

AXIS Capital

Wachovia Nantucket Equity Conference 2008

David Greenfield, CFO

June 25, 2008





Safe Harbor Disclosure

Cautionary Statement Regarding Forward-looking Statements

Statements in this presentation that are not historical facts, including statements regarding our estimates, beliefs, expectations, intentions, strategies or projections, may be “forward-looking statements” within the meaning of the U.S. federal securities laws, including the Private Securities Litigation Reform Act of 1995. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the United States securities laws. In some cases, these statements can be identified by the use of forward-looking words such as “may,” “should,” “could,” “anticipate,” “estimate,” “expect,” “plan,” “believe,” “predict,” “potential,” “intend” or similar expressions. Our expectations are not guarantees and are based on currently available competitive, financial and economic data along with our operating plans. Forward-looking statements contained in this presentation may include, but are not limited to, information regarding our estimates of losses related to hurricanes and other catastrophes, our expectations regarding pricing and other market conditions, our growth prospects, the amount of our acquisition costs, the amount of our net losses and loss reserves, the projected amount of our capital expenditures, management of interest rate and foreign currency risks, valuations of potential interest rate shifts and foreign currency rate changes and measurements of potential losses in fair market values of our investment portfolio. Forward-looking statements only reflect our expectations and are not guarantees of performance. These statements involve risks, uncertainties and assumptions. Actual events or results may differ materially from our expectations. Important factors that could cause actual events or results to be materially different from our expectations include (1) the occurrence of natural and man-made disasters, (2) actual claims exceeding our loss reserves, (3) the failure of any of the loss limitation methods we employ, (4) the effects of emerging claims and coverage issues, (5) the failure of our cedants to adequately evaluate risks, (6) the loss of one or more key executives, (7) a decline in our ratings with rating agencies, (8) loss of business provided to us by our major brokers, (9) changes in accounting policies or practices, (10) changes in governmental regulations, (11) increased competition, (12) changes in the political environment of certain countries in which we operate or underwrite business, (13) interest rate and/or currency value fluctuations, (14) general economic conditions and (15) other matters that can be found in our filings with the Securities and Exchange Commission. Forward-looking statements are only as of the date they are made, and we do not undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

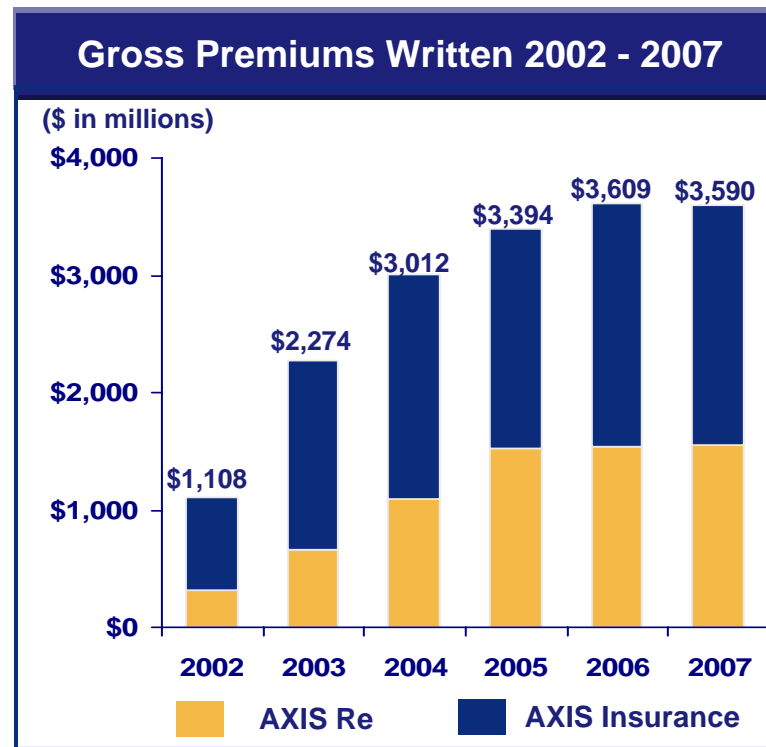
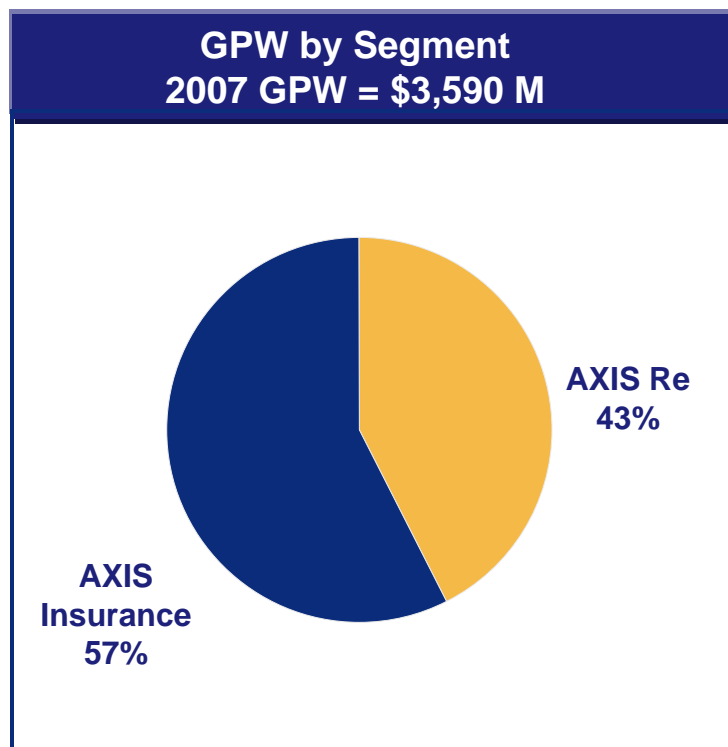


Investment Highlights

- 🌐 **Well-diversified leader in the global wholesale P&C markets**
 - Established global insurance and reinsurance platforms
 - Well-diversified mix of specialty and niche businesses
 - Geographic diversification globally
- 🌐 **Disciplined and proven underwriter**
 - Proven steward of capital (generated profitability in every year since inception in 2001)
 - Conservative reserving practices
 - Well-managed exposure
 - Platform built to execute in all phases of (re)insurance cycle
- 🌐 **Strong balance sheet with solid financial performance**
 - Conservative balance sheet with total assets of \$15.6 billion and total capitalization of \$5.9 billion
 - High-quality, conservative investment portfolio
 - Ratings of A (S&P - positive), A2 (Moody's - stable) and A (AM Best - stable)
 - 18% compound annual growth in diluted book value and accumulated dividends since 2002
- 🌐 **Experienced management team with significant stock ownership**

Global Specialty Insurer and Reinsurer

Well-positioned to navigate all phases of (re)insurance cycle with established presence in both insurance and reinsurance markets globally



