



AXIS Capital Holdings Limited
2011 Loss Development Triangles

AXIS Capital Holdings Limited
2011 Loss Development Triangles

Loss Development Triangle Cautionary Language

This report is for informational purposes only and is as of December 31, 2011. We are under no obligation and do not expect to update or revise this report, whether as a result of new information, future events or otherwise, even when such new data has been reflected in the Company's filings with the U.S. Securities and Exchange Commission (the "SEC") or other disclosures. Although the loss development patterns disclosed in this report are an important factor in the process used to estimate loss reserve requirements, they are not the only factors we consider in establishing reserves. The process for establishing reserves is subject to considerable variability and requires the use of informed estimates and judgments. Important details, such as specific loss development expectations for particular contracts, years or events, cannot be developed solely by analyzing the information provided in this report. In addition to analyzing loss development information, we incorporate additional information into the reserving process, such as pricing and market conditions. Readers must keep these and other qualifications more fully described in this report in mind when reviewing this information. This report should be read in conjunction with other documents filed by AXIS Capital Holdings Limited ("AXIS" or the "Company") with the SEC, including our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

Safe Harbor for Forward-Looking Statements

Some of the statements in this report may include forward-looking statements which reflect management's current views with respect to future events and financial performance. Such statements may include forward-looking statements both with respect to the Company in general and the insurance and reinsurance sectors specifically, both as to underwriting and investment matters. Statements which include the words "expect," "intend," "plan," "believe," "project," "anticipate," "seek," "will," and similar statements of a future or forward-looking nature identify forward-looking statements in this report for purposes of the U.S. federal securities laws or otherwise. The Company intends these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the Private Securities Litigation Reform Act of 1995.

All forward-looking statements address matters that involve risks and uncertainties. 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 and magnitude of natural and man-made disasters, (2) actual claims exceeding our loss reserves, (3) general economic, capital and credit market conditions, (4) the failure of any of the loss limitation methods we employ, (5) the effects of emerging claims, coverage and regulatory issues, (6) the failure of our cedants to adequately evaluate risks, (7) inability to obtain additional capital on favorable terms, or at all, (8) the loss of one or more key executives, (9) a decline in our ratings with rating agencies, (10) the loss of business provided to us by our major brokers, (11) changes in accounting policies or practices, (12) the use of industry catastrophe models and changes to those models, (13) changes in governmental regulations, (14) increased competition, (15) changes in the political environment of certain countries in which we operate or underwrite business, (16) fluctuations in interest rates, credit spreads, equity prices and/or currency values, and (17) the other factors set forth in our most recent report on Form 10-K, Form 10-Q and other documents on file with the SEC. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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I. PURPOSE AND SCOPE

This is our fourth publication of loss development triangles, providing updated information for our Insurance and Reinsurance segments as of December 31, 2011. The information presented in this document will update your understanding of the loss development characteristics of our business and provide further insight into the general pattern of loss payment and loss reporting for each of our loss reserving classes.

Although we believe the data presented in this document will aid the understanding of critical loss development characteristics of our business, you should be aware that loss payment and loss reporting patterns are not the only considerations in establishing loss reserves. We caution that an attempt to evaluate our loss reserves using solely the data presented here could be misleading. The accident year data presented in this document represents a high level summary of the data we use for our own loss reserve evaluations. Important details, such as specific loss development expectations for particular contracts, years, or events cannot be developed by solely analyzing information at this level. Furthermore, in addition to analyzing loss development information, we incorporate additional information, such as pricing and market conditions, in our loss reserve analysis. Section VII provides a high level description of our reserving processes.

We strongly recommend that you refer to the data discussion in Section II before attempting to use the data for further analysis.

We also caution strongly against mechanical application of standard actuarial methodologies to project ultimate losses and loss reserves using triangles presented in this report. Mechanical application of reserving methods will fail to take into account several important factors including the following:

- i. Premium volume for several reserving classes has increased notably since our inception. As older years refer to a substantially smaller volume of premiums and claims, inferences drawn from patterns relating to those years may lack actuarial credibility. Therefore mechanical application of such techniques would not be appropriate.
- ii. Pricing conditions change over the years. The extrapolation of loss ratios from prior periods to current conditions would not be appropriate.
- iii. Several reserving classes are affected by the presence of large losses, including catastrophes. Loss development for years with a sizeable component of large losses may differ significantly from those years unaffected by large losses. Refer to Section II(iv) for further discussion.
- iv. The composition of the portfolio has changed over time for several reserving classes. In some cases, these changes have been material. Trends derived from a summary of loss development data cannot capture all of these changes. Sections V(i) and VI(i) provide a high level summary of key changes in the underlying business composition in each of the reserving classes.

Without incorporating this and other critical information, inferences derived from a direct extrapolation of loss development triangles in this report have the potential to produce inappropriate results.

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II. DESCRIPTION OF DATA PRESENTED

AXIS was formed in late 2001. Therefore, all underwriting data is for periods from 2002 onwards. For some lines of business, less historical data is available as those lines were added more recently.

i) General

This document provides accident year summary exhibits, on a gross and net basis, as of December 31, 2011. These summaries include written, ceded and earned premiums, paid losses, case reserves, case incurred losses, incurred but not reported losses ("IBNR") and ultimate losses on a gross and net basis. This document also provides gross loss development triangles including paid loss data, case incurred loss data and ultimate loss data. Data is presented in thousands of U.S. dollars. Amounts may not reconcile due to rounding differences.

We do not discount our unpaid losses and loss expense reserves. Intercompany reinsurance transactions have not been reflected in the triangles.

Refer to Section III(i) for a reconciliation of the loss reserves in the triangles to those presented in our consolidated financial statements at December 31, 2011.

ii) Accident Year Basis

Our loss development triangles and summary exhibits are presented on an accident year basis for both our Insurance and Reinsurance segments. We rely primarily, but not always, on accident year information for our internal reserve analysis. We utilize underwriting year information in analyzing some of our proportional treaties and we subsequently allocate reserves to the respective accident years.

The multi-year nature of the Credit and Political Risk business within our Insurance segment inherently distorts results when a single accident year is reviewed in isolation. In recent years, the average term of our Credit and Political Risk contracts has been four to five years. The premium we receive on these contracts is generally earned evenly over the contract term, thus spanning multiple accident years. In contrast, losses incurred on these contracts, which can be characterized as low in frequency and high in severity, are reflected in a single accident year (the year during which loss event occurred). When a loss exhausts our exposure on a Credit and Political Risk contract, we accelerate the recognition of any remaining unearned premium where we are entitled to it. As a result of these characteristics, comparative analyses on a single accident year basis for this business are less meaningful than those for our other reserving classes. The results of our Credit and Political Risk business are more appropriately and meaningfully analyzed on an inception to date basis.

The main difficulty in presenting accident year triangles for the Reinsurance segment relates to the allocation of loss information on proportional treaties to the appropriate accident years. As an example, many proportional treaty reinsurance contracts are submitted using quarterly bordereau reporting by underwriting year, with a supplemental listing of large losses. The large losses can be accurately allocated to the corresponding accident years. However, the remaining losses can generally only be allocated to accident years based on estimated premium earning and loss reporting patterns. To the extent management's assumptions and allocation procedures differ from the actual loss development patterns, the actual loss development may differ materially from the loss development presented in this report.

Refer to the Glossary in Section VIII for definitions of Accident and Underwriting year.

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iii) Selection of Reserving Classes

Triangles are provided in eleven reserving classes, six for our Insurance segment, and five for our Reinsurance segment, as follows:

Insurance Segment

- Property and Other
- Marine
- Aviation
- Credit and Political Risk
- Professional Lines
- Liability

Reinsurance Segment

- Property and Other
- Credit and Bond
- Professional Lines
- Motor
- Liability

The underlying business within a given class generally shares similar loss development characteristics. We analyze loss development trends based on data for each of our many internal reserving classes. Our internal reserving classes have been consolidated into the eleven reserving classes presented herein. Further details on the nature of the business included within each of the classes above are provided in Sections V(i) and VI(i). The user should read these sections carefully as they provide important information on the nature of the underlying business as well as historical changes in business mix that impact the loss reserve analysis.

iv) Large Loss Events

Catastrophes

The occurrence of large insured natural catastrophe events can contribute to complex coverage issues. This tends to extend the loss development profiles for property classes in years where such events occur, relative to years characterized by comparatively benign catastrophe activity.

The triangles are unadjusted with respect to significant loss events/catastrophes, specifically:

- the Atlantic hurricanes of 2004, namely Charley, Frances, Ivan, and Jeanne;
- the Atlantic hurricanes of 2005, namely Katrina, Rita and Wilma;
- the Atlantic hurricanes of 2008, namely Ike and Gustav;
- the 2010 earthquakes in Chile and New Zealand; and
- the 2011 February New Zealand earthquake and the Japanese earthquake and tsunami.

While not exhaustive, we consider that these events may lead to lengthening of development profiles for their respective accident years.

Our projected loss reserves for catastrophe events are based on ground-up assessments of our in-force contracts and treaties providing coverage in the affected regions. We also considered currently industry insured loss estimates, market share analyses and catastrophe modeling analyses, when appropriate, in addition to the information available from clients, brokers and loss adjusters. Aggregate incurred loss development per event is also monitored against industry benchmarks as an additional check on the reasonableness of our total reserves for these events. For further information, refer to the excerpt from our 2011 Annual Report on Form 10-K in Section VII.

Separate information on these catastrophe losses is provided in Section IV(iii).

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Global Financial Crisis

From 2007 through 2009, worldwide financial markets experienced unprecedented volatility and disruption. As a result of these events, the following reserving classes have been impacted:

- Professional Lines (primarily 2007 and 2008 accident years)
- Credit and Political Risk Insurance/Credit and Bond Reinsurance (primarily 2008 and 2009 accident years)

There continue to be relatively high levels of uncertainty around the ultimate outcome on the 2007 through 2009 accident years. This is mainly attributable to both the higher than average volume of reported claims on these years, as well as the higher proportion of open claims, relative to earlier accident years at the same stage of development. As a result, the loss development patterns on these accident years may differ from prior years and we separately evaluate the loss reserves for each reserving class impacted by the global financial crisis in light of the latest available information.

Our reserves for the classes affected by the global financial crisis are based on a ground-up probabilistic loss analysis of our exposures, combined with a detailed analysis of known claims.

v) Foreign Exchange

All foreign denominated premium data is converted at the inception date of the policy. Non-U.S. denominated loss data is generally converted at the date of loss, and, in some cases, the inception date of the contract if the date of loss is indeterminable. Fluctuations in currency exchange rates could cause material shifts in loss development. Our reserves for losses and loss expenses, as disclosed in our consolidated financial statements, are revalued using the exchange rate at the Balance Sheet date and therefore revaluation of reserves represents a reconciling item to the data presented in this document (See Section III(i) for a reconciliation of total reserves as at December 31, 2011).

vi) Ceded Reinsurance

Reinsurance premiums ceded are expensed over the period the reinsurance coverage is provided. Where possible, reinsurance ceded is directly allocated to the specific lines of business covered. When aggregate or whole account protection (covering multiple lines of business) has been purchased, the reinsurance ceded premiums have generally been allocated to the underlying lines of business in proportion to the respective gross premiums written.

vii) Credit and Political Risk Reserving

An important and distinguishing feature of many of our Insurance segment's Credit and Political Risk policies is our contractual right, subsequent to payment of a claim to our insured, to be subrogated to, or otherwise have an interest in, the insured's rights of recovery under an insured loan or facility agreement. In these instances, we recognize a loss and a corresponding estimate of the value of the applicable recoveries and pay the claim. The estimated recoveries are recorded as an offset to the related loss provisions. The time period between the date of a claim payment and our ultimate recovery from the corresponding security can result in negative case reserves at a point in time (as was the case at December 31, 2011). While a loss payment is reflected in gross paid losses, the associated potential recovery continues to be reflected as an offset to the gross case reserve balance.

The nature of the underlying recoverable assets is specific to each transaction. Management estimates the value of these assets on a contract-by-contract basis. This valuation process is inherently subjective and involves the application of management's judgment because active

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markets for these assets often do not exist. Our estimates of value are based on numerous inputs, including information provided by our insureds, as well as third party sources including rating agencies, asset valuation specialists and other publicly available information.

At December 31, 2011, our total estimated recoveries were \$158 million, of which \$109 million related to contracts where we had already paid losses and \$49 million related to contracts where case reserves were recognized. This compares with total estimated recoveries of \$163 million at December 31, 2010, of which \$135 million related to paid losses, \$19 million related to case reserves and \$9 million related to IBNR.

When handling a claim under one of our Credit or Political Risk policies, we, in some instances upon becoming aware of a loss event, negotiate a final settlement of all of our policy liabilities for a fixed amount. In most circumstances, this occurs when the insured moves to realize the benefit of the collateral that underlies the insured loan or facility and presents us with a net settlement proposal that represents a full and final payment by us under the terms of the policy. In consideration for this payment, we secure a cancellation of the policy, or a release of all claims, and waive our right to pursue a recovery of these settlement payments against the security that may have been available to us under the insured loan or facility agreement. In certain circumstances, cancellation by way of net settlement or full payment can result in an adjustment of the net premium to be received and earned on the policy.

III. RECONCILIATIONS

i) Reconciliation of Unpaid Losses

The following table reconciles the reserves for loss and loss expenses as of December 31, 2011 as reported in our consolidated financial statements in accordance with U.S. GAAP to the reserves for loss and loss expenses included in the triangles (all amounts in thousands, on a gross basis).

Reconciliation of Unpaid Losses and Loss Adjustment Expenses ("LAE")

Consolidated Triangles Unpaid Losses and LAE	\$	8,449,388
Impact of Foreign Exchange Revaluation on Reserves		(56,173)
Acquired Reserves and other *		31,830
Reserves for losses and loss expenses per December 31, 2011 consolidated financial statements	\$	<u><u>8,425,045</u></u>

* This item primarily relates to reserves assumed following the acquisitions of Royal & SunAlliance Personal Insurance Company (November 2002), Connecticut Specialty Insurance Company (October 2002), Sheffield Insurance Corporation (February 2003) and Fireman's Fund Insurance Company of Wisconsin (August 2005) as part of establishing our U.S. operations. Substantially all of these acquired reserves are ceded back to an affiliate of the seller and are excluded from the triangles as they are not considered indicative of our ongoing underwriting operations.

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ii) Reconciliation of Reserving Classes to Reported Lines of Business

The following tables reconcile reserving classes in this report to the lines of business categories and the expected claim tails which are included in our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q.

Insurance Segment

Reserving Classes	Tail	Reported Lines of Business								
		Property	Marine	Terrorism	Aviation	Credit and Political Risk	Professional Lines	Liability	Accident & Health	Other
Property and Other	Short / Medium	X		X					X	X
Marine	Short / Medium		X							
Aviation	Short / Medium				X					
Credit and Political Risk	Short / Medium					X				
Professional Lines	Medium / Long						X			
Liability	Long							X		

Reinsurance Segment

Reserving Classes	Tail	Reported Lines of Business							
		Catastrophe	Property	Credit and Bond	Professional Liability	Motor	Liability	Engineering	Other
Property and Other	Short / Medium	X	X					X	X
Credit and Bond	Short / Medium			X					
Professional Lines	Medium / Long				X				
Motor	Long					X			
Liability	Long						X		

To facilitate year on year comparisons, we have made certain reclassifications to prior year groupings in this document to conform to our current reported lines of business.

IV. CONSOLIDATED LOSS TRIANGLES

i) Observations

Based on the December 31, 2011 data presented in this report, we believe the following general observations are noteworthy:

- Inception to date net written premiums for our Insurance and Reinsurance segments has been evenly split at 47% and 53%, respectively. The overall inception to date net ultimate loss ratio is 61.3%. The net ultimate loss ratio for Insurance is 55.4% and the net ultimate loss ratio for Reinsurance is 66.5%. The most notable items impacting the ultimate loss ratio are the large loss events outlined in Section II(iv), which had a more significant impact on the Reinsurance segment.
- Approximately 66% of inception to date favorable gross prior year reserve development emerged from the Property and Other reserving classes in Insurance and Reinsurance. The initial estimates of our ultimate losses for our short-tail reserving classes in our early accident years were developed primarily with reference to industry benchmarks. Over time, our own historical loss experience data increased and, therefore, became relevant for consideration in our loss reserve estimation process. Therefore, we have gradually increased the weighting assigned to our own historical experience in establishing our initial estimates of ultimate losses for an accident year. In general, our own loss experience has been more favorable than we expected based on industry benchmarks. Consequently, the increased consideration of our own experience generally led to lower initial ultimate loss ratios for more recent accident years, as well as the recognition of

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favorable development on prior accident years (see Section VII). Historical reserve development may not be an appropriate indicator of future results.

- Our ceded ultimate loss ratio on an inception to date basis is 70% while the gross ultimate loss ratio is 63%. This difference is primarily attributable to the performance of accident years 2004 and 2005. In these years, we benefited from the ceded reinsurance program responding favorably to the nature of the underlying hurricane losses experienced.
- The following table shows inception to date gross IBNR reserves in relation to total gross reserves as of December 31, 2011 by reserving class:

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IBNR as a % of Total Reserves

	<u>Total Reserves</u>	<u>IBNR</u>	<u>IBNR as a % of Total Reserves</u>
<u>Insurance</u>			
Property and Other	\$ 743,425	\$ 304,435	41.0%
Marine	370,127	195,536	52.8%
Aviation	65,380	39,964	61.1%
Credit and Political Risk	(20,819)	90,143	nm
Professional Lines	1,885,360	1,442,053	76.5%
Liability	1,012,003	804,351	79.5%
Insurance Total	4,055,476	2,876,482	70.9%
<u>Reinsurance</u>			
Property and Other	\$ 1,499,824	\$ 505,912	33.7%
Credit and Bond	236,527	150,790	63.8%
Professional Lines	1,006,280	763,788	75.9%
Motor	688,259	356,364	51.8%
Liability	963,022	794,490	82.5%
Reinsurance Total	4,393,912	2,571,344	58.5%
Consolidated Total	\$ 8,449,388	\$ 5,447,826	64.5%

nm - not meaningful

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Values in Thousands USD

Consolidated Total

ITD Summary

Gross

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred		IBNR	Ultimate Losses	Ultimate Loss Ratio
					Losses				
2002	1,108,004	576,904	99,613	1,159	100,773		768	101,541	17.6%
2003	2,273,645	1,701,015	337,628	20,328	357,955		39,448	397,402	23.4%
2004	3,012,311	2,510,847	1,130,719	57,911	1,188,630		85,054	1,273,684	50.7%
2005	3,393,885	3,278,266	2,832,636	123,300	2,955,936		251,887	3,207,821	97.9%
2006	3,609,036	3,353,884	834,401	141,034	975,434		318,011	1,293,446	38.6%
2007	3,590,090	3,459,816	999,446	248,542	1,247,988		474,911	1,722,902	49.8%
2008	3,390,388	3,374,076	1,453,123	415,838	1,868,962		633,024	2,501,984	74.2%
2009	3,587,295	3,540,298	1,017,479	345,475	1,362,956		812,343	2,175,299	61.4%
2010	3,750,536	3,632,177	808,382	522,405	1,330,784		1,090,916	2,421,699	66.7%
2011	4,096,153	3,973,956	533,153	1,125,570	1,658,723		1,741,464	3,400,185	85.6%
	31,811,342	29,401,239	10,046,580	3,001,562	13,048,141		5,447,826	18,495,963	62.9%

Ceded

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred		IBNR	Ultimate Losses	Ultimate Loss Ratio
					Losses				
2002	89,726	40,054	3,671	584	4,255		-	4,255	10.6%
2003	365,258	264,785	57,132	8,019	65,151		19,140	84,292	31.8%
2004	588,638	482,450	440,526	16,017	456,543		19,810	476,353	98.7%
2005	734,896	724,584	967,954	30,491	998,445		61,639	1,060,084	146.3%
2006	619,857	659,614	123,540	9,604	133,144		82,420	215,564	32.7%
2007	726,333	725,406	160,022	52,101	212,121		91,545	303,666	41.9%
2008	723,508	686,894	233,740	124,388	358,130		151,286	509,414	74.2%
2009	770,866	748,534	108,246	76,511	184,757		202,978	387,735	51.8%
2010	602,996	684,767	104,904	100,564	205,468		237,020	442,489	64.6%
2011	676,719	658,995	24,078	121,312	145,389		322,282	467,672	71.0%
	5,898,797	5,676,083	2,223,813	539,591	2,763,403		1,188,120	3,951,524	69.6%

Net

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred		IBNR	Ultimate Losses	Ultimate Loss Ratio
					Losses				
2002	1,018,277	536,851	95,942	575	96,518		768	97,286	18.1%
2003	1,908,387	1,436,229	280,496	12,309	292,804		20,308	313,110	21.8%
2004	2,423,673	2,028,396	690,193	41,894	732,087		65,244	797,331	39.3%
2005	2,658,988	2,553,682	1,864,682	92,809	1,957,491		190,248	2,147,737	84.1%
2006	2,989,179	2,694,270	710,861	131,430	842,290		235,591	1,077,882	40.0%
2007	2,863,757	2,734,410	839,424	196,441	1,035,867		383,366	1,419,236	51.9%
2008	2,666,880	2,687,181	1,219,383	291,450	1,510,832		481,738	1,992,570	74.2%
2009	2,816,429	2,791,764	909,233	268,964	1,178,199		609,365	1,787,564	64.0%
2010	3,147,540	2,947,410	703,478	421,841	1,125,316		853,896	1,979,210	67.2%
2011	3,419,434	3,314,961	509,075	1,004,258	1,513,334		1,419,182	2,932,513	88.5%
	25,912,545	23,725,155	7,822,767	2,461,971	10,284,738		4,259,706	14,544,439	61.3%

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Values in Thousands USD

Consolidated Total

GROSS BASIS

Paid Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	16,958	68,017	86,538	88,730	90,767	92,843	94,644	95,281	98,592	99,613
2003	38,871	140,160	204,351	248,317	272,289	305,921	320,073	331,687	337,628	
2004	218,376	634,403	835,441	907,042	986,413	1,050,751	1,097,558	1,130,719		
2005	372,556	1,452,874	2,096,900	2,411,742	2,700,553	2,794,520	2,832,636			
2006	144,667	386,200	580,424	695,659	767,462	834,401				
2007	197,964	478,836	698,838	895,741	999,446					
2008	375,545	885,018	1,195,745	1,453,123						
2009	288,934	809,101	1,017,479							
2010	353,040	808,382								
2011	533,153									

Case Incurred Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	76,953	100,275	103,044	101,829	104,852	101,799	98,888	96,710	99,838	100,773
2003	182,688	275,701	299,409	327,408	334,055	343,685	348,805	352,468	357,955	
2004	643,160	935,837	1,038,071	1,090,550	1,161,804	1,189,047	1,197,112	1,188,630		
2005	1,978,603	2,633,127	2,800,742	2,880,718	2,900,755	2,953,602	2,955,936			
2006	463,537	697,917	857,882	904,408	932,328	975,434				
2007	552,852	890,855	1,090,422	1,196,989	1,247,988					
2008	1,062,744	1,436,328	1,684,030	1,868,962						
2009	639,419	1,131,991	1,362,956							
2010	862,433	1,330,784								
2011	1,658,723									

IBNR	Months									
	12	24	36	48	60	72	84	96	108	120
2002	154,015	72,839	48,655	14,157	4,038	5,229	5,257	4,566	1,102	768
2003	733,324	482,363	330,026	206,257	156,060	78,630	56,021	48,497	39,448	
2004	1,280,941	757,000	501,164	380,095	229,088	138,488	110,044	85,054		
2005	1,603,106	975,190	814,996	661,514	434,207	308,336	251,887			
2006	1,490,638	1,009,045	725,450	583,417	441,425	318,011				
2007	1,508,976	1,052,495	779,266	615,979	474,911					
2008	1,483,973	1,092,537	828,174	633,024						
2009	1,576,648	1,065,594	812,343							
2010	1,540,784	1,090,916								
2011	1,741,464									

Ultimate Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	230,968	173,114	151,699	115,986	108,890	107,027	104,144	101,277	100,939	101,541
2003	916,012	758,063	629,435	533,665	490,115	422,314	404,826	400,966	397,402	
2004	1,924,101	1,692,837	1,539,235	1,470,646	1,390,892	1,327,535	1,307,153	1,273,684		
2005	3,581,710	3,608,316	3,615,738	3,542,233	3,334,962	3,261,937	3,207,821			
2006	1,954,175	1,706,963	1,583,332	1,487,825	1,373,756	1,293,446				
2007	2,061,828	1,943,350	1,869,688	1,812,970	1,722,902					
2008	2,546,717	2,528,865	2,512,206	2,501,984						
2009	2,216,067	2,197,585	2,175,299							
2010	2,403,217	2,421,699								
2011	3,400,185									

