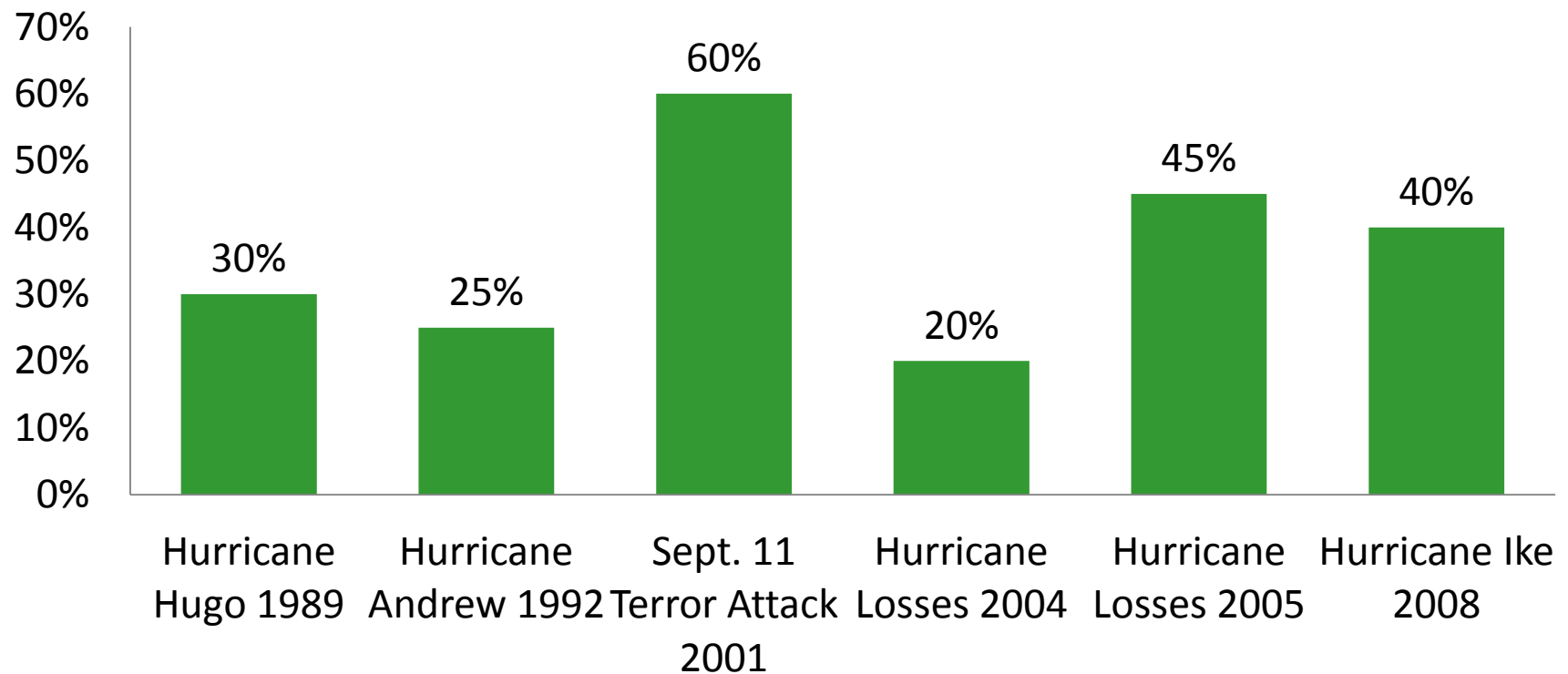


International Reinsurers Support US Economic Recovery

Bradley Kading

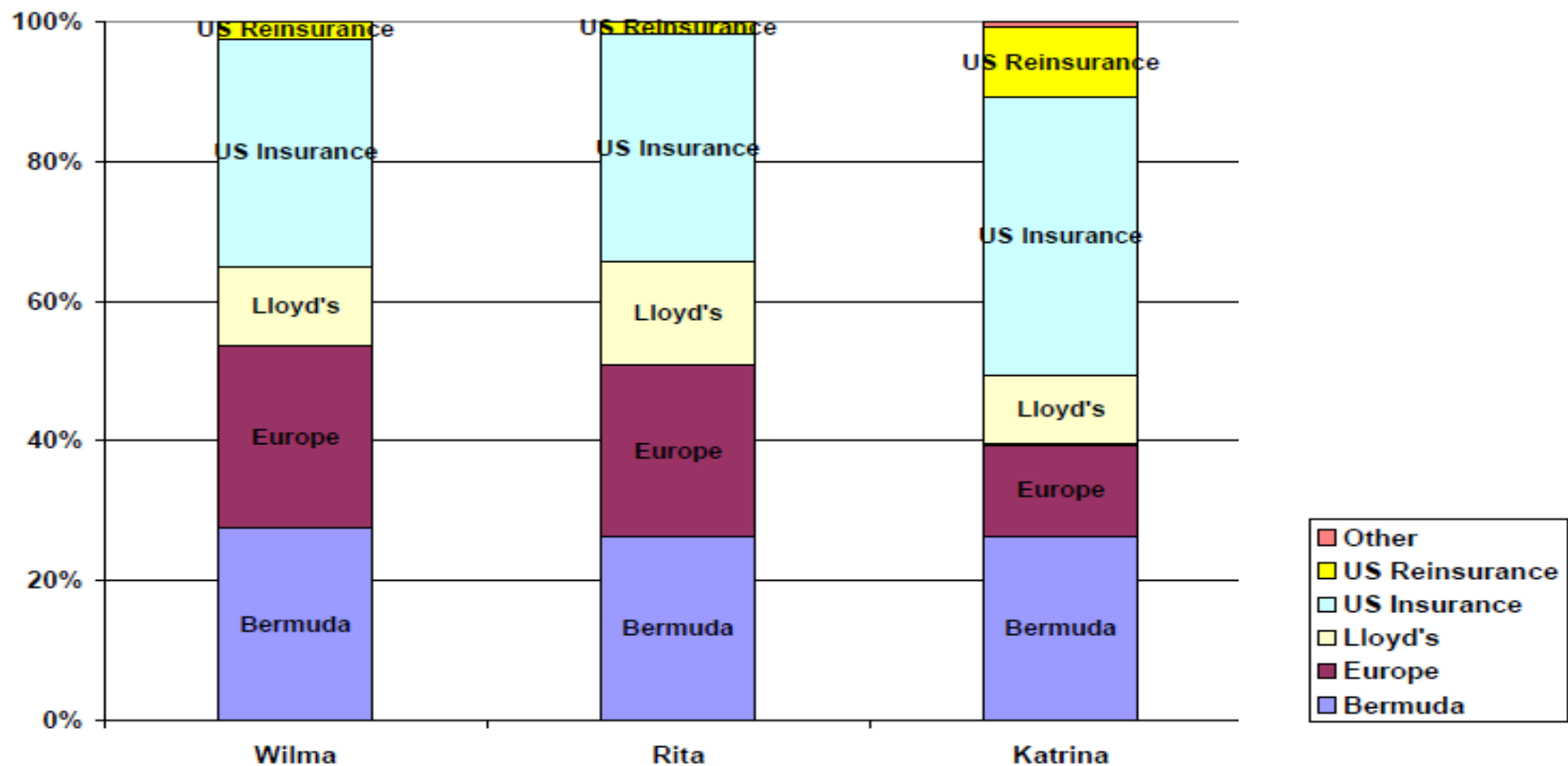
April 2013

Share of Losses Paid by Reinsurers, by Disaster*



* Excludes losses paid by the Florida Hurricane Catastrophe Fund, a FL-only windstorm reinsurer, which was established in 1994 *after* Hurricane Andrew. FHCF payments to insurers are estimated at \$3.85 billion for 2004 and \$4.5 billion for 2005. Ike share is an estimate as of 2/9/09.
 Sources: Wharton Risk Center, Disaster Insurance Project; Insurance Information Institute.