Diversified Strategic Footprint

Selective diversification by product and geography with well-timed entry

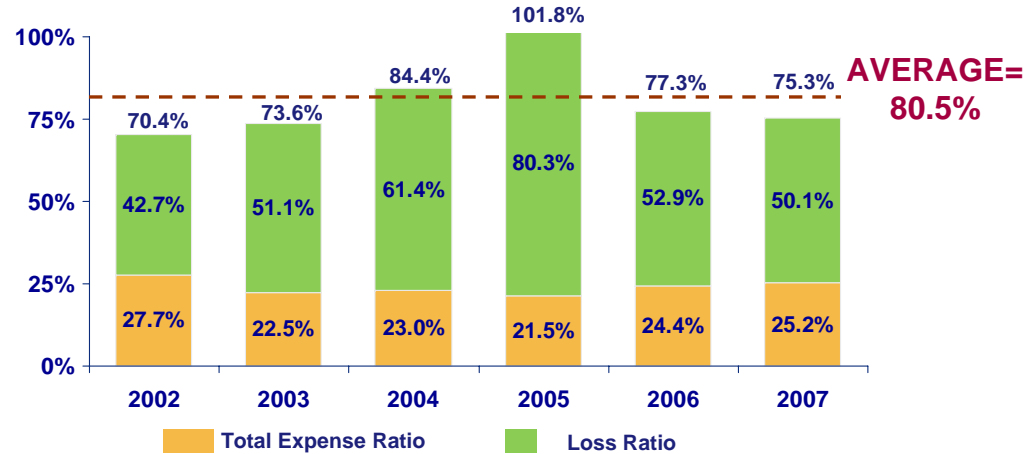
	2002 \$1.1Bn	2003 \$2.3Bn	2004 \$3.0Bn	2005 \$3.4Bn	2006 \$3.6Bn	2007 \$3.6Bn	2008
AXIS Insurance	<ul style="list-style-type: none"> Bermuda London-market Worldwide specialty lines portfolio 	<ul style="list-style-type: none"> U.S. excess & surplus lines U.S. professional lines renewal rights (D&O) Bermuda professional lines (D&O) E&O team 	<ul style="list-style-type: none"> European professional lines Media Pro relationship established 			<ul style="list-style-type: none"> Entry into media liability and small/middle-market professional lines business through acquisition of Media Pro 	<ul style="list-style-type: none"> Australia branch Singapore branch pending Canada branch pending

Continued diversification at many levels within portfolio

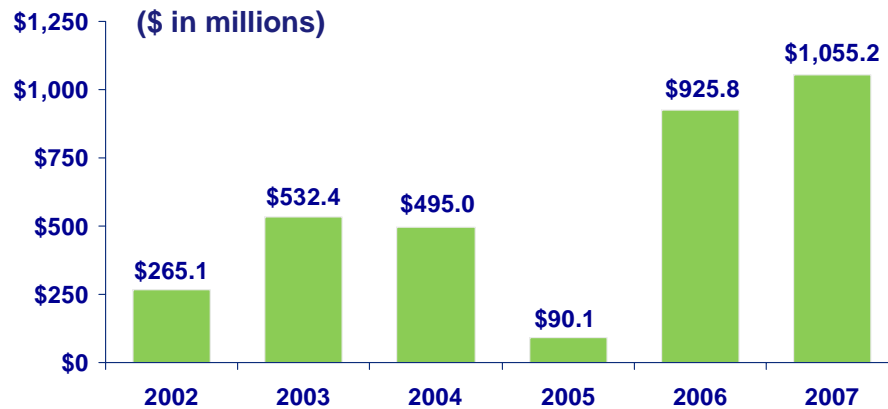
AXIS Re	<ul style="list-style-type: none"> Property catastrophe reinsurance portfolio 	<ul style="list-style-type: none"> Establishment of U.S. casualty reinsurance portfolio Establishment of Continental European reinsurance presence in Zurich 	<ul style="list-style-type: none"> Representative office in Singapore 	<ul style="list-style-type: none"> Entry into global engineering and construction reinsurance 		<ul style="list-style-type: none"> Singapore branch pending
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Quality, Sustainability and Profitability

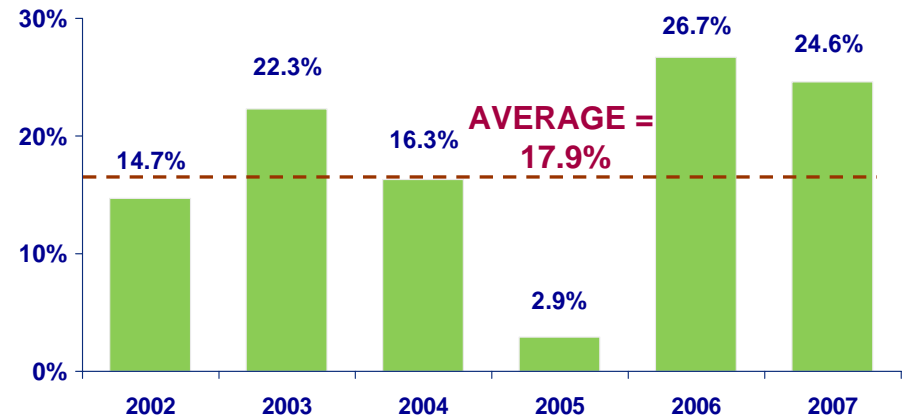
Combined Ratio



Net Income



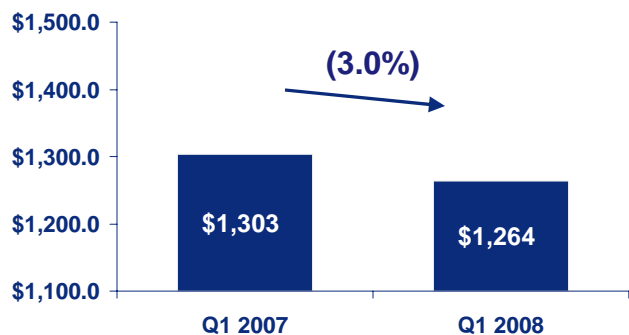
Return on Average Common Equity



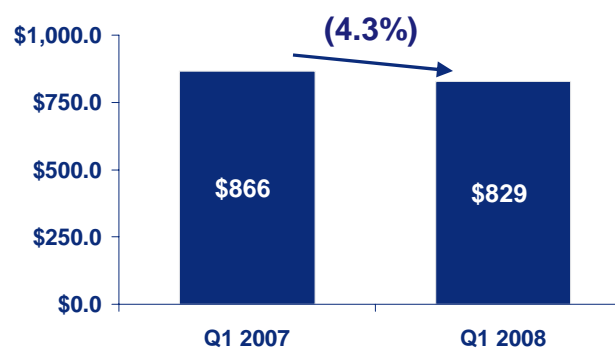
Q1 2008 Results

(\$ in millions)

