

RENAISSANCERE HOLDINGS LTD

Form 10-Q

April 29, 2010

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**FORM 10-Q**

**x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

**For The Quarterly Period Ended March 31, 2010**

**OR**

**.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission File No. 001-14428**

**RENAISSANCERE HOLDINGS LTD.**

**(Exact name of registrant as specified in its charter)**

**Bermuda**  
(State or Other Jurisdiction of

**98-014-1974**  
(I.R.S. Employer

**Incorporation or Organization)**

**Identification Number)**

**Renaissance House, 8-20 East Broadway, Pembroke HM 19 Bermuda**

(Address of principal executive offices)

**(441) 295-4513**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer , Accelerated filer , Non-accelerated filer , Smaller reporting company .

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of outstanding shares of RenaissanceRe Holdings Ltd.'s common shares, par value US \$1.00 per share, as of April 26, 2010 was 57,903,912.

Total number of pages in this report: 79

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**RenaissanceRe Holdings Ltd.**

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**Table of Contents****PART I FINANCIAL INFORMATION****Item 1. FINANCIAL STATEMENTS****RenaissanceRe Holdings Ltd. and Subsidiaries****Consolidated Balance Sheets**

(in thousands of United States Dollars)

	<b>March 31, 2010 (Unaudited)</b>	<b>December 31, 2009 (Audited)</b>
<b>Assets</b>		
Fixed maturity investments available for sale, at fair value (Amortized cost \$1,447,788 and \$3,513,183 at March 31, 2010 and December 31, 2009, respectively)	\$ 1,485,161	\$ 3,559,197
Fixed maturity investments trading, at fair value (Amortized cost \$3,060,513 and \$747,983 at March 31, 2010 and December 31, 2009, respectively)	3,049,335	736,595
Short term investments, at fair value	864,328	1,002,306
Other investments, at fair value	866,865	858,026
Investments in other ventures, under equity method	84,942	97,287
<b>Total investments</b>	<b>6,350,631</b>	<b>6,253,411</b>
Cash and cash equivalents	358,773	260,716
Premiums receivable	511,832	589,827
Ceded reinsurance balances	121,836	91,852
Losses recoverable	156,820	194,241
Accrued investment income	32,784	31,928
Deferred acquisition costs	74,489	61,870
Receivable for investments sold	53,863	7,431
Other secured assets	27,651	27,730
Other assets	171,577	205,347
Goodwill and other intangibles	75,416	76,688
<b>Total assets</b>	<b>\$ 7,935,672</b>	<b>\$ 7,801,041</b>
<b>Liabilities, Redeemable Noncontrolling Interest and Shareholders Equity</b>		
<b>Liabilities</b>		
Reserve for claims and claim expenses	\$ 1,695,397	\$ 1,702,006
Reserve for unearned premiums	614,490	446,649
Debt	549,086	300,000
Reinsurance balances payable	241,544	381,548
Payable for investments purchased	136,838	59,236
Other secured liabilities	27,500	27,500
Other liabilities	221,001	256,669
<b>Total liabilities</b>	<b>3,485,856</b>	<b>3,173,608</b>
<b>Commitments and Contingencies</b>		
Redeemable noncontrolling interest - DaVinciRe	658,525	786,647
<b>Shareholders Equity</b>		

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Preference shares	650,000	650,000
Common shares	58,320	61,745
Additional paid-in capital		
Accumulated other comprehensive income	30,771	41,438
Retained earnings	3,052,200	3,087,603
<b><i>Total shareholders equity</i></b>	<b>3,791,291</b>	<b>3,840,786</b>
<b><i>Total liabilities, redeemable noncontrolling interest and shareholders equity</i></b>	<b>\$ 7,935,672</b>	<b>\$ 7,801,041</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

**Table of Contents****RenaissanceRe Holdings Ltd. and Subsidiaries****Consolidated Statements of Operations****For the three months ended March 31, 2010 and 2009**

(in thousands of United States Dollars, except per share amounts)

(Unaudited)

	<b>Three months ended</b>	
	<b>March 31,</b>	<b>March 31,</b>
	<b>2010</b>	<b>2009</b>
<b>Revenues</b>		
Gross premiums written	\$ 563,465	\$ 598,301
Net premiums written	\$ 415,983	\$ 446,836
Increase in unearned premiums	(137,857)	(145,088)
Net premiums earned	278,126	301,748
Net investment income	67,181	42,126
Net foreign exchange losses	(11,342)	(10,155)
Equity in earnings of other ventures	2,156	1,736
Other loss	(5,731)	(14,795)
Net realized and unrealized gains on fixed maturity investments	48,598	22,126
Total other-than-temporary impairments	(33)	(19,022)
Portion recognized in other comprehensive income, before taxes		
Net other-than-temporary impairments	(33)	(19,022)
<b>Total revenues</b>	<b>378,955</b>	<b>323,764</b>
<b>Expenses</b>		
Net claims and claim expenses incurred	79,057	86,197
Acquisition expenses	44,675	44,604
Operational expenses	64,551	39,757
Corporate expenses	5,559	6,588
Interest expense	3,156	4,136
<b>Total expenses</b>	<b>196,998</b>	<b>181,282</b>
Income before taxes	181,957	142,482
Income tax benefit	4,215	852
<b>Net income</b>	<b>186,172</b>	<b>143,334</b>
Net income attributable to redeemable noncontrolling interest - DaVinciRe	(10,550)	(35,475)
<b>Net income attributable to RenaissanceRe</b>	<b>175,622</b>	<b>107,859</b>
Dividends on preference shares	(10,575)	(10,575)
<b>Net income available to RenaissanceRe common shareholders</b>	<b>\$ 165,047</b>	<b>\$ 97,284</b>

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Net income available to RenaissanceRe common shareholders per common share - basic	\$	2.75	\$	1.57
Net income available to RenaissanceRe common shareholders per common share - diluted	\$	2.73	\$	1.57
Dividends per common share	\$	0.25	\$	0.24

*The accompanying notes are an integral part of these consolidated financial statements.*

**Table of Contents****RenaissanceRe Holdings Ltd. and Subsidiaries****Consolidated Statements of Changes in Shareholders' Equity****For the three months ended March 31, 2010 and 2009**

(in thousands of United States Dollars)

(Unaudited)

	<b>Three months ended</b>	
	<b>March 31,</b>	<b>March 31,</b>
	<b>2010</b>	<b>2009</b>
<b>Preference shares</b>		
Balance - January 1	\$ 650,000	\$ 650,000
Repurchase of shares		
Balance - March 31	650,000	650,000
<b>Common shares</b>		
Balance - January 1	61,745	61,503
Repurchase of shares	(3,716)	
Exercise of options and issuance of restricted stock and awards	291	821
Balance - March 31	58,320	62,324
<b>Additional paid-in capital</b>		
Balance - January 1		
Repurchase of shares	(14,284)	
Reduction in redeemable noncontrolling interest - DaVinciRe	6,125	7,250
Exercise of options and issuance of restricted stock and awards	8,159	4,123
Balance - March 31		11,373
<b>Accumulated other comprehensive income</b>		
Balance - January 1	41,438	75,387
Change in net unrealized gains (losses) on investments	(10,667)	(5,857)
Portion of other-than-temporary impairments recognized in other comprehensive income		
Balance - March 31	30,771	69,530
<b>Retained earnings</b>		
Balance - January 1	3,087,603	2,245,853
Net income	186,172	143,334
Net income attributable to redeemable noncontrolling interest - DaVinciRe	(10,550)	(35,475)
Repurchase of shares	(185,658)	
Dividends on common shares	(14,792)	(14,961)
Dividends on preference shares	(10,575)	(10,575)
Balance - March 31	3,052,200	2,328,176



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Total Shareholders	Equity	\$ 3,791,291	\$ 3,121,403
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*The accompanying notes are an integral part of these consolidated financial statements.*

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**RenaissanceRe Holdings Ltd. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the three months ended March 31, 2010 and 2009**

(in thousands of United States Dollars)

(Unaudited)

	<b>Three months ended March 31, 2010</b>	<b>March 31, 2009</b>
<b>Comprehensive income</b>		
Net income	\$ 186,172	\$ 143,334
Change in net unrealized gains on investments	(8,929)	(6,372)
Portion of other-than-temporary impairments recognized in other comprehensive income		
Comprehensive income	177,243	136,962
Net income attributable to redeemable noncontrolling interest - DaVinciRe	(10,550)	(35,475)
Change in net unrealized gains on investments attributable to redeemable noncontrolling interest - DaVinciRe	(1,738)	515
Comprehensive income attributable to redeemable noncontrolling interest - DaVinciRe	(12,288)	(34,960)
Comprehensive income attributable to RenaissanceRe	\$ 164,955	\$ 102,002
<b>Disclosure regarding net unrealized gains</b>		
Total realized and net unrealized holding gains (losses) on fixed maturity investments available for sale and net other-than-temporary impairments	\$ 34,204	\$ (2,753)
Net realized gains on fixed maturity investments available for sale	(44,904)	(22,126)
Net other-than-temporary impairments recognized in earnings	33	19,022
Change in net unrealized gains on fixed maturity investments available for sale	\$ (10,667)	\$ (5,857)

*The accompanying notes are an integral part of these consolidated financial statements.*

**Table of Contents****RenaissanceRe Holdings Ltd. and Subsidiaries****Consolidated Statements of Cash Flows****For the three months ended March 31, 2010 and 2009**

(in thousands of United States dollars)

(Unaudited)

	Three months ended March 31, 2010	March 31, 2009
<b><i>Cash flows provided by operating activities</i></b>		
Net income	\$ 186,172	\$ 143,334
<b><i>Adjustments to reconcile net income to net cash provided by operating activities</i></b>		
Amortization and depreciation	13,987	(740)
Equity in undistributed earnings of other ventures	10,731	10,105
Net realized and unrealized gains on fixed maturity investments	(48,598)	(22,126)
Net other-than-temporary impairments	33	19,022
Net unrealized (gains) losses included in net investment income	(24,940)	16,976
Net unrealized losses included in other loss	1,419	12,897
Change in:		
Premiums receivable	77,995	(27,569)
Ceded reinsurance balances	(29,984)	(61,290)
Deferred acquisition costs	(12,619)	(15,806)
Reserve for claims and claim expenses, net	30,812	(70,244)
Reserve for unearned premiums	167,841	206,378
Reinsurance balances payable	(140,004)	(25,879)
Other	(2,256)	(42,059)
<b><i>Net cash provided by operating activities</i></b>	<b>230,589</b>	<b>142,999</b>
<b><i>Cash flows (used in) provided by investing activities</i></b>		
Proceeds from sales and maturities of investments available for sale	2,461,565	1,695,498
Purchases of investments available for sale	(376,820)	(1,720,159)
Proceeds from sales and maturities of investments trading	812,692	
Purchases of investments trading	(3,078,390)	
Net sales of short term investments	137,978	36,007
Net sales of other investments	16,101	23,476
Net sales (purchases) of other assets	2,729	(965)
<b><i>Net cash (used in) provided by investing activities</i></b>	<b>(24,145)</b>	<b>33,857</b>
<b><i>Cash flows used in financing activities</i></b>		
Dividends paid - RenaissanceRe common shares	(14,792)	(14,961)
Dividends paid - preference shares	(10,575)	(10,575)
RenaissanceRe common share repurchases	(203,658)	
Third party DaVinciRe share transactions	(123,084)	(123,718)
Reverse repurchase agreement		(50,042)
Issuance of 5.75% Senior Notes	249,086	

<b><i>Net cash used in financing activities</i></b>	(103,023)	(199,296)
Effect of exchange rate changes on foreign currency cash	(5,364)	(2,912)
<b><i>Net increase (decrease) in cash and cash equivalents</i></b>	98,057	(25,352)
<b><i>Cash and cash equivalents, beginning of period</i></b>	260,716	274,692
<b><i>Cash and cash equivalents, end of period</i></b>	\$ 358,773	\$ 249,340

*The accompanying notes are an integral part of these consolidated financial statements.*

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**RenaissanceRe Holdings Ltd. and Subsidiaries**

**Notes to Unaudited Consolidated Financial Statements**

**(Expressed in U.S. Dollars) (Unaudited)**

**NOTE 1. ORGANIZATION AND BASIS OF PRESENTATION**

The consolidated financial statements have been prepared on the basis of accounting principles generally accepted in the United States ( GAAP ) for interim financial information and in conformity with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, these unaudited consolidated financial statements reflect all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the Company s financial position and results of operations as at the end of and for the periods presented. All significant intercompany accounts and transactions have been eliminated from these statements. The preparation of unaudited consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. The major estimates reflected in the Company s consolidated financial statements include, but are not limited to, the reserve for claims and claim expenses; losses recoverable, including allowances for losses recoverable deemed uncollectible; estimates of written and earned premiums; the fair value of investments and financial instruments, including derivative instruments; premiums and other accounts receivable, including allowances for amounts deemed uncollectible; and estimates relating to the Company s deferred tax asset valuation allowance. This report on Form 10-Q should be read in conjunction with the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

RenaissanceRe Holdings Ltd. ( RenaissanceRe ) was formed under the laws of Bermuda on June 7, 1993. Together with its wholly owned and majority-owned subsidiaries and DaVinciRe (as defined below), which are collectively referred to herein as the Company , RenaissanceRe provides reinsurance and insurance coverages and related services to a broad range of customers.

