

AXIS Capital



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Safe Harbor Disclosure

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 catastrophes and other large losses, measurements of potential losses in the fair value of our investment portfolio, our expectations regarding pricing and other market conditions and valuations of the potential impact of movements in interest rates, equity prices, credit spreads and foreign currency rates.

Forward-looking statements only reflect our expectations and are not guarantees of performance. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements. We believe that these factors include, but are not limited to, the following:

- The occurrence and magnitude of natural and man-made disasters,
- Actual claims exceeding our loss reserves,
- General economic, capital and credit market conditions,
- The failure of any of the loss limitation methods we employ,
- The effects of emerging claims, coverage and regulatory issues,
- The failure of our cedants to adequately evaluate risks,
- Inability to obtain additional capital on favorable terms, or at all,
- The loss of one or more key executives,
- A decline in our ratings with rating agencies,
- Loss of business provided to us by our major brokers,
- Changes in accounting policies or practices,
- The use of industry catastrophe models and changes to these models,
- Changes in governmental regulations,
- Increased competition,
- Changes in the political environment of certain countries in which we operate or underwrite business, and
- Fluctuations in interest rates, credit spreads, equity prices and/or currency values.

This report is for informational purposes only. It should be read in conjunction with the documents that we file with the Securities and Exchange Commission pursuant to the Securities Act of 1933 and the Securities Exchange Act of 1934.

Why P&C?

- ① Resilient industry with tested business model
 - Unexpected events successfully absorbed
 - Flexible, disciplined business models based on “cycle management”
 - Non-discretionary purchase
- ① Despite elevated catastrophe losses of last two years, balance sheets remain solid
 - P&C companies have engaged in significant capital return
 - Well-positioned for deterioration in economy
- ① Current macroeconomic pressures manageable
 - Historically-low interest rates
 - Europe sovereign debt crisis
 - Regulatory/legal pressures
- ① Valuations significantly below historical averages
- ① P&C pricing power is improving

AXIS Capital – Overview

- 🌐 Bermuda-domiciled Global Specialty Insurer and Reinsurer
- 🌐 Founded in 2001; IPO in 2003
- 🌐 \$4.1 billion common stock market value⁽¹⁾; Annual dividend yield = 3.1%
- 🌐 Gross premiums written in 2011 of \$4.1 billion

Strong Balance Sheet



- 🌐 \$5.4 Bn = Shareholders' Equity
\$6.4 Bn = Total Capital
- 🌐 Financial Strength Ratings of "A+" (S&P), "A2" (Moody's) and "A" with positive outlook (A.M. Best)
- 🌐 Short-duration, high quality, highly liquid investment portfolio

Strategic Global Presence

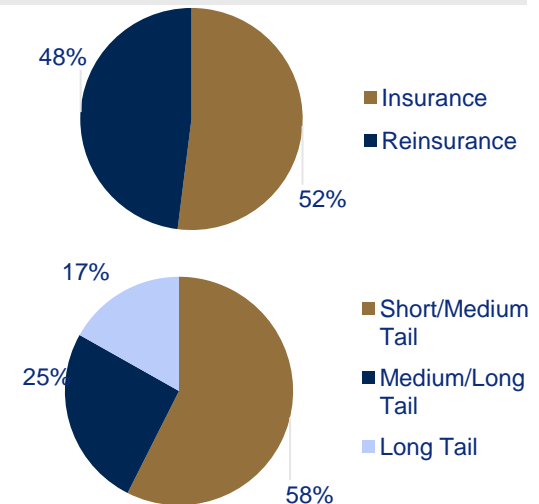


- 🌐 30 offices on 5 continents
- 🌐 Risk-bearing platforms in U.S., Bermuda and Europe, with international branches
- 🌐 Approximately 1,100 employees

Diversified Underwriting Portfolio



2011 GPW by Segment and by Tail

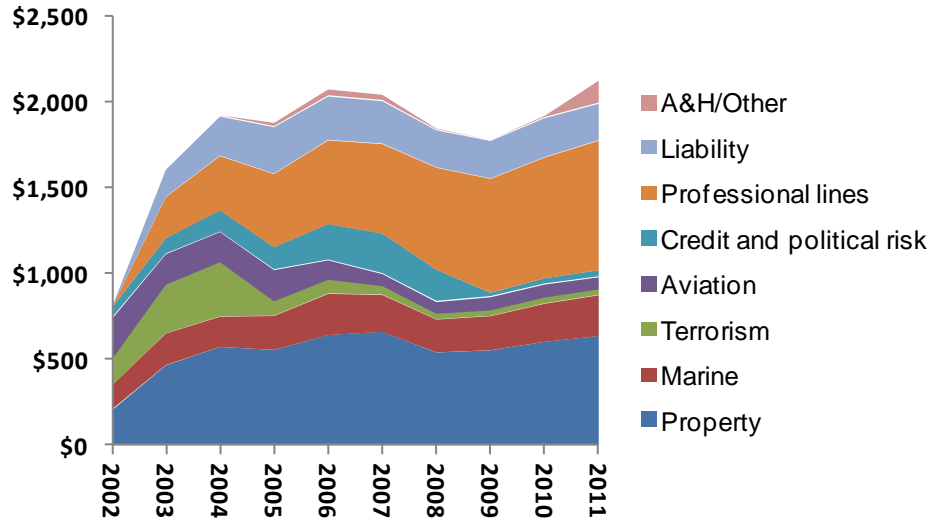


Note: Data as of December 31, 2011

(1) Based on fully diluted shares outstanding and 3/2/12 closing price.