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Consolidated Total

GROSS BASIS

Paid Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	2.9%	11.8%	15.0%	15.4%	15.7%	16.1%	16.4%	16.5%	17.1%	17.3%
2003	2.3%	8.2%	12.0%	14.6%	14.6%	18.0%	18.8%	19.5%	19.8%	
2004	8.7%	25.3%	33.3%	36.1%	39.3%	41.8%	43.7%	45.0%		
2005	11.4%	44.3%	64.0%	73.6%	82.4%	85.2%	86.4%			
2006	4.3%	11.5%	17.3%	20.7%	22.9%	24.9%				
2007	5.7%	13.8%	20.2%	25.9%	28.9%					
2008	11.1%	26.2%	35.4%	43.1%						
2009	8.2%	22.9%	28.7%							
2010	9.7%	22.3%								
2011	13.4%									

Case Incurred Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	13.3%	17.4%	17.9%	17.7%	18.2%	17.6%	17.1%	16.8%	17.3%	17.5%
2003	10.7%	16.2%	17.6%	19.2%	19.6%	20.2%	20.5%	20.7%	21.0%	
2004	25.6%	37.3%	41.3%	43.4%	46.3%	47.4%	47.7%	47.3%		
2005	60.4%	80.3%	85.4%	87.9%	88.5%	90.1%	90.2%			
2006	13.8%	20.8%	25.6%	27.0%	27.8%	29.1%				
2007	16.0%	25.7%	31.5%	34.6%	36.1%					
2008	31.5%	42.6%	49.9%	55.4%						
2009	18.1%	32.0%	38.5%							
2010	23.7%	36.6%								
2011	41.7%									

Ultimate Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	40.0%	30.0%	26.3%	20.1%	18.9%	18.6%	18.1%	17.6%	17.5%	17.6%
2003	53.9%	44.6%	37.0%	31.4%	28.8%	24.8%	23.8%	23.6%	23.4%	
2004	76.6%	67.4%	61.3%	58.6%	55.4%	52.9%	52.1%	50.7%		
2005	109.3%	110.1%	110.3%	108.1%	101.7%	99.5%	97.9%			
2006	58.3%	50.9%	47.2%	44.4%	41.0%	38.6%				
2007	59.6%	56.2%	54.0%	52.4%	49.8%					
2008	75.5%	74.9%	74.5%	74.2%						
2009	62.6%	62.1%	61.4%							
2010	66.2%	66.7%								
2011	85.6%									

Loss Emergence	Months										Total Development
	12	24	36	48	60	72	84	96	108	120	
2002	230,968	(57,854)	(21,415)	(35,713)	(7,096)	(1,863)	(2,863)	(2,868)	(338)	602	(129,427)
2003	916,012	(157,949)	(128,628)	(95,770)	(43,550)	(67,800)	(17,488)	(3,860)	(3,564)		(518,610)
2004	1,924,101	(231,264)	(153,603)	(68,589)	(79,753)	(63,357)	(20,382)	(33,469)			(650,417)
2005	3,581,710	26,607	7,422	(73,505)	(207,270)	(73,025)	(54,116)				(373,889)
2006	1,954,175	(247,212)	(123,630)	(95,508)	(114,069)	(80,310)					(660,729)
2007	2,061,828	(118,478)	(73,662)	(56,718)	(90,068)						(338,926)
2008	2,546,717	(17,852)	(16,659)	(10,222)							(44,733)
2009	2,216,067	(18,482)	(22,286)								(40,768)
2010	2,403,217	18,482									18,482
2011	3,400,185										-
											(2,739,017)

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	Total Development
	-	(57,854)	(179,364)	(395,605)	(229,862)	(353,792)	(466,050)	(478,005)	(303,533)	(274,951)	(2,739,017)

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

iii) Large Catastrophe Loss Events Table

Consolidated

ITD Summary

Gross	Paid Losses					Case Incurred Losses					Ultimate Losses				
	Insurance		Reinsurance		All Segments	Insurance		Reinsurance		All Segments	Insurance		Reinsurance		All Segments
	Property	Other	Property	Other		Property	Other	Property	Other		Property	Other	Property	Other	
2004 Hurricanes	308,846	43,365	217,687	941	570,838	310,955	43,366	218,512	941	573,774	310,955	43,366	218,512	941	573,774
2005 Hurricanes	753,947	389,922	755,197	7,464	1,906,529	772,830	394,333	766,496	7,951	1,941,610	773,580	394,333	767,262	7,951	1,943,126
2008 Hurricanes	102,384	31,306	293,133	1,201	428,024	125,790	36,395	304,180	1,201	467,566	132,277	36,395	304,856	1,201	474,729
2010 Earthquakes	356	50	95,247	-	95,653	1,394	50	248,957	-	250,401	3,711	50	255,605	-	259,365
2011 Earthquakes	1,914	627	112,251	-	114,791	49,274	1,148	542,652	-	593,075	97,391	3,963	571,000	-	672,354
Total	1,167,447	465,270	1,473,513	9,606	3,115,836	1,260,244	475,292	2,080,797	10,093	3,826,426	1,317,914	478,107	2,117,234	10,093	3,923,348

Ceded	Paid Losses					Case Incurred Losses					Ultimate Losses				
	Insurance		Reinsurance		All Segments	Insurance		Reinsurance		All Segments	Insurance		Reinsurance		All Segments
	Property	Other	Property	Other		Property	Other	Property	Other		Property	Other	Property	Other	
2004 Hurricanes	231,413	13,101	70,740	-	315,253	233,498	13,101	70,740	-	317,338	233,498	13,101	70,740	-	317,338
2005 Hurricanes	433,348	204,246	67,250	-	704,845	449,885	204,538	67,250	-	721,673	449,885	204,538	67,250	-	721,673
2008 Hurricanes	42,962	416	-	-	43,378	51,814	416	-	-	52,230	53,993	416	-	-	54,410
2010 Earthquakes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2011 Earthquakes	-	-	-	-	-	12,563	-	-	-	12,563	56,354	-	-	-	56,354
Total	707,723	217,763	137,990	-	1,063,476	747,760	218,055	137,990	-	1,103,805	793,731	218,055	137,990	-	1,149,775

Net	Paid Losses					Case Incurred Losses					Ultimate Losses				
	Insurance		Reinsurance		All Segments	Insurance		Reinsurance		All Segments	Insurance		Reinsurance		All Segments
	Property	Other	Property	Other		Property	Other	Property	Other		Property	Other	Property	Other	
2004 Hurricanes	77,433	30,264	146,947	941	255,585	77,457	30,265	147,772	941	256,435	77,457	30,265	147,772	941	256,435
2005 Hurricanes	320,599	185,676	687,947	7,464	1,201,685	322,945	189,795	699,246	7,951	1,219,937	323,695	189,795	700,012	7,951	1,221,453
2008 Hurricanes	59,423	30,889	293,133	1,201	384,646	73,977	35,978	304,180	1,201	415,336	78,284	35,978	304,856	1,201	420,320
2010 Earthquakes	356	50	95,247	-	95,653	1,394	50	248,957	-	250,401	3,711	50	255,605	-	259,365
2011 Earthquakes	1,914	627	112,251	-	114,791	36,712	1,148	542,652	-	580,512	41,037	3,963	571,000	-	616,000
Total	459,725	247,507	1,335,524	9,606	2,052,361	512,484	257,237	1,942,807	10,093	2,722,622	524,184	260,052	1,979,244	10,093	2,773,573

Note:

Specific 2004 events include: Charley, Frances, Ivan and Jeanne.

Specific 2005 events include: Katrina, Rita and Wilma.

Specific 2008 events include: Gustav and Ike.

Specific 2010 events include: New Zealand and Chilean Earthquakes.

Specific 2011 events include: February New Zealand Earthquake and Japanese Earthquake and Tsunami.

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V. INSURANCE SEGMENT

i) Reserving Class Descriptions

The following provides background commentary on the underlying business composition in each reserving class and how this has changed over time.

Property and Other

- The class includes coverage for perils associated with all-risk physical loss or damage, business interruption and machinery breakdown with respect to virtually all types of property. This includes commercial buildings, residential premises, construction projects and onshore energy installations. The key perils insured include fire, hail, flood, windstorm, and earthquake. Terrorism may be a covered peril and, in some cases may be written on a stand-alone basis.
- Between 10% and 15% of the business written relates to Onshore Energy exposures (including renewable energy). In recent years, stand-alone Terrorism cover represents approximately 5% of premium volume but prior to 2004 was a more significant share of the overall mix, comprising approximately 20% in 2003.
- Prior to 2006, the mix between primary and excess was broadly evenly split. Since 2006, there has been an increasing shift towards business written on a primary basis with the mix in more recent years being 60% - 70% primary and 30% - 40% excess. However, this mix varies between different sub-classes, with the larger risk-managed Property exposures being predominantly excess in nature.
- Approximately 85% of the business covered relates to North American and Caribbean exposures, with the remainder spread worldwide. Between 2002 and 2004, business outside North America and the Caribbean represented a higher proportion of this class at approximately 30% of the total.
- In broad terms, the pricing environment in the traditional Property and Onshore Energy market showed a weakening trend from a peak period that extended from 2003 through 2005. This was followed by a hardening of rates in 2006, particularly for U.S. wind peril exposed accounts, followed by a weakening trend again from 2007 to 2008 with a moderate uptick in 2009 and a weakening in 2010. In 2011, rates hardened from the second quarter. Accounts with predominantly non-U.S. exposure did not tend to benefit from the rate hardening in 2006 and continued a weakening trend from 2006 with a hardening beginning in the second quarter of 2011. In addition, stand-alone Terrorism experienced year on year rate deterioration since its peak in 2002.
- In general, paid and reporting patterns are relatively short-tailed although they can be volatile due to the incidence of catastrophe events, such as those noted in Section II(iv).

Marine

- This class comprises insurance and reinsurance products on a worldwide basis for traditional Marine classes: Offshore Energy (including renewable energy), Cargo, Liability, Recreational Marine, Fine Art, Specie, Hull and War.
- Offshore Energy is the largest segment of this class representing approximately 55% of premium in 2011. This segment provides physical damage, business interruption, operators extra expense, and liability coverage for all aspects of offshore upstream energy from exploration and construction through to the operation and distribution phases. The remainder of the class is currently made up of Cargo, Specie and Liability, with less emphasis on Recreational Marine

AXIS Capital Holdings Limited
2011 Loss Development Triangles

since 2009. Prior to 2006, Hull and War comprised between 20% and 25% of this class, but these participations have reduced considerably as rates in this segment failed to keep pace with claims emergence.

- Rates on Offshore Energy business saw significant increases from 2002 through 2003, followed by a general decline until the Atlantic hurricanes of 2005. After the storms, rates significantly increased, particularly for Gulf of Mexico exposed accounts where windstorm sub-limits were also imposed with the effect of limiting potential exposure to future windstorm events. Rates have been increasing since the Deepwater Horizon event in 2010. Our Recreational Marine business experienced an increase in rates from 2005 through 2006 with no significant changes thereafter. Generally, the Cargo and Specie business has experienced a flat to modestly improving rate environment.
- While a large component of the perils are related to physical damage, the complex nature of claims arising under our Marine policies tends to result in payment and reporting patterns that are longer than those of our Property class. Exposure to natural perils such as windstorm and earthquake can result in volatility, which makes year on year comparisons difficult, as evidenced by the Atlantic hurricanes of 2004, 2005 and 2008.

Aviation

- This class includes all-risks coverage for physical damage to hulls of aircraft, liability to passengers, third parties, and spare parts. It also includes coverage for stand-alone hull war and 'AV52' third party war liability.
- The book is predominantly focused around flag-carrying scheduled airlines but also includes coverage for cargo operations, general aviation operations, airports, aviation authorities, security firms and product manufacturers. Included in this reserving class is a small book of Space business written between 2002 and 2005. The Space class provided coverage against perils associated with physical damage or failure of satellites during their launch phase and first year in orbit.
- This business is generally accepted on a direct and facultative basis, but we have occasionally participated on proportional reinsurance treaties, surplus reinsurance treaties and Industry Loss Warranty contracts.
- Between 2002 and 2005, the total premium written in the Aviation class comprised 40% all-risks, 50% Aviation War and 10% Product Liability and Space. Rates have generally been declining since their peak in 2002, and we have significantly reduced participation in the all-risks market. This has resulted in a shift in the mix of business between 2006 and 2009, with the mix in 2010 and 2011 comprising approximately 20% Aviation all-risks, 70% Aviation War, and 10% Product Liability.
- Damage to hulls of aircraft is generally reported quickly. This is to be contrasted with liability claims which involve passengers and third parties and generally exhibit longer reporting and paid patterns. Taken together, this results in the Aviation class exhibiting a medium tail with respect to loss development. To date, the claims we have been advised of have predominantly related to damage to hulls, hence, our payment and reporting patterns have typically exhibited a relatively short tail. However, with an increasing mix of liability in the book of business in recent years, our claim emergence patterns could lengthen.

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Credit and Political Risk

- This class comprises Political Risk and Credit Insurance products for banks and corporations. Coverage is provided for a range of perils including sovereign default, credit default, political violence, currency inconvertibility and non-transfer, expropriation, aircraft non-repossession and contract frustration due to political events.
- Prior to 2006, this class was dominated by confiscation, expropriation, nationalization and deprivation coverages (“CEND”) as well as sovereign default coverage. Over time, the non-sovereign credit coverage increased and is now the largest part of the business. Inception to date, CEND premium earned is approximately 25% of the total book. As a result of the global financial crisis, we reduced premiums written during 2009 but we continued to earn premium written in prior underwriting periods. Premium levels in 2010 and 2011 were also at historical lows.
- As this class has grown over time, the average term of contract has increased from an average of 2-3 years prior to 2006 to 4-5 years in more recent years. The unearned premium associated with the credit and political risk business as of December 31, 2011 was \$236 million, with an average remaining term of 4.4 years.
- Claims in this class tend to be characterized by their severity risk as opposed to their frequency risk and tend to be heterogeneous in nature. Therefore, claim payment and reporting patterns are anticipated to be volatile. As discussed in Section II(iv), our claims experience on the 2008 and 2009 accident years is higher than for other accident years due to the impact of the global financial crisis. Our claims experience has been returning to more normalized levels as we emerge from the global financial crisis. Our inception to date net loss ratio for this class is 58%.
- Under the notification provisions of our non-sovereign credit insurance, we anticipate being advised of an insured event within a relatively short time period. Generally, these contracts include waiting periods following the event which specify that the claim payment is due only after specified waiting periods. In some cases, resolution can be achieved during the waiting period. As discussed in Section II(vii), a feature of these contracts is that after the date we pay a claim, we are generally either subrogated to, or otherwise have an interest in, all of the insured’s rights of recovery under the insured loan or facility agreement. In some situations, we may also receive a transfer or assignment of the insured’s rights. This can lead to the situation where we pay a claim in the short term, but receive a recovery over a longer period of time. We anticipate that this will likely lead to claim reporting patterns that will have a medium development tail.
- In our credit insurance class, where policies typically span several years, insured may have the ability to restructure underlying financing arrangements and frequently do so when conditions allow them to take advantage of preferential terms and/or interest rates. The declining interest rate environment in 2009 through 2011 prompted a number of such restructurings, resulting in the early termination of a number of our policies. As a result, we were no longer entitled to premiums related to the remainder of the original coverage term and recognized related reductions in written premium.

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Professional Lines

- This class of business includes Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability, Crime, Errors & Omissions, Professional Indemnity and other financial insurance related coverages for commercial enterprises, financial institutions and not-for-profit organizations. This business is predominantly written on a claims-made basis.
- Approximately 45% of the business covered is for commercial enterprises, approximately 30% financial institutions, and approximately 25% media and professional firms. Prior to 2006, the commercial segment represented approximately 75% of the total business volume in this class.
- Approximately 80% of the business is written in the U.S. with the remaining 20% predominantly written in Europe, Australia and Canada.
- Rates for professional lines strengthened between 2002 and 2004, with 2005 representing the peak for pricing. Rates were relatively flat in 2006 and weakened from 2007 through 2011. One exception to this trend was the Financial Institutions sector which saw a strengthening of rates in 2008 and 2009, resulting predominantly from expectations regarding increased loss activity emanating from the global financial crisis; however, rates on this business weakened in 2010 and 2011.
- Typically this class of business would be anticipated to exhibit medium to long tail claim reporting and settlement patterns.

Liability

- The liability book comprises low/mid-level excess and Umbrella commercial liability risks typically written in the excess and surplus (“E&S”) lines market in the U.S. on a non-admitted basis. In 2011, approximately 70% of the business written was E&S Umbrella. The core book of business commenced underwriting in 2003 and was supplemented in 2006 by the addition of an Excess Casualty book in Bermuda which focuses on Fortune 500 type accounts with higher attachment points than the core portfolio. We ceased writing E&S primary casualty business during 2010; prior to 2010, primary casualty represented approximately 25-30% of business written.
- From 2003 through 2004, the mix of business was approximately 45% primary and 55% excess. Since 2005, the rating environment has been deteriorating year on year with the scale of rate reductions more prevalent on the primary book. Since 2005, the focus of the book has gradually shifted to more of the business being written on an excess basis. The mix of business written in 2011 was approximately 15% primary and 85% excess.
- The key industry sectors for the Liability book are construction, manufacturing, transportation and trucking, and other services. Since 2003, there has been a slight shift in the mix of business away from manufacturing to other industries, partly driven by the different mix of primary versus excess books of business.
- Approximately 80% of the premium for this class is written on an occurrence basis with the remaining 20% on a claims-made basis.
- The delay between the writing of a contract, notification and subsequent settlement of a claim in respect of that contract results in claim payment and reporting patterns that are typically long tail in nature. A consequence of the claim development tail is that this line of business is particularly exposed, amongst a number of uncertainties, to the potential for unanticipated levels of claim inflation relative to that assumed when the contracts were written. Factors influencing claim inflation on this class can include, but are not limited to, underlying economic and medical inflation, judicial inflation and changing social trends.

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2011 Loss Development Triangles
Values in Thousands USD

Insurance
Consolidated

ITD Summary

Gross

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred		IBNR	Ultimate Losses	Ultimate Loss
					Losses				Ratio
2002	793,760	354,667	57,162	908	58,071		150	58,221	16.4%
2003	1,606,559	1,186,672	247,276	17,048	264,324		33,798	298,121	25.1%
2004	1,919,563	1,602,419	730,949	35,053	766,001		41,023	807,025	50.4%
2005	1,875,017	1,889,819	1,773,770	51,870	1,825,640		113,444	1,939,083	102.6%
2006	2,070,466	1,955,967	478,653	36,937	515,589		155,007	670,598	34.3%
2007	2,039,214	1,921,920	589,784	124,151	713,937		214,349	928,288	48.3%
2008	1,841,934	1,854,949	738,923	247,149	986,073		347,279	1,333,351	71.9%
2009	1,775,590	1,884,121	663,760	133,331	797,093		461,594	1,258,686	66.8%
2010	1,916,116	1,872,014	365,695	170,888	536,581		582,498	1,119,080	59.8%
2011	2,121,829	2,067,386	191,986	361,659	553,644		927,340	1,480,984	71.6%
	17,960,048	16,589,934	5,837,958	1,178,994	7,016,953		2,876,482	9,893,437	59.6%

Ceded

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred		IBNR	Ultimate Losses	Ultimate Loss
					Losses				Ratio
2002	89,726	40,054	3,671	584	4,255		-	4,255	10.6%
2003	352,551	255,081	57,132	8,019	65,151		19,075	84,227	33.0%
2004	556,278	456,566	369,786	16,017	385,803		19,600	405,403	88.8%
2005	707,250	688,270	900,704	30,491	931,195		54,169	985,364	143.2%
2006	610,068	650,207	123,540	9,604	133,144		76,335	209,479	32.2%
2007	712,567	713,480	160,022	52,101	212,121		85,159	297,280	41.7%
2008	708,091	671,807	233,740	124,388	358,130		144,695	502,823	74.8%
2009	750,529	726,155	108,246	76,511	184,757		192,300	377,057	51.9%
2010	583,896	665,521	104,904	100,564	205,468		227,719	433,188	65.1%
2011	655,695	637,699	24,078	121,312	145,389		313,261	458,651	71.9%
	5,726,651	5,504,839	2,085,823	539,591	2,625,413		1,132,313	3,757,727	68.3%

Net

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred		IBNR	Ultimate Losses	Ultimate Loss
					Losses				Ratio
2002	704,034	314,613	53,491	324	53,816		150	53,966	17.2%
2003	1,254,008	931,591	190,144	9,029	199,173		14,723	213,894	23.0%
2004	1,363,285	1,145,853	361,163	19,036	380,198		21,423	401,622	35.1%
2005	1,167,767	1,201,549	873,066	21,379	894,445		59,275	953,719	79.4%
2006	1,460,399	1,305,760	355,113	27,333	382,445		78,672	461,119	35.3%
2007	1,326,646	1,208,439	429,762	72,050	501,816		129,190	631,008	52.2%
2008	1,133,842	1,183,143	505,183	122,761	627,943		202,584	830,528	70.2%
2009	1,025,061	1,157,966	555,514	56,820	612,336		269,294	881,629	76.1%
2010	1,332,220	1,206,493	260,791	70,324	331,113		354,779	685,892	56.9%
2011	1,466,134	1,429,687	167,908	240,347	408,255		614,079	1,022,333	71.5%
	12,233,397	11,085,094	3,752,135	639,403	4,391,540		1,744,169	6,135,710	55.4%

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Insurance
Consolidated

GROSS BASIS

Paid Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	8,398	38,452	49,641	51,691	53,369	55,253	56,685	56,748	56,235	57,162
2003	23,230	95,323	142,800	182,265	196,826	224,760	238,139	243,368	247,276	
2004	91,621	375,879	519,679	563,038	622,846	676,783	709,643	730,949		
2005	204,004	764,735	1,195,877	1,439,546	1,683,938	1,751,927	1,773,770			
2006	77,983	203,642	328,779	403,927	446,350	478,653				
2007	109,288	240,056	385,607	533,462	589,784					
2008	182,987	451,093	592,977	738,923						
2009	186,328	547,925	663,760							
2010	183,553	365,695								
2011	191,986									

Case Incurred Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	46,541	55,935	62,176	62,905	63,523	60,750	58,545	57,757	57,124	58,071
2003	140,013	201,883	210,837	242,845	248,151	255,641	254,705	259,457	264,324	
2004	398,251	577,004	647,517	682,739	749,835	766,707	773,196	766,001		
2005	1,232,049	1,555,330	1,694,805	1,769,933	1,774,586	1,828,513	1,825,640			
2006	227,736	342,409	449,575	476,460	503,666	515,589				
2007	259,767	454,776	613,296	689,076	713,937					
2008	529,725	697,095	830,899	986,073						
2009	325,641	638,405	797,093							
2010	311,988	536,581								
2011	553,644									

IBNR	Months									
	12	24	36	48	60	72	84	96	108	120
2002	93,010	53,830	31,452	5,810	2,618	1,886	1,260	1,048	460	150
2003	509,201	359,031	257,044	162,039	117,686	51,025	47,879	40,423	33,798	
2004	815,475	485,651	341,170	243,865	134,360	78,640	62,227	41,023		
2005	981,357	621,258	505,387	388,398	230,836	147,513	113,444			
2006	882,057	621,074	436,508	330,815	225,773	155,007				
2007	836,564	569,545	395,653	291,619	214,349					
2008	783,320	642,116	485,166	347,279						
2009	856,204	607,095	461,594							
2010	779,931	582,498								
2011	927,340									

Ultimate Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	139,551	109,765	93,629	68,715	66,141	62,636	59,804	58,805	57,583	58,221
2003	649,215	560,914	467,880	404,884	365,837	306,666	302,584	299,881	298,121	
2004	1,213,726	1,062,655	988,687	926,604	884,195	845,347	835,420	807,025		
2005	2,213,407	2,176,588	2,200,192	2,158,331	2,005,422	1,976,026	1,939,083			
2006	1,109,793	963,483	886,083	807,275	729,441	670,598				
2007	1,096,331	1,024,322	1,008,949	980,695	928,288					
2008	1,313,045	1,339,212	1,316,067	1,333,351						
2009	1,181,845	1,245,500	1,258,686							
2010	1,091,919	1,119,080								
2011	1,480,984									

