RENAISSANCERE HOLDINGS LTD
Form 424B2
December 13, 2006

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Registration No. 333-117318

PROSPECTUS SUPPLEMENT

(To Prospectus dated December 3, 2004)

12,000,000 SHARES

RENAISSANCERE HOLDINGS LTD.

6.60% SERIES D PREFERENCE SHARES

$25 PER SHARE

We are selling 12,000,000 of our preference shares, par value $1.00 per share.

Upon liquidation, dissolution or winding up, the holders of the preference shares will be entitled to receive from our assets legally available for distribution to shareholders a liquidation preference of $25 per share, plus accrued and unpaid dividends, if any, to the date fixed for distribution. Dividends on the preference shares will be cumulative from the date of original issuance and will be payable when, as and if declared by our Board of Directors, quarterly in arrears on the first day of March, June, September, and December of each year, commencing March 1, 2007 in an amount per share equal to 6.60% of the liquidation preference per annum (equivalent to $1.65 per share).

On and after December 1, 2011, we may redeem the preference shares, in whole or in part, at any time at a redemption price of $25 per share, plus accrued and unpaid dividends to the date of redemption, without interest. We may not redeem the preference shares before December 1, 2011, except that we may redeem the preference shares before that date at a redemption price of $26 per share, plus accrued and unpaid dividends to the date of redemption, without interest, if we submit a proposal to our common shareholders concerning an amalgamation or submit any proposal for any other matter that requires, as a result of a change in Bermuda law, the approval of the holders of the preference shares, whether voting as a separate series or together with any other series of preference shares as a single class. The preference shares have no stated maturity and will not be subject to any sinking fund or mandatory redemption and will not be convertible into any of our other securities.

There is currently no public market for the preference shares. We intend to make an application to list the preference shares on the New York Stock Exchange under the symbol RNRPRD. If this application is approved, trading in the preference shares is expected to commence within a 30-day period after the initial delivery of the preference shares.

Investing in our preference shares involves certain risks. you are urged to carefully read the Risk Factors section beginning on page S-12 of this prospectus supplement, along with the other information in this prospectus supplement and the accompanying prospectus, before you make your investment decision.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	PER SHARE	TOTAL
Public Offering Price(1)	$ 25.0000	$ 300,000,000
Underwriting Discount(2)	$ 0.7875	$ 9,450,000
Proceeds to RenaissanceRe Holdings Ltd. (before expenses)	$ 24.2125	$ 290,550,000

(1) Plus accrued dividends, if any, from the date of original issuance.

(2) Underwriting discount of $0.7875 per share will be paid by us, except that for sales to certain institutions, the discount will be $0.50 per share. To the extent of any such institutional sales, the total underwriting discount will be less than the amount set forth above.

The underwriters expect to deliver the preference shares to purchasers on or about December 15, 2006.

Citigroup **Wachovia Securities**

Merrill Lynch & Co. **Morgan Stanley** **UBS Investment Bank**

Banc of America Securities LLC **Deutsche Bank Securities** **HSBC**

December 12, 2006

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You should carefully read this prospectus supplement and the prospectus delivered with this prospectus supplement. You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. We are offering to sell, and seeking offers to buy, the preference shares only in jurisdictions where offers and sales are permitted. The information contained in this prospectus supplement and the accompanying prospectus is accurate only at the date of this prospectus supplement or the date of the accompanying prospectus, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or of any sale of the preference shares.

Except as expressly provided in an underwriting agreement, no offered securities may be offered or sold in Bermuda and offers may only be accepted from persons resident in Bermuda, for Bermuda exchange control purposes, where such offers have been delivered outside of Bermuda. Persons resident in Bermuda, for Bermuda exchange control purposes, may require the prior approval of the Bermuda Monetary Authority in order to acquire any offered shares if the transfer would result in Bermudians owning more than 20% of our outstanding shares.

In this prospectus supplement, references to RenaissanceRe, we, us and our refer to RenaissanceRe Holdings Ltd. and, unless the context otherwise requires or as otherwise expressly stated, its subsidiaries. In this prospectus supplement, references to preference shares mean our 6.60% Series D Preference Shares. In this prospectus supplement, references to dollar and $ are to United States currency, and the terms United States and U.S. mean the United States of America, its states, its territories, its possessions and all areas subject to its jurisdiction.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering. If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. In addition, you should review the risks of investing in our preference shares discussed in this prospectus supplement prior to making an investment decision. We incorporate important information into this prospectus supplement and the accompanying prospectus by reference. You may obtain the information incorporated by reference into this prospectus supplement and the prospectus without charge by following the instructions under Where You Can Find More Information.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain information included or incorporated by reference in this prospectus supplement or the accompanying prospectus contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which, with respect to future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, us.

In particular, statements using words such as may , should , estimate , expect , anticipate , intends , believe , predict , potential , or wo import generally involve forward-looking statements. In light of the risks and uncertainties inherent in all future projections, the inclusion of forward-looking statements should not be considered as a representation by us or any other person that our objectives or plans will be achieved. Numerous factors could cause our actual results to differ materially from those addressed by the forward-looking statements, including the following:

- we are exposed to significant losses from catastrophic events and other exposures that we cover that may cause significant volatility in our financial results;
- the frequency and severity of catastrophic events could exceed our estimates and cause losses greater than we expect;
- risks associated with implementing our business strategies and initiatives, including risks relating to effecting our leadership transition;
- risks associated with executing our strategy in our specialty reinsurance and Individual Risk businesses, including the development of our infrastructure to support these lines;
- risks relating to our strategy of relying on program managers, third-party administrators, and other third parties to support our Individual Risk operations;
- other risks of doing business with program managers, including the risk we might be bound to policyholder obligations beyond our underwriting intent, and the risk that our program managers or agents may elect not to continue or renew their programs with us;
- risks that the current governmental investigations or related proceedings involving us might impact us adversely, including as regards our senior executive team;
- the risk of the lowering or loss of any of our ratings or of one or more of our subsidiaries or changes in the policies or practices of the rating agencies;
- risks that we may require additional capital in the future, in particular after a catastrophic event, which may not be available or may be available only on unfavorable terms;

the inherent uncertainties in our reserving process, including those related to the 2005 catastrophes, which uncertainties we believe are increasing as we diversify into new product classes;

the risk that ongoing or future industry regulatory developments will disrupt our business, or that of our business partners, or mandate changes in industry practices in ways that increase our costs, decrease our revenues or require us to alter aspects of the way we do business;

risks relating to the availability and collectibility of our reinsurance with respect to both our Reinsurance and Individual Risk operations;

failures of our reinsurers, brokers or program managers to honor their obligations, including their obligations to make third-party payments for which we might be liable;

emerging claims and coverage issues, which could expand our obligations beyond the amount we intend to underwrite;

risks associated with appropriately modeling, pricing for, and contractually addressing new or potential factors in loss emergence, such as the possible trend toward significant global warming, or the potential for significant industry losses from a matter such as an avian flu pandemic, which could cause us to underestimate our exposures and potentially adversely impact our financial results;

we may be affected by increased competition, including from the new entrants formed following Hurricane Katrina, or from alternative sources of capital such as hedge funds, or in future periods by a decrease in the level of demand for our reinsurance or insurance products;

acts of terrorism, war or political unrest;

possible challenges in maintaining our fee-based operations, including risks associated with retaining our existing partners and attracting potential new partners;

a contention by the U.S. Internal Revenue Service that our Bermuda subsidiaries, including Renaissance Reinsurance Ltd., Glencoe Insurance Ltd. and Renaissance Investment Holdings Ltd., are subject to U.S. taxation;

loss of services of any one of our key executive officers, or difficulties associated with the transition of new members of our senior management team;

changes in economic conditions, including interest rate, currency, equity and credit conditions which could affect our investment portfolio;

sanctions against us, as a Bermuda-based company, by multinational organizations;

extraordinary events affecting our clients or brokers, such as bankruptcies and liquidations, and the risk that we may not retain or replace our large clients;

risks due to our dependence on a few insurance and reinsurance brokers for a large portion of revenue, as an increasingly substantial portion of our business is provided by a small number of these brokers;

changes in the distribution or placement of risks due to increased consolidation of insurance and reinsurance brokers, or program managers, or from potential changes in their business practices which may be required by future regulatory changes;

changes in insurance regulations in the U.S. or other jurisdictions in which we operate, including potential challenges to Renaissance Reinsurance s claim of exemption from insurance regulation under current laws, the risk of increased global regulation of the insurance and reinsurance industry, and the risk that the Terrorism Risk Insurance Act of 2002 will not be renewed after 2007;

the passage of federal or state legislation subjecting Renaissance Reinsurance or our other Bermuda subsidiaries to supervision, regulation or taxation in the U.S. or other jurisdictions in which we operate; and

operational risks, including system or human failures.

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RENAISSANCERE HOLDINGS LTD.

RenaissanceRe Holdings Ltd. is a Bermuda company with its registered and principal executive offices located at Renaissance House, 8-20 East Broadway, Pembroke HM 19 Bermuda, telephone (441) 295-4513. Through our operating subsidiaries, we seek to obtain a portfolio of reinsurance, insurance and financial risks in each of our businesses that is significantly better than the market average and produces an attractive return on equity.

We conduct our business through two reportable segments, Reinsurance and Individual Risk. For the year ended December 31, 2005, our Reinsurance and Individual Risk segments accounted for approximately 64.0% and 36.0%, respectively, of our total consolidated gross premiums written. We believe that we are one of the world s largest writers of property catastrophe reinsurance based on gross managed premiums written. Overall, our strategy focuses on superior risk selection, active capital management, superior utilization of risk management and information systems, the development and enhancement of a high performance and ethical culture and our commitment to our clients and joint venture partners.

THE OFFERING

The description of the terms of the preference shares in this section is a summary of the terms of the preference shares. Because the following summary is not complete, you should refer to the Certificate of Designation, Preferences and Rights relating to the preference shares and our Amended and Restated Bye-Laws for a complete description of the terms of the preference shares. You should also refer to the sections entitled Description of Series D Preference Shares in this prospectus supplement and Description of Our Capital Shares in the accompanying prospectus.

Issuer	RenaissanceRe Holdings Ltd.
Securities Offered	12,000,000 6.60% Series D Preference Shares.
Dividends	Dividends on the preference shares will be cumulative from the date of original issuance and will be payable when, as and if declared by our Board of Directors, quarterly in arrears on the first day of March, June, September, and December of each year (or, if this date is not a business day, on the business day immediately following this date), commencing March 1, 2007, in an amount per share equal to 6.60% of the liquidation preference per annum (equivalent to $1.65 per share). See Description of Series D Preference Shares Dividend Rights in this prospectus supplement and Description of Our Capital Shares Dividends in the accompanying prospectus.
	We believe that dividends paid on preference shares will qualify as qualified dividend income if, as is intended, we successfully list the preference shares on the New York Stock Exchange. Qualified dividend income is subject to tax at long-term capital gain rates (generally 15%) in taxable years beginning on or before December 31, 2010. For further information, see Certain Tax Considerations Taxation of Shareholders United States Taxation of U.S. Shareholders Qualified Dividend Income.
Liquidation Rights	

Upon liquidation, the holders of the preference shares will be entitled to receive from our assets legally available for distribution to shareholders a liquidation preference of $25 per share, plus accrued

	and unpaid dividends, if any, to the date of liquidation. See Description of Series D Preference Shares Liquidation Preference in this prospectus supplement and Description of Our Capital Shares Liquidation, Dissolution or Winding Up in the accompanying prospectus.
Conversion	The preference shares are not convertible into or exchangeable for any of our other securities.
Redemption	On or after December 1, 2011, we may redeem the preference shares, in whole or in part, at any time, at a redemption price of $25 per share, plus accrued and unpaid dividends, if any, to the date of redemption, without interest. At any time prior to December 1, 2011, if we submit to the holders of our common shares a proposal for an amalgamation or submit any proposal for any other matter that requires, as a result of any changes in Bermuda law after the date of this prospectus supplement, for its validation or effectuation an affirmative vote of the holders of the preference shares at the time outstanding, whether voting as a separate series or together with any other series of preference shares as a single class, we have the option to redeem all of the outstanding preference shares at a redemption price of $26 per share, plus accrued and unpaid dividends, if any, to the date of redemption, without interest. In this prospectus supplement, references to a redemption of the preference shares mean a purchase of preference shares pursuant to Section 42A of the Companies Act 1981 of Bermuda, and the terms redeem and redeemable are to be interpreted accordingly. The preference shares have no stated maturity and will not be subject to any sinking fund or mandatory redemption. See Description of the Series D Preference Shares Redemption in this prospectus supplement and Description of Our Capital Shares Redemption and Description of Our Capital Shares Restrictions in Event of Default in Dividends on Preference Shares in the accompanying prospectus.
Voting Rights	Generally, the holders of the preference shares will not have any voting rights. Whenever dividends on the preference shares are in arrears in an amount equivalent to dividends for six full dividend periods (whether or not consecutive), the holders of the preference shares, together with the holders of all other current or future classes or series of shares that are on a par with the preference shares (excluding, however, our 8.10% Series A Preference Shares, as described under Description of Series D Preference Shares Voting Rights , which we intend to redeem as soon as practicable following the completion of this offering), will vote together as a single class to elect two directors until such dividend arrearage is eliminated. If this voting right is triggered, we will use our best efforts to obtain the election or appointment of these two directors, including, if necessary, by using our best efforts to increase the number of directors constituting the Board of Directors and to amend our Bye-Laws. In addition, certain transactions that would vary the

	rights of holders of the preference shares cannot be made without the approval in writing of the holders of three-quarters of the preference shares then outstanding or the sanction of a resolution passed by a majority of the votes cast at a separate meeting of the holders of the preference shares. See Description of Series D Preference Shares Voting Rights in this prospectus supplement, and Description of Our Capital Shares Voting Rights in the accompanying prospectus.
Ranking	The preference shares will rank senior to our common shares and pari passu to our 8.10% Series A Preference Shares, our 7.30% Series B Preference Shares and our 6.08% Series C Preference Shares with respect to payment of dividends and amounts upon liquidation, dissolution or winding up but junior to our existing and future indebtedness, including our junior subordinated debentures. Currently, there are outstanding 6,000,000 Series A Preference Shares with an aggregate liquidation preference of $150,000,000, 4,000,000 Series B Preference Shares with an aggregate liquidation preference of $100,000,000 and 10,000,000 Series C Preference Shares with an aggregate liquidation preference of $250,000,000. We may issue securities that rank on a par with or senior to the preference shares without limitation. We intend to redeem all of the outstanding Series A Preference Shares as soon as practicable following completion of this offering. See Description of Series D Preference Shares Dividend Rights, Description of Series D Preference Shares Liquidation Preference and Description of Series D Preference Shares Ranking in this prospectus supplement, and Description of Our Capital Shares Dividends and Description of Our Capital Shares Liquidation, Dissolution or Winding Up in the accompanying prospectus.
Capital Replacement	We intend, to the extent that the preference shares provide us with rating agency equity credit at the time of any redemption or repurchase, to redeem or repurchase (or to cause another person or entity to purchase) the preference shares with amounts that include net proceeds received by us from the sale or issuance, during the 180-day period prior to the notice date for such action, to third-party purchasers of securities that would provide at least as much equity credit as the preference shares at that time (determined in accordance with the standards as then in effect of a majority of the rating agencies). The determination of the equity credit of the preference shares may result in the issuance of an amount of new securities that may be less than the liquidation preference of the preference shares, depending upon, among other things, the nature of the new securities issued and the equity credit attributed by a rating agency to the preference shares and the new securities.

Limitations on Transfer and Ownership	Our Bye-Laws provide that no person may own or control more than 9.9% of the voting rights attached to all of our issued and outstanding shares (including preference shares) or vote any shares in excess of this 9.9% limit. Our Board of Directors, in its sole and absolute discretion, may waive these ownership and voting restrictions. See Description of the Series D Preference Shares Limitations on Transfer and Ownership and Certain Tax Considerations Taxation of Shareholders in this prospectus supplement and Description of Our Capital Shares Transfer of Shares and Certain Tax Considerations Taxation of Shareholders in the accompanying prospectus.
NYSE Listing	We intend to make an application to list the preference shares on the New York Stock Exchange. If this application is approved, trading in the preference shares is expected to commence within a 30-day period after the initial delivery of the preference shares. See Underwriting.
Ratings	The preference shares have been assigned ratings of Baa3 by Moody s Investors Service, Inc. and BBB by Standard & Poor s Rating Services. These ratings have been obtained with the understanding that Moody s and Standard & Poor s will continue to monitor our credit rating and will make future adjustments to the extent warranted. A rating reflects only the view of Moody s and Standard & Poor s, as the case may be, and is not a recommendation to buy, sell, or hold the preference shares. There is no assurance that any such rating will be retained for any given period or time or that it will not be revised downward or withdrawn entirely by Moody s or Standard & Poor s, as the case may be, if, in their respective judgments, circumstances so warrant.
Use of Proceeds	We currently anticipate using the net proceeds from this offering (i) to redeem all of the outstanding 8.10% Series A Preference Shares as soon as practicable following completion of this offering and (ii) to redeem all of the outstanding 8.54% Junior Subordinated Deferrable Interest Debentures on or as soon as practicable after March 1, 2007. Additional remaining net proceeds from this offering, if any, will be used for general corporate purposes.

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RATIO OF EARNINGS TO COMBINED FIXED

CHARGES AND PREFERENCE SHARE DIVIDENDS

For purposes of computing the following ratio, earnings consist of pre-tax income from continuing operations before adjustment for minority interest in consolidated subsidiaries or undistributed income from equity method investees, plus fixed charges to the extent that these charges are included in the determination of earnings. Fixed charges consist of interest costs plus preference dividends and one-third of minimum rental payments under operating leases (estimated by our management to be the interest factor of these rentals).

	Nine Months Ended September 30,	Fiscal Year Ended December 31,				
	2006	**2005**	**2004**	**2003(1)**	**2002(1)**	**2001(1)**
Ratio of Earnings to Combined Fixed Charges and Preference Share Dividends	12.63x	(5.98)x	2.54x	16.08x	12.57x	12.95x

The ratio set forth above does not reflect the issuance of the Series D Preference Shares or the anticipated redemption of all of the outstanding 8.10% Series A Preference Shares and 8.54% Junior Subordinated Deferrable Interest Debentures.

