

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 and coverage 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,
- 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.

AXIS – Who we Are

- 🌐 **Bermuda-domiciled Specialty Insurer and Reinsurer**
- 🌐 **Founded 2001; IPO – 2003; \$4.4 Bn market value⁽¹⁾ at 3/23/2011**
- 🌐 **\$3.75 Bn GWP in 2010**
- 🌐 **Underwriting-led, Diversified Specialty Insurer and Reinsurer with Strong Risk Management Culture**

Strong Balance Sheet



- 🌐 **\$5.6 Bn of shareholders' equity as at December 31, 2010. Total capital of \$6.6 Bn**
- 🌐 **Financial Strength Ratings of A+ (S&P), A2 (Moody's) and A (AM Best)**
- 🌐 **Diluted BVPS 13.4% CAGR since 6/30/2003 (IPO)**

Multi-Platform Approach

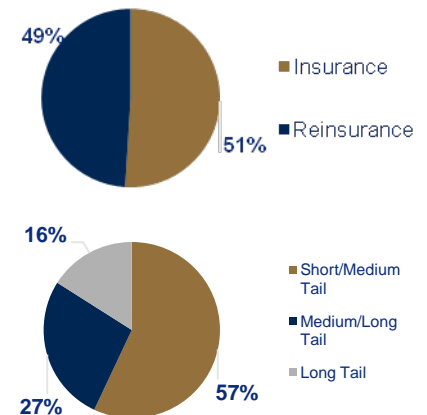


- 🌐 **31 offices in 9 countries, including Bermuda, U.S., Europe, Singapore, Canada and Australia**
- 🌐 **Risk-bearing platforms in U.S., Bermuda and Europe, with international branches**
- 🌐 **Approximately 1,000 employees**
- 🌐 **Insurance and Reinsurance**