Renaissance Reinsurance Ltd. ( Renaissance Reinsurance ), the Company s principal reinsurance subsidiary, provides property catastrophe and specialty reinsurance coverages to insurers and reinsurers on a worldwide basis.

The Company also manages property catastrophe and specialty reinsurance business written on behalf of joint ventures, which principally include Top Layer Reinsurance Ltd. ( Top Layer Re ), recorded under the equity method of accounting, and DaVinci Reinsurance Ltd. ( DaVinci ). Because the Company owns a noncontrolling equity interest in, but controls a majority of the outstanding voting power of, DaVinci s parent, DaVinciRe Holdings Ltd. ( DaVinciRe ), the results of DaVinci and DaVinciRe are consolidated in the Company s financial statements. Redeemable noncontrolling interest DaVinciRe represents the interests of external parties with respect to the net income and shareholders equity of DaVinciRe. Renaissance Underwriting Managers Ltd. ( RUM ), a wholly owned subsidiary, acts as exclusive underwriting manager for these joint ventures in return for fee-based income and profit participation.

RenaissanceRe Syndicate 1458 ( Syndicate 1458 ) is the Company s Lloyd s syndicate which was licensed to start writing certain lines of insurance and reinsurance business effective June 1, 2009. RenaissanceRe Corporate Capital (UK) Limited ( RenaissanceRe CCL ), a wholly owned subsidiary of the Company, is Syndicate 1458 s sole corporate member and RenaissanceRe Syndicate Management Ltd. ( RSML ), a wholly owned subsidiary of the Company from November 2, 2009, is the managing agent for Syndicate 1458.

The Company s Insurance operations include direct insurance and quota share reinsurance written through the operating subsidiaries of RenRe Insurance Holdings Ltd. ( RenRe Insurance ). These operating subsidiaries principally include Stonington Insurance Company ( Stonington ), which writes business in the U.S. on an admitted basis, and Glencoe Insurance Ltd. ( Glencoe ) and Lantana Insurance Ltd. ( Lantana ), which write business in the U.S. on an excess and surplus lines basis, and also provide reinsurance coverage, principally through quota share contracts, which are analyzed on an individual risk basis. The Insurance operations also

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include the results of Agro National Inc. ( Agro National ), a managing general underwriter of crop insurance.

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The Company, through Renaissance Trading Ltd. ( Renaissance Trading ) and RenRe Energy Advisors Ltd. ( REAL ), provides certain derivative-based risk management products primarily to its clients to address weather and energy risk. The Company also engages in hedging and trading activities related to those transactions and provides fee-based consulting services, respectively.

Certain comparative information has been reclassified to conform to the current presentation. Because of the seasonality of the Company's business, the results of operations and cash flows for any interim period will not necessarily be indicative of the results of operations and cash flows for the full fiscal year or subsequent quarters.

**NOTE 2. CEDED REINSURANCE**

The Company purchases reinsurance and other protection to manage its risk portfolio and to reduce its exposure to large losses. The Company currently has in place contracts that provide for recovery of a portion of certain claims and claim expenses, generally in excess of various retentions or on a proportional basis. The earned reinsurance premiums ceded were \$117.5 million and \$90.2 million for the three months ended March 31, 2010 and 2009, respectively. In addition to loss recoveries, certain of the Company's ceded reinsurance contracts provide for recoveries of additional premiums, reinstatement premiums and for lost no-claims bonuses, which are incurred when losses are ceded to other reinsurance contracts. Total reinsurance recoveries netted against claims and claim expenses incurred were \$34.9 million and \$11.8 million for the three months ended March 31, 2010 and 2009. The Company remains liable to the extent that any reinsurance company fails to meet its obligations.

**NOTE 3. EARNINGS PER SHARE**

The Company accounts for its weighted average shares in accordance with FASB ASC Topic *Earnings per Share*. Basic earnings per common share is based on weighted average common shares and excludes any dilutive effects of stock options and restricted stock. Diluted earnings per common share assumes the exercise of all dilutive stock options and restricted stock grants.

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The following table sets forth the computation of basic and diluted earnings per common share for the three months ended March 31, 2010 and 2009:

<b>Three months ended March 31, (in thousands of U.S. dollars, except per share data)</b>	<b>2010</b>	<b>2009</b>
<b>Numerator:</b>		
Net income available to RenaissanceRe common shareholders	\$ 165,047	\$ 97,284
Amount allocated to participating common shareholders (1)	(4,196)	(1,809)
	\$ 160,851	\$ 95,475
<b>Denominator (in thousands):</b>		
Denominator for basic income per RenaissanceRe common share - Weighted average common shares	58,407	60,635
Per common share equivalents of employee stock options and restricted shares	480	354
Denominator for diluted income per RenaissanceRe common share - Adjusted weighted average common shares and assumed conversions	58,887	60,989
Basic income per RenaissanceRe common share	\$ 2.75	\$ 1.57
Diluted income per RenaissanceRe common share	\$ 2.73	\$ 1.57

- (1) Represents earnings attributable to holders of unvested restricted shares issued under the Company's 2001 Stock Incentive Plan and Non-Employee Director Stock Incentive Plan.

**NOTE 4. DIVIDENDS AND COMMON SHARE REPURCHASES**

The Board of Directors of RenaissanceRe declared, and RenaissanceRe paid, a dividend of \$0.25 per common share to shareholders of record on March 15, 2010.

On February 17, 2010, the Board of Directors approved an increase in the Company's authorized share repurchase program to an aggregate amount of \$500.0 million. Unless terminated earlier by resolution of the Company's Board of Directors, the program will expire when the Company has repurchased the full value of the shares authorized. The Company repurchased \$203.7 million of shares during the three months ended March 31, 2010, and through the period ending April 26, 2010, the Company repurchased an additional 416 thousand common shares in open market transactions at an aggregate cost of \$23.7 million and at an average share price of \$56.85. Future repurchases of common shares will depend on, among other matters, the market price of the common shares and the capital requirements of the Company. See Part II, Item 2 Unregistered Sales of Equity Securities and Use of Proceeds for additional information.

**NOTE 5. SEGMENT REPORTING**

The Company has two reportable segments: Reinsurance and Insurance.

The Reinsurance segment consists of: 1) property catastrophe reinsurance, primarily written through Renaissance Reinsurance and DaVinci; 2) specialty reinsurance, primarily written through Renaissance Reinsurance and DaVinci; 3) Lloyd's, which includes reinsurance and insurance business written through Syndicate 1458; and 4) certain other activities of ventures as described herein. The Reinsurance segment is managed by the Global Chief Underwriting Officer, who leads a team of underwriters, risk modelers and other industry professionals, who have access to the Company's proprietary risk management, underwriting and modeling resources and tools.



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The Insurance segment, formerly known as the Individual Risk segment, includes underwriting that involves understanding the characteristics of the original underlying insurance policy. The Company's Insurance segment is also managed by the Global Chief Underwriting Officer. The Insurance segment currently provides insurance written on both an admitted basis and an excess and surplus lines basis, and also provides some reinsurance which is written on a quota share basis.

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The Company's financial results relating to the operating subsidiaries managed by the ventures unit include the financial results of Renaissance Trading and are included in the Other category of the Company's segment results. Also included in the Other category of the Company's segment results are the Company's investments in other ventures, including Top Layer Re, Tower Hill Holdings Inc. and Tower Hill Insurance Group, LLC (collectively the Tower Hill Companies), and in respect of the Company's ownership of a warrant to purchase 2.5 million common shares of Platinum Underwriters Holdings Ltd. (Platinum).

The Company does not manage its assets by segment; accordingly, net investment income and total assets are not allocated to the segments.

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A summary of the significant components of the Company's revenues and expenses for the three months ended March 31, 2010 and 2009 is as follows:

<b>Three months ended March 31, 2010</b> <b>(in thousands of U.S. dollars, except ratios)</b>	<b>Reinsurance</b>	<b>Insurance</b>	<b>Eliminations (1)</b>	<b>Other</b>	<b>Total</b>
Gross premiums written	\$ 512,392	\$ 51,880	\$ (807)	\$	\$ 563,465
Net premiums written	\$ 402,309	\$ 13,674			\$ 415,983
Net premiums earned	\$ 250,040	\$ 28,086			\$ 278,126
Net claims and claim expenses incurred	101,534	(22,477)			79,057
Acquisition expenses	23,818	20,857			44,675
Operational expenses	40,151	24,400			64,551
Underwriting income	\$ 84,537	\$ 5,306			89,843
Net investment income				67,181	67,181
Equity in earnings of other ventures				2,156	2,156
Other loss				(5,731)	(5,731)
Interest and preference share dividends				(13,731)	(13,731)
Redeemable noncontrolling interest - DaVinciRe				(10,550)	(10,550)
Other items, net				(12,686)	(12,686)
Net realized and unrealized gains on fixed maturity investments				48,598	48,598
Net other-than-temporary impairments				(33)	(33)
Net income available to RenaissanceRe common shareholders				\$ 75,204	\$ 165,047
Net claims and claim expenses incurred - current accident year	\$ 206,751	\$ 34,005			\$ 240,756
Net claims and claim expenses incurred - prior accident years	(105,217)	(56,482)			(161,699)
Net claims and claim expenses incurred - total	\$ 101,534	\$ (22,477)			\$ 79,057
Net claims and claim expense ratio - current accident year	82.7%	121.1%			86.6%
Net claims and claim expense ratio - prior accident years	(42.1%)	(201.1%)			(58.2%)
Net claims and claim expense ratio - calendar year	40.6%	(80.0%)			28.4%
Underwriting expense ratio	25.6%	161.1%			39.3%
Combined ratio	66.2%	81.1%			67.7%

(1) Represents gross premiums ceded from the Insurance segment to the Reinsurance segment.

<b>Three months ended March 31, 2009</b> <b>(in thousands of U.S. dollars, except ratios)</b>	<b>Reinsurance</b>	<b>Insurance</b>	<b>Eliminations (1)</b>	<b>Other</b>	<b>Total</b>
Gross premiums written	\$ 532,916	\$ 65,149	\$ 236	\$	\$ 598,301
Net premiums written	\$ 414,787	\$ 32,049			\$ 446,836

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Net premiums earned	\$ 225,971	\$ 75,777	\$ 301,748
Net claims and claim expenses incurred	16,571	69,626	86,197
Acquisition expenses	19,021	25,583	44,604
Operational expenses	29,115	10,642	39,757
Underwriting income (loss)	\$ 161,264	\$ (30,074)	131,190
Net investment income		42,126	42,126
Equity in earnings of other ventures		1,736	1,736
Other loss		(14,795)	(14,795)
Interest and preference share dividends		(14,711)	(14,711)
Redeemable noncontrolling interest - DaVinciRe		(35,475)	(35,475)
Other items, net		(15,891)	(15,891)
Net realized gains on investments		22,126	22,126
Net other-than-temporary impairments		(19,022)	(19,022)
Net income available to RenaissanceRe common shareholders		\$ (33,906)	\$ 97,284
Net claims and claim expenses incurred - current accident year	\$ 41,306	\$ 37,629	\$ 78,935
Net claims and claim expenses incurred - prior accident years	(24,735)	31,997	7,262
Net claims and claim expenses incurred - total	\$ 16,571	\$ 69,626	\$ 86,197
Net claims and claim expense ratio - current accident year	18.3%	49.7%	26.2%
Net claims and claim expense ratio - prior accident years	(11.0%)	42.2%	2.4%
Net claims and claim expense ratio - calendar year	7.3%	91.9%	28.6%
Underwriting expense ratio	21.3%	47.8%	27.9%
Combined ratio	28.6%	139.7%	56.5%

(1) Represents gross premiums ceded from the Insurance segment to the Reinsurance segment.

