



AXIS Capital Holdings Limited  
2012 Loss Development Triangles

Published May 21, 2013

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**

**Loss Development Triangle Cautionary Language**

This report is for informational purposes only and is as of December 31, 2012. 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, including uncertainty related to coverage definitions, limits, terms and conditions, (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 these 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 fifth publication of loss development triangles, providing updated information for our Insurance and Reinsurance segments as of December 31, 2012. 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, 2012. 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. Loss adjustment expenses (both allocated and unallocated) are included in each loss amount. 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, 2012.

**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 primarily rely on accident year information for our Insurance segment internal reserve analysis. In our Reinsurance segment, we generally utilize underwriting year information for our internal reserve analysis and subsequently allocate paid losses and reserves to respective accident years for reporting purposes.

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;
- the 2011 February New Zealand earthquake and the Japanese earthquake and tsunami; and
- Storm Sandy in 2012.

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. These assessments take into account the latest information available from clients, brokers and loss adjusters. In addition, we also consider current industry insured loss estimates, market share analyses and catastrophe modeling analyses, when appropriate. For further information, refer to the excerpt from our 2012 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 (2007 through 2009 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. Given the significance of the global financial crisis, we believe that loss development patterns on these accident years may differ from other years. In light of this, we separately evaluate the latest available claims information for each reserving class impacted by the global financial crisis, in addition to considering actuarial indications.

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, 2012).

**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, 2012). 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.

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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 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, 2012, our total estimated recoveries were \$106 million, of which \$82 million related to contracts where we had already paid losses and \$24 million related to contracts where case reserves were recognized. This compares with total estimated recoveries of \$158 million at December 31, 2011, of which \$109 million related to paid losses and \$49 million related to case reserves.

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, 2012 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	\$ 9,011,222
Impact of foreign exchange revaluation on reserves	18,239
Acquired reserves and other*	29,270
Reserves for losses and loss expenses per December 31, 2012 consolidated financial statements	<u>\$ 9,058,731</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, 2012 data presented in this report, we believe the following general observations are noteworthy:

- Inception to date net premiums written 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 56.1% and the net ultimate loss ratio for Reinsurance is 65.9%. 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.

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- 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 key actuarial assumptions for our short-tail business in our early accident years were primarily developed with reference to industry benchmarks for both expected loss ratios and loss development patterns. As our own historical loss experience amassed, it gained credibility and became relevant for consideration in establishing these key actuarial assumptions. As a result, we gradually increased the weighting assigned to our own historical experience in selecting the expected loss ratios and loss development patterns utilized to establish our estimates of ultimate losses for an accident year. Due to the relatively short reporting and settlement patterns for our short-tail business, we generally place more weight upon experience-based methods and other qualitative considerations in establishing reserves for our most recent accident years. Our estimates for more mature accident years are generally based on actuarial methods that are more responsive to actual experience, such as the Loss Development Method. As our experience developed more favorably than our initial expectations, we recognized favorable prior year development (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 68% 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, 2012 by reserving class (amounts other than percentages in thousands):

**IBNR as a % of Total Reserves**

	<u>Total Reserves</u>	<u>IBNR</u>	<u>IBNR as a % of Total Reserves</u>
<b><u>Insurance</u></b>			
Property and Other	\$ 850,767	\$ 297,376	35.0%
Marine	393,090	174,889	44.5%
Aviation	58,890	40,789	69.3%
Credit and Political Risk	2,804	84,811	nm
Professional Lines	2,106,922	1,626,723	77.2%
Liability	1,042,572	862,500	82.7%
<b>Insurance Total</b>	<b>4,455,045</b>	<b>3,087,088</b>	<b>69.3%</b>
<b><u>Reinsurance</u></b>			
Property and Other	\$ 1,319,848	\$ 445,173	33.7%
Credit and Bond	282,092	175,437	62.2%
Professional Lines	1,084,584	802,701	74.0%
Motor	815,502	421,724	51.7%
Liability	1,054,151	862,211	81.8%
<b>Reinsurance Total</b>	<b>4,556,177</b>	<b>2,707,246</b>	<b>59.4%</b>
<b>Consolidated Total</b>	<b>\$ 9,011,222</b>	<b>\$ 5,794,334</b>	<b>64.3%</b>

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 Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	1,108,004	576,904	99,890	1,244	101,135	136	101,272	17.6%
2003	2,273,645	1,701,015	348,027	8,120	356,149	17,553	373,700	22.0%
2004	3,012,311	2,510,847	1,146,039	39,478	1,185,518	80,523	1,266,043	50.4%
2005	3,393,885	3,278,266	2,874,510	115,298	2,989,809	202,856	3,192,662	97.4%
2006	3,609,036	3,353,884	868,969	121,684	990,655	266,937	1,257,591	37.5%
2007	3,590,090	3,459,816	1,102,558	207,257	1,309,815	368,074	1,677,890	48.5%
2008	3,390,388	3,374,076	1,653,725	264,884	1,918,607	515,913	2,434,521	72.2%
2009	3,587,295	3,540,298	1,174,607	315,644	1,490,249	670,783	2,161,034	61.0%
2010	3,750,536	3,632,177	1,109,672	459,808	1,569,480	821,545	2,391,025	65.8%
2011	4,096,153	3,973,956	1,262,866	947,497	2,210,363	1,115,767	3,326,130	83.7%
2012	4,139,643	4,141,037	336,164	735,974	2,107,140	1,734,247	2,806,388	67.8%
	35,950,986	33,542,276	11,977,027	3,216,888	15,193,920	5,794,334	20,988,256	62.6%

**Ceded**

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	89,726	40,054	3,728	556	4,284	—	4,284	10.7%
2003	365,258	264,785	61,172	1,627	62,800	5,490	68,290	25.8%
2004	588,638	482,450	440,851	9,631	450,481	24,773	475,254	98.5%
2005	734,896	724,584	982,567	30,484	1,013,052	54,088	1,067,140	147.3%
2006	619,857	659,614	126,299	7,955	134,256	77,042	211,299	32.0%
2007	726,333	725,406	192,311	40,415	232,726	73,781	306,508	42.3%
2008	723,508	686,894	301,062	63,727	364,791	126,852	491,643	71.6%
2009	770,866	748,534	140,409	72,398	212,807	178,215	391,021	52.2%
2010	602,996	684,767	167,780	82,227	250,007	195,087	445,095	65.0%
2011	676,719	658,995	102,453	100,504	202,958	218,550	421,507	64.0%
2012	802,187	725,574	13,328	148,896	162,224	303,294	465,520	64.2%
	6,700,984	6,401,657	2,531,960	558,420	3,090,386	1,257,172	4,347,561	67.9%

**Net**

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	1,018,278	536,850	96,162	688	96,851	136	96,988	18.1%
2003	1,908,387	1,436,230	286,855	6,493	293,349	12,063	305,410	21.3%
2004	2,423,673	2,028,397	705,188	29,847	735,037	55,750	790,789	39.0%
2005	2,658,989	2,553,682	1,891,943	84,814	1,976,757	148,768	2,125,522	83.2%
2006	2,989,179	2,694,270	742,670	113,729	856,399	189,895	1,046,292	38.8%
2007	2,863,757	2,734,410	910,247	166,842	1,077,089	294,293	1,371,382	50.2%
2008	2,666,880	2,687,182	1,352,663	201,157	1,553,816	389,061	1,942,878	72.3%
2009	2,816,429	2,791,764	1,034,198	243,246	1,277,442	492,568	1,770,013	63.4%
2010	3,147,540	2,947,410	941,892	377,581	1,319,473	626,458	1,945,930	66.0%
2011	3,419,434	3,314,961	1,160,413	846,993	2,007,405	897,217	2,904,623	87.6%
2012	3,337,456	3,415,463	322,836	587,078	909,916	1,430,953	2,340,868	68.5%
	29,250,002	27,140,619	9,445,067	2,658,468	12,103,534	4,537,162	16,640,695	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	132
2002	16,958	68,017	86,538	88,730	90,767	92,843	94,644	95,281	98,592	99,613	99,890
2003	38,871	140,160	204,351	248,317	272,289	305,921	320,073	331,687	337,628	348,027	
2004	218,376	634,403	835,441	907,042	986,413	1,050,751	1,097,558	1,130,719	1,146,039		
2005	372,556	1,452,874	2,096,900	2,411,742	2,700,553	2,794,520	2,832,636	2,874,510			
2006	144,667	386,200	580,424	695,659	767,462	834,401	868,969				
2007	197,964	478,836	698,838	895,741	999,446	1,102,558					
2008	375,545	885,018	1,195,745	1,453,123	1,653,725						
2009	288,934	809,101	1,017,479	1,174,607							
2010	353,040	808,382	1,109,672								
2011	533,153	1,262,866									
2012	336,164										

Case Incurred Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	76,953	100,275	103,044	101,829	104,852	101,799	98,888	96,710	99,838	100,773	101,135
2003	182,688	275,701	299,409	327,408	334,055	343,685	348,805	352,468	357,955	356,149	
2004	643,160	935,837	1,038,071	1,090,550	1,161,804	1,189,047	1,197,112	1,188,630	1,185,518		
2005	1,978,603	2,633,127	2,800,742	2,880,718	2,900,755	2,953,602	2,955,936	2,989,809			
2006	463,537	697,917	857,882	904,408	932,328	975,434	990,655				
2007	552,852	890,855	1,090,422	1,196,989	1,247,988	1,309,815					
2008	1,062,744	1,436,328	1,684,030	1,868,962	1,918,607						
2009	639,419	1,131,991	1,362,956	1,490,249							
2010	862,433	1,330,784	1,569,480								
2011	1,658,723	2,210,363									
2012	1,072,140										

IBNR	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	154,015	72,839	48,655	14,157	4,038	5,229	5,257	4,566	1,102	768	136
2003	733,324	482,363	330,026	206,257	156,060	78,630	56,021	48,497	39,448	17,553	
2004	1,280,941	757,000	501,164	380,095	229,088	138,488	110,044	85,054	80,523		
2005	1,603,106	975,190	814,996	661,514	434,207	308,336	251,887	202,856			
2006	1,490,638	1,009,045	725,450	583,417	441,425	318,011	266,937				
2007	1,508,976	1,052,495	779,266	615,979	474,911	368,074					
2008	1,483,973	1,092,537	828,174	633,024	515,913						
2009	1,576,648	1,065,594	812,343	670,783							
2010	1,540,784	1,090,916	821,545								
2011	1,741,464	1,115,767									
2012	1,734,247										

Ultimate Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	230,968	173,114	151,699	115,986	108,890	107,027	104,144	101,277	100,939	101,541	101,272
2003	916,012	758,063	629,435	533,665	490,115	422,314	404,826	400,966	397,402	373,700	
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	1,266,043		
2005	3,581,710	3,608,316	3,615,738	3,542,233	3,334,962	3,261,937	3,207,821	3,192,662			
2006	1,954,175	1,706,963	1,583,332	1,487,825	1,373,756	1,293,446	1,257,591				
2007	2,061,828	1,943,350	1,869,688	1,812,970	1,722,902	1,677,890					
2008	2,546,717	2,528,865	2,512,206	2,501,984	2,434,521						
2009	2,216,067	2,197,585	2,175,299	2,161,034							
2010	2,403,217	2,421,699	2,391,025								
2011	3,400,185	3,326,130									
2012	2,806,388										

**AXIS Capital Holdings Limited**  
**2012 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	132	
2002	2.9%	11.8%	15.0%	15.4%	15.7%	16.1%	16.4%	16.5%	17.1%	17.3%	17.3%	
2003	2.3%	8.2%	12.0%	14.6%	16.0%	18.0%	18.8%	19.5%	19.8%	20.5%	17.3%	
2004	8.7%	25.3%	33.3%	36.1%	39.3%	41.8%	43.7%	45.0%	45.6%			
2005	11.4%	44.3%	64.0%	73.6%	82.4%	85.2%	86.4%	87.7%				
2006	4.3%	11.5%	17.3%	20.7%	22.9%	24.9%	25.9%					
2007	5.7%	13.8%	20.2%	25.9%	28.9%	31.9%						
2008	11.1%	26.2%	35.4%	43.1%	49.0%							
2009	8.2%	22.9%	28.7%	33.2%								
2010	9.7%	22.3%	30.6%									
2011	13.4%	31.8%										
2012	8.1%											

  

Case Incurred Loss Ratio	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	13.3%	17.4%	17.9%	17.7%	18.2%	17.6%	17.1%	16.8%	17.3%	17.5%	17.5%	
2003	10.7%	16.2%	17.6%	19.2%	19.6%	20.2%	20.5%	20.7%	21.0%	20.9%		
2004	25.6%	37.3%	41.3%	43.4%	46.3%	47.4%	47.7%	47.3%	47.2%			
2005	60.4%	80.3%	85.4%	87.9%	88.5%	90.1%	90.2%	91.2%				
2006	13.8%	20.8%	25.6%	27.0%	27.8%	29.1%	29.5%					
2007	16.0%	25.7%	31.5%	34.6%	36.1%	37.9%						
2008	31.5%	42.6%	49.9%	55.4%	56.9%							
2009	18.1%	32.0%	38.5%	42.1%								
2010	23.7%	36.6%	43.2%									
2011	41.7%	55.6%										
2012	25.9%											

  

Ultimate Loss Ratio	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	40.0%	30.0%	26.3%	20.1%	18.9%	18.6%	18.1%	17.6%	17.5%	17.6%	17.6%	
2003	53.9%	44.6%	37.0%	31.4%	28.8%	24.8%	23.8%	23.6%	23.4%	22.0%		
2004	76.6%	67.4%	61.3%	58.6%	55.4%	52.9%	52.1%	50.7%	50.4%			
2005	109.3%	110.1%	110.3%	108.1%	101.7%	99.5%	97.9%	97.4%				
2006	58.3%	50.9%	47.2%	44.4%	41.0%	38.6%	37.5%					
2007	59.6%	56.2%	54.0%	52.4%	49.8%	48.5%						
2008	75.5%	74.9%	74.5%	74.2%	72.2%							
2009	62.6%	62.1%	61.4%	61.0%								
2010	66.2%	66.7%	65.8%									
2011	85.6%	83.7%										
2012	67.8%											

  

Loss Emergence	Months												Total Development
	12	24	36	48	60	72	84	96	108	120	132		
2002	230,968	(57,854)	(21,415)	(35,713)	(7,096)	(1,863)	(2,883)	(2,868)	(338)	602	(269)	(129,697)	
2003	916,012	(157,949)	(128,628)	(95,770)	(43,550)	(67,800)	(17,488)	(3,860)	(3,564)	(23,702)		(542,311)	
2004	1,924,101	(231,264)	(153,603)	(68,589)	(79,753)	(63,357)	(20,382)	(33,469)	(7,641)			(658,058)	
2005	3,581,710	26,607	7,422	(73,505)	(207,270)	(73,025)	(54,116)	(15,159)				(389,046)	
2006	1,954,175	(247,212)	(123,630)	(95,508)	(114,069)	(80,310)	(35,855)					(696,584)	
2007	2,061,828	(118,478)	(73,662)	(56,718)	(90,068)	(45,012)						(383,938)	
2008	2,546,717	(17,852)	(16,659)	(10,222)	(67,463)							(112,196)	
2009	2,216,067	(18,482)	(22,286)	(14,265)								(55,033)	
2010	2,403,217	18,482	(30,674)									(12,192)	
2011	3,400,185	(74,055)										(74,055)	
2012	2,806,388											—	
												(3,053,110)	

  

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	Total Development
	—	(57,854)	(179,364)	(395,605)	(229,862)	(353,792)	(466,049)	(478,005)	(303,533)	(274,951)	(314,095)	(3,053,110)

**AXIS Capital Holdings Limited**  
**2012 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	308,815	43,366	217,686	941	570,808	310,867	43,367	218,198	941	573,373	310,867	43,367	218,198	941	573,373
2005 Hurricanes	755,766	391,355	756,985	7,524	1,911,630	773,873	394,822	767,235	8,054	1,943,984	775,673	394,822	767,310	8,054	1,945,859
2008 Hurricanes	119,622	30,981	300,545	1,295	452,443	125,865	32,016	309,344	1,295	468,520	129,765	32,016	310,144	1,295	473,220
2010 Earthquakes	947	50	161,465	—	162,462	4,017	50	243,505	—	247,572	4,243	50	244,826	—	249,119
2011 Earthquakes	19,596	1,059	289,205	—	309,860	45,831	1,293	590,180	17	637,321	67,032	1,806	604,517	17	673,372
2012 Storm	5,534	1,342	5,331	—	12,207	168,194	16,606	80,043	—	264,843	212,728	17,272	164,800	—	394,800
<b>Total</b>	<b>1,210,280</b>	<b>468,153</b>	<b>1,731,217</b>	<b>9,760</b>	<b>3,419,410</b>	<b>1,428,647</b>	<b>488,154</b>	<b>2,208,505</b>	<b>10,307</b>	<b>4,135,613</b>	<b>1,500,308</b>	<b>489,333</b>	<b>2,309,795</b>	<b>10,307</b>	<b>4,309,743</b>

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	—	315,254	233,456	13,101	70,740	—	317,297	233,456	13,101	70,740	—	317,297
2005 Hurricanes	434,294	205,392	67,250	—	706,936	450,731	205,395	67,250	—	723,376	450,731	205,395	67,250	—	723,376
2008 Hurricanes	49,489	416	—	—	49,905	52,050	416	—	—	52,466	52,546	416	—	—	52,962
2010 Earthquakes	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2011 Earthquakes	487	—	—	—	487	6,424	—	—	—	6,424	26,236	—	—	—	26,236
2012 Storm	86	377	—	—	463	38,029	6,375	—	—	44,404	56,110	7,415	—	—	63,525
<b>Total</b>	<b>715,769</b>	<b>219,286</b>	<b>137,990</b>	<b>—</b>	<b>1,073,045</b>	<b>780,690</b>	<b>225,287</b>	<b>137,990</b>	<b>—</b>	<b>1,143,967</b>	<b>819,079</b>	<b>226,327</b>	<b>137,990</b>	<b>—</b>	<b>1,183,396</b>

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	77,402	30,265	146,946	941	255,554	77,411	30,266	147,458	941	256,076	77,411	30,266	147,458	941	256,076
2005 Hurricanes	321,472	185,963	689,735	7,524	1,204,694	323,142	189,427	699,985	8,054	1,220,608	324,942	189,427	700,060	8,054	1,222,483
2008 Hurricanes	70,133	30,565	300,545	1,295	402,538	73,815	31,600	309,344	1,295	416,054	77,219	31,600	310,144	1,295	420,258
2010 Earthquakes	947	50	161,465	—	162,462	4,017	50	243,505	—	247,572	4,243	50	244,826	—	249,119
2011 Earthquakes	19,109	1,059	289,205	—	309,373	39,407	1,293	590,180	17	630,897	40,796	1,806	604,517	17	647,136
2012 Storm	5,448	965	5,331	—	11,744	130,165	10,231	80,043	—	220,439	156,618	9,857	164,800	—	331,275
<b>Total</b>	<b>494,511</b>	<b>248,867</b>	<b>1,593,227</b>	<b>9,760</b>	<b>2,346,365</b>	<b>647,957</b>	<b>262,867</b>	<b>2,070,515</b>	<b>10,307</b>	<b>2,991,646</b>	<b>681,229</b>	<b>263,006</b>	<b>2,171,805</b>	<b>10,307</b>	<b>3,126,347</b>

**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 I and Chilean earthquakes.  
 Specific 2011 events include: New Zealand II earthquake and Japanese earthquake and tsunami.  
 Specific 2012 event: Storm Sandy

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**

**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 majority of this business is U.S. catastrophe-exposed. 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.
- Approximately 15% of the business written relates to Onshore Energy exposures (including onshore 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 75% primary and 25% excess. However, this mix varies between different sub-classes, with the larger risk-managed Property exposures being predominantly excess in nature.
- Approximately 80% 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. Rates continued to harden for both U.S. and non-U.S. exposed accounts throughout 2012. In addition, stand-alone Terrorism experienced year on year rate deterioration since its peak in 2002.
- Our accident & health business is also included in this class and contributed approximately 20% of the business written in 2011 and 2012. This business includes accident products (e.g. personal & travel accident) and health products designed for specific niche groups (e.g. limited benefit medical, expatriate health), as well as accident & health reinsurance for catastrophic or per life events on a quota share and/or excess of loss basis.
- 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).