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Insurance
Consolidated

GROSS BASIS

Paid Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	2.4%	10.8%	14.0%	14.6%	15.0%	15.6%	16.0%	16.0%	15.9%	16.1%
2003	2.0%	8.0%	12.0%	15.4%	16.6%	18.9%	20.1%	20.5%	20.8%	
2004	5.7%	23.5%	32.4%	35.1%	38.9%	42.2%	44.3%	45.6%		
2005	10.8%	40.5%	63.3%	76.2%	89.1%	92.7%	93.9%			
2006	4.0%	10.4%	16.8%	20.7%	22.8%	24.5%				
2007	5.7%	12.5%	20.1%	27.8%	30.7%					
2008	9.9%	24.3%	32.0%	39.8%						
2009	9.9%	29.1%	35.2%							
2010	9.8%	19.5%								
2011	9.3%									

Case Incurred Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	13.1%	15.8%	17.5%	17.7%	17.9%	17.1%	16.5%	16.3%	16.1%	16.4%
2003	11.8%	17.0%	17.8%	20.5%	20.9%	21.5%	21.5%	21.9%	22.3%	
2004	24.9%	36.0%	40.4%	42.6%	46.8%	47.8%	48.3%	47.8%		
2005	65.2%	82.3%	89.7%	93.7%	93.9%	96.8%	96.6%			
2006	11.6%	17.5%	23.0%	24.4%	25.8%	26.4%				
2007	13.5%	23.7%	31.9%	35.9%	37.1%					
2008	28.6%	37.6%	44.8%	53.2%						
2009	17.3%	33.9%	42.3%							
2010	16.7%	28.7%								
2011	26.8%									

Ultimate Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	39.3%	30.9%	26.4%	19.4%	18.6%	17.7%	16.9%	16.6%	16.2%	16.4%
2003	54.7%	47.3%	39.4%	34.1%	30.8%	25.8%	25.5%	25.3%	25.1%	
2004	75.7%	66.3%	61.7%	57.8%	55.2%	52.8%	52.1%	50.4%		
2005	117.1%	115.2%	116.4%	114.2%	106.1%	104.6%	102.6%			
2006	56.7%	49.3%	45.3%	41.3%	37.3%	34.3%				
2007	57.0%	53.3%	52.5%	51.0%	48.3%					
2008	70.8%	72.2%	70.9%	71.9%						
2009	62.7%	66.1%	66.8%							
2010	58.3%	59.8%								
2011	71.6%									

Loss Emergence	Months										Total Development
	12	24	36	48	60	72	84	96	108	120	
2002	139,551	(29,786)	(16,136)	(24,914)	(2,574)	(3,505)	(2,831)	(1,000)	(1,222)	638	(81,330)
2003	649,215	(88,300)	(93,034)	(62,997)	(39,047)	(59,171)	(4,082)	(2,703)	(1,760)		(351,094)
2004	1,213,726	(151,071)	(73,969)	(62,083)	(42,409)	(38,848)	(9,927)	(28,395)			(406,701)
2005	2,213,407	(36,819)	23,604	(41,861)	(152,908)	(29,396)	(36,943)				(274,323)
2006	1,109,793	(146,310)	(77,399)	(78,808)	(77,834)	(58,843)					(439,195)
2007	1,096,331	(72,010)	(15,373)	(28,254)	(52,407)						(168,043)
2008	1,313,045	26,166	(23,145)	17,284							20,306
2009	1,181,845	63,655	13,186								76,841
2010	1,091,919	27,161									27,161
2011	1,480,984										-
											(1,596,378)

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	Total Development
	-	(29,786)	(104,436)	(269,019)	(176,358)	(227,341)	(295,682)	(264,852)	(108,825)	(120,079)	(1,596,378)

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Insurance

Property and Other

ITD Summary

Gross

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	353,025	182,398	864	20	885	63	948	0.5%
2003	582,907	466,952	94,510	3,747	98,257	1,348	99,605	21.3%
2004	677,348	607,961	390,068	6,003	396,071	5,410	401,481	66.0%
2005	659,828	672,486	1,034,646	19,346	1,053,992	14,061	1,068,052	158.8%
2006	756,892	726,804	165,414	5,592	171,005	3,294	174,300	24.0%
2007	741,444	746,985	184,280	12,769	197,049	9,538	206,588	27.7%
2008	579,395	657,492	307,997	87,804	395,801	32,661	428,462	65.2%
2009	587,588	575,863	105,730	11,855	117,585	19,579	137,164	23.8%
2010	644,539	608,073	106,182	38,256	144,438	49,391	193,829	31.9%
2011	797,361	715,811	102,397	253,598	355,995	169,090	525,085	73.4%
	6,380,328	5,960,823	2,492,088	438,990	2,931,078	304,435	3,235,514	54.3%

Ceded

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	37,774	15,563	-	-	-	-	-	0.0%
2003	97,392	77,473	7,305	2,033	9,338	-	9,338	12.1%
2004	177,351	153,193	250,882	2,190	253,072	1,445	254,517	166.1%
2005	285,349	265,693	565,326	16,937	582,263	4,524	586,787	220.9%
2006	251,757	278,011	14,949	2,422	17,371	1,128	18,499	6.7%
2007	318,109	336,098	41,393	4,445	45,838	3,205	49,043	14.6%
2008	273,593	274,229	102,336	58,299	160,635	8,903	169,537	61.8%
2009	274,061	273,299	27,580	3,127	30,707	5,760	36,467	13.3%
2010	206,867	235,489	16,477	9,500	25,977	8,583	34,560	14.7%
2011	240,062	232,401	9,127	45,911	55,038	62,391	117,429	50.5%
	2,162,314	2,141,450	1,035,375	144,864	1,180,239	95,939	1,276,177	59.6%

Net

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	315,252	166,835	864	20	885	63	948	0.6%
2003	485,515	389,479	87,205	1,714	88,919	1,348	90,267	23.2%
2004	499,998	454,768	139,186	3,813	142,999	3,965	146,964	32.3%
2005	374,479	406,793	469,320	2,409	471,729	9,537	481,265	118.3%
2006	505,135	448,793	150,465	3,170	153,634	2,166	155,801	34.7%
2007	423,335	410,887	142,887	8,324	151,211	6,333	157,545	38.3%
2008	305,802	383,263	205,661	29,505	235,166	23,758	258,925	67.6%
2009	313,527	302,563	78,150	8,728	86,878	13,819	100,697	33.3%
2010	437,672	372,584	89,705	28,756	118,461	40,808	159,269	42.7%
2011	557,299	483,410	93,270	207,687	300,957	106,699	407,656	84.3%
	4,218,013	3,819,374	1,456,713	294,126	1,750,839	208,496	1,959,337	51.3%

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Insurance
Property and Other

GROSS BASIS

Paid Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	75	191	222	275	442	775	864	864	864	864
2003	7,151	53,898	73,817	89,525	93,657	93,769	93,819	93,931	94,510	864
2004	50,694	243,313	342,798	357,918	364,078	377,126	379,296	390,068		
2005	146,865	553,457	776,139	895,229	1,016,912	1,029,497	1,034,646			
2006	50,559	119,826	140,925	152,083	162,148	165,414				
2007	66,988	136,254	168,461	180,592	184,280					
2008	127,544	235,995	282,279	307,997						
2009	48,806	86,347	105,730							
2010	58,905	106,182								
2011	102,397									

Case Incurred Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	3,081	1,362	1,385	1,617	1,636	1,046	886	886	885	885
2003	89,465	111,282	106,438	106,147	100,303	99,773	98,694	97,062	98,257	
2004	260,292	377,031	397,868	388,375	391,009	393,061	398,809	396,071		
2005	835,013	1,006,833	1,074,705	1,062,113	1,053,916	1,053,193	1,053,992			
2006	141,624	172,223	169,950	166,664	170,449	171,005				
2007	153,671	187,483	200,103	199,359	197,049					
2008	367,025	390,038	389,315	395,801						
2009	112,675	129,321	117,585							
2010	134,986	144,438								
2011	355,995									

IBNR	Months									
	12	24	36	48	60	72	84	96	108	120
2002	40,063	25,638	11,787	2,482	1,324	731	768	369	210	63
2003	161,075	68,904	25,559	9,609	4,910	2,332	2,692	3,072	1,348	
2004	283,681	88,718	33,530	10,090	7,710	4,281	7,566	5,410		
2005	347,553	79,581	55,731	56,777	41,452	18,849	14,061			
2006	218,093	71,453	22,472	12,084	8,680	3,294				
2007	179,026	41,116	21,232	10,265	9,538					
2008	133,570	58,163	46,623	32,661						
2009	58,039	24,218	19,579							
2010	88,851	49,391								
2011	169,090									

Ultimate Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	43,143	26,999	13,171	4,099	2,961	1,777	1,654	1,255	1,095	948
2003	250,540	180,186	131,998	115,756	105,213	102,105	101,386	100,134	99,605	
2004	543,974	465,749	431,398	398,465	398,720	397,343	406,374	401,481		
2005	1,182,565	1,086,414	1,130,436	1,118,890	1,095,368	1,072,042	1,068,052			
2006	359,717	243,676	192,422	178,748	179,130	174,300				
2007	332,697	228,599	221,335	209,624	206,588					
2008	500,595	448,201	435,938	428,462						
2009	170,714	153,539	137,164							
2010	223,837	193,829								
2011	525,085									

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Insurance
Property and Other

GROSS BASIS

Paid Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	0.0%	0.1%	0.1%	0.2%	0.2%	0.4%	0.5%	0.5%	0.5%	0.5%
2003	1.5%	11.5%	15.8%	19.2%	20.1%	20.1%	20.1%	20.1%	20.2%	0.5%
2004	8.3%	40.0%	56.4%	58.9%	59.9%	62.0%	62.4%	64.2%		
2005	21.8%	82.3%	115.4%	133.1%	151.2%	153.1%	153.9%			
2006	7.0%	16.5%	19.4%	20.9%	22.3%	22.8%				
2007	9.0%	18.2%	22.6%	24.2%	24.7%					
2008	19.4%	35.9%	42.9%	46.8%						
2009	8.5%	15.0%	18.4%							
2010	9.7%	17.5%								
2011	14.3%									

Case Incurred Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	1.7%	0.7%	0.8%	0.9%	0.9%	0.6%	0.5%	0.5%	0.5%	0.5%
2003	19.2%	23.8%	22.8%	22.7%	21.5%	21.4%	21.1%	20.8%	21.0%	
2004	42.8%	62.0%	65.4%	63.9%	64.3%	64.7%	65.6%	65.1%		
2005	124.2%	149.7%	159.8%	157.9%	156.7%	156.6%	156.7%			
2006	19.5%	23.7%	23.4%	22.9%	23.5%	23.5%				
2007	20.6%	25.1%	26.8%	26.7%	26.4%					
2008	55.8%	59.3%	59.2%	60.2%						
2009	19.6%	22.5%	20.4%							
2010	22.2%	23.8%								
2011	49.7%									

Ultimate Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	23.7%	14.8%	7.2%	2.2%	1.6%	1.0%	0.9%	0.7%	0.6%	0.5%
2003	53.7%	38.6%	28.3%	24.8%	22.5%	21.9%	21.7%	21.4%	21.3%	
2004	89.5%	76.6%	71.0%	65.5%	65.6%	65.4%	66.8%	66.0%		
2005	175.8%	161.6%	168.1%	166.4%	162.9%	159.4%	158.8%			
2006	49.5%	33.5%	26.5%	24.6%	24.6%	24.0%				
2007	44.5%	30.6%	29.6%	28.1%	27.7%					
2008	76.1%	68.2%	66.3%	65.2%						
2009	29.6%	26.7%	23.8%							
2010	36.8%	31.9%								
2011	73.4%									

Loss Emergence	Months										Total Development
	12	24	36	48	60	72	84	96	108	120	
2002	43,143	(16,144)	(13,828)	(9,073)	(1,138)	(1,183)	(123)	(399)	(160)	(147)	(42,196)
2003	250,540	(70,354)	(48,189)	(16,242)	(10,542)	(3,108)	(720)	(1,252)	(529)		(150,936)
2004	543,974	(78,225)	(34,351)	(32,932)	255	(1,377)	9,031	(4,893)			(142,493)
2005	1,182,565	(96,151)	44,022	(11,546)	(23,522)	(23,327)	(3,990)				(114,513)
2006	359,717	(116,040)	(51,255)	(13,674)	382	(4,830)					(185,417)
2007	332,697	(104,098)	(7,264)	(11,711)	(3,036)						(126,109)
2008	500,595	(52,394)	(12,263)	(7,475)							(72,133)
2009	170,714	(17,175)	(16,375)								(33,550)
2010	223,837	(30,008)									(30,008)
2011	525,085										-
											(897,355)

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	Total Development
	-	(16,144)	(84,182)	(135,486)	(147,882)	(116,677)	(169,875)	(99,350)	(56,475)	(71,284)	(897,355)

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Insurance
Marine

ITD Summary

Gross

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred		IBNR	Ultimate Losses	Ultimate Loss Ratio
					Losses				
2002	137,449	74,302	33,434	803	34,237	-	34,237	46.1%	
2003	201,268	171,410	33,153	1,493	34,646	794	35,440	20.7%	
2004	189,772	178,863	106,300	2,770	109,070	1,839	110,909	62.0%	
2005	199,556	204,037	472,681	6,677	479,358	4,738	484,096	237.3%	
2006	242,798	242,364	78,949	7,594	86,543	12,268	98,811	40.8%	
2007	217,843	234,179	105,603	16,451	122,053	11,073	133,127	56.8%	
2008	193,234	202,679	90,286	12,168	102,453	21,643	124,096	61.2%	
2009	200,868	195,185	64,022	19,934	83,956	27,971	111,926	57.3%	
2010	224,814	199,336	73,886	33,685	107,570	38,153	145,723	73.1%	
2011	240,481	220,421	37,860	73,016	110,876	77,057	187,933	85.3%	
	2,048,082	1,922,777	1,096,174	174,591	1,270,762	195,536	1,466,298	76.3%	

Ceded

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred		IBNR	Ultimate Losses	Ultimate Loss Ratio
					Losses				
2002	21,755	11,611	2,937	584	3,521	-	3,521	30.3%	
2003	11,213	20,821	4,837	-	4,837	-	4,837	23.2%	
2004	46,447	35,164	25,127	-	25,127	-	25,127	71.5%	
2005	101,553	93,428	231,974	292	232,266	115	232,381	248.7%	
2006	50,192	64,197	13,197	747	13,944	2,221	16,165	25.2%	
2007	72,723	77,364	18,219	7,060	25,278	3,775	29,054	37.6%	
2008	51,663	51,502	8,330	1,777	10,108	7,929	18,036	35.0%	
2009	58,916	55,988	19,767	7,099	26,866	9,479	36,346	64.9%	
2010	53,705	53,980	44,255	16,404	60,659	12,226	72,885	135.0%	
2011	72,015	68,298	10,569	50,974	61,542	31,145	92,688	135.7%	
	540,183	532,353	379,212	84,937	464,148	66,890	531,040	99.8%	

Net

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred		IBNR	Ultimate Losses	Ultimate Loss Ratio
					Losses				
2002	115,693	62,691	30,497	219	30,716	-	30,716	49.0%	
2003	190,055	150,589	28,316	1,493	29,809	794	30,603	20.3%	
2004	143,325	143,699	81,173	2,770	83,943	1,839	85,782	59.7%	
2005	98,003	110,609	240,707	6,385	247,092	4,623	251,715	227.6%	
2006	192,605	178,167	65,752	6,847	72,599	10,047	82,646	46.4%	
2007	145,120	156,816	87,384	9,391	96,775	7,298	104,073	66.4%	
2008	141,571	151,177	81,956	10,391	92,345	13,714	106,060	70.2%	
2009	141,952	139,196	44,255	12,835	57,090	18,492	75,580	54.3%	
2010	171,109	145,356	29,631	17,281	46,911	25,927	72,838	50.1%	
2011	168,466	152,123	27,291	22,042	49,334	45,912	95,245	62.6%	
	1,507,898	1,390,424	716,962	89,654	806,614	128,646	935,258	67.3%	

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Insurance
Marine

GROSS BASIS

Paid Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	6,209	19,443	28,626	29,909	30,929	32,248	32,419	32,465	32,468	33,434
2003	4,754	12,393	20,034	28,892	30,512	31,687	32,554	33,010	33,153	
2004	27,675	78,929	93,585	100,655	104,391	105,731	105,779	106,300		
2005	40,643	160,580	320,454	376,678	462,747	472,585	472,681			
2006	20,061	44,114	59,793	71,418	77,308	78,949				
2007	24,502	48,138	76,294	96,155	105,603					
2008	28,047	63,673	81,187	90,286						
2009	25,856	48,845	64,022							
2010	57,911	73,886								
2011	37,860									

Case Incurred Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	23,087	29,866	35,051	34,675	33,947	33,393	33,515	33,225	33,191	34,237
2003	20,644	25,605	26,341	34,063	35,853	36,344	35,452	34,748	34,646	
2004	79,663	109,129	109,535	108,057	109,784	109,857	108,414	109,070		
2005	354,142	446,811	466,813	479,460	475,957	478,385	479,358			
2006	57,558	81,091	99,884	89,932	90,886	86,543				
2007	64,850	106,533	124,645	126,350	122,053					
2008	77,653	97,184	102,272	102,453						
2009	60,176	82,803	83,956							
2010	93,992	107,570								
2011	110,876									

IBNR	Months									
	12	24	36	48	60	72	84	96	108	120
2002	27,900	13,964	12,344	1,716	801	864	384	328	116	-
2003	86,478	73,564	46,640	12,547	6,899	3,423	2,445	1,322	794	
2004	88,026	58,702	32,457	18,751	10,092	3,102	2,637	1,839		
2005	87,102	89,354	44,823	21,329	20,533	13,927	4,738			
2006	86,768	51,887	25,592	16,903	15,811	12,268				
2007	75,875	33,527	18,647	10,696	11,073					
2008	72,807	31,661	18,813	21,643						
2009	61,509	36,420	27,971							
2010	51,767	38,153								
2011	77,057									

Ultimate Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	50,987	43,830	47,395	36,391	34,748	34,257	33,899	33,553	33,306	34,237
2003	107,122	99,169	72,981	46,610	42,752	39,766	37,898	36,070	35,440	
2004	167,890	167,831	141,992	126,808	119,876	112,959	111,050	110,909		
2005	441,244	535,966	511,636	500,790	496,490	492,313	484,096			
2006	144,326	132,978	125,476	106,835	106,697	98,811				
2007	140,725	140,060	143,292	137,046	133,127					
2008	150,459	128,844	121,085	124,096						
2009	121,685	119,223	111,926							
2010	145,760	145,723								
2011	187,933									

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Insurance
Marine

GROSS BASIS

Paid Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	8.4%	26.2%	38.5%	40.3%	41.6%	43.4%	43.6%	43.7%	43.7%	45.0%
2003	2.8%	7.2%	11.7%	16.9%	17.8%	18.5%	19.0%	19.3%	19.3%	
2004	15.5%	44.1%	52.3%	56.3%	58.4%	59.1%	59.1%	59.4%		
2005	19.9%	78.7%	157.1%	184.6%	226.8%	231.6%	231.7%			
2006	8.3%	18.2%	24.7%	29.5%	31.9%	32.6%				
2007	10.5%	20.6%	32.6%	41.1%	45.1%					
2008	13.8%	31.4%	40.1%	44.5%						
2009	13.2%	25.0%	32.8%							
2010	29.1%	37.1%								
2011	17.2%									

Case Incurred Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	31.1%	40.2%	47.2%	46.7%	45.7%	44.9%	45.1%	44.7%	44.7%	46.1%
2003	12.0%	14.9%	15.4%	19.9%	20.9%	21.2%	20.7%	20.3%	20.2%	
2004	44.5%	61.0%	61.2%	60.4%	61.4%	61.4%	60.6%	61.0%		
2005	173.6%	218.9%	228.8%	235.0%	233.3%	234.5%	234.9%			
2006	23.7%	33.5%	41.2%	37.1%	37.5%	35.7%				
2007	27.7%	45.5%	53.2%	54.0%	52.1%					
2008	38.3%	47.9%	50.5%	50.5%						
2009	30.8%	42.4%	43.0%							
2010	47.2%	54.0%								
2011	50.3%									

Ultimate Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	68.6%	59.0%	63.8%	49.0%	46.8%	46.1%	45.6%	45.2%	44.8%	46.1%
2003	62.5%	57.9%	42.6%	27.2%	24.9%	23.2%	22.1%	21.0%	20.7%	
2004	93.8%	93.8%	79.4%	70.9%	67.0%	63.2%	62.1%	62.0%		
2005	216.3%	262.7%	250.8%	245.4%	243.3%	241.3%	237.3%			
2006	59.5%	54.9%	51.8%	44.1%	44.0%	40.8%				
2007	60.1%	59.8%	61.2%	58.5%	56.8%					
2008	74.2%	63.6%	59.7%	61.2%						
2009	62.3%	61.1%	57.3%							
2010	73.1%	73.1%								
2011	85.3%									

Loss Emergence	Months										Total Development
	12	24	36	48	60	72	84	96	108	120	
2002	50,987	(7,157)	3,564	(11,004)	(1,643)	(491)	(357)	(346)	(247)	930	(16,750)
2003	107,122	(7,952)	(26,188)	(26,371)	(3,858)	(2,985)	(1,869)	(1,828)	(630)		(71,682)
2004	167,690	141	(25,838)	(15,184)	(6,932)	(6,917)	(1,909)	(142)			(56,781)
2005	441,244	94,722	(24,329)	(10,847)	(4,300)	(4,177)	(8,217)				42,852
2006	144,326	(11,348)	(7,502)	(18,640)	(138)	(7,886)					(45,515)
2007	140,725	(665)	3,231	(6,246)	(3,919)						(7,599)
2008	150,459	(21,615)	(7,759)	3,011							(26,363)
2009	121,685	(2,462)	(7,297)								(9,759)
2010	145,760	(37)									(37)
2011	187,933										-
											(191,634)

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	Total Development
	-	(7,157)	(4,388)	(37,051)	40,870	(55,211)	(29,290)	(50,455)	(24,766)	(24,186)	(191,634)

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Insurance

Aviation

ITD Summary

Gross

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	259,048	89,356	22,864	85	22,949	67	23,016	25.8%
2003	331,045	278,463	34,183	637	34,820	566	35,386	12.7%
2004	376,137	329,925	55,143	2,999	58,142	1,224	59,366	18.0%
2005	181,969	331,510	50,233	1,923	52,156	3,416	55,572	16.8%
2006	113,392	175,052	18,260	1,453	19,713	3,818	23,531	13.4%
2007	70,200	90,194	11,229	1,292	12,522	4,443	16,965	18.8%
2008	67,762	68,673	3,816	1,755	5,572	2,723	8,295	12.1%
2009	76,198	67,087	7,596	9,672	17,268	2,289	19,557	29.2%
2010	75,794	71,363	4,837	3,264	8,101	4,756	12,857	18.0%
2011	70,792	77,401	722	2,336	3,058	16,662	19,720	25.5%
	1,622,336	1,579,024	208,883	25,416	234,301	39,964	274,265	17.4%

Ceded

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	25,977	11,149	734	-	734	-	734	6.6%
2003	13,855	19,956	-	-	-	221	221	1.1%
2004	61,635	38,702	1,293	-	1,293	-	1,293	3.3%
2005	9,631	33,867	-	-	-	-	-	0.0%
2006	7,235	14,491	-	-	-	-	-	0.0%
2007	4,967	1,946	-	-	-	-	-	0.0%
2008	2,003	3,278	-	-	-	-	-	0.0%
2009	5,959	2,842	91	39	130	4	134	4.7%
2010	(126)	4,727	567	300	867	7	875	18.5%
2011	8,550	6,720	49	400	449	1,218	1,667	24.8%
	139,686	137,677	2,734	739	3,473	1,450	4,924	3.6%

Net

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	233,071	78,207	22,130	85	22,215	67	22,282	28.5%
2003	317,190	258,508	34,183	637	34,820	345	35,165	13.6%
2004	314,501	291,223	53,850	2,999	56,849	1,224	58,073	19.9%
2005	172,338	297,643	50,233	1,923	52,156	3,416	55,572	18.7%
2006	106,157	160,561	18,260	1,453	19,713	3,818	23,531	14.7%
2007	65,233	88,248	11,229	1,292	12,522	4,443	16,965	19.2%
2008	65,758	65,395	3,816	1,755	5,572	2,723	8,295	12.7%
2009	70,239	64,245	7,505	9,633	17,138	2,285	19,423	30.2%
2010	75,920	66,636	4,270	2,964	7,234	4,749	11,982	18.0%
2011	62,242	70,681	673	1,936	2,609	15,444	18,053	25.5%
	1,482,649	1,441,347	206,149	24,677	230,828	38,514	269,341	18.7%

