

BIQ

October 2008

BERMUDA INSURANCE QUARTERLY

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ALL THE
RESULTS &
ANALYSIS

Q2 ¹²

ORCHARD'S
NEW BII
CHALLENGE



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CHARMAN
COMMANDS
LION'S SHARE



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IN STEP WITH BERMUDA

Latin America's lawyers, accountants, financial services and insurance/reinsurance executives are increasingly aware of Bermuda's international business sector: *Page 1*



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THE QUOTES OF THE QUARTER

“Although our revenue declined in this competitive environment, we continue to seek out strategic opportunities to better position ourselves. To that end, we are very excited about our recently announced agreement to acquire Darwin Professional Underwriters. This transaction will significantly accelerate our expansion efforts for our US specialty insurance operations by providing us with a well-regarded and complementary small account platform where we believe rates are less sensitive to swings in the market.”

— **Scott Carmilani, President and CEO of Allied World Assurance Company**

“Despite the extremely competitive market conditions, our underwriting results were good and our reserves from prior accident years continued to develop favourably. Our business is still generating very strong underwriting profitability.”

— **John Charman, Chief Executive Officer and President of AXIS Capital**



“Global insurance market conditions are soft and will remain so for the foreseeable future, as will the difficult financial and economic conditions. Nonetheless I remain confident in our ability to produce superior results. We are well positioned for the future.”

— **Chairman and Chief Executive Officer of ACE Limited Evan Greenberg after a record quarter for ACE with post-tax operating income rising 11% to \$738 million**



“Our ability to produce an attractive portfolio of business in this market is a testament to our position as a market leader with strong client and broker relationships. As we maintain our strong underwriting discipline, we continue to lay the groundwork for future opportunities.”

— **Neill Currie, CEO of Renaissance Re**



Bermuda market still faces challenges

SURVEY SAYS PERCEIVED HIGH COST, SPEED AND EFFICIENCY MUST BE TACKLED

A new survey by the Bermuda International Business Association shows that awareness of Bermuda's international business sector is growing and that Bermuda's strengths remain its reputation, ability to handle sophisticated client needs and its experienced service providers.

But the Bermuda market still faces challenges about the perceived high cost, speed and efficiency.

The survey of 220 lawyers, accountants, financial services and insurance/reinsurance executives in the US, UK, Europe, Latin America and Asia showed that 70% of respondents were very familiar or familiar with Bermuda and its international business offerings.

More than 85% in traditional markets such as the US, Europe and the UK were aware of Bermuda's international business sector but encouragingly there was

more than 50% awareness in newer markets like Asia and Latin America.

Minister of Finance, Paula Cox, said: “I am very pleased with the findings in the recent BIBA survey that show the solid awareness of the Bermuda brand in our traditional markets of North America and Europe.

“It is even more gratifying to see the increased penetration, especially in markets where a few years ago Bermuda's name was not then as clearly on the radar. We have cachet as a jurisdiction that is recognised for probity, endurance, innovation and market-driven solutions and this is now becoming known increasingly in Asia and Latin America.”

BIBA CEO Cheryl Packwood said: “This is a strong showing for Bermuda and its international business community, which underscores the progress our jurisdiction is making in building awareness among its clients. More heartening are the perceived strengths among this group of people.”

Meanwhile Bermuda's creditworthiness as a leading financial centre has been given a vote of confidence by Fitch Ratings.

Fitch affirmed Bermuda's long-term foreign currency Issuer Default Rating (IDR) at 'AA+' and the long-term local currency IDR at 'AAA'. In addition Fitch has affirmed the short-term IDR at 'F1+' and country ceiling at 'AAA'. The

‘Bermuda remains one of the most prosperous economies ... inflation is consistently in the low single digits’

Island's Rating Outlook is stable.

Fitch said a high per capita income, low public debt burden and mature domestic political system supported Bermuda's sovereign creditworthiness.

“The ratings also reflect Bermuda's strong offshore international financial centre underpinned by a proven track record of effective management of the economy and business environment,” said Casey Reckman, Associate Director in Fitch's sovereign group.

The report stated: “Bermuda remains one of the world's most prosperous economies, with the third highest GDP per capita at market exchange rates among Fitch-rated sovereigns. Bermuda's GDP and foreign currency earnings growth continues to be strong relative to other high-income economies. Inflation is consistently in the low single digits and the current account balance has been in surplus since 1991.

Energy insurer Torus formed

FOCUS ON COMMERCIAL AND SPECIALITY BUSINESSES IN MAJOR MARKETS

Torus Insurance Holdings Limited (Bermuda), a new specialist energy insurance company, has opened for business. Torus Insurance (UK) Limited and Torus Insurance (Bermuda) Limited have been assigned A- (excellent) ratings from A M Best. Torus is supported by a \$720 million equity funding from First Reserve, a leading private equity firm that specialises in the energy sector.

David Hope, former CEO of The Navigators Group's London office, has been appointed Chief Underwriting Officer at Torus and will act as CEO until January 1, 2009. The company said agreement had been reached "with a senior industry executive who will assume the position at that stage."

Hope said: "Torus will focus on large commercial and specialty

businesses in all major markets, starting with onshore and offshore energy and other large industrial property and move into other lines during the next 12 months.

"Over time we plan to build a company which we believe can differentiate itself with brokers and customers through technical expertise, innovation, service and a global approach. Certainly in the energy sector we are very fortunate to have considerable technical insight from our investor First Reserve Corporation."

Mark McComiskey, Managing

Director of First Reserve Corporation, commented: "Torus is an opportunity for First Reserve not only to fund the creation of a new business, but also to use its extensive knowledge of every part of the energy industry to make a significant contribution to the company's development and its success. The risks that Torus will underwrite will be large, site specific, unique and typically of the type where underwriting performance is improved by a data driven approach supported by extensive knowledge of the underlying asset."

'We plan to build a company which can differentiate itself through technical expertise, innovation, service and a global approach'

CastlePoint to acquire Hermitage

Tower Group and CastlePoint Holdings have announced that Bermuda-based CastlePoint Reinsurance Company Ltd is to acquire the Hermitage Insurance Group, a specialty property and casualty insurance company.

CastlePoint will buy Hermitage, a subsidiary of Brookfield Asset Management Inc, for \$27 million in cash, plus the adjusted closing book value of Hermitage. The total cash value of the deal is expected to be approximately \$135 million.

On August 5, Tower bought CastlePoint for \$490 million in cash and stock. That deal is expected to close in early December.

Tower and CastlePoint expect the Hermitage acquisition to close in late December after the close of the Tower-CastlePoint acquisition.



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Flagstone merges Bermuda, Swiss units

EXPANSION INTO INDIA PRIMARY INSURANCE MARKET PLANNED IN THE NEXT 12 MONTHS

Flagstone Reinsurance Holdings Ltd, the Bermuda-based NYSE-listed reinsurer, is to merge its Bermuda and Swiss subsidiaries into a single entity, Flagstone Reassurance Suisse SA.