Well Diversified Portfolio



Focus on Specialty Lines

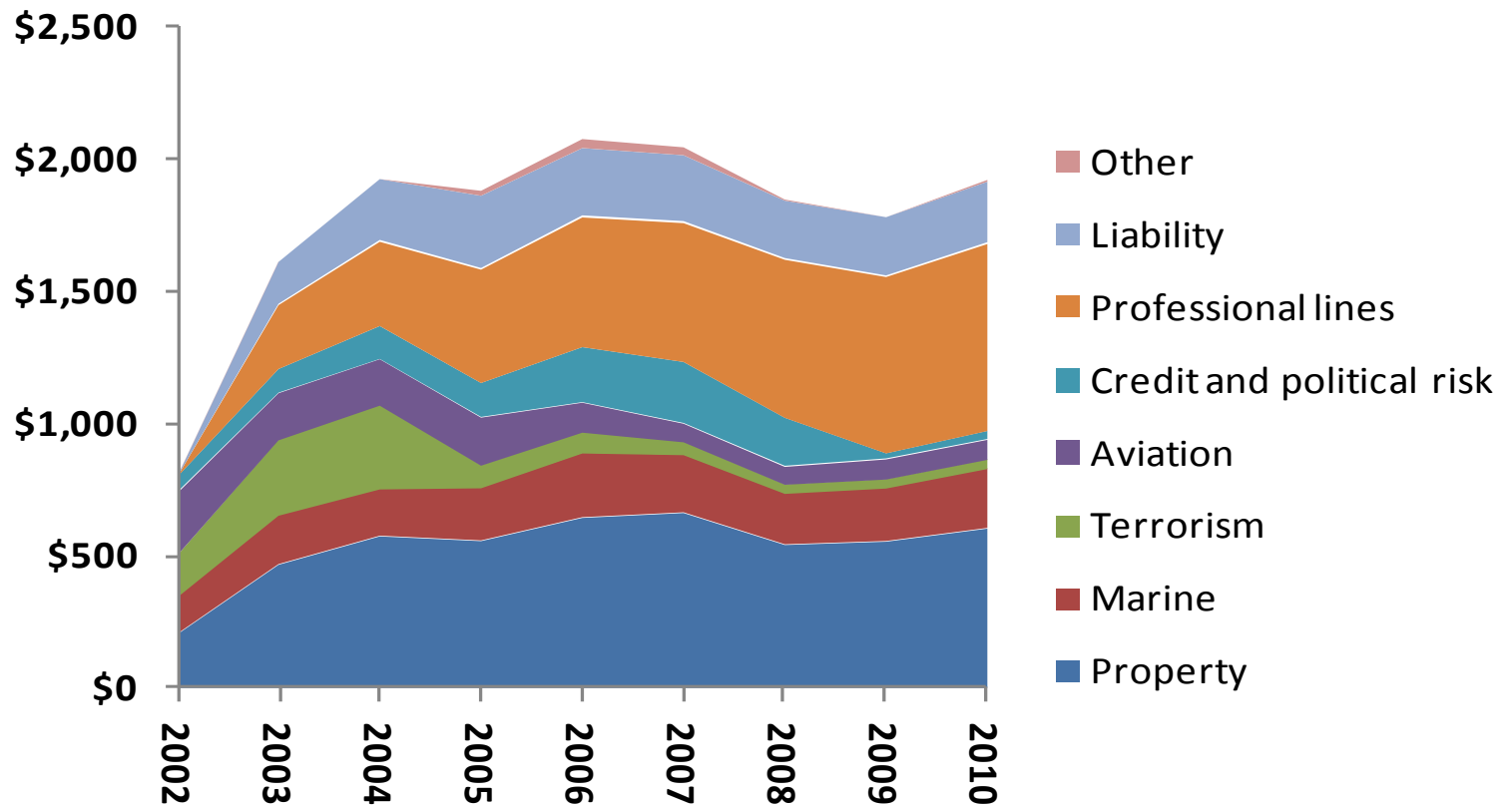


(1) Based on fully diluted shares outstanding.

AXIS Insurance

Development of AXIS Insurance GPW

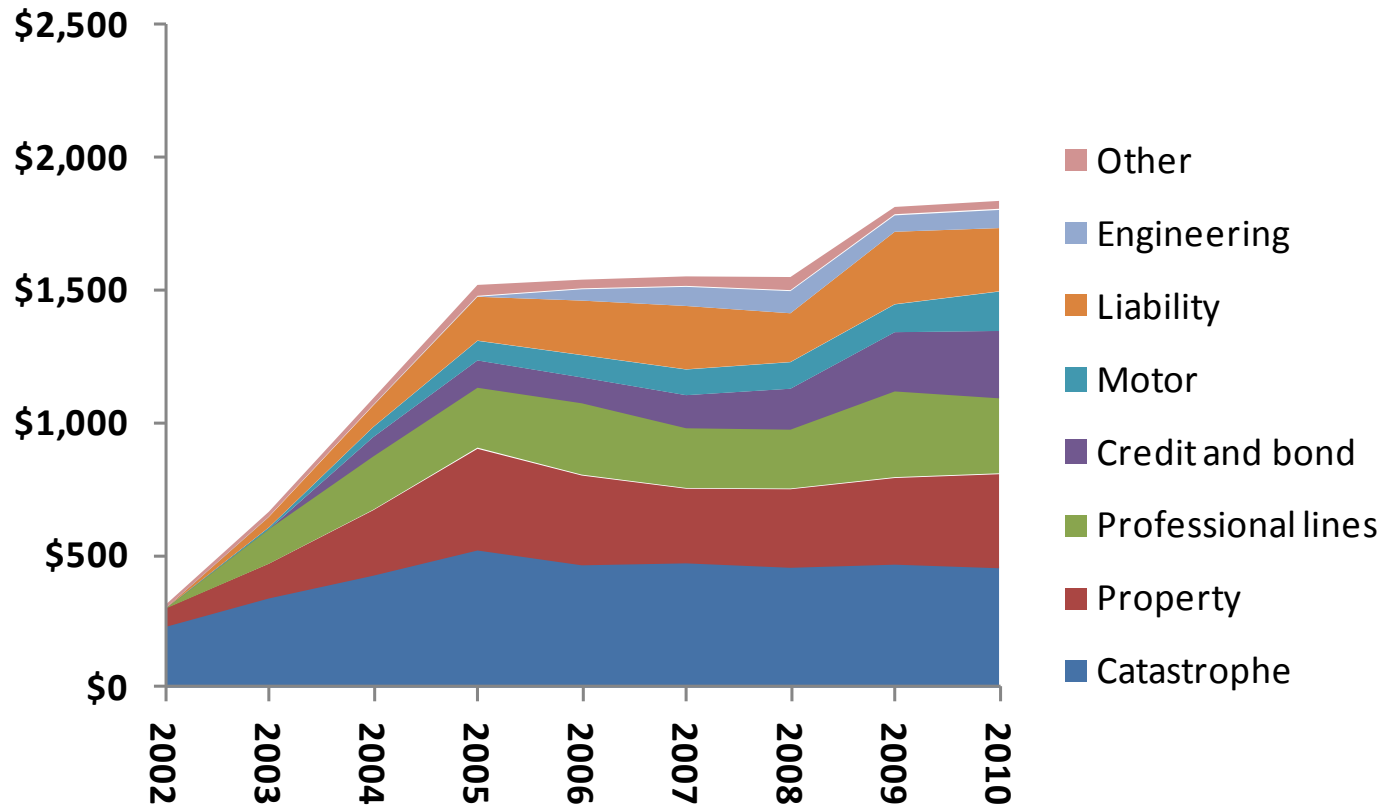
(\$ in millions)



