind the company, so 2009's year-end results will be ones to watch."

31. Barbara Merry, CEO, Hardy Underwriting
"The only female chief executive officer in the Lloyd's market, has seen Hardy go from strength to strength."

33. Mark Byrne, CEO, Flagstone Re
"He is rarely in one place for long. Buzzing around the world on behalf of the good flagship Flagstone, Byrne is trying to follow in the family footsteps of industry-legend father Jack, who started a small motor insurer called GEICO. No pressure then."

Neal bill is 'unnecessary threat'

LOUISIANA COMMISSIONER BACKS BERMUDA MARKET BY CALLING ON CONGRESS TO BLOCK CONTROVERSIAL BILL

The Insurance Commissioner for Louisiana, one of the US states hit hardest by Hurricane Katrina, has thrown his support behind Bermuda's reinsurance market by urging Congress to block Richard Neal's controversial bill to raise taxes on foreign reinsurers.

In a public statement on September 2, James J Donelon called the bill an "unnecessary threat" in hurricane season to a region still recovering from Katrina and facing a shortage of insurance cover amid a deepening recession. In the August 2005 hurricane in Louisiana alone, 1,500 people were killed as storm surges flooded New Orleans and destroyed many Gulf Coast towns leaving more than $25 billion of damage in its wake.

Mr Donelon has written to Max Baucus, Chairman of the Senate Finance Committee, urging him to oppose "this ill-considered and poorly timed tax increase on an essential industry and its hard-pressed customers." He has also called on all Louisianans to write to their US Senators and Representatives asking them to vote down the Neal bill "before it creates a perfect storm that devastates our insurance market, our communities and our economy."

He said Rep Neal was threatening to "raise taxes on the foreign reinsurance companies that helped Louisiana recover from the destruction caused by Katrina and that will be indispensable to insuring residential, commercial and industrial properties in the years ahead."

Mr Neal, the Massachusetts Democratic Representative, reintroduced legislation on July 31 that would limit tax deductions for reinsurance that insurers cede to affiliates outside the US. He said foreign insurers shift premiums offshore to lower their US tax bill, putting US-based company at a disadvantage.

Mr Donelon said foreign insurers, such as those from Bermuda, were "indispensable" to Louisiana's recovery and ability to withstand future storms.

"Following Hurricanes Katrina, Rita and Wilma, insurance companies based in Bermuda contributed $17 billion in claims payments to US consumers," he said. "Here in Louisiana these companies paid an estimated $9 billion for residential and commercial property claims from Hurricanes Rita and Katrina."

He said that reinsurance was essential in areas with the greatest risks of huge, unexpected and infrequent claims, such as coastal areas in Louisiana. "By sharing these risks, insurance companies have been able to cover properties that might otherwise be unaffordable, such as stores in New Orleans or homes near the Gulf Coast.

"The US depends on a global network of foreign and domestic reinsurers to spread those risks. Of the $100 billion in reinsurance purchased by US insurers, about half comes from foreign companies. With property casualty insurance, that figure is two-thirds."

Rep Neal, introducing the bill in the House of Representatives, said: "There is no doubt that there is a legitimate role for reinsurance. However, reinsurance among affiliates can serve other purposes as well, including tax avoidance."

Mr Donelon said the Internal Revenue Service "has the tools" to correct tax avoidance or evasion by insurance and reinsurance companies, domestic and foreign. "If we arbitrarily raise taxes on foreign reinsurance companies, especially in the midst of a slump in the industry and a financial crisis throughout the world, we will simply increase the cost and decrease the availability of the insurance that we need."

The Brattle Group recently concluded in a study for the Coalition for Affordable Insurance Rates, that the supply of reinsurance within the US would decline by between $19 billion and $22 billion if the bill became law.

"With our constant risk of tropical storms and growing insurance problems, Louisiana would be one of the seven states hardest hit by slumping supplies and skyrocketing costs," said Mr Donelon.

The Neal bill is backed by the Coalition for a Domestic Insurance Industry, a group of 14 US-based insurers including W R Berkley, Chubb and Travelers, who see the bill as leveling the playing field.

Bermuda reinsurers, along with the Coalition for Affordable Insurance Rates and Risk & Insurance Management Society (RIMS), have lobbied hard against the bill claiming it is protectionist, anti-competitive and provocatively labeled as tax haven legislations. Foreign-based insurers claim they reinsure their business with affiliates because it is a more efficient way to manage capital, rather than to avoid tax.

