



AXIS Capital Holdings Limited
2008 Loss Development Triangles

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Loss Development Triangle Cautionary Language

This report is for informational purposes only and is as of December 31, 2008. We are under no obligation and do not expect to update or revise this report, whether as a result of new information, future events or otherwise, even when such new data has been reflected in the Company's filings with the U.S. Securities and Exchange Commission (the "SEC") or other disclosures. Although the loss development patterns disclosed in this report are an important factor in the process used to estimate loss reserve requirements, they are not the only factors we consider in establishing reserves. The process for establishing reserves is subject to considerable variability and requires the use of informed estimates and judgments. Important details, such as specific loss development expectations for particular contracts, years or events, cannot be developed solely by analyzing the information provided in this report. In addition to analyzing loss development information, we incorporate additional information into the reserving process, such as pricing and market conditions. Readers must keep these and other qualifications more fully described in this report in mind when reviewing this information. This report should be read in conjunction with other documents filed by AXIS Capital Holdings Limited ("AXIS" or the "Company") with the SEC, including our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

Safe Harbor for Forward-Looking Statements

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

All forward-looking statements address matters that involve risks and uncertainties. Actual events or results may differ materially from our expectations. Important factors that could cause actual events or results to be materially different from our expectations include (1) the occurrence of natural and man-made disasters, (2) actual claims exceeding our loss reserves, (3) general economic, capital and credit market conditions, (4) the failure of any of the loss limitation methods we employ, (5) the effects of emerging claims and coverage issues, (6) the failure of our cedants to adequately evaluate risks, (7) the loss of one or more key executives, (8) a decline in our ratings with rating agencies, (9) the loss of business provided to us by our major brokers, (10) changes in governmental regulations, (11) increased competition, (12) changes in the political environment of certain countries in which we operate or underwrite business, (13) fluctuations in interest rates, credit spreads, equity prices and/or currency values, and (14) the other factors set forth in our most recent report on Form 10-K, Form 10-Q and other documents on file with the SEC. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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I. PURPOSE AND SCOPE

We believe our stakeholders can benefit from enhanced disclosures about the level of risk we assume and how we manage that risk. As part of this ongoing effort, we are publishing our first comprehensive loss development triangles. The data is provided in groupings under our two reporting segments, Insurance and Reinsurance, as of December 31, 2008. We believe the information presented in this document will improve the user's understanding of the loss development characteristics of our business. In particular, we believe the user will gain further insight into the general pattern of loss payment and loss reporting for each of the loss reserving classes in this document.

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

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

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

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

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

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II. DESCRIPTION OF DATA PRESENTED

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

i) General

This document provides accident year summary exhibits, on a gross and net basis, as of December 31, 2008. These summaries include written, ceded and earned premiums, paid losses, case reserves, case incurred losses, incurred but not reported losses ("IBNR") and ultimate losses on a gross and net basis. This document also provides gross loss development triangles including paid loss data, case incurred loss data and ultimate loss data. Data is presented in thousands of U.S. dollars. Amounts may not reconcile due to rounding differences.

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

Refer to Section III for a reconciliation of the loss reserves in the triangles to those presented in our consolidated financial statements at December 31, 2008.

ii) Accident Year Basis

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

The key difficulty in presenting accident year triangles for the Reinsurance segment relates to the allocation of loss information received from cedants to appropriate accident years. As an example, many proportional treaty reinsurance contracts are submitted using quarterly bordereau reporting by underwriting year with a supplemental listing of large losses. As a result, a two step process is utilized to allocate these losses to accident years. The first step is to identify large losses and place them in the corresponding accident year as reported on a large loss listing. The second step is to allocate the remaining losses to particular accident years based on selected payment and reporting patterns applied to the earning of the underlying exposures, which is premium in many instances. To the extent management's assumptions and allocation procedures differ from actual historical loss development patterns, the actual loss development may differ materially from the loss development included in this report.

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

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iii) Selection of Reserving Classes

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

Insurance Segment

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

Reinsurance Segment

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

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

iv) Large Losses

Catastrophes

The triangles are unadjusted with respect to significant loss events/catastrophes, namely the 2004 hurricanes (specifically Charley, Frances, Ivan, and Jeanne), the 2005 hurricanes (specifically Katrina, Rita and Wilma) and the 2008 hurricanes (specifically Ike and Gustav).

We note that for the 2005 accident year, the extent of damage caused by Hurricane Katrina, along with the delay in adjusting losses in affected areas and the interpretation of coverage under insurance contracts, contributed to a lengthening of the loss development profile beyond what we would normally expect from other natural catastrophes.