AXIS Reinsurance

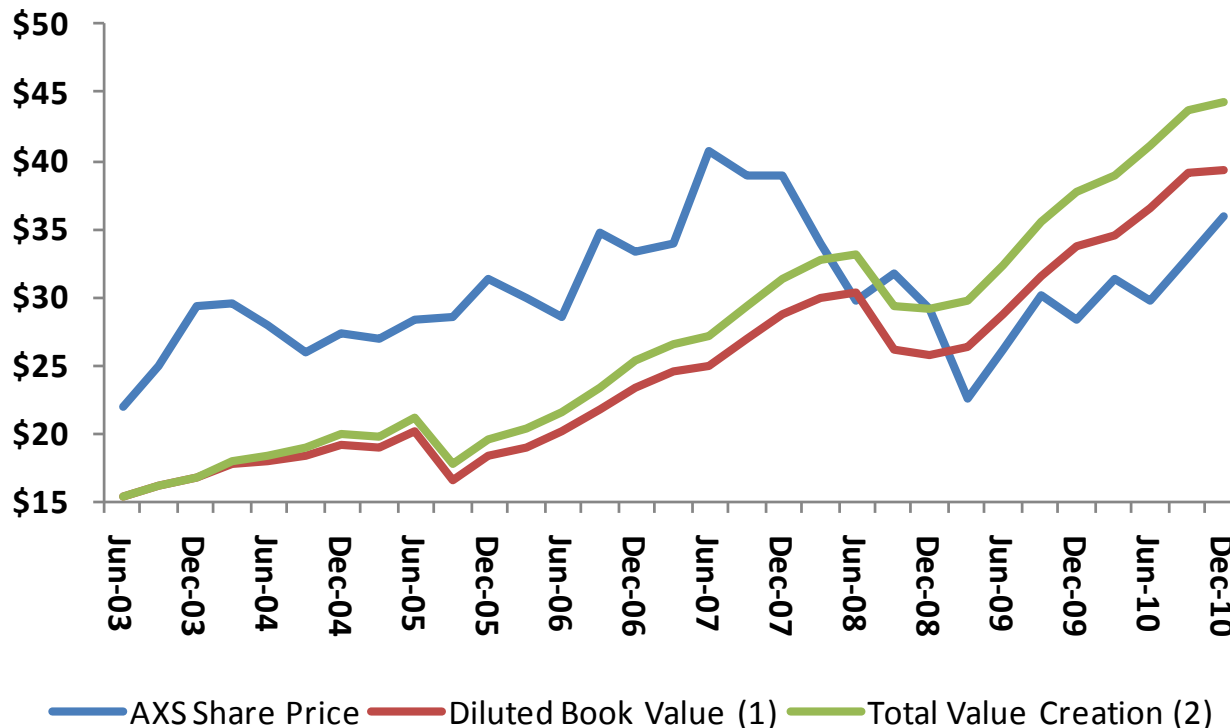
Development of AXIS Reinsurance GPW

(\$ in millions)



AXIS Performance – Share Price to Fully Diluted Book Value

Book value per share ⁽¹⁾ CAGR since 6/30/03 (IPO)	13.4%
Total value creation per share ⁽²⁾ CAGR since 6/30/03 (IPO)	15.2%



- (1) Diluted book value per share calculated using Treasury stock method. Note 6/30/03 diluted book value per share is pro forma for AXIS Capital IPO.
- (2) Total value creation calculated as change in diluted book value per share and cumulative declared dividends.

Key Highlights

2010 Financial Results

GPW Growth	4.6%
Combined Ratio	88.7%
Operating ROACE	12.4%
Diluted Book Value per Share Growth	17.0%
Total Value Creation ⁽¹⁾	19.6%

- 🌐 **2010 combined ratio of 88.7% includes 8.6 points of catastrophes ⁽²⁾ and 10.6 points of favorable prior year reserve development. Accident year combined ratio of 99.3%**
- 🌐 **Significant investments in infrastructure, geography and product to prepare for market turn**
- 🌐 **Returned \$820 million to common shareholders through share repurchases and dividends**

(1) 2010 Total Value Creation = 2010 change in diluted book value per share and cumulative declared dividends

(2) Chile and New Zealand earthquakes.

Superior Balance Sheet Strength

High Quality, Liquid and Conservative Balance Sheet

High-quality Investments



- ⊕ Total Investments and Cash of \$12.6 Bn of which:
 - \$11.4 Bn, or 90%, is investment-grade fixed income securities and cash
 - Average FI and Cash rating of AA

- ⊕ “Risk Assets” of \$1.2Bn, or 10% of total investments and cash
 - Includes below investment-grade bonds, RMBS and CMBS, CLO’s, equities and hedge funds

Prudent Approach to Reserving



	Gross Reserves (\$ millions)		Net Reserves (\$ millions)	
Case	\$2,097	30%	\$1,666	30%
IBNR	4,935	70%	3,826	70%
Total	\$7,032	100%	\$5,492	100%