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**

**Marine**

- This class comprises insurance and reinsurance products on a worldwide basis for traditional Marine classes: Offshore Energy (including offshore 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 2012. 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 Renewable Energy, Cargo, Specie and Liability, with less emphasis on Recreational Marine since 2009. Prior to 2006, Hull and War comprised between 20% and 25% of this class, but then fell considerably as rates in this segment failed to keep pace with claims emergence. In 2012, we wrote additional new business and Hull and War business represents approximately 5% of premium written in 2012.
- Rates on Offshore Energy business saw significant increases from 2002 through 2003, followed by a general decline until the Atlantic hurricanes of 2005. Immediately 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. There then followed a period of falling rates in 2007 & 2008 until Hurricane Ike and later the Deepwater Horizon event in 2010 pushed rates up. 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.
- 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 and terrorism 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 since 2010 being approximately 30% Aviation all-risks, 60% Aviation War, and 10% Product Liability.



**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**

- The claims reporting pattern varies by coverage. Losses arising from war/terrorism and damage to hulls of aircraft are 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. 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.

**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 20% 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 through 2012 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, 2012 was \$187 million, with an average remaining term of 4.0 years.
- Claims in this class 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. 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 56%.
- 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, insureds 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 2012 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.

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**

**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 35% of the business covered is for commercial enterprises, approximately 30% financial institutions, and approximately 35% media and professional firms. Prior to 2006, the commercial segment represented approximately 75% of the total business volume in this class.
- Approximately 70% of the business is written in the U.S. with the remaining 30% predominantly written in Europe, Australia and Canada.
- Rates for professional lines strengthened between 2002 and 2004 and then weakened through 2011, before rising slightly from mid-2012. 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; rates on this business weakened in 2010 and 2011 before rising slightly from mid-2012.
- 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 2012, 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. From 2005 through 2010, the rating environment deteriorated year on year with the scale of rate reductions more prevalent on the primary book. Since mid-2011, the rating environment has been improving year on year with the scale of rate increases more prevalent on the excess 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 2012 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.
- Approximately 75% of the premium for this class is written on an occurrence basis with the remaining 25% 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.

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**  
**Values in Thousands USD**

**Insurance**

**Consolidated Total**

**ITD Summary**

**Gross**

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	793,760	354,667	57,218	876	58,095	136	58,232	16.4%
2003	1,606,559	1,186,672	256,507	4,996	261,504	12,650	274,153	23.1%
2004	1,919,563	1,602,419	739,923	22,352	762,275	39,948	802,223	50.1%
2005	1,875,017	1,889,819	1,803,484	49,558	1,853,042	90,149	1,943,189	102.8%
2006	2,070,466	1,955,967	492,874	30,470	523,345	130,251	653,596	33.4%
2007	2,039,214	1,921,920	665,080	93,992	759,072	166,585	925,657	48.2%
2008	1,841,934	1,854,949	891,635	118,199	1,009,834	276,152	1,285,984	69.3%
2009	1,775,590	1,884,121	751,777	117,750	869,526	387,425	1,256,953	66.7%
2010	1,916,116	1,872,014	494,929	150,342	645,272	465,967	1,111,238	59.4%
2011	2,121,829	2,067,386	474,506	301,373	775,880	614,957	1,390,836	67.3%
2012	2,309,481	2,268,486	151,323	478,049	629,373	902,868	1,532,242	67.5%
	20,269,529	18,858,420	6,779,256	1,367,957	8,147,218	3,087,088	11,234,303	59.6%

**Ceded**

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	89,726	40,054	3,728	556	4,284	—	4,284	10.7%
2003	352,551	255,081	61,172	1,627	62,800	5,445	68,245	26.8%
2004	556,278	456,566	370,111	9,631	379,741	24,614	404,355	88.6%
2005	707,250	688,270	915,317	30,484	945,802	46,528	992,330	144.2%
2006	610,068	650,207	126,299	7,955	134,256	71,058	205,315	31.6%
2007	712,567	713,480	192,311	40,415	232,726	67,487	300,214	42.1%
2008	708,091	671,807	301,062	63,727	364,791	120,188	484,979	72.2%
2009	750,529	726,155	140,409	72,398	212,807	167,501	380,307	52.4%
2010	583,896	665,521	167,780	82,227	250,007	186,061	436,069	65.5%
2011	655,695	637,699	102,453	100,504	202,958	209,470	412,427	64.7%
2012	787,236	710,428	13,328	148,896	162,224	294,243	456,469	64.3%
	6,513,887	6,215,268	2,393,970	558,420	2,952,396	1,192,595	4,144,994	66.7%

**Net**

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	704,034	314,613	53,490	320	53,811	136	53,948	17.1%
2003	1,254,008	931,591	195,335	3,369	198,704	7,205	205,908	22.1%
2004	1,363,285	1,145,853	369,812	12,721	382,534	15,334	397,868	34.7%
2005	1,167,767	1,201,549	888,167	19,074	907,240	43,621	950,859	79.1%
2006	1,460,398	1,305,760	366,575	22,515	389,089	59,193	448,281	34.3%
2007	1,326,647	1,208,440	472,769	53,577	526,346	99,098	625,443	51.8%
2008	1,133,843	1,183,142	590,573	54,472	645,043	155,964	801,005	67.7%
2009	1,025,061	1,157,966	611,368	45,352	656,719	219,924	876,646	75.7%
2010	1,332,220	1,206,493	327,149	68,115	395,265	279,906	675,169	56.0%
2011	1,466,134	1,429,687	372,053	200,869	572,922	405,487	978,409	68.4%
2012	1,522,245	1,558,058	137,995	329,153	467,149	608,625	1,075,773	69.0%
	13,755,642	12,643,152	4,385,286	809,537	5,194,822	1,894,493	7,089,309	56.1%

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**  
**Values in Thousands USD**

Insurance  
Consolidated Total

GROSS BASIS

Paid Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	8,398	38,452	49,641	51,691	53,369	55,253	56,685	56,748	56,235	57,162	57,218
2003	23,230	95,323	142,800	182,265	196,826	224,760	238,139	243,368	247,276	256,507	
2004	91,621	375,879	519,679	563,038	622,846	676,783	709,643	730,949	739,923		
2005	204,004	764,735	1,195,877	1,439,546	1,683,938	1,751,927	1,773,770	1,803,484			
2006	77,983	203,642	328,779	403,927	446,350	478,653	492,874				
2007	109,288	240,056	385,607	533,462	589,784	665,080					
2008	182,987	451,093	592,977	738,923	891,635						
2009	186,328	547,925	663,760	751,777							
2010	183,553	365,695	494,929								
2011	191,986	474,506									
2012	151,323										

Case Incurred Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	46,541	55,935	62,176	62,905	63,523	60,750	58,545	57,757	57,124	58,071	58,095
2003	140,013	201,883	210,837	242,845	248,151	255,641	254,705	259,457	264,324	261,504	
2004	398,251	577,004	647,517	682,739	749,835	766,707	773,196	766,001	762,275		
2005	1,232,049	1,555,330	1,694,805	1,769,933	1,774,586	1,828,513	1,825,640	1,853,042			
2006	227,736	342,409	449,575	476,460	503,666	515,589	523,345				
2007	259,767	454,776	613,296	689,076	713,937	759,072					
2008	529,725	697,095	830,899	986,073	1,009,834						
2009	325,641	638,405	797,093	869,526							
2010	311,988	536,581	645,272								
2011	553,644	775,880									
2012	629,373										

IBNR	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	93,010	53,830	31,452	5,810	2,618	1,886	1,260	1,048	460	150	136
2003	509,201	359,031	257,044	162,039	117,686	51,025	47,879	40,423	33,798	12,650	
2004	815,475	485,651	341,170	243,865	134,360	78,640	62,227	41,023	39,948		
2005	981,357	621,258	505,387	388,398	230,836	147,513	113,444	90,149			
2006	882,057	621,074	436,508	330,815	225,773	155,007	130,251				
2007	836,564	569,545	395,653	291,619	214,349	166,585					
2008	783,320	642,116	485,166	347,279	276,152						
2009	856,204	607,095	461,594	387,425							
2010	779,931	582,498	465,967								
2011	927,340	614,957									
2012	902,868										

Ultimate Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	139,551	109,765	93,629	68,715	66,141	62,636	59,804	58,805	57,583	58,221	58,232
2003	649,215	560,914	467,880	404,884	365,837	306,666	302,584	299,881	298,121	274,153	
2004	1,213,726	1,062,655	988,687	926,604	884,195	845,347	835,420	807,025	802,223		
2005	2,213,407	2,176,588	2,200,192	2,158,331	2,005,422	1,976,026	1,939,083	1,943,189			
2006	1,109,793	963,483	886,083	807,275	729,441	670,598	653,596				
2007	1,096,331	1,024,322	1,008,949	980,695	928,288	925,657					
2008	1,313,045	1,339,212	1,316,067	1,333,351	1,285,984						
2009	1,181,845	1,245,500	1,258,686	1,256,953							
2010	1,091,919	1,119,080	1,111,238								
2011	1,480,984	1,390,836									
2012	1,532,242										

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**  
**Values in Thousands USD**

Insurance  
Consolidated Total

GROSS BASIS

Paid Loss Ratio	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	2.4%	10.8%	14.0%	14.6%	15.0%	15.6%	16.0%	16.0%	15.9%	16.1%	16.1%
2003	2.0%	8.0%	12.0%	15.4%	16.6%	18.9%	20.1%	20.5%	20.8%	21.6%	
2004	5.7%	23.5%	32.4%	35.1%	38.9%	42.2%	44.3%	45.6%	46.2%		
2005	10.8%	40.5%	63.3%	76.2%	89.1%	92.7%	93.9%	95.4%			
2006	4.0%	10.4%	16.8%	20.7%	22.8%	24.5%	25.2%				
2007	5.7%	12.5%	20.1%	27.8%	30.7%	34.6%					
2008	9.9%	24.3%	32.0%	39.8%	48.1%						
2009	9.9%	29.1%	35.2%	39.9%							
2010	9.8%	19.5%	26.4%								
2011	9.3%	23.0%									
2012	6.7%										

  

Case Incurred Loss Ratio	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	13.1%	15.8%	17.5%	17.7%	17.9%	17.1%	16.5%	16.3%	16.1%	16.4%	16.4%
2003	11.8%	17.0%	17.8%	20.5%	20.9%	21.5%	21.5%	21.9%	22.3%	22.0%	
2004	24.9%	36.0%	40.4%	42.6%	46.8%	47.8%	48.3%	47.8%	47.6%		
2005	65.2%	82.3%	89.7%	93.7%	93.9%	96.8%	96.6%	98.1%			
2006	11.6%	17.5%	23.0%	24.4%	25.8%	26.4%	26.8%				
2007	13.5%	23.7%	31.9%	35.9%	37.1%	39.5%					
2008	28.6%	37.6%	44.8%	53.2%	54.4%						
2009	17.3%	33.9%	42.3%	46.2%							
2010	16.7%	28.7%	34.5%								
2011	26.8%	37.5%									
2012	27.7%										

  

Ultimate Loss Ratio	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	39.3%	30.9%	26.4%	19.4%	18.6%	17.7%	16.9%	16.6%	16.2%	16.4%	16.4%
2003	54.7%	47.3%	39.4%	34.1%	30.8%	25.8%	25.5%	25.3%	25.1%	23.1%	
2004	75.7%	66.3%	61.7%	57.8%	55.2%	52.8%	52.1%	50.4%	50.1%		
2005	117.1%	115.2%	116.4%	114.2%	106.1%	104.6%	102.6%	102.8%			
2006	56.7%	49.3%	45.3%	41.3%	37.3%	34.3%	33.4%				
2007	57.0%	53.3%	52.5%	51.0%	48.3%	48.2%					
2008	70.8%	72.2%	70.9%	71.9%	69.3%						
2009	62.7%	66.1%	66.8%	66.7%							
2010	58.3%	59.8%	59.4%								
2011	71.6%	67.3%									
2012	67.5%										

  

Loss Emergence	Months											Total Development
	12	24	36	48	60	72	84	96	108	120	132	
2002	139,551	(29,786)	(16,136)	(24,914)	(2,574)	(3,505)	(2,831)	(1,000)	(1,222)	638	11	(81,319)
2003	649,215	(88,300)	(93,034)	(62,997)	(39,047)	(59,171)	(4,082)	(2,703)	(1,760)	(23,968)		(375,062)
2004	1,213,726	(151,071)	(73,969)	(62,083)	(42,409)	(38,848)	(9,927)	(28,395)	(4,802)			(411,504)
2005	2,213,407	(36,819)	23,604	(41,861)	(152,908)	(29,396)	(36,943)	4,106				(270,217)
2006	1,109,793	(146,310)	(77,399)	(78,808)	(77,834)	(58,843)	(17,002)					(456,196)
2007	1,096,331	(72,010)	(15,373)	(28,254)	(52,407)	(2,631)						(170,675)
2008	1,313,045	26,166	(23,145)	17,284	(47,367)							(27,062)
2009	1,181,845	63,655	13,186	(1,733)								75,108
2010	1,091,919	27,161	(7,842)									19,319
2011	1,480,984	(90,148)										(90,148)
2012	1,532,242											—
												(1,787,756)

  

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	Total Development
	—	(29,786)	(104,436)	(269,019)	(176,359)	(227,341)	(295,681)	(264,853)	(108,826)	(120,079)	(191,376)	(1,787,756)

**AXIS Capital Holdings Limited**  
**2012 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	—	885	0.5%
2003	582,907	466,952	96,946	1,719	98,666	1,114	99,780	21.4%
2004	677,348	607,961	392,069	3,884	395,953	3,514	399,467	65.7%
2005	659,828	672,486	1,037,339	17,850	1,055,189	10,593	1,065,782	158.5%
2006	756,892	726,804	165,192	4,216	169,409	3,191	172,599	23.7%
2007	741,444	746,985	186,717	18,545	205,262	5,256	210,518	28.2%
2008	579,395	657,492	358,209	16,095	374,304	8,980	383,284	58.3%
2009	587,588	575,863	109,174	7,230	116,404	8,830	125,234	21.7%
2010	644,539	608,073	117,221	29,062	146,283	36,490	182,773	30.1%
2011	797,361	715,811	265,147	124,236	389,383	74,240	463,623	64.8%
2012	849,169	840,023	117,050	330,534	447,584	145,168	592,752	70.6%
	7,229,496	6,800,848	2,845,928	553,391	3,399,322	297,376	3,696,697	54.4%

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	7,897	1,574	9,472	—	9,472	12.2%
2004	177,351	153,193	250,882	2,147	253,029	1,528	254,557	166.2%
2005	285,349	265,693	566,512	17,042	583,554	3,603	587,158	221.0%
2006	251,757	278,011	14,965	1,472	16,438	1,108	17,546	6.3%
2007	318,109	336,098	41,237	10,179	51,416	1,169	52,585	15.6%
2008	273,593	274,229	125,117	14,530	139,648	1,674	141,322	51.5%
2009	274,061	273,299	27,111	2,482	29,593	2,489	32,082	11.7%
2010	206,867	235,489	18,261	6,160	24,421	6,675	31,096	13.2%
2011	240,062	232,401	33,009	17,749	50,759	31,952	82,711	35.6%
2012	252,481	250,969	3,943	81,586	85,529	27,071	112,600	44.9%
	2,414,796	2,392,418	1,088,934	154,921	1,243,859	77,269	1,321,129	55.2%

Net

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	315,251	166,835	864	20	885	—	885	0.5%
2003	485,515	389,479	89,049	145	89,194	1,114	90,308	23.2%
2004	499,997	454,768	141,187	1,737	142,924	1,986	144,910	31.9%
2005	374,479	406,793	470,827	808	471,635	6,990	478,624	117.7%
2006	505,135	448,793	150,227	2,744	152,971	2,083	155,053	34.5%
2007	423,335	410,887	145,480	8,366	153,846	4,087	157,933	38.4%
2008	305,802	383,263	233,092	1,565	234,656	7,306	241,962	63.1%
2009	313,527	302,564	82,063	4,748	86,811	6,341	93,152	30.8%
2010	437,672	372,584	98,960	22,902	121,862	29,815	151,677	40.7%
2011	557,299	483,410	232,138	106,487	338,624	42,288	380,912	78.8%
2012	596,688	589,054	113,107	248,948	362,055	118,097	480,152	81.5%
	4,814,700	4,408,430	1,756,994	398,470	2,155,463	220,107	2,375,568	53.9%

**AXIS Capital Holdings Limited**  
**2012 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	132
2002	75	191	222	275	442	775	864	864	864	864	864
2003	7,151	53,898	73,817	89,525	93,657	93,769	93,819	93,931	94,510	96,946	
2004	50,694	243,313	342,798	357,918	364,078	377,126	379,296	390,068	392,069		
2005	146,865	553,457	776,139	895,229	1,016,912	1,029,497	1,034,646	1,037,339			
2006	50,559	119,826	140,925	152,083	162,148	165,414	165,192				
2007	66,988	136,254	168,461	180,592	184,280	186,717					
2008	127,544	235,995	282,279	307,997	358,209						
2009	48,806	86,347	105,730	109,174							
2010	58,905	106,182	117,221								
2011	102,397	265,147									
2012	117,050										

Case Incurred Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	3,081	1,362	1,385	1,617	1,636	1,046	886	886	885	885	885
2003	89,465	111,282	106,438	106,147	100,303	99,773	98,694	97,062	98,257	98,666	
2004	260,292	377,031	397,868	388,375	391,009	393,061	398,809	396,071	395,953		
2005	835,013	1,006,833	1,074,705	1,062,113	1,053,916	1,053,193	1,053,992	1,055,189			
2006	141,624	172,223	169,950	166,664	170,449	171,005	169,409				
2007	153,671	187,483	200,103	199,359	197,049	205,262					
2008	367,025	390,038	389,315	395,801	374,304						
2009	112,675	129,321	117,585	116,404							
2010	134,986	144,438	146,283								
2011	355,995	389,383									
2012	447,584										

IBNR	Months										
	12	24	36	48	60	72	84	96	108	120	132
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	1,114	
2004	283,681	88,718	33,530	10,090	7,710	4,281	7,566	5,410	3,514		
2005	347,553	79,581	55,731	56,777	41,452	18,849	14,061	10,593			
2006	218,093	71,453	22,472	12,084	8,680	3,294	3,191				
2007	179,026	41,116	21,232	10,265	9,538	5,256					
2008	133,570	58,163	46,623	32,661	8,980						
2009	58,039	24,218	19,579	8,830							
2010	88,851	49,391	36,490								
2011	169,090	74,240									
2012	145,168										

Ultimate Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	43,143	26,999	13,171	4,099	2,961	1,777	1,654	1,255	1,095	948	885
2003	250,540	180,186	131,998	115,756	105,213	102,105	101,386	100,134	99,605	99,780	
2004	543,974	465,749	431,398	398,465	398,720	397,343	406,374	401,481	399,467		
2005	1,182,565	1,086,414	1,130,436	1,118,890	1,095,368	1,072,042	1,068,052	1,065,782			
2006	359,717	243,676	192,422	178,748	179,130	174,300	172,599				
2007	332,697	228,599	221,335	209,624	206,588	210,518					
2008	500,595	448,201	435,938	428,462	383,284						
2009	170,714	153,539	137,164	125,234							
2010	223,837	193,829	182,773								
2011	525,085	463,623									
2012	592,752										

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**  
**Values in Thousands USD**

Insurance  
Property and Other

**GROSS BASIS**

Paid Loss Ratio	Months											Total Development	
	12	24	36	48	60	72	84	96	108	120	132		
2002	0.0%	0.1%	0.1%	0.2%	0.2%	0.4%	0.5%	0.5%	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%	20.8%			
2004	8.3%	40.0%	56.4%	58.9%	59.9%	62.0%	62.4%	64.2%	64.5%				
2005	21.8%	82.3%	115.4%	133.1%	151.2%	153.1%	153.9%	154.3%					
2006	7.0%	16.5%	19.4%	20.9%	22.3%	22.8%	22.7%						
2007	9.0%	18.2%	22.6%	24.2%	24.7%	25.0%							
2008	19.4%	35.9%	42.9%	46.8%	54.5%								
2009	8.5%	15.0%	18.4%	19.0%									
2010	9.7%	17.5%	19.3%										
2011	14.3%	37.0%											
2012	13.9%												