Deborah Luthi, a member of RIMS' Board of Directors and Director of Enterprise Risk Management Services at Matheson Trucking, said the bill would "limit the tax deduction to the industry index for each line of property and casualty insurance and, in doing so, would have a chilling effect on these entities and their willingness to serve as a safety valve in many areas of the country."

She added that it would "severely inhibit domestics with

James J Donelon, the Insurance Commissioner for Louisiana

foreign affiliates from engaging in a legitimate risk management practice. The result is a disruption to the market, reduction in the supply of insurance in the United States, and an increased cost to the commercial insurance consumer by $10-12 billion per year for the same amount of insurance."

When it was previously introduced, the bill was unsuccessful as it was seen as affecting insurance capacity. Opponents hope that view will again scupper the bill but they are concerned that while it may not pass as a tax measure on its own, it could pass as a revenue raiser by piggybacking legislation totally unrelated to reinsurance.

President Barack Obama has not backed the bill but is under increasing pressure to raise revenue to pay for his administration's pro-

> 'Following Hurricanes Katrina, Rita and Wilma, insurance companies based in Bermuda contributed $17 billion in claims payments to US consumers'

OPERATING RATIOS

QUARTERLY LOSS RATIOS

	Q2 2009	Q2 2008	Q2 2007
ACE	58.2%	58.5%	61.4%
Arch	57.0%	57.3%	56.6%
Aspen	54.8%	47.4%	60.5%
Allied World	53.3%	66.2%	58.1%
Axis	53.5%	54.6%	51.7%
Endurance	62.4%	60.7%	49.6%
Everest Re	59.2%	64.2%	62.0%
Flagstone Re	30.8%	39.7%	69.1%
Hiscox	n/a	n/a	n/a
IPC	(8.7)%	(7.5)%	88.2%
Max Capital	65.1%	55.4%	69.8%
Montpelier	23.6%	20.5%	38.8%
PartnerRe	53.6%	54.2%	54.6%
Platinum	53.7%	36.2%	55.6%
Renaissance Re	17.6%	30.3%	38.7%
Validus	38.0%	39.5%	32.1%
White Mtn	58.9%	68.6%	61.6%
XL Capital	60.8%	62.2%	56.9%

QUARTERLY EXPENSE RATIOS

	Q2 2009	Q2 2008	Q2 2007
ACE	29.5%	29.3%	26.2%
Arch	30.2%	29.8%	27.5%
Aspen	32.9%	30.8%	27.9%
Allied World	29.8%	27.0%	21.9%
Axis	26.9%	26.6%	23.7%
Endurance	27.2%	28.3%	29.4%
Everest Re	28.7%	30.2%	27.2%
Flagstone Re	37.9%	36.3%	25.5%
Hiscox	n/a	n/a	n/a
IPC	32.3%	17.7%	17.4%
Max Capital	25.7%	24.0%	25.8%
Montpelier	37.9%	37.2%	31.2%
PartnerRe	29.9%	31.7%	30.7%
Platinum	23.2%	32.2%	25.2%
Renaissance Re	26.2%	23.2%	24.0%
Validus	33.9%	31.5%	23.2%
White Mtn	40.7%	39.5%	41.9%
XL Capital	32.2%	30.1%	29.4%

QUARTERLY COMBINED RATIOS

	Q2 2009	Q2 2008	Q2 2007
ACE	87.7%	87.8%	87.6%
Arch	87.2%	87.1%	84.1%
Aspen	87.7%	78.2%	88.4%
Allied World	83.1%	93.2%	80.0%
Axis	80.4%	81.2%	75.4%
Endurance	89.6%	89.0%	79.0%
Everest Re	87.9%	94.4%	89.2%
Flagstone Re	68.7%	76.0%	94.6%
Hiscox	n/a	n/a	n/a
IPC	23.6%	10.2%	105.6%
Max Capital	90.8%	79.4%	95.6%
Montpelier	61.5%	57.7%	70.0%
PartnerRe	83.5%	85.9%	85.3%
Platinum	76.9%	68.4%	80.8%
Renaissance Re	43.8%	53.5%	62.7%
Validus	71.9%	71.0%	55.3%
White Mtn	99.6%	108.1%	103.5%
XL Capital	93.0%	92.3%	86.3%