Diversified Global Insurer

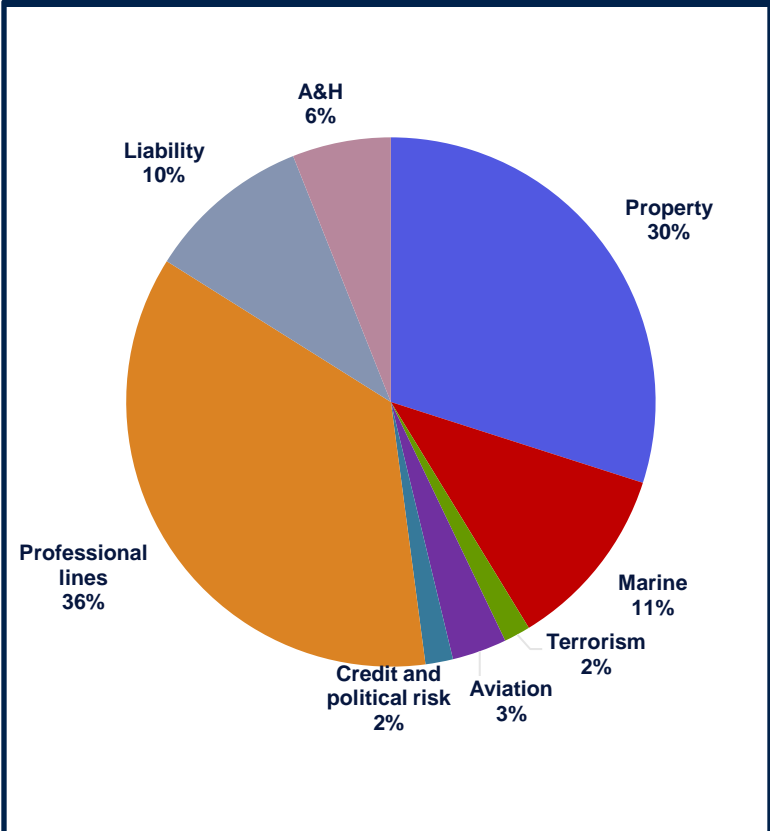
AXIS Insurance 2002-2011 GPW



AXIS Insurance	Aggregate 2002-2011	2011
GPW	\$18.0 Bn	\$2.1 Bn
NPW	\$12.2 Bn	\$1.5 Bn
Combined Ratio	81%	98%
Underwriting Profit	\$2.0 Bn	\$35 M