**Table of Contents****NOTE 6. INVESTMENTS***Fixed Maturity Investments Available For Sale*

The following table summarizes the amortized cost, fair value and related unrealized gains and losses and non-credit other-than-temporary impairments of fixed maturity investments available for sale at March 31, 2010 and December 31, 2009:

At March 31, 2010 (in thousands of U.S. dollars)	Amortized Cost	Included in Accumulated Other Comprehensive Income		Fair Value	Non-Credit Other-Than- Temporary Impairments (1)
		Gross Unrealized Gains	Gross Unrealized Losses		
U.S. treasuries	\$ 13,170	\$ 591	\$ (10)	\$ 13,751	\$
Agencies	99,792	1,061	(8)	100,845	
Non-U.S. government (Sovereign debt)	115,406	7,877	(274)	123,009	(88)
FDIC guaranteed corporate	447,812	4,583	(56)	452,339	
Non-U.S. government-backed corporate	97,340	1,683	(26)	98,997	
Corporate	282,092	12,930	(1,560)	293,462	(2,393)
Agency mortgage-backed	140,148	3,383	(257)	143,274	
Non-agency mortgage-backed	28,460	2,616	(92)	30,984	(2,323)
Commercial mortgage-backed	174,622	4,830	(929)	178,523	
Asset-backed	48,946	1,327	(296)	49,977	(598)
<b>Total</b>	<b>\$ 1,447,788</b>	<b>\$ 40,881</b>	<b>\$ (3,508)</b>	<b>\$ 1,485,161</b>	<b>\$ (5,402)</b>

- (1) Represents the non-credit component of other-than-temporary impairments recognized in accumulated other comprehensive income since the adoption of guidance related to the recognition and presentation of other-than-temporary impairments under FASB ASC Topic *Financial Instruments - Debt and Equity Securities*, during the second quarter of 2009, adjusted for subsequent sales of securities. It does not include the change in fair value subsequent to the impairment measurement date.

At December 31, 2009 (in thousands of U.S. dollars)	Amortized Cost	Included in Accumulated Other Comprehensive Income		Fair Value	Non-Credit Other-Than- Temporary Impairments (1)
		Gross Unrealized Gains	Gross Unrealized Losses		
U.S. treasuries	\$ 599,930	\$ 691	\$ (2,689)	\$ 597,932	\$
Agencies	164,071	1,627	(121)	165,577	
Non-U.S. government (Sovereign debt)	171,137	8,706	(557)	179,286	(88)
FDIC guaranteed corporate	850,193	6,175	(380)	855,988	
Non-U.S. government-backed corporate	248,888	1,557	(1,699)	248,746	
Corporate	811,304	32,128	(4,556)	838,876	(4,659)
Agency mortgage-backed	289,433	4,521	(1,526)	292,428	
Non-agency mortgage-backed	35,071	1,888	(576)	36,383	(2,949)
Commercial mortgage-backed	253,713	2,183	(4,424)	251,472	
Asset-backed	89,443	3,598	(532)	92,509	(1,531)
<b>Total fixed maturity investments available for sale</b>	<b>\$ 3,513,183</b>	<b>\$ 63,074</b>	<b>\$ (17,060)</b>	<b>\$ 3,559,197</b>	<b>\$ (9,227)</b>

- (1) Represents the non-credit component of other-than-temporary impairments recognized in accumulated other comprehensive income since the adoption of guidance related to the recognition and presentation of other-than-temporary impairments under FASB ASC Topic *Financial Instruments - Debt and Equity Securities*, during the second quarter of 2009, adjusted for subsequent sales of securities. It does not include the change in fair value subsequent to the impairment measurement date.

*Fixed Maturity Investments Trading*

During the fourth quarter of 2009, the Company started designating, upon acquisition, certain fixed maturity investments as trading, rather than as available for sale. The Company made this change, due in part to the new authoritative other-than-temporary impairment GAAP guidance that became effective on April 1, 2009, which has resulted in additional accounting judgments required to be made on a quarterly basis, combined with an effort to

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report the Company's fixed maturity investment portfolio results in the Company's consolidated statements of operations in a manner consistent with the way in which the Company manages the portfolio, which is on a total investment return basis. The Company currently expects to continue to designate, in future periods, upon acquisition, certain fixed maturity investments as trading, rather than as available for sale, and, as a result, the Company currently expects its fixed maturity investments available for sale balance to decrease and its fixed maturity trading balance to increase over time, resulting in a reduction in other-than-temporary accounting judgments the Company makes. This change will over time result in additional volatility in the Company's net income (loss) in future periods as net unrealized gains and losses on these fixed maturity investments will be recorded currently in net income (loss), rather than as a component of accumulated other comprehensive income (loss) in shareholders' equity.

The following table summarizes the fair value of fixed maturity investments trading at March 31, 2010:

<b>At March 31, 2010</b> <b>(in thousands of U.S. dollars)</b>	<b>Fair Value</b>
U.S. treasuries	\$ 1,368,577
Agencies	25,815
Non-U.S. government (Sovereign debt)	84,508
FDIC guaranteed corporate	190,630
Non-U.S. government-backed corporate	271,102
Corporate	1,019,094
Agency mortgage-backed	89,609
<b>Total fixed maturity investments trading, at fair value</b>	<b>\$ 3,049,335</b>

Net realized and unrealized gains on fixed maturity investments include net unrealized gains on fixed maturity investments trading of \$4.9 million for the three months ended March 31, 2010.

Contractual maturities of fixed maturity investments are as follows. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

<b>At March 31, 2010</b> <b>(in thousands of U.S. dollars)</b>	<b>Available for Sale</b>		<b>Trading</b>		<b>Total Fixed Maturity Investments</b>	
	<b>Amortized Cost</b>	<b>Fair Value</b>	<b>Amortized Cost</b>	<b>Fair Value</b>	<b>Amortized Cost</b>	<b>Fair Value</b>
Due in less than one year	\$ 76,178	\$ 77,613	\$ 1,995	\$ 1,999	\$ 78,173	\$ 79,612
Due after one through five years	800,930	817,356	2,265,579	2,261,336	3,066,509	3,078,692
Due after five through ten years	151,605	157,954	633,774	628,137	785,379	786,091
Due after ten years	26,898	29,480	68,868	68,254	95,766	97,734
Mortgage-backed	343,231	352,781	90,297	89,609	433,528	442,390
Asset-backed	48,946	49,977			48,946	49,977
<b>Total</b>	<b>\$ 1,447,788</b>	<b>\$ 1,485,161</b>	<b>\$ 3,060,513</b>	<b>\$ 3,049,335</b>	<b>\$ 4,508,301</b>	<b>\$ 4,534,496</b>

**Table of Contents***Net Investment Income*

The components of net investment income are as follows:

<b>Three months ended March 31, (in thousands of U.S. dollars)</b>	<b>2010</b>	<b>2009</b>
Fixed maturity investments	\$ 28,643	\$ 39,127
Short term investments	2,284	3,071
Other investments		
Hedge funds and private equity investments	17,536	(19,741)
Other	21,218	21,821
Cash and cash equivalents	66	373
	69,747	44,651
Investment expenses	(2,566)	(2,525)
Net investment income	\$ 67,181	\$ 42,126

Net realized gains on the sale of investments are determined on the basis of the first in first out cost method and for fixed maturity investments available for sale include adjustments to the cost basis of investments for declines in value that are considered to be other-than-temporary. During the fourth quarter of 2009, the Company started designating upon acquisition, certain fixed maturity investments as trading. As a result, unrealized gains (losses) on fixed maturity investments designated as trading, are recorded in net realized and unrealized gains (losses) on the Company's consolidated statement of operations. Unrealized gains (losses) on the Company's fixed maturity investments available for sale, are recorded in accumulated other comprehensive income on the Company's consolidated balance sheet. The Company's net realized and unrealized gains on fixed maturity investments and net other-than-temporary impairments are as follows:

<b>Three months ended March 31, (in thousands of U.S. dollars)</b>	<b>2010</b>	<b>2009</b>
Gross realized gains	\$ 48,887	\$ 31,423
Gross realized losses	(5,170)	(9,297)
Net realized gains on fixed maturity investments	43,717	22,126
Net unrealized gains on fixed maturity investments, trading	4,881	
Net realized and unrealized gains on fixed maturity investments	\$ 48,598	\$ 22,126
Total other-than-temporary impairments	(33)	(19,022)
Portion recognized in other comprehensive income, before taxes		
Net other-than-temporary impairments	\$ (33)	\$ (19,022)



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The following table provides an analysis of the length of time the Company's fixed maturity investments available for sale in an unrealized loss have been in a continual unrealized loss position.

At March 31, 2010 (in thousands of U.S. dollars)	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. treasuries	\$ 2,058	\$ (10)	\$	\$	\$ 2,058	\$ (10)
Agencies	2,997	(8)			2,997	(8)
Non-U.S. government (Sovereign debt)	11,966	(265)	111	(9)	12,077	(274)
FDIC guaranteed corporate	60,625	(56)			60,625	(56)
Non-U.S. government-backed corporate	6,360	(26)			6,360	(26)
Corporate	71,881	(1,322)	2,829	(238)	74,710	(1,560)
Agency mortgage-backed	50,898	(257)			50,898	(257)
Non-agency mortgage-backed	435	(14)	1,394	(78)	1,829	(92)
Commercial mortgage-backed	13,227	(259)	14,028	(670)	27,255	(929)
Asset-backed			7,918	(296)	7,918	(296)
<b>Total</b>	<b>\$ 220,447</b>	<b>\$ (2,217)</b>	<b>\$ 26,280</b>	<b>\$ (1,291)</b>	<b>\$ 246,727</b>	<b>\$ (3,508)</b>

At December 31, 2009 (in thousands of U.S. dollars)	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. treasuries	\$ 551,203	\$ (2,689)	\$	\$	\$ 551,203	\$ (2,689)
Agencies	75,537	(121)			75,537	(121)
Non-U.S. government (Sovereign debt)	39,119	(540)	209	(17)	39,328	(557)
FDIC guaranteed corporate	156,989	(380)			156,989	(380)
Non-U.S. government-backed corporate	106,971	(1,699)			106,971	(1,699)
Corporate	253,828	(4,069)	7,893	(487)	261,721	(4,556)
Agency mortgage-backed	156,288	(1,348)	3,818	(178)	160,106	(1,526)
Non-agency mortgage-backed	2,558	(54)	9,120	(522)	11,678	(576)
Commercial mortgage-backed	77,796	(1,089)	32,184	(3,335)	109,980	(4,424)
Asset-backed	4,605	(18)	14,407	(514)	19,012	(532)
<b>Total</b>	<b>\$ 1,424,894</b>	<b>\$ (12,007)</b>	<b>\$ 67,631</b>	<b>\$ (5,053)</b>	<b>\$ 1,492,525</b>	<b>\$ (17,060)</b>

At March 31, 2010, the Company held 42 fixed maturity investments available for sale securities that were in an unrealized loss position for twelve months or greater and does not intend to sell these securities and it is not more likely than not that the Company will be required to sell these securities before the anticipated recovery of the remaining amortized cost basis. The Company performed reviews of its investments for the three months ended March 31, 2010 and 2009, respectively, in order to determine whether declines in the fair value below the amortized cost basis of its fixed maturity investments available for sale were considered other-than-temporary in accordance with the applicable guidance, as discussed below.