(1) These ratios update and replace the ratios of earnings to combined fixed charges and preference share dividends for the fiscal years ended December 31, 2003, 2002 and 2001 set forth in the accompanying prospectus under Ratio of Earnings to Fixed Charges and Preference Share Dividends of RenaissanceRe.

RECENT DEVELOPMENTS

On December 11, 2006, A.M. Best Co. upgraded our issuer credit rating to bbb+ from bbb, and upgraded the debt ratings on our senior notes to bbb+ from bbb and on our preferred stock to bbb- from bb+. A.M. Best also upgraded the indicative debt ratings for securities available under our shelf registration statements to bbb+ from bbb, to bbb from bbb- and to bbb- from bb+ for our senior notes, subordinated notes and pr stock, respectively. A.M. Best assigned an indicative debt rating of bbb- to the preference shares offered herein. A.M. Best also raised its issuer credit ratings of our subsidiaries Renaissance Reinsurance Ltd. and Renaissance Reinsurance of Europe to a+ from a and affirmed the financial strength ratings of A for these two subsidiaries. The outlook for all of these ratings by A.M. Best was revised to positive from stable.

The financial strength rating of A and the issuer credit rating of a of DaVinci Reinsurance Ltd., and the financial strength ratings of A- and the issuer credit ratings of a- of the operating subsidiaries of Glencoe Group Holdings Ltd. each remain unchanged. See Risk Factors Risks Relating to RenaissanceRe A decline in the ratings assigned to our financial strength may adversely impact our business in this prospectus supplement.

RISK FACTORS

Your investment in the preference shares will involve a degree of risk, including those risks that are described in this section. You should carefully consider the following discussion of risks before deciding whether an investment in the preference shares is suitable for you. These risk factors update and replace the risk factors identified in the accompanying prospectus under the caption Risk Factors.

RISKS RELATING TO RENAISSANCERE

Our exposure to catastrophic events could cause our financial results to vary significantly from one period to the next, and the frequency and severity of catastrophic events could exceed our estimates

Our largest product based on total gross premiums written is property catastrophe reinsurance. We also sell lines of specialty reinsurance and certain Individual Risk products that are exposed to catastrophe risk. We therefore have a large overall exposure to natural and man-made disasters, such as earthquakes, hurricanes, tsunamis, winter storms, freezes, floods, fires, tornados and other natural or man-made disasters, such as acts of terrorism. As a result, our operating results have historically been, and we expect will continue to be, significantly affected by relatively few events of large magnitude.

Claims from catastrophic events could cause substantial volatility in our financial results for any fiscal quarter or year and adversely affect our financial condition, results of operations and cash flows. Our ability to write new business could also be affected. We believe that increases in the value and geographic concentration of insured property and the effects of inflation will continue to increase the severity of claims from catastrophic events in the future.

From time to time, we may have greater exposures in some geographic areas than our overall share of the worldwide market would suggest. Accordingly, if catastrophes were to occur in these areas, we could experience relatively more severe net negative impacts than our competitors.

During 2005 we experienced $891.9 million of net negative impact from Hurricanes Katrina, Rita and Wilma. Principally as a result of these hurricane losses in 2005, we recorded a net loss attributable to common shareholders of $281.4 million. In 2004 we recorded $570.2 million of net negative impact from Hurricanes Charley, Frances, Ivan and Jeanne. While 2006 has thus far not been characterized by landfalling windstorm events resulting in material industry losses, we believe, and recent scientific studies have indicated, that the frequency of hurricanes has increased and may further increase in the future relative to the historical experience over the past 100 years. We have adjusted our risk management models to reflect our judgment of how to interpret these studies. However, it is possible that, even after these adjustments, we have underestimated the frequency of hurricanes or other catastrophes.

We may fail to execute our strategy in our newer lines of business, which would impair our future financial results

Historically, our principal product has been property catastrophe reinsurance. Our specialty reinsurance and Individual Risk lines of business present us with new and expanded challenges and risks which we may not manage successfully. We are not as experienced in these lines of

business as we are in property catastrophe reinsurance; for example, we are continuing to expand our claims management function to support these new lines of business. Businesses in early stages of development present substantial business, financial and operational risks and may suffer significant losses. For example, in our newer businesses we are seeking to develop client and customer relationships, build operating procedures, hire staff, develop and install management information and other systems, as well as taking numerous other steps to implement our strategies. Our specialty reinsurance and Individual Risk businesses also require us to develop new expertise in areas such as contract and

policy wordings and claims management. If we fail to continue to develop the necessary infrastructure, or otherwise fail to execute our strategy, our results from these new lines of business will likely suffer, perhaps substantially, and our future financial results may be adversely affected.

Our expansion into these newer lines of business has placed increased demands on our financial, managerial and human resources. For example, we may need to attract additional professionals to, or expand our facilities in, Bermuda, a small jurisdiction with limited resources. To the extent we are unable to attract additional professionals, our financial, managerial and human resources may be strained. The growth in our staff and infrastructure also creates more managerial responsibilities for our current senior executives, potentially diverting their attention from the underwriting and business origination functions for which they are also responsible. Our future profitability depends in part on our ability to further develop our resources and effectively manage this expansion. Our inability to achieve such development or effectively manage this expansion may impair our future financial results.

In general, our techniques for evaluating catastrophe risk are much better developed than those for other classes of risk. In addition, our models are not currently structured to seek to predict long-term climate changes, such as those that might be caused by the possible trend toward significant global warming. Moreover, our models and databases may not adequately address the emergence of a variety of matters which might be deemed to impact certain of our coverages, such as the likelihood or potential severity of insured losses from an avian flu pandemic. Accordingly, our models may understate the exposures we are assuming and our financial results may be adversely impacted, perhaps significantly.

Our utilization of brokers, program managers and other third parties to support our business exposes us to operational and financial risks

Our Individual Risk operations rely on program managers, and other agents and brokers participating in our programs, to produce and service a substantial portion of our operations in this segment. In these arrangements, we typically grant the program manager the right to bind us to newly issued insurance policies, subject to underwriting guidelines we provide and other contractual restrictions and obligations. Should our managers issue policies that contravene these guidelines, restrictions or obligations, we could nonetheless be deemed liable for such policies. Although we would intend to resist claims that exceed or expand on our underwriting intention, it is possible that we would not prevail in such an action, or that our program manager would be unable to substantially indemnify us for their contractual breach. We also rely on our managers, or other third parties we retain, to collect premiums and to pay valid claims. This exposes us to their credit and operational risk, without necessarily relieving us of our obligations to potential insureds. We could also be exposed to potential liabilities relating to the claims practices of the third-party administrators we have retained to manage substantially all of the claims activity that we expect to arise in our program operations. Although we have implemented monitoring and other oversight protocols, we cannot assure you that these measures will be sufficient to mitigate all of these exposures.

We are also subject to the risk that our successful program managers will not renew their programs with us. Our contracts are generally for defined terms of as little as one year, and either party can cancel the contract in a relatively short period of time. While we believe our arrangements offer numerous benefits to our program participants, we cannot assure you we will retain the programs that produce profitable business or that our insureds will renew with us. Failure to retain or replace these producers would impair our ability to execute our growth strategy, and our financial results could be adversely affected.

With respect to our Reinsurance operations we do not separately evaluate each of the individual risks assumed under our reinsurance contracts and, accordingly, like other reinsurers, are heavily dependent on the original underwriting decisions made by our ceding companies. We are therefore subject to the risk that our clients may not have adequately evaluated the risks to be reinsured, or that the premiums ceded to us will not adequately compensate us for the risks we assume.

We could be adversely impacted by U.S. government authority investigation into non-traditional, or loss mitigation, (re)insurance products, as well as our restatement of our financial statements

We received a subpoena from the Securities and Exchange Commission (the SEC) in February 2005, a subpoena from the Office of the Attorney General of the State of New York (the NYAG) in March 2005, and a subpoena from the United States Attorney s Office for the Southern District of New York in June 2005, each of which relates to the industry-wide investigations into non-traditional, or loss mitigation, (re)insurance products. The subpoenas from the SEC and the United States Attorney s Office also relate to our business practice review and to our determination to restate our financial statements for the fiscal years ended December 31, 2003, 2002 and 2001. In addition, we understand that certain of our customers or reinsurers may have been asked to provide or have provided documents and information with respect to contracts to which we are a party in the framework of the ongoing industry-wide investigations.

We have cooperated with the SEC, the NYAG, and the United States Attorney s Office as to their investigations. A number of our current and former officers and employees have been interviewed and deposed in connection with these investigations. From time to time, the SEC and the United States Attorney s Office have requested information from us in connection with their investigations. It is possible that additional investigations or proceedings may be commenced against us and/or our current or former senior executives in connection with these matters, which could be criminal or civil. We are unable to predict the ultimate outcome of these ongoing investigations or the impact these investigations may have on our business, including as to our senior management team. These investigations could result in injunctive relief or penalties, require remediation, or otherwise impact us and/or our senior management team in a manner which may be adverse to the us, perhaps materially so.

On July 31, 2006, we announced that we have submitted an offer of settlement to the SEC to resolve the SEC s investigation, pursuant to which we will consent, without admitting or denying any wrongdoing, to entry of a final judgment enjoining future violations of certain provisions of the federal securities laws, pay disgorgement of $1 and a civil penalty of $15 million. We will also retain an independent consultant to review certain of our internal controls, policies and procedures as well as the design and implementation of the review conducted by independent counsel reporting to the non-executive members of our Board of Directors and procedures performed by our auditors in connection with their audit of our financial statements for the fiscal year ended December 31, 2004. The SEC staff has recommended this proposed settlement to the SEC Commissioners. Currently, the proposed settlement remains subject to approval by the SEC Commissioners and by the federal court in which the SEC s complaint against us will be filed. The amount of the monetary penalty discussed above has been provided for. We can give no assurances that the proposed settlement will receive the necessary approvals. If the proposed settlement is not approved, we could be subject to different or additional remedies, both monetary and non-monetary, which could adversely affect our business or financial statements, perhaps materially. The proposed settlement with the SEC, if ultimately approved, would not dispose of the other ongoing investigations, including that being conducted by the United States Attorney s Office for the Southern District of New York. In September 2006, the SEC filed an enforcement action in the United States District Court for the Southern District of New York against James N. Stanard, our former Chairman and Chief Executive Officer, Martin J. Merritt, our former controller, and Michael W. Cash, a former officer of RenaissanceRe charging Messrs. Stanard, Merritt and Cash with violations of federal securities laws, including securities fraud, and seeks permanent injunctive relief, disgorgement of ill-gotten gains, if any, plus prejudgment interest, civil money penalties, and orders barring each defendant from acting as an officer or director of any public company. While we have been advised by the SEC staff that the action filed against our former executives has not changed the position of the staff to support the proposed settlement with us, this ongoing matter could give rise to additional costs, distractions, or reputational impacts. We intend to continue to cooperate with the ongoing investigations.

A decline in the ratings assigned to our financial strength may adversely impact our business

Third party rating agencies assess and rate the financial strength of reinsurers and insurers, such as Renaissance Reinsurance, certain operating subsidiaries of Glencoe Group Holdings Ltd., Top Layer Reinsurance

Ltd. and DaVinci Reinsurance Ltd. These ratings are based upon criteria established by the rating agencies. Periodically the rating agencies evaluate us to confirm that we continue to meet the criteria of the ratings previously assigned to us. The financial strength ratings assigned by rating agencies to reinsurance or insurance companies are based upon factors relevant to policyholders and are not directed toward the protection of investors. Renaissance Reinsurance is rated A by A.M. Best, A+ by Standard & Poor s and A2 by Moody s Investor Services. Top Layer Re is rated AA by Standard & Poor s and A+ by A.M. Best. Glencoe Insurance is rated A- by A.M. Best. DaVinci is rated A by each of A.M. Best a Standard & Poor s. In October 2006, A.M. Best affirmed the financial strength ratings and the issuer credit ratings of the operating subsidiaries of RenaissanceRe. These affirmations include the financial strength ratings of A and the issuer credit ratings of a of Renaissance Reinsurance, Renaissance Reinsurance of Europe and DaVinci; and the financial strength ratings of A- and the issuer credit ratings of a- of the operating subsidiaries of Glencoe Group. At such time, all of the ratings affirmed by A.M. Best were removed from under review and assigned a stable outlook. On December 11, 2006, A.M. Best raised its issuer credit ratings of Renaissance Reinsurance and Renaissance Reinsurance of Europe to a+ from a and affirmed the financial strength ratings of A for these two subsidiaries, and the outlook for the ratings of Renaissance Reinsurance and Renaissance Reinsurance of Europe by A.M. Best was revised to positive from stable. Our ratings are subject to periodic review and may be revised or revoked, by the agencies which issue them. In addition, following the higher levels of hurricane frequency in 2004 and 2005, we understand that the rating agencies may review whether or not to require insurance and reinsurance companies that retain catastrophe risk, such as ourselves, to hold a higher level of capital to support this risk, if the insurance or reinsurance companies are to maintain their ratings.

While the ratings of Renaissance Reinsurance remain among the highest in our business, negative ratings actions in the future could have an adverse effect on our ability to fully realize the market opportunities we currently expect to participate in over coming periods. In addition, it is increasingly common for our reinsurance contracts to contain provisions permitting our clients to cancel coverage pro-rata if our relevant operating subsidiary is downgraded below a certain rating level. Whether a client would exercise this right would depend, among other factors, on the reason for such a downgrade, the extent of the downgrade, the prevailing market conditions and the pricing and availability of replacement reinsurance coverage. Therefore, in the event of a further downgrade, it is not possible to predict in advance the extent to which this cancellation right would be exercised, if at all, or what effect such cancellations would have on the financial condition or future operations, but such effect potentially could be material. To date we are not aware that we have experienced such a cancellation.

The rating agencies may downgrade or withdraw their financial strength ratings in the future if we do not continue to meet the criteria of the ratings previously assigned to us. Our ability to compete with other reinsurers and insurers, and our results of operations, could be materially adversely affected by any such ratings downgrade. For example, following a ratings downgrade we might lose clients to more highly rated competitors or retain a lower share of the business of our clients. The rating of Top Layer Re is dependent in large part upon the rating of State Farm, who provides Top Layer Re with $3.9 billion of stop loss reinsurance.

Our claims and claim expense reserves are subject to inherent uncertainties

Our claims and claim expense reserves reflect our estimates using actuarial and statistical projections at a given point in time, and our expectations of the ultimate settlement and administration costs of claims incurred. Although we use actuarial and computer models as well as historical reinsurance and insurance industry loss statistics, we also rely heavily on management s experience and judgment to assist in the establishment of appropriate claim reserves. However, because of the many assumptions and estimates involved in establishing reserves, the reserving process is inherently uncertain.

Our specialty reinsurance and Individual Risk operations are expected to produce claims which frequently can only be resolved through lengthy and unpredictable litigation. The measures required to resolve such claims, including the adjudication process, present more reserve challenges than property losses (which tend to be reported comparatively more promptly and to be settled within a relatively shorter period of time). For both our specialty reinsurance and Individual Risk operations, and our traditional property catastrophe business, actual net claims and claim expenses paid may deviate, perhaps substantially, from the reserve estimates reflected in our financial statements.

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We expect that some of our assumptions or estimates will prove to be inaccurate, and that our actual net claims and claim expenses paid will differ, perhaps substantially, from the reserve estimates reflected in our financial statements. To the extent that our actual claims and claim expenses exceed our expectations, we would be required to increase claims and claim expense reserves. This would reduce our net income by a corresponding amount in the period in which the deficiency is identified. In reserving for our specialty reinsurance and Individual Risk coverages we do not have the benefit of a significant amount of our own historical experience in these lines.

Our estimates of losses from Hurricanes Katrina, Rita and Wilma, as well as the previously reported 2004 hurricanes and windstorms, are based on factors including currently available information derived from our preliminary claims information from clients and brokers, industry assessments of losses from the events, proprietary models, and the terms and conditions of our contracts. Due to the size and unusual complexity of the legal and claims issues relating to these recent events, particularly Hurricane Katrina, meaningful uncertainty remains regarding total covered losses for the insurance industry and, accordingly, various of the key assumptions underlying our loss estimates. In addition, actual losses from these events may increase if our reinsurers or other obligors fail to meet their obligations to us. Our actual losses from these events will likely vary, perhaps materially, from these current estimates due to the inherent uncertainties in reserving for such losses, including the preliminary nature of the available information, the potential inaccuracies and inadequacies in the data provided by clients and brokers, the inherent uncertainty of modeling techniques and the application of such techniques, the effects of any demand surge on claims activity and complex coverage and other legal issues.

Unlike the loss reserves of U.S. insurers, the loss reserves of our Bermuda insurers, including Renaissance Reinsurance, DaVinci and Glencoe Insurance Ltd., are not regularly examined by insurance regulators, although, as registered Bermuda insurers, we are required to submit opinions of our approved loss reserve specialist with the annual statutory financial returns of our Bermuda-licensed insurers with regard to their respective loss and loss expenses provisions. The loss reserve specialist, who will normally be a qualified actuary, must be approved by the Bermuda Monetary Authority.

The reinsurance business is historically cyclical and the pricing and terms for our products may decline, which could affect our profitability

The reinsurance and insurance industries have been historically cyclical, characterized by periods of decreasing prices followed by periods of increasing prices. Reinsurers have experienced significant fluctuations in their results of operations due to numerous factors, including the frequency and severity of the catastrophic events, perceptions of risk, levels of capacity, general economic conditions and underwriting results of other insurers and reinsurers. All of these factors fluctuate and may contribute to price declines generally in the reinsurance and insurance industries.

As noted, changes in the pricing environment may result from changes in the perception of risk following large industry loss events. In particular, the catastrophe-exposed lines in which we are a market leader are affected significantly by volatile and unpredictable developments, including natural and man-made disasters, such as hurricanes, windstorms, earthquakes, floods, fires, explosions, and acts of terrorism, such as Hurricane Katrina and the World Trade Center disaster. The occurrence, or nonoccurrence, of catastrophic events, the frequency and severity of which are inherently unpredictable, affects both industry results and consequently prevailing market prices of our products.

We expect premium rates and other terms and conditions of trade to vary in the future. If demand for our products fall or the supply of competing capacity rises, we expect our growth to be adversely affected, and our profitability could be affected as well. In particular, we might lose existing customers or decline new business, which we might not regain when industry conditions improve.