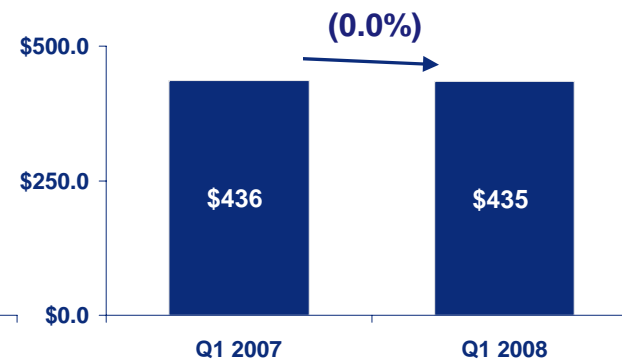
Consolidated Gross Premiums Written



AXIS Re Gross Premiums Written

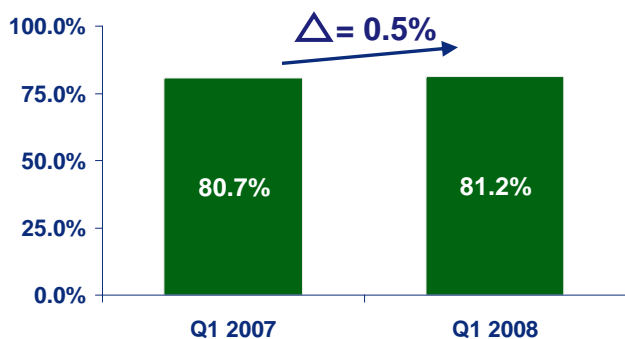


AXIS Insurance Gross Premiums Written

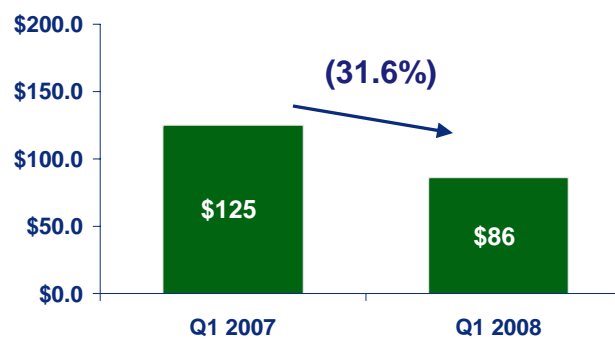


GPW decreased due to higher cedant retentions in AXIS Re and underwriting discipline against backdrop of competitive market conditions.

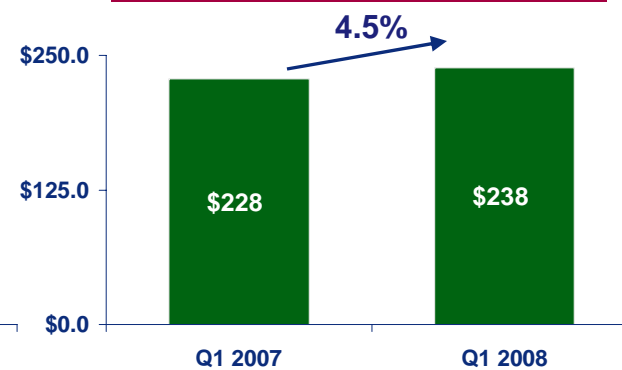
Consolidated Combined Ratio



Consolidated Net Investment Income



Consolidated Net Income



Strong underwriting results and FX gains offset negative impact of financial markets turmoil on net investment income.



AXIS Insurance – Strategic Global Presence

North America

- Nationwide network of 10 offices in U.S.
- Office in Toronto
- Flexibility to write on admitted and non-admitted basis in all 50 states
- Top 15 E&S carrier in the U.S.
- Canada branch (pending)



Bermuda

- Global capability with few exceptions
- Ability to transact with both Bermuda and London wholesale markets

Europe

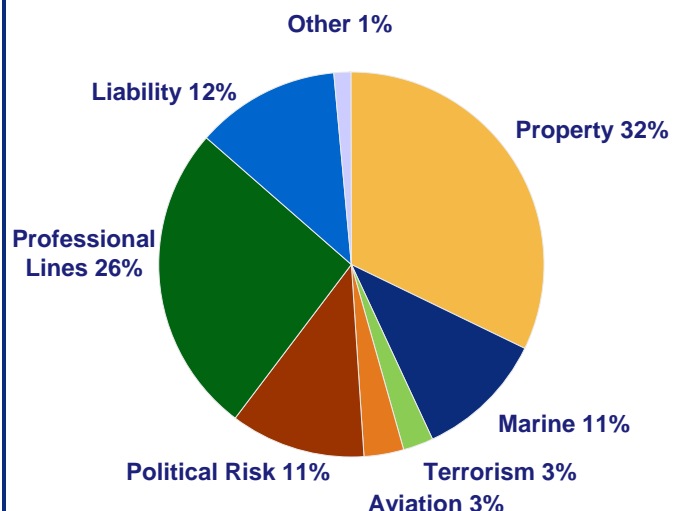
- London and Dublin
- Surplus-lines eligible in 43 states
- Freedom of Services permissions in all 27 EU countries
- Business written in 188 countries since inception