  

Case Incurred Loss Ratio	Months											Total Development	
	12	24	36	48	60	72	84	96	108	120	132		
2002	1.7%	0.7%	0.8%	0.9%	0.9%	0.6%	0.5%	0.5%	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%	21.1%			
2004	42.8%	62.0%	65.4%	63.9%	64.3%	64.7%	65.6%	65.1%	65.1%				
2005	124.2%	149.7%	159.8%	157.9%	156.7%	156.6%	156.7%	156.9%					
2006	19.5%	23.7%	23.4%	22.9%	23.5%	23.5%	23.3%						
2007	20.6%	25.1%	26.8%	26.7%	26.4%	27.5%							
2008	55.8%	59.3%	59.2%	60.2%	56.9%								
2009	19.6%	22.5%	20.4%	20.2%									
2010	22.2%	23.8%	24.1%										
2011	49.7%	54.4%											
2012	53.3%												

  

Ultimate Loss Ratio	Months											Total Development	
	12	24	36	48	60	72	84	96	108	120	132		
2002	23.7%	14.8%	7.2%	2.2%	1.6%	1.0%	0.9%	0.7%	0.6%	0.5%	0.5%		
2003	53.7%	38.6%	28.3%	24.8%	22.5%	21.9%	21.7%	21.4%	21.3%	21.4%			
2004	89.5%	76.6%	71.0%	65.5%	65.6%	65.4%	66.8%	66.0%	65.7%				
2005	175.8%	161.6%	168.1%	166.4%	162.9%	159.4%	158.8%	158.5%					
2006	49.5%	33.5%	26.5%	24.6%	24.6%	24.0%	23.7%						
2007	44.5%	30.6%	29.6%	28.1%	27.7%	28.2%							
2008	76.1%	68.2%	66.3%	65.2%	58.3%								
2009	29.6%	26.7%	23.8%	21.7%									
2010	36.8%	31.9%	30.1%										
2011	73.4%	64.8%											
2012	70.6%												

  

Loss Emergence	Months											Total Development	
	12	24	36	48	60	72	84	96	108	120	132		
2002	43,143	(16,144)	(13,828)	(9,073)	(1,138)	(1,183)	(123)	(399)	(160)	(147)	(63)	(42,258)	
2003	250,540	(70,354)	(48,189)	(16,242)	(10,542)	(3,108)	(720)	(1,252)	(529)	175		(150,761)	
2004	543,974	(78,225)	(34,351)	(32,932)	255	(1,377)	9,031	(4,893)	(2,014)			(144,506)	
2005	1,182,565	(96,151)	44,022	(11,546)	(23,522)	(23,327)	(3,990)	(2,270)				(116,784)	
2006	359,717	(116,040)	(51,255)	(13,674)	382	(4,830)	(1,700)					(187,117)	
2007	332,697	(104,098)	(7,264)	(11,711)	(3,036)	3,930						(122,179)	
2008	500,595	(52,394)	(12,263)	(7,475)	(45,179)							(117,311)	
2009	170,714	(17,175)	(16,375)	(11,929)								(45,479)	
2010	223,837	(30,008)	(11,056)									(41,064)	
2011	525,085	(61,462)										(61,462)	
2012	592,752												
													(1,028,921)

  

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	Total Development
	—	(16,144)	(84,182)	(135,487)	(147,882)	(116,675)	(169,875)	(99,350)	(56,475)	(71,283)	(131,568)	(1,028,921)



**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**  
**Values in Thousands USD**

**Insurance**  
**Marine**

ITD Summary

**Gross**

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	137,449	74,302	33,536	806	34,342	73	34,416	46.3%
2003	201,268	171,410	33,861	556	34,417	266	34,683	20.2%
2004	189,772	178,863	107,111	999	108,110	2,233	110,343	61.7%
2005	199,556	204,037	473,737	5,372	479,109	3,065	482,175	236.3%
2006	242,798	242,364	81,581	6,537	88,118	5,389	93,508	38.6%
2007	217,843	234,179	112,678	9,387	122,064	6,997	129,061	55.1%
2008	193,234	202,679	91,711	14,647	106,358	17,145	123,502	60.9%
2009	200,868	195,185	67,383	16,215	83,597	20,103	103,701	53.1%
2010	224,814	199,336	91,698	21,584	113,283	30,407	143,690	72.1%
2011	240,481	220,421	82,855	53,548	136,403	28,904	165,307	75.0%
2012	252,434	245,273	14,831	88,550	103,381	60,307	163,689	66.7%
	2,300,517	2,168,049	1,190,982	218,201	1,409,182	174,889	1,584,075	73.1%

**Ceded**

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	21,755	11,611	2,994	556	3,550	—	3,550	30.6%
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	232,987	—	232,987	109	233,096	249.5%
2006	50,192	64,197	13,199	441	13,640	951	14,592	22.7%
2007	72,723	77,364	22,004	3,271	25,275	1,441	26,716	34.5%
2008	51,663	51,502	8,624	9,901	18,525	6,188	24,713	48.0%
2009	58,916	55,988	19,787	7,156	26,943	6,932	33,875	60.5%
2010	53,705	53,980	56,849	7,563	64,412	10,249	74,661	138.3%
2011	72,015	68,298	36,010	37,973	73,983	7,301	81,284	119.0%
2012	74,463	74,108	3,220	49,907	53,127	16,512	69,640	94.0%
	614,645	606,461	425,638	116,768	542,406	49,683	592,091	97.6%

**Net**

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	115,694	62,691	30,542	250	30,792	73	30,866	49.2%
2003	190,055	150,589	29,024	556	29,580	266	29,846	19.8%
2004	143,325	143,699	81,984	999	82,983	2,233	85,216	59.3%
2005	98,003	110,609	240,750	5,372	246,122	2,956	249,079	225.2%
2006	192,606	178,167	68,382	6,096	74,478	4,438	78,916	44.3%
2007	145,120	156,815	90,674	6,116	96,789	5,556	102,345	65.3%
2008	141,571	151,177	83,087	4,746	87,833	10,957	98,789	65.3%
2009	141,952	139,197	47,596	9,059	56,654	13,171	69,826	50.2%
2010	171,109	145,356	34,849	14,021	48,871	20,158	69,029	47.5%
2011	168,466	152,123	46,845	15,575	62,420	21,603	84,023	55.2%
2012	177,971	171,165	11,611	38,643	50,254	43,795	94,049	54.9%
	1,685,872	1,561,588	765,344	101,433	866,776	125,206	991,984	63.5%

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**  
**Values in Thousands USD**

Insurance  
Marine

GROSS BASIS

Paid Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	6,209	19,443	28,626	29,909	30,929	32,248	32,419	32,465	32,468	33,434	33,536
2003	4,754	12,393	20,034	28,892	30,512	31,687	32,554	33,010	33,153	33,861	
2004	27,675	78,929	93,585	100,655	104,391	105,731	105,779	106,300	107,111		
2005	40,643	160,580	320,454	376,678	462,747	472,585	472,681	473,737			
2006	20,061	44,114	59,793	71,418	77,308	78,949	81,581				
2007	24,502	48,138	76,294	96,155	105,603	112,678					
2008	28,047	63,673	81,187	90,286	91,711						
2009	25,856	48,845	64,022	67,383							
2010	57,911	73,886	91,698								
2011	37,860	82,855									
2012	14,831										

Case Incurred Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	23,087	29,866	35,051	34,675	33,947	33,393	33,515	33,225	33,191	34,237	34,342
2003	20,644	25,605	26,341	34,063	35,853	36,344	35,452	34,748	34,646	34,417	
2004	79,663	109,129	109,535	108,057	109,784	109,857	108,414	109,070	108,110		
2005	354,142	446,611	466,813	479,460	475,957	478,385	479,358	479,109			
2006	57,558	81,091	99,884	89,932	90,886	86,543	88,118				
2007	64,850	106,533	124,645	126,350	122,053	122,064					
2008	77,653	97,184	102,272	102,453	106,358						
2009	60,176	82,803	83,956	83,597							
2010	93,992	107,570	113,283								
2011	110,876	136,403									
2012	103,381										

IBNR	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	27,900	13,964	12,344	1,716	801	864	384	328	116	—	73
2003	86,478	73,564	46,640	12,547	6,899	3,423	2,445	1,322	794	266	
2004	88,026	58,702	32,457	18,751	10,092	3,102	2,637	1,839	2,233		
2005	87,102	89,354	44,823	21,329	20,533	13,927	4,738	3,065			
2006	86,768	51,887	25,592	16,903	15,811	12,268	5,389				
2007	75,875	33,527	18,647	10,696	11,073	6,997					
2008	72,807	31,661	18,813	21,643	17,145						
2009	61,509	36,420	27,971	20,103							
2010	51,767	38,153	30,407								
2011	77,057	28,904									
2012	60,307										

Ultimate Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	50,987	43,830	47,395	36,391	34,748	34,257	33,899	33,553	33,306	34,237	34,416
2003	107,122	99,169	72,981	46,610	42,752	39,766	37,898	36,070	35,440	34,683	
2004	167,690	167,831	141,992	126,808	119,876	112,959	111,050	110,909	110,343		
2005	441,244	535,966	511,636	500,790	496,490	492,313	484,096	482,175			
2006	144,326	132,978	125,476	106,835	106,697	98,811	93,508				
2007	140,725	140,060	143,292	137,046	133,127	129,061					
2008	150,459	128,844	121,085	124,096	123,502						
2009	121,685	119,223	111,926	103,701							
2010	145,760	145,723	143,690								
2011	187,933	165,307									
2012	163,689										

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**  
**Values in Thousands USD**

Insurance  
Marine

GROSS BASIS

Paid Loss Ratio	Months											Total Development
	12	24	36	48	60	72	84	96	108	120	132	
2002	8.4%	26.2%	38.5%	40.3%	41.6%	43.4%	43.6%	43.7%	43.7%	45.0%	45.1%	
2003	2.8%	7.2%	11.7%	16.9%	17.8%	18.5%	19.0%	19.3%	19.3%	19.8%		
2004	15.5%	44.1%	52.3%	56.3%	58.4%	59.1%	59.1%	59.4%	59.9%			
2005	19.9%	78.7%	157.1%	184.6%	226.8%	231.6%	231.7%	232.2%				
2006	8.3%	18.2%	24.7%	29.5%	31.9%	32.6%	33.7%					
2007	10.5%	20.6%	32.6%	41.1%	45.1%	48.1%						
2008	13.8%	31.4%	40.1%	44.5%	45.2%							
2009	13.2%	25.0%	32.8%	34.5%								
2010	29.1%	37.1%	46.0%									
2011	17.2%	37.6%										
2012	6.0%											

  

Case Incurred Loss Ratio	Months											Total Development
	12	24	36	48	60	72	84	96	108	120	132	
2002	31.1%	40.2%	47.2%	46.7%	45.7%	44.9%	45.1%	44.7%	44.7%	46.1%	46.2%	
2003	12.0%	14.9%	15.4%	19.9%	20.9%	21.2%	20.7%	20.3%	20.2%	20.1%		
2004	44.5%	61.0%	61.2%	60.4%	61.4%	61.4%	60.6%	61.0%	60.4%			
2005	173.6%	218.9%	228.8%	235.0%	233.3%	234.5%	234.9%	234.8%				
2006	23.7%	33.5%	41.2%	37.1%	37.5%	35.7%	36.4%					
2007	27.7%	45.5%	53.2%	54.0%	52.1%	52.1%						
2008	38.3%	47.9%	50.5%	50.5%	52.5%							
2009	30.8%	42.4%	43.0%	42.8%								
2010	47.2%	54.0%	56.8%									
2011	50.3%	61.9%										
2012	42.1%											

  

Ultimate Loss Ratio	Months											Total Development
	12	24	36	48	60	72	84	96	108	120	132	
2002	68.6%	59.0%	63.8%	49.0%	46.8%	46.1%	45.6%	45.2%	44.8%	46.1%	46.3%	
2003	62.5%	57.9%	42.6%	27.2%	24.9%	23.2%	22.1%	21.0%	20.7%	20.2%		
2004	93.8%	93.8%	79.4%	70.9%	67.0%	63.2%	62.1%	62.0%	61.7%			
2005	216.3%	262.7%	250.8%	245.4%	243.3%	241.3%	237.3%	236.3%				
2006	59.5%	54.9%	51.8%	44.1%	44.0%	40.8%	38.6%					
2007	60.1%	59.8%	61.2%	58.5%	56.8%	55.1%						
2008	74.2%	63.6%	59.7%	61.2%	60.9%							
2009	62.3%	61.1%	57.3%	53.1%								
2010	73.1%	73.1%	72.1%									
2011	85.3%	75.0%										
2012	66.7%											

  

Loss Emergence	Months											Total Development
	12	24	36	48	60	72	84	96	108	120	132	
2002	50,987	(7,157)	3,564	(11,004)	(1,643)	(491)	(357)	(346)	(247)	930	179	(16,572)
2003	107,122	(7,952)	(26,188)	(26,371)	(3,858)	(2,985)	(1,869)	(1,828)	(630)	(756)		(72,437)
2004	167,690	141	(25,838)	(15,184)	(6,932)	(6,917)	(1,909)	(142)	(565)			(57,346)
2005	441,244	94,722	(24,329)	(10,847)	(4,300)	(4,177)	(8,217)	(1,921)				40,931
2006	144,326	(11,348)	(7,502)	(18,640)	(138)	(7,886)	(5,304)					(50,818)
2007	140,725	(665)	3,231	(6,246)	(3,919)	(4,065)						(11,664)
2008	150,459	(21,615)	(7,759)	3,011	(594)							(26,957)
2009	121,685	(2,462)	(7,297)	(8,225)								(17,984)
2010	145,760	(37)	(2,033)									(2,070)
2011	187,933	(22,626)										(22,626)
2012	163,689											—
												(237,543)

  

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	Total Development
	—	(7,157)	(4,388)	(37,051)	40,870	(55,210)	(29,288)	(50,456)	(24,766)	(24,187)	(45,910)	(237,543)

**AXIS Capital Holdings Limited**  
**2012 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	22,818	50	22,868	43	22,911	25.6%
2003	331,045	278,463	34,159	555	34,714	475	35,189	12.6%
2004	376,137	329,925	55,102	2,794	57,896	958	58,854	17.8%
2005	181,969	331,510	50,986	1,389	52,375	2,926	55,300	16.7%
2006	113,392	175,052	18,752	1,017	19,769	3,585	23,354	13.3%
2007	70,200	90,194	11,964	824	12,788	3,817	16,605	18.4%
2008	67,762	68,673	4,378	1,568	5,946	2,267	8,213	12.0%
2009	76,198	67,087	13,595	4,109	17,704	1,367	19,071	28.4%
2010	75,794	71,363	7,301	1,625	8,926	3,739	12,665	17.7%
2011	70,792	77,401	3,264	1,868	5,132	11,784	16,916	21.9%
2012	65,143	67,113	990	2,302	3,292	9,828	13,120	19.5%
	1,687,480	1,646,137	223,309	18,101	241,410	40,789	282,198	17.1%

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	—	—	—	8	8	0.4%
2008	2,003	3,278	—	—	—	15	15	0.5%
2009	5,959	2,842	228	46	274	34	308	10.8%
2010	(126)	4,727	816	135	951	2	953	20.2%
2011	8,550	6,720	363	62	425	797	1,222	18.2%
2012	7,415	6,750	—	—	—	23	23	0.3%
	147,101	144,428	3,434	243	3,677	1,100	4,777	3.3%

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	22,084	50	22,134	43	22,177	28.4%
2003	317,190	258,507	34,159	555	34,714	254	34,968	13.5%
2004	314,502	291,223	53,809	2,794	56,603	958	57,561	19.8%
2005	172,338	297,643	50,986	1,389	52,375	2,926	55,300	18.6%
2006	106,157	160,561	18,752	1,017	19,769	3,585	23,354	14.5%
2007	65,233	88,248	11,964	824	12,788	3,809	16,597	18.8%
2008	65,759	65,395	4,378	1,568	5,946	2,252	8,198	12.5%
2009	70,239	64,245	13,367	4,063	17,430	1,333	18,763	29.2%
2010	75,920	66,636	6,485	1,490	7,975	3,737	11,712	17.6%
2011	62,242	70,681	2,901	1,806	4,707	10,987	15,694	22.2%
2012	57,728	60,363	990	2,302	3,292	9,805	13,097	21.7%
	1,540,379	1,501,709	219,875	17,858	237,733	39,689	277,421	18.5%

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**  
**Values in Thousands USD**

Insurance  
Aviation

GROSS BASIS

Paid Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	2,114	18,818	20,792	21,507	21,999	22,231	23,402	23,419	22,903	22,864	22,818
2003	10,911	21,518	26,601	29,677	31,208	33,124	33,611	34,052	34,183	34,159	
2004	10,430	37,982	46,887	48,725	53,407	54,020	54,889	55,143	55,102		
2005	14,487	27,542	40,972	45,227	47,346	49,346	50,233	50,986			
2006	2,834	8,199	13,369	15,897	17,392	18,260	18,752				
2007	2,495	6,798	9,340	10,623	11,229	11,964					
2008	596	2,180	3,228	3,816	4,378						
2009	2,431	4,058	7,596	13,595							
2010	1,124	4,837	7,301								
2011	722	3,264									
2012	990										

Case Incurred Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	20,373	24,707	25,741	26,613	27,939	26,311	24,143	23,645	23,048	22,949	22,868
2003	22,142	29,985	36,265	38,895	36,912	36,312	35,457	35,029	34,820	34,714	
2004	48,002	55,414	67,217	61,670	61,736	59,969	59,062	58,142	57,896		
2005	29,859	42,422	53,259	53,244	52,626	52,971	52,156	52,375			
2006	5,978	14,446	17,189	17,597	19,307	19,965	19,713	19,769			
2007	8,496	10,905	11,596	12,186	12,522	12,788					
2008	1,412	4,514	5,199	5,572	5,946						
2009	9,301	10,961	17,268	17,704							
2010	3,639	8,101	8,926								
2011	3,058	5,132									
2012	3,292										

IBNR	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	23,017	12,645	5,831	1,410	376	267	88	331	114	67	43
2003	81,901	56,376	28,845	10,231	3,945	872	1,572	1,582	566	475	
2004	123,086	43,764	17,667	11,461	7,281	7,021	4,666	1,224	958		
2005	77,627	29,303	19,220	10,793	8,875	7,071	3,416	2,926			
2006	45,685	19,352	11,532	6,442	5,822	3,818	3,585				
2007	21,837	11,118	7,325	5,086	4,443	3,817					
2008	13,460	7,009	3,278	2,723	2,267						
2009	8,767	4,304	2,289	1,367							
2010	10,067	4,756	3,739								
2011	16,662	11,784									
2012	9,828										

Ultimate Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	43,390	37,352	31,572	28,024	28,315	26,578	24,231	23,976	23,162	23,016	22,911
2003	104,043	86,361	65,110	49,126	40,857	37,185	37,029	36,612	35,386	35,189	
2004	171,087	99,178	84,883	73,131	69,017	66,991	63,728	59,366	58,854		
2005	107,486	71,725	72,479	64,038	61,501	60,042	55,572	55,300			
2006	51,662	33,797	28,720	25,749	25,787	23,531	23,354				
2007	30,333	22,022	18,922	17,272	16,965	16,605					
2008	14,872	11,523	8,477	8,295	8,213						
2009	18,068	15,265	19,557	19,071							
2010	13,706	12,857	12,665								
2011	19,720	16,916									
2012	13,120										