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In addition, a substantial amount of capital has entered the insurance and reinsurance markets both through investments in established companies and through start-up ventures as described below in We operate in a highly competitive environment. Hedge funds have been increasingly active in the reinsurance market and markets for related risks. Generally, we expect this trend to increase over time. It is possible that such new or alternative capital in or affecting the market could cause further reductions in prices of our products. To the extent that industry pricing of our products does not meet our hurdle rate, we would plan to reduce our future underwriting activities thus resulting in reduced premiums and a reduction in expected earnings.

Heightened scrutiny of issues and practices in the insurance industry may adversely affect our business

The SEC, the NYAG and the United States Attorney s Office for the Southern District of New York, and other government authorities are scrutinizing and investigating a number of issues and practices within the insurance industry. It is possible that these investigations or related regulatory developments will mandate or otherwise give rise to changes in industry practices in a fashion that increases our costs or requires us to alter how we conduct our business.

We cannot predict the ultimate effect that these investigations, and any changes in industry practice, including future legislation or regulations that may become applicable to us, will have on the insurance industry, the regulatory framework, or our business.

Because we frequently assume the credit risk of the brokers with whom we do business throughout our insurance and reinsurance operations, our results of operations could be adversely affected if the credit quality of these brokers is severely impacted by the current investigations in the insurance industry or by changes to broker industry practices.

Retrocessional reinsurance may become unavailable on acceptable terms

As part of our risk management, we buy reinsurance for our own account. This type of insurance when purchased to protect reinsurance companies is known as retrocessional reinsurance. Our primary insurance companies also buy reinsurance from third parties. A reinsurer s insolvency or inability to make payments under the terms of its reinsurance treaty with us could have a material adverse effect on us.

From time to time, market conditions have limited, and in some cases have prevented, insurers and reinsurers from obtaining reinsurance. Accordingly, we may not be able to obtain our desired amounts of retrocessional reinsurance. In addition, even if we are able to obtain such retrocessional reinsurance, we may not be able to negotiate terms as favorable to us as in the past. This could limit the amount of business we are willing to write, or decrease the protection available to us as a result of large loss events.

When we purchase reinsurance or retrocessional reinsurance for our own account, the insolvency, inability or reluctance of any of our reinsurers to make timely payments to us under the terms of our reinsurance agreements could have a material adverse effect on us. Generally, we believe that the willingness to pay of some reinsurers and retrocessionaires is declining, and that the overall industry ability to pay has also declined due to the adverse results of 2005 and 2004 and other factors. This risk is more material to us at present than at most times in the past given the substantial retrocessional claims to which we are entitled following the recent large catastrophe loss events of 2005 and 2004. At September 30, 2006, we had recorded $394.3 million of reinsurance recoverables, net of a valuation allowance of $18.2 million for uncollectible recoverables. In addition, approximately $217.8 million of our outstanding recoverables as of that date are with three ceding companies.

Emerging claim and coverage issues, or other litigation, could adversely affect us

Unanticipated developments in the law as well as changes in social and environmental conditions could potentially result in unexpected claims for coverage under our insurance and reinsurance contracts. These

developments and changes may adversely affect us, perhaps materially so. For example, we could be subject to developments that impose additional coverage obligations on us beyond our underwriting intent, or to increases in the number or size of claims to which we are subject. With respect to our specialty reinsurance and Individual Risk operations, these legal, social and environmental changes may not become apparent until some time after their occurrence. For instance, we could be deemed liable for losses arising out of a matter, such as the potential for industry losses arising out of an Avian Flu pandemic that we had not anticipated or had attempted to contractually exclude. Our exposure to these uncertainties could be exacerbated by the increased willingness of some market participants to dispute insurance and reinsurance contract and policy wordings. Alternatively, potential efforts by us to exclude such exposures could, if successful, reduce the market s acceptance of our related products. The full effects of these and other unforeseen emerging claim and coverage issues are extremely hard to predict. As a result, the full extent of our liability under our coverages may not be known for many years after a contract is issued. Our exposure to this uncertainty will grow as our long-tail casualty businesses grow, because in these lines claims can typically be made for many years, making them more susceptible to these trends than our traditional catastrophe business, which is typically more short-tail. In addition, we could be adversely affected by the growing trend of plaintiffs targeting participants in the property-liability insurance industry in purported class action litigation relating to claim handling and other practices. Although we are seeking to add professional staff and systems to improve our contracts and claims capabilities, we may fail to mitigate our exposure to these growing uncertainties.

Beginning in July 2005, several putative class actions were filed in the United States District Court for the Southern District of New York in respect of RenaissanceRe. In December 2005, these actions were consolidated and in February 2006, the plaintiffs filed a Consolidated Amended Complaint, purportedly on behalf of all persons who purchased and/or acquired the publicly traded securities of RenaissanceRe between April 22, 2003 and July 25, 2005. The Consolidated Amended Complaint, which was amended in December 2006, names as defendants, in addition to RenaissanceRe, current and former officers of RenaissanceRe (Messrs. Stanard, William I. Riker, John M. Lummis, Cash and Merritt) and alleges that RenaissanceRe and the other named defendants violated the U.S. federal securities laws by making material misstatements and failing to state material facts about our business and financial condition in, among other things, SEC filings and public statements. The Consolidated Amended Complaint, as amended, seeks compensatory damages without currently specifying an amount.

In June 2006, the defendants filed motions to dismiss the Consolidated Amended Complaint. On October 24, 2006, before those motions were ruled upon, counsel for the lead plaintiffs requested permission from the Court to move for leave to file a second amended complaint. On October 30, 2006, the defendants consented to that request. On December 4, 2006, a second amended complaint was filed with the Court. This complaint, if adversely determined or resolved, could subject us to a material loss. The proposed settlement with the SEC described above would not dispose of this private suit.

We operate in a highly competitive environment

The reinsurance industry is highly competitive. We compete, and will continue to compete, with major U.S. and non-U.S. insurers and property catastrophe reinsurers, including other Bermuda-based reinsurers. Many of our competitors have greater financial, marketing and management resources than we do. Market participants continue to raise and accumulate new capital, thereby strengthening their ability to compete. In addition, alternative sources of competitive capital, including hedge funds, are increasing the overall capacity in the industry. Increased capacity levels in our industry generally have led to increased competition.

We believe that our principal competitors in the property catastrophe reinsurance market include other companies active in the Bermuda market, including Ace Limited, Aspen Holdings Ltd., Everest Re Group Ltd., IPC Holdings, Ltd., PartnerRe Ltd. and XL Capital Ltd. We also compete with certain Lloyd s syndicates active in the London market, as well as with a number of other industry participants, such as AIG, Berkshire, Munich Re Group and Swiss Re. In addition, there are other relatively new Bermuda reinsurers with whom we compete, such as Allied World Assurance Company, Arch Reinsurance Ltd., Axis Capital Holdings Limited, Endurance Specialty Holdings Ltd., Montpelier Re Holdings Ltd. and Platinum Underwriters Holdings, Ltd. As our business

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evolves over time we expect our competitors to change as well. Following Hurricane Katrina in August 2005, a significant number of new reinsurance companies were formed in Bermuda which have resulted, in 2006, in new competition, which may well continue in subsequent periods. We believe there has been at least $7.5 billion of new capital that has been contributed to these new Bermuda-based reinsurance enterprises. In addition, we believe existing reinsurance companies raised in excess of $15 billion of new capital subsequent to Hurricane Katrina to rebuild their capital position and to capitalize on new opportunities. Also, hedge funds have shown increasing interest in entering the reinsurance market, either through the formation of reinsurance companies, or through the use of other financial products. In addition, we may not be aware of other companies that may be planning to enter the reinsurance market or of existing companies that may be planning to raise additional capital.

We also continue to experience a degree of competition from alternative products from capital market participants that are intended to compete with reinsurance products and which could impact the demand for traditional catastrophe reinsurance, as well as increased competitive activities from hedge funds. We believe activity in this sector has recently increased and may continue to increase. We cannot predict what effect any of these developments may have on our businesses.

The businesses in which our Individual Risk unit operates are also highly competitive. Primary insurers compete on the basis of factors including distribution channels, product, price, service and financial strength. Many of our primary insurance competitors are larger and more established than we are and have greater financial resources and consumer recognition. We seek primary insurance pricing that will result in adequate returns on the capital allocated to our primary insurance business. We may lose primary insurance business to competitors offering competitive insurance products at lower prices or on more advantageous terms.

U.S. taxing authorities could contend that one or more of our Bermuda subsidiaries are subject to U.S. corporate income tax

If the U.S. Internal Revenue Service (the IRS) were to contend successfully that Renaissance Reinsurance, Glencoe Insurance Ltd., DaVinci or Top Layer Re is engaged in a trade or business in the U.S., Renaissance Reinsurance, Glencoe Insurance, DaVinci or Top Layer Re would, to the extent not exempted from tax by the U.S.-Bermuda income tax treaty, be subject to U.S. corporate income tax on that portion of its net income treated as effectively connected with a U.S. trade or business, as well as the U.S. corporate branch profits tax. Although we would vigorously resist such a contention, if we were ultimately held to be subject to taxation, our earnings would correspondingly decline.

In addition, benefits of the U.S.-Bermuda income tax treaty which may limit any such tax to income attributable to a permanent establishment maintained by Renaissance Reinsurance, Glencoe Insurance, DaVinci or Top Layer Re in the U.S. are only available to any of Renaissance Reinsurance, Glencoe, DaVinci or Top Layer Re if more than 50% of its shares are beneficially owned, directly or indirectly, by individuals who are Bermuda residents or U.S. citizens or residents. Renaissance Reinsurance, Glencoe Insurance, DaVinci or Top Layer Re may not be able to continually satisfy such beneficial ownership test or be able to establish it to the satisfaction of the IRS. Finally, it should be noted that it is unclear whether the income tax treaty (assuming satisfaction of the beneficial ownership test) applies to income other than premium income, such as investment income.

The loss of key senior members of management could adversely affect us

Our success has depended, and will continue to depend, in substantial part upon our ability to attract and retain our executive officers. Since April 2005, we have replaced four of our senior members of management. We are unable to predict at this time the ultimate impact these departures may have on our business. We may lose clients or other business contacts whose relationship depends in part on the service of the departing executives. In addition, the loss of services of these executives, or other members of senior management in the future, and the

uncertain transition of new members of our senior management team, may strain our ability to execute our growth initiatives, as described above. In general, the loss of the services of any members of our current senior management team may adversely affect our business, perhaps materially so.

In addition, our ability to execute our business strategy is dependent on our ability to attract and retain a staff of qualified underwriters and service personnel. The location of our global headquarters in Bermuda may impede our ability to recruit and retain highly skilled employees. We do not currently maintain key man life insurance policies with respect to any of our employees.

Under Bermuda law, non-Bermudians may not engage in any gainful occupation in Bermuda without the specific permission of the appropriate government authority. The Bermuda government will issue a work permit for a specific period of time, which may be extended upon showing that, after proper public advertisement, no Bermudian (or spouse of a Bermudian) is available who meets the minimum standards for the advertised position. Substantially all of our officers are working in Bermuda under work permits that will expire over the next three years. The Bermuda government could refuse to extend these work permits. In addition, a Bermuda government policy limits the duration of work permits to a total of six years, which is subject to certain exemptions only for key employees. If any of our senior executive officers were not permitted to remain in Bermuda, our operations could be disrupted and our financial performance could be adversely affected as a result.

A decline in our investment performance could reduce our profitability

We derive a significant portion of our income from our invested assets. As a result, our financial results depend in part on the performance of our investment portfolio, which contains fixed maturity securities, such as bonds and mortgage-backed securities. Our operating results are subject to a variety of investment risks, including risks relating to general economic conditions, market volatility, interest rate fluctuations, foreign currency risk, liquidity risk and credit and default risk. Additionally, with respect to certain of our investments, we are subject to pre-payment or reinvestment risk.

As our invested assets have grown substantially in recent years and have come to effect a comparably greater contribution to our financial results, a failure to successfully execute our investment strategy could have a significant adverse effect on our overall results.

The market value of our fixed maturity investments is subject to fluctuation depending on changes in various factors, including prevailing interest rates. As a result of large reinsurance or insurance losses, we may be forced to liquidate our investments at times and prices that are not optimal, which could have a material adverse effect on the performance of our investment portfolio.

Increases in interest rates could cause the market value of our investment portfolio to decrease, perhaps substantially. Conversely, a decline in interest rates could reduce our investment yield, which would reduce our overall profitability. Interest rates are highly sensitive to many factors, including governmental monetary policies, domestic and international economic and political conditions and other factors beyond our control. Any measures we take that are intended to manage the risks of operating in a changing interest rate environment may not effectively mitigate such interest rate sensitivity.

In recent years we have allocated a portion of our portfolio to other investments which have different risk characteristics than our traditional fixed maturity securities and short term investment portfolios. These other investments include hedge fund investments, a fund that invests in senior secured bank loans, a European high yield credit fund and private equity partnerships. Also included in other investments are investments in a medium term note, representing an interest in a pool of European fixed income securities, a non-U.S. dollar convertible fund and miscellaneous other investments. We have been decreasing our percentage allocation to these other investments, particularly hedge funds. The performance of these other investments had a positive impact on the performance of our investment portfolio in 2005, and in 2006 to date.

These other investments are recorded on our consolidated balance sheet at fair value. The fair value of certain of these investments is generally established on the basis of the net valuation criteria established by the

managers of such investments. These net valuations are determined based upon the valuation criteria established by the governing documents of the investments. Due to a lag in the valuations reported by the fund managers, the majority of our other investments are reported on a one month or one quarter lag. Such valuations may differ significantly from the values that would have been used had ready markets existed for the shares, partnership interests or notes of the investments. Many of the investments are subject to restrictions on redemptions and sales which are determined by the governing documents and limit our ability to liquidate these investments in the short term. These investments expose us to market risks including interest rate risk, foreign currency risk, equity price risk and credit risk. We are unable to precisely quantify these risks as we do not have timely access to the securities underlying each investment. To the extent these risks move against us it could result in a material adverse change to our investment performance. The performance of these investments is also dependent on the individual investment managers and the investment strategies. It is possible that the investment managers will leave and/or the investment strategies will become ineffective. Any of the foregoing could result in a material adverse change to our investment performance.

Our reliance on reinsurance brokers exposes us to their credit risk

In accordance with industry practice, we pay virtually all amounts owed on claims under our policies to reinsurance brokers, and these brokers, in turn, pay these amounts over to the insurers that have reinsured a portion of their liabilities with us (we refer to these insurers as ceding insurers). Likewise, premiums due to us by ceding insurers are virtually all paid to brokers, who then pass such amounts on to us. In many jurisdictions, if a broker were to fail to make such a payment to a ceding insurer, we would remain liable to the ceding insurer for the deficiency. Conversely, in many jurisdictions, when the ceding insurer pays premiums for these policies to reinsurance brokers for payment over to us, these premiums are considered to have been paid by the cedant and the ceding insurer will no longer be liable to us for those amounts, whether or not we have actually received the premiums. Consequently, in connection with the settlement of reinsurance balances, we assume a substantial degree of credit risk associated with brokers around the world. As noted above, due to recent developments in the industry, we believe that the degree of this credit risk has increased.

We may require additional capital in the future, which may not be available or only available on unfavorable terms

We monitor our capital adequacy on a regular basis. The capital requirements of our business depend on many factors, including our ability to write new business successfully and to establish premium rates and reserves at levels sufficient to cover losses. Our ability to underwrite is largely dependent upon the quality of our claims paying and financial strength ratings as evaluated by independent rating agencies. To the extent that our existing capital is insufficient to support our future operating requirements, we may need to raise additional funds through financings or limit our growth. Any further equity or debt financing, if available at all, may be on terms that are unfavorable to us. Our ability to raise such capital successfully would depend upon the facts and circumstances at the time, including our financial position and operating results, market conditions, and applicable legal issues.

If we are not able to obtain adequate capital if and when needed, our business, results of operations and financial condition would be adversely affected.

Consolidation in the insurance industry could adversely impact us

We believe that many insurance industry participants are seeking to consolidate. These consolidated entities may try to use their enhanced market power to negotiate price reductions for our products and services. If competitive pressures reduce our prices, we would expect to write less business. As the insurance industry consolidates, competition for customers will become more intense and the importance of acquiring and properly servicing each customer will become greater. We could incur greater expenses relating to customer acquisition and retention, further

reducing our operating margins. In addition, insurance companies that merge may be able

to spread their risks across a consolidated, larger capital base so that they require less reinsurance. The number of companies offering retrocessional reinsurance may decline. We could also experience more robust competition from larger, better capitalized competitors.

Bermuda could be subject to sanctions by a number of multinational organizations which could adversely affect Bermuda companies.

A number of multinational organizations, including the European Union, the Organization for Economic Cooperation and Development, commonly referred to as the OECD , including its Financial Action Task Force, and the Financial Stability Forum, have identified certain countries as blocking information exchange, engaging in harmful tax competition or not maintaining adequate controls to prevent corruption, such as money laundering activities. On June 27, 2005, the OECD issued a discussion draft, Attribution of Profits to a Permanent Establishment Release of Discussion Draft of Part IV (Insurance), which constitutes the fourth and final part of the report on OECD s project to establish a broad consensus regarding the interpretation and practical application of Article 7 of the OECD Model Tax Convention on Income and on Capital. Article 7 sets forth international tax principles for attributing profits to a permanent establishment and forms the basis of an extensive network of bilateral income tax treaties between OECD member countries and between many OECD member and non-member countries. Once finalized, the conclusions of Parts I-IV of the report will be implemented through revision of the Commentary on Article 7 and/or Article 7 itself.

The OECD has threatened non-member jurisdictions that do not agree to cooperate with the OECD with punitive sanctions by OECD member countries. It is unclear what these sanctions will be, who will adopt them and when they will be imposed. Bermuda has committed to a course of action to enable compliance with the requirements of these multinational organizations, including signing a letter committing itself to eliminate harmful tax practices by the end of 2005 and to embrace international tax standards for transparency, exchange of information and the elimination of any aspects of the regimes for financial and other services that attract business with no substantial domestic activity. However, the action taken by Bermuda may not be sufficient to preclude all effects of the measures or sanctions described above, which if ultimately adopted could adversely affect Bermuda companies such as us and our Bermuda based subsidiaries.