At March 31, 2010, \$1.4 billion of cash and investments at fair value were on deposit with, or in trust accounts for the benefit of various counterparties, including with respect to the Company's principal letter of credit facility. Of this amount, \$59.4 million are on deposit, or in trust accounts for the benefit of U.S. state regulatory authorities.

**Other-Than-Temporary Impairment Process Prior to April 1, 2009**

Under the pre-existing guidance, which was in effect for the three months ended March 31, 2009, the Company assessed, on a quarterly basis, whether declines in the fair value of its fixed maturity investments available for sale represented impairments that were other-than-temporary

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based on several factors. The factors the Company considered in the assessment of a security included: (i) the time period during which there had been a significant decline below cost; (ii) the extent of the decline below cost; (iii) the Company's intent and ability to hold the security; (iv) the potential for the security to recover in value; (v) an analysis of the financial condition of the issuer; and (vi) an analysis of the collateral structure and credit support of the security, if applicable. Where the Company determined that there was an other-than-temporary decline in the fair value of the security, the cost of the security was written down to its fair value and the unrealized loss at the time of determination was reflected in the Company's consolidated statements of operations.

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The majority of the Company's fixed maturity investments available for sale are managed by external investment managers in accordance with specific investment mandates and guidelines. The investment managers are directed to manage the Company's investments to maximize total investment return in accordance with these investment mandates and guidelines. While the Company has adequate capital and liquidity to support its operations and to hold its fixed maturity investments available for sale which were in an unrealized loss position until they recover in value, the Company has not prohibited or restricted its investment managers from selling these investments and its investment managers actively traded the Company's investments. The Company was therefore unable to represent or certify that it had the intent or ability to hold these investments until they recovered in value. As a consequence, under the pre-existing guidance, the Company impaired essentially all of its fixed maturity investments available for sale that were in an unrealized loss position at each quarterly reporting date. For the three months ended March 31, 2009, the Company recorded other-than-temporary impairments of \$19.0 million. As of March 31, 2009, the Company had essentially no fixed maturity investments available for sale in an unrealized loss position.

***Other-Than-Temporary Impairment Process Effective April 1, 2009***

Pursuant to the guidance effective April 1, 2009, the Company revised its quarterly process for assessing whether declines in the fair value of its fixed maturity investments available for sale represent impairments that are other-than-temporary. The process now includes reviewing each fixed maturity investment available for sale that is impaired and determining: (i) if the Company has the intent to sell the debt security or (ii) if it is more likely than not that the Company will be required to sell the debt security before its anticipated recovery; and (iii) assessing whether a credit loss exists, that is, where the Company expects that the present value of the cash flows expected to be collected from the security are less than the amortized cost basis of the security.

In assessing the Company's intent to sell securities, the Company's procedures may include actions such as discussing planned sales with its third party investment managers, reviewing sales that have occurred shortly after the balance sheet date, and consideration of other qualitative factors that may be indicative of the Company's intent to sell or hold the relevant securities. For the three months ended March 31, 2010, the Company recognized \$nil, of other-than-temporary impairments due to the Company's intent to sell these securities as of March 31, 2010.

In assessing whether it is more likely than not that the Company will be required to sell a security before its anticipated recovery, the Company considers various factors including its future cash flow forecasts and requirements, legal and regulatory requirements, the level of its cash, cash equivalents, short term investments, fixed maturity investments trading and fixed maturity investments available for sale in an unrealized gain position, and other relevant factors. For the three months ended March 31, 2010, the Company recognized \$nil of other-than-temporary impairments due to required sales.

In evaluating credit losses, the Company considers a variety of factors in the assessment of a security including: (i) the time period during which there has been a significant decline below cost; (ii) the extent of the decline below cost and par; (iii) the potential for the security to recover in value; (iv) an analysis of the financial condition of the issuer; (v) the rating of the issuer; (vi) the implied rating of the issuer based on an analysis of option adjusted spreads; (vii) the absolute level of the option adjusted spread for the issuer; and (viii) an analysis of the collateral structure and credit support of the security, if applicable.

Once the Company determines that it is possible that a credit loss may exist for a security, the Company performs a detailed review of the cash flows expected to be collected from the issuer. The Company estimates expected cash flows by applying estimated default probabilities and recovery rates to the contractual cash flows of the issuer, with such default and recovery rates reflecting long-term historical averages adjusted to reflect current credit, economic and market conditions, giving due consideration to collateral and credit support, if applicable, and discounting the expected cash flows at the purchase yield on the security. In instances in which a determination is made that an impairment exists but the Company does not intend to sell the security and it is not more likely than not that the Company will be required to sell the security before the anticipated recovery of its remaining amortized cost basis, the impairment is separated into: (i) the amount of the total other-than-temporary impairment related to the credit loss; and (ii) the amount of the total other-than-temporary impairment related to all other factors. The amount of the other-than-temporary impairment related to the credit loss is recognized in earnings. The amount of the other-than-temporary impairment related to all other factors is recognized in other comprehensive income. For the three months ended March 31, 2010, the Company recognized \$33 thousand of credit related other-than-temporary impairments which were recognized in earnings and \$nil related to other factors.

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The following table provides a rollforward of the amount of other-than-temporary impairments related to credit losses recognized in earnings for which a portion of an other-than-temporary impairment was recognized in accumulated other comprehensive income for the three months ended March 31, 2010:

**Three months ended March 31, 2010****(in thousands of U.S. dollars)**

Balance - January 1	\$ 9,987
Additions:	
Amount related to credit loss for which an other-than-temporary impairment was not previously recognized	
Amount related to credit loss for which an other-than-temporary impairment was previously recognized	31
Reductions:	
Securities sold during the period	(5,954)
Securities for which the amount previously recognized in other comprehensive income was recognized in earnings, because the Company intends to sell the security or is more likely than not the Company will be required to sell the security	
Increases in cash flows expected to be collected that are recognized over the remaining life of the security	
Balance - March 31	\$ 4,064

**NOTE 7. FAIR VALUE MEASUREMENTS**

The use of fair value to measure certain assets and liabilities with resulting unrealized gains or losses is pervasive within the Company's financial statements, and is a critical accounting policy and estimate for the Company. Fair value is defined under accounting guidance currently applicable to the Company to be the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between open market participants at the measurement date. The Company recognizes the change in unrealized gains and losses arising from changes in fair value in its consolidated statements of operations, with the exception of changes in unrealized gains and losses on its fixed maturity investments available for sale, which are recognized as a component of accumulated other comprehensive income in shareholders equity.

FASB ASC Topic *Fair Value Measurements and Disclosures* prescribes a fair value hierarchy that prioritizes the inputs to the respective valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Fair values determined by Level 1 inputs utilize unadjusted quoted prices obtained from active markets for identical assets or liabilities for which the Company has access. The fair value is determined by multiplying the quoted price by the quantity held by the Company;

Fair values determined by Level 2 inputs utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals, broker quotes and certain pricing indices; and

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Level 3 inputs are based on unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. In these cases, significant management assumptions can be used to establish management's best estimate of the assumptions used by other market participants in determining the fair value of the asset or liability.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement of the asset or liability. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and the Company considers factors specific to the asset or liability.

In order to determine if a market is active or inactive for a security, the Company considers a number of factors, including, but not limited to, the spread between what a seller is asking for a security and what a buyer is bidding for the same security, the volume of trading activity for the security in question, the price of the security compared to its par value (for fixed maturity investments), and other factors that may be indicative of market activity. There have been no material changes in the Company's valuation techniques in the period represented by these consolidated financial statements.

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Below is a summary of the assets and liabilities that are measured at fair value on a recurring basis and also represents the carrying amount on the Company's consolidated balance sheet:

<b>At March 31, 2010</b> <b>(in thousands of U.S. dollars)</b>	<b>Total</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>Fixed maturity investments</b>				
U.S. treasuries	\$ 1,382,328	\$ 1,382,328	\$	\$
Agencies	126,660		126,660	
Non-U.S. government (Sovereign debt)	207,517		207,517	
FDIC guaranteed corporate	642,969		642,969	
Non-U.S. government-backed corporate	370,099		370,099	
Corporate	1,312,556		1,312,556	
Agency mortgage-backed	232,883		232,883	
Non-agency mortgage-backed	30,984		30,984	
Commercial mortgage-backed	178,523		178,523	
Asset-backed	49,977		49,977	
<b>Total fixed maturity investments</b>	<b>4,534,496</b>	<b>1,382,328</b>	<b>3,152,168</b>	
Short term investments	864,328		864,328	
<b>Other investments</b>				
Private equity partnerships	292,412			292,412
Senior secured bank loan funds	253,652		153,002	100,650
Catastrophe bonds	156,973		156,647	326
Non-U.S. fixed income funds	75,533		75,533	
Hedge funds	56,475		56,475	
Miscellaneous other investments	31,820		31,820	
<b>Total other investments</b>	<b>866,865</b>		<b>473,477</b>	<b>393,388</b>
Other secured assets	27,651		27,651	
<b>Other assets and (liabilities)</b>				
Platinum warrants	31,174		31,174	
Weather and energy risk management operations	(4,644)	3,832		(8,476)
Assumed and ceded (re)insurance contracts	(1,094)			(1,094)
Derivatives	3,682	4,458	(776)	
Other	15,626	(775)		16,401
<b>Total other assets and (liabilities)</b>	<b>44,744</b>	<b>7,515</b>	<b>30,398</b>	<b>6,831</b>
	<b>\$ 6,338,084</b>	<b>\$ 1,389,843</b>	<b>\$ 4,548,022</b>	<b>\$ 400,219</b>

*Fixed Maturity Investments*

Fixed maturity investments included in Level 1 consist of the Company's investments in U.S. treasuries. Fixed maturity investments included in Level 2 are U.S. agencies, non-U.S. government, corporate, FDIC guaranteed corporate, non-U.S. government-backed corporate, agency mortgage-backed, mortgage-backed and asset-backed fixed maturity investments.

The Company's fixed maturity investments portfolios are priced using broker quotations and pricing services, such as index providers and pricing vendors. The pricing vendors provide pricing for a high volume of liquid securities that are actively traded. For securities that do not trade on an exchange, the pricing services generally utilize market data and other observable inputs in matrix pricing models to determine prices. Prices are generally verified using third party data. Prices obtained from broker quotations are considered non-binding, however they are based on

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observable inputs and by observing secondary trading of similar securities obtained from active, non-distressed markets. The Company considers these Level 2 inputs as they are corroborated with other externally obtained information. The techniques generally used to determine the fair value of our fixed maturity investments are detailed below by asset class.

### U.S. treasuries

At March 31, 2010, the Company's U.S. treasuries fixed maturity investments had a weighted average yield to maturity of 1.9%, a weighted average credit quality of AAA, and are primarily priced by pricing vendors. When pricing these securities, the vendor may utilize daily data from many real time market sources, including active broker dealers, as such, the Company considers its U.S. treasuries fixed maturity investments Level 1. All data sources are constantly reviewed for accuracy to ensure the most reliable price source is used for each issue and maturity date.

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### Agencies

At March 31, 2010, the Company's agencies fixed maturity investments had a weighted average yield to maturity of 1.3% and a weighted average credit quality of AAA. The issuers of the Company's agencies fixed maturity investments primarily consist of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and other agencies. Fixed maturity investments included in agencies, are primarily priced by pricing vendors. When evaluating these securities, the vendor may gather information from market sources and integrate other observations from markets and sector news. Evaluations are updated by obtaining broker dealer quotes and other market information including actual trade volumes, when available. The dollar value for each security is individually computed using analytical models which incorporate option adjusted spreads and other daily interest rate data. The Company considers its agencies fixed maturity investments Level 2.