	Gross	Net
Short / Medium	30%	33%
Medium / Long	38%	37%
Long	32%	30%

Superior Capitalization



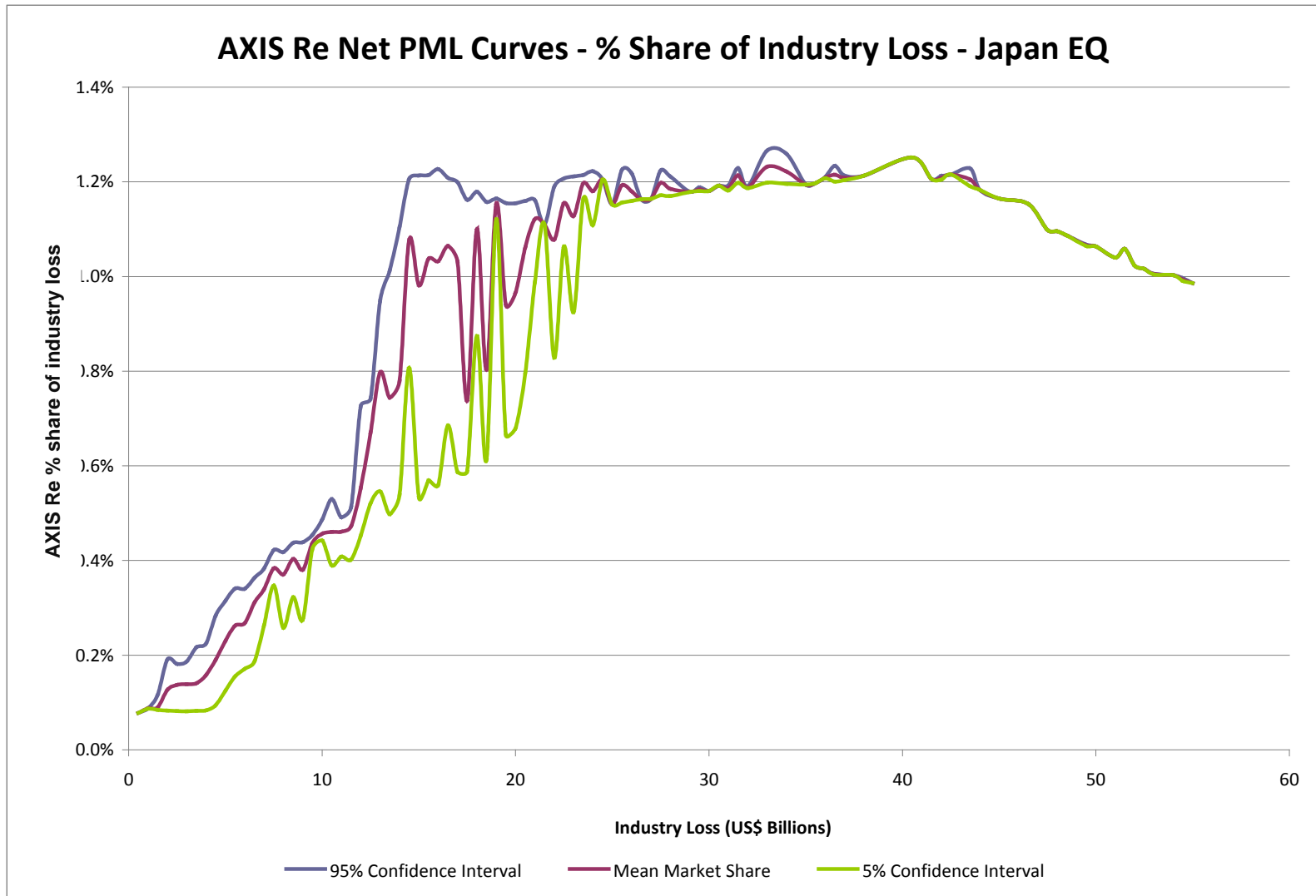
	(\$ millions)	
Common Equity	\$5,125	77%
Preferred Equity	500	8%
Total Equity	5,625	85%
Debt	994	15%
Total Capitalization	6,619	100%

AXIS Estimates of Loss from Q1 2011 Events

	AXIS Group Net Loss Estimates ⁽¹⁾	Industry Loss Estimates	Comments
Christchurch, NZ Earthquake	\$185-\$215M	\$8-\$12 Bn	<ul style="list-style-type: none"> Assumes total loss to vast majority of exposed reinsurance treaties Insurance segment net loss not to exceed \$20 million
Australia Q1 Loss Events	\$90-\$100M	>\$6 Bn	
Tohoku Japan Earthquake	< 1.3% of Industry Loss for AXIS Re; not to exceed \$25M for AXIS Insurance	\$12-\$30 Bn	<ul style="list-style-type: none"> Too early for reliable industry loss estimates Insurance segment net retention under reinsurance programs is \$25M

(1) Loss estimates are pre-tax and net of reinsurance recoveries and reinstatement premiums