**AXIS Capital Holdings Limited**  
**2012 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	132
2002	2.4%	21.1%	23.3%	24.1%	24.6%	24.9%	26.2%	26.2%	25.6%	25.6%	25.5%
2003	3.9%	7.7%	9.6%	10.7%	11.2%	11.9%	12.1%	12.2%	12.3%	12.3%	
2004	3.2%	11.5%	14.2%	14.8%	16.2%	16.4%	16.6%	16.7%	16.7%		
2005	4.4%	8.3%	12.4%	13.6%	14.3%	14.9%	15.2%	15.4%			
2006	1.6%	4.7%	7.6%	9.1%	9.9%	10.4%	10.7%				
2007	2.8%	7.5%	10.4%	11.8%	12.5%	13.3%					
2008	0.9%	3.2%	4.7%	5.6%	6.4%						
2009	3.6%	6.0%	11.3%	20.3%							
2010	1.6%	6.8%	10.2%								
2011	0.9%	4.2%									
2012	1.5%										

  

Case Incurred Loss Ratio	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	22.8%	27.6%	28.8%	29.8%	31.3%	29.4%	27.0%	26.5%	25.8%	25.7%	25.6%
2003	8.0%	10.8%	13.0%	14.0%	13.3%	13.0%	12.7%	12.6%	12.5%	12.5%	
2004	14.5%	16.8%	20.4%	18.7%	18.7%	18.2%	17.9%	17.6%	17.5%		
2005	9.0%	12.8%	16.1%	16.1%	15.9%	16.0%	15.7%	15.8%			
2006	3.4%	8.3%	9.8%	11.0%	11.4%	11.3%	11.3%				
2007	9.4%	12.1%	12.9%	13.5%	13.9%	14.2%					
2008	2.1%	6.6%	7.6%	8.1%	8.7%						
2009	13.9%	16.3%	25.7%	26.4%							
2010	5.1%	11.4%	12.5%								
2011	4.0%	6.6%									
2012	4.9%										

  

Ultimate Loss Ratio	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	48.6%	41.8%	35.3%	31.4%	31.7%	29.7%	27.1%	26.8%	25.9%	25.8%	25.6%
2003	37.4%	31.0%	23.4%	17.6%	14.7%	13.4%	13.3%	13.1%	12.7%	12.6%	
2004	51.9%	30.1%	25.7%	22.2%	20.9%	20.3%	19.3%	18.0%	17.8%		
2005	32.4%	21.6%	21.9%	19.3%	18.6%	18.1%	16.8%	16.7%			
2006	29.5%	19.3%	16.4%	14.7%	14.7%	13.4%	13.3%				
2007	33.6%	24.4%	21.0%	19.1%	18.8%	18.4%					
2008	21.7%	16.8%	12.3%	12.1%	12.0%						
2009	26.9%	22.8%	29.2%	28.4%							
2010	19.2%	18.0%	17.7%								
2011	25.5%	21.9%									
2012	19.5%										

  

Loss Emergence	Months											Total Development
	12	24	36	48	60	72	84	96	108	120	132	
2002	43,390	(6,038)	(5,780)	(3,548)	292	(1,737)	(2,347)	(255)	(814)	(147)	(105)	(20,479)
2003	104,043	(17,683)	(21,251)	(15,984)	(8,269)	(3,672)	(156)	(418)	(1,225)	(198)		(68,856)
2004	171,087	(71,909)	(14,295)	(11,752)	(4,115)	(2,026)	(3,263)	(4,362)	(511)			(112,233)
2005	107,486	(35,761)	753	(8,441)	(2,537)	(1,459)	(4,469)	(272)				(52,186)
2006	51,662	(17,865)	(5,077)	(2,972)	38	(2,256)	(177)					(28,309)
2007	30,333	(8,311)	(3,101)	(1,649)	(307)	(359)						(13,727)
2008	14,872	(3,349)	(3,046)	(182)	(82)							(6,659)
2009	18,068	(2,803)	4,292	(486)								1,003
2010	13,706	(849)	(192)									(1,041)
2011	19,720	(2,804)										(2,804)
2012	13,120											—
												(305,291)

  

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	Total Development
	—	(6,038)	(23,463)	(96,708)	(65,748)	(38,870)	(31,963)	(14,396)	(13,414)	(9,505)	(5,186)	(305,291)

**AXIS Capital Holdings Limited**  
**2012 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 Losses	IBNR	Ultimate Losses	Ultimate Loss 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	45,657	—	45,657	175	45,831	31.7%
2009	19,450	188,311	346,939	(26,842)	320,097	15,994	336,092	178.5%
2010	30,669	89,773	90,885	(35,867)	55,018	7,979	62,997	70.2%
2011	35,734	97,680	37,264	(15,909)	21,355	27,544	48,899	50.1%
2012	39,405	87,103	1	—	1	33,099	33,100	38.0%
	1,139,833	954,620	525,273	(82,007)	443,267	84,811	528,078	55.3%

Ceded

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss 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
2012	—	—	—	—	—	—	—	N/A
	15,908	15,908	—	—	—	—	—	0.0%

Net

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss 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	45,657	—	45,657	175	45,831	31.7%
2009	19,450	188,311	346,939	(26,842)	320,097	15,994	336,092	178.5%
2010	30,669	89,773	90,885	(35,867)	55,018	7,979	62,997	70.2%
2011	35,734	97,680	37,264	(15,909)	21,355	27,544	48,899	50.1%
2012	39,405	87,103	1	—	1	33,099	33,100	38.0%
	1,123,925	938,712	525,273	(82,007)	443,267	84,811	528,078	56.3%

**AXIS Capital Holdings Limited**  
**2012 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	132
2002	—	—	—	—	—	—	—	—	—	—	—
2003	—	—	—	152	158	158	158	158	158	158	158
2004	—	—	—	—	—	—	—	—	—	—	—
2005	—	8	8	8	8	8	8	8	8	8	8
2006	—	—	—	—	—	—	—	—	—	—	—
2007	120	2,928	4,398	4,356	4,361	4,361	—	—	—	—	—
2008	247	69,464	45,896	45,911	45,657	—	—	—	—	—	—
2009	93,296	345,202	346,865	346,939	—	—	—	—	—	—	—
2010	50,038	85,529	90,885	—	—	—	—	—	—	—	—
2011	32,821	37,264	—	—	—	—	—	—	—	—	—
2012	1	—	—	—	—	—	—	—	—	—	—

Case Incurred Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	—	—	—	—	—	—	—	—	—	—	—
2003	—	—	—	152	158	158	158	158	158	158	158
2004	—	—	—	—	—	—	—	—	—	—	—
2005	—	8	8	8	8	8	8	8	8	8	8
2006	—	—	—	—	—	—	—	—	—	—	—
2007	120	3,005	4,825	4,706	973	973	—	—	—	—	—
2008	13,978	30,444	45,896	45,652	45,657	—	—	—	—	—	—
2009	90,975	254,903	302,773	320,097	—	—	—	—	—	—	—
2010	10,038	45,293	55,018	—	—	—	—	—	—	—	—
2011	9,836	21,355	—	—	—	—	—	—	—	—	—
2102	1	—	—	—	—	—	—	—	—	—	—

IBNR	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	2,031	1,583	1,491	202	117	24	20	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	175	—	—	—	—	—	—
2009	159,926	50,344	23,553	15,994	—	—	—	—	—	—	—
2010	52,604	17,659	7,979	—	—	—	—	—	—	—	—
2011	48,737	27,544	—	—	—	—	—	—	—	—	—
2012	33,099	—	—	—	—	—	—	—	—	—	—

Ultimate Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	2,031	1,583	1,491	202	117	24	20	20	20	20	20
2003	14,567	13,889	10,060	5,346	4,094	158	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	8
2006	40,437	40,437	16,642	9,592	—	—	—	—	—	—	—
2007	50,843	44,911	17,049	5,388	973	973	—	—	—	—	—
2008	54,909	63,712	49,034	45,825	45,831	—	—	—	—	—	—
2009	250,901	305,247	326,326	336,092	—	—	—	—	—	—	—
2010	62,642	62,951	62,997	—	—	—	—	—	—	—	—
2011	58,573	48,899	—	—	—	—	—	—	—	—	—
2012	33,100	—	—	—	—	—	—	—	—	—	—



**AXIS Capital Holdings Limited**  
**2012 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	132	
2002	0.0%	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%	0.5%	0.5%
2004	0.0%	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%	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%	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%	3.8%
2008	0.2%	48.1%	31.8%	31.8%	31.6%	31.6%	31.6%	31.6%	31.6%	31.6%	31.6%	31.6%
2009	49.5%	183.3%	184.2%	184.2%	184.2%	184.2%	184.2%	184.2%	184.2%	184.2%	184.2%	184.2%
2010	55.7%	95.3%	101.2%	101.2%	101.2%	101.2%	101.2%	101.2%	101.2%	101.2%	101.2%	101.2%
2011	33.6%	38.1%	38.1%	38.1%	38.1%	38.1%	38.1%	38.1%	38.1%	38.1%	38.1%	38.1%
2012	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

  

Case Incurred Loss Ratio	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	0.0%	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%	0.5%	0.5%
2004	0.0%	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%	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%	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%	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%	31.6%
2009	48.3%	135.4%	160.8%	170.0%	170.0%	170.0%	170.0%	170.0%	170.0%	170.0%	170.0%	170.0%
2010	11.2%	50.5%	61.3%	61.3%	61.3%	61.3%	61.3%	61.3%	61.3%	61.3%	61.3%	61.3%
2011	10.1%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%
2012	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

  

Ultimate Loss Ratio	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	23.6%	18.4%	17.3%	2.3%	1.4%	0.3%	0.2%	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%	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%	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%	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%	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%	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%	31.7%
2009	133.2%	162.1%	173.3%	178.5%	178.5%	178.5%	178.5%	178.5%	178.5%	178.5%	178.5%	178.5%
2010	69.8%	70.1%	70.2%	70.2%	70.2%	70.2%	70.2%	70.2%	70.2%	70.2%	70.2%	70.2%
2011	60.0%	50.1%	50.1%	50.1%	50.1%	50.1%	50.1%	50.1%	50.1%	50.1%	50.1%	50.1%
2012	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%

  

Loss Emergence	Months												Total Development
	12	24	36	48	60	72	84	96	108	120	132		
2002	2,031	(448)	(92)	(1,289)	(85)	(93)	(4)	—	—	—	—	—	(2,011)
2003	14,567	(679)	(3,828)	(4,714)	(1,252)	(3,936)	—	—	—	—	—	—	(14,409)
2004	19,357	(1,515)	270	(4,415)	(13,695)	(1)	—	—	—	—	—	—	(19,356)
2005	26,816	276	—	(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)	—	—	—	—	—	—	—	(49,869)
2008	54,909	8,804	(14,679)	(3,208)	6	—	—	—	—	—	—	—	(9,077)
2009	250,901	54,346	21,079	9,766	—	—	—	—	—	—	—	—	85,191
2010	62,642	309	46	—	—	—	—	—	—	—	—	—	355
2011	58,573	(9,674)	—	—	—	—	—	—	—	—	—	—	(9,674)
2012	33,100	—	—	—	—	—	—	—	—	—	—	—	—
													(86,095)

  

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	Total Development
	—	(448)	(771)	(6,632)	(4,253)	(5,760)	(65,116)	(35,438)	18,414	13,765	144	(86,095)

**AXIS Capital Holdings Limited**  
**2012 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 Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	—	—	—	—	—	—	—	N/A
2003	243,228	141,101	48,167	91	48,258	3,465	51,722	36.7%
2004	321,296	254,715	74,611	5,596	80,207	7,630	87,837	34.5%
2005	431,654	369,255	96,102	19,090	115,192	21,433	136,624	37.0%
2006	493,754	460,900	134,002	13,103	147,105	24,052	171,157	37.1%
2007	528,616	492,361	237,075	58,793	295,868	74,209	370,077	75.2%
2008	601,874	548,761	296,071	67,639	363,710	161,307	525,017	95.7%
2009	671,618	632,816	157,554	92,091	249,645	242,335	491,980	77.7%
2010	712,053	677,839	105,659	59,716	165,375	282,389	447,763	66.1%
2011	764,205	735,301	59,840	116,684	176,524	337,101	513,625	69.9%
2012	836,634	799,418	12,521	47,396	59,918	472,802	532,720	66.6%
	5,604,932	5,112,467	1,221,602	480,199	1,701,802	1,626,723	3,328,522	65.1%

**Ceded**

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	—	—	—	—	—	—	—	N/A
2003	165,143	92,067	35,143	25	35,168	2,292	37,461	40.7%
2004	167,205	151,090	50,673	3,711	54,383	4,649	59,033	39.1%
2005	162,960	165,902	49,523	11,841	61,364	5,977	67,341	40.6%
2006	150,473	148,002	51,217	5,907	57,124	7,467	64,591	43.6%
2007	187,856	161,714	81,092	25,359	106,451	22,423	128,875	79.7%
2008	235,604	207,832	112,227	32,957	145,184	60,283	205,467	98.9%
2009	274,575	251,453	64,688	47,621	112,309	93,058	205,366	81.7%
2010	190,160	233,176	42,052	23,432	65,484	105,810	171,295	73.5%
2011	206,314	199,063	17,688	33,697	51,385	91,247	142,632	71.7%
2012	276,559	235,918	1,930	11,874	13,804	137,370	151,175	64.1%
	2,016,849	1,846,217	506,233	196,424	702,656	530,576	1,233,236	66.8%

**Net**

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	—	—	—	—	—	—	—	N/A
2003	78,085	49,034	13,024	66	13,090	1,173	14,261	29.1%
2004	154,091	103,625	23,938	1,885	25,824	2,981	28,804	27.8%
2005	268,694	203,353	46,579	7,249	53,828	15,456	69,283	34.1%
2006	343,281	312,898	82,785	7,196	89,981	16,585	106,566	34.1%
2007	340,760	330,647	155,983	33,434	189,417	51,786	241,202	72.9%
2008	366,270	340,929	183,844	34,682	218,526	101,024	319,550	93.7%
2009	397,043	381,363	92,866	44,470	137,336	149,277	286,614	75.2%
2010	521,893	444,663	63,607	36,284	99,891	176,579	276,468	62.2%
2011	557,891	536,238	42,152	82,987	125,139	245,854	370,993	69.2%
2012	560,075	563,500	10,591	35,522	46,114	335,432	381,545	67.7%
	3,588,083	3,266,250	715,369	283,775	999,146	1,096,147	2,095,286	64.1%

**AXIS Capital Holdings Limited**  
**2012 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	132	
2002	—	—	—	—	—	—	—	—	—	—	—	—
2003	211	2,688	8,549	11,975	13,162	31,307	40,872	42,734	43,439	48,167	—	—
2004	102	6,686	13,131	18,150	36,598	61,858	74,290	74,428	74,611	—	—	—
2005	153	10,147	24,921	49,288	63,557	83,584	91,534	96,102	—	—	—	—
2006	3,765	21,813	78,083	107,585	116,128	127,036	134,002	—	—	—	—	—
2007	10,913	33,706	84,023	167,414	187,917	237,075	—	—	—	—	—	—
2008	15,820	45,920	123,212	214,542	296,071	—	—	—	—	—	—	—
2009	13,476	53,460	105,127	157,554	—	—	—	—	—	—	—	—
2010	13,378	51,794	105,659	—	—	—	—	—	—	—	—	—
2011	14,050	59,840	—	—	—	—	—	—	—	—	—	—
2012	12,521	—	—	—	—	—	—	—	—	—	—	—

Case Incurred Losses	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	—	—	—	—	—	—	—	—	—	—	—	—
2003	5,550	12,560	18,463	34,943	36,260	43,141	43,804	49,753	52,214	48,258	—	—
2004	615	17,330	37,645	68,050	94,496	97,274	91,738	80,096	80,207	—	—	—
2005	2,043	33,049	44,720	71,343	72,487	110,146	99,044	115,192	—	—	—	—
2006	17,945	48,862	109,399	125,864	130,644	142,182	147,105	—	—	—	—	—
2007	24,977	115,593	187,392	245,807	263,706	295,868	—	—	—	—	—	—
2008	46,510	116,419	208,875	338,020	363,710	—	—	—	—	—	—	—
2009	38,172	125,610	206,758	249,645	—	—	—	—	—	—	—	—
2010	43,356	112,990	165,375	—	—	—	—	—	—	—	—	—
2011	58,164	176,524	—	—	—	—	—	—	—	—	—	—
2012	59,918	—	—	—	—	—	—	—	—	—	—	—

IBNR	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	—	—	—	—	—	—	—	—	—	—	—	—
2003	98,978	100,374	100,952	84,786	68,344	13,013	10,998	5,827	3,777	3,465	—	—
2004	177,326	160,967	140,858	110,299	65,787	25,732	17,130	9,790	7,630	—	—	—
2005	264,785	234,097	221,346	193,538	79,846	41,216	29,471	21,433	—	—	—	—
2006	306,637	274,792	217,913	165,410	91,484	38,848	24,052	—	—	—	—	—
2007	336,232	292,647	223,877	167,780	109,058	74,209	—	—	—	—	—	—
2008	369,039	381,216	294,003	189,247	161,307	—	—	—	—	—	—	—
2009	407,319	349,253	276,588	242,335	—	—	—	—	—	—	—	—
2010	387,435	334,418	282,389	—	—	—	—	—	—	—	—	—
2011	450,856	337,101	—	—	—	—	—	—	—	—	—	—
2012	472,802	—	—	—	—	—	—	—	—	—	—	—

Ultimate Losses	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	—	—	—	—	—	—	—	—	—	—	—	—
2003	104,528	112,934	119,415	119,730	104,604	56,154	54,802	55,580	55,991	51,722	—	—
2004	177,941	178,296	178,504	178,349	160,283	123,006	108,868	89,887	87,837	—	—	—
2005	266,828	267,147	266,065	264,881	152,333	151,361	128,515	136,624	—	—	—	—
2006	324,582	323,653	327,312	291,274	222,128	181,030	171,157	—	—	—	—	—
2007	361,209	408,240	411,269	413,588	372,764	370,077	—	—	—	—	—	—
2008	415,549	497,635	502,879	527,267	525,017	—	—	—	—	—	—	—
2009	445,491	474,863	483,346	491,980	—	—	—	—	—	—	—	—
2010	430,790	447,409	447,763	—	—	—	—	—	—	—	—	—
2011	509,020	513,625	—	—	—	—	—	—	—	—	—	—
2012	532,720	—	—	—	—	—	—	—	—	—	—	—

**AXIS Capital Holdings Limited**  
**2012 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	132	
2002	N/A	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%	34.1%		
2004	0.0%	2.6%	5.2%	7.1%	14.4%	24.3%	29.2%	29.2%	29.3%			
2005	0.0%	2.7%	6.7%	13.3%	17.2%	22.6%	24.8%	26.0%				
2006	0.8%	4.7%	16.9%	23.3%	25.2%	27.6%	29.1%					
2007	2.2%	6.8%	17.1%	34.0%	38.2%	48.2%						
2008	2.9%	8.4%	22.5%	39.1%	54.0%							
2009	2.1%	8.4%	16.6%	24.9%								
2010	2.0%	7.6%	15.6%									
2011	1.9%	8.1%										
2012	1.6%											

  

Case Incurred Loss Ratio	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	N/A	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%	34.2%		
2004	0.2%	6.8%	14.8%	26.7%	37.1%	38.2%	36.0%	31.4%	31.5%			
2005	0.6%	9.0%	12.1%	19.3%	19.6%	29.8%	26.8%	31.2%				
2006	3.9%	10.6%	23.7%	27.3%	28.3%	30.8%	31.9%					
2007	5.1%	23.5%	38.1%	49.9%	53.6%	60.1%						
2008	8.5%	21.2%	38.1%	61.6%	66.3%							
2009	6.0%	19.8%	32.7%	39.4%								
2010	6.4%	16.7%	24.4%									
2011	7.9%	24.0%										
2012	7.5%											

  

Ultimate Loss Ratio	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	N/A	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%	36.7%		
2004	69.9%	70.0%	70.1%	70.0%	62.9%	48.3%	42.7%	35.3%	34.5%			
2005	72.3%	72.3%	72.1%	71.7%	41.3%	41.0%	34.8%	37.0%				
2006	70.4%	70.2%	71.0%	63.2%	48.2%	39.3%	37.1%					
2007	73.4%	82.9%	83.5%	84.0%	75.7%	75.2%						
2008	75.7%	90.7%	91.6%	96.1%	95.7%							
2009	70.4%	75.0%	76.4%	77.7%								
2010	63.6%	66.0%	66.1%									
2011	69.2%	69.9%										
2012	66.6%											