Political, regulatory and industry initiatives could adversely affect our business

The insurance and reinsurance regulatory framework is subject to heavy scrutiny by the U.S. and individual state governments as well as an increasing number of international authorities. Government regulators are generally concerned with the protection of policyholders to the exclusion of other constituencies, including shareholders. Increasingly, governmental authorities in both the U.S. and worldwide seem to us to be interested in the potential risks posed by the reinsurance industry as a whole, and to commercial and financial systems in general. While we do not believe these inquiries have identified meaningful new risks posed by the reinsurance industry, and we cannot predict the exact nature, timing or scope of possible governmental initiatives, we believe it is likely there will be increased regulatory intervention in our industry in the future. For example, the U.S. federal government has increased its scrutiny of the insurance regulatory framework in recent years, and some state legislators have considered or enacted laws that will alter and likely increase state regulation of insurance and reinsurance companies and holding companies. Moreover, the National Association of Insurance Commissioners, which is an association of the insurance commissioners of all 50 states and the District of Columbia and state insurance regulators, regularly reexamine existing laws and regulations.

For example, we could be adversely affected by proposals to:

- provide insurance and reinsurance capacity in markets and to consumers that we target;

require our participation in industry pools and guaranty associations;

expand the scope of coverage under existing policies for matters such as Hurricanes Katrina, Rita and Wilma, and the New Orleans flood, or such as a pandemic flu outbreak;

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increasingly mandate the terms of insurance and reinsurance policies; or

disproportionately benefit the companies of one country over those of another.

The growth of our primary insurance business, which is regulated more comprehensively than reinsurance, increases our exposure to adverse political, judicial and legal developments. Moreover, our exposure to potential regulatory initiatives could be heightened by the fact that our principal operating companies are domiciled in, and operate exclusively from, Bermuda. For example, Bermuda, a small jurisdiction, may be disadvantaged in participating in global or cross border regulatory matters as compared with larger jurisdictions such as the U.S. or the leading European Union countries. In addition, Bermuda, which is currently an overseas territory of the United Kingdom, may consider changes to its relationship with the United Kingdom in the future. These changes could adversely affect Bermuda s position in respect of future regulatory initiatives, which could adversely impact us commercially.

Because we depend on a few insurance and reinsurance brokers for a large portion of revenue, loss of business provided by them could adversely affect us

We market our insurance and reinsurance products worldwide exclusively through insurance and reinsurance brokers. Four brokerage firms accounted for 65.8% of our net premiums written for the year ended December 31, 2005. Subsidiaries and affiliates of the Benfield Group Limited, Marsh Inc., the Willis Group and AON Corporation accounted for approximately 26.3%, 21.8%, 10.8% and 6.9%, respectively, of our gross written premiums in 2005. The loss of all or a substantial portion of the business provided by these brokers could have a material adverse effect on us. Our ability to market our products could decline as a result of any loss of the business provided by these brokers and it is possible that our premiums written would decrease.

We could be adversely affected if TRIA is not renewed

In response to the tightening of supply in certain insurance and reinsurance markets resulting from, among other things, the September 11th tragedy, the Terrorism Risk Insurance Act, commonly referred to as TRIA , was enacted in 2002 to ensure the availability of commercial insurance coverage for certain terrorist acts in the U.S. This law established a federal assistance program through the end of 2005 (as amended, through the end of 2007) to help the commercial property and casualty insurance industry cover claims related to future terrorism-related losses and required that coverage for terrorist acts be offered by insurers. TRIA was originally scheduled to expire at the end of 2005, but was extended in December 2005 for an additional two years. The extended bill reduced the protections of the act. For example, as extended, the insurer deductible was increased from 15% in 2005 to 17.5% in 2006 and 20% in 2007. In addition, the extended TRIA established a new program trigger under which Federal compensation will become available only if aggregate insured losses sustained by all insurers exceed $50 million from a certified act of terrorism occurring after March 31, 2006 and $100 million for losses resulting from a certified act which occurs on or after January 1, 2007. We believe TRIA has been an effective mechanism to assist policyholders and industry participants with the extreme contingent losses that might be caused by acts of terrorism. We cannot assure you that TRIA will be extended beyond 2007, and its expiration could have an adverse effect on our clients, industry or us.

The covenants in our debt agreements limit our financial and operational flexibility, which could have an adverse effect on our financial condition

We have incurred indebtedness, and may incur additional indebtedness in the future. At September 30, 2006, we had an aggregate of approximately $410 million of indebtedness outstanding, consisting of $100 million of 5.875% Senior Notes due 2013, $150 million of 7.0%

Senior Notes due 2008, and a $160 million bank loan incurred and fully drawn by our consolidated subsidiary, DaVinciRe Holdings Ltd.

In addition, we have issued $100 million aggregate liquidation amount of mandatorily redeemable capital securities through RenaissanceRe Capital Trust, a wholly owned subsidiary of RenaissanceRe, holding solely

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$103.1 million of our 8.54% junior subordinated debentures due March 1, 2027. Because we hold $15.4 million of these securities and also hold $3.1 million of equity interest in RenaissanceRe Capital Trust, our net obligation is $84.6 million.

Our insurance and reinsurance subsidiaries maintain letter of credit facilities in connection with their insurance and reinsurance business. The largest of these is a secured letter of credit facility established under a reimbursement agreement entered into by certain of our subsidiaries and affiliates. The obligations of each of our subsidiaries and affiliates party to the reimbursement agreement are secured by certain collateral, including cash, eligible high-quality marketable securities and redeemable preference shares of Renaissance Investment Holdings Ltd. The facility currently is in the amount of $1.725 billion. At September 30, 2006, the aggregate face amount of letters of credit outstanding under the reimbursement agreement with effective dates on or before September 30, 2006 was $1,240.2 million and total letters of credit outstanding was $1,285.4 million.

The agreements covering our indebtedness, particularly our bank loans, contain numerous covenants that limit our ability, among other things, to borrow money, make particular types of investments or other restricted payments, sell assets, merge or consolidate. These agreements also require us to maintain specific financial ratios. If we fail to comply with these covenants or meet these financial ratios, the lenders under our credit facilities could declare a default and demand immediate repayment of all amounts owed to them, cancel their commitments to lend or issue letters of credit, or both, and require us to pledge additional or a different type of collateral.

In addition, if we are in default under the junior subordinated debentures, discussed above, or if we have given notice of our intention to defer our related payment obligations, the terms of our indebtedness would, among other things, restrict our ability to:

- declare or pay any dividends on our capital shares;
- redeem, purchase or acquire any capital shares; or
- make a liquidation payment with respect to our capital shares.

Because we are a holding company, we are dependent on dividends and payments from our subsidiaries

As a holding company with no direct operations, we rely on investment income, cash dividends and other permitted payments from our subsidiaries to make principal and interest payments on our debt and to pay dividends to our shareholders. The holding company does not have any operations and from time to time may not have significant liquid assets. If our subsidiaries are restricted from paying dividends to us, we may be unable to pay dividends or to repay our indebtedness.

Bermuda law and regulations require our subsidiaries which are registered in Bermuda as insurers to maintain a minimum solvency margin and minimum liquidity ratio, and prohibit dividends that would result in a breach of these requirements. Further, Renaissance Reinsurance and DaVinci, as Class 4 insurers in Bermuda, may not pay dividends which would exceed 25% of their respective capital and surplus, unless they first make filings confirming that they meet the required margins. Our Class 3 insurers, including Glencoe Insurance, Lantana Insurance Ltd. and Top Layer Re, may not declare or pay dividends during any financial year that would cause that insurer (as the case may be) to fail to meet its minimum solvency margin and minimum liquidity ratio.

Generally, our U.S. insurance subsidiaries may only pay dividends out of earned surplus. Further, the amount payable without the prior approval of the applicable state insurance department is generally limited to the greater of 10% of policyholders surplus or statutory capital, or 100% of the subsidiary s prior year statutory net income. Since our U.S. insurance subsidiaries earned surplus is negative, these subsidiaries cannot currently pay dividends without the applicable state insurance department approval.

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Regulatory challenges in the U.S. or elsewhere to our Bermuda operations claims of exemption from insurance regulation could restrict our ability to operate, increase our costs, or otherwise adversely impact us

Renaissance Reinsurance, DaVinci and Top Layer Re are not licensed or admitted in any jurisdiction except Bermuda. Renaissance Reinsurance, Glencoe Insurance, DaVinci and Top Layer Re each conduct business only from their principal offices in Bermuda and do not maintain an office in the U.S. Recently, the insurance and reinsurance regulatory framework has been subject to increased scrutiny in many jurisdictions, including the U.S. and various states within the U.S. If our Bermuda insurance or reinsurance operations become subject to the insurance laws of any state in the U.S., we could face inquiries or challenges to the future operations of these companies.

Moreover, we could be put at a competitive disadvantage in the future with respect to competitors that are licensed and admitted in U.S. jurisdictions. Among other things, jurisdictions in the U.S. do not permit insurance companies to take credit for reinsurance obtained from unlicensed or non-admitted insurers on their statutory financial statements unless security is posted. Our contracts generally require us to post a letter of credit or provide other security after a reinsured reports a claim. In order to post these letters of credit, issuing banks generally require collateral. It is possible that European Union or other countries might adopt a similar regime in the future, or that the U.S. rules could be altered in a way that treats Bermuda disproportionately. Any such development could adversely affect us.

Glencoe Insurance and Lantana are currently eligible, non-admitted excess and surplus lines insurers in, respectively, 51 and 49 states and territories of the U.S. and are each subject to certain regulatory and reporting requirements of these states. However, neither Glencoe Insurance nor Lantana is admitted or licensed in any U.S. jurisdiction; moreover, Glencoe Insurance only conducts business from Bermuda. Accordingly, the scope of Glencoe Insurance s and Lantana s activities in the U.S. is limited, which could adversely affect their ability to compete.

In addition, Stonington Insurance Company, which writes insurance in all 50 states and the District of Columbia on an admitted basis, is subject to extensive regulation under state statutes which confer regulatory, supervisory and administrative powers on state insurance commissioners. Such regulation generally is designed to protect policyholders rather than investors, and relates to such matters as: rate setting; policy forms; limitations on dividends and transactions with affiliates; solvency standards which must be met and maintained; the licensing of insurers and their agents; the examination of the affairs of insurance companies, which includes periodic market conduct examinations by the regulatory authorities; annual and other reports, prepared on a statutory accounting basis; establishment and maintenance of reserves for unearned premiums and losses; and requirements regarding numerous other matters. We could be required to allocate considerable time and resources to comply with these requirements, and could be adversely affected if a regulatory authority believed we had failed to comply with applicable law or regulation. We plan to grow Stonington s business and, accordingly, expect our absolute and relative regulatory burden to increase.

Our current or future business strategy could cause one or more of our subsidiaries to become subject to additional regulation in other jurisdictions. Any failure to comply with applicable laws could result in the imposition of significant restrictions on our ability to do business, and could also result in fines and other sanctions, any or all of which could adversely affect our financial results and operations.

Operational risks, including systems or human failures, are inherent in business, including ours

We are subject to operational risks including fraud, employee errors, failure to document transactions properly or to obtain proper internal authorization, failure to comply with regulatory requirements, information technology failures, or external events. Losses from these risks may occur from time to time and may be significant. As our business and operations grow more complex we are exposed to more risk in these areas.

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Our modeling, underwriting and information technology and application systems are critical to our success. Moreover, our proprietary technology and application systems have been an important part of our underwriting strategy and our ability to compete successfully. We have also licensed certain systems and data from third parties. We cannot be certain that we will have access to these, or comparable, service providers, or that our information technology or application systems will continue to operate as intended. While we have implemented business contingency plans, a defect or failure in our internal controls or information technology and application systems could result in reduced or delayed revenue growth, higher than expected losses, management distraction, or harm to our reputation. We believe appropriate controls and mitigation procedures are in place to prevent significant risk of defect in our internal controls, information technology and application systems, but internal controls provide only reasonable, not absolute, assurance as to the absence of errors or irregularities and any ineffectiveness of such controls and procedures could have a material adverse effect on our business.

We may be adversely affected by foreign currency fluctuations

Our functional currency is the U.S. dollar. A portion of our premium is written in currencies other than the U.S. dollar and a portion of our claims and claim expense reserves is also in non-dollar currencies. Moreover, we maintain a portion of our cash equivalent investments in currencies other than the U.S. dollar. Although we generally seek to hedge significant non-U.S. dollar positions, we may, from time to time, experience losses resulting solely from fluctuations in the values of these foreign currencies, which could cause our consolidated earnings to decrease. In addition, failure to manage our foreign currency exposures could cause our results of operations to be more volatile.

Some aspects of our corporate structure may discourage third-party takeovers and other transactions or prevent the removal of our current board of directors and management

Some provisions of our Amended and Restated Bye-Laws have the effect of making more difficult or discouraging unsolicited takeover bids from third parties or preventing the removal of our current board of directors and management. In particular, our Bye-Laws prohibit transfers of our capital shares if the transfer would result in a person owning or controlling shares that constitute 9.9% or more of any class or series of our shares. The primary purpose of this restriction is to reduce the likelihood that we will be deemed a controlled foreign corporation within the meaning of the Internal Revenue Code for U.S. federal tax purposes. However, this limit may also have the effect of deterring purchases of large blocks of common shares or proposals to acquire us, even if some or a majority of our shareholders might deem these purchases or acquisition proposals to be in their best interests.

In addition, our Bye-Laws provide for:

- a classified Board, whose size is fixed and whose members may be removed by the shareholders only for cause upon a 66 $^{2}/3$% vote;
- restrictions on the ability of shareholders to nominate persons to serve as directors, submit resolutions to a shareholder vote and requisition special general meetings;
- a large number of authorized but unissued shares which may be issued by the Board without further shareholder action; and
- a 66 $^{2}/3$% shareholder vote to amend, repeal or adopt any provision inconsistent with several provisions of the Bye-Laws.

These Bye-Law provisions make it more difficult to acquire control of us by means of a tender offer, open market purchase, proxy contest or otherwise. These provisions are designed to encourage persons seeking to acquire control of us to negotiate with our directors, which we believe would generally best serve the interests of

our shareholders. However, these provisions could have the effect of discouraging a prospective acquirer from making a tender offer or otherwise attempting to obtain control of us. In addition, these Bye-Law provisions could prevent the removal of our current board of directors and management. To the extent these provisions discourage takeover attempts, they could deprive shareholders of opportunities to realize takeover premiums for their shares or could depress the market price of the shares.

RenaissanceRe indirectly owns Stonington, Stonington Lloyds Insurance Company, Newstead Insurance Company and Inverness Insurance Company. Our ownership of a U.S. insurance company such as these can, under applicable state insurance company laws and regulations, delay or impede a change of control of RenaissanceRe. Under applicable state insurance regulations, any proposed purchase of 10% or more of our voting securities would require the prior approval of the relevant insurance regulatory authorities.

Investors may have difficulties in serving process or enforcing judgments against us in the U.S.

We are a Bermuda company. In addition, certain of our officers and directors reside in countries outside the U.S. All or a substantial portion of our assets and the assets of these officers and directors are or may be located outside the U.S. Investors may have difficulty effecting service of process within the U.S. on our directors and officers who reside outside the U.S. or recovering against us or these directors and officers on judgments of U.S. courts based on civil liabilities provisions of the U.S. federal securities laws whether or not we appoint an agent in the U.S. to receive service of process.

RISKS RELATING TO THE SERIES D PREFERENCE SHARES

We are under no obligation to redeem the preference shares, although we may redeem them under certain circumstances if we choose to do so

The preference shares have no maturity date or redemption date. We may, at our option, on or after December 1, 2011, redeem some or all of the preference shares at any time at a redemption price of $25 per share, plus accrued and unpaid dividends to the date of redemption. We may also redeem the preference shares under certain circumstances before December 1, 2011, at a redemption price of $26 per share, plus accrued and unpaid dividends to the date of redemption. In either event, we would not have to pay interest on any accrued and unpaid dividends. We do not need your consent in order to redeem the preference shares and may do so at a time that is advantageous to us. You may not require us to redeem the preference shares under any circumstances. If an active trading market for the preference shares does not develop, you may not be able to easily sell the preference shares and you will not have the option of requiring us to redeem them.

Your investment in the preference shares will be subordinated in right of payment to any of our indebtedness

The preference shares will rank senior to our common shares and on a par with our 8.10% Series A Preference Shares, our 7.30% Series B Preference Shares and our 6.08% Series C Preference Shares but will be subordinated in right of payment to all of our existing and future indebtedness, including our junior subordinated debentures, with respect to payment of dividends and amounts upon liquidation, dissolution or winding up. As a result, in the event of our dissolution, liquidation or winding up, our assets will be available to pay the liquidation preference and any accrued and unpaid dividends on the preference shares only after our creditors are paid in full. There may not be sufficient assets remaining to pay amounts due on the preference shares.

There is no limitation on our issuance of securities that rank on a par with or senior to the preference shares

We may issue securities that rank on a par with or senior to the preference shares without limitation. The issuance of securities ranking on a par with or senior to the preference shares may reduce the amount recoverable by holders of the preference shares in the event of our liquidation, dissolution or winding up.

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We may defer the payment of dividends to the preference shares

Dividends on the preference shares are payable when, as and if declared by our Board of Directors. The Board of Directors may choose not to declare the dividend, or may declare a reduced dividend. If this were to happen, the accrued but unpaid dividend would be deferred. Deferred dividends do not accrue interest prior to the date of redemption.

An active trading market for the preference shares may not develop and may not afford sufficient liquidity to allow timely disposition of the preference shares

We intend to make an application to list the preference shares on the New York Stock Exchange. If listed, trading is expected to commence within 30 days after the preference shares are first issued. You should be aware that the listing of the preference shares will not necessarily ensure that an active trading market will be available for the preference shares. A lack of liquidity in the trading of the preference shares may prevent you from selling the preference shares in the amount and at the time you desire. Additionally, an illiquid trading market for the preference shares may result in trading prices that are substantially below the liquidation value of the preference shares.

The after-market price of the preference shares may be discounted significantly if we defer dividend payments or if we are unable to pay dividends

If we defer dividend payments on the preference shares or if we are unable to pay such dividends, you may be unable to sell your preference shares at a price that reflects the value of the deferred dividends. To the extent a trading market develops for the preference shares, that market may not continue during such a deferral period, or during periods in which investors perceive that there is a likelihood of a deferral, and you may be unable to sell your preference shares at those times, either at a price that reflects the value of the dividends accrued under the preference shares or at all.