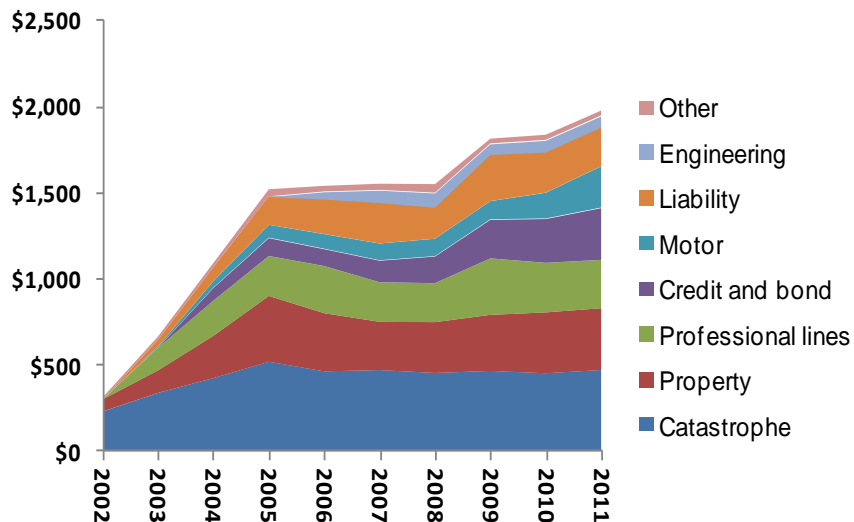
AXIS Insurance

2011 GPW by LOB = \$2,122 million
52% of Consolidated GPW



Diversified Global Reinsurer

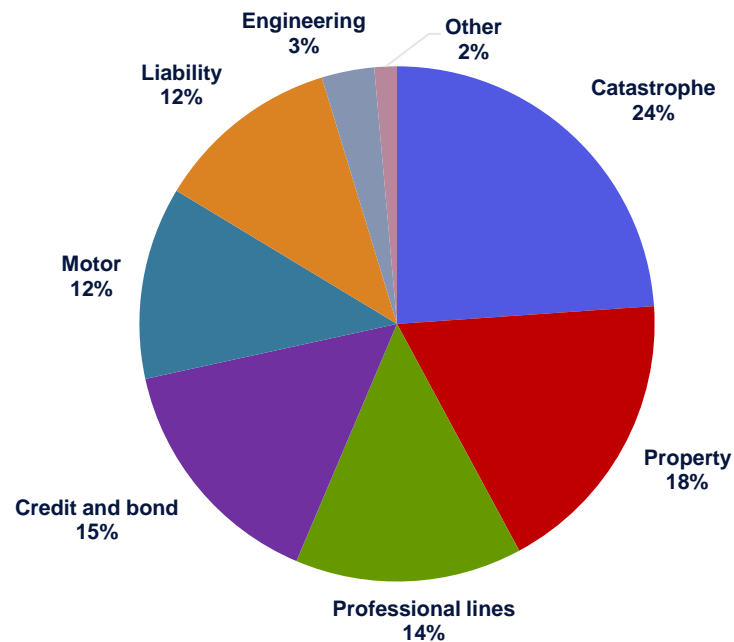
AXIS Reinsurance 2002-2011 GPW



AXIS Reinsurance	Aggregate 2002-2011	2011
GPW	\$13.9 Bn	\$2.0 Bn
NPW	\$13.7 Bn	\$2.0 Bn
Combined Ratio	89%	119%
Underwriting Profit(Loss)	\$1.4 Bn	\$(362) M

AXIS Reinsurance

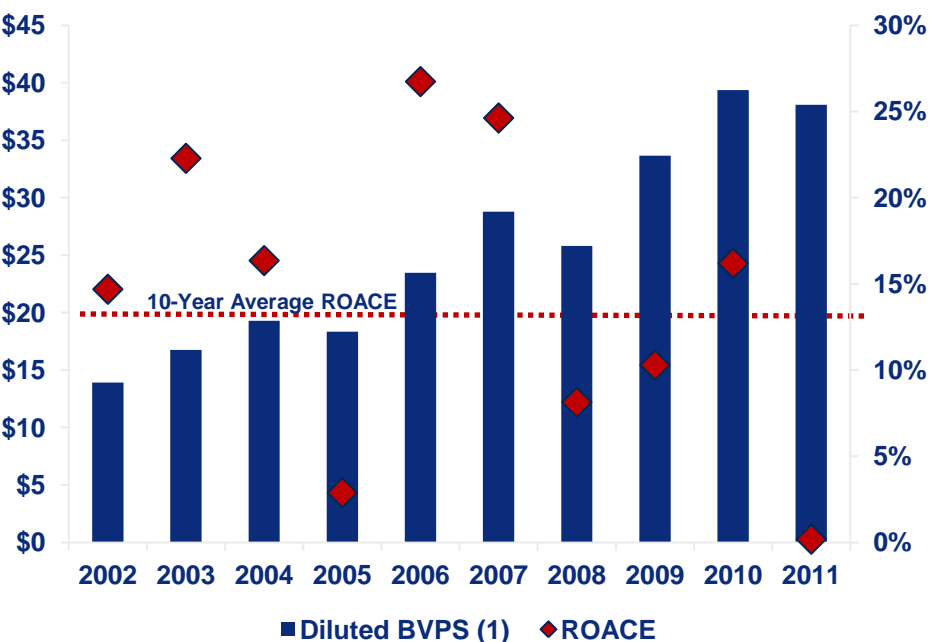
2011 GPW by LOB = \$1,974 million
48% of Consolidated GPW



Excellent Financial Performance

Excellent returns over time, despite several unprecedented industry stresses, and consistent dividend increases since IPO

ROACE and Diluted Book Value per Share ⁽¹⁾



Common Dividends Per Share



10-Year Average ROACE	14.2%
2002-2011 Diluted BVPS ⁽¹⁾ CAGR	11.8%
2002-2011 Value Creation ⁽²⁾ CAGR	13.7%

(1) Diluted book value per share calculated using Treasury stock method. Note 12/31/02 diluted book value per share is pro forma for AXIS Capital IPO

(2) Value creation calculated on change in diluted book value per share and cumulative declared dividends