  

Loss Emergence	Months											Total Development	
	12	24	36	48	60	72	84	96	108	120	132		
2002	—	—	—	—	—	—	—	—	—	—	—	—	—
2003	104,528	8,407	6,481	315	(15,126)	(48,450)	(1,352)	778	412	(4,269)	—	—	(52,804)
2004	177,941	355	207	(155)	(18,066)	(37,277)	(14,138)	(18,981)	(2,049)	(14,981)	—	—	(90,104)
2005	266,828	319	(1,081)	(1,184)	(112,548)	(972)	(22,846)	8,109	—	—	—	—	(130,203)
2006	324,582	(929)	3,659	(36,038)	(69,146)	(41,098)	(9,873)	—	—	—	—	—	(153,425)
2007	361,209	47,030	3,029	2,319	(40,824)	(2,686)	—	—	—	—	—	—	8,868
2008	415,549	82,086	5,244	24,388	(2,250)	—	—	—	—	—	—	—	109,468
2009	445,491	29,371	8,483	8,634	—	—	—	—	—	—	—	—	46,488
2010	430,790	16,618	355	—	—	—	—	—	—	—	—	—	16,973
2011	509,020	4,604	—	—	—	—	—	—	—	—	—	—	4,604
2012	532,720	—	—	—	—	—	—	—	—	—	—	—	—
													(240,135)

  

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	Total Development
	—	—	8,407	6,836	841	(17,291)	(17,011)	(102,100)	(46,544)	(73,848)	575	(240,135)

**AXIS Capital Holdings Limited**  
**2012 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	43,216	2,075	45,291	7,330	52,621	55.3%
2004	229,562	190,896	111,030	9,079	120,109	25,613	145,722	76.3%
2005	272,642	251,299	145,312	5,857	151,169	52,132	203,300	80.9%
2006	254,002	260,934	93,347	5,597	98,944	94,034	192,978	74.0%
2007	248,562	244,274	112,285	9,832	122,117	76,306	198,423	81.2%
2008	216,629	232,863	95,609	18,250	113,859	86,278	200,137	85.9%
2009	219,869	224,859	57,132	24,947	82,079	98,796	180,875	80.4%
2010	228,247	225,630	82,165	74,222	156,387	104,963	261,350	115.8%
2011	213,256	220,772	26,136	20,946	47,083	135,384	182,466	82.6%
2012	266,696	229,556	5,930	9,267	15,197	181,664	196,861	85.8%
	2,307,273	2,176,298	772,162	180,072	952,235	862,500	1,814,733	83.4%

**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	13,295	28	13,323	2,932	16,254	38.1%
2004	101,204	75,393	42,136	3,773	45,909	18,437	64,345	85.3%
2005	142,856	123,228	66,295	1,601	67,897	36,839	104,735	85.0%
2006	148,371	143,692	46,918	135	47,054	61,532	108,586	75.6%
2007	128,411	135,269	47,978	1,606	49,584	42,446	92,030	68.0%
2008	145,228	134,965	55,094	6,339	61,434	52,028	113,462	84.1%
2009	137,019	142,573	28,595	15,093	43,688	64,988	108,676	76.2%
2010	133,290	138,149	49,802	44,937	94,739	63,325	158,064	114.4%
2011	128,754	131,217	15,383	11,023	26,406	78,173	104,578	79.7%
2012	176,318	142,683	4,235	5,529	9,764	113,267	123,031	86.2%
	1,304,585	1,209,835	369,731	90,064	459,798	533,967	993,761	82.1%

**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	29,921	2,047	31,968	4,398	36,367	69.2%
2004	128,358	115,503	68,894	5,306	74,200	7,176	81,377	70.5%
2005	129,786	128,071	79,017	4,256	83,272	15,293	98,565	77.0%
2006	105,631	117,242	46,429	5,462	51,890	32,502	84,392	72.0%
2007	120,151	109,005	64,307	8,226	72,533	33,860	106,393	97.6%
2008	71,401	97,898	40,515	11,911	52,425	34,250	86,675	88.5%
2009	82,850	82,286	28,537	9,854	38,391	33,808	72,199	87.7%
2010	94,957	87,481	32,363	29,285	61,648	41,638	103,286	118.1%
2011	84,502	89,555	10,753	9,923	20,677	57,211	77,888	87.0%
2012	90,378	86,873	1,695	3,738	5,433	68,397	73,830	85.0%
	1,002,688	966,463	402,431	90,008	492,437	328,533	820,972	84.9%

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**  
**Values in Thousands USD**

Insurance  
Liability

GROSS BASIS

Paid Losses	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	—	—	—	—	—	—	—	—	—	—	—	—
2003	203	4,826	13,799	22,045	28,130	34,715	37,124	39,483	41,833	43,216	—	—
2004	2,720	8,969	23,279	37,590	64,372	78,048	95,389	105,010	111,030	—	—	—
2005	1,855	13,001	33,383	73,116	93,368	116,907	124,668	145,312	—	—	—	—
2006	763	9,690	36,609	56,945	73,374	88,994	93,347	—	—	—	—	—
2007	4,271	12,233	43,091	74,322	96,394	112,285	—	—	—	—	—	—
2008	10,734	33,860	57,175	76,371	95,609	—	—	—	—	—	—	—
2009	2,463	10,013	34,420	57,132	—	—	—	—	—	—	—	—
2010	2,197	43,467	82,165	—	—	—	—	—	—	—	—	—
2011	4,136	26,136	—	—	—	—	—	—	—	—	—	—
2012	5,930	—	—	—	—	—	—	—	—	—	—	—

Case Incurred Losses	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	—	—	—	—	—	—	—	—	—	—	—	—
2003	2,212	22,450	23,330	28,645	38,665	39,912	41,140	42,707	44,229	45,291	—	—
2004	9,678	18,100	35,252	56,587	92,809	106,545	115,173	122,622	120,109	—	—	—
2005	10,993	26,406	55,300	103,765	119,592	133,810	141,082	151,169	—	—	—	—
2006	4,631	25,787	53,154	74,693	91,722	96,146	98,944	—	—	—	—	—
2007	7,653	31,258	84,735	100,668	117,634	122,117	—	—	—	—	—	—
2008	23,148	58,496	79,342	98,575	113,859	—	—	—	—	—	—	—
2009	14,342	34,807	68,753	82,079	—	—	—	—	—	—	—	—
2010	25,977	118,189	156,387	—	—	—	—	—	—	—	—	—
2011	15,715	47,083	—	—	—	—	—	—	—	—	—	—
2012	15,197	—	—	—	—	—	—	—	—	—	—	—

IBNR	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	—	—	—	—	—	—	—	—	—	—	—	—
2003	66,202	45,925	44,987	39,671	29,651	31,385	30,172	28,620	27,313	7,330	—	—
2004	123,999	115,660	98,547	79,566	43,489	38,503	30,228	22,760	25,613	—	—	—
2005	177,474	161,838	137,183	96,631	80,130	66,450	61,758	52,132	—	—	—	—
2006	184,437	163,153	142,358	120,384	103,976	96,779	94,034	—	—	—	—	—
2007	172,870	149,232	112,347	97,109	80,237	76,306	—	—	—	—	—	—
2008	153,513	130,800	119,312	100,831	86,278	—	—	—	—	—	—	—
2009	160,643	142,556	111,614	98,796	—	—	—	—	—	—	—	—
2010	189,207	138,121	104,963	—	—	—	—	—	—	—	—	—
2011	164,938	135,384	—	—	—	—	—	—	—	—	—	—
2012	181,664	—	—	—	—	—	—	—	—	—	—	—

Ultimate Losses	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	—	—	—	—	—	—	—	—	—	—	—	—
2003	68,414	68,375	68,316	68,316	68,316	71,298	71,312	71,327	71,541	52,621	—	—
2004	133,677	133,760	133,799	136,154	136,298	145,048	145,400	145,382	145,722	—	—	—
2005	188,467	188,244	192,483	200,395	199,722	200,260	202,840	203,300	—	—	—	—
2006	189,068	188,941	195,512	195,077	195,699	192,926	192,978	—	—	—	—	—
2007	180,523	180,490	197,082	197,777	197,871	198,423	—	—	—	—	—	—
2008	176,661	189,296	198,654	199,406	200,137	—	—	—	—	—	—	—
2009	174,986	177,363	180,367	180,875	—	—	—	—	—	—	—	—
2010	215,184	256,311	261,350	—	—	—	—	—	—	—	—	—
2011	180,653	182,466	—	—	—	—	—	—	—	—	—	—
2012	196,861	—	—	—	—	—	—	—	—	—	—	—

**AXIS Capital Holdings Limited**  
**2012 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	132
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	0.2%	5.1%	14.5%	23.2%	29.5%	36.5%	39.0%	41.5%	43.9%	45.4%	
2004	1.4%	4.7%	12.2%	19.7%	33.7%	40.9%	50.0%	55.0%	58.2%		
2005	0.7%	5.2%	13.3%	29.1%	37.2%	46.5%	49.6%	57.8%			
2006	0.3%	3.7%	14.0%	21.8%	28.1%	34.1%	35.8%				
2007	1.7%	5.0%	17.6%	30.4%	39.5%	46.0%					
2008	4.6%	14.5%	24.6%	32.8%	41.1%						
2009	1.1%	4.5%	15.3%	25.4%							
2010	1.0%	19.3%	36.4%								
2011	1.9%	11.8%									
2012	2.6%										

  

Case Incurred Loss Ratio	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	N/A	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%	47.6%	
2004	5.1%	9.5%	18.5%	29.6%	48.6%	55.8%	60.3%	64.2%	62.9%		
2005	4.4%	10.5%	22.0%	41.3%	47.6%	53.2%	56.1%	60.2%			
2006	1.8%	9.9%	20.4%	28.6%	35.2%	36.8%	37.9%				
2007	3.1%	12.8%	34.7%	41.2%	48.2%	50.0%					
2008	9.9%	25.1%	34.1%	42.3%	48.9%						
2009	6.4%	15.5%	30.6%	36.5%							
2010	11.5%	52.4%	69.3%								
2011	7.1%	21.3%									
2012	6.6%										

  

Ultimate Loss Ratio	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	N/A	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%	55.3%	
2004	70.0%	70.1%	70.1%	71.3%	71.4%	76.0%	76.2%	76.2%	76.3%		
2005	75.0%	74.9%	76.6%	79.7%	79.5%	79.7%	80.7%	80.9%			
2006	72.5%	72.4%	74.9%	74.8%	75.0%	73.9%	74.0%				
2007	73.9%	73.9%	80.7%	81.0%	81.0%	81.2%					
2008	75.9%	81.3%	85.3%	85.6%	85.9%						
2009	77.8%	78.9%	80.2%	80.4%							
2010	95.4%	113.6%	115.8%								
2011	81.8%	82.6%									
2012	85.8%										

  

Loss Emergence	Months											Total Development
	12	24	36	48	60	72	84	96	108	120	132	
2002	—	—	—	—	—	—	—	—	—	—	—	—
2003	68,414	(39)	(59)	—	—	2,982	14	16	214	(18,920)	—	(15,792)
2004	133,677	83	39	2,355	144	8,750	352	(18)	340	—	—	12,045
2005	188,467	(223)	4,239	7,912	(673)	538	2,580	460	—	—	—	14,833
2006	189,068	(127)	6,571	(435)	621	(2,773)	52	—	—	—	—	3,909
2007	180,523	(34)	16,593	695	94	552	—	—	—	—	—	17,900
2008	176,661	12,635	9,358	751	731	—	—	—	—	—	—	23,475
2009	174,986	2,378	3,004	509	—	—	—	—	—	—	—	5,891
2010	215,184	41,127	5,039	—	—	—	—	—	—	—	—	46,166
2011	180,653	1,813	—	—	—	—	—	—	—	—	—	1,813
2012	196,861	—	—	—	—	—	—	—	—	—	—	—
												110,240

  

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	Total Development
	—	—	(39)	24	(184)	6,467	17,575	36,884	13,958	44,979	(9,424)	110,240

**AXIS Capital Holdings Limited**  
**2012 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. While our predominant exposure is to property damage, other risks, including business interruption and other non-property losses, may also be covered when arising from a covered peril. Our most significant exposure typically relates to losses from windstorms, tornadoes and earthquakes but we are also exposed to other perils such as freezes, riots, floods, industrial explosions, fires, hail and a number of other loss events.
- 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. Rates remained relatively flat during most of 2012.
- 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 \$68 million in 2012.



**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**

- Crop: This line of business mainly comprises excess of loss stop loss contracts with most exposures emanating from North America and Europe. It provides coverage for risks associated with the production of food and fiber on a global basis for primary insurance companies writing multi-peril crop insurance, crop hail, and named peril covers. 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. The 2012 year was impacted by a severe drought which destroyed or damaged significant portions of major field crops across the U.S. Midwest.
- 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 business was not written from 2009 through 2011. In 2012, a small Marine book of business was written in both North American and International markets.
- 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% of the total Credit and Bond consolidated class of business. 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 a limited number of industry leaders. 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. Despite the uncertainty surrounding the sovereign debt crisis in Europe, we would still expect the projected losses on the subsequent 2009 through 2011 accident years to be at a substantially lower level than the 2008 year. However, we would anticipate claims experience on the 2012 accident year to be higher than the 2009 and 2010 years due to softening of the economic growth in 2012. Primary premium rates in 2012 remain higher than the pre-crisis level, although are lower than in 2009 when they hardened significantly. Exposures further increased in 2012, although improved risk management by cedants has led to portfolios with relative lower risk profiles when compared to pre-global financial crisis profiles.

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**

- 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 uncertainty around the economic environment in Europe, the pricing on surety business has remained competitive over the past two to three years, reflecting the relatively favorable claims experience

**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 slight positive rate movements in late 2011 and 2012.

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**

**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 from approximately 30% of total earned premium before 2010 to approximately 70% of total earned premiums in 2012 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 relatively stable from 2004 through 2011. In 2012, a greater percentage of the U.K. non-proportional premium was written on lower attaching layers, mainly as a reaction to the increasing number of settlements being made as Periodic Payment Orders (“PPOs”).
- 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 8% of total reserves (including IBNR) on the Motor class of business as of December 31, 2012.
- 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 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 was 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 from 2010 to 2012.
- 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.

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**

**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 and during 2012, 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**  
**2012 Loss Development Triangles**  
**Values in Thousands USD**

**Reinsurance**

**Consolidated Total**

**ITD Summary**

**Gross**

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	314,244	222,237	42,672	368	43,040	—	43,040	19.4%
2003	667,086	514,343	91,520	3,124	94,645	4,903	99,547	19.4%
2004	1,092,748	908,428	406,116	17,126	423,243	40,575	463,820	51.1%
2005	1,518,868	1,388,447	1,071,026	65,740	1,136,767	112,707	1,249,473	90.0%
2006	1,538,569	1,397,917	376,095	91,214	467,310	136,686	603,995	43.2%
2007	1,550,876	1,537,897	437,478	113,265	550,743	201,489	752,233	48.9%
2008	1,548,454	1,519,126	762,090	146,685	908,773	239,761	1,148,537	75.6%
2009	1,811,705	1,656,177	422,830	197,894	620,723	283,358	904,081	54.6%
2010	1,834,420	1,760,163	614,743	309,466	924,208	355,578	1,279,787	72.7%
2011	1,974,324	1,906,570	788,360	646,124	1,434,483	500,810	1,935,294	101.5%
2012	1,830,162	1,872,551	184,841	257,925	442,767	831,379	1,274,146	68.0%
	15,681,456	14,683,856	5,197,771	1,848,931	7,046,702	2,707,246	9,753,953	66.4%

**Ceded**

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	—	—	—	—	—	—	—	N/A
2003	12,707	9,704	—	—	—	45	45	0.5%
2004	32,360	25,884	70,740	—	70,740	159	70,899	273.9%
2005	27,646	36,313	67,250	—	67,250	7,560	74,810	206.0%
2006	9,789	9,407	—	—	—	5,984	5,984	63.6%
2007	13,766	11,926	—	—	—	6,294	6,294	52.8%
2008	15,417	15,088	—	—	—	6,664	6,664	44.2%
2009	20,337	22,379	—	—	—	10,714	10,714	47.9%
2010	19,100	19,246	—	—	—	9,026	9,026	46.9%
2011	21,024	21,296	—	—	—	9,080	9,080	42.6%
2012	14,951	15,146	—	—	—	9,051	9,051	59.8%
	187,097	186,389	137,990	—	137,990	64,577	202,567	108.7%

**Net**

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	314,244	222,237	42,672	368	43,040	—	43,040	19.4%
2003	654,379	504,639	91,520	3,124	94,645	4,858	99,502	19.7%
2004	1,060,388	882,544	335,376	17,126	352,503	40,416	392,921	44.5%
2005	1,491,222	1,352,134	1,003,776	65,740	1,069,517	105,147	1,174,663	86.9%
2006	1,528,780	1,388,510	376,095	91,214	467,310	130,702	598,011	43.1%
2007	1,537,110	1,525,971	437,478	113,265	550,743	195,195	745,939	48.9%
2008	1,533,037	1,504,038	762,090	146,685	908,773	233,097	1,141,873	75.9%
2009	1,791,368	1,633,798	422,830	197,894	620,723	272,644	893,367	54.7%
2010	1,815,320	1,740,917	614,743	309,466	924,208	346,552	1,270,761	73.0%
2011	1,953,300	1,885,274	788,360	646,124	1,434,483	491,730	1,926,214	102.2%
2012	1,815,211	1,857,405	184,841	257,925	442,767	822,328	1,265,095	68.1%
	15,494,359	14,497,467	5,059,781	1,848,931	6,908,712	2,642,669	9,551,386	65.9%

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**  
**Values in Thousands USD**

Reinsurance  
Consolidated Total

GROSS BASIS

Paid Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	8,560	29,565	36,897	37,039	37,397	37,590	37,960	38,533	42,357	42,451	42,672
2003	15,641	44,837	61,551	66,052	75,464	81,161	81,934	88,319	90,352	91,520	
2004	126,755	258,524	315,762	344,004	363,566	373,968	387,915	399,770	406,116		
2005	168,552	688,139	901,023	972,197	1,016,615	1,042,593	1,058,866	1,071,026			
2006	66,684	182,558	251,646	291,732	321,112	355,748	376,095				
2007	88,676	238,780	313,230	362,279	409,662	437,478					
2008	192,559	433,925	602,768	714,200	762,090						
2009	102,606	261,176	353,719	422,830							
2010	169,487	442,687	614,743								
2011	341,167	788,360									
2012	184,841										

Case Incurred Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	30,412	44,340	40,868	38,924	41,329	41,048	40,343	38,954	42,714	42,702	43,040
2003	42,675	73,818	88,572	84,563	85,904	88,044	94,100	93,011	93,631	94,645	
2004	244,908	358,833	390,554	407,811	411,969	422,340	423,916	422,629	423,243		
2005	746,554	1,077,797	1,105,938	1,110,785	1,126,169	1,125,089	1,130,296	1,136,767			
2006	235,801	355,509	408,307	427,948	428,662	459,845	467,310				
2007	293,085	436,078	477,126	507,913	534,051	550,743					
2008	533,018	739,233	853,131	882,889	908,773						
2009	313,778	493,586	565,863	620,723							
2010	550,445	794,203	924,208								
2011	1,105,079	1,434,483									
2012	442,767										

IBNR	Months										
	12	24	36	48	60	72	84	96	108	120	132
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	4,903	
2004	465,467	271,349	159,993	136,230	94,728	59,848	47,817	44,031	40,575		
2005	621,749	353,931	309,608	273,117	203,371	160,823	138,443	112,707			
2006	608,581	387,971	288,942	252,602	215,652	163,004	136,686				
2007	672,412	482,950	383,614	324,360	260,562	201,489					
2008	700,653	450,421	343,008	285,745	239,761						
2009	720,445	458,499	350,749	283,358							
2010	760,853	508,418	355,578								
2011	814,124	500,810									
2012	831,379										