Holders of the preference shares will generally have no voting rights

Holders of the preference shares have no voting rights with respect to matters that generally require the approval of voting shareholders. The limited voting rights of holders of the preference shares include the right to vote as a class on certain fundamental matters that may affect the preference or special rights of the preferred shares and as required under Bermuda law with respect to an amalgamation of the Company, as described under Description of the Series D Preference Shares Voting Rights in this prospectus supplement. In addition, if dividends on the preference shares have not been declared or paid for the equivalent of six full dividend periods, whether or not for consecutive dividend periods, holders of the outstanding preference shares, together with the holders of all other current or future classes or series of shares that are on a par with the preference shares (excluding, however, our 8.10% Series A Preference Shares, as described under Description of Series D Preference Shares Voting Rights , which we intend to redeem as soon as practicable following the completion of this offering), will be entitled to vote for the election of two additional directors to our board of directors subject to the terms and to the limited extent described under Description of the Series D Preference Shares Voting Rights in this prospectus supplement. The absence of voting rights may decrease the value of the preference shares.

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USE OF PROCEEDS

We expect the net proceeds from this offering, after deducting the underwriting discounts and commissions and estimated expenses payable by us, will be approximately $290,400,000. We currently anticipate using the net proceeds from this offering (i) to redeem all of the outstanding Series A Preference Shares as soon as practicable following completion of this offering, and (ii) to redeem all of the outstanding 8.54% Junior Subordinated Deferrable Interest Debentures as soon as practicable after March 1, 2007. The 8.10% Series A Preference Shares have no stated maturity, and the 8.54% Junior Subordinated Deferrable Interest Debentures have a maturity date of March 1, 2027. Additional remaining net proceeds from this offering, if any, will be used for general corporate purposes.

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CAPITALIZATION

The following table sets forth our consolidated capitalization at September 30, 2006 on a historical basis, pro forma as adjusted to give effect to the estimated gross proceeds from this offering of the preference shares and pro forma as adjusted to give effect to the estimated gross proceeds from this offering of the preference shares and the currently anticipated redemption of all of our outstanding 8.10% Series A Preference Shares and 8.54% junior subordinated debentures. This table should be read in conjunction with our consolidated financial statements and related notes thereto and Management s Discussion and Analysis of Financial Condition and Results of Operations , both of which can be found in each of our Annual Report on Form 10-K for the year ended December 31, 2005 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2006, which are incorporated by reference.

	AT SEPTEMBER 30, 2006 (IN MILLIONS)		
	Actual	**Pro Forma as Adjusted For Issuance of Series D Preference Shares**	**Pro Forma as Adjusted For Issuance of Series D Preference Shares and Redemption of 8.10% Series A Preference Shares and 8.54% Junior Subordinated Debentures**
Revolving credit agreement(1)	$	$	$
DaVinciRe revolving credit facility(2)	160.0	160.0	160.0
7.0% Senior Notes due 2008	150.0	150.0	150.0
5.875% Senior Notes due 2013	100.0	100.0	100.0
8.54% Subordinated obligation to RenaissanceRe Capital Trust(3)	103.1	103.1	
Series A preference shareholders equity(4)	150.0	150.0	
Series B preference shareholders equity	100.0	100.0	100.0
Series C preference shareholders equity	250.0	250.0	250.0
Series D preference shareholders equity		300.0	300.0
Common shareholders equity	2,297.2	2,297.2	2,297.2
Total capitalization	$ 3,310.3	$ 3,610.3	$ 3,357.2
Ratio of debt to total capitalization(5)	12.4%	11.4%	12.2%

(1) RenaissanceRe is party to a $500 million revolving credit agreement, none of which was drawn at September 30, 2006. This facility is with a syndicate of commercial banks.

(2) Our consolidated subsidiary, DaVinciRe Holdings Ltd., is a party to a $200 million revolving credit agreement, of which $160 million was drawn and remained outstanding at September 30, 2006. This facility is with a syndicate of commercial banks. We control a majority of DaVinciRe s voting power but own a minority of its outstanding equity interests.

(3) Represents $103.1 million of 8.54% junior subordinated debentures of RenaissanceRe held by RenaissanceRe Capital Trust due March 1, 2027. RenaissanceRe Capital Trust, a wholly owned subsidiary of RenaissanceRe, has issued $100.0 million aggregate liquidation amount of mandatorily redeemable capital securities paying cumulative cash distributions at an annual rate of 8.54%. We own all of the $3.1 million of common equity interests in and have purchased $15.4 million of capital securities of RenaissanceRe Capital Trust; the remaining $84.6 million of capital securities are held by third party investors. We currently anticipate using a portion of the net proceeds

from this offering to redeem all of the outstanding 8.54% junior subordinated debentures on or as soon as practicable after March 1, 2007.

(4) We intend to use a portion of the net proceeds from this offering to redeem all of the outstanding 8.10% Series A Preference Shares as soon as practicable following completion of this offering.

(5) For purposes of computing the ratio of debt to total capitalization, debt consists of the revolving credit agreement, the DaVinciRe revolving credit facility, the 7.0% Senior Notes due 2008 and the 5.875% Senior Notes due 2013 referenced above.

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DESCRIPTION OF SERIES D PREFERENCE SHARES

The following description of our Series D Preference Shares includes a summary of certain provisions of our Amended and Restated Bye-Laws, as well as our Certificate of Designation, Preferences and Rights, relating to the Series D Preference Shares. For a complete description of the terms and provisions of the Series D Preference Shares, you should refer to the accompanying prospectus, the Bye-Laws and the Certificate of Designation, which are incorporated by reference herein. References herein to the preference shares mean the Series D Preference Shares. A copy of the Certificate of Designation will be filed as an exhibit to the registration statement of which this prospectus supplement is a part. A copy of our Bye-Laws was filed as an exhibit to our Quarterly Report on Form 10-Q filed on August 14, 2002, which is incorporated by reference into this prospectus supplement and the accompanying prospectus. See Certain Tax Considerations in this prospectus supplement and in the accompanying prospectus for a summary of certain material U.S. federal and Bermuda tax consequences applicable to the holders of the preference shares.

GENERAL

On December 12, 2006, an Offerings Committee of the Board of Directors approved the Certificate of Designation setting forth the specific rights, preferences, limitations and other terms of the preference shares.

When issued and paid for as contemplated by this prospectus supplement and the accompanying prospectus, the preference shares will be duly authorized, validly issued and fully paid. The holders of the preference shares will have no preemptive rights with respect to any of our common shares or any other securities convertible into or carrying rights or options to purchase any such shares. The preference shares will not be subject to any sinking fund nor will we have any other obligation to redeem or retire the preference shares. The preference shares will have a perpetual term with no maturity and will remain outstanding unless we redeem them.

Our Board of Directors may from time to time create and issue preference shares of other series without the approval of our shareholders and fix their relative rights, preferences and limitations. At present, we have no issued shares which are senior to or, other than the Series A Preference Shares, the Series B Preference Shares or the Series C Preference Shares, in parity with respect to payment of dividends and distribution of assets in liquidation with the preference shares. We intend to redeem all of the outstanding Series A Preference Shares as soon as practicable following completion of this offering. The alteration of the rights attached to the preference shares requires the approval of the holders of three-quarters of the preference shares. See Voting Rights.

DIVIDEND RIGHTS

Holders of the preference shares will be entitled to receive, out of funds legally available for the payment of dividends, cumulative preferential cash dividends in an amount per share equal to 6.60% of the liquidation preference per annum (equivalent to $1.65 per share). Such dividends will begin to accrue and will be cumulative from the date of original issuance and will be payable quarterly, when, as and if declared by the Board of Directors, in arrears on the first day of March, June, September, and December of each year or, if such date is not a business day, on the business day immediately after such date. The first dividend, which will be payable on March 1, 2007, will represent the period from the original issue date up to and including February 28, 2007. The first dividend payable and any other dividend payable on the preference shares for any other period shorter than a full quarterly period, will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends will be payable to holders of record as they appear in our Register of Members at the close of business on the applicable record date, which will be one day prior to the dividend payment date as long as all of the preference shares remain in book-entry form. If all of the preference shares are not in book-entry form, the record date will be 15 days prior to the dividend payment date.

No dividends on the preference shares will be declared by the Board of Directors or paid or set apart for payment by us at any time during which the terms and provisions of any of our agreements, including any agreement relating to our indebtedness, prohibit a declaration, payment or setting apart for payment of a dividend or provide that such a declaration, payment or setting apart for payment would constitute a breach or a default. No dividends on the preference shares will be declared or paid or set apart for payment if prohibited by law. Dividends on the preference shares will accrue and will be fully cumulative from the issue date, whether or not there are funds legally available for the payment of such dividends and whether or not the dividends are declared. Holders of the preference shares will not be entitled to any dividends in excess of full cumulative dividends as described above. No interest or sum of money in lieu of interest will be payable on any dividend payment or on any payment on the preference shares which is in arrears.

If there is any change in the law, regulation, or official directive (or in the interpretation of a law, regulation or official directive by any Bermuda governmental authority or court of competent jurisdiction) that adversely affects the rights of the holders of the preference shares, holders can pursue all remedies and actions legally available to them. We are a Bermuda company and are subject to the laws, regulations, official directives and interpretations of the Bermuda government and its relevant political subdivisions and courts of competent jurisdiction. There can be no assurance that the enforcement of such rights would be successful.

If any preference shares are outstanding, no dividends or other distributions may be declared or paid or set apart for payment on any class or series of capital shares ranking on a parity with the preference shares, including, but not limited to, our 8.10% Series A Preference Shares, our 7.30% Series B Preference Shares and our 6.08% Series C Preference Shares, with respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, as further described in the Certificate of Designation (such class or series of capital shares being referred to as the Parity Shares) for any period unless either (i) full cumulative dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payments on the preference shares for all dividend periods terminating on or prior to the dividend payment date on such Parity Shares, or (ii) all dividends declared upon the preference shares and any class or series of Parity Shares are declared pro rata so that the amount of dividends declared per share on the preference shares and any class or series of Parity Shares will in all cases bear to each other the same ratio that accrued and unpaid dividends per share on the preference shares and such class or series of Parity Shares bear to each other.

If any preference shares are outstanding, unless full cumulative dividends on the preference shares and any Parity Shares have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all past dividend periods and the then current dividend period, no dividends (other than those paid in common shares or other capital shares ranking junior to the preference shares as to dividends and as to the distribution of assets upon any liquidation, dissolution or winding up (together with the common shares, Fully Junior Shares)) may be declared or paid or set apart for payment upon, and no other distribution may be declared or paid or set apart for payment upon, the common shares or any other capital shares ranking junior to the preference shares as to dividends or as to the distribution of assets upon any of our liquidation, dissolution or winding up (together with the common shares, the Junior Shares), nor will any common shares or any other Junior Shares be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of common shares made for purposes of an employee incentive or benefit plan of ours or any subsidiary of ours) for any consideration (or any moneys be paid to or made available for a sinking fund or the redemption of any common shares or any other Junior Shares) by the Company (except by conversion into or exchange for Fully Junior Shares).

Any dividend payment made on the preference shares will first be credited against the earliest accrued but unpaid dividend due with respect to the preference shares which remains payable.

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CERTAIN RESTRICTIONS ON PAYMENT OF DIVIDENDS AND REDEMPTION OR PURCHASE OF SHARES

Under Bermuda law, we may not lawfully declare or pay a dividend if there are reasonable grounds for believing that we are, or would after payment of the dividend be, unable to pay our liabilities as they become due, or that the realizable value of our assets would, after payment of the dividend, be less than the aggregate value of our liabilities, issued share capital and share premium accounts. In addition, our directors are, as a matter of prudence, required to ensure that any dividend declared or paid is not of an amount that reduces our reserves to a level that is not sufficient to meet the reserve requirements of our business. Under the Insurance Act 1978 of Bermuda, an insurer shall not declare or pay any dividends during any financial year if it would cause the insurer to fail to meet its relevant margins. In addition, dividends by a class 4 insurer, such as Renaissance Reinsurance, exceeding 25% of total statutory capital and surplus require, at least 7 days prior to the payment of such dividends, the filing of an affidavit signed by two directors and the principal representative of the insurer which states that in the opinion of those signing, declaration of those dividends has not caused the insurer to fail to meet the solvency margin and liquidity requirements of the Insurance Act.

We may not redeem or purchase our preference shares if there are reasonable grounds for believing that we are, or after the purchase would be, unable to pay our liabilities as they become due. The preference shares may not be redeemed or purchased except out of the capital paid up thereon or out of our funds which would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for the purpose of the redemption or purchase. The premium, if any, payable on redemption or purchase must be provided for out of our funds which would otherwise be available for dividend or distribution or out of our share premium account before the preference shares are redeemed or purchased.

LIQUIDATION PREFERENCE

Upon any voluntary or involuntary liquidation, dissolution or winding-up of our affairs, the holders of the preference shares will be entitled to receive from our assets legally available for distribution to shareholders $25 per share plus all accrued but unpaid dividends (whether or not earned or declared) to the date fixed for distribution before any distribution is made to holders of common shares and any other class or series of Junior Shares.

After payment of the full amount of the liquidating distributions to which they are entitled the holders of the preference shares will have no right or claim to any of our remaining assets. In the event that upon any such voluntary or involuntary liquidation, dissolution or winding up, our available assets are insufficient to pay the amount of the liquidating distributions on all outstanding preference shares and the corresponding amounts payable on all classes or series of Parity Shares, then the holders of the preference shares and all such classes or series of Parity Shares shall share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

If liquidating distributions shall have been made in full to all holders of the preference shares and all classes or series of Parity Shares (including the Series A Preference Shares, the Series B Preference Shares and the Series C Preference Shares), our remaining assets will be distributed among the holders of common shares or any other classes or series of Junior Shares, according to their respective rights and preferences and in each case according to their respective number of shares. For such purposes, our consolidation, amalgamation or merger with or into any other entity, the sale, lease or conveyance of all or substantially all of our shares or property or business or a statutory share exchange will not be deemed to constitute a liquidation, dissolution or winding up.

RANKING

The preference shares will rank senior to our common shares and on a parity with our 8.10% Series A Preference Shares, our 7.30% Series B Preference Shares and our 6.08% Series C Preference Shares with respect to payment of dividends and amounts upon liquidation, dissolution or winding up, but junior to our existing and future indebtedness, including our junior subordinated debentures. We may issue securities that rank on a par with or senior to the preference shares without limitation.

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REDEMPTION

References to a redemption of the preference shares mean a purchase of shares pursuant to Section 42A of the Companies Act 1981 of Bermuda and the terms redeem and redeemable are to be interpreted accordingly. Section 42A provides, among other things, that if a company agrees to purchase its own shares pursuant to Section 42A (including by way of delivering a notice of redemption as described below) and fails to do so, a court may not order the company to purchase the shares pursuant to Section 42A if doing so would render the company insolvent or cause the breach of any statute, and a court may not in any event award damages for any breach by the company of its agreement to purchase shares. A court may, however, require a company to complete a share purchase under Section 42A to which it has agreed if the purchase would not render the company insolvent.

The preference shares are not redeemable prior to December 1, 2011, except as discussed below. On or after such date, we, at our option upon not less than 30 nor more than 60 days written notice, may redeem the preference shares in whole at any time or from time to time in part, for cash at a redemption price of $25 per share plus all accrued and unpaid dividends, if any, thereon to the date fixed for redemption without interest. Holders of the preference shares to be redeemed upon surrender of certificates for such shares at the place designated in the notice will be entitled to the redemption price and any accrued and unpaid dividends payable upon the redemption following such surrender.

If fewer than all of the outstanding preference shares are to be redeemed, we will determine the number of shares which we will redeem and such shares may be redeemed pro rata from the holders of record in proportion to the number of such shares held by such holders (with adjustments to avoid redemption of fractional shares), by lot or by any other method determined by us in our sole discretion to be equitable.

Unless full cumulative dividends on all preference shares and all Parity Shares shall have been declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all past dividend periods and the then current dividend period, no preference shares or any Parity Shares may be redeemed, purchased or otherwise acquired by RenaissanceRe unless all outstanding preference shares and any Parity Shares are redeemed, provided that we may acquire fewer than all of the outstanding preference shares or Parity Shares pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding preference shares and Parity Shares.

At any time prior to December 1, 2011, if we shall have submitted to the holders of our common shares a proposal for an amalgamation or shall have submitted any proposal for any other matter that requires, as a result of a change in Bermuda law after the date of this prospectus supplement, for its validation or effectuation an affirmative vote of the holders of the preference shares at the time outstanding, whether voting as a separate series or together with any other series of preference shares as a single class, we have the option upon not less than 30 nor more than 60 days written notice to redeem all of the outstanding preference shares for cash at a redemption price of $26 per share, plus all accrued and unpaid dividends, if any, to the date of redemption, without interest.

Prior to delivering notice of redemption as provided below, we will file with our corporate records a certificate signed by one of our officers affirming our compliance with the redemption provisions under the Companies Act 1981 of Bermuda relating to the preference shares, and stating that the redemption will not render us insolvent or cause it to breach any provision of applicable Bermuda law or regulation. We will mail a copy of this certificate with the notice of any redemption.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of record of the preference shares to be redeemed at the address shown in our Register of Members. Each notice will state, as appropriate: (i) the redemption date; (ii) the number of preference shares to be redeemed; (iii) the redemption price; (iv) the place or places where certificates for the preference shares are to be surrendered for payment of the redemption price; and (v) that where applicable, dividends on the preference

shares to be redeemed will cease to accrue on such redemption date. If fewer than all preference shares are to be redeemed, the notice mailed to each such holder thereof will also specify the number of preference shares to be redeemed from such holder. If notice of redemption of any preference shares has been given and if we have set apart the funds necessary for such redemption in trust for the benefit of the holders of the preference shares so called for redemption, then from and after the redemption date dividends will cease to accrue on the preference shares being redeemed, the preference shares will no longer be deemed to be outstanding and all rights of the holders of such shares will terminate, except the right to receive the redemption price.

The holders of the preference shares at the close of business on a dividend record date will be entitled to receive the dividend payable with respect to such preference shares on the corresponding dividend payment date notwithstanding the redemption thereof between the dividend record date and the corresponding dividend payment date or a default in the payment of the dividend due. Except as described above, we will make no payment or allowance for unpaid dividends, whether or not in arrears, on the preference shares which have been called for redemption.