AXIS Re Japan EQ Market Share Analysis



Top 15 Market Losses since 2001

			Estimated Total Insured Losses (\$ in billions)	AXIS Net Loss (\$ in millions)	AXIS Estimated Share of Insured Losses
1	Hurricane Katrina	2005	\$65	\$818M	1.3%
2	Tohoku Japan EQ*	2011	25 ⁽¹⁾	N/A	<1.3%
3	Hurricane Ike	2008	20	395	2.0%
4	Hurricane Wilma	2005	13.5	225	1.7%
5	Hurricane Charley	2004	12.5	109	0.1%
6	Hurricane Ivan	2004	11.5	52	0.5%
7	Christchurch, NZ Earthquake*	2011	10	185-215	2.0% ⁽²⁾
8	Hurricane Rita	2005	10	162	1.6%
9	Chile Earthquake	2010	8	118	1.5%
10	Hurricane Gustav	2008	7	27	0.4%
11	Hurricane Frances	2004	7	43	0.6%
12	UK Floods	2007	7	23	0.3%
13	Hurricane Jeanne	2004	6	50	0.8%
14	Windstorm Kyrill	2007	6	37	0.6%
15	Canterbury, NZ Earthquake*	2010	5	138	2.8%
Top 15 - AXIS Mean Market Share					1.2%
U.S. Events - AXIS Mean Market Share					1.0%
Non-U.S. Events - AXIS Mean Market Share					1.4%

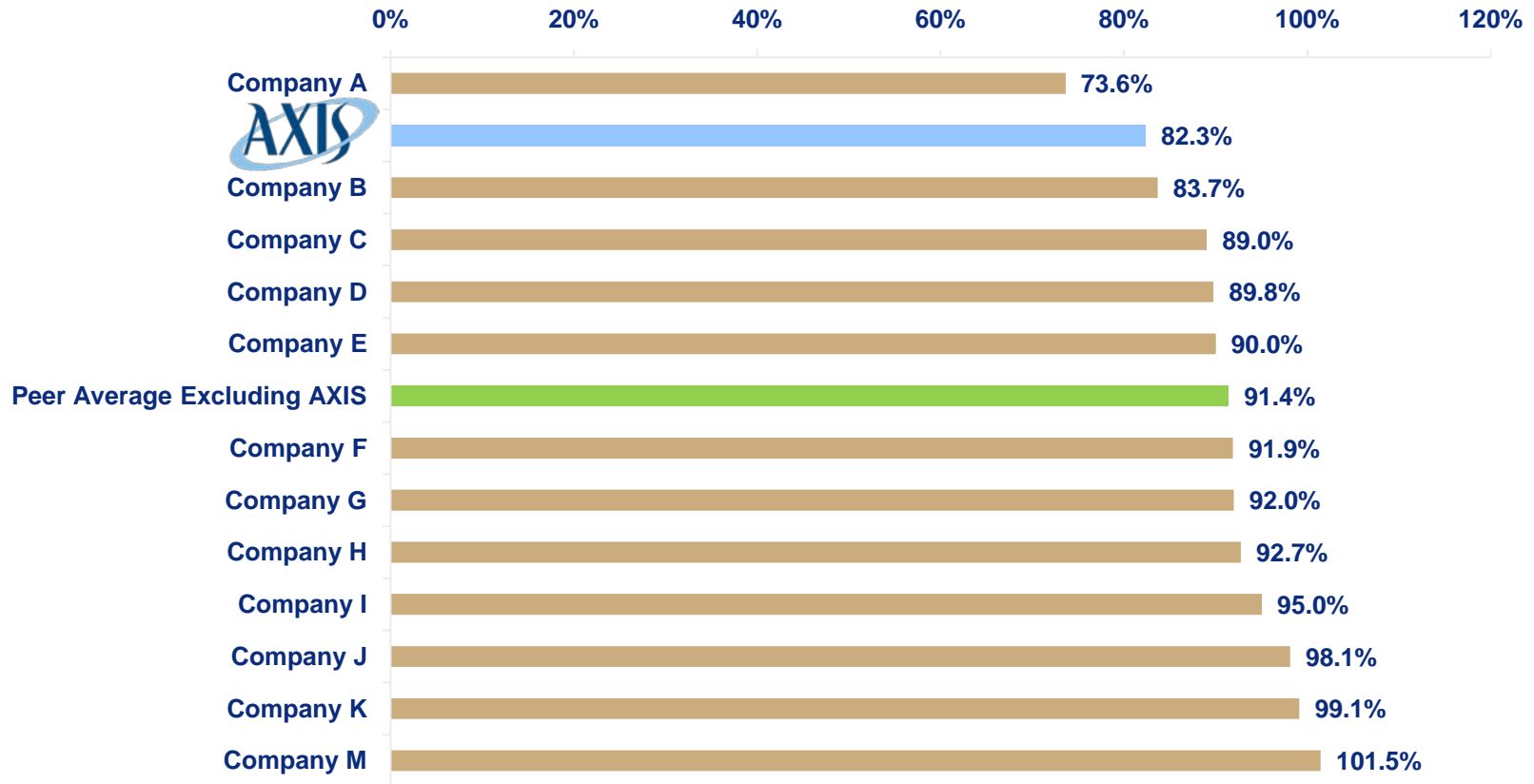
* Denotes events for which industry loss estimates are not currently reliable. Modeling agencies have historically underestimated large catastrophe losses in initial estimates often due to exclusion of key loss elements.

(1) Midpoint of AIR range of total estimated insured losses (\$20-\$30Bn) as of March 25, 2011.

(2) AXIS market share calculated using midpoint of net loss estimate range.