Ultimate Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	91,417	63,349	58,070	47,271	42,749	44,392	44,340	42,472	43,356	43,320	43,040
2003	266,798	197,149	161,554	128,781	124,278	115,648	102,242	101,085	99,281	99,547	
2004	710,375	630,182	550,548	544,042	506,698	482,189	471,733	466,659	463,820		
2005	1,368,303	1,431,728	1,415,546	1,383,902	1,329,540	1,285,911	1,268,738	1,249,473			
2006	844,382	743,480	697,249	680,549	644,315	622,848	603,995				
2007	965,497	919,028	860,740	832,275	794,614	752,233					
2008	1,233,672	1,189,653	1,196,139	1,168,633	1,148,537						
2009	1,034,222	952,085	916,613	904,081							
2010	1,311,298	1,302,619	1,279,787								
2011	1,919,201	1,935,294									
2012	1,274,146										

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**  
**Values in Thousands USD**

Reinsurance  
Consolidated Total

GROSS BASIS

Paid Loss Ratio	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	3.9%	13.3%	16.6%	16.7%	16.8%	16.9%	17.1%	17.3%	19.1%	19.1%	19.2%
2003	3.0%	8.7%	12.0%	12.8%	14.7%	15.8%	15.9%	17.2%	17.6%	17.8%	
2004	14.0%	28.5%	34.8%	37.9%	40.0%	41.2%	42.7%	44.0%	44.7%		
2005	12.1%	49.6%	64.9%	70.0%	73.2%	75.1%	76.3%	77.1%			
2006	4.8%	13.1%	18.0%	20.9%	23.0%	25.4%	26.9%				
2007	5.8%	15.5%	20.4%	23.6%	26.6%	28.4%					
2008	12.7%	28.6%	39.7%	47.0%	50.2%						
2009	6.2%	15.8%	21.4%	25.5%							
2010	9.6%	25.2%	34.9%								
2011	17.9%	41.3%									
2012	9.9%										

  

Case Incurred Loss Ratio	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	13.7%	20.0%	18.4%	17.5%	18.6%	18.5%	18.2%	17.5%	19.2%	19.2%	19.4%
2003	8.3%	14.4%	17.2%	16.4%	16.7%	17.1%	18.3%	18.1%	18.2%	18.4%	
2004	27.0%	39.5%	43.0%	44.9%	45.3%	46.5%	46.7%	46.5%	46.6%		
2005	53.8%	77.6%	79.7%	80.0%	81.1%	81.0%	81.4%	81.9%			
2006	16.9%	25.4%	29.2%	30.6%	30.7%	32.9%	33.4%				
2007	19.1%	28.4%	31.0%	33.0%	34.7%	35.8%					
2008	35.1%	48.7%	56.2%	58.1%	59.8%						
2009	18.9%	29.8%	34.2%	37.5%							
2010	31.3%	45.1%	52.5%								
2011	58.0%	75.2%									
2012	23.6%										

  

Ultimate Loss Ratio	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	41.1%	28.5%	26.1%	21.3%	19.2%	20.0%	20.0%	19.1%	19.5%	19.5%	19.4%
2003	51.9%	38.3%	31.4%	25.0%	24.2%	22.5%	19.9%	19.7%	19.3%	19.4%	
2004	78.2%	69.4%	60.6%	59.9%	55.8%	53.1%	51.9%	51.4%	51.1%		
2005	98.5%	103.1%	102.0%	99.7%	95.8%	92.6%	91.4%	90.0%			
2006	60.4%	53.2%	49.9%	48.7%	46.1%	44.6%	43.2%				
2007	62.8%	59.8%	56.0%	54.1%	51.7%	48.9%					
2008	81.2%	78.3%	78.7%	76.9%	75.6%						
2009	62.4%	57.5%	55.3%	54.6%							
2010	74.5%	74.0%	72.7%								
2011	100.7%	101.5%									
2012	68.0%										

  

Loss Emergence	Months											Total Development
	12	24	36	48	60	72	84	96	108	120	132	
2002	91,417	(28,068)	(5,279)	(10,799)	(4,522)	1,642	(52)	(1,868)	884	(36)	(280)	(48,378)
2003	266,798	(69,649)	(35,594)	(32,774)	(4,503)	(8,629)	(13,406)	(1,157)	(1,804)	266		(167,250)
2004	710,375	(80,193)	(79,634)	(6,506)	(37,344)	(24,509)	(10,456)	(5,074)	(2,839)			(246,555)
2005	1,368,303	63,425	(16,182)	(31,644)	(54,362)	(43,629)	(17,173)	(19,265)				(118,830)
2006	844,382	(100,902)	(46,231)	(16,700)	(36,234)	(21,467)	(18,853)					(240,387)
2007	965,497	(46,468)	(58,288)	(28,465)	(37,661)	(42,381)						(213,263)
2008	1,233,672	(44,018)	6,486	(27,506)	(20,096)							(85,134)
2009	1,034,222	(82,137)	(35,472)	(12,532)								(130,141)
2010	1,311,298	(8,679)	(22,832)									(31,511)
2011	1,919,201	16,093										16,093
2012	1,274,146											—
												(1,265,356)

  

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	Total Development
	—	(28,068)	(74,928)	(126,586)	(53,505)	(126,451)	(170,368)	(213,151)	(194,708)	(154,872)	(122,719)	(1,265,356)

**AXIS Capital Holdings Limited**  
**2012 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 Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	314,244	222,237	42,672	368	43,040	—	43,040	19.4%
2003	488,903	438,869	62,021	724	62,746	—	62,746	14.3%
2004	697,375	628,509	313,336	1,329	314,665	2,559	317,225	50.5%
2005	943,345	901,213	935,738	9,516	945,254	8,225	953,479	105.8%
2006	882,845	819,031	210,948	4,236	215,184	5,531	220,715	26.9%
2007	860,590	863,994	254,905	13,151	268,056	12,310	280,366	32.4%
2008	883,477	869,570	528,934	14,847	543,781	31,406	575,188	66.1%
2009	882,080	869,218	195,443	30,110	225,553	27,317	252,870	29.1%
2010	905,309	885,789	436,904	154,805	591,708	18,924	610,633	68.9%
2011	924,914	915,883	636,205	489,002	1,125,207	93,748	1,218,955	133.1%
2012	785,262	827,837	95,916	156,587	252,504	245,153	497,657	60.1%
	8,568,344	8,242,150	3,713,022	874,675	4,587,698	445,173	5,032,874	61.1%

**Ceded**

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss 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	286.0%
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%
2012	3,029	3,223	—	—	—	—	—	0.0%
	92,189	91,481	137,990	—	137,990	—	137,990	150.8%

**Net**

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	314,244	222,237	42,672	368	43,040	—	43,040	19.4%
2003	479,533	430,852	62,021	724	62,746	—	62,746	14.6%
2004	669,253	606,619	242,596	1,329	243,925	2,559	246,485	40.6%
2005	926,609	877,703	868,488	9,516	878,004	8,225	886,229	101.0%
2006	881,915	818,483	210,948	4,236	215,184	5,531	220,715	27.0%
2007	856,142	861,386	254,905	13,151	268,056	12,310	280,366	32.5%
2008	876,616	863,038	528,934	14,847	543,781	31,406	575,188	66.6%
2009	875,540	860,636	195,443	30,110	225,553	27,317	252,870	29.4%
2010	898,132	878,466	436,904	154,805	591,708	18,924	610,633	69.5%
2011	915,938	906,635	636,205	489,002	1,125,207	93,748	1,218,955	134.4%
2012	782,233	824,614	95,916	156,587	252,504	245,153	497,657	60.4%
	8,476,155	8,150,669	3,575,032	874,675	4,449,708	445,173	4,894,884	60.1%



**AXIS Capital Holdings Limited**  
**2012 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	132	
2002	8,560	29,565	36,897	37,039	37,397	37,590	37,960	38,533	42,357	42,451	42,672	
2003	11,521	38,173	53,468	53,661	59,236	61,565	61,641	61,812	61,956	62,021		
2004	123,953	239,601	286,252	297,935	304,854	308,733	310,677	312,102	313,336			
2005	154,092	650,553	845,059	896,216	920,592	925,757	929,579	935,738				
2006	50,564	140,839	177,555	191,886	197,441	207,577	210,948					
2007	67,545	187,004	223,286	240,281	249,940	254,905						
2008	162,312	325,625	458,666	514,343	528,934							
2009	60,569	140,290	175,009	195,443								
2010	126,634	337,117	436,904									
2011	284,769	636,205										
2012	95,916											

  

Case Incurred Losses	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	30,412	44,340	40,868	38,924	41,329	41,048	40,343	38,954	42,714	42,702	43,040	
2003	37,951	62,073	70,279	63,620	63,941	63,260	62,824	62,464	62,599	62,746		
2004	229,406	306,320	318,344	316,818	315,062	316,589	314,645	314,866	314,665			
2005	705,061	953,089	959,574	949,447	951,190	941,051	943,150	945,254				
2006	150,781	198,155	213,361	209,141	206,620	218,174	215,184					
2007	206,383	266,331	264,465	264,724	264,631	268,056						
2008	415,436	473,699	557,101	545,025	543,781							
2009	174,118	226,387	218,287	225,553								
2010	423,221	551,553	591,708									
2011	947,765	1,125,207										
2012	252,504											

  

IBNR	Months											
	12	24	36	48	60	72	84	96	108	120	132	
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	2,559			
2005	291,003	101,537	82,525	64,311	54,607	38,392	28,254	8,225				
2006	243,633	92,928	25,899	28,845	28,178	14,194	5,531					
2007	221,829	95,777	56,332	42,316	26,281	12,310						
2008	278,639	123,204	53,455	43,434	31,406							
2009	187,529	76,731	47,481	27,317								
2010	218,448	87,897	18,924									
2011	255,266	93,748										
2012	245,153											

  

Ultimate Losses	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	91,417	63,349	58,070	47,271	42,749	44,392	44,340	42,472	43,356	43,320	43,040	
2003	211,876	142,365	106,885	75,275	70,751	66,843	63,879	63,664	62,599	62,746		
2004	500,930	425,389	344,848	339,959	325,160	324,422	318,823	317,353	317,225			
2005	996,064	1,054,626	1,042,098	1,013,758	1,005,796	979,443	971,404	953,479				
2006	394,414	291,083	239,260	237,986	234,798	232,368	220,715					
2007	428,212	362,107	320,796	307,041	290,913	280,366						
2008	694,075	596,903	610,556	588,459	575,188							
2009	361,647	303,118	265,768	252,870								
2010	641,669	639,450	610,633									
2011	1,203,031	1,218,955										
2012	497,657											

**AXIS Capital Holdings Limited**  
**2012 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	132
2002	3.9%	13.3%	16.6%	16.7%	16.8%	16.9%	17.1%	17.3%	19.1%	19.1%	19.2%
2003	2.6%	8.7%	12.2%	12.2%	13.5%	14.0%	14.0%	14.1%	14.1%	14.1%	
2004	19.7%	38.1%	45.5%	47.4%	48.5%	49.1%	49.4%	49.7%	49.9%		
2005	17.1%	72.2%	93.8%	99.4%	102.2%	102.7%	103.1%	103.8%			
2006	6.2%	17.2%	21.7%	23.4%	24.1%	25.3%	25.8%				
2007	7.8%	21.6%	25.8%	27.8%	28.9%	29.5%					
2008	18.7%	37.4%	52.7%	59.1%	60.8%						
2009	7.0%	16.1%	20.1%	22.5%							
2010	14.3%	38.1%	49.3%								
2011	31.1%	69.5%									
2012	11.6%										

  

Case Incurred Loss Ratio	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	13.7%	20.0%	18.4%	17.5%	18.6%	18.5%	18.2%	17.5%	19.2%	19.2%	19.4%
2003	8.6%	14.1%	16.0%	14.5%	14.6%	14.4%	14.3%	14.2%	14.3%	14.3%	
2004	36.5%	48.7%	50.7%	50.4%	50.1%	50.4%	50.1%	50.1%	50.1%		
2005	78.2%	105.8%	106.5%	105.4%	105.5%	104.4%	104.7%	104.9%			
2006	18.4%	24.2%	26.1%	25.5%	25.2%	26.6%	26.3%				
2007	23.9%	30.8%	30.6%	30.6%	30.6%	31.0%					
2008	47.8%	54.5%	64.1%	62.7%	62.5%						
2009	20.0%	26.0%	25.1%	25.9%							
2010	47.8%	62.3%	66.8%								
2011	103.5%	122.9%									
2012	30.5%										

  

Ultimate Loss Ratio	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	41.1%	28.5%	26.1%	21.3%	19.2%	20.0%	20.0%	19.1%	19.5%	19.5%	19.4%
2003	48.3%	32.4%	24.4%	17.2%	16.1%	15.2%	14.6%	14.5%	14.3%	14.3%	
2004	79.7%	67.7%	54.9%	54.1%	51.7%	51.6%	50.7%	50.5%	50.5%		
2005	110.5%	117.0%	115.6%	112.5%	111.6%	108.7%	107.8%	105.8%			
2006	48.2%	35.5%	29.2%	29.1%	28.7%	28.4%	26.9%				
2007	49.6%	41.9%	37.1%	35.5%	33.7%	32.4%					
2008	79.8%	68.6%	70.2%	67.7%	66.1%						
2009	41.6%	34.9%	30.6%	29.1%							
2010	72.4%	72.2%	68.9%								
2011	131.4%	133.1%									
2012	60.1%										

  

Loss Emergence	Months											Total Development
	12	24	36	48	60	72	84	96	108	120	132	
2002	91,417	(28,068)	(5,279)	(10,799)	(4,522)	1,642	(52)	(1,868)	884	(36)	(280)	(48,378)
2003	211,876	(69,511)	(35,480)	(31,610)	(4,523)	(3,909)	(2,964)	(215)	(1,065)	146		(149,131)
2004	500,930	(75,541)	(80,541)	(4,890)	(14,799)	(738)	(5,598)	(1,470)	(128)			(183,705)
2005	996,064	58,562	(12,527)	(28,341)	(7,962)	(26,353)	(8,039)	(17,925)				(42,585)
2006	394,414	(103,331)	(51,824)	(1,273)	(3,189)	(2,430)	(11,653)					(173,700)
2007	428,212	(66,105)	(41,311)	(13,756)	(16,128)	(10,547)						(147,847)
2008	694,075	(97,172)	13,652	(22,097)	(13,271)							(118,888)
2009	361,647	(58,530)	(37,350)	(12,898)								(108,778)
2010	641,669	(2,218)	(28,818)									(31,036)
2011	1,203,031	15,924										15,924
2012	497,657											—
												(988,124)

  

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	Total Development
	—	(28,068)	(74,790)	(121,820)	(58,111)	(123,629)	(165,030)	(153,288)	(93,105)	(90,833)	(79,450)	(988,124)

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**  
**Values in Thousands USD**

Reinsurance  
Credit and 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	13,780	445	14,226	142	14,368	39.0%
2005	103,277	83,030	30,897	1,142	32,039	460	32,499	39.1%
2006	97,664	94,487	38,163	2,010	40,173	1,048	41,221	43.6%
2007	124,976	107,618	46,943	3,672	50,615	2,618	53,234	49.5%
2008	154,497	139,861	109,517	11,995	121,511	10,536	132,048	94.4%
2009	223,564	179,362	91,767	11,996	103,763	16,124	119,887	66.8%
2010	254,130	217,809	71,159	13,661	84,820	25,619	110,439	50.7%
2011	299,923	263,912	61,836	23,679	85,515	38,113	123,629	46.8%
2012	264,572	277,185	52,822	38,055	90,877	80,777	171,654	61.9%
	1,595,955	1,400,137	516,884	106,655	623,539	175,437	798,979	57.1%

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
2012	—	—	—	—	—	—	—	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	13,780	445	14,226	142	14,368	39.0%
2005	103,277	83,030	30,897	1,142	32,039	460	32,499	39.1%
2006	97,664	94,487	38,163	2,010	40,173	1,048	41,221	43.6%
2007	124,976	107,618	46,943	3,672	50,615	2,618	53,234	49.5%
2008	154,497	139,861	109,517	11,995	121,511	10,536	132,048	94.4%
2009	223,564	179,362	91,767	11,996	103,763	16,124	119,887	66.8%
2010	254,130	217,809	71,159	13,661	84,820	25,619	110,439	50.7%
2011	299,923	263,912	61,836	23,679	85,515	38,113	123,629	46.8%
2012	264,572	277,185	52,822	38,055	90,877	80,777	171,654	61.9%
	1,595,955	1,400,137	516,884	106,655	623,539	175,437	798,979	57.1%

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**  
**Values in Thousands USD**

Reinsurance  
Credit and Bond

GROSS BASIS

Paid Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	—	—	—	—	—	—	—	—	—	—	—
2003	—	—	—	—	—	—	—	—	—	—	—
2004	1,140	7,413	11,626	11,744	12,007	12,832	12,962	13,685	13,780	—	—
2005	8,796	23,439	27,184	28,658	30,334	30,577	30,689	30,897	—	—	—
2006	13,683	26,984	32,992	35,566	37,181	37,336	38,163	—	—	—	—
2007	14,617	30,136	38,085	43,662	45,849	46,943	—	—	—	—	—
2008	22,532	82,563	89,977	107,333	109,517	—	—	—	—	—	—
2009	34,558	84,401	88,711	91,767	—	—	—	—	—	—	—
2010	29,287	56,133	71,159	—	—	—	—	—	—	—	—
2011	23,489	61,836	—	—	—	—	—	—	—	—	—
2012	52,822	—	—	—	—	—	—	—	—	—	—

Case Incurred Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	—	—	—	—	—	—	—	—	—	—	—
2003	—	—	—	—	—	—	—	—	—	—	—
2004	4,535	11,304	14,078	13,638	13,036	13,542	13,458	14,274	14,226	—	—
2005	15,323	32,891	31,635	31,641	32,133	31,919	31,967	32,039	—	—	—
2006	37,398	37,109	37,310	38,620	39,235	39,749	40,173	—	—	—	—
2007	39,662	43,868	45,938	49,603	50,697	50,615	—	—	—	—	—
2008	59,081	114,517	107,158	120,356	121,511	—	—	—	—	—	—
2009	76,783	107,337	103,287	103,763	—	—	—	—	—	—	—
2010	51,128	77,515	84,820	—	—	—	—	—	—	—	—
2011	51,118	85,515	—	—	—	—	—	—	—	—	—
2012	90,877	—	—	—	—	—	—	—	—	—	—

IBNR	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	—	—	—	—	—	—	—	—	—	—	—
2003	—	—	—	—	—	—	—	—	—	—	—
2004	14,931	8,011	4,059	2,720	1,776	349	245	113	142	—	—
2005	30,081	11,057	8,908	6,557	953	663	416	460	—	—	—
2006	14,307	14,596	11,477	4,723	2,491	568	1,048	—	—	—	—
2007	19,831	26,927	14,166	4,134	1,594	2,618	—	—	—	—	—
2008	41,853	26,437	27,500	10,523	10,536	—	—	—	—	—	—
2009	83,707	30,324	17,347	16,124	—	—	—	—	—	—	—
2010	82,608	39,592	25,619	—	—	—	—	—	—	—	—
2011	80,637	38,113	—	—	—	—	—	—	—	—	—
2012	80,777	—	—	—	—	—	—	—	—	—	—

Ultimate Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	—	—	—	—	—	—	—	—	—	—	—
2003	—	—	—	—	—	—	—	—	—	—	—
2004	19,466	19,315	18,137	16,358	14,813	13,892	13,703	14,387	14,368	—	—
2005	45,405	43,947	40,542	38,198	33,086	32,581	32,382	32,499	—	—	—
2006	51,705	51,705	48,787	43,343	41,726	40,317	41,221	—	—	—	—
2007	59,493	70,795	60,103	53,737	52,291	53,234	—	—	—	—	—
2008	100,934	140,954	134,658	130,878	132,048	—	—	—	—	—	—
2009	160,490	137,661	120,635	119,887	—	—	—	—	—	—	—
2010	133,736	117,106	110,439	—	—	—	—	—	—	—	—
2011	131,754	123,629	—	—	—	—	—	—	—	—	—
2012	171,654	—	—	—	—	—	—	—	—	—	—

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**  
**Values in Thousands USD**