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Insurance
Aviation

GROSS BASIS

Paid Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	2,114	18,818	20,792	21,507	21,999	22,231	23,402	23,419	22,903	22,864
2003	10,911	21,518	26,601	29,677	31,208	33,124	33,611	34,052	34,183	
2004	10,430	37,982	46,887	48,725	53,407	54,020	54,889	55,143		
2005	14,487	27,542	40,972	45,227	47,346	49,346	50,233			
2006	2,834	8,199	13,369	15,897	17,392	18,260				
2007	2,495	6,798	9,340	10,623	11,229					
2008	596	2,180	3,228	3,816						
2009	2,431	4,058	7,596							
2010	1,124	4,837								
2011	722									

Case Incurred Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	20,373	24,707	25,741	26,613	27,939	26,311	24,143	23,645	23,048	22,949
2003	22,142	29,985	36,265	38,895	36,912	36,312	35,457	35,029	34,820	
2004	48,002	55,414	67,217	61,670	61,736	59,969	59,062	58,142		
2005	29,859	42,422	53,259	53,244	52,626	52,971	52,156			
2006	5,978	14,446	17,189	19,307	19,965	19,713				
2007	8,496	10,905	11,596	12,186	12,522					
2008	1,412	4,514	5,199	5,572						
2009	9,301	10,961	17,268							
2010	3,639	8,101								
2011	3,058									

IBNR	Months									
	12	24	36	48	60	72	84	96	108	120
2002	23,017	12,645	5,831	1,410	376	267	88	331	114	67
2003	81,901	56,376	28,845	10,231	3,945	872	1,572	1,582	566	
2004	123,086	43,764	17,667	11,461	7,281	7,021	4,666	1,224		
2005	77,627	29,303	19,220	10,793	8,875	7,071	3,416			
2006	45,685	19,352	11,532	6,442	5,822	3,818				
2007	21,837	11,118	7,325	5,086	4,443					
2008	13,460	7,009	3,278	2,723						
2009	8,767	4,304	2,289							
2010	10,067	4,756								
2011	16,662									

Ultimate Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	43,390	37,352	31,572	28,024	28,315	26,578	24,231	23,976	23,162	23,016
2003	104,043	86,361	65,110	49,126	40,857	37,185	37,029	36,612	35,386	
2004	171,087	99,178	84,883	73,131	69,017	66,991	63,728	59,366		
2005	107,486	71,725	72,479	64,038	61,501	60,042	55,572			
2006	51,662	33,797	28,720	25,749	25,787	23,531				
2007	30,333	22,022	18,922	17,272	16,965					
2008	14,872	11,523	8,477	8,295						
2009	18,068	15,265	19,557							
2010	13,706	12,857								
2011	19,720									

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Insurance
Aviation

GROSS BASIS

Paid Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	2.4%	21.1%	23.3%	24.1%	24.6%	24.9%	26.2%	26.2%	25.6%	25.6%
2003	3.9%	7.7%	9.6%	10.7%	11.2%	11.9%	12.1%	12.2%	12.3%	
2004	3.2%	11.5%	14.2%	14.8%	16.2%	16.4%	16.6%	16.7%		
2005	4.4%	8.3%	12.4%	13.6%	14.3%	14.9%	15.2%			
2006	1.6%	4.7%	7.6%	9.1%	9.9%	10.4%				
2007	2.8%	7.5%	10.4%	11.8%	12.5%					
2008	0.9%	3.2%	4.7%	5.6%						
2009	3.6%	6.0%	11.3%							
2010	1.6%	6.8%								
2011	0.9%									

Case Incurred Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	22.8%	27.6%	28.8%	29.8%	31.3%	29.4%	27.0%	26.5%	25.6%	25.7%
2003	8.0%	10.8%	13.0%	14.0%	13.3%	13.0%	12.7%	12.6%	12.5%	
2004	14.5%	16.8%	20.4%	18.7%	18.7%	18.2%	17.9%	17.6%		
2005	9.0%	12.8%	16.1%	16.1%	15.9%	16.0%	15.7%			
2006	3.4%	8.3%	9.8%	11.0%	11.4%	11.3%				
2007	9.4%	12.1%	12.9%	13.5%	13.9%					
2008	2.1%	6.6%	7.6%	8.1%						
2009	13.9%	16.3%	25.7%							
2010	5.1%	11.4%								
2011	4.0%									

Ultimate Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	48.6%	41.8%	35.3%	31.4%	31.7%	29.7%	27.1%	26.8%	25.9%	25.8%
2003	37.4%	31.0%	23.4%	17.6%	14.7%	13.4%	13.3%	13.1%	12.7%	
2004	51.9%	30.1%	25.7%	22.2%	20.9%	20.3%	19.3%	18.0%		
2005	32.4%	21.6%	21.9%	19.3%	18.6%	18.1%	16.8%			
2006	29.5%	19.3%	16.4%	14.7%	14.7%	13.4%				
2007	33.6%	24.4%	21.0%	19.1%	18.8%					
2008	21.7%	16.8%	12.3%	12.1%						
2009	26.9%	22.8%	29.2%							
2010	19.2%	18.0%								
2011	25.5%									

Loss Emergence	Months										Total Development
	12	24	36	48	60	72	84	96	108	120	
2002	43,390	(6,038)	(5,780)	(3,548)	292	(1,737)	(2,347)	(255)	(814)	(147)	(20,374)
2003	104,043	(17,683)	(21,251)	(15,984)	(8,269)	(3,672)	(156)	(418)	(1,225)		(68,657)
2004	171,087	(71,909)	(14,295)	(11,752)	(4,115)	(2,026)	(3,263)	(4,362)			(111,722)
2005	107,486	(35,761)	753	(8,441)	(2,537)	(1,459)	(4,469)				(51,914)
2006	51,662	(17,865)	(5,077)	(2,972)	38	(2,256)					(28,131)
2007	30,333	(8,311)	(3,101)	(1,649)	(307)						(13,369)
2008	14,872	(3,349)	(3,046)	(182)							(6,577)
2009	18,068	(2,803)	4,292								1,489
2010	13,706	(849)									(849)
2011	19,720										-
											(300,104)

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	Total Development
	-	(6,038)	(23,463)	(96,708)	(65,748)	(38,870)	(31,963)	(14,394)	(13,414)	(9,506)	(300,104)

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Insurance

Credit and Political Risk

ITD Summary

Gross

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred		IBNR	Ultimate Losses	Ultimate Loss
					Losses				Ratio
2002	44,238	8,611	-	-	-	-	20	20	0.2%
2003	90,302	33,531	158	-	158	-	-	158	0.5%
2004	125,448	40,058	-	-	-	-	-	-	0.0%
2005	129,368	61,233	8	-	8	-	-	8	0.0%
2006	209,629	89,913	-	-	-	-	-	-	0.0%
2007	232,549	113,926	4,361	(3,389)	973	-	-	973	0.9%
2008	183,041	144,481	45,911	(259)	45,652	174	-	45,825	31.7%
2009	19,450	188,311	346,865	(44,092)	302,773	23,553	-	326,326	173.3%
2010	30,669	89,773	85,529	(40,237)	45,293	17,659	-	62,951	70.1%
2011	35,734	97,680	32,821	(22,985)	9,836	48,737	-	58,573	60.0%
	1,100,428	867,517	515,653	(110,962)	404,693	90,143	-	494,834	57.0%

Ceded

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred		IBNR	Ultimate Losses	Ultimate Loss
					Losses				Ratio
2002	4,220	1,731	-	-	-	-	-	-	0.0%
2003	1,813	2,099	-	-	-	-	-	-	0.0%
2004	2,435	3,024	-	-	-	-	-	-	0.0%
2005	4,900	6,152	-	-	-	-	-	-	0.0%
2006	2,039	1,813	-	-	-	-	-	-	0.0%
2007	501	1,089	-	-	-	-	-	-	0.0%
2008	-	-	-	-	-	-	-	-	N/A
2009	-	-	-	-	-	-	-	-	N/A
2010	-	-	-	-	-	-	-	-	N/A
2011	-	-	-	-	-	-	-	-	N/A
	15,909	15,909	-	-	-	-	-	-	0.0%

Net

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred		IBNR	Ultimate Losses	Ultimate Loss
					Losses				Ratio
2002	40,018	6,880	-	-	-	-	20	20	0.3%
2003	88,489	31,432	158	-	158	-	-	158	0.5%
2004	123,013	37,034	-	-	-	-	-	-	0.0%
2005	124,468	55,081	8	-	8	-	-	8	0.0%
2006	207,590	88,100	-	-	-	-	-	-	0.0%
2007	232,048	112,837	4,361	(3,389)	973	-	-	973	0.9%
2008	183,041	144,481	45,911	(259)	45,652	174	-	45,825	31.7%
2009	19,450	188,311	346,865	(44,092)	302,773	23,553	-	326,326	173.3%
2010	30,669	89,773	85,529	(40,237)	45,293	17,659	-	62,951	70.1%
2011	35,734	97,680	32,821	(22,985)	9,836	48,737	-	58,573	60.0%
	1,084,519	851,609	515,653	(110,962)	404,693	90,143	-	494,834	58.1%

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Insurance
Credit and Political Risk

GROSS BASIS

Paid Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	152	158	158	158	158	158	158
2004	-	-	-	-	-	-	-	-	-	-
2005	-	8	8	8	8	8	8	8	8	8
2006	-	-	-	-	-	-	-	-	-	-
2007	120	2,928	4,398	4,356	4,361	-	-	-	-	-
2008	247	69,464	45,896	45,911	-	-	-	-	-	-
2009	93,296	345,202	346,865	-	-	-	-	-	-	-
2010	50,038	85,529	-	-	-	-	-	-	-	-
2011	32,821	-	-	-	-	-	-	-	-	-

Case Incurred Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	152	158	158	158	158	158	158
2004	-	-	-	-	-	-	-	-	-	-
2005	-	8	8	8	8	8	8	8	8	8
2006	-	-	-	-	-	-	-	-	-	-
2007	120	3,005	4,825	4,706	973	-	-	-	-	-
2008	13,978	30,444	45,896	45,652	-	-	-	-	-	-
2009	90,975	254,903	302,773	-	-	-	-	-	-	-
2010	10,038	45,293	-	-	-	-	-	-	-	-
2011	9,836	-	-	-	-	-	-	-	-	-

IBNR	Months									
	12	24	36	48	60	72	84	96	108	120
2002	2,031	1,583	1,491	202	117	24	20	20	20	20
2003	14,567	13,889	10,060	5,195	3,936	-	-	-	-	-
2004	19,357	17,842	18,111	13,697	1	-	-	-	-	-
2005	26,816	27,084	27,084	9,329	-	-	-	-	-	-
2006	40,437	40,437	16,642	9,592	-	-	-	-	-	-
2007	50,723	41,907	12,224	683	-	-	-	-	-	-
2008	40,931	33,268	3,137	174	-	-	-	-	-	-
2009	159,926	50,344	23,553	-	-	-	-	-	-	-
2010	52,604	17,659	-	-	-	-	-	-	-	-
2011	48,737	-	-	-	-	-	-	-	-	-

Ultimate Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	2,031	1,583	1,491	202	117	24	20	20	20	20
2003	14,567	13,889	10,060	5,346	4,094	158	158	158	158	158
2004	19,357	17,842	18,111	13,697	1	-	-	-	-	-
2005	26,816	27,092	27,092	9,337	8	8	8	8	8	8
2006	40,437	40,437	16,642	9,592	-	-	-	-	-	-
2007	50,843	44,911	17,049	5,388	973	-	-	-	-	-
2008	54,909	63,712	49,034	45,825	-	-	-	-	-	-
2009	250,901	305,247	326,326	-	-	-	-	-	-	-
2010	62,642	62,951	-	-	-	-	-	-	-	-
2011	58,573	-	-	-	-	-	-	-	-	-

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Insurance
Credit and Political Risk

GROSS BASIS

Paid Loss Ratio	Months										
	12	24	36	48	60	72	84	96	108	120	
2002	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2003	0.0%	0.0%	0.0%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.0%
2004	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2005	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2006	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2007	0.1%	2.6%	3.9%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
2008	0.2%	48.1%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%
2009	49.5%	183.3%	184.2%	184.2%	184.2%	184.2%	184.2%	184.2%	184.2%	184.2%	184.2%
2010	55.7%	95.3%	95.3%	95.3%	95.3%	95.3%	95.3%	95.3%	95.3%	95.3%	95.3%
2011	33.6%										

Case Incurred Loss Ratio	Months										
	12	24	36	48	60	72	84	96	108	120	
2002	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2003	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2004	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2005	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2006	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2007	0.1%	2.6%	4.2%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%
2008	9.7%	21.1%	31.8%	31.6%	31.6%	31.6%	31.6%	31.6%	31.6%	31.6%	31.6%
2009	48.3%	135.4%	160.8%	160.8%	160.8%	160.8%	160.8%	160.8%	160.8%	160.8%	160.8%
2010	11.2%	50.5%	50.5%	50.5%	50.5%	50.5%	50.5%	50.5%	50.5%	50.5%	50.5%
2011	10.1%										

Ultimate Loss Ratio	Months										
	12	24	36	48	60	72	84	96	108	120	
2002	23.6%	18.4%	17.3%	2.3%	1.4%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%
2003	43.4%	41.4%	30.0%	15.9%	12.2%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
2004	48.3%	44.5%	45.2%	34.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2005	43.8%	44.2%	44.2%	15.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2006	45.0%	45.0%	18.5%	10.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2007	44.6%	39.4%	15.0%	4.7%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
2008	38.0%	44.1%	33.9%	31.7%	31.7%	31.7%	31.7%	31.7%	31.7%	31.7%	31.7%
2009	133.2%	162.1%	173.3%	173.3%	173.3%	173.3%	173.3%	173.3%	173.3%	173.3%	173.3%
2010	69.8%	70.1%	70.1%	70.1%	70.1%	70.1%	70.1%	70.1%	70.1%	70.1%	70.1%
2011	60.0%										

Loss Emergence	Months										Total Development
	12	24	36	48	60	72	84	96	108	120	
2002	2,031	(448)	(92)	(1,289)	(85)	(93)	(4)	-	-	-	(2,011)
2003	14,567	(679)	(3,828)	(4,714)	(1,252)	(3,936)	-	-	-	-	(14,410)
2004	19,357	(1,515)	270	(4,415)	(13,695)	(1)	-	-	-	-	(19,357)
2005	26,816	276	0	(17,755)	(9,329)	-	-	-	-	-	(26,808)
2006	40,437	-	(23,795)	(7,050)	(9,592)	-	-	-	-	-	(40,437)
2007	50,843	(5,931)	(27,862)	(11,661)	(4,415)	-	-	-	-	-	(49,870)
2008	54,909	8,804	(14,679)	(3,208)	-	-	-	-	-	-	(9,083)
2009	250,901	54,346	21,079	-	-	-	-	-	-	-	75,425
2010	62,642	309	-	-	-	-	-	-	-	-	309
2011	58,573	-	-	-	-	-	-	-	-	-	-
											(86,241)

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	Total Development
	-	(448)	(771)	(6,633)	(4,254)	(5,760)	(65,117)	(35,438)	18,414	13,764	(86,241)

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Insurance

Professional Lines

ITD Summary

Gross

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred	IBNR	Ultimate Losses	Ultimate Loss
					Losses			Ratio
2002	-	-	-	-	-	-	-	N/A
2003	243,228	141,101	43,439	8,775	52,214	3,777	55,991	39.7%
2004	321,296	254,715	74,428	5,669	80,096	9,790	89,887	35.3%
2005	431,654	369,255	91,534	7,510	99,044	29,471	128,515	34.8%
2006	493,754	460,900	127,036	15,145	142,182	38,848	181,030	39.3%
2007	528,616	492,361	187,917	75,788	263,706	109,058	372,764	75.7%
2008	601,874	548,761	214,542	123,478	338,020	189,247	527,267	96.1%
2009	671,618	632,816	105,127	101,630	206,758	276,588	483,346	76.4%
2010	712,053	677,839	51,794	61,197	112,990	334,418	447,409	66.0%
2011	764,205	735,301	14,050	44,115	58,164	450,856	509,020	69.2%
	4,768,298	4,313,049	909,867	443,307	1,353,174	1,442,053	2,795,229	64.8%

Ceded

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred	IBNR	Ultimate Losses	Ultimate Loss
					Losses			Ratio
2002	-	-	-	-	-	-	-	N/A
2003	165,143	92,067	32,435	5,380	37,815	2,273	40,089	43.5%
2004	167,205	151,090	50,562	3,755	54,317	5,800	60,116	39.8%
2005	162,960	165,902	46,971	5,214	52,185	9,348	61,533	37.1%
2006	150,473	148,002	48,588	6,147	54,735	11,505	66,240	44.8%
2007	187,856	161,714	60,809	31,457	92,266	34,847	127,112	78.6%
2008	235,604	207,832	77,552	52,619	130,172	71,716	201,888	97.1%
2009	274,575	251,453	41,358	49,693	91,051	104,605	195,656	77.8%
2010	190,160	233,176	17,572	28,159	45,731	122,094	167,825	72.0%
2011	206,314	199,063	3,085	17,082	20,167	121,400	141,568	71.1%
	1,740,290	1,610,299	378,932	199,506	578,439	483,588	1,062,027	66.0%

Net

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred	IBNR	Ultimate Losses	Ultimate Loss
					Losses			Ratio
2002	-	-	-	-	-	-	-	N/A
2003	78,085	49,034	11,004	3,395	14,399	1,504	15,902	32.4%
2004	154,091	103,625	23,866	1,914	25,779	3,990	29,771	28.7%
2005	268,694	203,353	44,563	2,296	46,859	20,123	66,982	32.9%
2006	343,280	312,898	78,448	8,998	87,447	27,343	114,790	36.7%
2007	340,759	330,646	127,108	44,331	171,440	74,211	245,652	74.3%
2008	366,270	340,929	136,990	70,859	207,848	117,531	325,379	95.4%
2009	397,043	381,364	63,769	51,937	115,707	171,983	287,690	75.4%
2010	521,893	444,663	34,222	33,038	67,259	212,324	279,584	62.9%
2011	557,891	536,238	10,965	27,033	37,997	329,456	367,452	68.5%
	3,028,008	2,702,750	530,935	243,801	774,735	958,465	1,733,202	64.1%

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Insurance
Professional Lines

GROSS BASIS

Paid Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	211	2,688	8,549	11,975	13,162	31,307	40,872	42,734	43,439	-
2004	102	6,686	13,131	18,150	36,598	61,858	74,290	74,428	-	-
2005	153	10,147	24,921	49,288	63,557	83,584	91,534	-	-	-
2006	3,765	21,813	78,083	107,585	116,128	127,036	-	-	-	-
2007	10,913	33,706	84,023	167,414	187,917	-	-	-	-	-
2008	15,820	45,920	123,212	214,542	-	-	-	-	-	-
2009	13,476	53,460	105,127	-	-	-	-	-	-	-
2010	13,378	51,794	-	-	-	-	-	-	-	-
2011	14,050	-	-	-	-	-	-	-	-	-

Case Incurred Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	5,550	12,560	18,463	34,943	36,260	43,141	43,804	49,753	52,214	-
2004	615	17,330	37,645	68,050	94,496	97,274	91,738	80,096	-	-
2005	2,043	33,049	44,720	71,343	72,487	110,146	99,044	-	-	-
2006	17,945	48,862	109,399	125,864	130,644	142,182	-	-	-	-
2007	24,977	115,593	187,392	245,807	263,706	-	-	-	-	-
2008	46,510	116,419	208,875	338,020	-	-	-	-	-	-
2009	38,172	125,610	206,758	-	-	-	-	-	-	-
2010	43,356	112,990	-	-	-	-	-	-	-	-
2011	58,164	-	-	-	-	-	-	-	-	-

IBNR	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	98,978	100,374	100,952	84,786	68,344	13,013	10,998	5,827	3,777	-
2004	177,326	160,967	140,858	110,299	65,787	25,732	17,130	9,790	-	-
2005	264,785	234,097	221,346	193,538	79,846	41,216	29,471	-	-	-
2006	306,637	274,792	217,913	165,410	91,484	38,848	-	-	-	-
2007	336,232	292,647	223,877	167,780	109,058	-	-	-	-	-
2008	369,039	381,216	294,003	189,247	-	-	-	-	-	-
2009	407,319	349,253	276,588	-	-	-	-	-	-	-
2010	387,435	334,418	-	-	-	-	-	-	-	-
2011	450,856	-	-	-	-	-	-	-	-	-

Ultimate Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	104,528	112,934	119,415	119,730	104,604	56,154	54,802	55,580	55,991	-
2004	177,941	178,296	178,504	178,349	160,283	123,006	108,868	89,887	-	-
2005	266,828	267,147	266,065	264,881	152,333	151,361	128,515	-	-	-
2006	324,582	323,653	327,312	291,274	222,128	181,030	-	-	-	-
2007	361,209	408,240	411,269	413,588	372,764	-	-	-	-	-
2008	415,549	497,635	502,879	527,267	-	-	-	-	-	-
2009	445,491	474,863	483,346	-	-	-	-	-	-	-
2010	430,790	447,409	-	-	-	-	-	-	-	-
2011	509,020	-	-	-	-	-	-	-	-	-

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Insurance
Professional Lines

GROSS BASIS

Paid Loss Ratio	Months										
	12	24	36	48	60	72	84	96	108	120	
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	0.1%	1.9%	6.1%	8.5%	9.3%	22.2%	29.0%	30.3%	30.8%		
2004	0.0%	2.6%	5.2%	7.1%	14.4%	24.3%	29.2%	29.2%			
2005	0.0%	2.7%	6.7%	13.3%	17.2%	22.6%	24.6%				
2006	0.8%	4.7%	16.9%	23.3%	25.2%	27.6%					
2007	2.2%	6.8%	17.1%	34.0%	38.2%						
2008	2.9%	8.4%	22.5%	39.1%							
2009	2.1%	8.4%	16.6%								
2010	2.0%	7.6%									
2011	1.9%										

Case Incurred Loss Ratio	Months										
	12	24	36	48	60	72	84	96	108	120	
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	3.9%	8.9%	13.1%	24.8%	25.7%	30.6%	31.0%	35.3%	37.0%		
2004	0.2%	6.8%	14.8%	26.7%	37.1%	38.2%	36.0%	31.4%			
2005	0.6%	9.0%	12.1%	19.3%	19.6%	29.8%	26.8%				
2006	3.9%	10.6%	23.7%	27.3%	28.3%	30.8%					
2007	5.1%	23.5%	38.1%	49.9%	53.6%						
2008	8.5%	21.2%	38.1%	61.6%							
2009	6.0%	19.8%	32.7%								
2010	6.4%	16.7%									
2011	7.9%										

Ultimate Loss Ratio	Months										
	12	24	36	48	60	72	84	96	108	120	
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	74.1%	80.0%	84.6%	84.9%	74.1%	39.8%	38.8%	39.4%	39.7%		
2004	69.9%	70.0%	70.1%	70.0%	62.9%	48.3%	42.7%	35.3%			
2005	72.3%	72.3%	72.1%	71.7%	41.3%	41.0%	34.8%				
2006	70.4%	70.2%	71.0%	63.2%	48.2%	39.3%					
2007	73.4%	82.9%	83.5%	84.0%	75.7%						
2008	75.7%	90.7%	91.6%	96.1%							
2009	70.4%	75.0%	76.4%								
2010	63.6%	66.0%									
2011	69.2%										

Loss Emergence	Months										Total Development
	12	24	36	48	60	72	84	96	108	120	
2002	-	-	-	-	-	-	-	-	-	-	-
2003	104,528	8,407	6,481	315	(15,126)	(48,450)	(1,352)	778	412		(48,536)
2004	177,941	355	207	(155)	(18,066)	(37,277)	(14,138)	(18,981)			(88,054)
2005	266,828	319	(1,081)	(1,184)	(112,548)	(972)	(22,846)				(138,313)
2006	324,582	(929)	3,659	(36,038)	(69,146)	(41,098)					(143,552)
2007	361,209	47,030	3,029	2,319	(40,824)						11,554
2008	415,549	82,086	5,244	24,388							111,718
2009	445,491	29,371	8,483								37,855
2010	430,790	16,618									16,618
2011	509,020										-
											(240,710)