### Non-U.S. government (Sovereign debt)

Non-U.S. government fixed maturity investments held by the Company at March 31, 2010, had a weighted average yield to maturity of 3.5% and a weighted average credit quality of AA. The issuers for securities in this sector are generally non-U.S. governments and agencies as well as supranational organizations. Securities held in these sectors, are primarily priced by pricing vendors who employ proprietary discounted cash flow models to value the securities. Key quantitative inputs for these models are daily observed benchmark curves for treasury, swap and high issuance credits. The pricing vendor may then apply a credit spread for each security which is developed by in-depth and real time market analysis. For securities in which trade volume is low, the pricing vendor may also utilize data from more frequently traded securities with similar attributes. These models may also be supplemented by daily market and credit research for international markets. The Company considers its non-U.S. government fixed maturity investments Level 2.

### FDIC guaranteed corporate

The Company's FDIC guaranteed corporate fixed maturity investments had a weighted average yield to maturity of 1.1% and a weighted average credit quality of AAA at March 31, 2010. The issuers consist of well known corporate issuers who participate in the FDIC program. The Company's FDIC guaranteed corporate fixed maturity investments, are primarily priced by pricing vendors. When evaluating these securities, the vendor may gather information from market sources regarding the issuer of the security, obtain credit data, as well as other observations from markets and sector news. Evaluations are updated by obtaining broker dealer quotes and other market information including actual trade volumes, when available. The pricing vendor may also consider the specific terms and conditions of the securities, including any specific features which may influence risk. Each security is individually evaluated using a spread model which is added to the U.S. treasury curve or LIBOR. The Company considers its FDIC guaranteed corporate fixed maturity investments Level 2.

### Non-U.S. government-backed corporate

Non-U.S. government-backed corporate fixed maturity investments are considered Level 2 by the Company and had a weighted average yield to maturity of 2.0% and a weighted average credit quality of AAA at March 31, 2010. Non-U.S. government-backed fixed maturity investments are primarily priced by pricing vendors who employ proprietary discounted cash flow models to value the securities. Key quantitative inputs for these models are daily observed benchmark curves for treasury, swap and high issuance credits. The pricing vendor may then apply a credit spread for each security which is developed by in-depth and real time market analysis. For securities in which trade volume is low, the pricing vendor may also utilize data from more frequently traded securities with similar attributes. These models may also be supplemented by daily market and credit research for international markets.



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### Corporate

At March 31, 2010, the Company's corporate fixed maturity investments had a weighted average yield to maturity of 3.4% and a weighted average credit quality of A, and principally consist of U.S. and international corporations. The Company's corporate fixed maturity investments are primarily priced by pricing vendors, and are considered Level 2 by the Company. When evaluating these securities, the vendor may gather information from market sources regarding the issuer of the security, obtain credit data, as well as other observations from markets and sector news. Evaluations are updated by obtaining broker dealer quotes and other market information including actual trade volumes, when available. The pricing vendor may also consider the specific terms and conditions of the securities, including any specific features which may influence risk. Each security is individually evaluated using a spread model which is added to the U.S. treasury curve or LIBOR.

### Agency mortgage-backed

At March 31, 2010, the Company's agency mortgage-backed fixed maturity investments included agency residential mortgage-backed securities with a weighted average yield to maturity of 3.1%, a weighted average credit quality of AAA and a weighted average life of 4.0 years. The majority of the Company's agency mortgage-backed fixed maturity investments held at March 31, 2010 are from vintage years 2009 and prior. The Company's agency mortgage-backed fixed maturity investments are primarily priced by pricing vendors using a mortgage pool specific model which utilizes daily inputs from the active TBA market which is extremely liquid, as well as the U.S. treasury market and LIBOR. The vendor model may also utilize additional information, such as the weighted average maturity, weighted average coupon and other available pool level data which is provided by the sponsoring agency. Valuations may also be corroborated by daily active market quotes. The Company considers its agency mortgage-backed fixed maturity investments Level 2.

### Non-agency mortgage-backed

The Company's non-agency mortgage-backed fixed maturity investments include non-agency prime residential mortgage-backed and non-agency Alt-A fixed maturity investments, and considers these fixed maturity investments Level 2. The Company has no fixed maturity investments classified as sub-prime held in its fixed maturity investments portfolio. At March 31, 2010, the Company's non-agency prime residential mortgage-backed fixed maturity investments have a weighted average yield to maturity of 5.2%, a weighted average credit quality of AA and a weighted average life of 4.3 years. The Company's non-agency Alt-A fixed maturity investments held at March 31, 2010, have a weighted average yield to maturity of 8.6%, a weighted average credit quality of AA, a weighted average life of 3.9 years, and are from vintage years 2005 and prior. Securities held in these sectors, are primarily priced by pricing vendors using a mortgage pool specific model which utilizes daily inputs from the active TBA market which is extremely liquid, as well as the U.S. treasury market and LIBOR. The vendor model may also utilize additional information, such as the weighted average maturity, weighted average coupon and other available pool level data which is provided by the sponsoring agency. Valuations may also be corroborated by daily active market quotes.

### Commercial mortgage-backed

The Company's commercial mortgage-backed fixed maturity investments held at March 31, 2010 have a weighted average yield to maturity of 3.7%, a weighted average credit quality of AA and a weighted average life of 3.8 years, and the majority of the securities held are from vintage years 2007 and prior. Securities held in these sectors, are primarily priced by pricing vendors and are considered Level 2 by the Company. The pricing vendor may apply dealer quotes and other available trade information such as bid and offers, prepayment speeds which may be adjusted for the underlying collateral or current price data, the U.S. treasury curve, swap curve and TBA values as well as cash settlement. The model utilizes a single cash flow stream and computes both a yield to call and weighted average yield to maturity. The model generates a derived price for the bond by applying the most likely scenario.

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### **Asset-backed**

At March 31, 2010, the Company's asset-backed fixed maturity investments had a weighted average yield to maturity of 1.6%, a weighted average credit quality of AAA and a weighted average life of 3.6 years. The underlying collateral for the Company's asset-backed fixed maturity investments primarily consists of student loans, automobile loans and credit card receivables. Securities held in these sectors, are primarily priced by pricing vendors and are considered Level 2 by the Company. The pricing vendor may apply dealer quotes and other available trade information such as bid and offers, prepayment speeds which may be adjusted for the underlying collateral or current price data, the U.S. treasury curve, swap curve and TBA values as well as cash settlement. The model utilizes a single cash flow stream and computes both a yield to call and weighted average yield to maturity. The model generates a derived price for the bond by applying the most likely scenario.

### *Short term investments*

Short term investments are considered Level 2 and fair values are generally determined using amortized cost which approximates fair value and, in certain cases, in a manner similar to the Company's fixed maturity investments noted above.

### *Other Investments*

#### **Private equity partnerships**

Included in the Company's investments in private equity partnerships at March 31, 2010 are alternative asset limited partnerships that invest in certain private equity asset classes including U.S. and global leveraged buyouts; mezzanine investments; distressed securities; real estate; oil, gas and power; and secondaries. The fair value of private equity partnership investments is based on net asset values obtained from the investment manager or general partner of the respective entity. The type of underlying investments held by the investee which form the basis of the net asset valuation include assets such as private business ventures, for which the Company does not have access to, and as a result, is unable to corroborate the fair value measurement and therefore requires significant management judgment to determine the underlying value of the private equity partnership and accordingly the fair value of the Company's investment in each private equity partnership is considered Level 3. The Company also considers factors such as recent financial information, the value of capital transactions with the partnership and management's judgment regarding whether any adjustments should be made to the net asset value. The Company regularly reviews the performance of its private equity partnerships directly with the fund managers.

#### **Senior secured bank loan funds**

At March 31, 2010, the Company's investments in senior secured bank loan funds include funds that invest primarily in bank loans and other senior debt instruments. The fair values of the Company's senior secured bank loan funds are estimated using the net asset value per share of the funds. Investments of \$153.0 million are redeemable, in whole or in part, on a monthly basis, and are valued at the net asset value of the fund and are considered Level 2. In addition, the Company has a \$100.7 million investment in a bank loan fund for which it has no right to redeem its investment in advance of dissolution of the fund. Instead, the nature of this investment is that distributions are received by the Company in connection with the liquidation of the underlying assets of the fund. The Company's investment in this bank loan fund is valued using monthly net asset valuations received from the investment manager. The underlying investments in this bank loan fund are relatively liquid and prices can be obtained on a daily basis. However, the lock up provisions in this fund result in a lack of current observable market transactions between the fund participants and the fund, and therefore, the Company considers the fair value of its investment in this fund to be determined using Level 3 inputs.

#### **Catastrophe bonds**

The Company's other investments include investments in catastrophe bonds which are recorded at fair value based on quoted market prices, or when such prices are not available, by reference to broker or underwriter bid indications. As such, the Company considers its catastrophe bonds Level 2.

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### Non-U.S. fixed income funds

The Company considers its investments in non-U.S. fixed income funds Level 2. The Company's non-U.S. fixed income funds invest primarily in European high yield bonds, non-U.S. convertible securities and high income convertible securities. The fair values of the investments in this category have been estimated using the net asset value per share of the investments which are provided by third parties such as the relevant investment manager or administrator, recent financial information issued by the applicable investee entity or available market data to estimate fair value.

### Hedge funds

The Company invests in hedge funds that pursue multiple strategies without limiting itself to a predefined strategy or set of strategies. The strategies employed include, among others, the following: fundamentally driven long/short; event oriented; credit, distressed credit and structured credit investments and arbitrage; capital structure arbitrage; and private investments. At March 31, 2010, the fair values of the Company's hedge funds have been estimated using the net asset value per share of the investments which are provided by third parties such as the relevant investment manager or administrator, recent financial information issued by the applicable investee entity or available market data to estimate fair value. The Company considers its hedge fund investments Level 2.

### *Other secured assets*

Other secured assets represent contractual rights under a purchase agreement, contingent purchase agreement and credit derivatives agreement with a major bank to sell certain securities within the Company's catastrophe-linked securities portfolio. The Company's other secured assets are accounted for at fair value based on quoted market prices, or when such prices are not available, by reference to broker or underwriter bid indications. As such, the Company considers its catastrophe bonds Level 2.

### *Other assets and liabilities*

Included in other assets and liabilities measured at fair value is the Company's investment in a warrant to purchase 2.5 million common shares of Platinum, estimated using the Black-Scholes option pricing model, which the Company has considered Level 2 as the inputs to the option pricing model are based on observable market inputs. Other assets and liabilities also include the Company's weather and energy risk management operations, which principally includes certain derivative-based risk management products primarily to address weather and energy risks, and hedging and trading activities related to these risks. The trading markets for these derivatives are generally linked to energy and agriculture commodities, weather and other natural phenomena and the fair value of these contracts is obtained through the use of exchange traded market prices, or in the absence of such market prices, industry or internal valuation models, as such, these products are considered Level 1 and Level 3, respectively. The Company considers assumed and ceded (re)insurance contracts accounted for at fair value as Level 3, as the fair value of these contracts is obtained through the use of internal valuation models with the inputs to the internal valuation model based on proprietary data as observable market inputs are not available. In addition, other assets and liabilities include certain other derivatives entered into by the Company, the fair value of these transactions include certain exchange traded foreign currency forward contracts which are considered Level 1, and the fair value of certain credit derivatives, determined using industry valuation models and considered Level 2, as the inputs to the valuation model are based on observable market inputs.

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Below is a reconciliation of the beginning and ending balances, for the periods shown, of assets and liabilities measured at fair value on a recurring basis using Level 3 inputs. Interest and dividend income are included in net investment income and are excluded from the reconciliation.

Three months ended March 31, 2010 (in thousands of U.S. dollars)	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Other investments	Other assets and (liabilities)	Total
Balance January 1	\$ 393,913	\$ 3,567	\$ 397,480
Total net unrealized gains (losses)			
Included in net investment income	8,891		8,891
Included in other loss		(10,136)	(10,136)
Total net realized gains			
Included in net investment income			
Included in other loss		7,615	7,615
Total net foreign exchange losses	(2,215)	(484)	(2,699)
Net purchases, issuances, and settlements	(7,201)	6,269	(932)
Net transfers in and/or out of Level 3			
Balance March 31, 2010	\$ 393,388	\$ 6,831	\$ 400,219

*Reinsurance Contracts Accounted for at Fair Value*

The Company assumes and cedes certain reinsurance contracts that are accounted for at fair value under the fair value election option. The fair value of these contracts is obtained through the use of internal valuation models. These contracts are recorded on the Company's balance sheet in other assets and other liabilities and totaled \$1.2 million and \$0.7 million, respectively, at March 31, 2010 (December 31, 2009 \$2.2 million and \$nil, respectively). During the three months ended March 31, 2010, the Company recorded losses of \$1.4 million which are included in other loss and represent changes in the fair value of these contracts (March 31, 2009 \$0.8 million).