Australasia

- Singapore branch (pending)
- Australia branch

AXIS Insurance Overview

2007 GPW by Line of Business Total GPW = \$2,039 M



2007 Financial Highlights

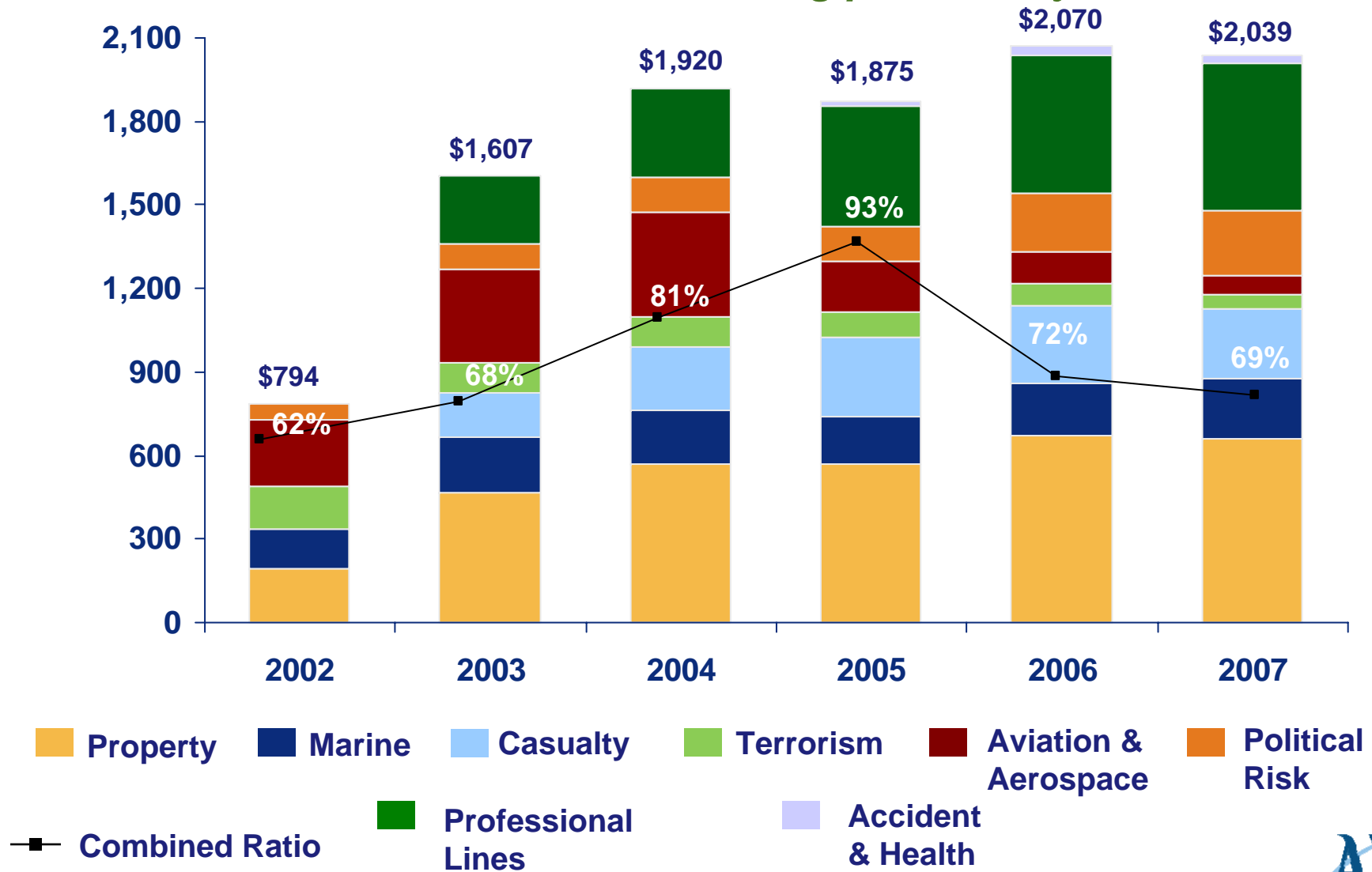
Net Premiums Earned	\$1,208 M
Underwriting Profit	374 M
Combined Ratio	69.2%

- Product lines coordinated on a global basis
- Specialty Lines division – both traditional P&C and specialty insurance products
- Professional Lines division – D&O, E&O and other professional lines products
- Capital Risk Solutions division – political risk, emerging market credit, aviation and terrorism products
- Select Markets division – specialty insurance products largely targeting small and middle market commercial clients

AXIS Insurance Premium Since Inception

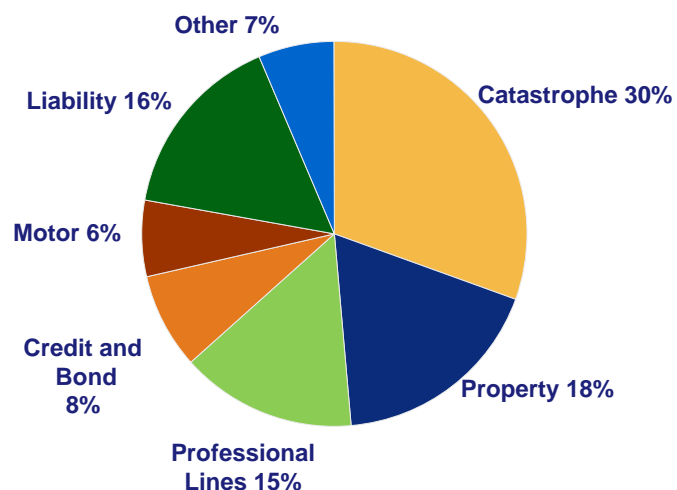
(\$ in millions)

Focus on underwriting profitability



AXIS Re Overview

2007 GPW by Line of Business Total GPW = \$1,551 M



2007 Financial Highlights

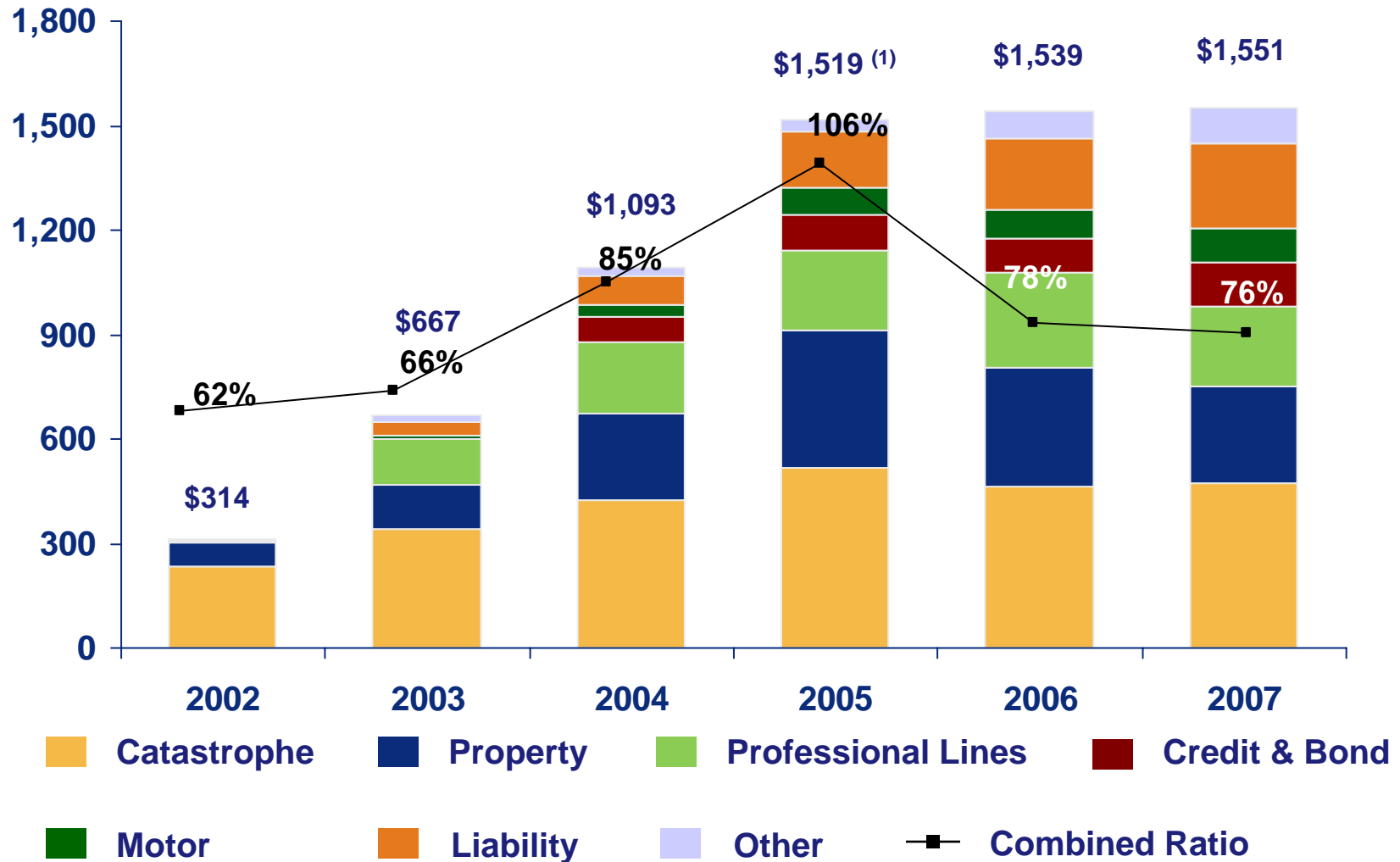
Net Premiums Earned	\$1,526 M
Underwriting Profit	364 M
Combined Ratio	76.3%