Reinsurance  
Credit and Bond

GROSS BASIS

Paid Loss Ratio	Months											Total Development		
	12	24	36	48	60	72	84	96	108	120	132			
2002	N/A	N/A	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	N/A	N/A	
2004	3.1%	20.1%	31.5%	31.8%	32.6%	34.8%	35.2%	37.1%	37.4%					
2005	10.6%	28.2%	32.7%	34.5%	36.5%	36.8%	37.0%	37.2%						
2006	14.5%	28.6%	34.9%	37.6%	39.4%	39.5%	40.4%							
2007	13.6%	28.0%	35.4%	40.6%	42.6%	43.6%								
2008	16.1%	59.0%	64.3%	76.7%	78.3%									
2009	19.3%	47.1%	49.5%	51.2%										
2010	13.4%	25.8%	32.7%											
2011	8.9%	23.4%												
2012	19.1%													
Case Incurred Loss Ratio	Months											Total Development		
	12	24	36	48	60	72	84	96	108	120	132			
2002	N/A	N/A	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	N/A	N/A	
2004	12.3%	30.7%	38.2%	37.0%	35.4%	36.7%	36.5%	38.7%	38.6%	38.6%				
2005	18.5%	39.6%	38.1%	38.1%	38.7%	38.4%	38.5%	38.6%						
2006	39.6%	39.3%	39.5%	40.9%	41.5%	42.1%	42.5%							
2007	36.9%	40.8%	42.7%	46.1%	47.1%	47.0%								
2008	42.2%	81.9%	76.6%	86.1%	86.9%									
2009	42.8%	59.8%	57.6%	57.9%										
2010	23.5%	35.6%	38.9%											
2011	19.4%	32.4%												
2012	32.8%													
Ultimate Loss Ratio	Months											Total Development		
	12	24	36	48	60	72	84	96	108	120	132			
2002	N/A	N/A	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	N/A	N/A	
2004	52.8%	52.4%	49.2%	44.4%	40.2%	37.7%	37.2%	39.0%	39.0%					
2005	54.7%	52.9%	48.8%	46.0%	39.8%	39.2%	39.0%	39.1%						
2006	54.7%	54.7%	51.6%	45.9%	44.2%	42.7%	43.6%							
2007	55.3%	65.8%	55.8%	49.9%	48.6%	49.5%								
2008	72.2%	100.8%	96.3%	93.6%	94.4%									
2009	89.5%	76.8%	67.3%	66.8%										
2010	61.4%	53.8%	50.7%											
2011	49.9%	46.8%												
2012	61.9%													
Loss Emergence	Months											Total Development		
	12	24	36	48	60	72	84	96	108	120	132			
2002	—	—	—	—	—	—	—	—	—	—	—	—	—	
2003	—	—	—	—	—	—	—	—	—	—	—	—	—	
2004	19,466	(151)	(1,178)	(1,779)	(1,545)	(921)	(188)	684	(19)					(5,097)
2005	45,405	(1,457)	(3,405)	(2,344)	(5,112)	(504)	(199)	117						(12,904)
2006	51,705	—	(2,917)	(5,444)	(1,617)	(1,409)	903							(10,484)
2007	59,493	11,302	(10,692)	(6,366)	(1,446)	943								(6,259)
2008	100,934	40,020	(6,296)	(3,780)	1,169									31,113
2009	160,490	(22,829)	(17,026)	(748)										(40,603)
2010	133,736	(16,630)	(6,668)											(23,298)
2011	131,754	(8,126)												(8,126)
2012	171,654													—
														(75,658)
Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	Total Development		
	—	—	—	(151)	(2,635)	(5,184)	4,496	17,851	(37,800)	(39,806)	(12,429)	(75,658)		

**AXIS Capital Holdings Limited**  
**2012 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 Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	—	—	—	—	—	—	—	N/A
2003	132,148	57,181	16,200	1,938	18,138	1,979	20,116	35.2%
2004	204,637	146,178	44,470	3,592	48,062	7,753	55,815	38.2%
2005	232,259	209,590	52,738	17,045	69,783	27,263	97,046	46.3%
2006	274,435	225,902	61,197	27,247	88,444	30,203	118,647	52.5%
2007	230,040	245,672	62,514	37,266	99,780	58,332	158,112	64.4%
2008	226,768	221,531	73,872	55,391	129,263	56,051	185,315	83.7%
2009	328,509	266,792	65,504	53,226	118,729	107,814	226,543	84.9%
2010	288,236	285,224	32,593	48,228	80,821	139,495	220,316	77.2%
2011	281,394	281,025	12,626	31,069	43,695	165,585	209,280	74.5%
2012	301,863	297,726	947	6,881	7,828	208,226	216,054	72.6%
	2,500,289	2,236,821	422,661	281,883	704,543	802,701	1,507,244	67.4%

**Ceded**

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	—	—	—	—	—	—	—	N/A
2003	3,337	1,687	—	—	—	45	45	2.7%
2004	4,238	3,994	—	—	—	159	159	4.0%
2005	399	2,292	—	—	—	126	126	5.5%
2006	—	—	—	—	—	—	—	N/A
2007	—	—	—	—	—	—	—	N/A
2008	—	—	—	—	—	—	—	N/A
2009	—	—	—	—	—	—	—	N/A
2010	—	—	—	—	—	—	—	N/A
2011	—	—	—	—	—	—	—	N/A
2012	—	—	—	—	—	—	—	N/A
	7,974	7,973	—	—	—	330	330	4.1%

**Net**

Accident Year	Written Premium	Earned Premium	Paid Losses	Case Reserves	Case Incurred Losses	IBNR	Ultimate Losses	Ultimate Loss Ratio
2002	—	—	—	—	—	—	—	N/A
2003	128,811	55,494	16,200	1,938	18,138	1,934	20,071	36.2%
2004	200,399	142,184	44,470	3,592	48,062	7,594	55,656	39.1%
2005	231,860	207,298	52,738	17,045	69,783	27,137	96,920	46.8%
2006	274,435	225,902	61,197	27,247	88,444	30,203	118,647	52.5%
2007	230,040	245,672	62,514	37,266	99,780	58,332	158,112	64.4%
2008	226,768	221,531	73,872	55,391	129,263	56,051	185,315	83.7%
2009	328,509	266,792	65,504	53,226	118,729	107,814	226,543	84.9%
2010	288,236	285,224	32,593	48,228	80,821	139,495	220,316	77.2%
2011	281,394	281,025	12,626	31,069	43,695	165,585	209,280	74.5%
2012	301,863	297,726	947	6,881	7,828	208,226	216,054	72.6%
	2,492,315	2,228,848	422,661	281,883	704,543	802,371	1,506,914	67.6%

**AXIS Capital Holdings Limited**  
**2012 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	132	
2002	—	—	—	—	—	—	—	—	—	—	—	—
2003	4,034	5,068	5,309	8,921	11,711	12,401	12,996	13,687	15,249	16,200	—	—
2004	445	3,668	7,627	16,569	25,691	29,084	35,198	41,488	44,470	—	—	—
2005	1,172	6,083	13,459	22,613	30,923	42,496	50,767	52,738	—	—	—	—
2006	116	4,920	17,117	32,207	42,130	55,394	61,197	—	—	—	—	—
2007	830	5,012	22,694	36,194	56,498	62,514	—	—	—	—	—	—
2008	972	7,104	23,001	51,526	73,872	—	—	—	—	—	—	—
2009	1,639	9,863	34,048	65,504	—	—	—	—	—	—	—	—
2010	1,950	12,615	32,593	—	—	—	—	—	—	—	—	—
2011	1,712	12,626	—	—	—	—	—	—	—	—	—	—
2012	947	—	—	—	—	—	—	—	—	—	—	—

Case Incurred Losses	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	—	—	—	—	—	—	—	—	—	—	—	—
2003	4,472	7,119	11,753	13,580	13,184	14,884	16,998	16,958	17,387	18,138	—	—
2004	2,850	13,028	25,319	36,993	39,633	45,246	48,301	46,737	48,062	—	—	—
2005	4,681	31,725	42,087	51,083	58,808	66,064	66,785	69,783	—	—	—	—
2006	5,405	32,942	57,000	67,282	67,879	82,923	88,444	—	—	—	—	—
2007	5,750	40,141	64,352	82,284	94,634	99,780	—	—	—	—	—	—
2008	9,705	57,938	86,904	109,662	129,263	—	—	—	—	—	—	—
2009	13,291	50,096	92,531	118,729	—	—	—	—	—	—	—	—
2010	11,722	39,351	80,821	—	—	—	—	—	—	—	—	—
2011	11,779	43,695	—	—	—	—	—	—	—	—	—	—
2012	7,828	—	—	—	—	—	—	—	—	—	—	—

IBNR	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	—	—	—	—	—	—	—	—	—	—	—	—
2003	36,959	34,165	29,417	26,426	26,843	13,305	3,988	3,617	2,569	1,979	—	—
2004	111,257	97,129	84,838	73,163	54,566	22,654	13,830	10,594	7,753	—	—	—
2005	159,097	132,052	121,691	112,883	67,828	43,428	32,390	27,263	—	—	—	—
2006	172,517	144,980	124,298	107,024	76,948	42,442	30,203	—	—	—	—	—
2007	197,443	173,922	148,408	122,513	89,533	58,332	—	—	—	—	—	—
2008	174,299	133,429	104,507	77,411	56,051	—	—	—	—	—	—	—
2009	205,480	168,975	131,190	107,814	—	—	—	—	—	—	—	—
2010	208,188	180,453	139,495	—	—	—	—	—	—	—	—	—
2011	197,206	165,585	—	—	—	—	—	—	—	—	—	—
2012	208,226	—	—	—	—	—	—	—	—	—	—	—

Ultimate Losses	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	—	—	—	—	—	—	—	—	—	—	—	—
2003	41,431	41,284	41,170	40,006	40,026	28,190	20,985	20,575	19,956	20,116	—	—
2004	114,107	110,157	110,157	110,157	94,200	67,900	62,131	57,330	55,815	—	—	—
2005	163,777	163,777	163,777	163,967	126,636	109,491	99,175	97,046	—	—	—	—
2006	177,922	177,922	181,297	174,306	144,828	125,364	118,647	—	—	—	—	—
2007	203,193	214,063	212,760	204,798	184,167	158,112	—	—	—	—	—	—
2008	184,004	191,367	191,411	187,073	185,315	—	—	—	—	—	—	—
2009	218,771	219,071	223,721	226,543	—	—	—	—	—	—	—	—
2010	219,911	219,804	220,316	—	—	—	—	—	—	—	—	—
2011	208,985	209,280	—	—	—	—	—	—	—	—	—	—
2012	216,054	—	—	—	—	—	—	—	—	—	—	—

**AXIS Capital Holdings Limited**  
**2012 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	132	
2002	N/A	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%	28.3%		
2004	0.3%	2.5%	5.2%	11.3%	17.6%	19.9%	24.1%	28.4%	30.4%			
2005	0.6%	2.9%	6.4%	10.8%	14.8%	20.3%	24.2%	25.2%				
2006	0.1%	2.2%	7.6%	14.3%	18.6%	24.5%	27.1%					
2007	0.3%	2.0%	9.2%	14.7%	23.0%	25.4%						
2008	0.4%	3.2%	10.4%	23.3%	33.3%							
2009	0.6%	3.7%	12.8%	24.6%								
2010	0.7%	4.4%	11.4%									
2011	0.6%	4.5%										
2012	0.3%											

  

Case Incurred Loss Ratio	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	N/A	N/A	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%	31.7%		
2004	1.9%	8.9%	17.3%	25.3%	27.1%	31.0%	33.0%	32.0%	32.9%			
2005	2.2%	15.1%	20.1%	24.4%	28.1%	31.5%	31.9%	33.3%				
2006	2.4%	14.6%	25.2%	29.8%	30.0%	36.7%	39.2%					
2007	2.3%	16.3%	26.2%	33.5%	38.5%	40.6%						
2008	4.4%	26.2%	39.2%	49.5%	58.4%							
2009	5.0%	18.8%	34.7%	44.5%								
2010	4.1%	13.8%	28.3%									
2011	4.2%	15.5%										
2012	2.6%											

  

Ultimate Loss Ratio	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	N/A	N/A	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%	35.2%		
2004	78.1%	75.4%	75.4%	75.4%	64.4%	46.5%	42.5%	39.2%	38.2%			
2005	78.1%	78.1%	78.1%	78.2%	60.4%	52.2%	47.3%	46.3%				
2006	78.8%	78.8%	80.3%	77.2%	64.1%	55.5%	52.5%					
2007	82.7%	87.1%	86.6%	83.4%	75.0%	64.4%						
2008	83.1%	86.4%	86.4%	84.4%	83.7%							
2009	82.0%	82.1%	83.9%	84.9%								
2010	77.1%	77.1%	77.2%									
2011	74.4%	74.5%										
2012	72.6%											

  

Loss Emergence	Months											Total Development	
	12	24	36	48	60	72	84	96	108	120	132		
2002	—	—	—	—	—	—	—	—	—	—	—	—	—
2003	41,431	(146)	(114)	(1,164)	20	(11,836)	(7,205)	(410)	(618)	160			(21,313)
2004	114,107	(3,951)	—	—	(15,957)	(26,300)	(5,768)	(4,801)	(1,515)				(58,292)
2005	163,777	—	—	189	(37,331)	(17,145)	(10,316)	(2,129)					(66,732)
2006	177,922	—	3,376	(6,992)	(29,478)	(19,463)	(6,718)						(59,275)
2007	203,193	10,870	(1,303)	(7,962)	(20,631)	(26,055)							(45,081)
2008	184,004	7,363	44	(4,338)	(1,758)								1,311
2009	218,771	300	4,650	2,823									7,773
2010	219,911	(107)	512										405
2011	208,985	295											295
2012	216,054												—
													(240,909)

  

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	Total Development
	—	—	(146)	(4,065)	(1,164)	20	(13,358)	(71,768)	(60,419)	(55,624)	(34,385)	(240,909)



**AXIS Capital Holdings Limited**  
**2012 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	7,640	7,506	15,146	8,399	23,546	100.2%
2005	71,580	67,467	16,070	27,410	43,481	24,340	67,820	100.5%
2006	83,199	83,892	17,603	47,019	64,622	19,950	84,571	100.8%
2007	96,805	98,628	17,062	42,985	60,047	28,151	88,198	89.4%
2008	100,227	97,773	12,259	44,735	56,994	46,146	103,140	105.5%
2009	104,850	99,497	12,046	56,867	68,913	39,566	108,479	109.0%
2010	148,683	127,404	26,924	53,896	80,820	56,716	137,536	108.0%
2011	238,365	202,830	55,529	68,760	124,289	69,080	193,369	95.3%
2012	235,648	237,006	31,324	44,600	75,924	129,376	205,300	86.6%
	1,109,578	1,037,991	196,457	393,778	590,236	421,724	1,011,959	97.5%

**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	—	—	—	—	—	—	—	N/A
2006	—	—	—	—	—	—	—	N/A
2007	—	—	—	—	—	—	—	N/A
2008	—	—	—	—	—	—	—	N/A
2009	—	—	—	—	—	—	—	N/A
2010	—	—	—	—	—	—	—	N/A
2011	—	—	—	—	—	—	—	N/A
2012	—	—	—	—	—	—	—	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	7,640	7,506	15,146	8,399	23,546	100.2%
2005	71,580	67,467	16,070	27,410	43,481	24,340	67,820	100.5%
2006	83,199	83,892	17,603	47,019	64,622	19,950	84,571	100.8%
2007	96,805	98,628	17,062	42,985	60,047	28,151	88,198	89.4%
2008	100,227	97,773	12,259	44,735	56,994	46,146	103,140	105.5%
2009	104,850	99,497	12,046	56,867	68,913	39,566	108,479	109.0%
2010	148,683	127,404	26,924	53,896	80,820	56,716	137,536	108.0%
2011	238,365	202,830	55,529	68,760	124,289	69,080	193,369	95.3%
2012	235,648	237,006	31,324	44,600	75,924	129,376	205,300	86.6%
	1,109,578	1,037,991	196,457	393,778	590,236	421,724	1,011,959	97.5%

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**  
**Values in Thousands USD**

Reinsurance  
Motor

GROSS BASIS

Paid Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	—	—	—	—	—	—	—	—	—	—	—
2003	—	—	—	—	—	—	—	—	—	—	—
2004	26	993	1,224	1,862	2,285	3,395	4,596	6,018	7,640	—	—
2005	1,868	3,651	4,293	4,891	8,232	12,003	14,690	16,070	—	—	—
2006	947	3,674	4,595	5,622	9,251	14,434	17,603	—	—	—	—
2007	2,419	5,227	5,583	8,695	14,414	17,062	—	—	—	—	—
2008	4,063	8,146	8,492	10,226	12,259	—	—	—	—	—	—
2009	3,478	8,572	10,230	12,046	—	—	—	—	—	—	—
2010	8,759	18,441	26,924	—	—	—	—	—	—	—	—
2011	25,621	55,529	—	—	—	—	—	—	—	—	—
2012	31,324	—	—	—	—	—	—	—	—	—	—

Case Incurred Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	—	—	—	—	—	—	—	—	—	—	—
2003	—	—	—	—	—	—	—	—	—	—	—
2004	2,827	11,389	13,584	15,166	16,847	16,673	16,240	15,719	15,146	—	—
2005	14,113	36,485	38,255	42,943	43,560	41,883	42,799	43,481	—	—	—
2006	29,318	56,269	60,955	65,787	62,804	63,630	64,622	—	—	—	—
2007	23,532	48,606	54,908	53,256	58,942	60,047	—	—	—	—	—
2008	26,957	52,595	54,253	54,693	56,994	—	—	—	—	—	—
2009	31,379	55,013	64,356	68,913	—	—	—	—	—	—	—
2010	41,577	74,420	80,820	—	—	—	—	—	—	—	—
2011	71,410	124,289	—	—	—	—	—	—	—	—	—
2012	75,924	—	—	—	—	—	—	—	—	—	—

IBNR	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	—	—	—	—	—	—	—	—	—	—	—
2003	—	—	—	—	—	—	—	—	—	—	—
2004	17,914	9,182	9,089	7,606	5,591	5,168	5,600	8,293	8,399	—	—
2005	47,125	32,075	30,154	23,997	21,584	23,310	24,002	24,340	—	—	—
2006	52,586	28,072	22,935	16,559	19,899	21,105	19,950	—	—	—	—
2007	75,014	49,558	37,732	39,500	34,773	28,151	—	—	—	—	—
2008	72,509	52,027	49,448	52,097	46,146	—	—	—	—	—	—
2009	65,824	41,364	41,580	39,566	—	—	—	—	—	—	—
2010	81,747	61,288	56,716	—	—	—	—	—	—	—	—
2011	113,226	69,080	—	—	—	—	—	—	—	—	—
2012	129,376	—	—	—	—	—	—	—	—	—	—

Ultimate Losses	Months										
	12	24	36	48	60	72	84	96	108	120	132
2002	—	—	—	—	—	—	—	—	—	—	—
2003	—	—	—	—	—	—	—	—	—	—	—
2004	20,741	20,571	22,673	22,772	22,438	21,841	21,841	24,012	23,546	—	—
2005	61,239	68,560	68,409	66,941	65,145	65,194	66,801	67,820	—	—	—
2006	81,904	84,341	83,890	82,346	82,703	84,735	84,571	—	—	—	—
2007	98,545	98,164	92,640	92,756	93,715	88,198	—	—	—	—	—
2008	99,466	104,622	103,701	106,790	103,140	—	—	—	—	—	—
2009	97,203	96,377	105,936	108,479	—	—	—	—	—	—	—
2010	123,323	135,707	137,536	—	—	—	—	—	—	—	—
2011	184,635	193,369	—	—	—	—	—	—	—	—	—
2012	205,300	—	—	—	—	—	—	—	—	—	—

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**  
**Values in Thousands USD**

Reinsurance  
Motor

GROSS BASIS

Paid Loss Ratio	Months											Total Development	
	12	24	36	48	60	72	84	96	108	120	132		
2002	N/A	N/A	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	N/A	N/A
2004	0.1%	4.2%	5.2%	7.9%	9.7%	14.4%	19.6%	25.6%	32.5%				
2005	2.8%	5.4%	6.4%	7.2%	12.2%	17.8%	21.8%	23.8%					
2006	1.1%	4.4%	5.5%	6.7%	11.0%	17.2%	21.0%						
2007	2.5%	5.3%	5.7%	8.8%	14.6%	17.3%							
2008	4.2%	8.3%	8.7%	10.5%	12.5%								
2009	3.5%	8.6%	10.3%	12.1%									
2010	6.9%	14.5%	21.1%										
2011	12.6%	27.4%											
2012	13.2%												