In a separate announcement, the rapidly expanding 2005 start-up said it is planning to enter the primary insurance market in India within the next 12 months.

Flagstone says the merging of Flagstone Reinsurance Limited of Bermuda and Flagstone Reassurance Suisse SA into one operating platform will provide clients and the market as a whole with “a solid single capital base to support Flagstone’s reinsurance business, while still offering a choice of either Bermuda or Swiss underwriting access so as to participate fully in both the important Bermuda market and the global markets served in Switzerland.”

The restructuring means the company’s Bermuda reinsurance operation will effectively become a branch office of the Swiss operation while the holding company will continue to be based in Bermuda. Total underwriting capital is estimated to be \$1.6 billion pro forma as of September 30.

In a statement, Flagstone said the change in corporate structure would not result in any change of management or corporate control, or any changes in the Board of Directors.

Flagstone Chairman Mark Byrne noted: “This restructuring consolidates our capital in one main operating entity, maximising our capital efficiency and creditworthiness. Furthermore, Swiss companies like Bermuda companies, are expected to obtain ‘passport’ rights throughout Europe for reinsurance. We remain committed to Bermuda as an operating platform and a key marketplace. We have approximately 50 employees in Bermuda and expect that figure to grow over the years.”

Flagstone’s CEO David Brown added: “This platform allows us to

provide all our clients access to a single and larger balance sheet than previously available thereby providing a superior and more transparent credit. We will continue to serve our clients in the Bermuda and Swiss marketplace in exactly the same manner as we do today. We believe that this move benefits the needs of our clients and we remain committed to our financial

strength and client service.”

Meanwhile Byrne said the company was on the lookout for suitable partners with good distribution networks. “We will join the joint venture either as a 49% partner or with just 26%,” he said.

The company has already invested about \$30 million in its Indian operations including a representative office in Mumbai and

flagship office in Hyderabad.

Flagstone’s Indian operation Flagstone Underwriting Support Services (India) Pvt Ltd, which employs 120 people, will operate from a new office in Hyderabad’s financial district. Pre-underwriting analysis, underwriting and IT services for the company’s overseas operations for 11 countries would be taken up from here.



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INSURANCE/REINSURANCE



Uncertain future for Syncora Holdings

COMPANY REPORTS \$493 MILLION LOSS; BERMUDA OFFICE TO CLOSE

Syncora Holdings Ltd, the Bermuda-based guaranty insurer formerly known as Security Capital Assurance Ltd, is to close its Bermuda office and said it might not survive despite its much-publicised bailout by XL Capital and Merrill Lynch [see story on page 6].

The company said that it could go out of business unless it can

restructure the rest of its credit default swap agreements after reporting a Q2 loss of \$493 million.

Syncora was saved from going under following a deal brokered in July with XL Capital Ltd which had suffered heavy losses as a result of its reinsurance of Syncora. XL paid \$1.78 billion plus eight million shares to eliminate about 98%

of its exposure to Syncora. Syncora also paid investment bank Merrill Lynch \$500 million to cancel \$3.5 billion in credit default swaps. As a result of the commutation agreement, Syncora now has a surplus of just over \$1 billion and is negotiating with other counterparties to further reduce its exposure.

However unless those negotiations are successful, CFO

Elizabeth Keys said in a call with analysts there was “substantial doubt” that Syncora would be able to continue as a going concern because it may fall into negative surplus.

Meanwhile CEO and President Paul Giordano has stepped down and been replaced by Susan Comparato, Syncora’s current general counsel, who will be acting CEO and President.

Chairman Michael Esposito said Comparato had “played an instrumental role in helping navigate the company during these challenging times.”


Syncora saw its Q2 income plunge \$519 million to a net loss of \$493 million. Revenues fell 61% compared to the same period last year to \$23 million. For the six months, net income fell \$653 million to a net loss of \$590 million compared to last year. Total revenues dropped 87 percent (\$109 million) to \$16 million.

Syncora has been hit hard by its exposures from insuring complex financial instruments, such as collateralised debt obligations, backed by assets including mortgage debt, which led to losses as a result of the US property slump and sub-prime mortgage crisis.

Subsequent downgrades by ratings agencies effectively prevented Syncora from writing new business from early in 2008.

In a statement Giordano said: “With the successful completion of the first phase of the restructuring behind us, I fully understand and agree with the board’s decision that now is the right time for new leadership to take the company forward.”

Commenting on the second-quarter loss, he said: “Our results in the second quarter stemmed mainly from significant deterioration in US residential mortgage performance that adversely affected the asset-backed collateralised debt obligations and residential mortgage backed securities we insured.”



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XL leaving troubled times behind

NEW CEO CONCENTRATES COMPANY ON DOING WHAT IT DOES BEST. CHRIS GIBBONS REPORTS

XL Capital has finally put the SCA issue behind it and can now focus on strengthening its core P&C insurance and reinsurance businesses, according to new CEO Mike McGavick.

Analysts say the agreement will relieve the pressure on the Bermuda-based company that has endured a turbulent first few months as McGavick has wrestled

with a number of long-standing issues against the backdrop of a plunging stock price.

McGavick said his three priorities on taking over from Brian O'Hara in May were to solve the SCA problem, make XL less prone to large one-off events, and strengthen and protect its ratings in the near-term.

In an earnings call with

investors on August 6, McGavick said: “[XL] is simply one of the great collections of underwriting talent in the world. But it has had its history of its great earnings being wiped out by big mistakes, especially over these past eight years, and this is a pattern that can and must end.”

On July 28, XL announced a commutation agreement to bail

out its former subsidiary, financial guarantee insurer Security Capital Assurance Inc, now known as Syncora Holdings Ltd. Under the agreement XL said it would pay \$1.78 billion in cash and issue eight million shares, while counterparties such as US investment bank Merrill Lynch would cancel \$3.5 billion in credit default swaps.

On August 5, XL announced it had raised about \$3.38 billion to fund the transaction. An offering of ordinary shares and equity security units brought in \$2.88 billion, while XL raised a further \$500 million through issuing 20 million Series C Preference Ordinary Shares in connection with the Company's exercise of the put option under its Mangrove Bay contingent capital facility.

XL said the agreement would reduce its maximum exposure to SCA-related losses from \$65.7 billion as of June 30 to \$1.1 billion. XL spun off the bond insurer in 2006 and its 2007 results recorded charges of about \$1.5 billion mainly as a result of its 46% holding in SCA. Like many bond insurers, SCA ran into trouble earlier this year through its exposure to complex mortgages and collateralised debt obligations.

McGavick said in a company statement: “The support for our capital raise has been tremendous. I believe its success is a clear endorsement of the XL franchise, of our re-focused strategy and

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‘With SCA behind us ... XL will concentrate on doing what it does best, which is underwriting the risks of our customers’

commitment to our dual insurance and reinsurance platform, and a vote of confidence in our ability to compete and win business. With SCA behind us and with our enhanced commitment to risk management, XL will concentrate on doing what it does best, which is underwriting the risks of our customers.”