FINANCIAL STRENGTH RATINGS

	A M BEST RATING		S&P RATING	
	June 30, 09	June 30, 08	June 30, 09	June 30, 08
ACE	A+	A+	A+	A+
Arch	A	A	A	A
Aspen	A	A	A	A
Allied World	A	A	A–	A–
Axis	A	A	A+	A
Endurance	A	A	A	A
Everest Re	A+	A+	A+	AA–
Flagstone Re	A–	A–	NR	NR
Hiscox	A	A–	A	NR
IPC	A–	A	A–	A–
Max Capital	A–	A–	NR	NR
Montpelier	A–	A–	A–	A–
PartnerRe	A+	A+	AA–	AA–
Platinum	A	A	NR	NR
Renaissance Re	A+	A+	AA–	AA–
Validus	A–	A–	NR	NR
White Mtn	A–	A–	A–	A–
XL Capital	A	A	A	A+

NR — Not rated by S&P

ANALYSIS / PRICEWATERHOUSECOOPERS Q2 2009

Premiums

● Gross premiums written and net premiums earned for the group decreased marginally in comparison with the previous year.

● Positive factors included property catastrophe rate increases of between 10 percent and 20 percent and expansion into new markets, including Lloyd's.

● These were offset by continued challenges with casualty pricing, underwriting discipline and the negative impact of foreign exchange.

Earnings

● The Bermuda companies continued to perform well in the first half of 2009 compared to the insurance market generally, with increased net earnings and earnings per share.

● Investment income continued to increase over the levels seen in Q1 and Q4 of 2008.

● Combined ratios remained static overall with a continued absence of significant catastrophe events for the relevant periods.

Capital management

● The positive results and recovery of the capital markets have meant that equity levels for the group are close to those seen at Q2 2008, following the sharp declines in Q3 and Q4 of 2008.

● Share repurchase activity remained low in comparison with 2008, although there is potential for increased activity later in the year, depending on the outcome of the hurricane season, and assuming share prices remain low.

● Financial strength ratings held steady for most of the group.

● Subsequent to quarter end, Validus and IPC announced a plan to amalgamate, with the deal being subject to shareholder approval in September 2009.

GROSS PREMIUMS WRITTEN $M

	Q2 2009	Q2 2008	Q2 2007
ACE	5,117	5,293	4,637
Arch	912	887	1,102
Aspen	534	529	504
Allied World	493	447	531
Axis	915	874	959
Endurance	559	518	507
Everest Re	974	905	935
Flagstone Re	329	271	181
Hiscox	n/a	n/a	n/a
IPC	128	105	109
Max Capital	397	369	242
Montpelier	184	188	188
PartnerRe	846	968	908
Platinum	215	234	294
Renaissance Re	855	808	846
Validus	425	380	174
White Mtn	957	1,026	1,046
XL Capital	1,652	1,947	2,231

NET PREMIUMS EARNED $M

	Q2 2009	Q2 2008	Q2 2007
ACE	3,266	3,428	3,008
Arch	699	706	751
Aspen	429	397	451
Allied World	334	269	303
Axis	707	680	694
Endurance	434	453	418
Everest Re	957	942	999
Flagstone Re	187	142	112
Hiscox	n/a	n/a	n/a
IPC	96	85	99
Max Capital	229	235	138
Montpelier	141	119	129
PartnerRe	826	956	889
Platinum	232	258	296
Renaissance Re	380	377	358
Validus	328	309	133
White Mtn	898	922	961
XL Capital	1,430	1,682	1,930

Q2 EARNINGS (LOSS) DATA

	Net income (loss) attributable to common shareholders ($m)			Fully diluted earnings (loss) per share ($)		
	Q2 2009	Q2 2008	Q2 2007	Q2 2009	Q2 2008	Q2 2007
ACE	535	746	649	1.58	2.20	1.93
Arch	152	192	199	2.43	2.92	2.65
Aspen	105	120	108	1.22	1.39	1.19
Allied World	114	79	123	2.22	1.56	1.96
Axis	159	231	252	1.06	1.47	1.51
Endurance	145	99	131	2.42	1.56	1.85
Everest Re	273	153	283	4.43	2.47	4.45
Flagstone Re	68	42	15	0.80	0.49	0.17
Hiscox	n/a	n/a	n/a	n/a	n/a	n/a
IPC	174	43	24	3.11	0.78	0.37
Max Capital	44	74	94	0.76	1.26	1.45
Montpelier	159	44	51	1.81	0.51	0.53
PartnerRe	465	(35)	96	8.10	(0.64)	1.66
Platinum	98	100	88	1.90	1.82	1.34
Renaissance Re	271	136	183	4.32	2.13	2.53
Validus	138	76	71	1.74	0.98	1.17
White Mtn	180	(9)	103	20.35	(0.87)	9.49
XL Capital	80	238	545	0.23	1.34	3.00