- Established presence in New York, Bermuda, Zurich and Singapore
- Global catastrophe reinsurance portfolio complemented by:
 - Targeted activity in specialist U.S. casualty reinsurance and
 - Balance of both traditional and specialist reinsurance in Continental Europe
- Primarily non-proportional business
- Sought-after lead market offering technical expertise and meaningful capacity
- Focus on targeted clients in specific market segments to limit capacity provided to a given segment

AXIS Re Premium Since Inception

(\$ in millions)

Focus on underwriting profitability



(1) Includes KRW reinstatement premiums of \$88 million.





Risk Management Strategies

Selective Diversification

- Properly considered and controlled medium and long-term strategy
- Minimizes reliance on external protection (e.g. securitization of risks or reinsurance purchase)
- Diversification credit applied only within portfolios and portfolio risk-adequate pricing is mandated by business unit

Defined Tolerance Levels

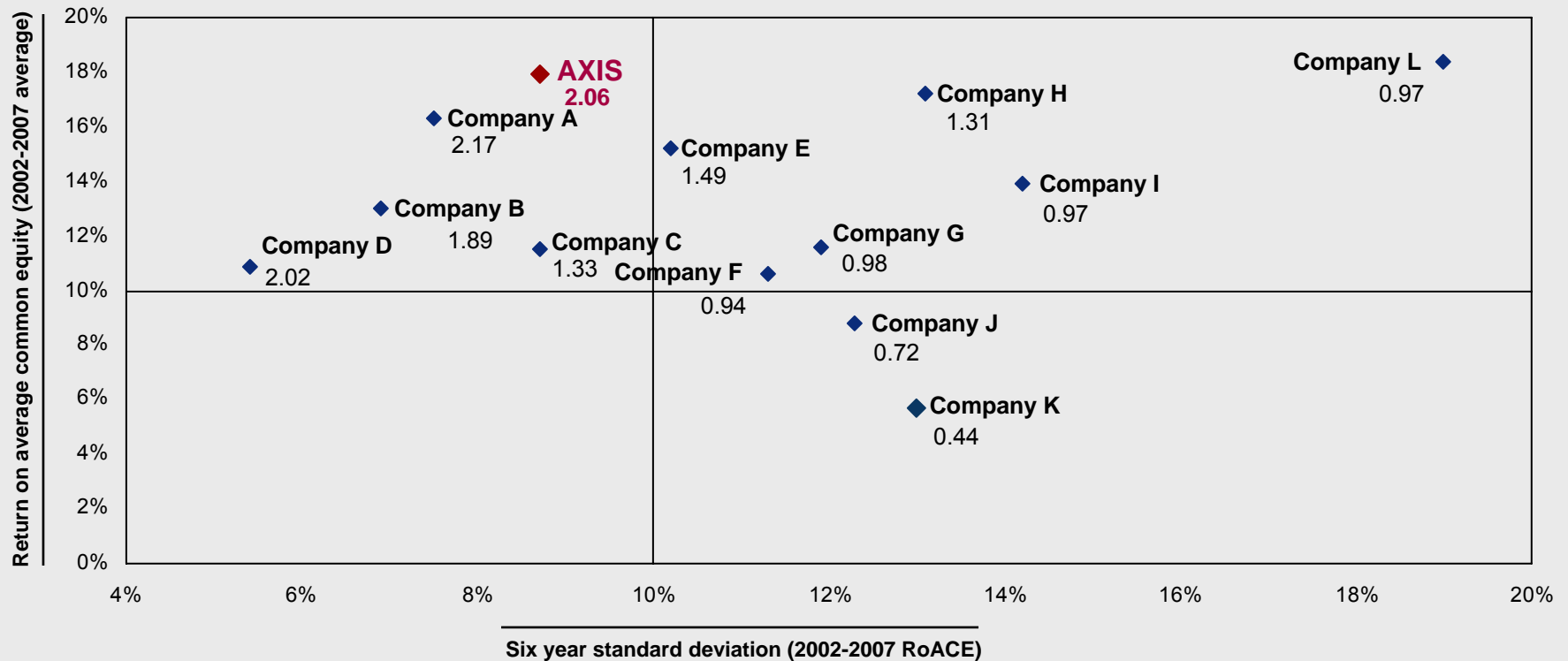
- Maximum limits and risk tolerances for potential shock losses
- Limit overall exposure to long-tail business
- Robust management of overlap between insurance and reinsurance businesses

Strict Control Environment

- Rigorous, centralized peer review
- Controls designed to identify, assess and manage risk
- Limits expressed in ways that can be measured, monitored and peer-reviewed
- Strict budgeting and accumulation control

Strong Risk Management

Strong risk management has driven outstanding risk-return profile



Note: Peer universe comprises Bermuda-based (re)insurers and U.S. reinsurers. Data label calculated as RoACE (2002-2007 average) / six year standard deviation