In August, Best removed its XL ratings from negative review and affirmed the financial strength rating of A (Excellent).

McGavick has not been idle since stepping into the job in May.

In addition to dealing with the SCA issue, he has begun a major overhaul designed to make the company leaner and more efficient by trimming more than \$100 million from operating costs.

He has announced cuts of 165 jobs from XL’s worldwide staff of around 4,000 in 27 countries, including 47 from its 320-strong workforce in Bermuda, mainly in support services such as marketing. The company has also decided not to fill 120 vacant positions.

McGavick also plans to increase executive accountability by flattening the management structure along the lines of a traditional operating company rather than the previous complex holding company model.

Henry Keeling, who retired as COO, and Michael (Spike) Lodbell, who left his position of Executive Vice-President and Chief Executive of Global Business Services, will not be replaced. McGavick said that the majority of Global Business Services would instead be realigned within the business operations.

Fiona Luck, EVP and Chief of Staff, will become special adviser to the CEO, based in Bermuda and London and with “a reduced time commitment”. She will also no longer be part of the company’s senior leadership group.

McGavick told investors that Keeling’s decision, and the willingness of others to be reassigned, had enabled XL to eliminate a layer of management. He said business leaders, the Chief Actuary and the heads of other functionaries would now report directly to him.

He said XL is aiming to save between \$110 million to \$120 mil-

lion in operating costs, resulting in a charge of \$50 million to \$60 million in the third quarter.”

McGavick added: “Each of these management changes are occurring for different reasons, but XL has great bench strength which I am determined to retain. To do so and to motivate success, we will make a limited number of targeted option awards.

“Options awarded to the most senior executives will have a performance vesting feature. I have complete confidence that our new streamlined leadership will deliver on our refined strategy.”

And that strategy, he said, was

simple. “To reduce the risk of the large losses that have dogged our franchise and return the core earnings power of the franchise to prominence, we will focus on our core P&C businesses’ proven winners, as the second quarter results show yet again, despite the downward pressure of dealing with the market with SCA out there.”

He said XL will also explore strategic opportunities related to its life reinsurance operations and started a multi-year programme called Operational Transformation, to rebuild the underlying XL’s global technology platform.



XL CEO Mike McGavick says ‘big mistakes’ were made



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Seeking opportunity in uncertain times

SURVEY REVEALS CEOs WANT TO EXPLORE NEW LINES OF BUSINESS

Managing the underwriting cycle into a soft market as well as dealing with the fall-out from the credit crunch, are among the big issues confronting Bermuda CEOs today, a new survey of the market's insurance chief executives reveals.

PricewaterhouseCoopers' second Bermuda Market Survey entitled "Confronting the down cycle: Seeking opportunity in uncertain times" shows how companies are focused on expansion as they look beyond their current businesses to find ways of sustaining and increasing shareholder value.

Last year Bermuda reinsurers were out to achieve top line growth. This year the emphasis is on avoiding technically inadequate business.

The survey reveals CEOs are concentrating on underwriting performance, stressing cycle management and exposure monitoring.

Uncertainty is a key concern: CEOs simply don't know how long the down cycle will last. With this in mind, rate monitoring is high priority.

They are less certain about their ability to follow through, however. Number three in the list of perceived barriers to managing the downturn was "difficulties in ensuring that underwriters adhere to and deliver the underwriting cycle management strategy."

Bermuda companies can't hope to keep investors happy by turning away business, and the survey shows CEOs want to grow by exploring new geographical markets and lines of business.

They are expanding their franchises by either acquiring incumbent companies or setting up local representative offices. Forming

'Uncertainty is key: CEOs simply don't know how long the down cycle will last'

new units in reinsurance hubs such as London (including Lloyd's), Dublin, Zurich and Dubai is a common approach.

The addition of new underwriting units and a more diversified portfolio brings internal risk management challenges. CEOs' concerns include exposure aggregation, capital management and risk transfer.

Over half of respondents said they will consider using capital markets for risk transfer, though many now see a reduced role for sidecars. Insurance linked securities, industry loss warranties and swaps have moved up the risk financing agenda.

On the underwriting side, it is too early to fully tell. For some companies a question mark still

hangs over how many will be hit and how badly by professional liability and D & O claims.

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Conquering a hectic daily schedule

LAURIE ORCHARD, NEW PRESIDENT OF THE BERMUDA INSURANCE INSTITUTE

As a former world championship triathlete, Laurie Orchard is not one to shirk a challenge. So with a demanding job as Assistant Vice President, Operations at XL Re, a 15-month baby and another due in January, the 36-year-old is far from fazed about taking on the two-year presidency of the Bermuda Insurance Institute (BII).

"I like being busy and having a variety of things to do," laughs Canadian-born Orchard, who is married to Bermudian Myles Orchard, a property underwriter at Ariel Re. "But it is a balancing act. I've found that I've simply had to become more focused. When I am at work this is my focus and when I'm at home, work stays here and family has to be the priority."

In addition she is now focused on ensuring that the BII continues to provide top-class training and professional development for Bermuda's reinsurance industry, from industry designations to topical seminars on subjects like the sub-prime crisis.

Orchard has been connected with the BII since she and Myles worked through their profession qualifications together, and says becoming further involved as a volunteer was a natural progression.

"Early on in my career I had some very good mentors — senior people in the industry like Mike Casio and Richard Black — and they took a lot of timeout of their very busy professional workdays to just nurture me and give me guidance on what I should be studying and what opportunities existed in the market for me. That commitment really stuck with me. They set me up for success. They gave the information I needed to determine my career path. It feels very rewarding to help others."



Special Report by Chris Gibbons

And Orchard certainly now has her own wealth of experience to pass on. She has been at XL Re, where she works on ceded reinsurance operations and operational projects, since 2006. She entered the Bermuda market in 1994 out of university at Stockton Re where she cut her professional teeth in underwriting, legal, actuarial and office administration. From there she joined Commercial Risk Reinsurance, where she focused on legal and the capital markets, before joining Renaissance Re where she got into underwriting management, working with strategic ceded partners, operational projects and marketing.

In 2006 she was named Young Reinsurance Person of the Year award jointly with Theresa Dunlop of OIL Insurance Ltd, and her BII work has included being chair of the BII education committee and the Bermuda Insurance Market Exam Committee.

Although at one time she had considered a career in teaching, she has not taught courses at the BII but as a member of the Education Committee she has played an active role in deciding what courses and seminars should be offered.

And while continuing to provide quality local education for the industry remains a priority, finding an alternative to the BII's cramped Cedar Avenue offices is high on the agenda.

Last year 1,144 students registered for insurance examinations

— up 38% over 2006 — with 107 students earning insurance designations in 14 different areas of study, an increase of 13 percent on 2006. The number of people attending the BII's 35 seminars and workshops last year was up 42% to 1,123.