*Insurance Contracts Accounted for at Fair Value*

The Company assumes certain insurance contracts that are accounted for at fair value under the fair value election option. The fair value of these contracts is obtained through the use of internal valuation models. These contracts are recorded on the Company's balance sheet in other liabilities and totaled \$1.6 million at March 31, 2010 (December 31, 2009 \$14.0 million). During the three months ended March 31, 2010, the Company recorded unrealized losses of \$1.2 million (March 31, 2009 unrealized gains of \$0.1 million), and realized gains of \$1.9 million (March 31, 2009 realized losses of \$30 thousand) which are included in other loss and represent changes in the fair value and realized gains of these contracts.

*Weather and Energy Transactions Accounted for at Fair Value*

Through the business conducted by Renaissance Trading on a regular basis and otherwise from time to time, the Company enters into certain weather and energy insurance type contracts through its trading activities that it has elected to account for at fair value under the fair value election option. These contracts are recorded on the Company's balance sheet in other assets and totaled \$nil million at March 31, 2010 (December 31, 2009 \$0.5 million). During the three months ended March 31, 2010, the Company recorded unrealized losses of \$3.0 million, which are included in other loss and represent changes in the fair value of these contracts (March 31, 2009 \$nil).

**Table of Contents***Senior Notes*

In January 2003, RenaissanceRe issued \$100.0 million, which represents the carrying amount on the Company's consolidated balance sheet, of 5.875% Senior Notes due February 15, 2013, with interest on the notes payable on February 15 and August 15 of each year. The notes can be redeemed by RenaissanceRe prior to maturity subject to payment of a "make-whole" premium. The notes, which are senior obligations, contain various covenants, including limitations on mergers and consolidations, restrictions as to the disposition of the stock of designated subsidiaries and limitations on liens of the stock of designated subsidiaries. At March 31, 2010, the fair value of the 5.875% Senior Notes was \$104.8 million (December 31, 2009 - \$103.7 million).

In March 2010, RenRe North America Holdings Inc. ("RRNAH") issued \$250.0 million of 5.750% Senior Notes due March 15, 2020, with interest on the notes payable on March 15 and September 15 of each year. The notes are guaranteed by RenaissanceRe and can be redeemed by RRNAH prior to maturity subject to payment of a "make-whole" premium. The notes, which are senior obligations, contain various covenants, including limitations on mergers and consolidations, restrictions as to the disposition of the stock of designated subsidiaries and limitations on liens of the stock of designated subsidiaries. At March 31, 2010, the fair value of the 5.750% Senior Notes was \$247.5 million.

The fair value of RenaissanceRe's 5.875% Senior Notes and RRNAH's 5.750% Senior Notes is determined using indicative market pricing obtained from third-party service providers.

*The Fair Value Option for Financial Assets and Financial Liabilities*

The Company has elected to account for certain assets and liabilities at fair value under FASB ASC Topic *Financial Instruments*. The Company has elected to use the guidance under FASB ASC Topic *Financial Instruments*, as it represents the most current authoritative GAAP. Below is a summary of the balances the Company has elected to account for at fair value:

<b>(in thousands of U.S. dollars)</b>	<b>March 31, 2010</b>	<b>December 31, 2009</b>
Other investments	\$ 866,865	\$ 858,026
Other secured assets	27,651	27,730
Other assets and (liabilities) (1)	\$ 6,831	\$ 9,102

(1) Balance at March 31, 2010 includes \$17.6 million of other assets and \$10.8 million of other liabilities. Balance at December 31, 2009 includes \$22.6 million of other assets and \$13.5 million of other liabilities.

Included in net investment income for the three months ended March 31, 2010 is \$24.9 million of net unrealized gains related to the changes in fair value of other investments (March 31, 2009 - \$17.0 million of net unrealized losses). Net unrealized losses related to the changes in the fair value of other secured assets and other assets and liabilities recorded in other loss was \$0.1 million and \$10.1 million, respectively, for the three months ended March 31, 2010 (March 31, 2009 - net unrealized (losses) gains of \$(0.1) million and \$0.1 million, respectively).

**Table of Contents***Measuring the Fair Value of Other Investments Using Net Asset Valuations*

The table below shows the Company's portfolio of other investments measured using net asset valuations:

<b>At March 31, 2010</b> <b>(in thousands of U.S. dollars)</b>	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
Private equity partnerships	\$ 292,412	\$ 176,861	See below	See below
Senior secured bank loan funds	253,652		See below	See below
Non-U.S. fixed income funds	75,533		Monthly, bi-monthly	5 - 20 days
Hedge funds	56,475		Annually, bi-annually	45 - 90 days
<b>Total other investments measured using net asset valuations</b>	<b>\$ 678,072</b>	<b>\$ 176,861</b>		

*Private equity partnerships* Included in the Company's investments in private equity partnerships are alternative asset limited partnerships that invest in certain private equity asset classes including U.S. and global leveraged buyouts; mezzanine investments; distressed securities; real estate; oil, gas and power; and secondaries. The fair values of the investments in this category have been estimated using the net asset value per share of the investments. The Company generally has no right to redeem its interest in any of these private equity partnerships in advance of dissolution of the applicable partnership. Instead, the nature of these investments is that distributions are received by the Company in connection with the liquidation of the underlying assets of the applicable limited partnership. If these investments were held, it is estimated that the majority of the underlying assets of the limited partnerships would liquidate over 7 to 10 years.

*Senior secured bank loan funds* The Company's investment in senior secured bank loan funds includes funds that invest primarily in bank loans and other senior debt instruments. The fair values of the investments in this category have been estimated using the net asset value per share of the funds. Investments of \$153.0 million are redeemable, in whole or in part, on a monthly basis. Currently, the Company generally has no right to redeem its remaining \$100.7 million investment in bank loan funds in advance of dissolution of the applicable funds. Instead, the nature of these investments is that distributions are received by the Company in connection with the liquidation of the underlying assets of the applicable fund. If these investments were held, it is estimated that the majority of the underlying assets of the funds would liquidate over 6 to 8 years. It is the Company's understanding that the management of the senior secured bank loan funds which currently cannot generally be redeemed has restructured these investments during 2010, to a fund structure which would liquidate in the near term, and the Company has elected to transfer its investment to the new fund structure, although such transfer has not yet taken place.

*Non-U.S. fixed income funds* The Company's non-U.S. fixed income funds invest primarily in European high yield bonds, non-U.S. convertible securities and high income convertible securities. The fair values of the investments in this category have been estimated using the net asset value per share of the investments. Investments of \$44.4 million are redeemable, in whole or in part, on a bi-monthly basis. The remaining \$31.1 million can generally only be redeemed by the Company at a rate of 10% per month. These investments may permit redemptions which exceed this amount, but they are not obliged to do so.

*Hedge funds* The Company invests in hedge funds that pursue multiple strategies without limiting itself to a pre-defined strategy or set of strategies. The strategies employed include, among others, the following: fundamentally driven long/short; event oriented; credit, distressed credit and structured credit investments and arbitrage; capital structure arbitrage; and private investments. The fair values of the investments in this category have been estimated using the net asset value per share of the investments. Included in the Company's hedge fund investments is \$10.4 million of so called "side pocket" investments which are not redeemable at the option of the shareholder. As to each investment in a hedge fund that includes side pocket investments, if the investment is otherwise fully redeemed, the Company will still retain its interest in the side pocket investments until the underlying investments attributable to such side pockets are liquidated, realized or deemed realized at the discretion of the fund manager.

**Table of Contents****NOTE 8. REDEEMABLE NONCONTROLLING INTEREST**

In October 2001, the Company formed DaVinciRe and DaVinci with other equity investors. RenaissanceRe owns a noncontrolling economic interest in DaVinciRe; however, because RenaissanceRe controls a majority of DaVinciRe's outstanding voting rights, the consolidated financial statements of DaVinciRe are included in the consolidated financial statements of the Company. The portion of DaVinciRe's earnings owned by third parties for the three months ended March 31, 2010 and 2009 is recorded in the consolidated statements of operations as redeemable noncontrolling interest.

DaVinciRe shareholders are party to a shareholders agreement (the Shareholders Agreement) which provides DaVinciRe shareholders, excluding RenaissanceRe, with certain redemption rights that enable each shareholder to notify DaVinciRe of such shareholder's desire for DaVinciRe to repurchase up to half of such shareholder's initial aggregate number of shares held, subject to certain limitations, such as limiting the aggregate of all share repurchase requests to 25% of DaVinciRe's capital in any given year and satisfying all applicable regulatory requirements. If total shareholder requests exceed 25% of DaVinciRe's capital, the number of shares repurchased will be reduced among the requesting shareholders pro-rata, based on the amounts desired to be repurchased. Shareholders desiring to have DaVinci repurchase their shares must notify DaVinciRe before March 1 of each year. The repurchase price will be based on GAAP book value as of the end of the year in which the shareholder notice is given, and the repurchase will be effective as of such date. Payment will be made by April 1 of the following year, following delivery of the audited financial statements for the year in which the repurchase was effective. The repurchase price is subject to a true-up for development on outstanding loss reserves after settlement of all claims relating to the applicable years. RenaissanceRe's ownership in DaVinciRe was 41.2% at March 31, 2010 (March 31, 2009 - 38.2%).

Certain third party shareholders of DaVinciRe submitted repurchase notices on or before the required annual redemption notice date of March 1, 2010, in accordance with the third amended and restated shareholders agreement, which provides shareholders, excluding RenaissanceRe, with certain redemption rights such as allowing each shareholder to notify DaVinciRe of such shareholder's desire for DaVinciRe to repurchase up to half of their initial aggregate number of shares held, subject to certain limitations. The repurchase notices submitted on or before March 1, 2010, were for shares of DaVinciRe with a GAAP book value of \$76.9 million at March 31, 2010.

The Company expects its ownership in DaVinciRe to fluctuate over time.

The activity in the Company's redeemable noncontrolling interest - DaVinciRe is detailed in the table below for the three months ended March 31, 2010 and 2009:

Three months ended March 31, (in thousands of U.S. dollars)	Redeemable noncontrolling interest - DaVinciRe	
	2010	2009
Balance - January 1	\$ 786,647	\$ 768,531
Net purchase of shares from redeemable noncontrolling interest	(140,410)	(152,728)
Comprehensive income:		
Net income attributable to redeemable noncontrolling interest	10,550	35,475
Other comprehensive income attributable to noncontrolling interest	1,738	(515)
Balance - March 31	\$ 658,525	\$ 650,763

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### **NOTE 9. DERIVATIVE INSTRUMENTS**

The Company enters into derivative instruments such as futures, options, swaps, forward contracts and other derivative contracts in order to manage its foreign currency exposure, obtain exposure to a particular financial market, for yield enhancement, or for trading and speculation. The Company accounts for its derivatives in accordance with FASB ASC Topic *Derivatives and Hedging*, which requires all derivatives to be recorded at fair value on the Company's balance sheet as either assets or liabilities, depending on the rights or obligations of the derivatives, with changes in fair value reflected in current earnings. The Company does not currently apply hedge accounting in respect of any positions reflected in its consolidated financial statements. The fair value of the Company's derivatives are estimated by reference to quoted prices or broker quotes, where available, or in the absence of quoted prices or broker quotes, the use of industry or internal valuation models. Where the Company has entered into master netting agreements with counterparties, or the Company has the legal and contractual right to offset positions, the derivative positions are generally netted by counterparty and are reported accordingly in other assets and other liabilities.

The Company's guidelines permit investments in derivative instruments such as futures, forward contracts, options, swap agreements and other derivative contracts which may be used to assume risk or for hedging purposes. The Company principally has exposure to derivatives related to the following types of risks: interest rate risk; foreign currency risk; credit risk; energy and weather-related risk; and equity price risk.