CAPITAL REPLACEMENT

We intend, to the extent that the preference shares provide us with rating agency equity credit at the time of any such redemption or repurchase, to redeem or repurchase (or to cause another person or entity to purchase) the preference shares with amounts that include net proceeds received by us from the sale or issuance, during the 180-day period prior to the notice date for such action, to third-party purchasers of securities that would provide at least as much equity credit as the preference shares at that time (determined in accordance with the standards as then in effect of a majority of the rating agencies). The determination of the equity credit of the preference shares may result in the issuance of an amount of new securities that may be less than the liquidation preference of the preference shares, depending upon, among other things, the nature of the new securities issued and the equity credit attributed by a rating agency to the preference shares and the new securities.

VOTING RIGHTS

Generally, the preference shares have no voting rights. Whenever dividends payable on the preference shares or any Voting Preferred Shares (as defined below) are in arrears (whether or not such dividends have been earned or declared) in an amount equivalent to dividends for six full dividend periods (whether or not consecutive), the holders of the preference shares, together with the holders of Voting Preferred Shares, voting as a single class regardless of class or series, will have the right to elect two directors to the Board of Directors. We will use our best efforts to obtain the election or appointment of these two directors, including, if necessary, by using our best efforts to increase the number of directors constituting the Board of Directors and to amend our Bye-Laws. Whenever all arrearages in dividends on the preference shares and the Voting Preferred Shares have been paid and dividends for the current quarterly dividend period are paid or declared and set apart for payment, then the right of holders of the preference shares and Voting Preferred Shares to be represented by directors will cease (but subject always to the same provision for the vesting of such rights in the case of any future arrearages in an amount equivalent to dividends for six full dividend periods), and the terms of office of the additional directors elected or appointed to the Board of Directors will terminate. Voting Preferred Shares are Parity Shares of any class or series, whether existing currently or issued subsequently to the date hereof, but excluding Series A Preference Shares. Currently, the certificate of designation for the Series A Preference Shares provides that if dividends payable on the Series A Preference Shares are in arrears in an amount equivalent to dividends for six full dividend periods (whether or not consecutive), the holders of the Series A Preference Shares, voting separately as a class from any other Parity Shares, will also have the right to elect two directors to the Board of Directors. We intend to redeem all of the outstanding Series A Preference Shares as soon as practicable following completion of this offering.

Without the written consent of the holders of at least 75% of the preference shares at the time outstanding or the sanction of a resolution passed by a majority of the votes cast at a separate meeting of the holders of the

preference shares, we may not take any action which would vary the rights attached to the preference shares. The holders of the preference shares will have a right to vote on any amalgamation as provided in Section 106(3) of the Companies Act 1981 of Bermuda and to vote separately as a class as provided in Section 106(4) of the Companies Act 1981 of Bermuda if the amalgamation contains a provision which would constitute a variation of the rights attaching to the preference shares. Notwithstanding the foregoing, holders of the preference shares are not entitled to vote on any sale of all or substantially all of our assets, and the issuance of any capital stock that is senior to or in parity with the preference shares with respect to payment of dividends and distribution of assets in liquidation will not be deemed a variation of the rights of the preference shares.

CONVERSION

The preference shares are not convertible or exchangeable for any of our other securities.

LIMITATIONS ON TRANSFER AND OWNERSHIP

The Bye-Laws provide that, subject to waiver by the Board of Directors, no person may own or control, or exercise voting rights with respect to, more than 9.9% of the voting rights attached to all of our issued and outstanding shares. The Board of Directors may in its sole discretion make any determination as to whether ownership or control will be deemed to be in excess of 9.9%, and pursuant to such determination, we may decline to register any transfer of our shares resulting in such ownership or control. In the event we become aware of such ownership, we may reduce the voting rights with respect to any of our shares (including any preference shares) owned or controlled by such person to the extent necessary to limit the voting power held by such person to 9.9% in the aggregate. The voting rights with respect to all such shares held by such person in excess of the 9.9% limitation will be allocated to all other holders of common shares, pro rata based on the number of the common shares held by all such other holders, subject only to the further limitation that no shareholder allocated such voting rights may exceed the 9.9% limitation as a result of such allocation. For these purposes, references to ownership or control of our shares mean ownership within the meaning of Section 958 of the Internal Revenue Code, as amended, and Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

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MARKET FOR THE PREFERENCE SHARES

While the Series A Preference Shares, the Series B Preference Shares and the Series C Preference Shares currently trade on the New York Stock Exchange, prior to this offering, there has not been an established public market for the Series D Preference Shares offered hereby. We intend to have the preference shares listed for quotation on the New York Stock Exchange. An active or any trading market may not develop or be maintained. In addition to factors related to us and the preference shares, the market price of the preference shares will be determined by such factors as relative demand for and supply of the preference shares in the market, general market and economic conditions and other factors beyond our control. We cannot predict at what price the preference shares will trade, and the price may be less than its liquidation value at any point in time.

CERTAIN TAX CONSIDERATIONS

The following statements under Taxation of RenaissanceRe Holdings Ltd., Renaissance Reinsurance, Top Layer Re, DaVinci and Glencoe Insurance Bermuda and Taxation of Shareholders Bermuda Taxation , to the extent they constitute statements of Bermuda law, are the opinion of Conyers Dill & Pearman, Hamilton, Bermuda. The following statements of U.S. federal tax law under Taxation of RenaissanceRe Holdings Ltd., Renaissance Reinsurance, Top Layer Re, DaVinci and Glencoe Insurance United States and Taxation of Shareholders United States Taxation of U.S. Shareholders , to the extent they constitute statements of U.S. federal tax law, are the opinion of Willkie Farr & Gallagher LLP, New York, New York. The opinions of these firms do not address, and do not include, opinions as to whether RenaissanceRe or any of its subsidiaries has a permanent establishment in the United States, any factual or accounting matters, determinations or conclusions such as to whether RenaissanceRe or any of its subsidiaries are engaged in a U.S. trade or business, Related Person Insurance Income (RPII) amounts and computations and components thereof (for example, amounts or computations of income or expense items or reserves entering into RPII computations) or facts relating to RenaissanceRe s business or activities, and the business or activities of Renaissance Reinsurance Ltd., Top Layer Reinsurance Ltd., DaVinci Reinsurance Ltd., Glencoe Insurance Ltd. and the other subsidiaries of RenaissanceRe, all of which are matters and information determined and provided by RenaissanceRe. The following discussion is based upon current law and describes the material U.S. federal and Bermuda tax consequences at the date of this prospectus. The tax treatment of a holder of preference shares, or a person treated as a holder of preference shares for U.S. federal income, state, local or non-U.S. tax purposes may vary depending on the holder s particular tax situation. Legislative, judicial or administrative changes or interpretations may be forthcoming that could be retroactive and could affect the tax consequences to holders of preference shares. PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES TO THEM OF OWNING PREFERENCE SHARES.

TAXATION OF RENAISSANCERE HOLDINGS LTD., RENAISSANCE REINSURANCE, TOP LAYER RE, DAVINCI AND GLENCOE INSURANCE

BERMUDA

RenaissanceRe, Renaissance Reinsurance Ltd., Top Layer Reinsurance Ltd., DaVinci Reinsurance Ltd. and Glencoe Insurance Ltd. have each received from the Minister of Finance of Bermuda a written assurance under the Exempted Undertakings Tax Protection Act 1966 of Bermuda, to the effect that in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of any such tax shall not be applicable to RenaissanceRe, Renaissance Reinsurance, Top Layer Re, DaVinci or Glencoe Insurance or to any of their operations or their shares, debentures or other obligations until March 28, 2016. Such companies could be subject to taxes in Bermuda after that date. These assurances are routinely given to Bermuda exempted companies upon application and do not constitute a determination or ruling based on the particular circumstances of an exempted company. These assurances are subject to the proviso that they are not to be construed so as to prevent the application of any tax or duty to such persons as are ordinarily resident in Bermuda or to prevent the application of any tax payable in accordance with the provisions of The Land Tax Act 1967 of Bermuda or otherwise payable in relation to any property leased to Renaissance Reinsurance, Top Layer Re, DaVinci or Glencoe Insurance. RenaissanceRe, Renaissance Reinsurance, Top Layer Re, DaVinci and Glencoe Insurance are required to pay certain annual Bermuda government fees. Additionally, Renaissance Reinsurance, Top Layer Re, DaVinci and Glencoe Insurance are required to pay certain annual insurance license fees as an insurer under the Insurance Act. In addition, all entities employing individuals in Bermuda are required to pay a payroll tax and there are other sundry taxes payable, directly or indirectly, to the Bermuda government. Currently there is no Bermuda tax on dividends that may be paid by Renaissance Reinsurance, Top Layer Re, DaVinci or Glencoe Insurance to RenaissanceRe.

UNITED STATES

RenaissanceRe believes that, to date, it, its Bermuda insurance subsidiaries (including Renaissance Reinsurance, Top Layer Re, DaVinci, and Glencoe Insurance) and its Bermuda non-insurance subsidiaries

(including Renaissance Underwriting Managers Ltd., RenaissanceRe Ventures Ltd. and Renaissance Investment Management Co.) have operated and, in the future, will continue to operate their respective businesses in a manner that will not cause any of them to be treated as being engaged in a U.S. trade or business. On this basis, RenaissanceRe does not expect, nor does it expect its Bermuda insurance subsidiaries or Bermuda non- insurance subsidiaries to be required to pay U.S. corporate income tax. However, as the question of whether a corporation is engaged in a U.S. trade or business is inherently factual and there are no definitive standards provided by the U.S. Internal Revenue Code, existing or proposed regulations thereunder or judicial precedent, counsel has not rendered a legal opinion on this issue. There can be no assurance that the IRS could not successfully contend that some or all of RenaissanceRe, its Bermuda insurance subsidiaries or Bermuda non-insurance subsidiaries are engaged in such a trade or business.

If the IRS successfully establishes that some or all of RenaissanceRe, its Bermuda insurance subsidiaries or Bermuda non-insurance subsidiaries are engaged in a U.S. trade or business, in the opinion of counsel, the entities treated as engaged in business unless exempted from tax by the income tax treaty between the United States and Bermuda, discussed below, would be subject to U.S. corporate income tax on that portion of its respective net income treated as effectively connected with a U.S. trade or business, as well as the U.S. corporate branch profits tax. The U.S. corporate income tax is currently imposed at the rate of 35% on net corporate profits and the U.S. corporate branch profits tax is imposed at the rate of 30% on a corporation s after-tax profits deemed distributed as a dividend.

Even though RenaissanceRe has taken and intends to continue to take the position that RenaissanceRe, its Bermuda insurance subsidiaries and its Bermuda non-insurance subsidiaries are not engaged in U.S. trades or businesses, RenaissanceRe, its Bermuda insurance subsidiaries and its Bermuda non-insurance subsidiaries have filed and intend to continue to file U.S. federal income tax returns to avoid having all deductions disallowed in the event that any of them were held to be engaged in a U.S. trade or business. In addition, in the opinion of counsel, filing U.S. tax returns will allow the Bermuda insurance subsidiaries to claim benefits under the income tax treaty without penalty.

Even if the IRS were to contend successfully that one or more of the Bermuda insurance subsidiaries was engaged in a U.S. trade or business, in the opinion of counsel, the United States-Bermuda income tax treaty would preclude the United States from taxing the Bermuda insurance subsidiaries on their net premium income, except to the extent that such income was attributable to a permanent establishment maintained by a Bermuda insurance subsidiary in the United States, assuming satisfaction of the 50% beneficial ownership and disproportionate distribution tests described below. Although RenaissanceRe believes that none of the Bermuda insurance subsidiaries has a permanent establishment in the United States, RenaissanceRe cannot assure you that the IRS will not successfully contend that one or more of them has such a permanent establishment and therefore is subject to taxation. Further, as the question of whether a Bermuda insurance subsidiary has a permanent establishment is inherently factual, counsel has not rendered a legal opinion on this issue. In addition, in the opinion of counsel, benefits of the income tax treaty are only available to a Bermuda insurance subsidiary if more than 50% of their shares is beneficially owned, directly or indirectly, by individuals who are Bermuda residents or U.S. citizens or residents. Although RenaissanceRe believes that each of the Bermuda insurance subsidiaries meets, and RenaissanceRe will attempt to monitor compliance with, this beneficial ownership test, there can be no assurance that the beneficial ownership test will continue to be satisfied or that RenaissanceRe will be able to establish its satisfaction to the IRS particularly with respect to those Bermuda insurance subsidiaries owned in part by third parties. Furthermore, in the opinion of counsel, income tax treaty benefits will also not be available to a Bermuda insurance subsidiary if the income of such subsidiary is used in substantial part, directly or indirectly, to make disproportionate distributions to, or to meet certain liabilities to, persons who are neither residents of the United States or Bermuda nor U.S. citizens. A Bermuda insurance subsidiary could fail this requirement if premiums paid for ceded reinsurance by such subsidiary to persons who are neither residents of the United States or Bermuda nor U.S. citizens exceed 50% of gross premiums received by such subsidiary. RenaissanceRe believes that each Bermuda insurance subsidiary should meet this requirement, but there can be no assurance that this will be so in the future. Finally, it should be noted that although the income tax treaty (assuming the limitations previously discussed do not apply) clearly applies to premium income, it is uncertain

whether the income tax treaty applies to other income such as investment income, and due to the legal uncertainty concerning this aspect of the treaty, counsel has not rendered a legal opinion on whether the treaty applies to such other income.

If any of the Bermuda insurance subsidiaries were considered to be engaged in a U.S. trade or business and were held not to be entitled to the benefits of the permanent establishment clause of the income tax treaty or if RenaissanceRe or any of the Bermuda non-insurance subsidiaries were considered to be engaged in a U.S. trade or business, and, thus, subject to U.S. income taxation, RenaissanceRe s results of operations and cash flows could be materially adversely affected.

U.S. Internal Revenue Code section 842 requires that foreign insurance companies carrying on an insurance business within the United States have a certain minimum amount of effectively connected net investment income, determined in accordance with a formula that depends, in part, on the amount of U.S. risk insured or reinsured by the entity carrying on the insurance business. If any of the Bermuda insurance subsidiaries is considered to be engaged in the conduct of an insurance business in the United States and such company (i) is not entitled to the benefits of the income tax treaty in general (because it fails to satisfy one of the limitations on treaty benefits discussed above) or (ii) is entitled to the benefits of the income tax treaty in general, but the income tax treaty is interpreted not to apply to investment income, then section 842 could subject a significant portion of the investment income of such company to U.S. income tax.

The United States also imposes an excise tax on insurance and reinsurance premiums paid to foreign insurers or reinsurers with respect to risks located in the United States. Insurance and reinsurance premiums paid to foreign insurers or reinsurers with respect to risks located outside the United States should not be subject to this excise tax. The rate of tax currently applicable to reinsurance premiums paid to foreign reinsurers such as Renaissance Reinsurance, with respect to risks located in the United States, is 1% of gross premiums. Congress has in the past, however, considered legislation that would increase the excise tax rate on reinsurance premiums paid to foreign reinsurers to 4%. Although no such legislation has to date been enacted, proposals have been considered from time to time, and it is uncertain whether, or in what form, such legislation may ultimately be enacted. The rate of tax currently applicable to insurance premiums paid to foreign insurers such as Glencoe Insurance with respect to risks located in the United States is 4% of gross premiums.

Certain direct and indirect subsidiaries of RenasissanceRe are organized under the laws of the United States and are fully subject to federal, state and local tax. To date, we have not realized taxable income in excess of net operating loss carryforwards in connection with our U.S. operations. We plan to grow our U.S. operations and in the future our U.S. group may incur significant U.S. tax liability.

TAXATION OF SHAREHOLDERS

BERMUDA TAXATION

In the opinion of counsel, currently, there is no Bermuda tax on dividends paid by RenaissanceRe.

UNITED STATES TAXATION OF U.S. SHAREHOLDERS

Classification of Renaissance Reinsurance, Top Layer Re, DaVinci and Glencoe Insurance as non-CFCs. Although Renaissance Reinsurance and Glencoe Insurance were classified as controlled foreign corporations (CFCs) in prior years, RenaissanceRe believes that they no longer meet the requirements for such classification and that RenaissanceRe, Top Layer Re and DaVinci were not CFCs in prior years and should not be characterized as CFCs immediately following this offering. Further, RenaissanceRe s Amended and Restated Bye-Laws contain certain Excess Share provisions, which are designed to prevent any person (other than certain of its founding institutional shareholders) from becoming a 10% U.S. shareholder (which status could require current income inclusions by U.S. persons, if RenaissanceRe or any of its Bermuda subsidiaries were characterized as CFCs) and, accordingly, reduce the likelihood that any of RenaissanceRe or its Bermuda subsidiaries may be deemed to be a CFC in the future. However, there can be no assurance that such provisions will operate as intended.

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Each prospective investor should consult its own tax advisor to determine whether its ownership interest in RenaissanceRe would cause it to become a 10% U.S. shareholder of RenaissanceRe, Renaissance Reinsurance, Top Layer Re, DaVinci or and Glencoe Insurance or of any subsidiary that may be created (directly or indirectly) by RenaissanceRe and to determine the impact of such a classification on such investor.

RPII Rules. Certain special subpart F provisions of the U.S. Internal Revenue Code will apply to persons who, through their ownership of RenaissanceRe s preference shares, are indirect shareholders of any of the Bermuda insurance subsidiaries if both (A) 25% or more of the value or voting power of the shares of any such subsidiary is owned or deemed owned (directly or indirectly through foreign entities or constructively) by U.S. persons, as is expected to be the case after this offering; and (B)(i) 20% or more of either the voting power or the value of the shares of any such subsidiary is owned directly or indirectly by persons who are insured or reinsured by any such subsidiary or by persons related to such insured or reinsured persons; and (ii) such subsidiary has RPII, determined on a gross basis, equal to 20% or more of its gross insurance income. RPII is income (investment income and premium income) from the direct or indirect insurance or reinsurance of (i) the risk of any U.S. person who owns shares of any of the Bermuda insurance subsidiaries (directly or indirectly through foreign entities) or (ii) the risk of a person related to such a U.S. person.

A Bermuda insurance subsidiary may be considered to indirectly reinsure the risk of a holder of shares that is a U.S. person, and thus generate RPII, if an unrelated company that insured such risk in the first instance reinsures the risk with such subsidiary.