Source: Company filings

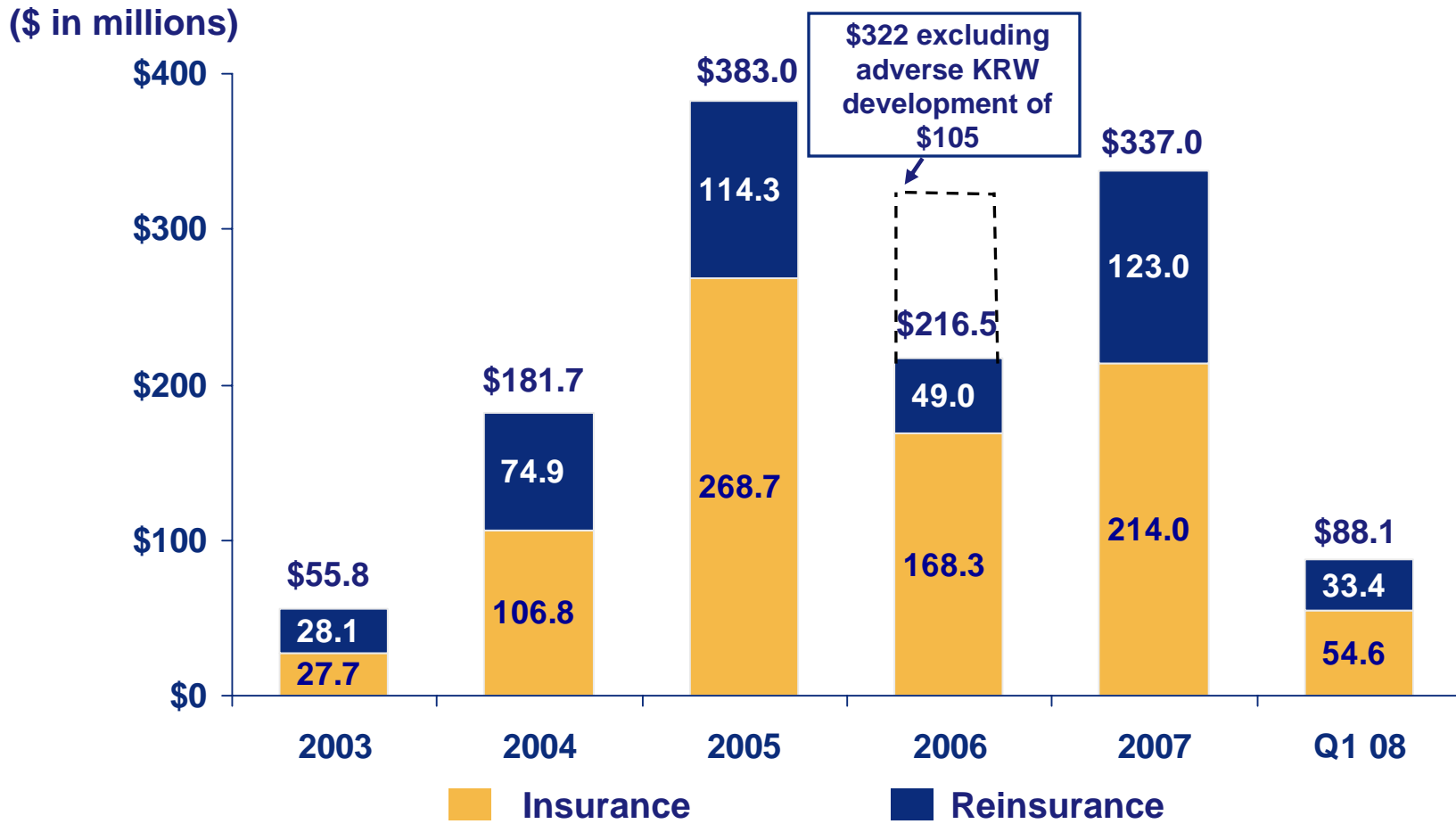


Strong Balance Sheet

(\$ millions)	March 31,	December 31,		
	2008	2007	2006	2005
Total Cash and Invested Assets	\$10,655	\$10,311	\$9,653	\$7,703
Premiums Receivable	1,608	1,231	1,126	1,027
Reinsurance Recoverable	1,426	1,357	1,359	1,518
Other Assets	1,952	1,776	1,528	1,678
Total Assets	\$15,640	\$14,675	\$13,665	\$11,926
Loss & Loss Adjustment Expense Reserves	\$5,814	\$5,587	\$5,015	\$4,743
Unearned Premium	2,575	2,146	2,016	1,760
Long-Term Debt	499	499	499	499
Other Liabilities	1,381	1,284	1,723	1,411
Total Liabilities	\$10,269	\$9,516	\$9,253	\$8,414
Total Shareholders' Equity	\$5,371	\$5,159	\$4,412	\$3,512
Gross Reserves / Equity Capital	108%	108%	114%	135%
Gross Reserves / Total Capital	99%	99%	102%	118%
Net Reserves / Equity Capital	82%	82%	83%	92%
Net Reserves/ Total Capital	75%	75%	74%	80%
Reinsurance Recoverables / Equity Capital	26%	26%	31%	43%
Reinsurance Recoverables / Total Capital	24%	24%	28%	38%

Favorable Reserve Development since Inception

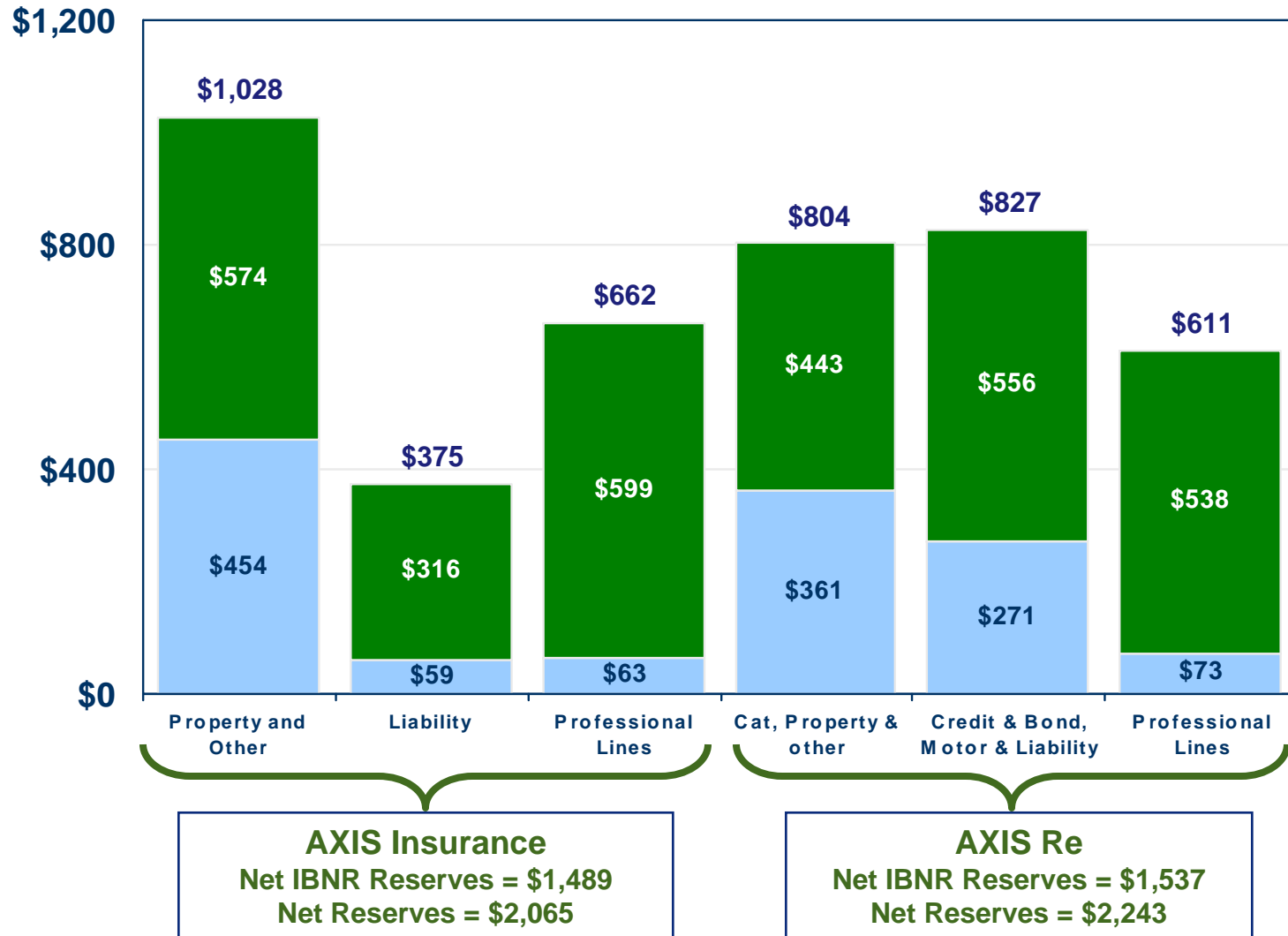
We mitigate reserve risk by limiting overall exposure to long-tail business, integrating third-party actuarial input into our prudent reserving practices and by utilizing institutional knowledge from participation in both insurance and reinsurance markets