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	Total Development
	-	-	8,407	6,836	841	(17,291)	(17,012)	(102,099)	(46,544)	(73,848)	(240,710)

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

**Insurance
Liability**

ITD Summary

Gross

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	-	-	-	-	-	-	-	N/A
2003	157,808	95,215	41,833	2,396	44,229	27,313	71,541	75.1%
2004	229,562	190,896	105,010	17,612	122,622	22,760	145,382	76.2%
2005	272,642	251,299	124,668	16,414	141,082	61,758	202,840	80.7%
2006	254,002	260,934	88,994	7,153	96,146	96,779	192,926	73.9%
2007	248,562	244,274	96,394	21,240	117,634	80,237	197,871	81.0%
2008	216,629	232,863	76,371	22,203	98,575	100,831	199,406	85.6%
2009	219,869	224,859	34,420	34,332	68,753	111,614	180,367	80.2%
2010	228,247	225,630	43,467	74,723	118,189	138,121	256,311	113.6%
2011	213,256	220,772	4,136	11,579	15,715	164,938	180,653	81.8%
	2,040,578	1,946,742	615,293	207,652	822,945	804,351	1,627,297	83.6%

Ceded

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	-	-	-	-	-	-	-	N/A
2003	63,134	42,666	12,555	606	13,161	16,581	29,742	69.7%
2004	101,204	75,393	41,922	10,072	51,994	12,355	64,350	85.4%
2005	142,856	123,228	56,433	8,048	64,481	40,182	104,663	84.9%
2006	148,371	143,692	46,806	288	47,094	61,481	108,575	75.6%
2007	128,411	135,269	39,601	9,139	48,739	43,332	92,071	68.1%
2008	145,228	134,965	45,522	11,693	57,215	56,147	113,362	84.0%
2009	137,019	142,573	19,450	16,553	36,003	72,452	108,454	76.1%
2010	133,290	138,149	26,033	46,201	72,234	84,809	157,043	113.7%
2011	128,754	131,217	1,248	6,945	8,193	97,107	105,299	80.2%
	1,128,268	1,067,152	289,570	109,545	399,114	484,446	883,559	82.8%

Net

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	-	-	-	-	-	-	-	N/A
2003	94,674	52,549	29,278	1,790	31,068	10,732	41,799	79.5%
2004	128,358	115,503	63,088	7,540	70,628	10,405	81,032	70.2%
2005	129,786	128,070	68,235	8,366	76,601	21,576	98,177	76.7%
2006	105,631	117,242	42,188	6,865	49,052	35,298	84,351	71.9%
2007	120,152	109,005	56,793	12,101	68,895	36,905	105,800	97.1%
2008	71,400	97,898	30,849	10,510	41,360	44,684	86,044	87.9%
2009	82,850	82,286	14,970	17,779	32,750	39,162	71,913	87.4%
2010	94,957	87,481	17,434	28,522	45,955	53,312	99,268	113.5%
2011	84,502	89,555	2,888	4,634	7,522	67,831	75,354	84.1%
	912,310	879,590	325,723	98,107	423,831	319,905	743,738	84.6%

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Insurance
Liability

GROSS BASIS

Paid Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	203	4,826	13,799	22,045	28,130	34,715	37,124	39,483	41,833	-
2004	2,720	8,969	23,279	37,590	64,372	78,048	95,389	105,010	-	-
2005	1,855	13,001	33,383	73,116	93,368	116,907	124,668	-	-	-
2006	763	9,690	36,609	56,945	73,374	88,994	-	-	-	-
2007	4,271	12,233	43,091	74,322	96,394	-	-	-	-	-
2008	10,734	33,860	57,175	76,371	-	-	-	-	-	-
2009	2,463	10,013	34,420	-	-	-	-	-	-	-
2010	2,197	43,467	-	-	-	-	-	-	-	-
2011	4,136	-	-	-	-	-	-	-	-	-

Case Incurred Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	2,212	22,450	23,330	28,645	38,665	39,912	41,140	42,707	44,229	-
2004	9,678	18,100	35,252	56,587	92,809	106,545	115,173	122,622	-	-
2005	10,993	26,406	55,300	103,765	119,592	133,810	141,082	-	-	-
2006	4,631	25,787	53,154	74,693	91,722	96,146	-	-	-	-
2007	7,653	31,258	84,735	100,668	117,634	-	-	-	-	-
2008	23,148	58,496	79,342	98,575	-	-	-	-	-	-
2009	14,342	34,807	68,753	-	-	-	-	-	-	-
2010	25,977	118,189	-	-	-	-	-	-	-	-
2011	15,715	-	-	-	-	-	-	-	-	-

IBNR	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	66,202	45,925	44,987	39,671	29,651	31,385	30,172	28,620	27,313	-
2004	123,999	115,660	98,547	79,566	43,489	38,503	30,228	22,760	-	-
2005	177,474	161,838	137,183	96,631	80,130	66,450	61,758	-	-	-
2006	184,437	163,153	142,358	120,384	103,976	96,779	-	-	-	-
2007	172,870	149,232	112,347	97,109	80,237	-	-	-	-	-
2008	153,513	130,800	119,312	100,831	-	-	-	-	-	-
2009	160,643	142,556	111,614	-	-	-	-	-	-	-
2010	189,207	138,121	-	-	-	-	-	-	-	-
2011	164,938	-	-	-	-	-	-	-	-	-

Ultimate Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	68,414	68,375	68,316	68,316	68,316	71,298	71,312	71,327	71,541	-
2004	133,677	133,760	133,799	136,154	136,298	145,048	145,400	145,382	-	-
2005	188,467	188,244	192,483	200,395	199,722	200,260	202,840	-	-	-
2006	189,068	188,941	195,512	195,077	195,699	192,926	-	-	-	-
2007	180,523	180,490	197,082	197,777	197,871	-	-	-	-	-
2008	176,661	189,296	198,654	199,406	-	-	-	-	-	-
2009	174,986	177,363	180,367	-	-	-	-	-	-	-
2010	215,184	256,311	-	-	-	-	-	-	-	-
2011	180,653	-	-	-	-	-	-	-	-	-

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Insurance
Liability

GROSS BASIS

Paid Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	0.2%	5.1%	14.5%	23.2%	29.5%	36.5%	39.0%	41.5%	43.9%	N/A
2004	1.4%	4.7%	12.2%	19.7%	33.7%	40.9%	50.0%	55.0%		
2005	0.7%	5.2%	13.3%	29.1%	37.2%	46.5%	49.6%			
2006	0.3%	3.7%	14.0%	21.8%	28.1%	34.1%				
2007	1.7%	5.0%	17.6%	30.4%	39.5%					
2008	4.6%	14.5%	24.6%	32.8%						
2009	1.1%	4.5%	15.3%							
2010	1.0%	19.3%								
2011	1.9%									

Case Incurred Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	2.3%	23.6%	24.5%	30.1%	40.6%	41.9%	43.2%	44.9%	46.5%	
2004	5.1%	9.5%	18.5%	29.6%	48.6%	55.8%	60.3%	64.2%		
2005	4.4%	10.5%	22.0%	41.3%	47.6%	53.2%	56.1%			
2006	1.8%	9.9%	20.4%	28.6%	35.2%	36.8%				
2007	3.1%	12.8%	34.7%	41.2%	48.2%					
2008	9.9%	25.1%	34.1%	42.3%						
2009	6.4%	15.5%	30.6%							
2010	11.5%	52.4%								
2011	7.1%									

Ultimate Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	71.9%	71.8%	71.7%	71.7%	71.7%	74.9%	74.9%	74.9%	75.1%	
2004	70.0%	70.1%	70.1%	71.3%	71.4%	76.0%	76.2%	76.2%		
2005	75.0%	74.9%	76.6%	79.7%	79.5%	79.7%	80.7%			
2006	72.5%	72.4%	74.9%	74.8%	75.0%	73.9%				
2007	73.9%	73.9%	80.7%	81.0%	81.0%					
2008	75.9%	81.3%	85.3%	85.6%						
2009	77.8%	78.9%	80.2%							
2010	95.4%	113.6%								
2011	81.8%									

Loss Emergence	Months										Total Development
	12	24	36	48	60	72	84	96	108	120	
2002	-	-	-	-	-	-	-	-	-	-	-
2003	68,414	(39)	(59)	-	-	2,982	14	16	214	-	3,127
2004	133,677	83	39	2,355	144	8,750	352	(18)			11,705
2005	188,467	(223)	4,239	7,912	(673)	538	2,580				14,373
2006	189,068	(127)	6,571	(435)	621	(2,773)					3,858
2007	180,523	(34)	16,593	695	94						17,347
2008	176,661	12,635	9,358	751							22,745
2009	174,986	2,378	3,004								5,361
2010	215,184	41,127									41,127
2011	180,653										-
											119,663

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	Total Development
	-	-	(39)	24	(184)	6,467	17,575	36,884	13,959	44,978	119,663

AXIS Capital Holdings Limited
2011 Loss Development Triangles

VI. REINSURANCE SEGMENT

i) Reserving Class Descriptions

The following provides background commentary on the underlying business composition in each reserving class and how this has changed over time.

Property and Other

- This class primarily comprises catastrophe reinsurance which provides protection for catastrophic losses in the underlying insurance written by our cedants. The underlying policies principally cover property exposures against such perils as hurricane and windstorm, earthquake, flood, tornado, hail and fire. In some instances, terrorism may be a covered peril or the only peril. Other underlying coverages, written on a multi-claimant basis, include workers' compensation, personal accident and life. This class also includes property reinsurance written on both a proportional and a per-risk excess of loss basis and covers underlying personal lines and commercial property exposures.
- The U.S. property catastrophe market experienced generally hard market conditions during the period from 2002 through 2003 before beginning to weaken slightly in 2004. A relatively stable pricing environment for the 2005 renewal season was followed by significant rate increases in 2006, as a result of Hurricane Katrina and revisions to pricing models. The downward pressure on rates over the next 24 months as a result of relatively benign loss experience was again followed by a modest hardening of the markets towards the end of 2008 as a result of Hurricanes Ike and Gustav together with the global financial crisis. Pricing trends in the international property catastrophe market generally followed a similar pattern. However, the absence of significant large losses during this period meant that the pricing cycle, and in particular the market hardening in 2002 and 2006, was generally less pronounced than that observed for the U.S. market.
- The 2011 accident year was impacted by a high frequency of natural catastrophes including the earthquakes in New Zealand, the earthquake & tsunami in Japan, flooding in Thailand and a series of storms in the U.S. Midwest. The impact of these losses together with the introduction of updated catastrophe models led to some pricing improvements during the second half of 2011, particularly in areas with recent high loss activity or accounts in the U.S. regions impacted by the introduction of RMS v11.
- Other predominantly short tail reinsurance exposures also included in this class are:
 - Engineering: This line of business comprises non-proportional and proportional treaties that provide coverage for all types of civil construction risks and risks associated with erection, testing and commissioning of machinery and plants during the construction stage. Coverage is also provided for losses arising from operational failures of machinery, plant and equipment and electronic equipment as well as business interruption. The earned premiums for this line of business have increased from \$9 million in 2006 to \$66 million in 2011.
 - Crop: This line of business mainly comprises stop loss contracts with most exposures emanating from North America and Europe. With the exception of the 2008 accident year (earned premium of \$25 million), the earned premiums for this line of business in any one year are in the range of \$5 million to \$15 million.
 - Marine and Aviation: This line of business mainly comprises marine reinsurance which includes hull, cargo and liability risks underwritten on both a proportional and non-proportional basis primarily from the U.S. The aviation reinsurance includes airline hull and liability, manufacturers' products liability and general aviation risks. The annual earned premium for this line of business was approximately \$10 million. We note that, with the exception of one aviation treaty, this line of business went into run-off following the January 1, 2009 renewals.

AXIS Capital Holdings Limited
2011 Loss Development Triangles

- In general, paid and reporting patterns are relatively short-tailed and can be volatile due to the incidence of catastrophe events such as hurricanes and earthquakes, as noted in Section II(iv).

Credit and Bond

- Prior to 2010, approximately 70-80% of the premium for this class of business comprised European trade credit business with the remainder relating primarily to U.S. and European surety bond business. In 2009, AXIS began writing surety business in Latin America. As a result, the proportion of trade credit business fell to approximately 60% in both 2010 and 2011. The Latin American business is primarily a construction industry product written on a treaty and facultative basis.
- Most of the trade credit business is focused on European exposures and relates mainly to commercial trade credit (i.e. insolvency) risks. Coverage for risks such as contractual disputes, currency fluctuations and entrepreneurial ventures are not included.
- The majority of the trade credit premium is derived from proportional contracts with industry leaders. The percentage of the annual premium relating to the largest proportional treaty has generally been in the range of 35% to 45% of the total trade credit proportional business.
- Original insureds are obliged to request limits on each and every buyer (sometimes original insureds are given a discretionary limit for small buyers). Insurers can decline, reduce or cancel limits under whole-turnover credit insurance policies at any time without prior notice.
- Losses are generally reported to insurers if no payments have been made following a specified payment period (generally 30 days to 3 months). This, together with often partial or full related recoveries, leads to a relatively short loss development profile on this class of business. For most treaties, we would generally expect to observe little loss development beyond 18 to 24 months from inception on an accident year basis in credit insurance.
- As discussed in Section II(iv), we anticipate claims experience on the 2008 accident year to be higher than the 2007 and prior years due to the impact of the global financial crisis and subsequent higher insolvency rates. Primary premium rates and conditions hardened significantly in 2009, while exposures reduced substantially. Exposures increased in 2010 and 2011 in line with the economic recovery, although improved risk management by cedants has led to portfolios with lower risk profiles when compared to pre-global financial crisis profiles. We would expect the projected losses on the 2009 and subsequent accident years to be at a substantially lower level than for 2008.
- The remainder of this class consists of worldwide surety bond business written on both a proportional and non-proportional basis. The bond related business typically has a longer development profile relative to that of the trade credit business.
- Despite the impact of the global financial crisis and the sovereign debt crisis in Europe, the pricing on surety business has remained competitive over the past two to three years, reflecting the relatively favorable claims experience.

AXIS Capital Holdings Limited
2011 Loss Development Triangles

Professional Lines

- The majority of this class relates to U.S. Professional Liability business although some relatively small amounts of non-U.S. business are also included.
- The class includes public Directors' & Officers' (D&O) Liability, non-public D&O, medical malpractice, lawyers, accountants, employment practices, environmental and miscellaneous errors and omissions insurance exposures. The percentage of annual professional liability premium relating to public D&O liability business has generally been in the range of 30% to 40%.
- The professional liability treaties are written on both a non-proportional and proportional basis. However, the majority of underlying exposures in this class are excess insurance policies where public D&O exposures typically attach at higher levels than the remainder of the portfolio. The attachment point profile for the combined professional liability reinsurance line has remained relatively stable over time.
- The underlying business is predominantly written on a claims-made basis with the majority of reinsurance treaties written on a risks-attaching basis.
- Claim payment and reporting patterns on an accident year basis are typically medium to long tail in nature. However, as discussed in Section II(iv), we anticipate claims frequency and loss development patterns on the 2007 and 2008 accident years may differ from prior years due to the impact of the global financial crisis and subsequent economic slowdown.
- Pricing on underlying primary policies for U.S. professional liability business increased significantly from 2002, peaking for most lines in 2004. The largest rate increases were found in D&O policies. Limits utilized also decreased during this period. Since 2005, D&O pricing remained competitive, reflecting a generally reduced claims environment, although the Financial Institutions sector saw a strengthening of rates in 2008 and 2009 following the global financial crisis. The overall reinsurance pricing during this period remained relatively stable despite some of the downward pressure on rates observed since 2005 in the primary market. The reinsurance market exhibited modest rate softening in 2010, followed by some positive rate movements in late 2011.

Motor

- This class of business comprises European motor reinsurance. Prior to 2010, this business was primarily written on a non-proportional basis. The percentage of proportional business increased to approximately 30% and 50% of total earned premiums in 2010 and 2011, respectively, due to increased participation in U.K. proportional treaties. The majority of business is covered on a losses occurring basis.
- The motor non-proportional business consists of standard excess of loss contracts written for cedants in several European countries. The two major markets, U.K. and France, have generally accounted for the majority of motor non-proportional premium volume although, beginning in 2009, Greek treaties have comprised approximately 10% to 15% of the non-proportional class. The attachment profiles for the U.K. and French domiciled excess of loss treaties have remained broadly stable.
- The use of additional case reserves ("ACRs") is more prevalent for the motor reinsurance class of business than for other liability classes. This reflects a higher incidence of large bodily injury claims, the reserves on which are often highly dependent on a number of assumptions such as life expectancy and cost of care. In specific cases where, as a result of different underlying assumptions, we believe that the ultimate cost of a claim may be higher than the reserve indicated by the cedant, an ACR may be recorded. Incurred losses shown in the tables and triangles include ACRs. Specifically, ACRs represented approximately 11% of total reserves (including IBNR) on the Motor class of business as of December 31, 2011.

AXIS Capital Holdings Limited
2011 Loss Development Triangles

- The relatively high incidence of bodily injury claims for this class of business also makes it particularly susceptible to increased uncertainty surrounding future loss development due to issues such as continued cost of care inflation and a trend towards more claims settling as Periodic Payment Orders (“PPOs”) in the U.K. market. There has also been a general decrease in claim frequency over the past decade following governmental measures to better control speed limits and drunk driving.
- The increase in the booked ultimate loss ratios during the 2011 calendar year is attributable to a change in assumptions regarding bodily injury settlement practices in the UK market. Specifically, AXIS increased its assumption regarding the number of non-proportional claims which are expected to settle in the future using PPOs as well as the cost of these claims relative to claims settled using only lump sum agreements. We do not discount our loss reserves in order to adjust for the time value of money associated with such annuity awards.
- Non-proportional motor treaties are generally characterized by long paid and reported loss development patterns. Despite the trend toward a greater number of claims settlements using PPOs, we note that there has been a trend towards quicker and more adequate reporting of losses in recent years.
- The U.K. and French motor reinsurance markets saw significant rate increases on excess of loss treaties during the period from 2001 through 2007; increases after 2007 were mainly limited to upper layers. The price softening seen in the primary markets during 2004 through 2009 was followed, in the U.K. market, by significant rate increases during 2010 and 2011.
- The motor proportional component of this class generally has a significantly shorter paid and reported loss development pattern relative to the motor non-proportional risks.

Liability

- The business covered in this class relates primarily to North American casualty business although some European business is also included.
- The North American business provides coverage to both regional and national insurers writing standard casualty business, excess and surplus casualty business and specialty casualty programs. The primary focus is umbrella business. Workers compensation and auto liability are also written, both on a monoline basis and also as part of regional multiline (both lines) and umbrella treaties (auto).
- The majority of treaties are written as non-proportional business. Proportional business generally covers excess insurance policies. The majority of treaties are written on a risks-attaching basis with the remainder written on a losses occurring basis.
- Pricing on underlying primary policies for the North American casualty book increased significantly from 2002, peaking for most lines in 2004. The largest increases were observed on commercial umbrella and excess policies. Annual rate decreases of between 5% and 10% were realized during the period from 2005 to 2011, although the period also saw declining frequency along with relatively stable severity. Despite downward pressure on insurance rates, the overall reinsurance pricing during this period remained relatively stable compared to the primary market. In late 2011, we began to observe positive rate movements in the underlying portfolios of some cedants in this class.
- Claim payment and reporting patterns are typically long tail in nature and, therefore, also subject to increased uncertainty surrounding future loss development. In particular, claims can be subject to inflation from a number of sources including, but not limited to, economic and medical inflation, judicial inflation and changing social trends.

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Reinsurance
Consolidated

ITD Summary

Gross

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred		IBNR	Ultimate Losses	Ultimate Loss
					Losses				Ratio
2002	314,244	222,237	42,451	251	42,702		618	43,320	19.5%
2003	667,086	514,343	90,352	3,280	93,631		5,650	99,281	19.3%
2004	1,092,748	908,428	399,770	22,858	422,629		44,031	466,659	51.4%
2005	1,518,868	1,388,447	1,058,866	71,430	1,130,296		138,443	1,268,738	91.4%
2006	1,538,569	1,397,917	355,748	104,097	459,845		163,004	622,848	44.6%
2007	1,550,876	1,537,897	409,662	124,391	534,051		260,562	794,614	51.7%
2008	1,548,454	1,519,126	714,200	168,689	882,889		285,745	1,168,633	76.9%
2009	1,811,705	1,656,177	353,719	212,144	565,863		350,749	916,613	55.3%
2010	1,834,420	1,760,163	442,687	351,517	794,203		508,418	1,302,619	74.0%
2011	1,974,324	1,906,570	341,167	763,911	1,105,079		814,124	1,919,201	100.7%
	13,851,294	12,811,305	4,208,622	1,822,568	6,031,188		2,571,344	8,602,526	67.1%

Ceded

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred		IBNR	Ultimate Losses	Ultimate Loss
					Losses				Ratio
2002	-	-	-	-	-		-	-	N/A
2003	12,707	9,704	-	-	-		65	65	0.7%
2004	32,360	25,884	70,740	-	70,740		210	70,950	274.1%
2005	27,646	36,313	67,250	-	67,250		7,470	74,720	205.8%
2006	9,789	9,407	-	-	-		6,085	6,085	64.7%
2007	13,766	11,926	-	-	-		6,386	6,386	53.5%
2008	15,417	15,088	-	-	-		6,591	6,591	43.7%
2009	20,337	22,379	-	-	-		10,678	10,678	47.7%
2010	19,100	19,246	-	-	-		9,301	9,301	48.3%
2011	21,024	21,296	-	-	-		9,021	9,021	42.4%
	172,146	171,244	137,990	-	137,990		55,807	193,797	113.2%

Net

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred		IBNR	Ultimate Losses	Ultimate Loss
					Losses				Ratio
2002	314,244	222,237	42,451	251	42,702		618	43,320	19.5%
2003	654,379	504,639	90,352	3,280	93,631		5,585	99,216	19.7%
2004	1,060,388	882,543	329,030	22,858	351,889		43,821	395,709	44.8%
2005	1,491,221	1,352,133	991,616	71,430	1,063,046		130,973	1,194,018	88.3%
2006	1,528,781	1,388,510	355,748	104,097	459,845		156,919	616,763	44.4%
2007	1,537,110	1,525,971	409,662	124,391	534,051		254,176	788,228	51.7%
2008	1,533,038	1,504,038	714,200	168,689	882,889		279,154	1,162,042	77.3%
2009	1,791,368	1,633,798	353,719	212,144	565,863		340,071	905,935	55.4%
2010	1,815,320	1,740,917	442,687	351,517	794,203		499,117	1,293,318	74.3%
2011	1,953,300	1,885,274	341,167	763,911	1,105,079		805,103	1,910,180	101.3%
	13,679,148	12,640,061	4,070,632	1,822,568	5,893,196		2,515,537	8,408,729	66.5%

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Reinsurance
Consolidated

GROSS BASIS

Paid Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	8,560	29,565	36,897	37,039	37,397	37,590	37,960	38,533	42,357	42,451
2003	15,641	44,837	61,551	66,052	75,464	81,161	81,934	88,319	90,352	
2004	126,755	258,524	315,762	344,004	363,566	373,968	387,915	399,770		
2005	168,552	688,139	901,023	972,197	1,016,615	1,042,593	1,058,866			
2006	66,684	182,558	251,646	291,732	321,112	355,748				
2007	88,676	238,780	313,230	362,279	409,662					
2008	192,559	433,925	602,768	714,200						
2009	102,606	261,176	353,719							
2010	169,487	442,687								
2011	341,167									

Case Incurred Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	30,412	44,340	40,868	38,924	41,329	41,048	40,343	38,954	42,714	42,702
2003	42,675	73,818	88,572	84,563	85,904	88,044	94,100	93,011	93,631	
2004	244,908	358,833	390,554	407,811	411,969	422,340	423,916	422,629		
2005	746,554	1,077,797	1,105,938	1,110,785	1,126,169	1,125,089	1,130,296			
2006	235,801	355,509	408,307	427,948	428,662	459,845				
2007	293,085	436,078	477,126	507,913	534,051					
2008	533,018	739,233	853,131	882,889						
2009	313,778	493,586	565,863							
2010	550,445	794,203								
2011	1,105,079									

IBNR	Months									
	12	24	36	48	60	72	84	96	108	120
2002	61,005	19,009	17,202	8,347	1,420	3,343	3,997	3,518	642	618
2003	224,123	123,331	72,982	44,218	38,374	27,604	8,142	8,074	5,650	
2004	465,467	271,349	159,993	136,230	94,728	59,848	47,817	44,031		
2005	621,749	353,931	309,608	273,117	203,371	160,823	138,443			
2006	608,581	387,971	288,942	252,602	215,652	163,004				
2007	672,412	482,950	383,614	324,360	260,562					
2008	700,653	450,421	343,008	285,745						
2009	720,445	458,499	350,749							
2010	760,853	508,418								
2011	814,124									