CUMULATIVE YTD EARNINGS DATA

	Net income (loss) attributable to common shareholders ($m)			Fully diluted earnings (loss) per share ($)		
	Q2 2009	Q2 2008	Q2 2007	Q2 2009	Q2 2008	Q2 2007
ACE	1,102	1,123	1,350	3.27	3.31	4.02
Arch	292	382	398	4.67	5.71	5.24
Aspen	221	194	223	2.61	2.24	2.46
Allied World	245	210	237	4.79	4.12	3.81
Axis	275	469	479	1.84	2.95	2.88
Endurance	220	174	229	3.65	2.70	3.22
Everest Re	381	231	580	6.19	3.70	9.05
Flagstone Re	104	75	50	1.21	0.87	0.64
Hiscox	182	167	158	0.48	0.41	0.39
IPC	182	126	97	3.25	2.12	1.48
Max Capital	88	82	174	1.54	1.38	2.70
Montpelier	211	44	124	2.42	0.50	1.29
PartnerRe	599	86	257	10.43	1.54	4.42
Platinum	183	202	158	3.47	3.58	2.42
Renaissance Re	368	273	374	5.90	4.18	5.16
Validus	232	142	128	2.94	1.83	2.11
White Mtn	211	(66)	195	23.82	(6.27)	18.03
XL Capital	258	450	1,094	0.76	2.54	6.06

MARKET CAPITALISATION

	Q2 2009		Q2 2008		Q2 2007	
	Common shares issued	Market value $	Common shares issued	Market value $	Common shares issued	Market value $
ACE	336,097,451	44.23	333,249,308	55.09	329,009,343	62.52
Arch	60,980,806	58.58	61,943,100	66.32	71,273,285	72.54
Aspen	83,021,860	22.34	81,321,201	23.67	88,544,590	28.07
Allied World	49,524,492	40.83	48,977,635	39.62	60,405,307	51.25
Axis	137,710,000	26.18	139,653,000	29.81	147,924,000	40.65
Endurance	57,090,980	29.30	59,641,896	30.79	64,591,095	40.04
Everest Re	60,852,944	71.57	61,643,803	79.71	63,198,640	108.64
Flagstone Re	84,864,844	10.30	85,346,325	11.79	85,297,891	13.32
Hiscox	374,142,000	4.78	368,326,000	4.14	396,578,000	5.68
IPC	56,193,170	27.34	50,280,448	26.55	60,659,489	32.29
Max Capital	56,598,975	18.46	56,095,884	21.33	60,127,859	28.30
Montpelier	87,448,434	13.29	93,368,434	14.75	103,067,067	18.54
PartnerRe	57,950,306	64.95	57,666,349	69.13	57,079,534	77.50
Platinum	49,778,459	28.59	48,688,706	32.61	60,077,313	34.75
Renaissance Re	62,345,000	46.54	62,862,000	44.67	72,266,000	61.99
Validus	76,151,473	21.98	74,243,477	21.15	58,482,600	n/a
White Mtn	8,857,586	228.91	10,552,376	429.00	10,842,538	606.02
XL Capital	342,175,328	11.46	179,051,979	20.56	181,884,099	84.29

n/a = data not publicly available

SHAREHOLDERS' EQUITY ($M)

	Q2 2009	Q2 2008	Q2 2007
ACE	16,561	16,327	15,184
Arch	4,030	3,886	3,704
Aspen	2,973	2,854	2,591
Allied World	2,741	2,378	2,418
Axis	4,909	5,263	4,694
Endurance	2,476	2,534	2,380
Everest Re	5,545	5,568	5,338
Flagstone Re	1,095	1,280	1,086
Hiscox	1,592	1,627	1,463
IPC	2,014	2,017	1,965
Max Capital	1,363	1,490	1,473
Montpelier	1,597	1,572	1,541
PartnerRe	4,768	4,409	3,937
Platinum	1,953	1,969	1,991
Renaissance Re	3,404	3,373	3,460
Validus	2,152	2,057	1,324
White Mtn	3,204	4,597	4,575
XL Capital	7,473	8,769	11,522

n/a = data not available

Countdown to Solvency II Directive

LOCAL COMPANIES URGED TO START IMPLEMENTATION SOONER RATHER THAN LATER

The Solvency II Directive, officially adopted in May, will have a wide reaching impact on the regulation of the insurance industry in Europe.