#### **Interest Rate Futures**

The Company uses interest rate futures within its portfolio of fixed maturity investments to manage its exposure to interest rate risk, which can include increasing or decreasing its exposure to this risk. At March 31, 2010, the Company had \$601.3 million of notional long positions and \$118.6 million of notional short positions of primarily Eurodollar and U.S. Treasury and non-U.S. dollar futures contracts. The fair value of these derivatives as recognized in other assets and liabilities in its consolidated balance sheet at March 31, 2010, was \$42 thousand and \$0.3 million, respectively (December 31, 2009 - \$0.9 million and \$0.1 million, respectively). For the three months ended March 31, 2010, the Company recorded losses of \$0.6 million (March 31, 2009 - gains of \$1.3 million) in its consolidated statement of operations related to these derivatives. The fair value of these derivatives is determined using exchange traded prices.

#### **Foreign Currency Derivatives**

The Company's functional currency is the U.S. dollar. The Company writes a portion of its business in currencies other than U.S. dollars and may, from time to time, experience foreign exchange gains and losses, other income (loss) and incur underwriting income (losses) in currencies other than U.S. dollars, which will in turn affect the Company's consolidated financial statements. All changes in exchange rates, with the exception of non-U.S. dollar denominated investments classified as available for sale, are recognized currently in the Company's consolidated statements of operations.

#### *Underwriting Operations Related Foreign Currency Contracts*

The Company's foreign currency policy with regard to its underwriting operations is generally to hold foreign currency assets, including cash, investments and receivables that approximate the foreign currency liabilities, including claims and claim expense reserves and reinsurance balances payable. When necessary, the Company may use foreign currency forward and option contracts to minimize the effect of fluctuating foreign currencies on the value of non-U.S. dollar denominated assets and liabilities associated with its underwriting operations. At March 31, 2010, the total notional amount in U.S. dollars of the Company's underwriting related foreign currency contracts was \$87.0 million. For the three months ended March 31, 2010, the Company incurred a loss of \$1.7 million (March 31, 2009 - \$1.4 million) on its foreign currency forward and option contracts related to its underwriting operations.



**Table of Contents***Investment Portfolio Related Foreign Currency Forward Contracts*

The Company's investment operations are exposed to currency fluctuations through its investments in non-U.S. dollar fixed maturity investments, short term investments and other investments. To economically hedge its exposure to currency fluctuations from these investments, the Company has entered into foreign currency forward contracts. Foreign exchange gains (losses) associated with the Company's hedging of these non-U.S. dollar investments are recorded in net foreign exchange losses in its consolidated statements of operations. At March 31, 2010, the Company had outstanding investment portfolio related foreign currency contracts of \$58.4 million in long positions and \$363.6 million in short positions, denominated in U.S. dollars. For the three months ended March 31, 2010, the Company recorded a gain of \$15.5 million (March 31, 2009 a gain of \$4.3 million) related to its foreign currency forward contracts entered into to seek to economically hedge the Company's non-U.S. dollar investments.

*Energy and Risk Operations Related Foreign Currency Contracts*

The Company's energy and risk operations are exposed to currency fluctuations through certain derivative transactions it enters into that are denominated in non-U.S. dollars. The Company may, from time to time, use foreign currency forward and option contracts to minimize the effect of fluctuating foreign currencies on the value of non-U.S. dollar denominated assets and liabilities associated with these operations. At March 31, 2010, the total notional amount in United States dollars of the Company's energy and risk management operations related to foreign currency contracts was \$nil. For the three months ended March 31, 2010, the Company incurred losses of \$0.3 million (March 31, 2009 \$nil) on its foreign currency forward and option contracts related to its energy and risk management operations.

**Credit Derivatives**

The Company's exposure to credit risk is primarily due to its fixed maturity investments, short term investments, premiums receivable and ceded reinsurance balances. From time to time, the Company purchases credit derivatives to hedge its exposures in the insurance industry, to assist in managing the credit risk associated with ceded reinsurance, or to assume credit risk. The fair value of the credit derivatives is determined using industry valuation models. The fair value of these credit derivatives can change based on a variety of factors including changes in credit spreads, default rates and recovery rates, the correlation of credit risk between the referenced credit and the counterparty, and market rate inputs such as interest rates. The fair value of these credit derivatives, as recognized in other liabilities in the Company's balance sheet, at March 31, 2010 was \$0.1 million (December 31, 2009 \$0.5 million). During the three months ended March 31, 2010, the Company recorded gains of \$0.3 million attributable to its credit derivatives (March 31, 2009 \$0.6 million) which are included in other loss and represent net settlements and changes in the fair value of these credit derivatives.

**Energy and Weather-Related Derivatives**

The Company regularly transacts certain derivative-based risk management products primarily to address weather and energy risks and engages in hedging and trading activities related to these risks. The trading markets for these derivatives are generally linked to energy and agriculture commodities, weather and other natural phenomena. Currently, a significant percentage of the Company's derivative-based risk management products are transacted on a dual-trigger basis combining weather or other natural phenomenon, with prices for commodities or securities related to energy or agriculture. The fair value of these contracts is obtained through the use of quoted market prices, or in the absence of such quoted prices, industry or internal valuation models. These contracts are recorded on the Company's balance sheet in other assets and other liabilities and totaled \$4.0 million and \$12.5 million, respectively, at March 31, 2010 (December 31, 2009 \$17.0 million and \$25.1 million, respectively). During the three months ended March 31, 2010, the Company generated income related to these derivatives of \$3.1 million (March 31, 2009 \$7.4 million) which is included in other loss and represents net settlements and changes in the fair value of these contracts. Generally, the Company's current portfolio of such derivative contracts is of comparably short duration and are frequently seasonal in nature. Over time, the Company currently expects that its participation in these markets, and the impact of these operations on its financial results, is likely to increase on both an absolute and relative basis.

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At March 31, 2010, the Company had the following gross derivative contract positions outstanding relating to its energy and weather derivatives trading activities.

Trading activity	Quantity (1)	Unit of measurement
Temperature	3,859,601	\$ per Degree Day Fahrenheit
Precipitation	200,000	\$ per Event
Energy	62,336,463	One million British thermal units ( MMBTUs )
Agriculture	3,635,000	Bushels

(1) Represents the sum of gross long and gross short derivative contracts.

The Company uses value-at-risk ( VaR ) analysis to monitor the risks associated with its energy and weather derivatives trading portfolio. VaR is a tool that measures the potential loss that could occur if the Company's trading positions were maintained over a defined period of time, calculated at a given statistical confidence level. Due to the seasonal nature of the Company's energy and weather derivatives trading activities, the VaR is based on a rolling two season (one-year) holding period assuming no dynamic trading during the holding period. A 99% confidence level is used for the VaR analysis. A 99% confidence level implies that within a one-year period, the potential loss in the Company's portfolio is not expected to exceed the VaR estimate in 99% of the possible modeled outcomes. In the remaining estimated 1% of the possible outcomes, the anticipated potential loss is expected to be higher than the VaR figure, and on average substantially higher.

The VaR model, based on a Monte Carlo simulation methodology, seeks to take into account correlations between different positions and potential for movements to offset one another within the portfolio. The expected value of the risk factors in the Company's portfolio are generally obtained from exchange-traded futures markets. For most of the risk factors, the volatility is derived from exchange-traded options markets. For those risk factors for which exchange-traded options might not exist, the volatility is based on historical analysis matched to broker quotes from the over-the-counter market, where available. The joint distribution of outcomes is based on the Company's estimate of the historical seasonal dependence among the underlying risk factors, scaled to the current market levels. The Company then estimates the expected outcomes by applying a Monte Carlo simulation to these risk factors. The joint distribution of the simulated risk factors is then filtered through the portfolio positions, and then the distribution of the outcomes is realized. The 99<sup>th</sup> percentile of this distribution is then calculated as the portfolio VaR. The major limitation of this methodology is that the market data used to forecast parameters of the model may not be an appropriate proxy of those parameters. The VaR methodology uses a number of assumptions, such as (i) risks are measured under average market conditions, assuming normal distribution of market risk factors, (ii) future movements in market risk factors follow estimated historical movements, and (iii) the assessed exposures do not change during the holding period. There is no guarantee that these assumptions will prove correct. The Company expects that, for any given period, its actual results will differ from its assumptions, including with respect to previously estimated potential losses and that such losses could be substantially higher than the estimated VaR.

At March 31, 2010, the estimated VaR for the Company's portfolio of energy and weather-related derivatives, as described above, calculated at an estimated 99% confidence level, was \$20.2 million. The average, low and high amounts calculated by the Company's VaR analysis during the three months ended March 31, 2010 were \$2.4 million, \$0.4 million and \$25.6 million, respectively.

At March 31, 2010, RenaissanceRe had provided guarantees in the amount of \$166.7 million to certain counterparties of the weather and energy risk operations of Renaissance Trading. In the future, RenaissanceRe may issue guarantees for other purposes or increase the amount of guarantees issued to counterparties of Renaissance Trading.

**Table of Contents****Platinum Warrant**

The Company holds a warrant, which expires on October 30, 2012, to purchase up to 2.5 million common shares of Platinum for \$27.00 per share. The Company has recorded its investment in the Platinum warrant at fair value. At March 31, 2010, the fair value of the warrant was \$31.2 million (December 31, 2009 - \$34.9 million). The fair value of the warrant is estimated using the Black-Scholes option pricing model. For the three months ended March 31, 2010, losses of \$3.7 million were recorded in other loss representing the change in the fair value of the warrant (March 31, 2009 - \$13.7 million).

The table below shows the location on the consolidated balance sheets and fair value of the Company's principal derivative instruments:

(in thousands of U.S. dollars)	Derivative Assets			
	At March 31, 2010		At December 31, 2009	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate futures	Other assets	\$ 42	Other assets	\$ 862
Foreign currency forward contracts (1)	Other assets		Other assets	
Foreign currency forward contracts (2)	Other assets	5,051	Other assets	3,292
Foreign currency forward contracts (3)	Other assets		Other assets	49
Credit default swaps	Other assets		Other assets	
Energy and weather contracts (4)	Other assets	4,036	Other assets	17,006
Platinum warrant	Other assets	31,174	Other assets	34,871
Total		\$ 40,303		\$ 56,080

(in thousands of U.S. dollars)	Derivative Liabilities			
	At March 31, 2010		At December 31, 2009	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate futures	Other liabilities	\$ 256	Other liabilities	\$ 143
Foreign currency forward contracts (1)	Other liabilities	723	Other liabilities	776
Foreign currency forward contracts (2)	Other liabilities		Other liabilities	
Foreign currency forward contracts (3)	Other liabilities		Other liabilities	
Credit default swaps	Other liabilities	54	Other liabilities	549
Energy and weather contracts (4)	Other liabilities	12,530	Other liabilities	25,086
Platinum warrant	Other liabilities		Other liabilities	
Total		\$ 13,563		\$ 26,554

- (1) Contracts used to manage foreign currency risks in underwriting and non-investment operations.
- (2) Contracts used to manage foreign currency risks in investment operations.
- (3) Contracts used to manage foreign currency risks in energy and risk operations.
- (4) Included in other assets is \$4.4 million of derivative assets and \$0.3 million of derivative liabilities at March 31, 2010 (December 31, 2009 - \$22.7 million and \$5.7 million, respectively). Included in other liabilities is \$8.9 million of derivative assets and \$21.4 million of derivative liabilities at March 31, 2010 (December 31, 2009 - \$55.9 million and \$81.0 million, respectively).

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The location and amount of the gain (loss) recognized in the Company's consolidated statements of operations related to its derivative instruments is shown in the following table:

Three months ended March 31, (in thousands of U.S. dollars)	Location of gain (loss) recognized on derivatives	Amount of gain (loss) recognized on derivatives	
		2010	2009
Interest rate futures	Net investment income	\$ (553)	\$ 1,327
Foreign currency forward contracts (1)	Net foreign exchange losses	(1,708)	(1,350)
Foreign currency forward contracts (2)	Net foreign exchange losses	15,452	4,306
Foreign currency forward contracts (3)	Net foreign exchange losses	(2,983)	
Credit default swaps	Other loss	282	612
Energy and weather contracts	Other loss	3,090	7,446
Platinum warrant	Other loss	(3,697)	(13,724)
Total		\$ 9,883	\$ (1,383)

(1) Contracts used to manage foreign currency risks in underwriting operations.