Ultimate Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	91,417	63,349	58,070	47,271	42,749	44,392	44,340	42,472	43,356	43,320
2003	266,798	197,149	161,554	128,781	124,278	115,648	102,242	101,085	99,281	
2004	710,375	630,182	550,548	544,042	506,698	482,189	471,733	466,659		
2005	1,368,303	1,431,728	1,415,546	1,383,902	1,329,540	1,285,911	1,268,738			
2006	844,382	743,480	697,249	680,549	644,315	622,848				
2007	965,497	919,028	860,740	832,275	794,614					
2008	1,233,672	1,189,653	1,196,139	1,168,633						
2009	1,034,222	952,085	916,613							
2010	1,311,298	1,302,619								
2011	1,919,201									

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Reinsurance
Consolidated

GROSS BASIS

Paid Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	3.9%	13.3%	16.6%	16.7%	16.8%	16.9%	17.1%	17.3%	19.1%	19.1%
2003	3.0%	8.7%	12.0%	12.8%	14.7%	15.8%	15.9%	17.2%	17.6%	
2004	14.0%	28.5%	34.8%	37.9%	40.0%	41.2%	42.7%	44.0%		
2005	12.1%	49.6%	64.9%	70.0%	73.2%	75.1%	76.3%			
2006	4.8%	13.1%	18.0%	20.9%	23.0%	25.4%				
2007	5.8%	15.5%	20.4%	23.6%	26.6%					
2008	12.7%	28.6%	39.7%	47.0%						
2009	6.2%	15.8%	21.4%							
2010	9.6%	25.2%								
2011	17.9%									

Case Incurred Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	13.7%	20.0%	18.4%	17.5%	18.6%	18.5%	18.2%	17.5%	19.2%	19.2%
2003	8.3%	14.4%	17.2%	16.4%	16.7%	17.1%	18.3%	18.1%	18.2%	
2004	27.0%	39.5%	43.0%	44.9%	45.3%	46.5%	46.7%	46.5%		
2005	53.8%	77.6%	79.7%	80.0%	81.1%	81.0%	81.4%			
2006	16.9%	25.4%	29.2%	30.6%	30.7%	32.9%				
2007	19.1%	28.4%	31.0%	33.0%	34.7%					
2008	35.1%	48.7%	56.2%	58.1%						
2009	18.9%	29.8%	34.2%							
2010	31.3%	45.1%								
2011	58.0%									

Ultimate Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	41.1%	28.5%	26.1%	21.3%	19.2%	20.0%	20.0%	19.1%	19.5%	19.5%
2003	51.9%	38.3%	31.4%	25.0%	24.2%	22.5%	19.9%	19.7%	19.3%	
2004	78.2%	69.4%	60.6%	59.9%	55.8%	53.1%	51.9%	51.4%		
2005	98.5%	103.1%	102.0%	99.7%	95.8%	92.6%	91.4%			
2006	60.4%	53.2%	49.9%	48.7%	46.1%	44.6%				
2007	62.8%	59.8%	56.0%	54.1%	51.7%					
2008	81.2%	78.3%	78.7%	76.9%						
2009	62.4%	57.5%	55.3%							
2010	74.5%	74.0%								
2011	100.7%									

Loss Emergence	Months										Total Development
	12	24	36	48	60	72	84	96	108	120	
2002	91,417	(28,068)	(5,279)	(10,799)	(4,522)	1,642	(52)	(1,868)	884	(36)	(48,097)
2003	266,798	(69,649)	(35,594)	(32,774)	(4,503)	(8,629)	(13,406)	(1,157)	(1,804)		(167,517)
2004	710,375	(80,193)	(79,634)	(6,506)	(37,344)	(24,509)	(10,456)	(5,074)			(243,716)
2005	1,368,303	63,425	(16,182)	(31,644)	(54,362)	(43,629)	(17,173)				(99,565)
2006	844,382	(100,902)	(46,231)	(16,700)	(36,234)	(21,467)					(221,534)
2007	965,497	(46,468)	(58,288)	(28,465)	(37,661)						(170,883)
2008	1,233,672	(44,018)	6,486	(27,506)							(65,039)
2009	1,034,222	(82,137)	(35,472)								(117,609)
2010	1,311,298	(8,679)									(8,679)
2011	1,919,201										-
											(1,142,638)

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	Total Development
	-	(28,068)	(74,928)	(126,586)	(53,504)	(126,451)	(170,368)	(213,151)	(194,708)	(154,872)	(1,142,638)

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Reinsurance
Property and Other

ITD Summary

Gross

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred		IBNR	Ultimate Losses	Ultimate Loss
					Losses				Ratio
2002	314,244	222,237	42,451	251	42,702		618	43,320	19.5%
2003	488,903	438,869	61,956	644	62,599		-	62,599	14.3%
2004	697,375	628,509	312,102	2,764	314,866		2,487	317,353	50.5%
2005	943,345	901,213	929,579	13,571	943,150		28,254	971,404	107.8%
2006	882,845	819,031	207,577	10,597	218,174		14,194	232,368	28.4%
2007	860,590	863,994	249,940	14,691	264,631		26,281	290,913	33.7%
2008	883,477	869,570	514,343	30,683	545,025		43,434	588,459	67.7%
2009	882,080	869,218	175,009	43,278	218,287		47,481	265,768	30.6%
2010	905,309	885,789	337,117	214,437	551,553		87,897	639,450	72.2%
2011	924,914	915,883	284,769	662,996	947,765		255,266	1,203,031	131.4%
	7,783,082	7,414,315	3,114,843	993,912	4,108,752		505,912	4,614,665	62.2%

Ceded

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred		IBNR	Ultimate Losses	Ultimate Loss
					Losses				Ratio
2002	-	-	-	-	-		-	-	N/A
2003	9,370	8,017	-	-	-		-	-	0.0%
2004	28,122	21,890	70,740	-	70,740		-	70,740	323.2%
2005	16,736	23,510	67,250	-	67,250		-	67,250	286.1%
2006	930	548	-	-	-		-	-	0.0%
2007	4,448	2,608	-	-	-		-	-	0.0%
2008	6,861	6,532	-	-	-		-	-	0.0%
2009	6,540	8,582	-	-	-		-	-	0.0%
2010	7,177	7,323	-	-	-		-	-	0.0%
2011	8,976	9,248	-	-	-		-	-	0.0%
	89,160	88,258	137,990	-	137,990		-	137,990	156.3%

Net

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred		IBNR	Ultimate Losses	Ultimate Loss
					Losses				Ratio
2002	314,244	222,237	42,451	251	42,702		618	43,320	19.5%
2003	479,533	430,852	61,956	644	62,599		-	62,599	14.5%
2004	669,253	606,619	241,362	2,764	244,126		2,487	246,613	40.7%
2005	926,608	877,704	862,329	13,571	875,900		28,254	904,154	103.0%
2006	881,915	818,482	207,577	10,597	218,174		14,194	232,368	28.4%
2007	856,142	861,386	249,940	14,691	264,631		26,281	290,913	33.8%
2008	876,616	863,038	514,343	30,683	545,025		43,434	588,459	68.2%
2009	875,540	860,636	175,009	43,278	218,287		47,481	265,768	30.9%
2010	898,132	878,466	337,117	214,437	551,553		87,897	639,450	72.8%
2011	915,938	906,635	284,769	662,996	947,765		255,266	1,203,031	132.7%
	7,693,922	7,326,057	2,976,853	993,912	3,970,762		505,912	4,476,675	61.1%

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Reinsurance
Property and Other

GROSS BASIS

Paid Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	8,560	29,565	36,897	37,039	37,397	37,590	37,960	38,533	42,357	42,451
2003	11,521	38,173	53,468	53,661	59,236	61,565	61,641	61,812	61,956	
2004	123,953	239,601	286,252	297,935	304,854	308,733	310,677	312,102		
2005	154,092	650,553	845,059	896,216	920,592	925,757	929,579			
2006	50,564	140,839	177,555	191,886	197,441	207,577				
2007	67,545	187,004	223,286	240,281	249,940					
2008	162,312	325,625	458,666	514,343						
2009	60,569	140,290	175,009							
2010	126,634	337,117								
2011	284,769									

Case Incurred Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	30,412	44,340	40,868	38,924	41,329	41,048	40,343	38,954	42,714	42,702
2003	37,951	62,073	70,279	63,620	63,941	63,260	62,824	62,464	62,599	
2004	229,406	306,320	318,344	316,818	315,062	316,589	314,645	314,866		
2005	705,061	953,089	959,574	949,447	951,190	941,051	943,150			
2006	150,781	198,155	213,361	209,141	206,620	218,174				
2007	206,383	266,331	264,465	264,724	264,631					
2008	415,436	473,699	557,101	545,025						
2009	174,118	226,387	218,287							
2010	423,221	551,553								
2011	947,765									

IBNR	Months									
	12	24	36	48	60	72	84	96	108	120
2002	61,005	19,009	17,202	8,347	1,420	3,343	3,997	3,518	642	618
2003	173,925	80,292	36,606	11,654	6,811	3,582	1,055	1,200	-	
2004	271,525	119,069	26,504	23,141	10,098	7,833	4,178	2,487		
2005	291,003	101,537	82,525	64,311	54,607	38,392	28,254			
2006	243,633	92,926	25,899	28,845	28,178	14,194				
2007	221,829	95,777	56,332	42,316	26,281					
2008	278,639	123,204	53,455	43,434						
2009	187,529	76,731	47,481							
2010	218,448	87,897								
2011	255,266									

Ultimate Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	91,417	63,349	58,070	47,271	42,749	44,392	44,340	42,472	43,356	43,320
2003	211,876	142,365	106,885	75,275	70,751	66,843	63,879	63,664	62,599	
2004	500,930	425,389	344,848	339,959	325,160	324,422	318,823	317,353		
2005	996,064	1,054,626	1,042,098	1,013,758	1,005,796	979,443	971,404			
2006	394,414	291,083	239,260	237,986	234,798	232,368				
2007	428,212	362,107	320,796	307,041	290,913					
2008	694,075	596,903	610,556	588,459						
2009	361,647	303,118	265,768							
2010	641,669	639,450								
2011	1,203,031									

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Reinsurance
Property and Other

GROSS BASIS

Paid Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	3.9%	13.3%	16.6%	16.7%	16.8%	16.9%	17.1%	17.3%	19.1%	19.1%
2003	2.6%	8.7%	12.2%	12.2%	13.5%	14.0%	14.0%	14.1%	14.1%	
2004	19.7%	38.1%	45.5%	47.4%	48.5%	49.1%	49.4%	49.7%		
2005	17.1%	72.2%	93.8%	99.4%	102.2%	102.7%	103.1%			
2006	6.2%	17.2%	21.7%	23.4%	24.1%	25.3%				
2007	7.8%	21.6%	25.8%	27.8%	28.9%					
2008	18.7%	37.4%	52.7%	59.1%						
2009	7.0%	16.1%	20.1%							
2010	14.3%	38.1%								
2011	31.1%									

Case Incurred Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	13.7%	20.0%	18.4%	17.5%	18.6%	18.5%	18.2%	17.5%	19.2%	19.2%
2003	8.6%	14.1%	16.0%	14.5%	14.6%	14.4%	14.3%	14.2%	14.3%	
2004	36.5%	48.7%	50.7%	50.4%	50.1%	50.4%	50.1%	50.1%		
2005	78.2%	105.8%	106.5%	105.4%	105.5%	104.4%	104.7%			
2006	18.4%	24.2%	26.1%	25.5%	25.2%	26.6%				
2007	23.9%	30.8%	30.6%	30.6%	30.6%					
2008	47.8%	54.5%	64.1%	62.7%						
2009	20.0%	26.0%	25.1%							
2010	47.8%	62.3%								
2011	103.5%									

Ultimate Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	41.1%	28.5%	26.1%	21.3%	19.2%	20.0%	20.0%	19.1%	19.5%	19.5%
2003	48.3%	32.4%	24.4%	17.2%	16.1%	15.2%	14.6%	14.5%	14.3%	
2004	79.7%	67.7%	54.9%	54.1%	51.7%	51.6%	50.7%	50.5%		
2005	110.5%	117.0%	115.6%	112.5%	111.6%	108.7%	107.8%			
2006	48.2%	35.5%	29.2%	29.1%	28.7%	28.4%				
2007	49.6%	41.9%	37.1%	35.5%	33.7%					
2008	79.8%	68.6%	70.2%	67.7%						
2009	41.6%	34.9%	30.6%							
2010	72.4%	72.2%								
2011	131.4%									

Loss Emergence	Months										Total Development
	12	24	36	48	60	72	84	96	108	120	
2002	91,417	(28,068)	(5,279)	(10,799)	(4,522)	1,642	(52)	(1,868)	884	(36)	(48,098)
2003	211,876	(69,511)	(35,480)	(31,610)	(4,523)	(3,909)	(2,964)	(215)	(1,065)		(149,276)
2004	500,930	(75,541)	(80,541)	(4,890)	(14,799)	(738)	(5,598)	(1,470)			(183,577)
2005	996,064	58,562	(12,527)	(28,341)	(7,962)	(26,353)	(8,039)				(24,660)
2006	394,414	(103,331)	(51,824)	(1,273)	(3,189)	(2,430)					(162,046)
2007	428,212	(66,105)	(41,311)	(13,756)	(16,128)						(137,299)
2008	694,075	(97,172)	13,652	(22,097)							(105,616)
2009	361,647	(58,530)	(37,350)								(95,880)
2010	641,669	(2,218)									(2,218)
2011	1,203,031										-
											(908,671)

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	Total Development
	-	(28,068)	(74,791)	(121,820)	(58,111)	(123,628)	(165,029)	(153,287)	(93,104)	(90,834)	(908,671)

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Reinsurance
Credit & Bond

ITD Summary

Gross

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	-	-	-	-	-	-	-	N/A
2003	-	-	-	-	-	-	-	N/A
2004	73,352	36,873	13,685	589	14,274	113	14,387	39.0%
2005	103,277	83,030	30,689	1,278	31,967	416	32,382	39.0%
2006	97,664	94,487	37,336	2,413	39,749	568	40,317	42.7%
2007	124,976	107,618	45,849	4,849	50,697	1,594	52,291	48.6%
2008	154,497	139,861	107,333	13,022	120,356	10,523	130,878	93.6%
2009	223,564	179,362	88,711	14,576	103,287	17,347	120,635	67.3%
2010	254,130	217,809	56,133	21,382	77,515	39,592	117,106	53.8%
2011	299,923	263,912	23,489	27,628	51,118	80,637	131,754	49.9%
	1,331,383	1,122,952	403,225	85,737	488,963	150,790	639,750	57.0%

Ceded

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	-	-	-	-	-	-	-	N/A
2003	-	-	-	-	-	-	-	N/A
2004	-	-	-	-	-	-	-	N/A
2005	-	-	-	-	-	-	-	N/A
2006	-	-	-	-	-	-	-	N/A
2007	-	-	-	-	-	-	-	N/A
2008	-	-	-	-	-	-	-	N/A
2009	-	-	-	-	-	-	-	N/A
2010	-	-	-	-	-	-	-	N/A
2011	-	-	-	-	-	-	-	N/A
	-	-	-	-	-	-	-	N/A

Net

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	-	-	-	-	-	-	-	N/A
2003	-	-	-	-	-	-	-	N/A
2004	73,352	36,873	13,685	589	14,274	113	14,387	39.0%
2005	103,277	83,030	30,689	1,278	31,967	416	32,382	39.0%
2006	97,664	94,487	37,336	2,413	39,749	568	40,317	42.7%
2007	124,976	107,618	45,849	4,849	50,697	1,594	52,291	48.6%
2008	154,497	139,861	107,333	13,022	120,356	10,523	130,878	93.6%
2009	223,564	179,362	88,711	14,576	103,287	17,347	120,635	67.3%
2010	254,130	217,809	56,133	21,382	77,515	39,592	117,106	53.8%
2011	299,923	263,912	23,489	27,628	51,118	80,637	131,754	49.9%
	1,331,383	1,122,952	403,225	85,737	488,963	150,790	639,750	57.0%

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Reinsurance
Credit & Bond

GROSS BASIS

Paid Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-
2004	1,140	7,413	11,626	11,744	12,007	12,832	12,962	13,685	-	-
2005	8,796	23,439	27,184	28,658	30,334	30,577	30,689	-	-	-
2006	13,683	26,984	32,992	35,566	37,181	37,336	-	-	-	-
2007	14,617	30,136	38,085	43,662	45,849	-	-	-	-	-
2008	22,532	82,563	89,977	107,333	-	-	-	-	-	-
2009	34,558	84,401	88,711	-	-	-	-	-	-	-
2010	29,287	56,133	-	-	-	-	-	-	-	-
2011	23,489	-	-	-	-	-	-	-	-	-

Case Incurred Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-
2004	4,535	11,304	14,078	13,638	13,036	13,542	13,458	14,274	-	-
2005	15,323	32,891	31,635	31,641	32,133	31,919	31,967	-	-	-
2006	37,398	37,109	37,310	38,620	39,235	39,749	-	-	-	-
2007	39,662	43,868	45,938	49,603	50,697	-	-	-	-	-
2008	59,081	114,517	107,158	120,356	-	-	-	-	-	-
2009	76,783	107,337	103,287	-	-	-	-	-	-	-
2010	51,128	77,515	-	-	-	-	-	-	-	-
2011	51,118	-	-	-	-	-	-	-	-	-

IBNR	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-
2004	14,931	8,011	4,059	2,720	1,776	349	245	113	-	-
2005	30,081	11,057	8,908	6,557	953	663	416	-	-	-
2006	14,307	14,596	11,477	4,723	2,491	568	-	-	-	-
2007	19,831	26,927	14,166	4,134	1,594	-	-	-	-	-
2008	41,853	26,437	27,500	10,523	-	-	-	-	-	-
2009	83,707	30,324	17,347	-	-	-	-	-	-	-
2010	82,608	39,592	-	-	-	-	-	-	-	-
2011	80,637	-	-	-	-	-	-	-	-	-

Ultimate Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-
2004	19,466	19,315	18,137	16,358	14,813	13,892	13,703	14,387	-	-
2005	45,405	43,947	40,542	38,198	33,086	32,581	32,382	-	-	-
2006	51,705	51,705	48,787	43,343	41,726	40,317	-	-	-	-
2007	59,493	70,795	60,103	53,737	52,291	-	-	-	-	-
2008	100,934	140,954	134,658	130,878	-	-	-	-	-	-
2009	160,490	137,681	120,635	-	-	-	-	-	-	-
2010	133,736	117,106	-	-	-	-	-	-	-	-
2011	131,754	-	-	-	-	-	-	-	-	-

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Reinsurance
Credit & Bond

GROSS BASIS

Paid Loss Ratio	Months											
	12	24	36	48	60	72	84	96	108	120		
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2004	3.1%	20.1%	31.5%	31.8%	32.6%	34.8%	35.2%	37.1%				
2005	10.6%	28.2%	32.7%	34.5%	36.5%	36.8%	37.0%					
2006	14.5%	28.6%	34.9%	37.6%	39.4%	39.5%						
2007	13.6%	28.0%	35.4%	40.6%	42.6%							
2008	16.1%	59.0%	64.3%	76.7%								
2009	19.3%	47.1%	49.5%									
2010	13.4%	25.8%										
2011	8.9%											

Case Incurred Loss Ratio	Months											
	12	24	36	48	60	72	84	96	108	120		
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2004	12.3%	30.7%	38.2%	37.0%	35.4%	36.7%	36.5%	38.7%				
2005	18.5%	39.6%	38.1%	38.1%	38.7%	38.4%	38.5%					
2006	39.6%	39.3%	39.5%	40.9%	41.5%	42.1%						
2007	36.9%	40.8%	42.7%	46.1%	47.1%							
2008	42.2%	81.9%	76.6%	86.1%								
2009	42.8%	59.8%	57.6%									
2010	23.5%	35.6%										
2011	19.4%											

Ultimate Loss Ratio	Months											
	12	24	36	48	60	72	84	96	108	120		
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2004	52.8%	52.4%	49.2%	44.4%	40.2%	37.7%	37.2%	39.0%				
2005	54.7%	52.9%	48.8%	46.0%	39.8%	39.2%	39.0%					
2006	54.7%	54.7%	51.6%	45.9%	44.2%	42.7%						
2007	55.3%	65.8%	55.8%	49.9%	46.6%							
2008	72.2%	100.8%	96.3%	93.6%								
2009	89.5%	76.8%	67.3%									
2010	61.4%	53.8%										
2011	49.9%											

Loss Emergence	Months											Total Development
	12	24	36	48	60	72	84	96	108	120		
2002	-	-	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-	-	-
2004	19,466	(151)	(1,178)	(1,779)	(1,545)	(921)	(188)	684				(5,079)
2005	45,405	(1,457)	(3,405)	(2,344)	(5,112)	(504)	(199)					(13,022)
2006	51,705	(0)	(2,917)	(5,444)	(1,617)	(1,409)						(11,387)
2007	59,493	11,302	(10,692)	(6,366)	(1,446)							(7,202)
2008	100,934	40,020	(6,296)	(3,780)								29,944
2009	160,490	(22,829)	(17,026)									(39,856)
2010	133,736	(16,630)										(16,630)
2011	131,754											-
												(63,232)

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	Total Development
	-	-	-	(151)	(2,635)	(5,184)	4,495	17,851	(37,802)	(39,806)	(63,232)

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Reinsurance
Professional Lines

ITD Summary

Gross

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred	IBNR	Ultimate Losses	Ultimate Loss
					Losses			Ratio
2002	-	-	-	-	-	-	-	N/A
2003	132,148	57,181	15,249	2,138	17,387	2,569	19,956	34.9%
2004	204,637	146,178	41,488	5,248	46,737	10,594	57,330	39.2%
2005	232,259	209,590	50,767	16,018	66,785	32,390	99,175	47.3%
2006	274,435	225,902	55,394	27,529	82,923	42,442	125,364	55.5%
2007	230,040	245,672	56,498	38,137	94,634	89,533	184,167	75.0%
2008	226,768	221,531	51,526	58,136	109,662	77,411	187,073	84.4%
2009	328,509	266,792	34,048	58,483	92,531	131,190	223,721	83.9%
2010	288,236	285,224	12,615	26,736	39,351	180,453	219,804	77.1%
2011	281,394	281,025	1,712	10,067	11,779	197,206	208,985	74.4%
	2,198,426	1,939,093	319,297	242,492	561,789	763,788	1,325,575	68.4%

Ceded

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred	IBNR	Ultimate Losses	Ultimate Loss
					Losses			Ratio
2002	-	-	-	-	-	-	-	N/A
2003	3,337	1,687	-	-	-	65	65	3.9%
2004	4,238	3,994	-	-	-	210	210	5.3%
2005	399	2,292	-	-	-	158	158	6.9%
2006	-	-	-	-	-	-	-	N/A
2007	-	-	-	-	-	-	-	N/A
2008	-	-	-	-	-	-	-	N/A
2009	-	-	-	-	-	-	-	N/A
2010	-	-	-	-	-	-	-	N/A
2011	-	-	-	-	-	-	-	N/A
	7,974	7,974	-	-	-	433	433	5.4%

Net

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred	IBNR	Ultimate Losses	Ultimate Loss
					Losses			Ratio
2002	-	-	-	-	-	-	-	N/A
2003	128,811	55,493	15,249	2,138	17,387	2,504	19,891	35.8%
2004	200,399	142,183	41,488	5,248	46,737	10,384	57,120	40.2%
2005	231,861	207,298	50,767	16,018	66,785	32,232	99,017	47.8%
2006	274,435	225,902	55,394	27,529	82,923	42,442	125,364	55.5%
2007	230,040	245,672	56,498	38,137	94,634	89,533	184,167	75.0%
2008	226,768	221,531	51,526	58,136	109,662	77,411	187,073	84.4%
2009	328,509	266,792	34,048	58,483	92,531	131,190	223,721	83.9%
2010	288,236	285,224	12,615	26,736	39,351	180,453	219,804	77.1%
2011	281,394	281,025	1,712	10,067	11,779	197,206	208,985	74.4%
	2,190,452	1,931,120	319,297	242,492	561,789	763,355	1,325,142	68.6%

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Reinsurance
Professional Lines