Solvency II will also directly affect Bermuda for two reasons. Firstly, most, if not all, of the large reinsurers in Bermuda have operations in Europe that will be subject to Solvency II. In addition, the Bermuda Monetary Authority (BMA) has stated its intention to develop regulations here that will enable it to achieve mutual recognition with its European counterparts, ie, that it will operate an equivalent level of regulatory oversight.

The Directive will be supported by detailed implementing measures. In April 2009, the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS) released their first 12 papers on these implementing measures for consultation. These specify how the principles of the directive must be applied in practice.

A second wave of papers was introduced in July 2009 that included the tests and standards for internal models, including risk management governance, group solvency assessment and further details on the approval process for group models.

Colm Homan, Advisory Partner, PricewaterhouseCoopers Bermuda, is clear what this means for Bermuda.

"Reinsurers are starting to focus on the impact of these new rules. For example, they now have the option to replace the BMA's capital model with their own Internal Capital Model (ICM) for the purposes of calculating their statutory capital requirement. To get approval for use of an ICM however, firms need to have a robust governance and risk management framework in place. The BMA's guidance notes suggest that the ICM should be central to the reinsurer's decision-making process and embedded within its operations.

"Overall, the industry should reap considerable benefits from the BMA achieving mutual recognition, but in addition, implementing the measures should also lead to better informed decision-making and better use of capital.

"However, based on European experience, the costs of implementing these regulations, combined with potential project overload and pressures on limited resources, could be major challenges. The answer to minimising difficulty lies in the company's preparation.

> 'The industry should reap considerable benefits from the BMA achieving mutual recognition, but in addition, implementing the measures should also lead to better informed decision-making and better use of capital'

"As a result, a number of Bermuda-based reinsurers, specifically those with European platforms where it is directly relevant, have started to prepare for Solvency II by electing an executive sponsor and carrying out gap analyses. The next step is to begin promoting organisational engagement through embedding related measures into performance management and compensation. Effective staff training will be essential in addressing these challenges and bringing about the required behavioural changes.

"Now that the framework has been agreed, failure to meet key milestones in the implementation of Solvency II will exacerbate difficulties in achieving project objectives and will probably incur significantly increased costs. The deadline of October 31, 2012, is fixed. Reinsurers are starting to realise the importance of starting Solvency II implementation as soon as possible.

"The key message for Bermuda, given the BMA's stated strategic objectives, is to act now."

BERMUDA EXECUTIVES JOIN NEW GLOBAL FORUM

Patrick Thiele and Mike McGavick, CEOs of Bermuda-based firms PartnerRe and XL Capital respectively, are among the founding members of the Global Reinsurance Forum (GRF), a new worldwide reinsurance lobby group.

The two companies join eight other leading companies, and Lloyd's of London, in the new independent organisation announced in September at the annual Rendez-Vous gathering of reinsurers and clients in Monte Carlo. The full list of founding members is: General Re, Hannover Re, Lloyd's, Munich Re, PartnerRe, RGA, SCOR, Swiss Re, Toa Re, Transatlantic Re and XL Capital.

The GRF said it aimed to promote a "stable, innovative and competitive reinsurance market environment on a worldwide basis that will look to develop industry positions on regulatory, legal, tax and accounting developments affecting the industry."

At the launch meeting, Chairman Denis Kessler, CEO of SCOR, said: "The global reinsurance industry is facing a changing international environment, especially with regard to regulatory matters. In order to address these challenges, the leading global reinsurers have come together to form the GRF.

"Today there is no such global representation for the reinsurance industry with the clear mandate to promote a regulatory framework that facilitates global risk transfer through reinsurance and other reinsurance-linked capital solutions.

"GRF will also work in conjunction with local or regional reinsurance associations on issues that have an international dimension."

He stressed that the GRF would seek to ensure the industry was not viewed as compatible with a banking model in regulation and to address issues relating to new tax proposals such as the Neal Bill in the US, as well as collateral and solvency regulation around the world.

The GRF says it main objectives will be to:

- Develop industry positions on regulatory, legal, tax and accounting developments affecting the reinsurance industry.
- Represent industry positions towards relevant regulatory and supervising organisations, especially international organisations.
- Promote a worldwide, open and fair framework for the development of reinsurance markets.
- Advance the understanding of the value of reinsurance to the economy.