Key Drivers of Success

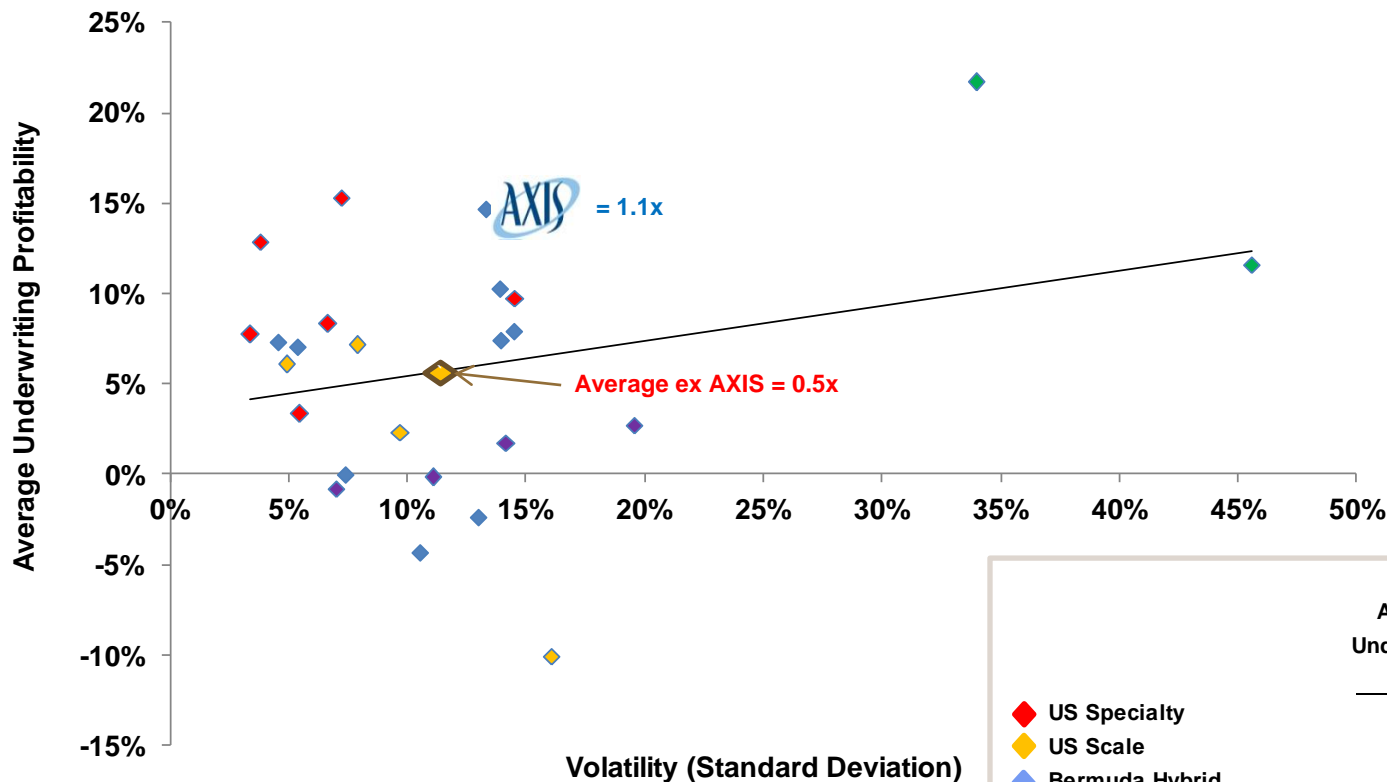
- ④ Provide clients and distribution partners excellent product, value and service
 - Broad range of products
 - Ability to assume complex, volatile risks
 - Meaningful capacity, underpinned by financial strength
 - Excellent claims management

- ④ Present underwriting staff of the highest quality
 - Expert knowledge
 - Professional service
 - Strong relationships

- ④ Perform strong enterprise risk management
 - Appropriate limits
 - Portfolio balance and diversification
 - Conservative reserving

10-Year Underwriting Profitability vs. Volatility

2002-2011 Average P&C Underwriting Profitability vs. Volatility ⁽¹⁾⁽²⁾⁽³⁾



	Average Underwriting		Average Underwriting Profit / Volatility ⁽¹⁾
	Profit	Volatility	
US Specialty	9.5%	6.9%	1.4x
US Scale	1.4%	9.7%	0.1x
Bermuda Hybrid	5.3%	10.7%	0.5x
Reinsurance Predominating	0.9%	13.0%	0.1x
Property Cat	16.6%	39.8%	0.4x
AXIS	14.7%	13.3%	1.1x
Total Average ex AXIS	5.5%	12.3%	0.5x

Source: Company documents, SNL.

(1) Multiple represents 2002-2011 Average P&C Underwriting Profitability to Volatility relationship and is calculated as (1 - average combined ratio) / standard deviation of historical combined ratios.

(2) Universe excludes Bermuda Class of 2005 companies

(3) US Specialty includes AFG, HCC, MKL, RLI, WRB, and Y.

US Scale group includes CB, CNA, HIG, and TRV.

Bermuda Hybrid group includes ACE, AGL, AGII, AHL, ALTE, AWH, AXS, ENH, and XL.