GROSS BASIS

Paid Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	4,034	5,068	5,309	8,921	11,711	12,401	12,996	13,687	15,249	-
2004	445	3,668	7,627	16,569	25,691	29,084	35,198	41,488	-	-
2005	1,172	6,083	13,459	22,613	30,923	42,496	50,767	-	-	-
2006	116	4,920	17,117	32,207	42,130	55,394	-	-	-	-
2007	830	5,012	22,694	36,194	56,498	-	-	-	-	-
2008	972	7,104	23,001	51,526	-	-	-	-	-	-
2009	1,639	9,863	34,048	-	-	-	-	-	-	-
2010	1,950	12,615	-	-	-	-	-	-	-	-
2011	1,712	-	-	-	-	-	-	-	-	-

Case Incurred Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	4,472	7,119	11,753	13,580	13,184	14,884	16,998	16,958	17,387	-
2004	2,850	13,028	25,319	36,993	39,633	45,246	48,301	46,737	-	-
2005	4,681	31,725	42,087	51,083	58,808	66,064	66,785	-	-	-
2006	5,405	32,942	57,000	67,282	67,879	82,923	-	-	-	-
2007	5,750	40,141	64,352	82,284	94,634	-	-	-	-	-
2008	9,705	57,938	86,904	109,662	-	-	-	-	-	-
2009	13,291	50,096	92,531	-	-	-	-	-	-	-
2010	11,722	39,351	-	-	-	-	-	-	-	-
2011	11,779	-	-	-	-	-	-	-	-	-

IBNR	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	36,959	34,165	29,417	26,426	26,843	13,305	3,988	3,617	2,569	-
2004	111,257	97,129	84,838	73,163	54,566	22,654	13,830	10,594	-	-
2005	159,097	132,052	121,691	112,883	67,828	43,428	32,390	-	-	-
2006	172,517	144,980	124,298	107,024	76,948	42,442	-	-	-	-
2007	197,443	173,922	148,408	122,513	89,533	-	-	-	-	-
2008	174,299	133,429	104,507	77,411	-	-	-	-	-	-
2009	205,480	168,975	131,190	-	-	-	-	-	-	-
2010	208,188	180,453	-	-	-	-	-	-	-	-
2011	197,206	-	-	-	-	-	-	-	-	-

Ultimate Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	41,431	41,284	41,170	40,006	40,026	28,190	20,985	20,575	19,956	-
2004	114,107	110,157	110,157	110,157	94,200	67,900	62,131	57,330	-	-
2005	163,777	163,777	163,777	163,967	126,636	109,491	99,175	-	-	-
2006	177,922	177,922	181,297	174,306	144,828	125,364	-	-	-	-
2007	203,193	214,063	212,760	204,798	184,167	-	-	-	-	-
2008	184,004	191,367	191,411	187,073	-	-	-	-	-	-
2009	218,771	219,071	223,721	-	-	-	-	-	-	-
2010	219,911	219,804	-	-	-	-	-	-	-	-
2011	208,985	-	-	-	-	-	-	-	-	-

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Reinsurance
Professional Lines

GROSS BASIS

Paid Loss Ratio	Months										
	12	24	36	48	60	72	84	96	108	120	
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	7.1%	8.9%	9.3%	15.6%	20.5%	21.7%	22.7%	23.9%	26.7%		
2004	0.3%	2.5%	5.2%	11.3%	17.6%	19.9%	24.1%	28.4%			
2005	0.6%	2.9%	6.4%	10.8%	14.8%	20.3%	24.2%				
2006	0.1%	2.2%	7.6%	14.3%	18.6%	24.5%					
2007	0.3%	2.0%	9.2%	14.7%	23.0%						
2008	0.4%	3.2%	10.4%	23.3%							
2009	0.6%	3.7%	12.8%								
2010	0.7%	4.4%									
2011	0.6%										

Case Incurred Loss Ratio	Months										
	12	24	36	48	60	72	84	96	108	120	
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2003	7.8%	12.5%	20.6%	23.7%	23.1%	26.0%	29.7%	29.7%	30.4%		
2004	1.9%	8.9%	17.3%	25.3%	27.1%	31.0%	33.0%	32.0%			
2005	2.2%	15.1%	20.1%	24.4%	28.1%	31.5%	31.9%				
2006	2.4%	14.6%	25.2%	29.8%	30.0%	36.7%					
2007	2.3%	16.3%	26.2%	33.5%	38.5%						
2008	4.4%	26.2%	39.2%	49.5%							
2009	5.0%	18.8%	34.7%								
2010	4.1%	13.8%									
2011	4.2%										

Ultimate Loss Ratio	Months										
	12	24	36	48	60	72	84	96	108	120	
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2003	72.5%	72.2%	72.0%	70.0%	70.0%	49.3%	36.7%	36.0%	34.9%		
2004	78.1%	75.4%	75.4%	75.4%	64.4%	46.5%	42.5%	39.2%			
2005	78.1%	78.1%	78.1%	78.2%	60.4%	52.2%	47.3%				
2006	78.8%	78.8%	80.3%	77.2%	64.1%	55.5%					
2007	82.7%	87.1%	86.6%	83.4%	75.0%						
2008	83.1%	86.4%	86.4%	84.4%							
2009	82.0%	82.1%	83.9%								
2010	77.1%	77.1%									
2011	74.4%										

Loss Emergence	Months											Total Development
	12	24	36	48	60	72	84	96	108	120		
2002	-	-	-	-	-	-	-	-	-	-	-	-
2003	41,431	(146)	(114)	(1,164)	20	(11,836)	(7,205)	(410)	(618)			(21,474)
2004	114,107	(3,951)	0	0	(15,957)	(26,300)	(5,768)	(4,801)				(56,777)
2005	163,777	-	-	189	(37,331)	(17,145)	(10,316)					(64,602)
2006	177,922	-	3,376	(6,992)	(29,478)	(19,463)						(52,557)
2007	203,193	10,870	(1,303)	(7,962)	(20,631)							(19,026)
2008	184,004	7,363	44	(4,338)								3,069
2009	218,771	300	4,650									4,950
2010	219,911	(107)										(107)
2011	208,985											-
												(206,525)

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	Total Development
	-	-	(146)	(4,065)	(1,164)	20	(13,358)	(71,767)	(60,419)	(55,625)	(206,525)

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Reinsurance

Motor

ITD Summary

Gross

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	-	-	-	-	-	-	-	N/A
2003	-	-	-	-	-	-	-	N/A
2004	30,221	23,494	6,018	9,701	15,719	8,293	24,012	102.2%
2005	71,580	67,467	14,690	28,109	42,799	24,002	66,801	99.0%
2006	83,199	83,892	14,434	49,196	63,630	21,105	84,735	101.0%
2007	96,805	98,628	14,414	44,528	58,942	34,773	93,715	95.0%
2008	100,227	97,773	10,226	44,467	54,693	52,097	106,790	109.2%
2009	104,850	99,497	10,230	54,126	64,356	41,580	105,936	106.5%
2010	148,683	127,404	18,441	55,979	74,420	61,288	135,707	106.5%
2011	238,365	202,830	25,621	45,789	71,410	113,226	184,635	91.0%
	873,932	800,985	114,074	331,895	445,969	356,364	802,331	100.2%

Ceded

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	-	-	-	-	-	-	-	N/A
2003	-	-	-	-	-	-	-	N/A
2004	-	-	-	-	-	-	-	N/A
2005	-	-	-	-	-	-	-	N/A
2006	-	-	-	-	-	-	-	N/A
2007	-	-	-	-	-	-	-	N/A
2008	-	-	-	-	-	-	-	N/A
2009	-	-	-	-	-	-	-	N/A
2010	-	-	-	-	-	-	-	N/A
2011	-	-	-	-	-	-	-	N/A
	-	-	-	-	-	-	-	N/A

Net

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	-	-	-	-	-	-	-	N/A
2003	-	-	-	-	-	-	-	N/A
2004	30,221	23,494	6,018	9,701	15,719	8,293	24,012	102.2%
2005	71,580	67,467	14,690	28,109	42,799	24,002	66,801	99.0%
2006	83,199	83,892	14,434	49,196	63,630	21,105	84,735	101.0%
2007	96,805	98,628	14,414	44,528	58,942	34,773	93,715	95.0%
2008	100,227	97,773	10,226	44,467	54,693	52,097	106,790	109.2%
2009	104,850	99,497	10,230	54,126	64,356	41,580	105,936	106.5%
2010	148,683	127,404	18,441	55,979	74,420	61,288	135,707	106.5%
2011	238,365	202,830	25,621	45,789	71,410	113,226	184,635	91.0%
	873,931	800,985	114,074	331,895	445,969	356,364	802,331	100.2%

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Reinsurance
Motor

GROSS BASIS

Paid Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-
2004	26	993	1,224	1,862	2,285	3,395	4,596	6,018	-	-
2005	1,868	3,651	4,293	4,891	8,232	12,003	14,690	-	-	-
2006	947	3,674	4,595	5,622	9,251	14,434	-	-	-	-
2007	2,419	5,227	5,583	8,695	14,414	-	-	-	-	-
2008	4,063	8,146	8,492	10,226	-	-	-	-	-	-
2009	3,478	8,572	10,230	-	-	-	-	-	-	-
2010	8,759	18,441	-	-	-	-	-	-	-	-
2011	25,621	-	-	-	-	-	-	-	-	-

Case Incurred Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-
2004	2,827	11,389	13,584	15,166	16,847	16,673	16,240	15,719	-	-
2005	14,113	36,485	38,255	42,943	43,560	41,883	42,799	-	-	-
2006	29,318	56,269	60,955	65,787	62,804	63,630	-	-	-	-
2007	23,532	48,606	54,908	53,256	58,942	-	-	-	-	-
2008	26,957	52,595	54,253	54,693	-	-	-	-	-	-
2009	31,379	55,013	64,356	-	-	-	-	-	-	-
2010	41,577	74,420	-	-	-	-	-	-	-	-
2011	71,410	-	-	-	-	-	-	-	-	-

IBNR	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-
2004	17,914	9,182	9,089	7,606	5,591	5,168	5,600	8,293	-	-
2005	47,125	32,075	30,154	23,997	21,584	23,310	24,002	-	-	-
2006	52,586	28,072	22,935	16,559	19,899	21,105	-	-	-	-
2007	75,014	49,558	37,732	39,500	34,773	-	-	-	-	-
2008	72,509	52,027	49,448	52,097	-	-	-	-	-	-
2009	65,824	41,364	41,580	-	-	-	-	-	-	-
2010	81,747	61,288	-	-	-	-	-	-	-	-
2011	113,226	-	-	-	-	-	-	-	-	-

Ultimate Losses	Months									
	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-
2004	20,741	20,571	22,673	22,772	22,438	21,841	21,841	24,012	-	-
2005	61,239	68,560	68,409	66,941	65,145	65,194	66,801	-	-	-
2006	81,904	84,341	83,890	82,346	82,703	84,735	-	-	-	-
2007	98,545	98,164	92,640	92,756	93,715	-	-	-	-	-
2008	99,466	104,622	103,701	106,790	-	-	-	-	-	-
2009	97,203	96,377	105,936	-	-	-	-	-	-	-
2010	123,323	135,707	-	-	-	-	-	-	-	-
2011	184,635	-	-	-	-	-	-	-	-	-

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Reinsurance
Motor

GROSS BASIS

Paid Loss Ratio	Months											
	12	24	36	48	60	72	84	96	108	120		
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2004	0.1%	4.2%	5.2%	7.9%	9.7%	14.4%	19.6%	25.6%				
2005	2.8%	5.4%	6.4%	7.2%	12.2%	17.8%	21.8%					
2006	1.1%	4.4%	5.5%	6.7%	11.0%	17.2%						
2007	2.5%	5.3%	5.7%	8.8%	14.6%							
2008	4.2%	8.3%	8.7%	10.5%								
2009	3.5%	8.6%	10.3%									
2010	6.9%	14.5%										
2011	12.6%											

Case Incurred Loss Ratio	Months											
	12	24	36	48	60	72	84	96	108	120		
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2004	12.0%	48.5%	57.8%	64.6%	71.7%	71.0%	69.1%	66.9%				
2005	20.9%	54.1%	56.7%	63.7%	64.6%	62.1%	63.4%					
2006	34.9%	67.1%	72.7%	78.4%	74.9%	75.8%						
2007	23.9%	49.3%	55.7%	54.0%	59.8%							
2008	27.6%	53.8%	55.5%	55.9%								
2009	31.5%	55.3%	64.7%									
2010	32.6%	58.4%										
2011	35.2%											

Ultimate Loss Ratio	Months											
	12	24	36	48	60	72	84	96	108	120		
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2004	88.3%	87.6%	96.5%	96.9%	95.5%	93.0%	93.0%	102.2%				
2005	90.8%	101.6%	101.4%	99.2%	96.6%	96.6%	99.0%					
2006	97.6%	100.5%	100.0%	98.2%	98.6%	101.0%						
2007	99.9%	99.5%	93.9%	94.0%	95.0%							
2008	101.7%	107.0%	106.1%	109.2%								
2009	97.7%	96.9%	106.5%									
2010	96.8%	106.5%										
2011	91.0%											

Loss Emergence	Months											Total Development
	12	24	36	48	60	72	84	96	108	120		
2002	-	-	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-	-	-
2004	20,741	(169)	2,102	99	(334)	(597)	(0)	2,172				3,272
2005	61,239	7,322	(151)	(1,468)	(1,796)	49	1,607					5,563
2006	81,904	2,437	(451)	(1,544)	357	2,032						2,830
2007	98,545	(381)	(5,524)	115	959							(4,830)
2008	99,466	5,156	(920)	3,089								7,324
2009	97,203	(826)	9,559									8,732
2010	123,323	12,384										12,384
2011	184,635											-
												35,275

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	Total Development
	-	-	-	(169)	9,424	2,384	(2,634)	(4,306)	(1,225)	31,801	35,275

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

**Reinsurance
Liability**

ITD Summary

Gross

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	-	-	-	-	-	-	-	N/A
2003	46,034	18,293	13,147	498	13,645	3,081	16,726	91.4%
2004	87,162	73,374	26,477	4,556	31,033	22,544	53,577	73.0%
2005	168,406	127,146	33,141	12,454	45,595	53,381	98,976	77.8%
2006	200,427	174,606	41,007	14,362	55,369	84,695	140,064	80.2%
2007	238,465	221,984	42,961	22,186	65,147	108,381	173,528	78.2%
2008	183,486	190,391	30,772	22,381	53,153	102,280	155,433	81.6%
2009	272,702	241,308	45,721	41,681	87,402	113,151	200,553	83.1%
2010	238,062	243,937	18,381	32,983	51,364	139,188	190,552	78.1%
2011	229,728	242,920	5,576	17,431	23,007	167,789	190,796	78.5%
	1,664,472	1,533,959	257,183	168,532	425,715	794,490	1,220,205	79.5%

Ceded

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	-	-	-	-	-	-	-	N/A
2003	-	-	-	-	-	-	-	N/A
2004	-	-	-	-	-	-	-	N/A
2005	10,512	10,512	-	-	-	7,312	7,312	69.6%
2006	8,859	8,859	-	-	-	6,085	6,085	68.7%
2007	9,318	9,318	-	-	-	6,386	6,386	68.5%
2008	8,556	8,556	-	-	-	6,591	6,591	77.0%
2009	13,797	13,797	-	-	-	10,678	10,678	77.4%
2010	11,923	11,923	-	-	-	9,301	9,301	78.0%
2011	12,048	12,048	-	-	-	9,021	9,021	74.9%
	75,012	75,012	-	-	-	55,374	55,374	73.8%

Net

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	-	-	-	-	-	-	-	N/A
2003	46,034	18,293	13,147	498	13,645	3,081	16,726	91.4%
2004	87,162	73,374	26,477	4,556	31,033	22,544	53,577	73.0%
2005	157,895	116,635	33,141	12,454	45,595	46,069	91,664	78.6%
2006	191,568	165,747	41,007	14,362	55,369	78,610	133,979	80.8%
2007	229,147	212,666	42,961	22,186	65,147	101,995	167,142	78.6%
2008	174,930	181,835	30,772	22,381	53,153	95,689	148,842	81.9%
2009	258,905	227,511	45,721	41,681	87,402	102,473	189,875	83.5%
2010	226,139	232,014	18,381	32,983	51,364	129,887	181,251	78.1%
2011	217,680	230,872	5,576	17,431	23,007	158,768	181,775	78.7%
	1,589,460	1,458,947	257,183	168,532	425,715	739,116	1,164,831	79.8%

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

GROSS BASIS										
Months										
Paid Losses	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	86	1,596	2,773	3,470	4,517	7,195	7,297	12,820	13,147	-
2004	1,191	6,850	9,033	15,894	18,730	19,924	24,482	26,477	-	-
2005	2,623	4,413	11,028	19,819	26,534	31,760	33,141	-	-	-
2006	1,374	6,140	19,387	26,451	35,109	41,007	-	-	-	-
2007	3,265	11,401	23,582	33,447	42,961	-	-	-	-	-
2008	2,680	10,487	22,632	30,772	-	-	-	-	-	-
2009	2,362	18,050	45,721	-	-	-	-	-	-	-
2010	2,857	18,381	-	-	-	-	-	-	-	-
2011	5,576	-	-	-	-	-	-	-	-	-

Months										
Case Incurred Losses	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	252	4,626	6,541	7,362	8,780	9,899	14,279	13,589	13,645	-
2004	5,290	16,791	19,230	25,196	27,390	30,290	31,272	31,033	-	-
2005	7,376	23,607	34,388	35,671	40,478	44,172	45,595	-	-	-
2006	12,899	31,034	39,681	47,118	52,124	55,369	-	-	-	-
2007	17,758	37,132	47,463	58,046	65,147	-	-	-	-	-
2008	21,838	40,483	47,715	53,153	-	-	-	-	-	-
2009	18,206	54,753	87,402	-	-	-	-	-	-	-
2010	22,797	51,364	-	-	-	-	-	-	-	-
2011	23,007	-	-	-	-	-	-	-	-	-

Months										
IBNR	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	13,240	8,874	6,959	6,138	4,720	10,717	3,099	3,257	3,081	-
2004	49,840	37,958	35,503	29,600	22,697	23,844	23,964	22,544	-	-
2005	94,443	77,210	66,331	65,368	58,399	55,030	53,381	-	-	-
2006	125,538	107,396	104,334	95,451	88,136	84,695	-	-	-	-
2007	158,296	136,767	126,976	115,897	108,381	-	-	-	-	-
2008	133,353	115,323	108,098	102,280	-	-	-	-	-	-
2009	177,904	141,105	113,151	-	-	-	-	-	-	-
2010	169,862	139,188	-	-	-	-	-	-	-	-
2011	167,789	-	-	-	-	-	-	-	-	-

Months										
Ultimate Losses	12	24	36	48	60	72	84	96	108	120
2002	-	-	-	-	-	-	-	-	-	-
2003	13,491	13,500	13,500	13,500	13,500	20,616	17,378	16,846	16,726	-
2004	55,131	54,750	54,733	54,796	50,087	54,135	55,235	53,577	-	-
2005	101,819	100,818	100,719	101,039	98,877	99,202	98,976	-	-	-
2006	138,437	138,429	144,015	142,569	140,260	140,064	-	-	-	-
2007	176,054	173,899	174,440	173,943	173,528	-	-	-	-	-
2008	155,192	155,807	155,813	155,433	-	-	-	-	-	-
2009	196,110	195,858	200,553	-	-	-	-	-	-	-
2010	192,659	190,552	-	-	-	-	-	-	-	-
2011	190,796	-	-	-	-	-	-	-	-	-

AXIS Capital Holdings Limited
2011 Loss Development Triangles
Values in Thousands USD

Reinsurance
Liability

GROSS BASIS

Paid Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	0.5%	8.7%	15.2%	19.0%	24.7%	39.3%	39.9%	70.1%	71.9%	
2004	1.6%	9.3%	12.3%	21.7%	25.5%	27.2%	33.4%	36.1%		
2005	2.1%	3.5%	8.7%	15.6%	20.9%	25.0%	26.1%			
2006	0.8%	3.5%	11.1%	15.1%	20.1%	23.5%				
2007	1.5%	5.1%	10.6%	15.1%	19.4%					
2008	1.4%	5.5%	11.9%	16.2%						
2009	1.0%	7.5%	18.9%							
2010	1.2%	7.5%								
2011	2.3%									

Case Incurred Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	1.4%	25.3%	35.8%	40.2%	48.0%	54.1%	78.1%	74.3%	74.6%	
2004	7.2%	22.9%	26.2%	34.3%	37.3%	41.3%	42.6%	42.3%		
2005	5.8%	18.6%	27.0%	28.1%	31.8%	34.7%	35.9%			
2006	7.4%	17.6%	22.7%	27.0%	29.9%	31.7%				
2007	8.0%	16.7%	21.4%	26.1%	29.3%					
2008	11.5%	21.3%	25.1%	27.9%						
2009	7.5%	22.7%	36.2%							
2010	9.3%	21.1%								
2011	9.5%									

Ultimate Loss Ratio	Months									
	12	24	36	48	60	72	84	96	108	120
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	73.8%	73.8%	73.8%	73.8%	73.8%	112.7%	95.0%	92.1%	91.4%	
2004	75.1%	74.6%	74.6%	74.6%	68.3%	73.8%	75.3%	73.0%		
2005	80.1%	79.3%	79.2%	79.5%	77.8%	78.0%	77.8%			
2006	79.3%	79.3%	82.5%	81.7%	80.3%	80.2%				
2007	79.3%	78.3%	78.6%	78.4%	78.2%					
2008	81.5%	81.8%	81.8%	81.6%						
2009	81.3%	81.2%	83.1%							
2010	79.0%	78.1%								
2011	78.5%									

Loss Emergence	Months										Total Development
	12	24	36	48	60	72	84	96	108	120	
2002	-	-	-	-	-	-	-	-	-	-	-
2003	13,491	9	-	0	-	7,116	(3,238)	(532)	(119)	-	3,235
2004	55,131	(381)	(17)	63	(4,709)	4,047	1,101	(1,658)			(1,554)
2005	101,819	(1,001)	(99)	320	(2,162)	325	(227)				(2,843)
2006	138,437	(8)	5,586	(1,446)	(2,309)	(196)					1,627
2007	176,054	(2,155)	541	(497)	(415)						(2,526)
2008	155,192	615	6	(380)							241
2009	196,110	(253)	4,695								4,442
2010	192,659	(2,108)									(2,108)
2011	190,796										-
											516

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	Total Development
	-	-	9	(381)	(1,018)	(43)	6,158	(1,642)	(2,158)	(407)	516

AXIS Capital Holdings Limited
2011 Loss Development Triangles

VII. SELECTED DISCLOSURES FROM 2011 ANNUAL REPORT ON FORM 10-K

We believe the most significant accounting judgment we make is the estimate of our reserve for losses and loss expenses (“loss reserves”). Our loss reserves represent management’s estimate of the unpaid portion of our ultimate liability for losses and loss expenses (“ultimate losses”) for (re)insured events that have occurred at or before the balance sheet date. Our loss reserves reflect both claims that have been reported to us (“case reserves”) and claims that have been incurred but not yet reported to us (“IBNR”). Our loss reserves represent our best estimate of what the ultimate settlement and administration of claims will cost, based on our assessment of facts and circumstances known at that particular point in time.

Loss reserves are not an exact calculation of liability but instead are complex estimates. The process of estimating loss reserves involves a number of variables (see ‘Selection of Reported Reserves (Management’s Best Estimate)’ below for further details). We review our estimate of loss reserves each reporting period and consider all significant facts and circumstances then known. As additional experience and other data become available and/or laws and legal interpretations change, we may adjust our previous estimates of loss reserves; these adjustments are recognized in the period they are determined and, therefore, can impact that period’s underwriting results either favorably (when reserves established in prior periods prove to be redundant) or adversely (when reserves established in prior periods prove to be deficient).

Case Reserves

With respect to our insurance operations, we are generally notified of insured losses by our insureds and/or their brokers. Based on this information, our claims personnel estimate our ultimate losses arising from the claim, including the cost of administering the claims settlement process. These estimates reflect the judgment of our claims personnel based on general reserving practices, the experience and knowledge of such personnel regarding the nature of the specific claim and, where appropriate, the advice of legal counsel, loss adjusters and other relevant consultants.

For our reinsurance business, case reserves for reported claims are generally established based on reports received from ceding companies and/or their brokers. For excess of loss contracts, we are typically notified of insured losses on specific contracts and record a case reserve for the estimated ultimate liability arising from the claim. With respect to contracts written on a proportional basis, we typically receive aggregated claims information and record a case reserve based on that information. However, our proportional reinsurance contracts typically require that losses in excess of pre-defined amounts be separately notified so that we can adequately evaluate them. Our claims department evaluates each specific loss notification we receive and records additional case reserves when a ceding company’s reserve for a claim is not considered adequate.