Face the 'hunting' Press pack

EXPERT TIPS FOR THOSE TRYING TO KEEP 'ON MESSAGE' TO GET THEIR POINT ACROSS. CHRIS GIBBONS REPORTS

Roger Scotton "grills" a client in a mock interview filmed by partner Rolf Martin

Dealing with the media can be a daunting prospect for insurance and reinsurance executives not used to being grilled by journalists or facing the glare of TV cameras, which is why former XL Capital communications head Roger Scotton is branching out into a new career — teaching industry executives how to handle the media.

He has teamed up with former XL colleague Rolf Martin to form Media Services Bermuda, which offers workshops and one-on-one training specifically geared to the reinsurance market. Clients get to understand how the media works and can hone their interview techniques through mock interviews filmed by Mr Martin, formerly Head of Media Production at XL. He also runs workshops for in-house communications people to improve their skills.

'You can't expect to just sit there and spout about your products without being asked a question or two. 'No comment' is not an answer'

What makes Media Services Bermuda unique is Mr Scotton's extensive industry background. A classic poacher-turned-gamekeeper, he knows both sides of the media fence. The 62-year-old Briton was a highly respected Business Editor of *The Royal Gazette* and the *Bermuda Sun*, and before coming to Bermuda in 1980, he was Business Editor of the *Gulf Mirror News* in the Middle East. He spent five years as Director of Information Services at the Bermuda Insurance Institute and earlier this year retired after 10 years at XL as a Senior Vice President and Head of Marketing and Communications.

As a result, Mr Scotton said he can offer clients an "eyes open approach". He explains: "I've been around the insurance business since 1980. I know the industry, I know most of the players and the issues they face, particularly for publicly-traded companies. I know what they can say and what they can't."

He said understanding how the media works was more important than ever for companies and their communications departments where a 24-hour news cycle has been amplified further by blogs, online forums and social networking sites like Facebook, LinkedIn and Twitter where news and rumours swirl constantly.

"The whole media landscape is changing," he pointed out. "In the past it was mainly print and broadcast and only professionals would originate content and gear up communications for whatever audience we wanted to target. There would be some follow-up and maybe interviews but it was very much a one-way system.

"Now the audience talks back and talks amongst themselves. The audience has become part of the production. These are tremendous changes for corporate communications people and while they don't necessarily need to engage with them, they need to be aware of them, understand them and have policies in place."

New technology offers more opportunities than ever to deliver a company message or story — providing that message is understood and delivered consistently.

"The process of arriving at a message and managing that message is a big part of my workshop," said Mr Scotton. "Most CEOs are good at managing their message and thinking on their feet but as you come down in an organisation, you find more people who haven't done much of that and that's where most of my focus is."

Those who have media experience inevitably complain about being misquoted or taken out of context. "In my experience, a person is rarely misquoted," he claimed.

"Most times it is because you haven't done a good job of presenting your message. But if you've been through that experience you tend to be a bit gun shy and hesitant about going down that road again. My aim is to give people heart — that if they do a good job then they won't be disappointed."

Mr Scotton said the key was "preparation, preparation, preparation" and that executives could also improve their media profile by maintaining well-informed opinions on wider industry issues such as US regulatory reform or Solvency II.

"You can't expect to just sit there and spout about your products without being asked a question or two. 'No comment' is not an answer — it raises more suspicions than anything. My mantra is 'Know what you want to say and how to say it.'"

He said a company's communications team needs to lay the groundwork in understanding the purpose of an interview request, what types of questions will be asked and choosing whether to go ahead with the interview at all. "Sometimes it will not be the subject but the timing," he explained. "You might be about to announce some transaction and you just can't run the risk of going near a journalist."

He said 'comms people' should also insist on sitting in on interviews to offer backup and keep interviewees 'on message' — a practice most journalists dislike but usually put up with in return for access.

"Sometimes you have to step in as artfully as you can — 'Sorry, we don't have an answer on that right now but we'll get back to you' — but there are times you can't be very gentle. I remember one interview where I had to step in front of the camera and say, 'This interview is over.' I had agreed with the journalist what we were going to talk about and I had specifically said we could not talk about 'x' and lo and behold she jumped in and asked."

Among the tips and techniques Mr Scotton teaches are the art of 'bridging' — steering the interview onto the topics or subject you want to talk about; resisting the temptation to 'fill the silence' between questions and running the risk of saying something damaging; and if asked at the end of an interview whether there is 'anything else', use the opportunity to summarise your key points.