  

Case Incurred Loss Ratio	Months											Total Development	
	12	24	36	48	60	72	84	96	108	120	132		
2002	N/A	N/A	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	N/A	N/A
2004	12.0%	48.5%	57.8%	64.6%	71.7%	71.0%	69.1%	66.9%	64.5%				
2005	20.9%	54.1%	56.7%	63.7%	64.6%	62.1%	63.4%	64.4%					
2006	34.9%	67.1%	72.7%	78.4%	74.9%	75.8%	77.0%						
2007	23.9%	49.3%	55.7%	54.0%	59.8%	60.9%							
2008	27.6%	53.8%	55.5%	55.9%	58.3%								
2009	31.5%	55.3%	64.7%	69.3%									
2010	32.6%	58.4%	63.4%										
2011	35.2%	61.3%											
2012	32.0%												

  

Ultimate Loss Ratio	Months											Total Development	
	12	24	36	48	60	72	84	96	108	120	132		
2002	N/A	N/A	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	N/A	N/A
2004	88.3%	87.6%	96.5%	96.9%	95.5%	93.0%	93.0%	102.2%	100.2%				
2005	90.8%	101.6%	101.4%	99.2%	96.6%	96.6%	99.0%	100.5%					
2006	97.6%	100.5%	100.0%	98.2%	98.6%	101.0%	100.8%						
2007	99.9%	99.5%	93.9%	94.0%	95.0%	89.4%							
2008	101.7%	107.0%	106.1%	109.2%	105.5%								
2009	97.7%	96.9%	106.5%	109.0%									
2010	96.8%	106.5%	108.0%										
2011	91.0%	95.3%											
2012	86.6%												

  

Loss Emergence	Months											Total Development	
	12	24	36	48	60	72	84	96	108	120	132		
2002	—	—	—	—	—	—	—	—	—	—	—	—	—
2003	—	—	—	—	—	—	—	—	—	—	—	—	—
2004	20,741	(169)	2,102	99	(334)	(597)	—	2,172	(467)	—	—	—	2,806
2005	61,239	7,322	(151)	(1,468)	(1,796)	49	1,607	1,019	—	—	—	—	6,582
2006	81,904	2,437	(451)	(1,544)	357	2,032	(164)	—	—	—	—	—	2,667
2007	98,545	(381)	(5,524)	115	959	(5,517)	—	—	—	—	—	—	(10,348)
2008	99,466	5,156	(920)	3,089	(3,650)	—	—	—	—	—	—	—	3,675
2009	97,203	(826)	9,559	2,543	—	—	—	—	—	—	—	—	11,276
2010	123,323	12,384	1,829	—	—	—	—	—	—	—	—	—	14,213
2011	184,635	8,734	—	—	—	—	—	—	—	—	—	—	8,734
2012	205,300	—	—	—	—	—	—	—	—	—	—	—	—
													39,605

  

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	Total Development
	—	—	—	(169)	9,424	2,385	(2,634)	(4,305)	(1,225)	31,802	4,327	39,605

**AXIS Capital Holdings Limited**  
**2012 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	13,299	462	13,761	2,924	16,685	91.2%
2004	87,162	73,374	26,890	4,254	31,144	21,722	52,866	72.1%
2005	168,406	127,146	35,583	10,627	46,210	52,419	98,629	77.6%
2006	200,427	174,606	48,184	10,702	58,887	79,954	138,841	79.5%
2007	238,465	221,984	56,054	16,191	72,245	100,078	172,323	77.6%
2008	183,486	190,391	37,508	19,717	57,224	95,622	152,846	80.3%
2009	272,702	241,308	58,070	45,695	103,765	92,537	196,302	81.3%
2010	238,062	243,937	47,163	38,876	86,039	114,824	200,863	82.3%
2011	229,728	242,920	22,164	33,614	55,777	134,284	190,061	78.2%
2012	242,817	232,796	3,832	11,802	15,634	167,847	183,481	78.8%
	1,907,289	1,766,755	348,747	191,940	540,686	862,211	1,402,897	79.4%

**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	—	—	—	7,434	7,434	70.7%
2006	8,859	8,859	—	—	—	5,984	5,984	67.5%
2007	9,318	9,318	—	—	—	6,294	6,294	67.5%
2008	8,556	8,556	—	—	—	6,664	6,664	77.9%
2009	13,797	13,797	—	—	—	10,714	10,714	77.7%
2010	11,923	11,923	—	—	—	9,026	9,026	75.7%
2011	12,048	12,048	—	—	—	9,080	9,080	75.4%
2012	11,922	11,922	—	—	—	9,051	9,051	75.9%
	86,935	86,935	—	—	—	64,247	64,247	73.9%

**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	13,299	462	13,761	2,924	16,685	91.2%
2004	87,162	73,374	26,890	4,254	31,144	21,722	52,866	72.1%
2005	157,894	116,634	35,583	10,627	46,210	44,985	91,195	78.2%
2006	191,568	165,747	48,184	10,702	58,887	73,970	132,857	80.2%
2007	229,147	212,666	56,054	16,191	72,245	93,784	166,029	78.1%
2008	174,930	181,835	37,508	19,717	57,224	88,958	146,182	80.4%
2009	258,905	227,511	58,070	45,695	103,765	81,823	185,588	81.6%
2010	226,139	232,014	47,163	38,876	86,039	105,798	191,837	82.7%
2011	217,680	230,872	22,164	33,614	55,777	125,204	180,981	78.4%
2012	230,895	220,874	3,832	11,802	15,634	158,796	174,430	79.0%
	1,820,354	1,679,820	348,747	191,940	540,686	797,964	1,338,650	79.7%

**AXIS Capital Holdings Limited**  
**2012 Loss Development Triangles**  
**Values in Thousands USD**

Reinsurance  
Liability

GROSS BASIS

Paid Losses	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	—	—	—	—	—	—	—	—	—	—	—	—
2003	86	1,596	2,773	3,470	4,517	7,195	7,297	12,820	13,147	13,299	—	—
2004	1,191	6,850	9,033	15,894	18,730	19,924	24,482	26,477	26,890	—	—	—
2005	2,623	4,413	11,028	19,819	26,534	31,760	33,141	35,583	—	—	—	—
2006	1,374	6,140	19,387	26,451	35,109	41,007	48,184	—	—	—	—	—
2007	3,265	11,401	23,582	33,447	42,961	56,054	—	—	—	—	—	—
2008	2,680	10,487	22,632	30,772	37,508	—	—	—	—	—	—	—
2009	2,362	18,050	45,721	58,070	—	—	—	—	—	—	—	—
2010	2,857	18,381	47,163	—	—	—	—	—	—	—	—	—
2011	5,576	22,164	—	—	—	—	—	—	—	—	—	—
2012	3,832	—	—	—	—	—	—	—	—	—	—	—

Case Incurred Losses	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	—	—	—	—	—	—	—	—	—	—	—	—
2003	252	4,626	6,541	7,362	8,780	9,899	14,279	13,589	13,645	13,761	—	—
2004	5,290	16,791	19,230	25,196	27,390	30,290	31,272	31,033	31,144	—	—	—
2005	7,376	23,607	34,388	35,671	40,478	44,172	45,595	46,210	—	—	—	—
2006	12,899	31,034	39,681	47,118	52,124	55,369	58,887	—	—	—	—	—
2007	17,758	37,132	47,463	58,046	65,147	72,245	—	—	—	—	—	—
2008	21,838	40,483	47,715	53,153	57,224	—	—	—	—	—	—	—
2009	18,206	54,753	87,402	103,765	—	—	—	—	—	—	—	—
2010	22,797	51,364	86,039	—	—	—	—	—	—	—	—	—
2011	23,007	55,777	—	—	—	—	—	—	—	—	—	—
2012	15,634	—	—	—	—	—	—	—	—	—	—	—

IBNR	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	—	—	—	—	—	—	—	—	—	—	—	—
2003	13,240	8,874	6,959	6,138	4,720	10,717	3,099	3,257	3,081	2,924	—	—
2004	49,840	37,958	35,503	29,600	22,697	23,844	23,964	22,544	21,722	—	—	—
2005	94,443	77,210	66,331	65,368	58,399	55,030	53,381	52,419	—	—	—	—
2006	125,538	107,396	104,334	95,451	88,136	84,695	79,954	—	—	—	—	—
2007	158,296	136,767	126,976	115,897	108,381	100,078	—	—	—	—	—	—
2008	133,353	115,323	108,098	102,280	95,622	—	—	—	—	—	—	—
2009	177,904	141,105	113,151	92,537	—	—	—	—	—	—	—	—
2010	169,862	139,188	114,824	—	—	—	—	—	—	—	—	—
2011	167,789	134,284	—	—	—	—	—	—	—	—	—	—
2012	167,847	—	—	—	—	—	—	—	—	—	—	—

Ultimate Losses	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	—	—	—	—	—	—	—	—	—	—	—	—
2003	13,491	13,500	13,500	13,500	13,500	20,616	17,378	16,846	16,726	16,685	—	—
2004	55,131	54,750	54,733	54,796	50,087	54,135	55,235	53,577	52,866	—	—	—
2005	101,819	100,818	100,719	101,039	98,877	99,202	98,976	98,629	—	—	—	—
2006	138,437	138,429	144,015	142,569	140,260	140,064	138,841	—	—	—	—	—
2007	176,054	173,899	174,440	173,943	173,528	172,323	—	—	—	—	—	—
2008	155,192	155,807	155,813	155,433	152,846	—	—	—	—	—	—	—
2009	196,110	195,858	200,553	196,302	—	—	—	—	—	—	—	—
2010	192,659	190,552	200,863	—	—	—	—	—	—	—	—	—
2011	190,796	190,061	—	—	—	—	—	—	—	—	—	—
2012	183,481	—	—	—	—	—	—	—	—	—	—	—

**AXIS Capital Holdings Limited**  
**2012 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	132	
2002	N/A	N/A	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%	72.7%		
2004	1.6%	9.3%	12.3%	21.7%	25.5%	27.2%	33.4%	36.1%	36.6%			
2005	2.1%	3.5%	8.7%	15.6%	20.9%	25.0%	26.1%	28.0%				
2006	0.8%	3.5%	11.1%	15.1%	20.1%	23.5%	27.6%					
2007	1.5%	5.1%	10.6%	15.1%	19.4%	25.3%						
2008	1.4%	5.5%	11.9%	16.2%	19.7%							
2009	1.0%	7.5%	18.9%	24.1%								
2010	1.2%	7.5%	19.3%									
2011	2.3%	9.1%										
2012	1.6%											

  

Case Incurred Loss Ratio	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	N/A	N/A	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%	75.2%		
2004	7.2%	22.9%	26.2%	34.3%	37.3%	41.3%	42.6%	42.3%	42.4%			
2005	5.8%	18.6%	27.0%	28.1%	31.8%	34.7%	35.9%	36.3%				
2006	7.4%	17.8%	22.7%	27.0%	29.9%	31.7%	33.7%					
2007	8.0%	16.7%	21.4%	26.1%	29.3%	32.5%						
2008	11.5%	21.3%	25.1%	27.9%	30.1%							
2009	7.5%	22.7%	36.2%	43.0%								
2010	9.3%	21.1%	35.3%									
2011	9.5%	23.0%										
2012	6.7%											

  

Ultimate Loss Ratio	Months											
	12	24	36	48	60	72	84	96	108	120	132	
2002	N/A	N/A	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%	91.2%		
2004	75.1%	74.6%	74.6%	74.7%	68.3%	73.8%	75.3%	73.0%	72.1%			
2005	80.1%	79.3%	79.2%	79.5%	77.8%	78.0%	77.8%	77.6%				
2006	79.3%	79.3%	82.5%	81.7%	80.3%	80.2%	79.5%					
2007	79.3%	78.3%	78.6%	78.4%	78.2%	77.6%						
2008	81.5%	81.8%	81.8%	81.6%	80.3%							
2009	81.3%	81.2%	83.1%	81.3%								
2010	79.0%	78.1%	82.3%									
2011	78.5%	78.2%										
2012	78.8%											

  

Loss Emergence	Months											Total Development	
	12	24	36	48	60	72	84	96	108	120	132		
2002	—	—	—	—	—	—	—	—	—	—	—	—	—
2003	13,491	9	—	—	—	7,116	(3,238)	(532)	(119)	(41)			3,195
2004	55,131	(381)	(17)	63	(4,709)	4,047	1,101	(1,658)	(711)				(2,265)
2005	101,819	(1,001)	(99)	320	(2,162)	325	(227)	(347)					(3,191)
2006	138,437	(8)	5,586	(1,446)	(2,309)	(196)	(1,223)						404
2007	176,054	(2,155)	541	(497)	(415)	(1,205)							(3,731)
2008	155,192	615	6	(380)	(2,587)								(2,346)
2009	196,110	(253)	4,695	(4,251)									191
2010	192,659	(2,108)	10,311										8,203
2011	190,796	(735)											(735)
2012	183,481												—
													(275)

  

Calendar Year	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012	Total Development
	—	—	9	(381)	(1,018)	(44)	6,158	(1,643)	(2,159)	(408)	(789)	(275)

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**VII. SELECTED DISCLOSURES FROM 2012 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 years prove to be redundant) or adversely (when reserves established in prior years 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.

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### 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 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 inception) 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, in addition to industry benchmarks, serves as a key input to many of the methods employed by our actuaries. 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 weaknesses 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.



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- **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 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.

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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, 2012 and 2011). 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 insureds, 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.

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.

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*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. 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 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. In selecting this best estimate, management considers actuarial estimates and applies informed judgment regarding qualitative factors that may not be fully captured in these 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. 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.

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*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 business and certain aviation business within our insurance segment, together with the property, catastrophe and crop business within our reinsurance segment.

The key actuarial assumptions for our short-tail business in our early accident years were primarily developed with reference to industry benchmarks for both expected loss ratios and loss development patterns. As our own historical loss experience amassed, it gained credibility and became relevant for consideration in establishing these key actuarial assumptions. As a result, we gradually increased the weighting assigned to our own historical experience in selecting the expected loss ratios and loss development patterns utilized to establish our estimates of ultimate losses for an accident year.

Due to the relatively short reporting and settlement patterns for our short-tail business, we generally place more weight upon experience-based methods and other qualitative considerations in establishing reserves for our most recent accident years. Our estimates for more mature accident years are generally based on actuarial methods that are more responsive to actual experience, such as the Loss Development Method. As our experience developed more favorably than our initial expectations, we recognized favorable prior year development on short-tail business in recent 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 MGAs and other producers for certain business within our insurance segment; this can delay the reporting of loss information to us. We expect that the majority of development for an accident year will be recognized in the subsequent one to three years.

*Medium-Tail Business*

Our medium-tail business primarily consists of professional lines (re)insurance and trade credit and bond reinsurance business. Certain other classes of business, 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 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.

For our earliest accident years, our initial key actuarial expected loss ratio and loss development assumptions were established utilizing industry benchmarks. Due to the longer claim tail, the length of time required to develop our own credible loss history for use in the 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 establish our key actuarial assumptions is greater for our medium-tail business. Our reserving approach for medium-tail business is tailored by line of business, with our significant lines being specifically addressed below.

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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. With respect to our key actuarial assumptions, we are progressively giving more weight to our own experience when establishing our expected loss ratios; our assumed loss development patterns continue to be based primarily on industry benchmarks.

Loss reporting patterns for professional lines business tend to be volatile, causing instability in actuarial indications based on incurred loss data until an accident year matures for a number of years. Consequently, our initial loss reserves for an accident year are generally based upon an ELR method and the consideration of relevant qualitative factors. As accident years mature, we increasingly give more weight to methods that reflect our actual experience until our selections are based almost exclusively on experience-based methods. We evaluate the appropriateness of the transition to experience-based methods at the reserving class level, commencing this transition when we believe that our incurred loss development is sufficient to produce meaningful actuarial indications. The rate at which we transition fully to sole reliance on experience-based methods can vary by reserving class and by accident year, depending on our assessment of the stability and relevance of such indications.

Our transition from the ELR method to experience-based methods began during 2008, when we commenced gradual transition for the 2004 and prior accident years. As our loss history continued to develop, the transition was expanded to include additional accident years. At the end of 2012, the transition had begun for the 2009 and prior accident years for certain underlying reserve classes. As our actual loss experience has generally been more favorable than initial expectations, this transition led to the recognition of net favorable prior year reserve development in recent years.

We believe that there continues to be relatively high uncertainty around ultimate losses for the 2007 through 2009 accident years, resulting from the global financial crisis. This is attributable to both a higher than average volume of reported claims for these years and a higher proportion of open claims, relative to earlier accident years at the same stage of development. Given the significance of the global financial crisis, we believe that development patterns for the 2007 through 2009 accident years may ultimately differ from other years. In light of this, we separately evaluate the latest available claims information for each reserving class impacted by this 'event' when establishing loss reserves, in addition to considering actuarial indications. Given our expectation of longer development patterns for these accident years, we are exercising a greater degree of caution in recognizing potential favorable loss emergence.

Trade Credit and Bond Reinsurance

For our trade credit and bond reinsurance business, our initial and most recent accident year loss reserves are generally based on the ELR method, with consideration given to qualitative factors. Given that there is a more stable reporting pattern for trade credit business, we generally commence the transition to experience-based methods sooner than for bond business.

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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 note 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, 2012, our total estimated recoveries on credit insurance business were \$106 million, of which \$82 million related to contracts where we had already paid losses and \$24 million related to contracts where case reserves were recognized. Comparatively, at December 31, 2011, our estimated recoveries were \$158 million, with \$109 million and \$49 million, respectively, relating to paid losses and case reserves. The reduction in 2012 largely reflected the reduction in recovery estimates for two claims based on updated information and the settlement of one claim.

*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, or 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 our 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 key actuarial assumptions;
- The potential volatility of actuarial estimates, given the number of years of development it takes to produce a meaningful incurred loss as a percentage of ultimate losses;
- 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.

To date, our key actuarial assumptions for our long-tail business have been derived almost exclusively from industry benchmarks, rather than our own historical experience. Given our relatively short operating history in comparison to the development tail for this business, 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 into the key actuarial assumptions previously outlined. While we utilize industry benchmarks that we believe reflect the nature and coverage of our business, our actual loss experience may differ from the benchmarks based on industry averages.

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Due to the length of the development tail for this business, our reserve estimates for all accident years are predominantly based on the ELR method and the consideration of qualitative factors. 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. The drivers of any unfavorable loss emergence are investigated and, as a result, have led to an immediate recognition of adverse development in some instances. Prior to the fourth quarter of 2012 (see additional details below), we did not recognize any favorable loss emergence. As a result, during each of the past three years, we recognized net adverse development for our liability insurance business in light of unfavorable loss emergence for certain reserving class and accident year combinations.

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 Periodic 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.

Commencing with our fourth quarter 2012 reserving process, we began to give weight to actuarial methods that reflect our actual experience for liability business as we believe that our oldest accident years are now at a stage of expected development where such methods will produce meaningful actuarial indications. As a result, we commenced a transition from the ELR method to the BF method for the oldest accident years for certain reserving classes within our insurance liability line of business and recognized corresponding net favorable prior year reserve development totaling \$6 million for the 2003, and to a lesser extent the 2002, accident years during the quarter. We will continue to analyze our incurred loss emergence relative to expected emergence for all of our long-tail reserving classes and expect to commence transition to experience-based methods for those accident years where we believe the stage of expected development will produce meaningful actuarial indications.

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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, including LAE, 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, 2012.

**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, which includes an estimate for LAE. 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 2012; 2001 is considered immaterial for the purpose of this document.

**Loss Adjustment Expenses** ("LAE") are expenses incurred in handling claims. LAE include the cost of third party loss assessors and legal experts and the cost of internal time necessary to handle claims.

**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.



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**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.

**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 Losses** are the total of all expected settlement amounts, whether paid or reserved, together with any associated LAE and are the estimated total amount of loss at the measurement date. For the purposes of this report, Ultimate Losses are 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.