Regional Distribution of '05 Hurricane Payments: Wilma, Rita, and Katrina

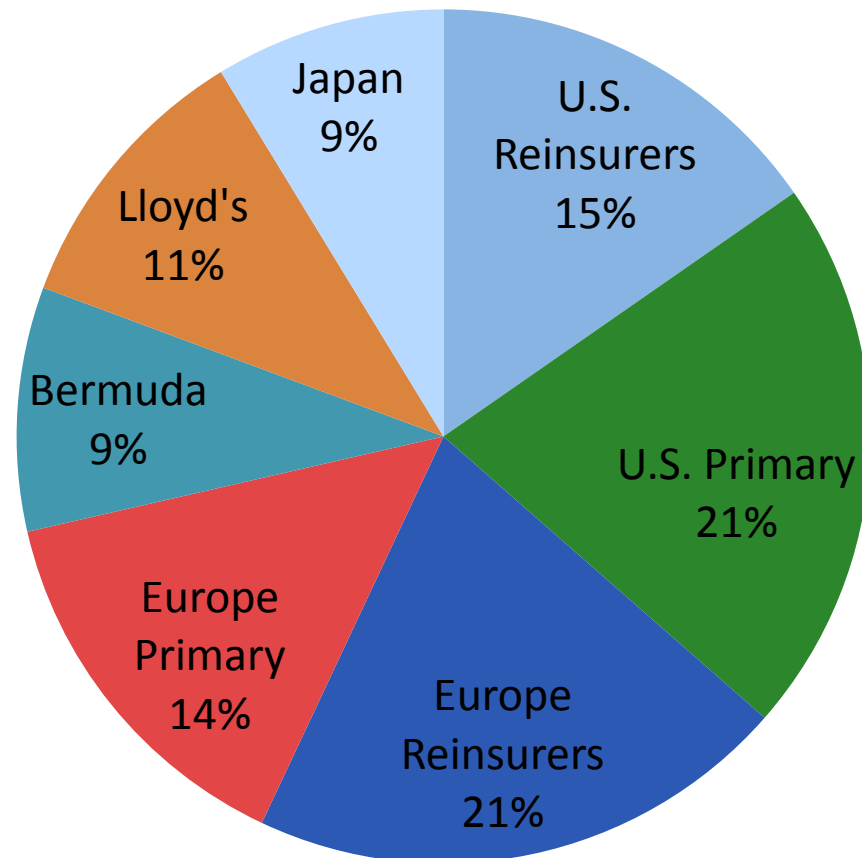


U.S. 9/11 Losses as Reported by Reinsurer Headquarters

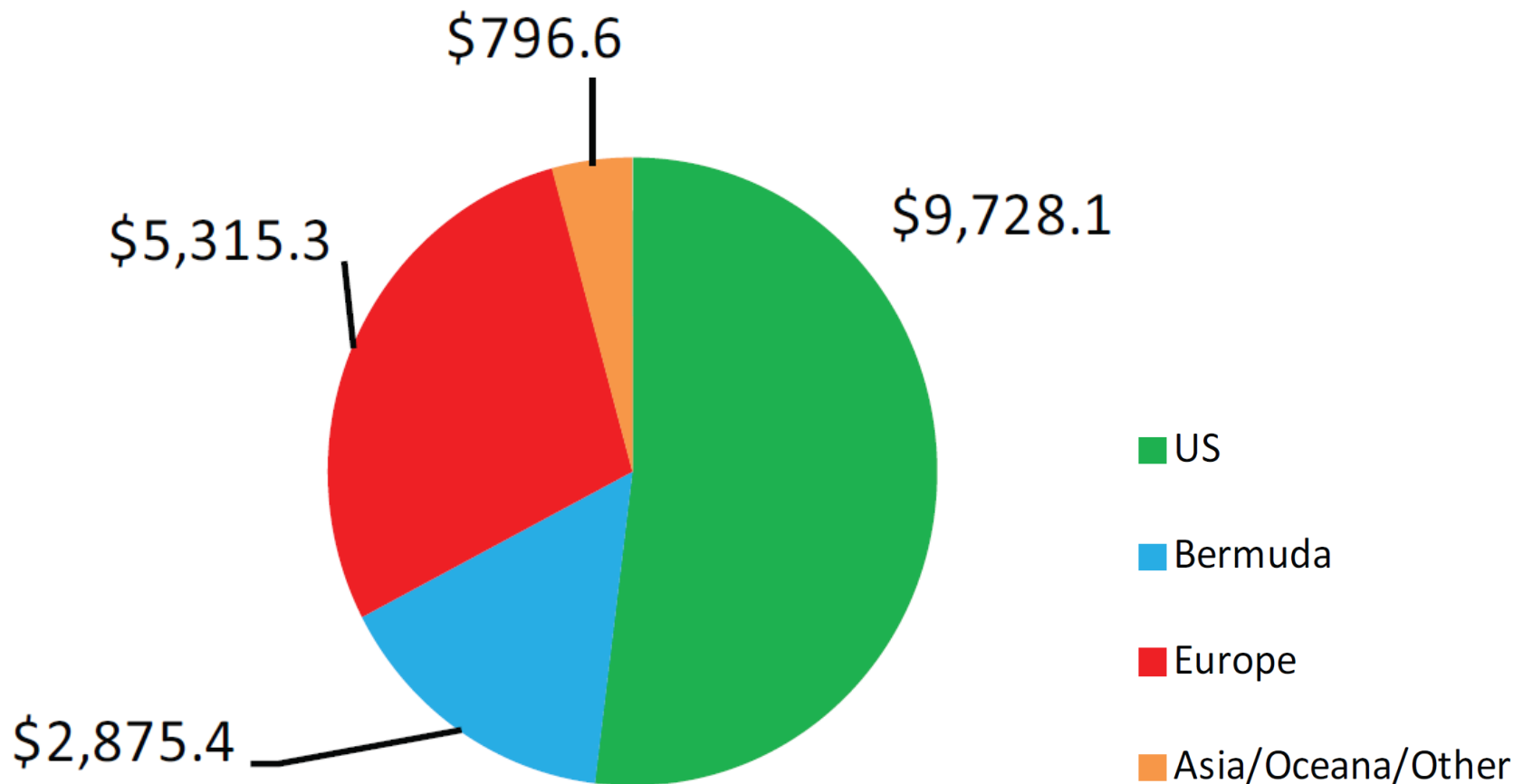
International insurers and reinsurers paid 64% of U.S. 9/11 claims.