He said companies and executives should take advantage of opportunities at events like RIMS and the Monte Carlo Rendezvous. "They are great stages. If you've got something to say, step up to the podium." Conferences like Monte Carlo are also where executives can learn the value of being concise.

"It's a real zoo and there is a strong Press corps of 20–25 journalists that sometimes hunt in packs. Your time and theirs is often tight and sometimes you'll only have five minutes so you need to learn how to stand out and get your point in quickly."

Studying contrasting cultures

RESEARCHERS TO DISCOVER HOW AND WHY INSURERS MAKE DECISIONS

The staff of 11 leading major London and Bermuda insurers and brokers are to be the subject of an unusual market survey later this year. Instead of charting gross premiums or combined ratios, the year-long study by ethnographic researchers will look closely at the contrasting cultures of the two markets.

The study, commissioned by the recently formed Insurance Intellectual Capital Initiative (IICI), will be led by Paula Jarzabkowski, Professor of Strategic Management at Aston University in the UK, and aims to discover more about how and why insurers make decisions. Ethnography is a research method typically used to study cultural practices and involves close "fly-on-the-wall" observation of everyday behaviour in the workplace.

In particular it wants to study how traditional face-to-face negotiations — still widely used at Lloyd's — compare with the electronic methods that dominate in Bermuda when it comes to pricing and placing of business.

The IICI is a new consortium of companies associated with the Lloyd's market that is working to "stimulate and fund research into areas of interest regarding the broader insurance industry" and aims to provide closer links between the insurance industry and academic community.

Researchers will look closely at the contrasting cultures of the Bermuda and London markets

Bronek Masojada, Hiscox CEO and IICI Chairman

Firms behind the IICI include Bermuda-based Hiscox and Amlin, Aon Benfield, Liberty, Lloyd's Tercentenary Foundation, the Society of Lloyd's and the Worshipful Company of Insurers.

Professor Jarzabkowski told Lloyd's List: "While electronic methods are increasing transparency between underwriters, brokers, and clients, there is still a strong demand for traditional, face-to-face methods for making reinsurance placements because of their perceived effect on relationship building."

The growth in electronic trading in the reinsurance industry, combined with the rise in modelling techniques over the past 15 years, has happened at the same time as remote trading markets such as Bermuda have grown in importance. Meanwhile, Lloyd's has retained its position as a reinsurance hub on account of the ability to conduct direct, immediate, face-to-face business there.

According to Lloyd's List: "While expert judgment happens in both the London and Bermuda marketplaces, there is still little understanding of how and when face-to-face and electronic methods of negotiation influence pricing and add value to the final placement decision in either market."

The new study, commissioned by the IICI and co-funded by the Economic and Social Research Council, will use ethnographic methods to analyse the value of modelling tools, information and expert judgment across a comprehensive set of reinsurance placements in the London and Bermuda markets.

Bronek Masojada, Hiscox CEO and IICI Chairman, said the idea stemmed from an industry brainstorm session last year. "One of the feelings was that everyone focused on maths, economics, climate change and risk management, but no one was focused on the people side of the business," he told the Financial Times. "What is missing is an understanding of the different things that influence the decision making process in the two markets."

Mr Masojada said the study findings would be useful in understanding the training and development implications of the different methods of doing business; in helping policymakers see how the markets develop over time, and to share best practices in both markets for the benefit of customers.

"We're not trying to find out who is the best — there's no point in that," he stressed. "They're both successful but have developed in their different ways and that's something worth understanding."

Debates following last year's financial crash emphasised the value of wider social science perspectives on financial industries, the IICI said. "Markets are, after all, built on human behaviour," it said.

Professor Jarzabkowski said observational studies on the introduction of technology into Wall Street arbitrage markets had been done before, but she had never seen a study with this depth and international comparison.

"Being commissioned by the industry, this study has amazingly open access into underwriters, brokers and clients — and even contact with the regulators. I'm impressed the insurance industry has had the scope and imagination to take this approach."