"We need additional space," stresses Orchard. "Our lease is due to expire in September 2009 and we need to make sure we have adequate facilities to accommodate all the people coming through the BII."

In addition, Orchard says her council will be producing a long-term plan designed to make sure the BII continues to meet the needs of its member companies. "We need to determine how best we can best support the education and what's needed in this changing marketplace. It's always evolving so we're always trying to find ways of doing things and new courses to offer."

"At the same time we have been running many of our courses for years and they remain popular. For example, we run an induction course for new employees and one for affiliated professionals. These are very basic to our industry but they are taught by people from the industry that know their section very well. To have that exposure to well-seasoned professionals about their areas of expertise is something that is quite unique in Bermuda. They are always fully subscribed."

Past president Gerald Simons had publicly voiced his concerns about the low number of black males entering the industry. Does Orchard believe the BII can do more in that area?

"My main concern, and that of

the BII, is providing a well-educated workforce to support the economic development of our industry regardless of what the demographics are," she says. "I don't know that changing the demographic is the ideal goal but promoting the economic development of the industry should be."

"To do that I think there's a lot of education that needs to go on not only within our industry but within the Bermuda community so that people understand what our industry is all about and know what skill sets are best suited for the different jobs we can offer."

"I think if the community has and understands that information, then they can make better decisions about what education they will follow and what careers they should enter into."

And if the progress of women is anything to go by in what has traditionally been a white, male-dominated industry, they will find plenty of opportunities.

Orchard says she has seen a dramatic increase in both the number of women in the industry and the level of their ambition with more women than ever in upper management.

At XL for example, five of the company's leadership team are now women, including the general counsel and global chief actuary.

"There is a much better male-female balance today," says Orchard. "From my experience at the BII, the number of females coming through has increased tremendously. We definitely have more women studying and getting qualifications than we do men."

"The women I see today are very driven, very well educated. They are motivated; they are good at balancing and managing a variety of responsibilities. And a per-

'It is a balancing act. I've found that I've simply had to become more focused'

'[At BII ...] we definitely have more women studying and getting qualifications than we do men'



Laurie Orchard: Juggling the priorities of work and home life

Photo: Ryan Prevost

son who shows those types of characteristics is very difficult to hold back.”

Orchard says the fact that the BII enables people to study locally for internationally-recognised qualifications is “a huge opportunity for women with families because they don’t have to go overseas to school.

“Companies here are so supportive of continuing education and that’s something women didn’t have before.”

And Orchard believes education is key as the Bermuda market

faces increasing competition from other offshore jurisdictions.

“An educated workforce and a community that embraces the industry are very important,” she notes. “The good work that the [industry regulator] Bermuda Monetary Authority is doing, a strong legislative framework and the political stability of our country play into it.

“As long as we can maintain that stability which has given the industry such success so far, I think we can still be very competitive going forward.”

‘Companies here are so supportive of continuing education and that’s something women didn’t have before’

Tokio Millennium licenses leading crop model

Bermuda reinsurer Tokio Millennium Re has licensed the AIR Worldwide Corporation’s Multiple Peril Crop Insurance (MPCI) model for use in AIR’s CATRADER(R), an industry standard application for analysing catastrophe reinsurance and insurance-linked securities.

“We have been using AIR’s scientifically-based MPCI model for the last two years on a service-basis,” said David McComas, CCRA, Vice President, Risk Management and Modeling at Tokio Millennium Re. “Now that it is available in CATRADER, we can more efficiently integrate model results into our in-house workflow and combine the losses with the rest of our portfolio.”

The AIR MPCI model uses detailed weather observations over the course of past growing seasons, along with the resulting crop yields, to develop a current crop yield probability distribution for each modeled crop in each county.

For major crops in the US, the model generates a catalogue of 10,000 potential year-end outcomes, including crop yields at county resolution and individual crop prices.

Hannover Re, Benfield establish sidecar

Globe Re is the latest sidecar vehicle to be set up in Bermuda. The \$113 million capital was funded by Hannover Re and brokers Benfield Group Ltd. Benfield Advisory, Benfield’s specialist corporate finance and advisory business, is the joint structurer and placement agent for the sidecar, which was capitalised with \$33 million of equity and \$100 million of debt securities.

As part of its extended insurance-linked securities activities, property catastrophe risks of a number of Hannover’s US cedants of Hannover Re have been pooled and transferred to the capital market in several tranches.

“With this type of pooling and transformer function we enable ceding companies to access the capital market — even for risks that would not lend themselves to this on an independent basis,” said CEO Wilhelm Zeller.

The transferred portfolio consists exclusively of US catastrophe business, predominantly hurricane risks in Florida.

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OPERATING RATIOS

QUARTERLY LOSS RATIOS

	Q2 2008	Q2 2007	Q2 2006
ACE	58.5%	61.4%	61.6%
Arch	57.3%	56.6%	58.0%
Aspen	47.4%	60.5%	52.2%
Allied World	66.2%	58.1%	58.9%
Axis	54.6%	51.7%	54.8%
Endurance	60.7%	49.6%	66.3%
Everest Re	64.2%	62.0%	60.9%
Flagstone Re	39.7%	69.1%	9.7%
Hiscox*	n/a	n/a	n/a
IPC	(7.5%)	88.2%	13.3%
Max Capital	55.4%	69.8%	72.5%
Montpelier	20.5%	38.8%	43.2%
PartnerRe	54.2%	54.6%	61.4%
Platinum	36.2%	55.6%	55.6%
Renaissance Re	30.3%	38.7%	48.1%
Validus	39.5%	32.1%	46.9%
White Mtn	68.6%	61.6%	80.1%
XL Capital	62.2%	56.9%	62.0%

QUARTERLY EXPENSE RATIOS

	Q2 2008	Q2 2007	Q2 2006
ACE	29.3%	26.2%	26.6%
Arch	29.8%	27.5%	28.3%
Aspen	30.8%	27.9%	29.4%
Allied World	27.0%	21.9%	19.3%
Axis	26.6%	23.7%	23.5%
Endurance	28.3%	29.4%	30.8%
Everest Re	30.2%	27.2%	26.8%
Flagstone Re	36.3%	25.5%	36.6%
Hiscox*	n/a	n/a	n/a
IPC	17.7%	17.4%	17.7%
Max Capital	24.0%	25.8%	17.2%
Montpelier	37.2%	31.2%	29.7%
PartnerRe	31.7%	30.7%	28.9%
Platinum	32.2%	25.2%	27.9%
Renaissance Re	23.2%	24.0%	24.1%
Validus	31.5%	23.2%	27.3%
White Mtn	39.5%	41.9%	34.9%
XL Capital	30.1%	29.4%	28.0%