Reinsurance Predominating group includes PRE, PTP, RE, and TRH. 9

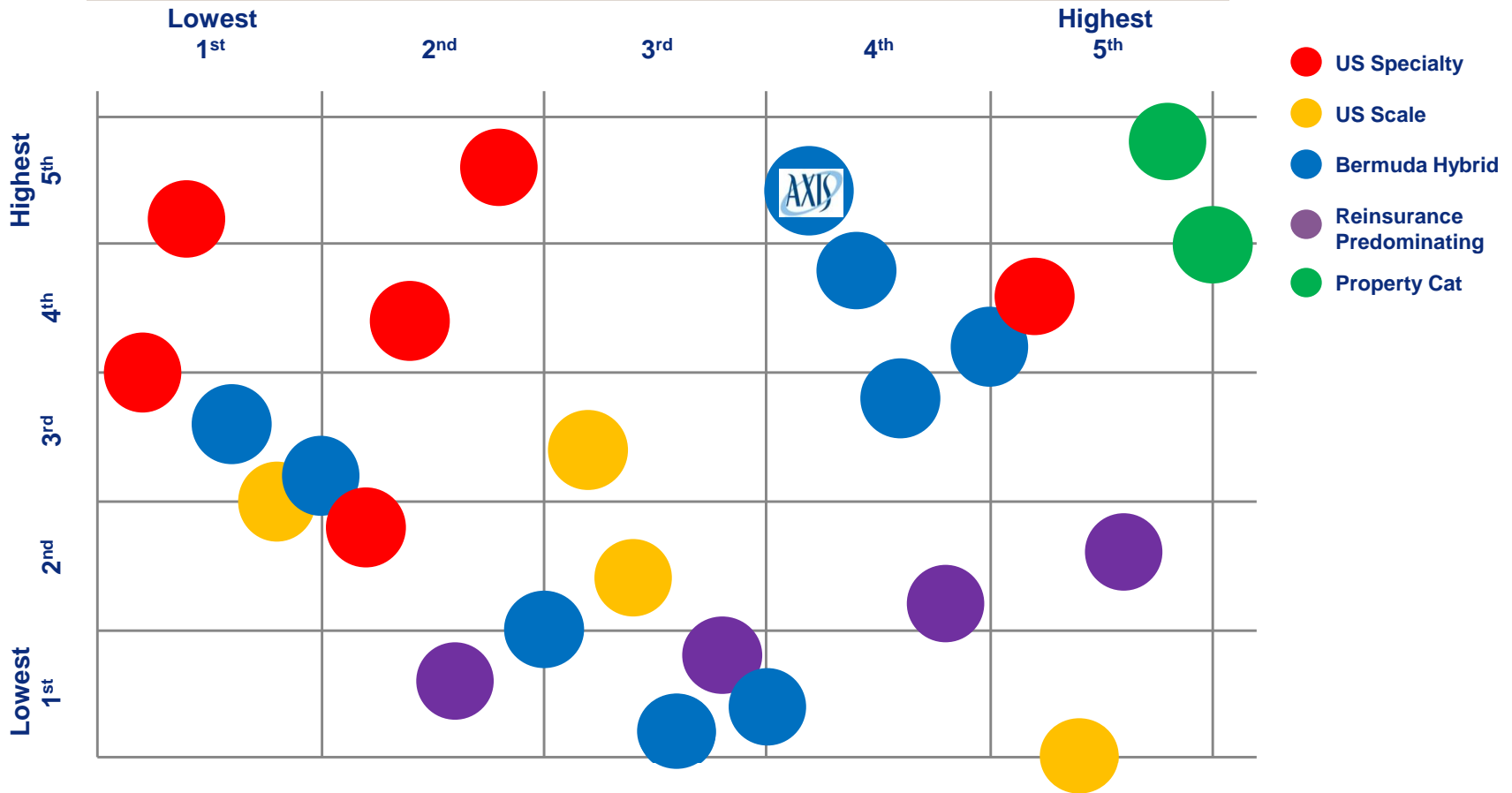
Property Cat group includes MRH and RNR.



10-Year Underwriting Profitability vs. Volatility

Volatility by Quintile

Average P&C Underwriting Profitability (2002-2011)
by Quintile



Source: Company documents, SNL.

Notes: Average P&C Underwriting Profitability is calculated as (1- average combined ratio). Volatility defined as standard deviation of historical combined ratios. Universe excludes Bermuda Class of 2005 companies.

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Bermuda Hybrid group includes ACE, ACGL, AGII, AHL, ALTE, AWH, AXS, ENH, and XL.

Reinsurance Predominating group includes PRE, PTP, RE, and TRH.

Property Cat group includes MRH and RNR.