Up for sale at the grand price of $1

"The IPC transaction was a one-off for us. It didn't happen, but that hasn't changed the game plan for Max. We were going for scale so we weren't looking for expertise that we lacked or new underwriting areas, so we are not at all compromised by the deal failure."
— **Marty Becker**, Max CEO, in the *Rendez-Vous Reporter*, on his failed bid to buy IPC

"First, regulation will change the face of the reinsurance landscape. Second, although the fallout from the financial crisis is receding, the worldwide economic recession will continue to put pressure on exposure levels leading to downward pressure on insurers' written premiums."
— **Patrick Thiele**, PartnerRe CEO, on the biggest issues facing the industry, in *Reactions*' State of the Market panel

"IPC and Paris Re were somewhat unique transactions, so whether there is any trend to be determined from that is pure speculation."
— **Marty Becker**, Max Capital Chairman and CEO, in *Reactions*' panel about whether the recent sale of IPC and Paris Re was a sign of things to come over the next 12 months

"According to hearsay, [a] Bermudian reinsurer's CEO was walking around the evening parties saying to all and sundry that the business is up for sale for the grand price of $1. A victim of malicious gossip or one two many glasses of bubbly I wonder?"
— from *Reinsurance Magazine*'s Monte Carlo blog

"A flattening out of the cyclical nature of our business has been a long-standing but elusive goal, but equally as important is the upgrade of the image of our industry in the eyes of the general public."
— **David Brown**, Flagstone CEO, asked by *Reactions* about one thing he would change about the industry

WHAT'S ON

ONSHORE
November 12–13
Annual Standard & Poors/ PricewaterhouseCoopers' Bermuda Reinsurance Conference
Fairmont Hamilton Princess, Bermuda
www.pwc.com/bermuda

November 17
Goldman Sachs Asset Management's 6th Annual Conference for Bermuda Reinsurers
Fairmont Hamilton Princess
Contact: charles.fuller@gs.com

OFFSHORE
November 9–11
World Captive Forum
Hyatt Regency Coconut Point, Bonita Springs, Florida
www.worldcaptiveforum.com

2010
March 7–9
CICA International Conference
Orlando, Florida
www.cicaworld.com

April 25–29
RIMS 2010 Annual Conference & Exhibition
Boston Convention Centre
www.rims.org

Changing faces at Argus Group

The **ARGUS GROUP** has recently announced a series of changes and appointments. **Sheila Nicoll** has been appointed Chairman of the Board of Directors of Argus Group Holdings Limited, the parent company of the insurance group. In addition, **Peter Burnim** and **James Jardine** have been elected to the Board of Directors. Ms Nicoll has more than two decades of experience in the insurance industry. She is currently a Senior Vice President of White Mountains Insurance Group Limited. The group has also appointed **Alison Hill** as its first Chief Operating Officer. She will manage the group's business units and will be a third top-level executive alongside President and CEO **Gerald Simons** and CFO **David Pugh**.

The **ACE GROUP** has appointed **Yancy J Molnar** Vice President, International Government Affairs. He will be based in Washington and will assist in developing and implementing government affairs activities to support ACE's global insurance and reinsurance operations.

ALLIED WORLD has appointed **Barbara T Alexander** to its Board of Directors. Ms Alexander has more than 35 years of experience in the financial services industry.

ASPEN INSURANCE HOLDINGS has appointed two senior underwriting executives to develop both its insurance and reinsurance activities and to establish an international casualty facultative reinsurance unit. **William F Murray** has been appointed President of US Insurance, joining Aspen from W R Berkley, and **Peter Emblin** is Head of Latin American Reinsurance and International Casualty Reinsurance Business Development.

AXIS CAPITAL has appointed **Thomas C Ramey** and **Wilhelm Zeller** to its Board as independent Directors. Both will serve as Class II Directors.

EVEREST RE has appointed **Dominic J Addesso** as Executive Vice President and Chief Financial Officer, succeeding **Craig Eisenacher**, who has retired. Mr Addesso joined Everest Re from Munich Re America, where he had been President of its Regional Clients division.

Former AIG and Lexington executives **Eric Kittleson** and **Mark Hill** have joined Bermuda-based **IRONSTARR EXCESS AGENCY LIMITED**, the joint venture between Ironshore Inc and C V Starr & Co Inc. Mr Kittleson has been named Senior Vice President, Excess Casualty Manager, and Mr Hill, Vice President.

PARTNER RE LTD has appointed **David Zwiener** to fill a vacancy on its board of directors. Between 2000 and 2007, Mr Zwiener was President and Chief Operating Officer of the Property and Casualty operations at Hartford Financial Services Group Inc, and most recently was CFO at Wachovia Corporation.

VALIDUS RE has announced the appointment of **Conan M Ward** as CEO of Validus Re, and **Kean D Driscoll** as Chief Underwriting Officer. Mr Ward succeeds **Ed Noonan**, who remains group CEO of Validus Holdings.