RenaissanceRe does not expect any of the Bermuda insurance subsidiaries to knowingly enter into reinsurance or insurance arrangements where the ultimate risk insured is that of a holder of shares that is a U.S. person or person related to such a U.S. person. It is possible that Treasury Regulations of the U.S. Internal Revenue Code might be adopted clarifying that the indirect reinsurance described in the preceding paragraph constitutes RPII only if the unrelated insurer is fronting for a reinsurer in which the insured (or a person related to the insured) owns shares. Absent adoption of such Treasury Regulations or other authority, there can be no assurance that the IRS will not require a holder of shares that is a U.S. person or person related to such a U.S. person to demonstrate that a Bermuda insurance subsidiary has not indirectly (albeit unknowingly) reinsured risks of such a shareholder. If the IRS requires a shareholder that is a U.S. person or person related to such a U.S. person to demonstrate that the risks reinsured by a Bermuda insurance subsidiary were not risks of related parties, while RenaissanceRe will cooperate in providing information regarding its shareholders and the insurance and reinsurance arrangements of the Bermuda insurance subsidiaries, RenaissanceRe may not be in a position to identify the names of many of its shareholders or the names of the persons whose risks it indirectly reinsures. Therefore, each prospective investor should consult with his own tax advisor to evaluate the risk that the IRS would take this position and the tax consequences that might arise.

Notwithstanding the foregoing discussion, it currently is anticipated (although not assured) that less than 20% of the gross insurance income of the Bermuda insurance subsidiaries for any taxable year in the near term will constitute RPII. However, there can be no assurance that the IRS will not assert that 20% or more of the income of one or more of the Bermuda insurance subsidiaries constitutes RPII or that a taxpayer will be able to meet its burden of proving otherwise. If 20% or more of the gross insurance income of one or more of the Bermuda insurance subsidiaries for any taxable year constitutes RPII and 20% or more of the voting power or value of the stock of such subsidiaries is held, directly or indirectly, by insureds or reinsureds or by persons related thereto, each direct and indirect U.S. holder of RenaissanceRe s preference shares on the last day of the taxable year will be taxable currently on its allocable share of the RPII of such subsidiaries. In that case, RPII will be taxable to each direct or indirect U.S. holder of RenaissanceRe s preference shares regardless of whether such holder is a 10% U.S. shareholder and regardless of whether such holder is an insured or related to an insured. For this purpose, all of the RPII of such subsidiaries would be allocated solely to U.S. holders, but not in excess of a holder s ratable share, based on the extent of its interest in RenaissanceRe, of the total income of such subsidiaries and limited by the relevant subsidiary s current year earnings and profits.

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RPII that is taxed to a U.S. holder will increase such holder s tax basis in the shares to which it is allocable. Dividends distributed by the Bermuda insurance subsidiaries to RenaissanceRe and by RenaissanceRe to U.S. persons will, under such regulations, be deemed to come first out of taxed RPII and to that extent will not constitute income to the holder. This will be the result whether the dividend is distributed in the same year in which the RPII is taxed or a later year. The untaxed dividend will decrease the holder s tax basis in such holder s preference shares as well.

Computation of RPII. For any year that RenaissanceRe determines that the gross RPII of one or more of the Bermuda insurance subsidiaries is 20% or more of its gross insurance income for the year and 20% or more of the voting power or value of the shares of such subsidiary is held directly or indirectly by insureds or reinsureds or persons related thereto, RenaissanceRe may also seek information from its shareholders as to whether beneficial owners of its shares at the end of the year are U.S. persons, so that RPII may be apportioned among such persons. To the extent RenaissanceRe is unable to determine whether a beneficial owner of shares is a U.S. person, RenaissanceRe may assume that such owner is not a U.S. person for purposes of apportioning RPII, thereby increasing the per share RPII amount for all known direct or indirect U.S. holders of its preference shares.

Tax-Exempt Shareholders. Tax-exempt entities will be required to treat certain subpart F insurance income, including RPII, that is includible in income by the tax-exempt entity as unrelated business taxable income. Prospective investors that are tax exempt entities are urged to consult their tax advisors as to the potential impact of the unrelated business taxable income provisions of the U.S. Internal Revenue Code.

Disposition of Preference Shares by U.S. Persons Generally. U.S. persons will, upon the sale or exchange of preference shares for cash consideration, recognize gain or loss for federal income tax purposes equal to the excess of the amount realized upon such sale or exchange over such person s U.S. federal income tax basis for the shares disposed. Different rules would apply under Section 1248 of the U.S. Internal Revenue Code if RenaissanceRe were classified as a CFC.

Section 953(c)(7) of the U.S. Internal Revenue Code provides that Section 1248 also will apply to the sale or exchange by a U.S. shareholder of shares in a foreign corporation characterized as a CFC under the RPII rules if the foreign corporation would be taxed as an insurance company if it were a domestic corporation, regardless of whether the U.S. shareholder is a 10% U.S. shareholder or whether the corporation qualifies for either the RPII 20% ownership exception or the RPII 20% gross income exception. Although existing Treasury Department regulations do not address the question, proposed Treasury Regulations issued in April 1991 create some ambiguity as to whether Section 1248 and the associated requirement to file Form 5471 would apply when the foreign corporation (such as RenaissanceRe) has a foreign insurance subsidiary that is a CFC for RPII purposes and that would be taxed as an insurance company if it were a domestic corporation. In the opinion of counsel, Section 1248 and the requirement to file Form 5471 will not apply to a less than 10% U.S. shareholder because RenaissanceRe is not directly engaged in the insurance business. There can be no assurance, however, that the IRS will interpret the regulations in this manner or that the Treasury Department will not amend the regulations to provide that Section 1248 and the requirement to file Form 5471 will apply to dispositions of RenaissanceRe s preference shares.

If the IRS or U.S. Treasury Department were to make Section 1248 and the Form 5471 filing requirement applicable to the sale of RenaissanceRe s preference shares, RenaissanceRe would notify shareholders that Section 1248 of the U.S. Internal Revenue Code and the requirement to file Form 5471 will apply to dispositions of RenaissanceRe s preference shares. Thereafter, RenaissanceRe will send a notice after the end of each calendar year to all persons who were shareholders during the year notifying them that Section 1248 and the requirement to file Form 5471 apply to dispositions of RenaissanceRe s preference shares by U.S. shareholders. RenaissanceRe will attach to this notice a copy of Form 5471 completed with all of its information and instructions for completing the shareholder information.

Redemption of Preference Shares. A redemption of preference shares will be treated under Section 302 of the U.S. Internal Revenue Code as a dividend if RenaissanceRe has sufficient earnings and profits, unless the redemption satisfies the test set forth in Section 302(b) enabling the redemption to be treated as a sale or exchange (in which case the discussion set forth above in Disposition of Preference Shares by U.S. Persons Generally would be applicable), subject to the discussion herein relating to the potential application of the RPII and passive foreign investment company rules. The redemption will satisfy this test only if it (1) is substantially disproportionate, (2) constitutes a complete termination of the holder s stock interest in RenaissanceRe or (3) is not essentially equivalent to a dividend, each within the meaning of Section 302(b). In determining whether any of these tests are met, shares considered to be owned by the U.S. shareholder by reason of certain constructive ownership rules set forth in the U.S. Internal Revenue Code, as well as shares actually owned, must generally be taken into account. Because the determination as to whether any of the alternative tests of Section 302(b) of the U.S. Internal Revenue Code is satisfied with respect to a particular holder of preference shares will depend on the facts and circumstances as of the time the determination is made, U.S. shareholders are advised to consult their own tax advisors to determine their tax treatment in light of their own particular investment circumstances.

Passive Foreign Investment Companies. Sections 1291 through 1297 of the U.S. Internal Revenue Code contain special rules applicable with respect to foreign corporations that are passive foreign investment companies (PFICs). A foreign corporation will be a PFIC if 75% or more of its income constitutes passive income or 50% or more of its assets produce passive income. If RenaissanceRe were to be characterized as a PFIC, U.S. holders of preference shares could be subject to a penalty tax at the time of their sale of (or receipt of an excess distribution with respect to) its shares. In general, a U.S. holder of preference shares receives an excess distribution if the amount of the distribution is more than 125% of the average distribution with respect to the preference shares during the three preceding taxable years (or the taxpayer s holding period if it is less than three years). In general, the penalty tax is equivalent to an interest charge on taxes that are deemed due during the taxpayer s holding period but not paid, computed by assuming that the excess distribution or gain (in the case of a sale) with respect to the preference shares was received ratably throughout the holding period. The interest charge is equal to the applicable rate imposed on underpayments of U.S. federal income tax for such period.

The U.S. Internal Revenue Code contains an express exception for income derived in the active conduct of an insurance business by a corporation which is predominantly engaged in an insurance business. This exception is intended to ensure that income derived by a bona fide insurance company is not treated as passive income, except to the extent such income is attributable to financial reserves in excess of the reasonable needs of the insurance business. In RenaissanceRe s view, RenaissanceRe and the Bermuda insurance subsidiaries, taken together, are predominantly engaged in an insurance business and do not have financial reserves in excess of the reasonable needs of their respective insurance business. The U.S. Internal Revenue Code contains a look-through rule which states that, for purposes of determining whether a foreign corporation is a PFIC, such foreign corporation shall be treated as if it received directly its proportionate share of the income and as if it held its proportionate share of the assets of any other corporation in which it owns at least 25% of the stock. Under the look-through rule, RenaissanceRe would be deemed to own the assets and to have received the income of the Bermuda insurance subsidiaries as well as its other 25% owned direct and indirect subsidiaries directly for purposes of determining whether RenaissanceRe is a PFIC, and, consequently, we believe that RenaissanceRe should not be treated as a PFIC. It is possible, however, that the IRS might challenge our conclusion and a court might sustain such challenge, or that future unanticipated changes in our operations or changes in law or regulations might cause us to be classified as a PFIC.

Taxation of Distributions. Subject to the discussions above relating to the potential application of the CFC, RPII and PFIC rules, cash distributions made with respect to the preference shares will constitute dividends for U.S. federal income tax purposes to the extent paid out of current or accumulated earnings and profits of RenaissanceRe (as computed using U.S. tax principles). To the extent such distributions exceed RenaissanceRe s earnings and profits, they will be treated first as a return of the shareholder s basis in their shares to the extent thereof, and then as gain from the sale of a capital asset.

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Other. Dividends paid by RenaissanceRe to U.S. corporate shareholders will not be eligible for the dividends received deduction provided by section 243 of the U.S. Internal Revenue Code.

Qualified Dividend Income received by individuals who are U.S. citizens or residents from domestic corporations or qualified foreign corporations in taxable years beginning on or before December 31, 2010 is subject to tax at long-term capital gain rates (generally 15%). A qualified foreign corporation is a foreign corporation which is either incorporated in a possession of the United States or is eligible for the benefits of a tax treaty that the U.S. Treasury Department considers a comprehensive income tax treaty. The U.S. Treasury Department has determined that the Bermuda Treaty is not a comprehensive income tax treaty.

A foreign corporation not otherwise treated as a qualified foreign corporation will be treated as such with respect to any dividend paid on stock which is readily tradable on an established securities market in the United States. However, the term qualified foreign corporation does not include a corporation treated as a foreign investment company (as defined in Code section 1246(b)), or a passive foreign investment company (described below). Special rules apply to extraordinary dividends, dividends on stock held for less than 60 days, and to dividends received from certain corporations or which are taxed under other Code provisions. No regulations have been issued by the U.S. Treasury Department as of the date of this prospectus supplement. The reduced rate of taxation for qualified dividend income does not apply to taxable years beginning after December 31, 2010.

In any event, the rate reduction will not apply to dividends received to the extent a holder elects to treat the dividends as investment income which may be offset by investment expense. Furthermore, the rate reduction will apply only to dividends that are paid to a holder with respect to stock meeting certain holding period requirements and where the holder is not obligated to make related payments with respect to positions in substantially similar or related property.

We believe that dividends paid on preference shares will qualify as qualified dividend income if, as is intended, we successfully list the preference shares on the New York Stock Exchange. We can give no assurance that the preference shares will be so listed. Prospective investors are advised to consult their own tax advisors with respect to the application of these rules.

Except as discussed below with respect to backup withholding, dividends paid by RenaissanceRe will not be subject to a U.S. withholding tax.

Persons who are not citizens of or domiciled in the United States will not be subject to U.S. estate tax with respect to preference shares.

Information reporting to the IRS by paying agents and custodians located in the United States will be required with respect to payments of dividends on the preference shares to U.S. persons. In addition, a holder of preference shares may be subject to backup withholding with respect to dividends paid to such persons, unless such person comes within certain other exempt categories and, when required, demonstrates this fact, or provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. The backup withholding tax is not an additional tax and may be credited against a holder s regular U.S. federal income tax liability.

Subject to certain exceptions, persons that are not U.S. persons will be subject to U.S. federal income tax on dividend distributions with respect to, and gain realized from the sale or exchange of, preference shares if such dividends or gains are effectively connected with the conduct of a U.S. trade or business.

POSSIBLE CHANGES IN U.S. TAX LAW; PROPOSED LEGISLATION

The tax laws and interpretations regarding whether a company is engaged in a U.S. trade or business, is a CFC, is a PFIC or has RPII are subject to change. Such changes could be introduced on a retroactive basis. Legislation has been introduced from time to time in the U.S. Congress intended to eliminate certain perceived

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tax advantages of companies (including insurance companies) that have legal domiciles outside the United States. While we believe that there is no currently pending legislative proposal which, if enacted, would have a material adverse effect on us or our subsidiaries, it is possible that broader-based legislative proposals could emerge in the future. Accordingly, we cannot assure you that future legislative action, rulemaking activity, or regulatory or enforcement actions will not increase the amount of U.S. tax payable by us or our subsidiaries. If this happens, our financial condition and results of operations could be materially adversely affected.

OECD. The Organization for Economic Cooperation and Development, which is commonly referred to as the OECD, has published reports and launched a global dialogue among member and non-member countries on measures to limit harmful tax competition. These measures are largely directed at counteracting the effects of tax havens and preferential tax regimes in countries around the world. In the OECD s report dated April 18, 2002 and updated as of June 2004 and November 2005 via a Global Forum, Bermuda was not listed as an uncooperative tax haven jurisdiction because it had previously committed itself to eliminate harmful tax practices and to embrace international tax standards for transparency, exchange of information and the elimination of any aspects of the regimes for financial and other services that attract business with no substantial domestic activity. We are not able to predict what changes will arise from the commitment or whether such changes will subject us to additional taxes, or other burdens or costs.

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UNDERWRITING

Citigroup Global Markets Inc. and Wachovia Capital Markets, LLC are acting as the representatives to the underwriters named below. Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement, each underwriter named below has agreed to purchase, and we have agreed to sell to that underwriter, the number of preference shares set forth opposite the underwriter s name.

UNDERWRITERS	NUMBER OF PREFERENCE SHARES
Citigroup Global Markets Inc.	1,869,000
Wachovia Capital Markets, LLC	1,869,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	1,869,000
Morgan Stanley & Co. Incorporated	1,869,000
UBS Securities LLC	1,869,000
Banc of America Securities LLC	600,000
Deutsche Bank Securities Inc.	600,000
HSBC Securities (USA) Inc.	600,000
A.G. Edwards & Sons, Inc.	45,000
BNP Paribas Securities Corp.	45,000
Bear, Stearns & Co. Inc.	45,000
Charles Schwab & Co., Inc.	45,000
Ferris, Baker Watts, Incorporated	45,000
Fox-Pitt, Kelton Incorporated	45,000
H&R Block Financial Advisors, Inc.	45,000
J.J.B. Hilliard, W.L. Lyons, Inc.	45,000
Janney Montgomery Scott LLC	45,000
Keefe, Bruyette & Woods, Inc.	45,000
KeyBanc Capital Markets, a division of McDonald Investments Inc.	45,000
Oppenheimer & Co. Inc.	45,000
Piper Jaffray & Co.	45,000
RBC Dain Rauscher Inc.	45,000
Raymond James & Associates, Inc.	45,000
Robert W. Baird & Co. Incorporated	45,000
Ryan Beck & Co., Inc.	45,000
TD Ameritrade, Inc.	45,000
Wells Fargo Securities, LLC	45,000
Total	12,000,000

The underwriting agreement provides that the obligations of the underwriters to purchase the preference shares are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all the preference shares if they purchase any of the preference shares.

The underwriters propose to offer some of the preference shares directly to the public at the public offering price set forth on the cover page of this prospectus supplement and some of the preference shares to dealers at the public offering price less a concession not to exceed $0.50 per share. The underwriters may allow, and dealers may reallow, a concession not to exceed $0.45 per share on sales to other dealers. If all of the preference shares are not sold at the initial offering price, the representatives may change the public offering price and the other selling terms.

We have agreed that for a period of 90 days from the date of this prospectus supplement, we will not, without the prior written consent of the representatives, dispose of or hedge any preference shares or any

securities convertible into or exchangeable for preference shares. The representatives, in their sole discretion, may release any of the securities subject to these lock-up agreements at any time without notice.

We intend to apply to have our preference shares listed on the New York Stock Exchange under the symbol RNRPRD. The underwriters have undertaken to sell a minimum number of the preference shares to a minimum number of beneficial owners as required by the New York Stock Exchange.

The following table shows the underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering, except that for sales to certain institutions, the discount will be $0.50 per share. To the extent of any such institutional sales, the total underwriting discount will be less than the amount set forth below.

Per share	$ 0.7875
Total	$ 9,450,000

If the underwriters create a short position in our preference shares in connection with the offering, i.e., if the underwriters sell more preference shares than are listed on the cover of this prospectus supplement, the underwriters may reduce the short position by purchasing preference shares in the open market. Purchases of the preference shares to stabilize its price or to reduce a short term position may cause the price of the preference shares to be higher than it might be in the absence of such purchases.

The underwriters also may impose a penalty bid. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the underwriters repurchase preference shares originally sold by that syndicate member in order to cover syndicate short positions or make stabilizing purchases.

Any of these activities may have the effect of preventing or retarding a decline in the market price of the preference shares. They may also cause the price of the preference shares to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The underwriters may conduct these transactions on the New York Stock Exchange or in the over-the-counter market, or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

We estimate that our total expenses of this offering will be approximately $900,000.