Strong Entrepreneurial Culture

Investments in expanding our franchise over last several years offer meaningful potential for growth and portfolio optimization

Geography



- Established insurance platform in Canada
- Established insurance platform in Australia
- New reinsurance office in Sao Paulo

Distribution/ Target Markets



- Expanded capabilities to address smaller accounts
- Expanded retail distribution in AXIS Insurance

New Initiatives



- New global A&H business = line uncorrelated to P&C cycle with favorable demand and return characteristics

Strong Balance Sheet

(\$ in millions)

Balance Sheet Highlights	
Total Assets	\$ 17,806
Total Cash and Invested Assets ⁽¹⁾	13,499
Total Net Reserves	6,688

Strong, stable and competitive capital base with appropriate financial flexibility for this phase of the P&C cycle

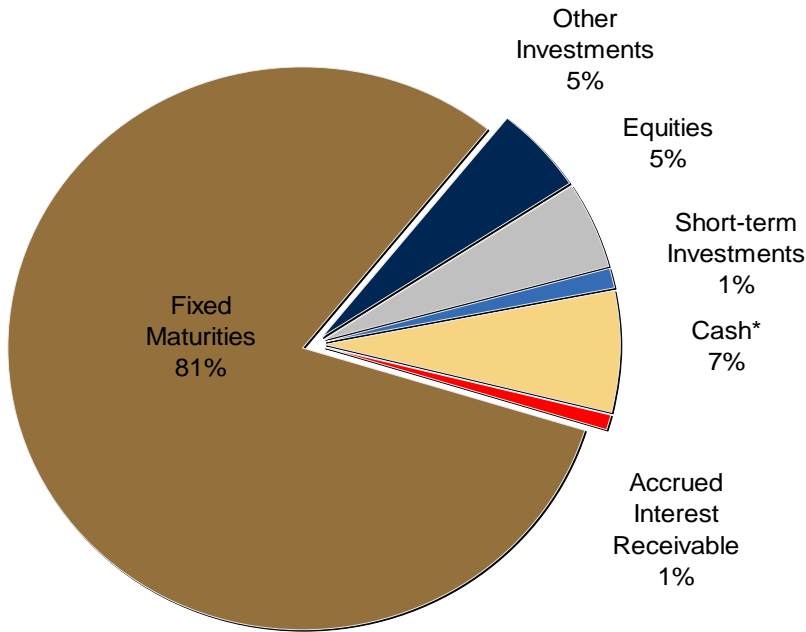
Security	Amount	%
Long-Term Debt	\$ 995	15%
Series A Preferred	250	4%
Series B Preferred	250	4%
Common Stock	4,944	77%
Total Capital	\$ 6,439	100%

Note: Data as of December 31, 2011

(1) Includes accrued interest receivable and is net of receivable/payable for investments sold/purchased

High Quality, Liquid Investment Portfolio

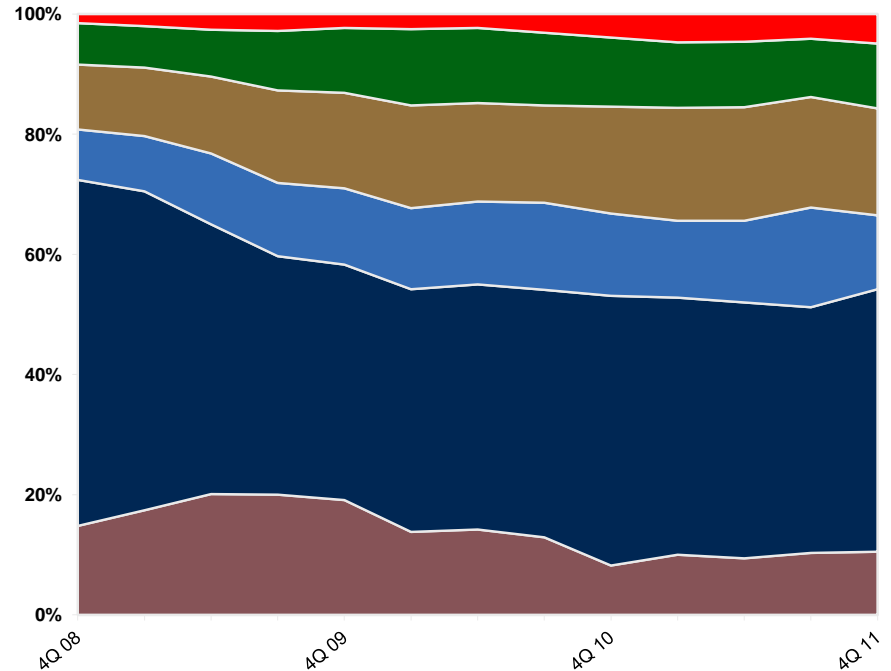
Total Cash and Invested Assets *
\$13.5 Bn as of 12/31/11



Fixed Maturities Portfolio Characteristics

Duration:	2.8yrs
Average quality rating:	AA-
Below investment grade:	4.9%
Book yield:	2.92%