(2) Contracts used to manage foreign currency risks in investment operations.

(3) Contracts used to manage foreign currency risks in energy and risk operations.

The Company is not aware of the existence of any credit-risk related contingent features that it believes would be triggered in its derivative instruments that are in a net liability position at March 31, 2010.

**NOTE 10. CONDENSED CONSOLIDATING FINANCIAL INFORMATION PROVIDED IN CONNECTION WITH  
OUTSTANDING DEBT OF SUBSIDIARIES**

The following tables present condensed consolidating balance sheets at March 31, 2010 and December 31, 2009 and condensed consolidating statements of operations and statements of cash flows for the three months ended March 31, 2010 and 2009, respectively, for RenaissanceRe, RRNAH and RenaissanceRe's other subsidiaries. RRNAH is a wholly owned subsidiary of RenaissanceRe.

On March 17, 2010, RRNAH issued, and RenaissanceRe guaranteed, \$250.0 million of 5.75% Senior Notes due March 15, 2020, with interest on the notes payable on March 15 and September 15. The notes can be redeemed by RRNAH prior to maturity subject to payment of a make-whole premium. The notes, which are senior obligations, contain various covenants, including limitations on mergers and consolidations, restrictions as to the disposition of the stock of designated subsidiaries and limitations on liens of the stock of designated subsidiaries.

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Condensed Consolidating Balance Sheet March 31, 2010	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
<b>Assets</b>					
Total investments	\$ 445,165	\$ 243,653	\$ 5,661,813	\$	\$ 6,350,631
Cash and cash equivalents	13,855	11,795	333,123		358,773
Investments in subsidiaries	3,371,972	359,092		(3,731,064)	
Due from subsidiaries and affiliates	88,221			(88,221)	
Premiums receivable			511,832		511,832
Ceded reinsurance balances			121,836		121,836
Losses recoverable			156,820		156,820
Accrued investment income	1,482	1,116	30,186		32,784
Deferred acquisition costs			74,489		74,489
Other assets	14,828	825	316,997	(4,143)	328,507
<b>Total assets</b>	<b>\$ 3,935,523</b>	<b>\$ 616,481</b>	<b>\$ 7,207,096</b>	<b>\$ (3,823,428)</b>	<b>\$ 7,935,672</b>
<b>Liabilities, Redeemable Noncontrolling Interest and Shareholders Equity</b>					
<b>Liabilities</b>					
Reserve for claims and claim expenses	\$	\$	\$ 1,695,397	\$	\$ 1,695,397
Reserve for unearned premiums			614,490		614,490
Debt	124,000	329,086	200,000	(104,000)	549,086
Amounts due to subsidiaries and affiliates		460		(460)	
Reinsurance balances payable			241,544		241,544
Other liabilities	20,232	11,600	368,555	(15,048)	385,339
<b>Total liabilities</b>	<b>144,232</b>	<b>341,146</b>	<b>3,119,986</b>	<b>(119,508)</b>	<b>3,485,856</b>
Redeemable noncontrolling interest - DaVinciRe			658,525		658,525
<b>Shareholders Equity</b>					
<b>Total shareholders equity</b>	<b>3,791,291</b>	<b>275,335</b>	<b>3,428,585</b>	<b>(3,703,920)</b>	<b>3,791,291</b>
<b>Total liabilities, redeemable noncontrolling interest and shareholders equity</b>	<b>\$ 3,935,523</b>	<b>\$ 616,481</b>	<b>\$ 7,207,096</b>	<b>\$ (3,823,428)</b>	<b>\$ 7,935,672</b>

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.

(2) Includes Parent Guarantor and Subsidiary Issuer consolidating adjustments.

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Condensed Consolidating Balance Sheet December 31, 2009	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
<b>Assets</b>					
Total investments	\$ 484,560	\$ 410	\$ 5,768,441	\$	\$ 6,253,411
Cash and cash equivalents	15,206	7,606	237,904		260,716
Investments in subsidiaries	3,310,916	369,997		(3,680,913)	
Due from subsidiaries and affiliates	182,565			(182,565)	
Premiums receivable			589,827		589,827
Ceded reinsurance balances			91,852		91,852
Losses recoverable			194,241		194,241
Accrued investment income	1,727		30,201		31,928
Deferred acquisition costs			61,870		61,870
Other assets	17,199		304,863	(4,866)	317,196
<b>Total assets</b>	<b>\$ 4,012,173</b>	<b>\$ 378,013</b>	<b>\$ 7,279,199</b>	<b>\$ (3,868,344)</b>	<b>\$ 7,801,041</b>
<b>Liabilities, Redeemable Noncontrolling Interest and Shareholders Equity</b>					
<b>Liabilities</b>					
Reserve for claims and claim expenses	\$	\$	\$ 1,702,006	\$	\$ 1,702,006
Reserve for unearned premiums			446,649		446,649
Debt	124,000	80,000	200,000	(104,000)	300,000
Amounts due to subsidiaries and affiliates	12,522	1,155		(13,677)	
Reinsurance balances payable			381,548		381,548
Other liabilities	34,865	15,138	293,402		343,405
<b>Total liabilities</b>	<b>171,387</b>	<b>96,293</b>	<b>3,023,605</b>	<b>(117,677)</b>	<b>3,173,608</b>
Redeemable noncontrolling interest - DaVinciRe			786,647		786,647
<b>Shareholders Equity</b>					
<b>Total shareholders equity</b>	<b>3,840,786</b>	<b>281,720</b>	<b>3,468,947</b>	<b>(3,750,667)</b>	<b>3,840,786</b>
<b>Total liabilities, redeemable noncontrolling interest and shareholders equity</b>	<b>\$ 4,012,173</b>	<b>\$ 378,013</b>	<b>\$ 7,279,199</b>	<b>\$ (3,868,344)</b>	<b>\$ 7,801,041</b>

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.

(2) Includes Parent Guarantor and Subsidiary Issuer consolidating adjustments.

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Condensed Consolidating Statement of Operations	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
<b>For the three months ended March 31, 2010</b>					
<b>Revenues</b>					
Net premiums earned	\$	\$	\$ 278,126	\$	\$ 278,126
Net investment income	5,644	330	61,207		67,181
Net foreign exchange losses	(165)		(11,177)		(11,342)
Equity in earnings of other ventures			2,156		2,156
Other income (loss)	641		(6,372)		(5,731)
Net realized and unrealized gains (losses) on fixed maturity investments	4,159	(3,425)	47,864		48,598
Net other-than-temporary impairments			(33)		(33)
<b>Total revenues</b>	<b>10,279</b>	<b>(3,095)</b>	<b>371,771</b>		<b>378,955</b>
<b>Expenses</b>					
Net claims and claim expenses incurred			79,057		79,057
Acquisition expenses			44,675		44,675
Operational expenses	21	208	64,530	(208)	64,551
Corporate expenses	4,653	12	894		5,559
Interest expense	1,436	2,970	1,117	(2,367)	3,156
<b>Total expenses</b>	<b>6,110</b>	<b>3,190</b>	<b>190,273</b>	<b>(2,575)</b>	<b>196,998</b>
Income (loss) before equity in net income (loss) of subsidiaries and taxes	4,169	(6,285)	181,498	2,575	181,957
Equity in net income (loss) of subsidiaries	171,453	(3,554)		(167,899)	
Income (loss) before taxes	175,622	(9,839)	181,498	(165,324)	181,957
Income tax benefit		2,906	1,309		4,215
<b>Net income (loss)</b>	<b>175,622</b>	<b>(6,933)</b>	<b>182,807</b>	<b>(165,324)</b>	<b>186,172</b>
Net income attributable to redeemable noncontrolling interest - DaVinciRe			(10,550)		(10,550)
<b>Net income (loss) attributable to RenaissanceRe</b>	<b>175,622</b>	<b>(6,933)</b>	<b>172,257</b>	<b>(165,324)</b>	<b>175,622</b>
Dividends on preference shares	(10,575)				(10,575)
<b>Net income (loss) available (attributable) to RenaissanceRe common shareholders</b>	<b>\$ 165,047</b>	<b>\$ (6,933)</b>	<b>\$ 172,257</b>	<b>\$ (165,324)</b>	<b>\$ 165,047</b>

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.

(2) Includes Parent Guarantor and Subsidiary Issuer consolidating adjustments.

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Condensed Consolidating Statement of Operations	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
<b>For the three months ended March 31, 2009</b>					
<b>Revenues</b>					
Net premiums earned	\$	\$	\$ 301,748	\$	\$ 301,748
Net investment income	1,982	5	40,139		42,126
Net foreign exchange losses (gains)	10		(10,165)		(10,155)
Equity in earnings of other ventures			1,736		1,736
Other income (loss)	551		(15,346)		(14,795)
Net realized and unrealized gains on fixed maturity investments	1,124		21,002		22,126
Net other-than-temporary impairments	(801)		(18,221)		(19,022)
<b>Total revenues</b>	<b>2,866</b>	<b>5</b>	<b>320,893</b>		<b>323,764</b>
<b>Expenses</b>					
Net claims and claim expenses incurred			86,197		86,197
Acquisition expenses			44,604		44,604
Operational expenses	(1,475)	36	39,721	1,475	39,757
Corporate expenses	5,223		1,365		6,588
Interest expense	2,335	1,645	1,801	(1,645)	4,136
<b>Total expenses</b>	<b>6,083</b>	<b>1,681</b>	<b>173,688</b>	<b>(170)</b>	<b>181,282</b>
(Loss) income before equity in net income (loss) of subsidiaries and taxes	(3,217)	(1,676)	147,205	170	142,482
Equity in net income (loss) of subsidiaries	111,076	(1,952)		(109,124)	
Income (loss) before taxes	107,859	(3,628)	147,205	(108,954)	142,482
Income tax (expense) benefit		(380)	1,232		852
<b>Net income (loss)</b>	<b>107,859</b>	<b>(4,008)</b>	<b>148,437</b>	<b>(108,954)</b>	<b>143,334</b>
Net income attributable to redeemable noncontrolling interest - DaVinciRe			(35,475)		(35,475)
<b>Net income (loss) attributable to RenaissanceRe</b>	<b>107,859</b>	<b>(4,008)</b>	<b>112,962</b>	<b>(108,954)</b>	<b>107,859</b>
Dividends on preference shares	(10,575)				(10,575)
<b>Net income (loss) available (attributable) to RenaissanceRe common shareholders</b>	<b>\$ 97,284</b>	<b>\$ (4,008)</b>	<b>\$ 112,962</b>	<b>\$ (108,954)</b>	<b>\$ 97,284</b>

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.

(2) Includes Parent Guarantor and Subsidiary Issuer consolidating adjustments.



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Condensed Consolidating Statement of Cash Flows	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	RenaissanceRe Consolidated
<b>For the three months ended March 31, 2010</b>				
<i>Cash flows provided by (used in) operating activities</i>				
<i>Net cash provided by (used in) operating activities</i>	\$ 871	\$ (5,436)	\$ 235,154	\$ 230,589
<i>Cash flows provided by (used in) investing activities</i>				
Proceeds from sales and maturities of investments available for sale	37,457		2,424,108	2,461,565
Purchases of investments available for sale	(240)	(246,569)	(130,011)	(376,820)
Proceeds from sales and maturities of investments trading	203,914		608,778	812,692
Purchases of investments trading	(224,667)		(2,853,723)	(3,078,390)
Net sales (purchases) of short term investments	28,470	(96)	109,604	137,978
Net (purchases) sales of other investments	(888)		16,989	16,101
Net sales of other assets			2,729	2,729
Dividends and return of capital from subsidiaries	136,065	21,627	(157,692)	
Contributions to subsidiaries	(47,805)	(13,728)	61,533	
Due to (from) subsidiary	94,970	(695)	(94,275)	
		&nbsp;		