QUARTERLY COMBINED RATIOS

	Q2 2008	Q2 2007	Q2 2006
ACE	87.8%	87.6%	88.2%
Arch	87.1%	84.1%	86.3%
Aspen	78.2%	88.4%	81.6%
Allied World	93.2%	80.0%	78.2%
Axis	81.2%	75.4%	78.3%
Endurance	89.0%	79.0%	97.1%
Everest Re	94.4%	89.2%	87.7%
Flagstone Re	76.0%	94.6%	46.3%
Hiscox*	n/a	n/a	n/a
IPC	10.2%	105.6%	31.0%
Max Capital	79.4%	95.6%	89.7%
Montpelier	57.7%	70.0%	72.9%
PartnerRe	85.9%	85.3%	90.3%
Platinum	68.4%	80.8%	83.5%
Renaissance Re	53.5%	62.7%	72.2%
Validus	71.0%	55.3%	74.2%
White Mtn	108.1%	103.5%	115.0%
XL Capital	92.3%	86.3%	90.0%

FINANCIAL STRENGTH RATINGS

	A M BEST RATING		S&P RATING	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
ACE	A+	A+	A+	A+
Arch	A	A	A	A
Aspen	A	A-	A	A
Allied World	A	A	A-	A-
Axis	A	A	A	A
Endurance	A	A-	A	A
Everest Re	A+	A+	AA-	AA-
Flagstone Re	A-	n/a	NR	NR
Hiscox	A-	A-	NR	NR
IPC	A	A	A-	A-
Max Capital	A-	A-	NR	NR
Montpelier	A-	A-	A-	A-
PartnerRe	A+	A+	AA-	AA-
Platinum	A	A	NR	NR
Renaissance Re	A+	A	AA-	A+
Validus	A-	A-	NR	NR
White Mtn	A-	A-	A-	A-
XL Capital	A	A+	A+	A+

n/a = not available NR = Not rated by S&P

ANALYSIS / PRICewaterhouseCOOPERS Q2 2008

Premiums

- Overall premium was generally down for the quarter. The anticipated pressures on pricing were offset to an extent by continued growth in agricultural business, more favourable exchange rates, some late demand in the property/short tail specialist area and acquired business for some companies.
- June 1 was a major property cat renewal date and most companies saw rate declines within 5–15%.
- Several Bermuda companies saw an increase in their agricultural business premiums due to increasing worldwide commodity prices.

Earnings

- Earnings for the group were generally favourable compared to expectations, largely driven by prior year reserve releases.
- Expense ratios overall continued to increase for the group due to reductions in earned premiums as compared to stable or

increasing operating costs.

- Investment income was generally down due to lowering yields on fixed income securities, low returns on alternative investments, low short-term interest rates and share buy backs.
- Income was also affected to different extent in certain companies due to different treatment of unrealised losses allowed under new accounting standards.

Capital Management

- The Bermuda companies repurchased about \$1 billion of stock in Q2, bringing year-to-date buy-backs to about \$2 billion.
- Although the expectation is that these share repurchases will continue to be a favourable method of capital management in 2008, some companies indicated that they were comfortable to retain potentially excess capital given the current state of the capital markets and the current storm season.

GROSS PREMIUMS WRITTEN \$M

	Q2 2008	Q2 2007	Q2 2006
ACE	5,293	4,637	4,583
Arch	887	1,102	1,136
Aspen	529	504	522
Allied World	447	531	518
Axis	874	959	995
Endurance	518	507	451
Everest Re	905	935	910
Flagstone Re	271	181	125
Hiscox*	n/a	n/a	n/a
IPC	105	109	120
Max Capital	369	242	284
Montpelier	188	188	296
PartnerRe	968	908	818
Platinum	234	294	330
Renaissance Re	808	846	743
Validus	380	174	111
White Mtn	1,026	1,046	1,094
XL Capital	1,947	2,231	2,296

NET PREMIUMS EARNED \$M

	Q2 2008	Q2 2007	Q2 2006
ACE	3,428	3,008	2,906
Arch	706	751	797
Aspen	397	451	429
Allied World	269	303	306
Axis	680	694	679
Endurance	453	418	407
Everest Re	942	999	893
Flagstone Re	142	112	37
Hiscox*	n/a	n/a	n/a
IPC	85	99	101
Max Capital	235	138	199
Montpelier	119	129	151
PartnerRe	956	889	859
Platinum	258	296	337
Renaissance Re	377	358	431
Validus	309	133	66
White Mtn	922	961	954
XL Capital	1,682	1,930	1,985

QUARTERLY EARNINGS DATA

	Net income (loss) attributable to common shareholders (\$m)			Fully diluted earnings (loss) per share (\$)		
	Q2 2008	Q2 2007	Q2 2006	Q2 2008	Q2 2007	Q2 2006
ACE	746	649	573	2.20	1.93	1.72
Arch	192	199	138	2.92	2.65	1.81
Aspen	127	115	102	1.39	1.19	1.01
Allied World	79	123	102	1.56	1.96	2.02
Axis	231	252	223	1.47	1.51	1.37
Endurance	99	131	60	1.56	1.85	0.85
Everest Re	153	283	220	2.47	4.45	3.38
Flagstone Re	42	15	26	0.49	0.17	0.36
Hiscox*	n/a	n/a	n/a	n/a	n/a	n/a
IPC	43	24	104	0.78	0.37	1.50
Max Capital	74	94	20	1.26	1.45	0.31
Montpelier	44	51	58	0.51	0.53	0.62
PartnerRe	(35)	96	69	(0.64)	1.66	1.20
Platinum	100	88	79	1.82	1.34	1.24
Renaissance Re	136	183	130	2.13	2.53	1.81
Validus	76	71	30	0.98	1.17	0.51
White Mtn	(9)	103	116	(0.87)	9.49	10.72
XL Capital	238	545	377	1.34	3.00	2.10

CUMULATIVE YTD EARNINGS DATA

	Net income (loss) attributable to common shareholders (\$m)			Fully diluted earnings (loss) per share (\$)		
	Q2 2008	Q2 2007	Q2 2006	Q2 2008	Q2 2007	Q2 2006
ACE	1,123	1,350	1,062	3.31	4.02	3.18
Arch	382	398	267	5.71	5.24	3.52
Aspen	208	237	164	2.24	2.46	1.61
Allied World	210	237	200	4.12	3.81	3.96
Axis	469	479	419	2.95	2.88	2.56
Endurance	174	229	163	2.70	3.22	2.29
Everest Re	231	580	389	3.70	9.05	5.96
Flagstone Re	75	50	32	0.87	0.64	0.54
Hiscox	167	158	n/a	0.41	0.39	n/a
IPC	126	97	163	2.12	1.48	2.36
Max Re	82	174	95	1.38	2.70	1.49
Montpelier	44	124	97	0.50	1.29	1.07
PartnerRe	86	257	254	1.54	4.42	4.40
Platinum	202	158	154	3.58	2.42	2.40
Renaissance Re	273	374	309	4.18	5.16	4.31
Validus	142	128	44	1.83	2.11	0.76
White Mtn	(66)	195	212	(6.27)	18.03	19.61
XL Capital	450	1,094	836	2.54	6.06	4.64