In deciding whether to provide treaty reinsurance, we carefully review and analyze a cedant’s underwriting and risk management practices to ensure appropriate underwriting, data capture and reporting procedures. We also undertake an extensive program of cedant audits, using outsourced legal and industry experience where necessary. This allows us to review cedants’ claims administration practices to ensure that reserves are consistent with exposures, adequately established and properly reported in a timely manner and also allows us to verify that claims are appropriately handled.

IBNR

The estimation of IBNR is necessary due to the time lags between when a loss event occurs and when it is actually reported to us, referred to as the reporting lag. Reporting lags may arise from a number of factors, including but not limited to the nature of the loss, the use of intermediaries and complexities in the claims adjusting process. By definition, we do not have specific information on IBNR so it must be estimated. IBNR is calculated by deducting incurred losses (i.e. paid losses and case reserves) from management’s best estimate of ultimate losses. In contrast to case reserves, which are established at the contract level, IBNR reserves are generally estimated at an aggregate level and cannot be identified as

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reserves for a particular loss event or contract. Refer to the 'Reserving For Significant Catastrophic Events' section below for additional information on reserving for such events.

Reserving Process

Sources of Information

Our quarterly reserving process begins with the collection and analysis of paid and incurred claim data for each of our segments. The segmental data is disaggregated by reserving class and further disaggregated by accident year (i.e. the year in which the loss event occurred). We use underwriting year information (i.e. the year in which the contract incepted) to analyze some of our proportional reinsurance business and subsequently allocate reserves to the respective accident years. Our reserving classes are selected to ensure that the underlying contracts have homogeneous loss development characteristics, while remaining large enough to make the estimation of trends credible. We review our reserving classes on a regular basis and adjust them over time as our business evolves. This data serves as a key input to many of the methods employed by our actuaries. Given our relatively limited operating history, this data is also supplemented with industry benchmarks. The relative weights assigned to our own historical loss data versus industry data vary according to the length of the development profile for the reserving class being evaluated. At present, we generally give more weight to our own experience (and, correspondingly, less weight to industry data) for reserving classes with short and medium claim tails; the converse is true for reserving classes with longer claim tails. (See 'Claim Tail Analysis' below for more detailed information by claim tail class.)

Actuarial Analysis

Multiple actuarial methods are available to estimate ultimate losses. Each method has its own assumptions and its own advantages and disadvantages, with no single estimation method being better than the others in all situations and no one set of assumption variables being meaningful for all reserving classes. The relative strengths and weakness of the particular estimation methods when applied to a particular group of claims can also change over time.

The following is a brief description of the reserve estimation methods commonly employed by our actuaries and a discussion of their particular strengths and weaknesses:

- **Expected Loss Ratio Method ("ELR"):** This method estimates ultimate losses for an accident year by applying an expected loss ratio to the earned premium for that accident year. Generally, expected loss ratios are based on one or more of (a) an analysis of historical loss experience to date, (b) pricing information and (c) industry data, adjusted as appropriate, to reflect changes in rates and terms and conditions. This method is insensitive to actual incurred losses for the accident year in question and is, therefore, often useful in the early stages of development when very few losses have been incurred. Conversely, the lack of sensitivity to incurred/paid losses for the accident year in question means that this method is usually inappropriate in later stages of an accident year's development.
- **Loss Development Method (also referred to as the Chain Ladder Method or Link Ratio Method):** This method assumes that the losses incurred/paid for each accident year at a particular development stage follow a relatively similar pattern. It assumes that on average, every accident year will display the same percentage of ultimate losses incurred/paid at the same point in time after the inception of the accident year. The percentages incurred/paid are established for each development stage (e.g. 12 months, 24 months, etc.) after examining historical averages from historical loss development data and/or external industry benchmark information. Ultimate losses are then estimated by multiplying the actual incurred/paid losses by the reciprocal of the established incurred/paid percentage. The strengths of this method are that it reacts to loss emergence/payments and that it makes full use of historical claim emergence/payment experience. However, this method has weaknesses when the underlying assumption of stable loss development/payment patterns is not valid. This could be the consequence of changes in

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business mix, claim inflation trends or claim reporting practices and/or the presence of large claims, amongst other things. Furthermore, this method tends to produce volatile estimates of ultimate losses where there is volatility in the underlying incurred/paid patterns. In particular, where the expected percentage of incurred/paid losses is low, small deviations between actual and expected claims can lead to very volatile estimates of ultimate losses. As a result, this method is often unsuitable at early development stages for an accident year.

- **Bornhuetter-Ferguson Method (“BF”):** This method can be seen as a combination of the ELR and Loss Development Methods, under which the Loss Development Method is given progressively more weight as an accident year matures. The main advantage of the BF Method is that it provides a more stable estimate of ultimate losses than the Loss Development Method at earlier stages of development, while remaining more sensitive to emerging loss development than the ELR Method. In addition, the BF Method allows for the incorporation of external market information through the use of expected loss ratios, whereas the Loss Development Method does not incorporate such information.

As part of our quarterly loss reserve review process, our actuaries employ the estimation method(s) that they believe will produce the most reliable estimate of ultimate losses, at that particular evaluation date, for each reserving class and accident year combination. Often, this is a blend (i.e. weighted average) of the results of two or more appropriate actuarial methods. These ultimate loss estimates are generally utilized to evaluate the adequacy of our ultimate loss estimates for previous accident years, as established in the prior reporting period. For the initial estimate of the current accident year, the available claim data is typically insufficient to produce a reliable estimate of ultimate losses. As a result, our initial estimate for an accident year is generally based on the ELR Method. The initial ELR for each reserving class is established collaboratively by our actuaries, underwriters and management at the start of the accident year as part of the planning process, taking into consideration prior accident years’ experience and industry benchmarks, adjusted after considering factors such as exposure trends, rate differences, changes in contract terms and conditions, business mix changes and other known differences between the current accident year and prior accident years. The initial expected loss ratios for a given accident year may be modified over time if the underlying assumptions, such as loss development or premium rate changes, differ from the original assumptions.

Reserving for Credit and Political Risk Business

Our credit and political risk insurance business consists primarily of credit insurance and confiscation, expropriation, nationalization and deprivation coverages (“CEND”). Claims for this business tend to be characterized by their severity risk, as opposed to their frequency risk. Therefore, claim payment and reporting patterns are anticipated to be volatile. Under the notification provisions of our credit insurance, we anticipate being advised of an insured event within a relatively short time period. As a result, we generally estimate ultimate losses based on a contract-by-contract analysis which considers the contracts’ terms, the facts and circumstances of underlying loss events and qualitative input from claims managers.

An important and distinguishing feature of many of these contracts, though, is our contractual right, subsequent to payment of a claim to our insured, to be subrogated to, or otherwise have an interest in, the insured’s rights of recovery under an insured loan or facility agreement. These estimated recoveries are recorded as an offset to our credit and political risk loss reserves. The lag between the date of a claim payment and our ultimate recovery from the corresponding security can result in negative case reserves at a point in time (as was the case at December 31, 2011 and 2010). The nature of the underlying collateral is specific to each transaction and we also estimate the value of this collateral on a contract-by-contract basis. This valuation process is inherently subjective and involves the application of management’s judgment because active markets for the collateral often do not exist. Our estimates of value are based on numerous inputs, including information provided by our insured, as well as third party sources including rating agencies, asset valuation specialists and other publicly available information. We also assess any post-event circumstances, including restructurings, liquidations and possession of asset proposals/agreements.

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In some instances, upon becoming aware of a loss event related to our credit and political risk business, we negotiate a final settlement of all of our policy liabilities for a fixed amount. In most circumstances, this occurs when the insured moves to realize the benefit of the collateral that underlies the insured loan or facility and presents us with a net settlement proposal that represents a full and final payment by us under the terms of the policy. In consideration for this payment, we secure a cancellation of the policy, or a release of all claims, and waive our right to pursue a recovery of these settlement payments against the security that may have been available to us under the insured loan or facility agreement. In certain circumstances, cancellation by way of net settlement or full payment can result in an adjustment of the net premium to be received and earned on the policy.

Reserving For Significant Catastrophic Events

We cannot estimate losses from widespread catastrophic events, such as hurricanes and earthquakes, using the traditional actuarial methods described above. Rather, loss reserves for such events are estimated by management after a catastrophe occurs by completing an in-depth analysis of individual contracts which may potentially be impacted by the catastrophic event. This in-depth analysis may rely on several sources of information, including: (1) estimates of the size of insured industry losses from the catastrophic event and our corresponding market share; (2) a review of our portfolio of contracts performed to identify those contracts which may be exposed to the catastrophic event; (3) a review of modeled loss estimates based on information previously reported by customers and brokers, including exposure data obtained during the underwriting process; (4) discussions of the impact of the event with our customers and brokers and (5) catastrophe bulletins published by various independent statistical reporting agencies. We generally use a blend of these information sources to arrive at our aggregate estimate of the ultimate losses arising from the catastrophic event. In subsequent reporting periods, we review changes in paid and incurred losses in relation to each significant catastrophe and adjust our estimates of ultimate losses for each event if there are developments that are different from our previous expectations; such adjustments are recorded in the period in which they are identified.

There are additional risks affecting our ability to accurately estimate ultimate losses for catastrophic events. For example, the estimation of loss reserves related to hurricanes and earthquakes can be affected by factors including but not limited to: the inability to access portions of impacted areas, infrastructure disruptions, the complexity of factors contributing to losses, legal and regulatory uncertainties, complexities involved in estimating business interruption losses and additional living expenses, the impact of demand surge, fraud and the limited nature of information available. For hurricanes, additional complex coverage factors may include determining whether damage was caused by flooding versus wind, evaluating general liability and pollution exposures, and mold damage. The timing of a catastrophe, for example near the end of a reporting period, can also affect the level of information available to us to estimate reserves for that reporting period.

Key Actuarial Assumptions

The use of the above actuarial methods requires us to make certain explicit assumptions, the most significant of which are: (1) expected loss ratios and (2) loss development patterns.

We began operations in late 2001. In our earlier years, we placed significant reliance on industry benchmarks in establishing our expected loss ratios. Over time, we have placed more reliance on our historical loss experience in establishing these ratios where we believe the weight of our own actual experience has become sufficiently credible for consideration. The weight given to our experience differs for each of our three claim tail classes and is discussed further in the 'Claim Tail Analysis' section below. In establishing expected loss ratios for our insurance segment, we give consideration to a number of other factors, including exposure trends, rate adequacy on new and renewal business, ceded reinsurance costs, changes in claims emergence and our underwriters' view of terms and conditions in the market environment. For our reinsurance segment, expected loss ratios are based on a contract-by-contract review, which considers information provided by clients together with estimates provided by our underwriters and actuaries about the impact of changes in pricing, terms and conditions and coverage.

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We also consider the market experience of an independent actuarial firm, as appropriate.

Similarly, we also placed significant reliance on industry benchmarks in selecting our loss development patterns in earlier years. Over time, we have given varying degrees of weight given to our own historical loss experience, as further discussed in the 'Claim Tail Analysis' section.

Selection of Reported Reserves (Management's Best Estimate)

Our quarterly reserving process involves the collaboration of our underwriting, claims, actuarial, legal and finance departments, includes various segmental committee meetings and culminates with the approval of a single point best estimate by our Group Reserving Committee, which comprises senior management. Informed judgment is applied throughout the process to consider many qualitative factors that may not be fully captured in the actuarial estimates. Such factors include, but are not limited to: the timing of the emergence of claims, volume and complexity of claims, social and judicial trends, potential severity of individual claims and the extent of internal historical loss data versus industry information due to our relatively short operating history. While these qualitative factors are considered in arriving at the point estimate, no specific provisions for qualitative factors are established.

The quarterly evaluation process also includes consultation with an independent actuarial firm. The work performed by the actuarial firm is an important part of the reserving process. We compare our recorded loss reserves to those estimated by the actuarial firm to determine whether our single point best estimate is reasonable. On an annual basis, the independent actuarial firm provides an actuarial opinion on the reasonableness of our loss reserves for each of our operating subsidiaries; such actuarial opinions are required to meet various insurance regulatory requirements. The actuarial firm discusses its conclusions with management and presents its findings to our Board of Directors.

Claim Tail Analysis

In order to capture the key dynamics of our loss reserve development and potential volatility, our reserving classes should be considered according to their potential expected length of loss emergence and settlement, generally referred to as the "tail". We consider our business to consist of three claim tail classes: short-tail, medium-tail and long-tail. Below is a discussion of the specifics of our loss reserve process as they apply to each claim tail class, as well as commentary on the factors contributing to our historical loss reserve development for each class. Favorable development on prior accident year reserves indicates that our current estimates are lower than our previous estimates, while adverse development indicates that our current estimates are higher than our previous estimates.

Short-Tail Business

Our short-tail business generally includes exposures for which losses are usually known and paid within a relatively short period of time after the underlying loss event has occurred. Our short-tail business primarily relates to property coverages and includes the majority of our property, terrorism and marine classes within our insurance segment, together with the property, catastrophe and crop classes within our reinsurance segment.

The initial estimates of our ultimate losses for our short-tail business in our early accident years were developed primarily with reference to industry benchmarks for both expected loss ratios and loss development patterns. Over time, our own historical loss experience has increased and, therefore, gained credibility and became relevant for consideration in our loss reserve estimation process. As a result, commencing in 2005, we have gradually increased the weighting assigned to our own historical experience in selecting the expected loss ratios and loss development patterns utilized to establish our initial estimates of ultimate losses. Given that our own loss experience has generally been more favorable than we expected based on industry benchmarks, the incorporation of this data has generally led to a reduction in our loss ratios and the recognition of favorable development on prior accident years. As claims on this business are generally reported to us in close proximity to the loss event, by the end of any particular accident year we have received data on a number of loss events and utilize the BF Method

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to establish loss reserves. Due to the relatively short reporting and settlement pattern for our short-tail business, our subsequent re-estimates of ultimate losses respond quickly to actual developments in claims reported to us. The majority of the development in our initial estimates for short-tail business is recognized in the subsequent one to three years. As a result, our estimates of ultimate losses for our short-tail business for our most recent accident years are subject to greater uncertainty than those for more mature accident years.

Although our estimates of ultimate losses for our short-tail business are inherently less uncertain than for our medium and long-tail business, significant judgment is still required. For example, because much of our excess insurance and excess of loss reinsurance business has high attachment points, it is often difficult to estimate whether claims will exceed those attachment points. Also, the inherent uncertainties relating to catastrophe events previously discussed, together with our typically large line sizes, further add to the complexity of estimating our potential exposure. In addition, we use managing general agents (“MGAs”) and other producers for certain business within our insurance segment; this can delay the reporting of loss information to us.

Medium-Tail Business

Our medium-tail business primarily consists of professional lines (re)insurance and trade credit and bond reinsurance business. Certain other classes, including aviation hull and offshore energy insurance and engineering reinsurance, are also considered to have a medium-tail. Claim reporting and settlement periods on these reserving classes are generally longer than those of our short-tail reserving classes. We also consider our credit and political risk insurance business to have a medium tail, due to the complex nature of claims and the potential additional time that may be required to realize our subrogation assets.

Our initial estimates of ultimate losses for a given accident year are generally established by application of the ELR Method, due to the longer claim reporting and settlement periods for this business. We generally utilized industry expected loss ratio benchmarks to establish our initial estimates of ultimate losses for our earlier accident years. Due to the longer claim tail, the length of time required to develop our own credible historical loss history for utilization in the loss reserving process is greater for our medium-tail business than for our short-tail business. As a result, the number of accident years where we relied heavily on industry benchmarks to estimate our initial ultimate losses for our medium-tail business is greater. Our reserving approach for medium-tail business is tailored by line of business, with our significant lines being specifically addressed below.

Professional Lines (Re)insurance

For our professional lines business, claim payment and reporting patterns are typically medium to long-tail in nature. The underlying business is predominantly written on a claims-made basis, with the majority of reinsurance treaties being written on a risks attaching basis. Generally, when we believe the percentage of incurred losses for a particular accident year has reached 70% of ultimate losses, we gradually transition to sole reliance on the BF Method over the course of the next two calendar years.

Our transition from the ELR Method for estimating professional lines ultimate losses began during 2008, when we commenced the gradual transition from the ELR Method to the BF Method for the 2004 and prior accident years. As our loss history continues to develop, additional accident years are included in the transition process; at the end of 2011, the transition had begun for the 2008 and prior accident years. This transition means that our own historical loss experience is gradually incorporated when we re-estimate our ultimate losses for these accident years. As our actual loss experience has generally been more favorable than we expected when establishing the initial expected loss ratios, this transition has generally resulted in the recognition of net favorable prior period reserve development over the last three years. However, during 2009, we strengthened our 2008 accident year reserves in response to the continuing economic downturn. As a result of the global financial crisis, there continues to be relatively high levels of uncertainty around ultimate losses for the 2007 - 2009 accident years. This is mainly attributable to both the higher than average volume of reported claims on these years, as well as the higher proportion of open claims, relative to earlier accident years at the same stage of development. As

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a result, we separately evaluate the loss reserves for each reserving class impacted by this 'event' in light of the latest available information. During 2011, after consideration of our loss experience to date and other available information, we re-allocated a portion of our reserves related to the global financial crisis from the 2007 accident year to the 2008 accident year. Given the significance of the global financial crisis, development patterns for the 2007 - 2009 accident years may ultimately differ from other years.

Our estimates of ultimate losses for more recent accident years continue to rely on the ELR Method. We are progressively giving more weight to our own experience when establishing our expected loss ratios. Our assumed loss development patterns for this business continue to be based primarily on industry benchmarks.

Trade Credit and Bond Reinsurance

For our trade credit and bond reinsurance business, we gradually transition from sole reliance on the ELR Method to the BF Method starting after two years for trade credit business and three years for bond reinsurance business.

Credit and Political Risk Insurance

Refer to the previous discussions of this business under 'Reserving Process – Actuarial Analysis' and 'Reserving Process – Reserving for Credit and Political Risk Business' above for a discussion of specific loss reserve issues related to this business. When considering prior accident year reserve development for this line of business, it is important to consider that the multi-year nature of the credit business distorts loss ratios when a single accident year is considered in isolation. In recent years, the average term of these contracts has been four to five years. The premiums we receive are generally earned evenly over the contract term, thus spanning multiple accident years. In contrast, losses incurred on these contracts, which can be characterized as low in frequency and high in severity, are reflected in a single accident year.

As previously described, the estimation of the value of our recoveries on credit and political risk business requires significant management judgment. At December 31, 2011, our total estimated recoveries on credit insurance business were \$158 million, of which \$109 million related to contracts where we had already paid losses and \$49 million related to contracts where case reserves were recognized. Comparatively, at December 31, 2010, our estimated recoveries were \$163 million, with \$135 million, \$19 million and \$9 million relating to paid losses, case reserves and IBNR, respectively. The slight overall reduction in 2011 reflects the settlement of one claim and the reduction in recovery estimates for certain claims, partially offset by an increase related to estimated recoveries on newly reported claims.

Long-Tail Business

In contrast to our short and medium-tail business, the claim tail for our long-tail business is expected to be notably longer, as claims are often reported and ultimately paid or settled years, even decades, after the related loss events occur. Our long-tail business primarily relates to liability business written in our insurance and reinsurance segments, as well as motor reinsurance business.

As a general rule, our estimates of accident year ultimate losses for our long-tail business are notably more uncertain than those for our short and medium-tail business. Factors that contribute additional uncertainty to estimates for our long-tail business include, but are not limited to:

- The more significant weight given to industry benchmarks in forming our estimates.
- Inherent uncertainties about loss trends, claims inflation (e.g. medical, judicial, social) and general economic conditions; and
- The possibility of future litigation, legislative or judicial change that may impact future loss experience relative to the prior industry loss experience relied upon in reserve estimation.

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Given our relatively short operating history, we do not believe that our own historical loss development for our long-tail business has amassed an appropriate volume to serve as a credible input to the actuarial methodologies previously outlined. As a result, we have predominantly used the ELR Method to derive our initial estimated ultimate loss ratios for all accident years. Our expected loss ratios have been derived almost exclusively from industry benchmarks, rather than our own historical experience. While we utilize industry benchmarks that we believe reflect the nature and coverage of our business, our actual loss experience may differ from industry benchmarks that are based on averages.

As part of our quarterly reserving process, we monitor actual paid and incurred loss emergence relative to expected loss emergence based on industry-benchmark loss development patterns. At this stage, we generally believe that it remains too early to recognize any potentially favorable loss emergence that may be noted through this analysis. However, the drivers of any unfavorable loss emergence are investigated and, as a result, may lead to an immediate recognition of adverse development. During each of the past three years, we recognized net adverse development for our liability insurance business in light of earlier than expected loss emergence. In addition, during 2011 we recognized net adverse development on our motor reinsurance business mainly as a result of a change in our assumptions surrounding U.K. settlement practices. Specifically, we increased our assumptions relating to the frequency and cost of claims that are expected to settle using Periodical Payment Orders ("PPOs"), which are annuities designed to cover items such as the ongoing cost of care and loss of earnings for injured claimants. We do not discount our loss reserves in order to adjust for the time value of money associated with such annuity awards.

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VIII. GLOSSARY

Accident Year means the year in which the event occurred that triggered a claim to us. All years referred to are years ending December 31st.

Additional Case Reserves are amounts that are held in addition to Case Reserves that result from our claims professionals determining that the established Case Reserves (which are often established by cedants or third parties) are expected to be insufficient to meet the expected future settlement amounts.

Case Incurred Losses is the sum of Paid Losses, plus Case Reserves and any Additional Case Reserves.

Case Incurred Loss Ratio is the ratio of Case Incurred Losses to Earned Premium, which shows the relationship between Case Incurred Losses and the associated premiums that are related to those losses.

Case Reserves are amounts set aside in relation to claims that have been made but not yet been paid and represent an assessment of the remaining amount to be paid in respect of each notified claim.

Ceded Claims are those amounts we received or expect to receive from third party reinsurers to whom we ceded premiums.

Ceded Premiums are those premiums payable by us to third party reinsurers.

Diagonals in the triangle from bottom left to top right represent evaluation dates. For example, the last diagonal in our published triangles shows the position of each Accident Year as at December 31, 2011.

Earned Premium is the amount of policy premiums allocated between Accident Years in accordance with the assumed incidence of risk which results from insurance and reinsurance contracts that do not all commence at the start of a given Accident Year.

Gross Premiums and Gross Losses are shown before the impact of any third party outwards reinsurance.

IBNR means incurred but not reported reserve, or a reserve amount held to cover expected future settlements in relation to all claims that have occurred but have not yet been reported to us. This includes a reserve provision for claims which may have already occurred and expected development (upward or downward) in existing Case Reserves and Additional Case Reserves.

Inception to Date ("ITD") means the period from 2002 through 2011; 2001 is considered immaterial for the purpose of this document.

Loss Emergence is the change in ultimate losses from the previous development point. Loss emergence is shown separately for each accident year and calendar year.

Maturity is measured in months from the start of the Accident Year.

Net means the retained portion of premiums written or losses paid and incurred. Net Premium equals Gross Premium less Ceded Premium and Net Losses equals Gross Losses less Ceded Claims.

Paid Losses are claim amounts paid to insureds or ceding companies.

Paid Loss Ratio is the ratio of Paid Losses to Earned Premium, which shows the relationship between paid losses and the associated premiums that are related to those losses.

Report Year / Claims Made Year refers to the year in which a claim is reported to us. All years referred to are years ending December 31st.

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Subrogation – Paid losses, case reserves and IBNR are net of actual and expected subrogation recoveries.

Total Reserves is the unpaid losses and loss adjustment expenses.

Triangle is a cross tabulation of data usually showing financial quantities in respect of periods of exposure (e.g. Accident Years), each evaluated at regular intervals (maturities).

Underwriting year means the year during which the contract incepts. Exposure from contracts incepting during the current underwriting year will potentially affect both the current accident year as well as future accident years.

Ultimate Loss is the total of all expected settlement amounts, whether paid or reserved together with any associated allocated and unallocated loss adjustment expenses and is the estimated total amount of loss at the measurement date. For the purposes of this report, Ultimate Loss is calculated by adding: Paid Losses, Case and Additional Case Reserves and IBNR.

Ultimate Loss Ratio is the ratio of Ultimate Loss to Earned Premium, which shows the relationship between expected losses and the associated premiums that are related to those losses.