AXIS Underwriting Outperformance

Average P&C Combined Ratio ⁽¹⁾ 2002-2010



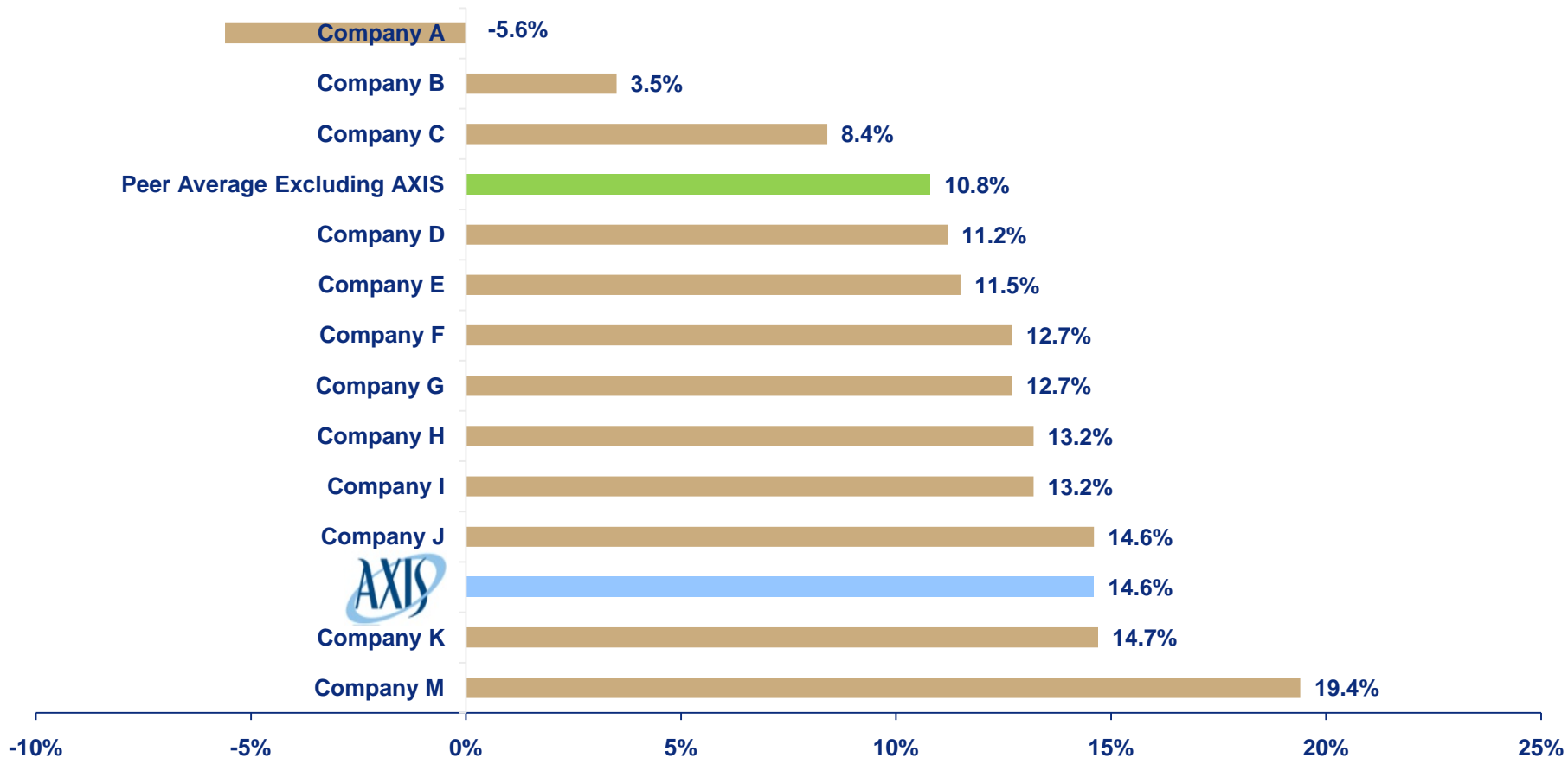
Source: Company Reports, SNL

Note: Peers are Bermuda (re)insurers excluding Bermuda Class of 2005.

(1) P&C operations only. Includes corporate expenses.

Excellent Long-term Value Creation

Total Value Creation CAGR (12/31/04 – 12/31/10)¹



Source: Company Reports, SNL

Note: Peers are Bermuda (re)insurers excluding Bermuda Class of 2005.