Credit Quality of Fixed Maturities Portfolio
\$10.9 Bn as of 12/31/11



- U.S. government and agency
- AAA
- AA
- A
- BBB
- Below BBB

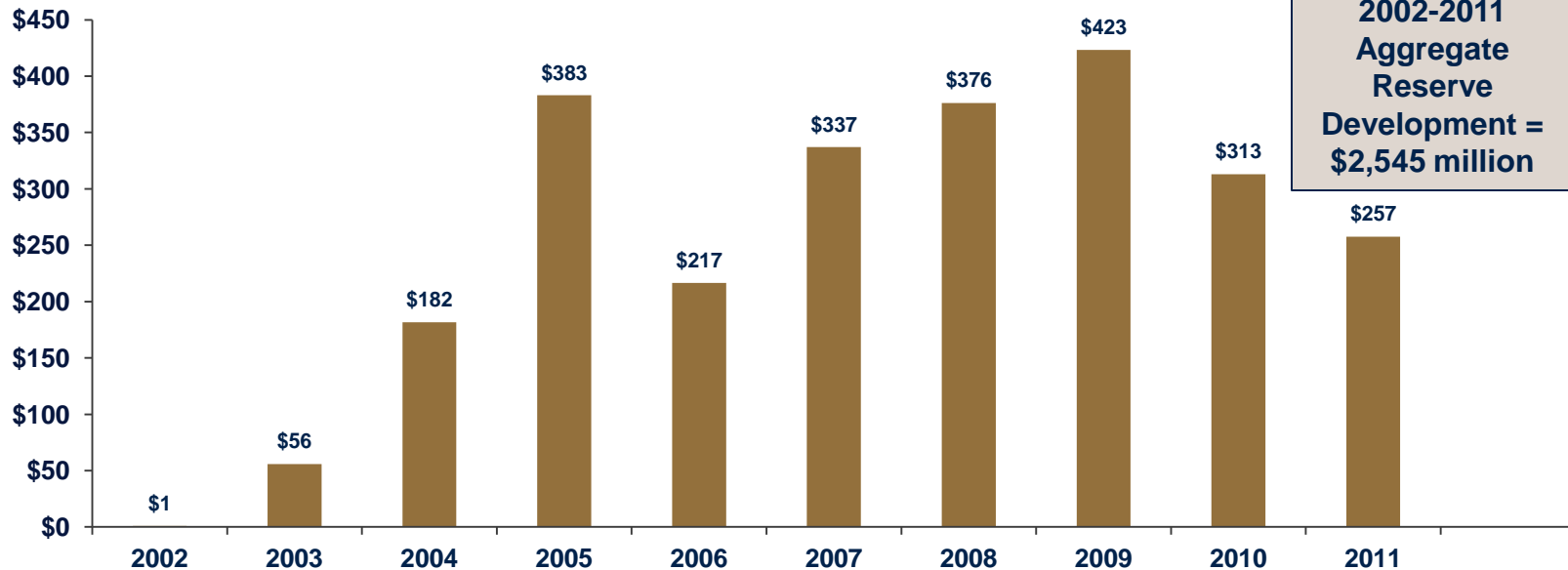
* Includes accrued interest receivable and is net of receivable/payable for investments sold/purchased

Conservative Reserving Policy

(\$ in millions)

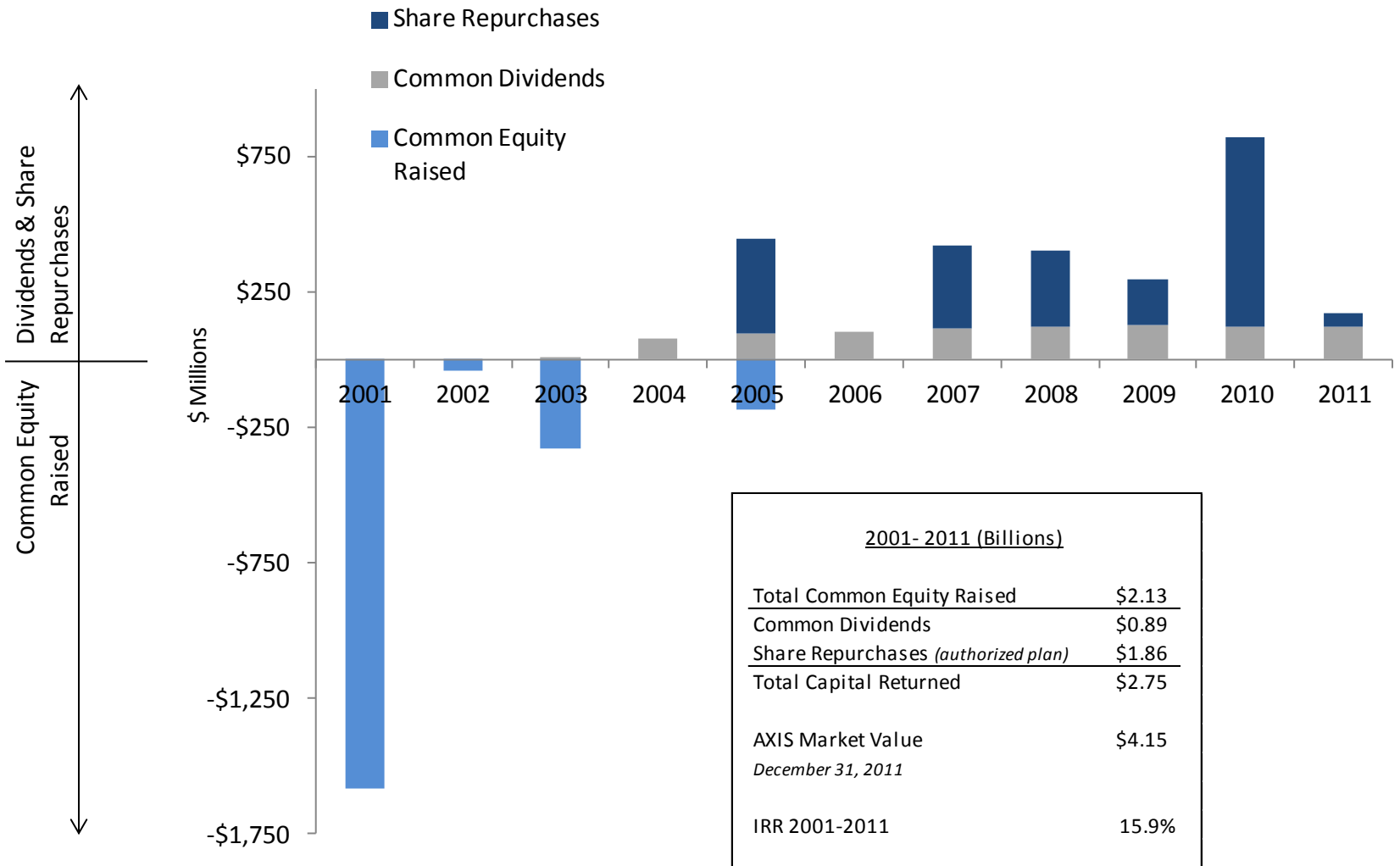
Net Unpaid Loss Reserves as of 12/31/11			
		Amount	% IBNR
Short / Medium Tail		\$2,531	44%
Medium / Long Tail		2,215	78%
Long Tail		1,942	70%
Total		\$6,688	63%