MARKET CAPITALISATION

	Q2 2008		Q2 2007		Q2 2006	
	Common shares issued	Market value \$	Common shares issued	Market value \$	Common shares issued	Market value \$
ACE	333,249,308	55.09	329,009,343	62.52	325,371,481	50.59
Arch	61,943,100	66.32	71,273,285	72.54	73,937,973	59.46
Aspen	81,321,201	23.67	88,544,590	28.07	95,250,401	23.29
Allied World	48,977,635	39.62	60,405,307	51.25	50,162,842	n/a
Axis	139,653,000	29.81	147,924,000	40.65	149,809,873	28.61
Endurance	59,641,896	30.79	64,591,095	40.04	66,096,340	32.00
Everest Re	61,643,803	79.71	63,198,640	108.64	64,948,041	86.57
Flagstone Re	85,346,325	11.79	85,297,891	13.32	n/a	n/a
Hiscox	368,326	4.14	396,578	5.68	n/a	n/a
IPC	50,280,448	26.55	60,659,489	32.29	63,703,567	24.66
Max Capital	56,095,884	21.33	60,127,859	28.30	59,425,278	21.84
Montpelier	93,368,434	14.75	103,067,067	18.54	107,875,959	17.29
PartnerRe	57,666,349	69.13	57,079,534	77.50	56,799,778	64.05
Platinum	48,688,706	32.61	60,077,313	34.75	59,546,050	27.98
Renaissance Re	62,862,000	44.67	72,266,000	61.99	71,849,000	48.46
Validus	74,243,477	21.15	58,482,600	n/a	n/a	n/a
White Mtn	10,552,376	429.00	10,842,538	606.02	10,780,053	487.00
XL Capital	179,051,979	20.56	181,884,099	84.29	180,394,236	61.30

n/a = data not publicly available

SHAREHOLDERS' EQUITY (\$M)

	Q2 2008	Q2 2007	Q2 2006
ACE	16,327	15,184	12,466
Arch	3,886	3,704	3,016
Aspen	2,854	2,591	2,154
Allied World	2,378	2,418	1,565
Axis	5,263	4,694	3,819
Endurance	2,534	2,380	1,937
Everest Re	5,568	5,338	4,379
Flagstone Re	1,280	1,086	742
Hiscox	1,627	1,463	n/a
IPC	2,017	1,965	1,741
Max Capital	1,490	1,473	1,212
Montpelier	1,572	1,541	1,256
PartnerRe	4,409	3,937	3,210
Platinum	1,969	1,991	1,639
Renaissance Re	3,373	3,460	2,539
Validus	2,057	1,324	1,043
White Mtn	4,597	4,575	3,864
XL Capital	8,769	11,522	8,547




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Aon to buy Benfield

MOVE KEEPS COMPANY 'AT FOREFRONT OF INDUSTRY'

Chicago-based Aon Corporation is to buy Bermuda-incorporated London reinsurance broker Benfield Group Limited. Under the agreement Aon, which also has offices on the Island, will buy Benfield for £3.50 (\$6.55) per share in cash and assume £91 million (\$170 million) of Benfield net debt, representing an enterprise value of approximately £935 million (\$1.75 billion) on a fully diluted basis.

Aon will integrate Benfield into its existing reinsurance operations to create a global division operating under a new brand, Aon Benfield Re.

"This agreement reflects our ongoing efforts to ensure that Aon's colleagues, capabilities and technology remain at the forefront of our industry," stated Aon's President and CEO Greg Case.

He added: "Aon and Benfield share a common focus on excellence in client service, and both recognise the importance of being the destination of choice for the best talent in our industry. The strong cultural fit between our firms will enable us to quickly realise the benefits of this transaction, and the value added for our clients and shareholders in a seamless fashion following the close of our transaction."

Grahame Chilton, Benfield's CEO, will become vice chairman of the Aon Group reporting to Case.

He said: "We are excited by this unique opportunity to create a powerful global franchise capable of expanding and redefining innovative reinsurance and capital market solutions. At the same time the Benfield board believes that the offer provides Benfield's share-

'We are excited by this unique opportunity to create a powerful global franchise'

holders with fair and certain value. We look forward to joining the Aon team and working with them as Aon Benfield Re to expand our joint expertise and local reach to customers around the world."

The transaction is expected to close by the end of 2008 subject to customary closing conditions and regulatory approvals, as well as approval by Benfield shareholders.

Bermuda ranks among world best

Sixteen of the world's 35 top reinsurers, and five of the top 20, are based in Bermuda, according to a survey in the August issue of *Best's Review*.

Ranked according to gross premiums written in 2007, the local list was headed by Everest Re Group (10th) with \$4.1 billion. Others in the top 20 were PartnerRe Group (12th) who wrote \$3.8 billion in premiums, XL Capital (13th) with \$3.4 billion, RenaissanceRe (17th) with

\$1.8 billion and ACE (20th) with \$1.6 billion.

All 16 Bermuda companies listed achieved operating profitability in their reinsurance business last year, with combined ratios under 100%.

Validus was the highest-placed newcomer with \$989 million. Amlin, the London-based company which has a Bermuda office, had the best combined ratio of 50.7%, followed by RenaissanceRe (59.3%).



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The law firm was founded by Lynda Milligan- Whyte, J.P., the former U.B.P. Government Leader in the Bermuda Senate.

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Don't overmilk the cash cow!

"Just because these companies report large profits it is not appropriate to suggest that international business is a cash cow you can milk for Government purposes."

— *Opposition UBP MP Patricia Gordon-Pamplin warns government not to over-tax the Island's international business sector*

"I think the overwhelming sense is a sense of sadness that this is happening. We would all wish that it

were otherwise."

— *XL Capital CEO Mike McGavick on his decision to cut 165 jobs, including 47 in Bermuda*

"It is hugely costly to XL but it is a move they had to make — their back was against the wall. Their franchise was coming under pressure in that its peer group was stopping doing business with it."

— *CreditSights Inc analyst Rob Haines, on the XL bailout of SCA*

"I don't think the Bermuda reinsurance market is going to go anywhere else anytime soon, and our reinsurance platform here is designed and engineered to withstand the next major catastrophe."

— *Hiscox Bermuda Vice President Chris Sharpe in Bermuda:Re magazine*

"Bermuda is a very receptive market to alternative sources of capital, and for us to be there

suggests we may ourselves be able to access different alternative sources of capital were we to be in the market for raising more capital, which we're not at the moment, but we can see that there are all sorts of flexibilities and the speed at which people are able to raise money there is also very attractive."