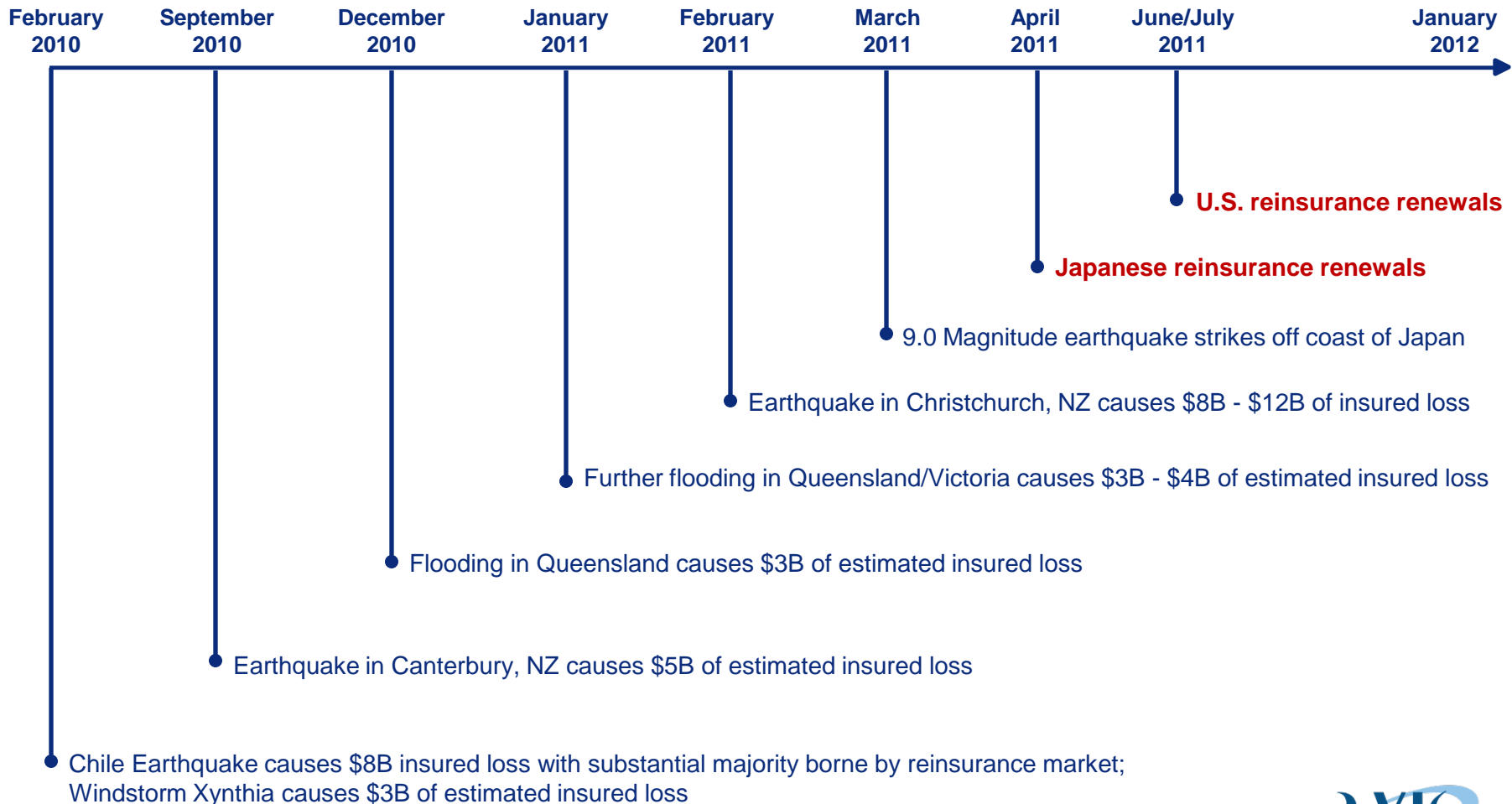
(1) Total Value Creation calculated as change in diluted book value per share plus cumulative declared dividends.

The Case for a Broad P&C Market Turn

- ① **Low interest rate environment**
- ① **Absence of underwriting cash flow**
- ① **Deceleration of favorable reserve development**
- ① **Increasing pressure on accident year loss ratios**
- ① **Accumulation of recent large losses**
- ① **Catastrophe model change with RMS version 11**
- ① **Increasing regulatory intervention**
- ① **Exit of market participants in certain lines**

Property Cat Situation Overview

Accumulation of recent large losses in excess of \$60B combined with U.S. catastrophe model change expected to positively impact upcoming renewals



Leveraged to Improving Lines of Business

(\$ in millions)

Line of Business	2010 GPW	% of Group GPW	Profitability Comment
Reinsurance Segment			
Catastrophe	\$453	12%	↑
Property	355	9%	↑
Professional lines	288	8%	↔
Credit and bond	254	7%	↑ following global financial crisis
Liability	238	6%	
Motor	149	4%	↑ in select geographies
Engineering	68	2%	↔
Other	30	1%	
Insurance Segment			
Professional lines	\$712	19%	↔
Property	601	16%	↑
Liability	228	6%	
Marine	225	6%	↑ following Deepwater Horizon
Aviation	76	2%	↑
Terrorism	37	1%	
Credit and political risk	31	1%	↑ following global financial crisis
Other	6	0%	
Consolidated Total	3,751	100%	

- More than 50% of 2010 GPW came from lines impacted positively subsequent to global financial crisis or in lines likely to experience a correction following recent large losses and model change
- Professional lines (27% of 2010 GPW) has shown very favorable experience
- 12% of our 2010 business on a gross basis represents a very select liability portfolio