Strong Net Reserve Position

(\$ in millions)

■ Net Case Reserves ■ Net IBNR Reserve

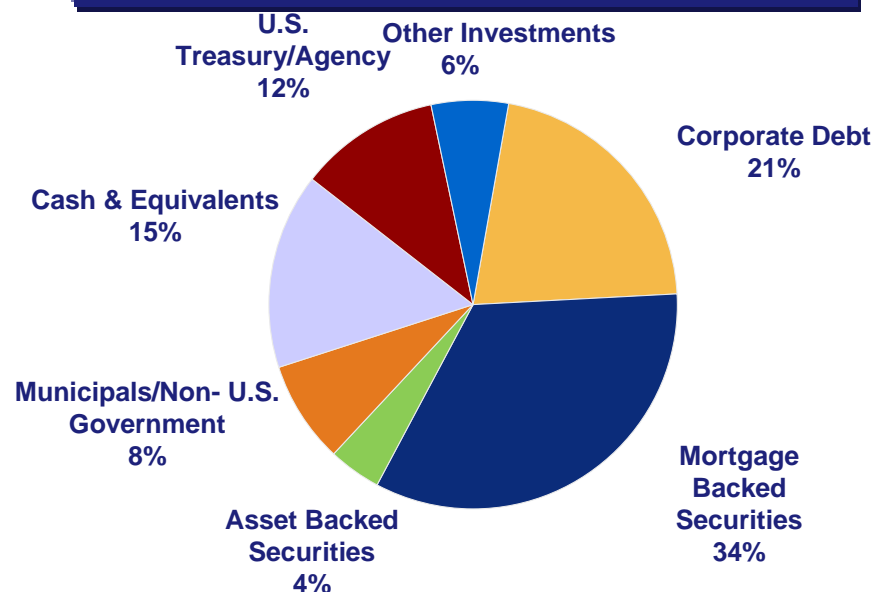


Note: Information as of December 31, 2007



Conservative Investment Portfolio

**Total Cash & Investments
\$10.7 Bn**



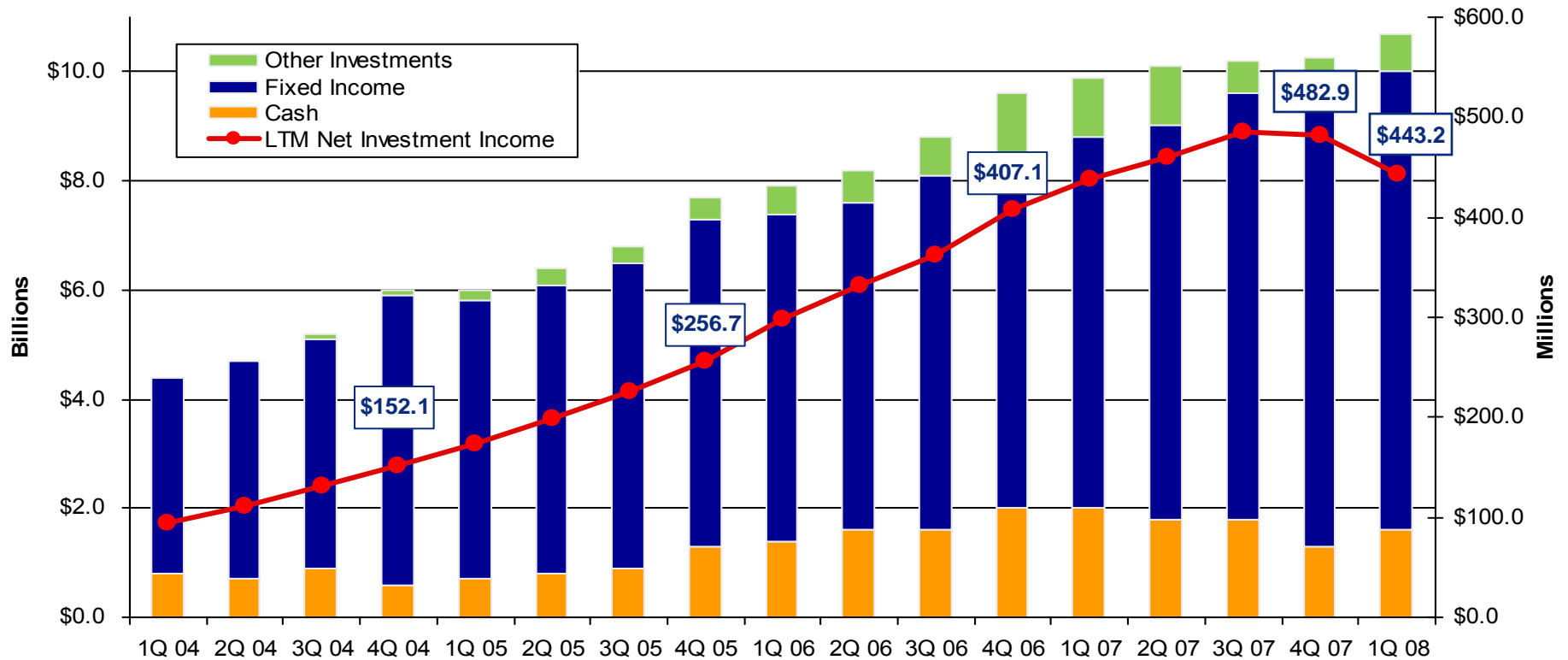
**Total Cash and Fixed Income (ex. Other)
\$10.0 Bn**

Duration (years)	2.61
Average Credit Quality	AA+
Book Yield (Mar 31)	5.06%
Total Return (TTM)	6.30%

- 🌐 **Managers have a total return mandate**
- 🌐 **Emphasis on capital preservation**
- 🌐 **Short duration customized fixed income benchmarks**
- 🌐 **No non-investment grade holdings in fixed income portfolio**
- 🌐 **No exposure to lower-rated tranches of sub prime ABS**
- 🌐 **81.5% of investments are AA- or better**

Investment Income Momentum

Growth in investment income driven by strong operating cash flows and growth in invested assets