In the ordinary course of their respective businesses, the underwriters and their affiliates have engaged in and may in the future engage in investment and commercial banking transactions with us and our affiliates. Affiliates of certain of the underwriters are lenders under our revolving credit agreement and under DaVinciRe s revolving credit facility. See Capitalization in this prospectus supplement for the outstanding balances under our revolving credit agreement and DaVinciRe s revolving credit facility.

This prospectus supplement and the accompanying prospectus in electronic format may be made available on the websites maintained by one or more of the underwriters. The representatives may agree to allocate a number of the preference shares to underwriters for sale to their online brokerage account holders. The representatives will allocate preference shares to underwriters that may make Internet distributions on the same basis as other allocations. In addition, the preference shares may be sold by the underwriters to securities dealers who resell the preference shares

to online brokerage account holders.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

We expect that delivery of the preference shares will be made against payment therefor on or about December 15, 2006.

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LEGAL MATTERS

Certain legal matters with respect to United States, New York and Delaware law with respect to the validity of the offered securities will be passed upon for us by Willkie Farr & Gallagher LLP, New York, New York. Certain legal matters with respect to Bermuda law will be passed upon for us by Conyers Dill & Pearman, Hamilton, Bermuda. Certain legal matters will be passed upon for the underwriters by LeBoeuf, Lamb, Greene & MacRae LLP, a limited liability partnership including professional corporations, New York, New York LeBoeuf, Lamb, Greene & MacRae LLP has in the past performed, and continues to perform, legal services for us and our affiliates.

EXPERTS

The consolidated financial statements of RenaissanceRe Holdings Ltd. appearing in RenaissanceRe Holdings Ltd. s Annual Report (Form 10-K) for the year ended December 31, 2005 (including schedules appearing therein), and RenaissanceRe Holdings Ltd. management s assessment of the effectiveness of internal control over financial reporting as of December 31, 2005 included therein, have been audited by Ernst & Young, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements and management s assessment are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-3 under the Securities Act of 1933, as amended, relating to the preference shares covered by this prospectus supplement. This prospectus supplement and the accompanying prospectus are a part of the registration statement, but the registration statement also contains additional information and exhibits.

The SEC allows us to incorporate by reference the information set forth in certain documents we file with it, which means that we can disclose important information to you by referring to those documents. The information incorporated by reference is an important part of this prospectus supplement and the accompanying prospectus. Any statement contained in a document which is incorporated by reference in this prospectus supplement and the accompanying prospectus is automatically updated and superseded if information contained in this prospectus supplement and the accompanying prospectus, or information that we later file with the SEC, modifies or replaces this information.

We file annual, quarterly and special reports and other information with the SEC. All documents we subsequently file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities and Exchange Act of 1934, as amended, prior to the termination of this offering shall be deemed to be incorporated by reference into this prospectus supplement and the accompanying prospectus. In addition to the documents listed in the accompanying prospectus or subsequently filed as described above, we incorporate by reference the documents listed below:

- our Annual Report on Form 10-K for the year ended December 31, 2005;
- our Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2006, June 30, 2006 and September 30, 2006;

our Current Reports on Form 8-K filed with the SEC on April 11, 2006, May 26, 2006, July 6, 2006, July 21, 2006, August 11, 2006 and September 27, 2006; and

our Definitive Proxy Statement on Schedule 14A, filed with the SEC on April 20, 2006.

In no event, however, will any of the information that we furnish under Item 2.02 or Item 7.01 of any Current Report on Form 8-K that we may file from time to time with the SEC be incorporated by reference into, or otherwise included in, this prospectus supplement or the accompanying prospectus.

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To receive a free copy of any of the documents incorporated by reference in this prospectus supplement and the accompanying prospectus (other than exhibits), call or write us at the following address: RenaissanceRe Holdings Ltd., Attn: Stephen H. Weinstein, Secretary, P.O. Box HM 2527, Hamilton, HMGX, Bermuda (441) 299-7230.

Our filings with the SEC are also available from the SEC s web site at http://www.sec.gov. Please call the SEC s toll-free telephone number at 1-800-SEC-0330 if you need further information about the operation of the SEC s public reference rooms. Our common shares, our Series A Preference Shares, our Series B Preference Shares and our Series C Preference Shares are listed on the New York Stock Exchange and our reports can also be inspected at their offices at 20 Broad Street, 17th Floor, New York, New York 10005. For information on obtaining copies of our public filings at the New York Stock Exchange, please call 1-212-656-5060.

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PROSPECTUS

$564,250,000

RENAISSANCERE HOLDINGS LTD.

COMMON SHARES, PREFERENCE SHARES, DEPOSITARY SHARES, DEBT SECURITIES, WARRANTS TO PURCHASE COMMON SHARES, WARRANTS TO PURCHASE PREFERENCE SHARES, WARRANTS TO PURCHASE DEBT SECURITIES, SHARE PURCHASE CONTRACTS AND SHARE PURCHASE UNITS

RENAISSANCERE CAPITAL TRUST II

PREFERRED SECURITIES

FULLY AND UNCONDITIONALLY GUARANTEED TO THE EXTENT PROVIDED IN THIS PROSPECTUS

BY

RENAISSANCERE HOLDINGS LTD.

We and the Capital Trust may offer and sell from time to time:

- common shares;
- preference shares;
- depositary shares representing preference shares, common shares or debt securities;
- senior or subordinated debt securities;

warrants to purchase common shares, preference shares or debt securities;

preferred securities of the Capital Trust which we will guarantee; and

share purchase contracts and share purchase units.

We will provide the specific terms and initial public offering prices of these securities in supplements to this prospectus. You should read this prospectus and any supplement carefully before you invest. We will not use this prospectus to confirm sales of any securities unless it is attached to a prospectus supplement.

We may sell these securities to or through underwriters and also to other purchasers or through agents. The names of any underwriters or agents will be stated in an accompanying prospectus supplement.

We may sell any combination of these securities in one or more offerings up to a total dollar amount of $564,250,000.

Our common shares, Series A Preference Shares, Series B Preference Shares and Series C Preference Shares are traded on the New York Stock Exchange under the symbols RNR, RNRPRA, RNRPRB, and RNRPRC, respectively. Other than our common shares, Series A Preference Shares, Series B Preference Shares and our Series C Preference Shares, there is no public trading market for the other securities we may offer.

INVESTING IN OUR SECURITIES INVOLVES CERTAIN RISKS. SEE RISK FACTORS ON PAGE 5.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This prospectus may not be used to consummate sales of offered securities unless accompanied by a prospectus supplement.

The date of this prospectus is December 3, 2004.

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Except as expressly provided in an underwriting agreement, no offered securities may be offered or sold in Bermuda (although offers may be made to persons in Bermuda from outside Bermuda) and offers may only be accepted from persons resident in Bermuda, for Bermuda exchange control purposes, where such offers have been delivered outside of Bermuda. Persons resident in Bermuda, for Bermuda exchange control purposes, may require the prior approval of the Bermuda Monetary Authority in order to acquire any offered securities.

In this prospectus, references to dollar and $ are to United States currency, and the terms United States and U.S. mean the United States of America, its states, its territories, its possessions and all areas subject to its jurisdiction.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we and the Capital Trust have filed with the Securities and Exchange Commission using a shelf registration process, relating to the common shares, preference shares, depositary shares, debt securities, warrants, share purchase contracts, share purchase units, preferred securities and preferred securities guarantees described in this prospectus. This means:

- we and the Capital Trust may issue any combination of securities covered by this prospectus from time to time, up to a total initial offering price of $564,250,000;
- we or the Capital Trust, as the case may be, will provide a prospectus supplement each time these securities are offered pursuant to this prospectus; and
- the prospectus supplement will provide specific information about the terms of that offering and also may add, update or change information contained in this prospectus.

This prospectus provides you with a general description of the securities we or the Capital Trust may offer. This prospectus does not contain all of the information set forth in the registration statement as permitted by the rules and regulations of the Commission. For additional information regarding us, the Capital Trust and the offered securities, please refer to the registration statement. Each time we or the Capital Trust sells securities, we or the Capital Trust will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under the heading Where You Can Find More Information. All references to we, our or RenaissanceRe refer to RenaissanceRe Holdings Ltd.

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RENAISSANCERE HOLDINGS LTD.

OVERVIEW

RenaissanceRe Holdings Ltd. is a Bermuda company with its registered and principal executive offices located at Renaissance House, 8-12 East Broadway, Pembroke HM 19 Bermuda, telephone (441) 295-4513. We conduct our business through two reportable segments, Reinsurance and Individual Risk. Those segments are more fully described as follows:

Reinsurance

Our Reinsurance segment has three main components:

(1) Property catastrophe reinsurance written for our own account our traditional core business. This coverage protects against large natural catastrophes, such as earthquakes and hurricanes, as well as claims arising from other natural and man-made catastrophes such as winter storms, freezes, floods, fires, tornadoes and explosions. We offer this coverage to insurance companies and other reinsurers primarily on an excess of loss basis. This means that we begin paying when our customers claims from a catastrophe exceed a certain retained amount.

(2) Specialty reinsurance written for our own account covering certain targeted classes of business where we believe we have a sound basis for underwriting and pricing the risk that we assume; our portfolio includes various lines of business, such as catastrophe exposed workers compensation, surety and terrorism. We believe that we are seen as a market leader in certain of these classes of business and that we have a growing reputation as a first call market in these lines.

(3) Through our subsidiary Renaissance Underwriting Managers, Ltd., we pursue joint ventures and other structured relationships. Our three principal business activities in this area are: (1) catastrophe-oriented joint ventures which we manage, such as Top Layer Reinsurance Ltd. (Top Layer) and DaVinci Reinsurance Ltd. (DaVinci); (2) specialized reinsurance transactions, such as offering non-traditional participations in our catastrophe portfolio; and (3) business development joint ventures directed at other classes of risk, where we partner with other market participants.

Individual Risk

We define our Individual Risk segment to include underwriting that involves understanding the characteristics of the original underlying insurance policy. Our principal products include: (1) commercial and homeowners property coverages, including catastrophe-exposed lines; (2) commercial liability coverages, including general, automobile, professional and various specialty lines; and (3) reinsurance to other insurers on a quota share basis.

Our Individual Risk business is primarily produced through three distribution channels: (1) Program Managers where we write primary insurance through specialized program managers, who produce business pursuant to agreed-upon underwriting guidelines and provide related back-office functions; (2) Quota Share Reinsurance where we write quota share reinsurance with primary insurers who, similar to our program managers, provide most of the back-office and support functions; and (3) Brokers where we write primary insurance through brokers on a risk-by-risk basis.

Our Individual Risk business is written by Glencoe Group Holdings Ltd. (Glencoe Group) through its operating subsidiaries Glencoe Insurance Ltd. (Glencoe Insurance) and Lantana Insurance Ltd. (Lantana), on an excess and surplus lines basis, and Stonington Insurance Company (Stonington), on an admitted basis. As noted above, we rely on third parties for services including the generation of premium, the issuance of policies and the processing of claims. We actively oversee our third-party partners through an operations review team at Glencoe Group Services Inc., which conducts initial due diligence as well as ongoing monitoring.

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From time to time, we may consider opportunistic diversification into new ventures, either through organic growth, the formation of joint ventures, or the acquisition of other companies or books of business of other companies. In evaluating such new ventures, we seek an attractive return on equity, the ability to develop or capitalize on a competitive advantage and opportunities that will not detract from our core Reinsurance and Individual Risk operations. Accordingly, we regularly review strategic opportunities and periodically engage in discussions regarding possible transactions, although there can be no assurance that we will complete any such transactions or that any such transaction would contribute materially to our results of operations or financial condition.

Since a substantial portion of the reinsurance and insurance we write provides protection from damages relating to natural and man-made catastrophes, our results depend to a large extent on the frequency and severity of such catastrophic events, and the coverages we offer to clients impacted by these events.

OTHER INFORMATION

For further information regarding RenaissanceRe, including financial information, you should refer to our recent filings with the Securities and Exchange Commission.

We were incorporated in June 1993. We conduct our operations through wholly owned subsidiaries and joint ventures in Bermuda, the United States and Europe. Our registered and principal executive offices are located at Renaissance House, 8-12 East Broadway, Pembroke HM 19 Bermuda, and our telephone number is (441) 295-4513.

THE CAPITAL TRUST

The Capital Trust is a statutory business trust created under Delaware law pursuant to (1) a trust agreement executed by us, as sponsor of the Capital Trust, and the Capital Trustees for the Capital Trust and (2) the filing of a certificate of trust with the Delaware Secretary of State on January 5, 2001. The trust agreement will be amended and restated in its entirety substantially in the form filed as an exhibit to the registration statement of which this prospectus forms a part. The restated trust agreement will be qualified as an indenture under the Trust Indenture Act of 1939, as amended. The Capital Trust exists for the exclusive purposes of:

- issuing and selling the preferred securities and common securities that represent undivided beneficial interests in the assets of the Capital Trust;
- using the gross proceeds from the sale of the preferred securities and common securities to acquire a particular series of our junior subordinated debt securities; and
- engaging in only those other activities necessary or incidental to the issuance and sale of the preferred securities and common securities.

We will indirectly or directly own all of the common securities of the Capital Trust. The common securities of the Capital Trust will rank equally, and payments will be made thereon pro rata, with the preferred securities of the Capital Trust, except that, if an event of default under

the restated trust agreement has occurred and is continuing, the rights of the holders of the common securities to payment in respect of distributions and payments upon liquidation, redemption and otherwise will be subordinated to the rights of the holders of the preferred securities. Unless otherwise disclosed in the applicable prospectus supplement, we will, directly or indirectly, acquire common securities in an aggregate liquidation amount equal to at least 3% of the total capital of the Capital Trust. The Capital Trust is a legally separate entity.

Unless otherwise disclosed in the related prospectus supplement, the Capital Trust will have a term of approximately 55 years, but may dissolve earlier as provided in the restated trust agreement of the Capital Trust. Unless otherwise disclosed in the applicable prospectus supplement, the Capital Trust s business and affairs will

be conducted by the trustees (the Capital Trustees) appointed by us, as the direct or indirect holder of all of the common securities. The holder of the common securities will be entitled to appoint, remove or replace any of, or increase or reduce the number of, the Capital Trustees of the Capital Trust. The duties and obligations of the Capital Trustees of the Capital Trust will be governed by the restated trust agreement of the Capital Trust.

Unless otherwise disclosed in the related prospectus supplement, two of the Capital Trustees (the Administrative Trustees) of the Capital Trust will be persons who are our employees or employees or officers of companies affiliated with us. One Capital Trustee of the Capital Trust will be a financial institution (the Property Trustee) that is not affiliated with us and has a minimum amount of combined capital and surplus of not less than $50,000,000, which shall act as property trustee and as indenture trustee for the purposes of compliance with the provisions of the Trust Indenture Act, pursuant to the terms set forth in the applicable prospectus supplement. In addition, one Capital Trustee of the Capital Trust (which may be the Property Trustee, if it otherwise meets the requirements of applicable law) will have its principal place of business or reside in the State of Delaware (the Delaware Trustee). We will pay all fees and expenses related to the Capital Trust and the offering of preferred securities and common securities.

The office of the Delaware Trustee for the Capital Trust in the State of Delaware is located at c/o Deutsche Bank Trust Company Delaware, 1011 Centre Road, Suite 200, Wilmington, Delaware 19805-1266. The principal executive offices for the Capital Trust are located at c/o Renaissance U.S. Holdings Inc., 319 W. Franklin Street, Suite 104, Richmond, Virginia 23220. The telephone number of the Capital Trust is (804) 344-3600.

GENERAL DESCRIPTION OF THE OFFERED SECURITIES

We may from time to time offer under this prospectus, separately or together:

- common shares, which we would expect to list on the New York Stock Exchange;
- preference shares, the terms and series of which would be described in the related prospectus supplement;
- depositary shares, each representing a fraction of a share of common shares or a particular series of preference shares, which will be deposited under a deposit agreement among us, a depositary selected by us and the holders of the depository receipts;
- senior debt securities;
- subordinated debt securities which will be subordinated in right of payment to our senior indebtedness, of which $350 million was outstanding as of March 31, 2004;
- warrants to purchase common shares and warrants to purchase preference shares, which will be evidenced by share warrant certificates and may be issued under the share warrant agreement independently or together with any other securities offered by any prospectus supplement and may be attached to or separate from such other offered securities;

warrants to purchase debt securities, which will be evidenced by debt warrant certificates and may be issued under the debt warrant agreement independently or together with any other securities offered by any prospectus supplement and may be attached to or separate from such other offered securities;

share purchase contracts obligating holders to purchase from us a specified number of common shares or preference shares at a future date or dates; and

share purchase units, consisting of a share purchase contract and, as security for the holder s obligation to purchase common shares or preference shares under the share purchase contract, any of (1) our debt securities, (2) debt obligations of third parties, including U.S. Treasury securities or (3) preferred securities of the Capital Trust.

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The Capital Trust may offer preferred securities representing undivided beneficial interests in its assets, which will be fully and unconditionally guaranteed to the extent described in this prospectus by us.

The aggregate initial offering price of these offered securities will not exceed $564,250,000.

RATIO OF EARNINGS TO FIXED CHARGES

AND PREFERENCE SHARE DIVIDENDS OF RENAISSANCERE

For purposes of computing the following ratios, earnings consist of net income before income tax expense plus fixed charges to the extent that such charges are included in the determination of earnings. Fixed charges consist of interest costs plus one-third of minimum rental payments under operating leases (estimated by management to be the interest factor of these rentals).

	THREE MONTHS ENDED	FISCAL YEAR ENDED DECEMBER 31,				
	MARCH 31, 2004	2003	2002	2001	2000	1999
Ratio of Earnings to Fixed Charges	28.43x	24.77x	18.81x	12.94x	6.25x	6.53x
Ratio of Earnings to Combined Fixed Charges and Preference Share Dividends	15.81x	14.42x	11.93x	11.83x	6.25x	6.53x

The Capital Trust had no operations during the periods set forth above.

RISK FACTORS

Before you invest in our securities, you should carefully consider the risks involved. In addition, we may include additional risk factors in a prospectus supplement to the extent there are additional risks related to the securities offered by that prospectus supplement. Accordingly, you should carefully consider the following risk factors and any additional risk factors included in the relevant prospectus supplement:

OUR EXPOSURE TO CATASTROPHIC EVENTS COULD CAU