Manage risk

Maintain quality of our seasoned portfolio

Prepare to accelerate when the market turns

- Transformation initiative to increase productivity of intellectual capital at AXIS
- Continue to build global footprint

A&H strategic initiative

- Primary product focus = accident, health, travel, disability and allied personal lines insurance and reinsurance
- 2011 growth from accident, catastrophe and specialty health reinsurance globally
- Good progress in building insurance capabilities globally
- Over 60 employees globally

Protect Book Value and Total Returns in Rising Rate Environment

Defend investment income in a low rate and spread environment

- Maintain exposure to investment-grade spread assets
- Manage duration

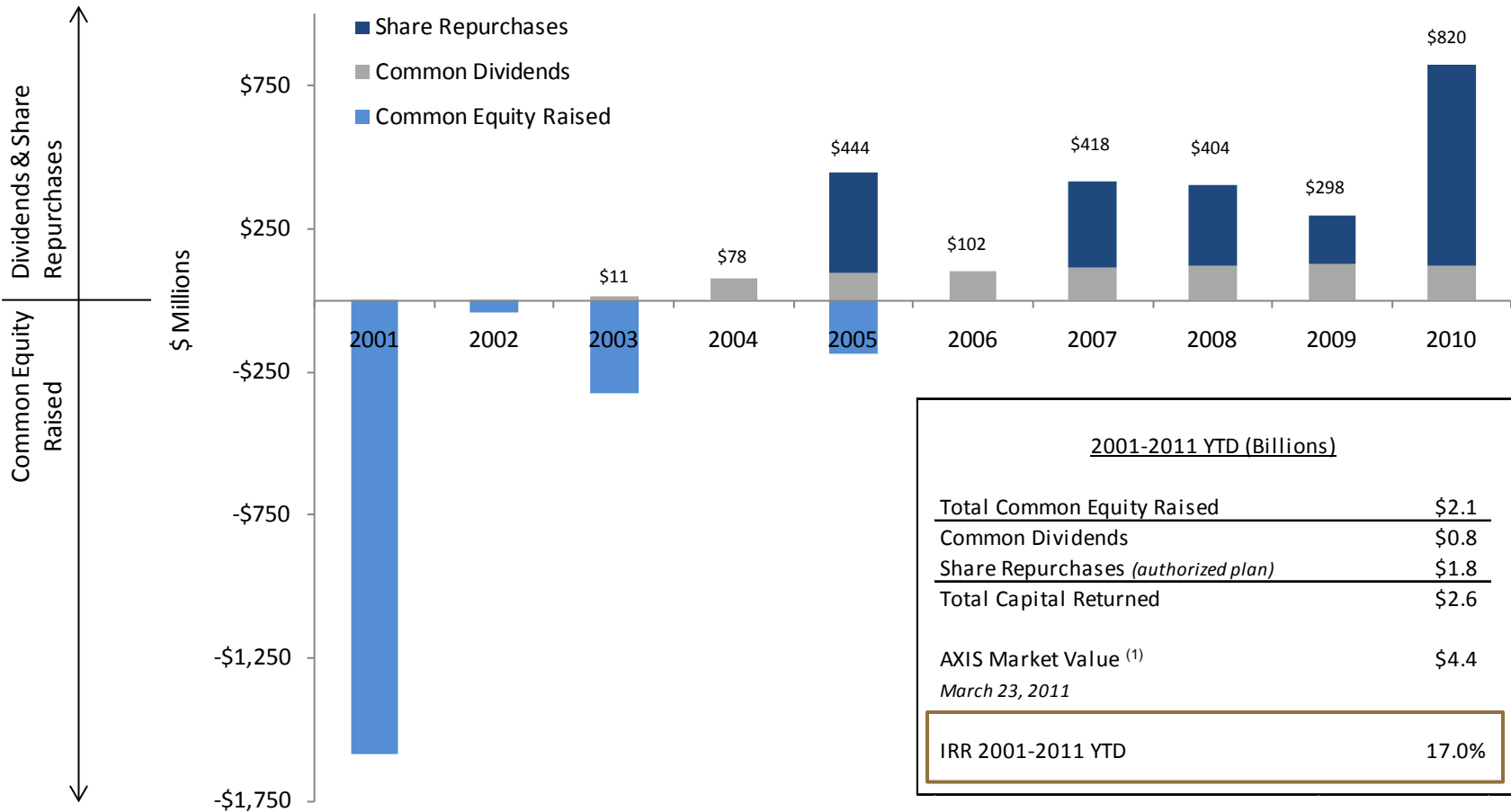
Optimize risk-adjusted returns

- Diversify away from interest-rate sensitive assets
- Increased exposure to equities and alternatives

Capital management

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

Efficient Capital Management



(1) Based on fully diluted shares outstanding.

Unique underwriting skill set

- Disciplined peer review process

Diversified platform

- Insurance and reinsurance
- Multiple lines and markets

Excellent financial strength

Track record of superior performance

Ideally positioned to capitalize on market opportunities