Earned Yield for Cash and Fixed Maturities

1Q 04	3.3%	3.2%	3.5%	3.7%	3.8%	4.0%	4.3%	4.6%	5.1%	4.8%	4.8%	4.8%	4.9%	5.0%	5.0%	4.9%	4.9%
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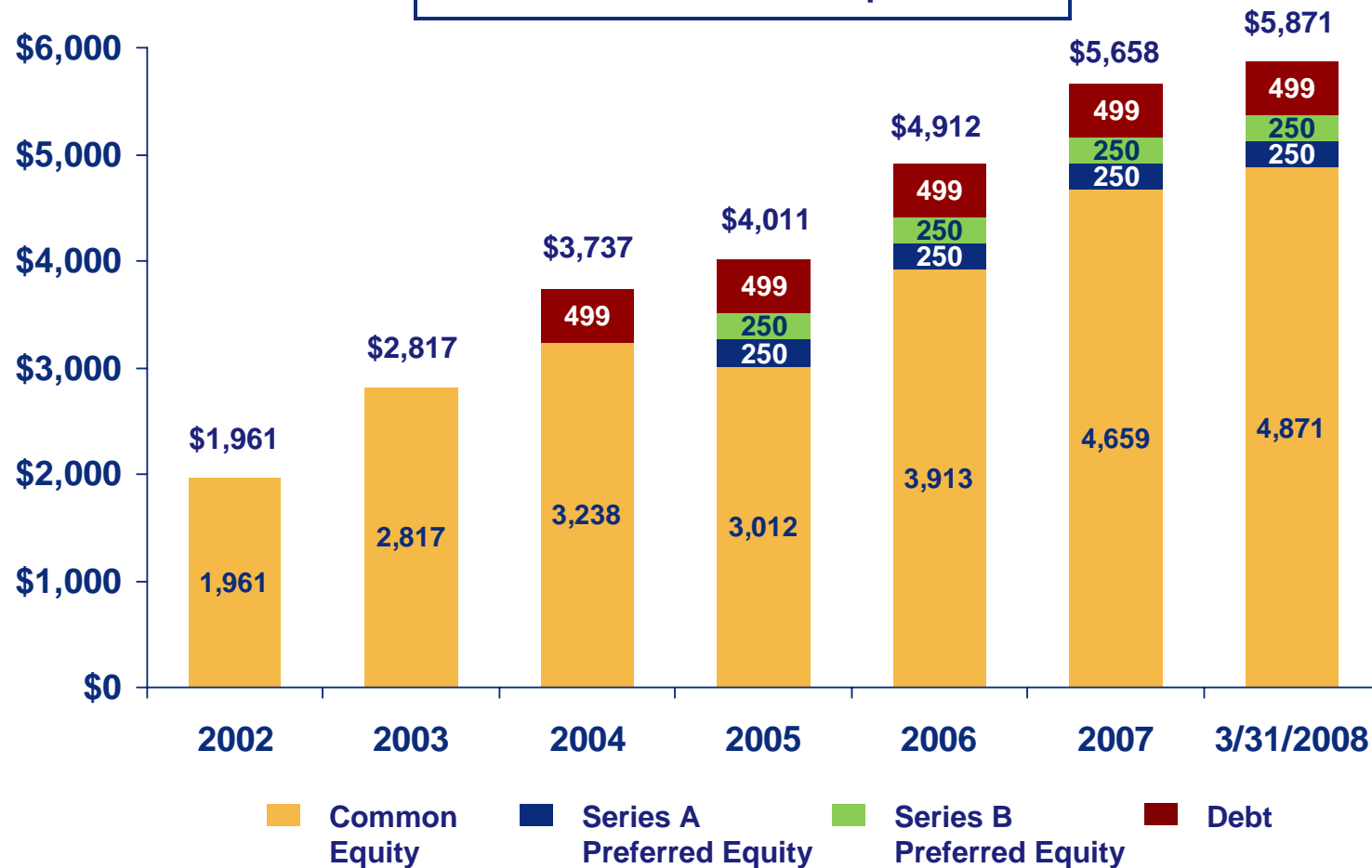
Investment Income Other Investments (in millions)

1Q 04	-	-	\$1	\$1	\$1	\$3	\$6	\$6	\$13	\$5	\$3	\$24	\$25	\$3	\$2	\$4	(\$36)
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Modest Financial Leverage = Financial Flexibility

(\$ in millions)

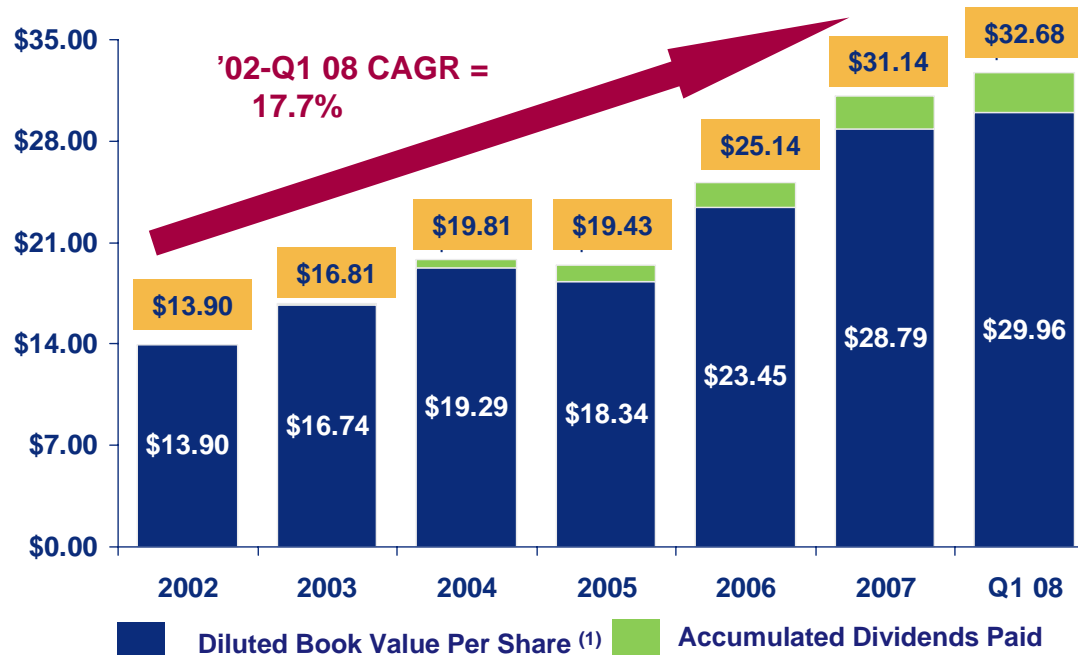
Capitalization Ratios	
Debt / Total Capital	8.5%
Debt + Preferred / Total Capital	17.0%



Driving Shareholder Value Creation

- 2002 – Q1 08 Average ROACE = 18.0%
- Diluted book value per share plus accumulated dividends have grown at an annualized rate of 17.7% from 2002 through March 31, 2008

Diluted book value per share + Accumulated dividends



(1) Calculated using the treasury stock method.