Dowling & Partners
WTC Losses

By Co. Headquarters	\$,MM
U.S. Reinsurers	\$4,109
U.S. Primary	\$5,659
Europe Reinsurers	\$5,506
Europe Primary	\$3,865
Bermuda	\$2,479
Lloyd's	\$2,844
Japan	\$2,338
Total Announced	\$26,799



Hurricane Sandy – Where the Money Comes From (\$ Millions)



Hurricane Sandy Loss Estimates

Contributor	Estimated Contribution
Reported Losses	\$ 18.7 B
International Share	\$ 9.0 B
Bermuda Share	\$ 3.0 B

* Insurance Insider, Dowling IBNR

* Publicly traded companies only (few mutuals report), Lloyd's \$2 B loss number not included

Bermuda's \$35b U.S. Contribution

From 2001 to 2012, Bermuda's (re)insurers estimated contribution to U.S. catastrophe losses:

Disaster	Estimated Contribution
2001, Terrorism 9/11	\$ 2.5 B
2004, Florida Hurricane Quartet	\$ 3.5 B
2005, Katrina, Rita and Wilma	\$18.0 B
2008, Hurricanes Ike, Gustav	\$ 4.0 B
2010, BP Deepwater Horizon	\$ 1.0 B
2011, 2012, US Tornadoes + Irene	\$ 3.0 B
2012, Hurricane Sandy	\$ 3.0 B

2011: Record Year for Global Natural Catastrophe Insured Losses

Reinsurers Paid From 40% to 95% of Per Event Losses. This summarized data is taken from publicly available sources and is based on liabilities assumed and not necessarily claims that have been paid to date.

Jurisdiction	Insured Losses (Mega Cats)	Reinsured Losses (Mega Cats)	Estimated Reinsured Share	Non-Domestic Reinsured Share
Australia [i]	\$ 8 B	\$ 3.5 B	44%	90%
New Zealand [ii]	\$17 B	\$12.5 B	73%	100%
Japan [iii]	\$35 to \$40 B	\$12 to \$14 B	40%	98%
Thailand [iv]	\$15 to \$20 B	\$12 B	60%	95%
Chile [v]	\$ 8.5 B	\$ 8 B	95%	100%
2001 Summary	\$75 to 85 B	\$40 to 42 B	54% average	96% average
Summary (with Chile 2010)	\$83.5 to 93.5B	\$48 to 50 B	62% average	97% average

[i] Holborn, 2012 Reinsurance Market Outlook, January 2012; Australian flooding in Queensland and Victoria; Cyclone Yasi; other loss events included in aggregate global cat loss total but not in this table

[ii] Aon Benfield Reinsurance Market Outlook, Sept. 2011; Insurance Insider Analysis. Jan. 2012/1, Issue 468; AM Best Special Report, Nov. 7. 2011

[iii] Aon Benfield Reinsurance Market Outlook, Sept. 2011; Various investor reports Barclays, Stifel Nicolaus, Moody's, Insurance Insider Report Jan. 2012/1, Issue 468; Research notes memo Aon, Jan. 2012

[iv] Insurance Insider Report, Jan. 2012/1, Issue 468, Insurance Insider Reports Nov. 8, 2011 and Nov. 24, 2011

[v] Aon Benfield Reinsurance Market Outlook, Sept. 2011; Insurance Insider Chilean Loos Tracker Report.

ABIR Summary and Analysis, Jan. 25, 2012; Bermuda share \$11 B, Dowling Feb 2013 IBNR Cat Loss Review

Benefits to the US

Global pooling of catastrophe losses, benefits:

- Increased capacity/coverage
- Reduced credit risk
- Diversification – more capacity at lower prices
- External capital contribution

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- Montpelier Re
- Partner Re
- Platinum Re
- Renaissance Re
- Third Point Re
- Tokio Millennium Re
- Torus
- Validus Re
- XL Group plc

ABIR Contacts

Bradley Kading, President and Executive Director

Bradley.Kading@ABIR.bm

Leila Madeiros, Senior Vice President, Deputy
Director and Corporate Secretary

Leila.Madeiros@ABIR.bm

www.ABIR.bm

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