— *Barbara Merry, CEO of Hardy Underwriting, in Bermuda:Re magazine*

WHAT'S ON

ONSHORE

October 15–16
22nd Int'l Reinsurance Congress
Fairmont Hamilton Princess Hotel, Bermuda
www.reinsurancecongress.co.uk

November 12–13
Annual Pricewaterhouse Coopers/Standard and Poor's Bermuda Insurance Conference
Fairmont Hamilton Princess Hotel, Bermuda
www.pwc.com/bermuda

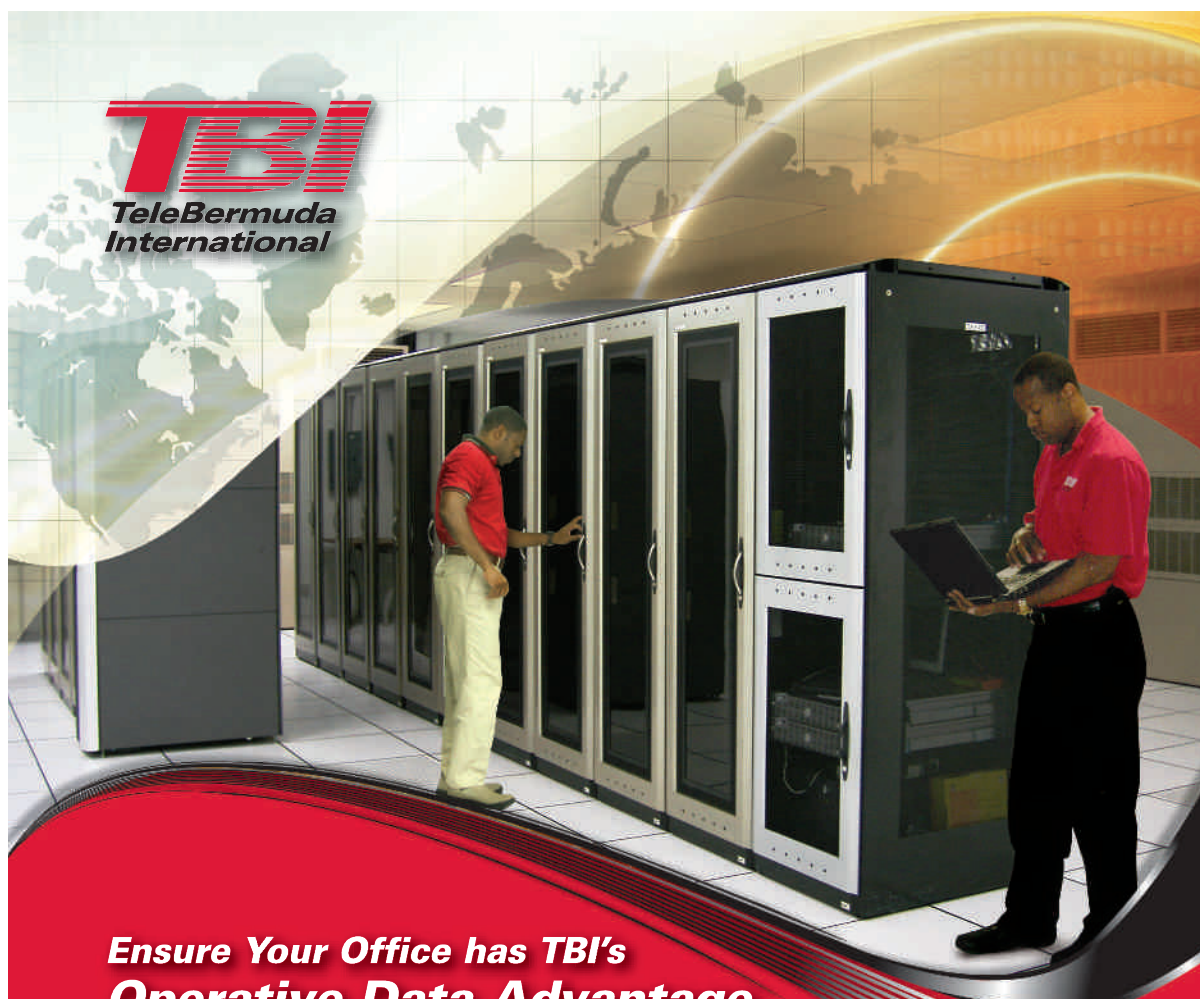
April 5–7, 2009
Spring IRU Conference
Fairmont Southampton Princess Hotel, Bermuda
www.irua.com

OFFSHORE
October 26–29
PCI Annual Conference
Scottsdale, AZ
www.pciaa.org

October 26–30
Baden-Baden Reinsurance Mtg
Baden-Baden, Germany
www.badendirectoryonline.co.uk

November 17–19
World Captive Forum
Palm Springs, California
www.worldcaptiveforum.com

April 19–23, 2009
RIMS Annual Conf & Exhib
Orlando, Florida
www.rims.org



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US insurers dependent on Bermuda

THE ISLAND IS THE NUMBER ONE JURISDICTION WORLDWIDE FOR CESSIONS BY THE TOP US FIRMS

As the leading non-US supplier of reinsurance to US insurers, Bermuda provides a “critically important source of risk capital” for the US, according to a report on the Bermuda market.

“The Bermuda Insurance Market: An Economic Analysis” by Dr J David Cummins of The Wharton School, University of Pennsylvania and The Fox School, Temple University, says because Bermuda firms are unafraid to place themselves in the position of taking significant losses from US catastrophes, they contribute significantly to the efficiency of US insurance markets.

“The US accounted for 87% of worldwide insured catastrophe losses in 2005 and for more than 60% in 2006,” notes Dr Cummins. “As a result, US insurance markets are heavily dependent upon both domestic and foreign reinsurers. Bermuda has

become the world’s most important market place in terms of supplying reinsurance to US insurers.”

He adds: “An analysis of the leading US insurers in terms of reinsurance ceded to non-US reinsurers shows that Bermuda is the number one jurisdiction

worldwide for cessions by the top US firms in all 12 lines of business included in the study. Thus Bermuda has gone far beyond its initial role during the 1980s and early-1990s as a source of risk capital for liability insurance and property catastrophes to provide broad-based coverage in many

lines of insurance.”

Dr Cummins notes that 12 Bermuda-based reinsurers appear in the Standard & Poor’s Global Reinsurance Highlights Top 40, accounting for 17% of total net premiums written of the top 40 firms. Just one Bermuda insurer was in the top 40 in 1996.

Allied World on the move in US and Asia

Bermuda-based Allied World Assurance Company Holdings Ltd is rapidly expanding its US and global operations.

Earlier this year the company launched two new sub-brands in the US — Allied World Brokerage and Allied World Specialty — that realigned distribution of its growing number of admitted products along retail and wholesale broking channels respectively.

It then announced a major

acquisition in professional lines specialist Darwin Professional Underwriters.

The \$550 million acquisition of Darwin, due to be completed in the 4th quarter of 2008, significantly raises Allied World’s US profile. Darwin offers a wide array of specialty and primary professional lines coverages, which includes an industry leading health care professional liability franchise and a strong niche

errors and omissions division.

Scott Carmilani, Allied World’s President and CEO, commented: “This acquisition will more than double Allied World’s presence in the US particularly within the US health care market. By bringing together two companies that have complementary product offerings, cultures and commitments to client service, we will continue to strengthen our global franchise.”