Historical Reserve Development



Note: Short/Medium Tail Lines include Property, Catastrophe, Credit & Political Risk, Aviation, Credit & Bond, Marine, Terrorism, Engineering and A&H.
 Medium/Long Tail Lines include Professional Lines.
 Long Tail Lines include Liability and Motor.

Efficient Capital Management



Beginning of Year 2012 Market Environment

- ④ Mixed, gradually improving pricing environment with a positive bias in a number of lines, particularly in the U.S.
 - Rate increases significant for U.S. cat exposure and loss-affected accounts globally, but more rate is required
 - Generally, competitive reinsurance environment in Europe
 - Wholesale specialty lines trending upward
 - Professional lines competition finally moderating
 - Pricing changes not yet outpacing loss trend in casualty
- ④ Uncertain global economic environment
 - Suppressed economic growth
 - Low interest rate environment
 - Eurozone crisis

AXIS Strategy In Current Market Environment

Focused on a strong foundation for underwriting execution and a strong, stable and competitive capital base with financial flexibility appropriate for this phase of the P&C cycle

Underwriting



- 🌐 **Manage risk appetite**
- 🌐 **Incorporate lessons from recent experience**
- 🌐 **Prepare to accelerate underwriting**
- 🌐 **Continue to cultivate distribution footprint and new initiatives (e.g. A&H)**

Investments



- 🌐 **Maintain exposure to investment-grade spread assets**
- 🌐 **Maintain liquidity and shorter duration**
- 🌐 **Optimize total return through continued diversification away from interest rate sensitive assets**

Capital



- 🌐 **Maintain financial flexibility**
- 🌐 **Maintain financial strength but “right size” to opportunity**
- 🌐 **Dividend policy characterized by consistent increase and attractive yield**

AXIS Strategy

- 🌐 Diversified range of specialty products across market segments and geographies
- 🌐 Best-in-class service and effective risk management solutions for our clients and our partners in distribution
- 🌐 Underwriting of complex and volatile risks with moderation of volatility through risk limits, diversification and risk management
- 🌐 Modulation of risk appetite and capital across the insurance cycle, commensurate with available market returns
- 🌐 Industry leading financial strength, characterized by financial conservatism and transparency
- 🌐 Cultivation of an ethical, risk-aware, achievement-oriented culture that promotes discipline, entrepreneurialism and professionalism

Positioned for Industry-Leading Results

- ① Capacity for greater-than-industry growth in favorable markets and less-than-industry revenue reduction in difficult markets
 - Sufficient scale to provide larger capacity – competitive advantage
 - Not so large as to lose agility
 - Sufficient diversity to manage cycle and volatility successfully
 - Continued investment in franchise
- ① Focused on delivering long-term value for our shareholders
 - Industry-leading underwriting results
 - Industry-leading ROACEs with industry-average volatility
 - Industry-leading book value growth with industry-average volatility

Conclusion

- 🌐 Global insurance and reinsurance platform
- 🌐 Diversified book of business by product and geography
- 🌐 Excellent market reputation
- 🌐 Deep relationships
- 🌐 Ability to access and underwrite complex risks
- 🌐 Strong entrepreneurial and underwriting culture
- 🌐 Strong capital and ratings and conservative balance sheet
- 🌐 Successful track record