Bermuda leads on Solvency II plans

The Bermuda Monetary Authority (BMA) has made significant enhancements to Bermuda’s solvency and disclosure regulations for insurance.

The BMA said the changes would help ensure Bermuda achieves recognition as having equivalent regulatory standards as Europe’s Solvency II Directive — which aims to revise capital requirements and risk management standards for the European insurance industry. The BMA also announced new measures to facilitate special purpose vehicles (SPVs).

Matthew Elderfield, the BMA’s CEO, said: “These developments mean we’re well on track to achieving our objective of equivalence, or mutual recognition status, in Europe and elsewhere. Bermuda is now one of the countries at the front of the pack in terms of

preparing for Solvency II.”

With the recent passage of the Insurance Amendment Act 2008, the BMA will introduce the Bermuda Solvency Capital Requirement (BSCR) for Bermuda’s Class 4 reinsurers.

“The BSCR will assist us to build on Bermuda’s existing solvency regime by establishing risk-based capital adequacy standards for high impact insurers,” said Elderfield. “This will allow for a more risk-sensitive approach to setting solvency requirements for Bermuda’s insurers, in line with international developments regarding capital adequacy such as Solvency II.

“Implementing the BSCR will also help with the Authority’s transition to recognising companies’ internal economic capital models. Permitting the use of

internal models for our reinsurance companies to determine appropriate capital levels for their business, subject to review and approval of each model by the Authority, is again consistent with developments in international insurance regulation.”

Other initiatives include the publication of financial statements using Generally Accepted Accounting Principles (GAAP), submitted to the Authority by Class 4 companies under new reporting requirements. The BMA says this will mean greater disclosure in line with international standards for transparency in the industry.

The legislation also facilitates the re-classification of Bermuda’s Class 3 insurance sector that includes a large number of firms with a wide range of characteristics, from captives writing a limit-

ed amount of third-party business, to large purely commercial reinsurers.

Elderfield explained: “This means we’re establishing further sub-categories within the Class 3 group, based on their respective risk profiles. We will be able to refine our application of risk-based supervision to these firms further, to ensure they receive the level of oversight that is appropriate to the nature of their business.”

The reclassification also introduces a new category of ‘Special Purpose Insurer’ focused on fully collateralised special purpose vehicles (SPVs) established to conduct certain specific insurance transactions, such as asset-backed securitisation transactions. The new classification will make it cheaper for SPVs to be established in Bermuda.

Charman has the lion's share

AND BERMUDA EXECUTIVES HIT THE POWER LIST TOP 10

John Charman, the President and CEO of AXIS, has by far the most valuable share portfolio among Bermuda insurance executives with nearly seven million shares valued at a whopping \$221 million.

Charman, who formed AXIS in 2001, easily tops the annual list of executives with shares in their publicly-listed companies, compiled by the KYC News *InsideBermuda* online newsletter.

Charman's nearest rival was Evan Greenberg, Chairman, President and CEO of ACE, with more than \$66 million in shares, while Arch Capital's President and CEO Constantine Iordanou, was third with \$61 million.

Faring less well were former XL executives Brian O'Hara and Henry Keeling, whose share values fell. XL's share price plunged from almost \$82 to less than \$18 over the past year. Former President and CEO O'Hara's XL shares plummeted from \$133 million a year ago to \$31 million, while former COO Keeling's value dropped from \$38 million to \$10 million.

Meanwhile, Bermuda insurance executives Don Kramer and John Charman are ranked in the top 10 in *Reinsurance* magazine's latest list of the most powerful industry figures, published in its August issue.

Kramer, head of Ariel Re, and Charman, are ranked sixth and seventh respectively, while Les Rock, Chief Underwriting Officer of Ironshore is ninth. Bob Clements, founder of Bermuda-based Ironshore, is fifteenth.

"There's an admirable straightforwardness about Mr Kramer," says the magazine. "He said he would do it and he did. Pairing up with Atrium was a very good move indeed. They are one of the best shops in the room, have almost no overlap with Ariel, and bring instant diversification. The only thing that will cap this is if he can somehow conjure up an Initial Public Offering that gets his stock trading at a healthy premium to

book value — and to its class of 2005 peers. Now that would be a challenge!"

About Charman, the magazine said: "Almost eight years on, Axis is still motoring and Mr Charman can take an awful lot of credit for that. The Axis underwriters we come across always seem to give the impression that they enjoy high levels of job satisfaction —

and just check out that combined ratio. Here's a simple fact that speaks volumes: very few other top executives' contract extension deliberations are front-page news. Not so for Axis' chief executive."

And on Rock: "The legend just keeps growing, as does the line of eager brokers stretching down Front Street. We'll wager the Pembroke syndicate will be the



John Charman: Still motoring

fastest growing entity at Lloyd's come 2009."

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Keeling bows out at XL Capital

Henry C V Keeling has retired as EVP and COO of XL CAPITAL. Keeling had previously served as Chief Executive of Reinsurance Operations, Chief Executive of Reinsurance Operations and Global Head of Business Services, and Global Head of Business Services and Chief Executive, Reinsurance Life Operations.

XL INSURANCE has appointed **Harry Mahler** as Chief of its



Henry Keeling, Laura Davis and David Kalainoff

newly formed Global Product Management Team and **David J Molitano** to the new position of Technology Errors & Omissions

Manager in its Select Professional underwriting group.

Michael Nuenke has joined Bermuda-based ALLIED WORLD as EVP of US Operations.

ARIEL RE has appointed former President **George Rivaz** as Chairman. He will also continue in

his current Ariel Group roles as Chairman of Atrium Underwriting and President of Ariel Holdings Limited. **Tom Hulst** will succeed him as President of Ariel Re.

AXIS CAPITAL has appointed **Michael Steel** as EVP and Chief Risk Officer based in its London office. AXIS has also appointed **Dean Benner** as EVP and Chief Investment Officer.

David Kalainoff has been promoted to Managing Director and EVP of the reinsurance arm of MAX BERMUDA LTD. He will continue in his prior role as Chief Underwriting Officer and Executive of Casualty Reinsurance.

William Babcock has been appointed Group Finance Director at Bermuda-based PARTNER RE. **Brian Secrett** has been promoted to Chief Underwriting Officer, Catastrophe. **Laura Davis** has been promoted to SVP, Head of Catastrophe, Bermuda.

Bob Piller has been named President of IronSelect, a newly created Excess Casualty facility of Bermuda-based IRONSHORE INC.

The ARGUS GROUP has appointed **Paul Williams** to the position of EVP Information Systems and promoted **Michelle Brock-Jackson** to the position of VP Group Insurance. Meanwhile Argus Financial Limited has appointed **Cindy Campbell** as COO.

In the People section of our last issue, **Elizabeth Keys** was incorrectly referred to as "former XL CFO" in an item about her appointment as CFO of Security Capital Assurance (SCA), the US bond insurer established by XL Capital. She was correctly referred to as a former CFO of XL Capital Assurance in the rest of the article.

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