Our projected loss reserves for these events are based primarily on ground-up estimates of exposures on a contract-by-contract basis reflecting information provided by both insureds and cedants. Aggregate incurred loss development per event is also monitored against industry benchmarks as an additional check on the reasonableness of our total reserves for these events. For further information, refer to the excerpt from our 2008 Annual Report on Form 10-K in Section VII.

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

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Global Credit Crisis

Worldwide financial markets have recently experienced unprecedented volatility and disruption. As a result of the financial crisis, the following reserving classes have been impacted, primarily for the 2007 and 2008 accident years:

- Insurance – Professional Lines and Credit and Political Risk
- Reinsurance – Professional Lines and Credit and Bond

The loss development patterns on these recent accident years may be different from prior accident years.

The AXIS reserves for the classes affected by the financial crisis are based primarily on a ground-up probabilistic loss analysis of the exposed limits on a policy by policy basis and early notifications in our insurance portfolio and the exposed limits in our cedants' portfolios for our reinsurance business.

v) Foreign Exchange

The functional currency of the AXIS group through December 31, 2008 was the U.S. dollar. All foreign denominated premium data is converted at the inception date of the policy. Foreign denominated loss data is generally converted at the date of loss, and, in some cases, the inception date of the contract if the date of loss is indeterminable. Fluctuations in currency exchange rates could cause material shifts in loss development. Our reserves for losses and loss expenses, as disclosed in our consolidated financial statements, are revalued using the exchange rate at the Balance Sheet date and therefore revaluation of reserves represents a reconciling item to the data presented in this document (See Section III for a reconciliation of total reserves as at December 31, 2008).

vi) Ceded Reinsurance

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

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III. RECONCILIATIONS

i) Reconciliation of Unpaid Losses

The following table reconciles the reserves for loss and loss expenses as of December 31, 2008 as reported in the AXIS consolidated financial statements in accordance with U.S. GAAP to the reserves for loss and loss expenses published in the triangles (all amounts in thousands, on a gross basis).

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

| | | |
|---|-----------|------------------|
| Consolidated Triangles Unpaid Losses and LAE | \$ | 6,299,456 |
| Impact of Foreign Exchange Revaluation on Reserves | | (87,507) |
| Acquired Reserves and other * | | 32,834 |
| <hr/> | | |
| Reserves for losses and loss expenses per December 31, 2008 consolidated financial statements | <u>\$</u> | <u>6,244,783</u> |

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

ii) Reconciliation of Reserving Classes to Reported Lines of Business

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

Insurance Segment

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

Reinsurance Segment

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

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

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IV. CONSOLIDATED LOSS TRIANGLES

i) Observations

Based on the December 31, 2008 data presented in this report, we believe the following general observations are noteworthy:

- Inception to date net written premiums for our Insurance and Reinsurance segments has been evenly split at 51% and 49%, respectively. The overall inception to date net ultimate loss ratio is 60%. The net ultimate loss ratio for Insurance is 55% and the net ultimate loss ratio for Reinsurance is 64%. The most notable item impacting the ultimate loss ratio is the effect of large losses from the 2005 and 2008 Hurricanes which had a larger impact on the Reinsurance segment.
- Approximately 74% of inception to date gross favorable prior year loss reserve development has emerged from Insurance and Reinsurance Property reserving classes. As our business has matured, we are incorporating more of our own historical loss experience into our reserving methodology (see Section VII). As a result, we would expect the level of gross favorable prior year development in these reserving classes to decrease in the future.
- Our ceded ultimate loss ratio on an inception to date basis is 77% while the gross ultimate loss ratio is 63%. This difference is primarily attributable to the performance of accident years 2004 and 2005. In these years, we benefited from the ceded reinsurance program responding favorably to the nature of the underlying hurricane losses experienced.
- The following table shows inception to date gross IBNR reserves in relation to total reserves as of December 31, 2008 by reserving class:

AXIS Capital Holdings Limited
IBNR as a % of Total Reserves

| | <u>Total Reserves</u> | <u>IBNR</u> | <u>IBNR as a % of Total Reserves</u> |
|---------------------------|-----------------------|---------------------|--|
| <u>Insurance</u> | | | |
| Property | \$ 784,322 | \$ 264,745 | 33.8% |
| Marine | 429,174 | 167,153 | 38.9% |
| Aviation | 84,161 | 55,143 | 65.5% |
| Credit and Political Risk | 122,638 | 108,830 | 88.7% |
| Professional Lines | 1,387,617 | 1,151,936 | 83.0% |
| Liability | <u>728,876</u> | <u>616,608</u> | <u>84.6%</u> |
| Insurance Total | 3,536,788 | 2,364,416 | 66.9% |
| <u>Reinsurance</u> | | | |
| Property | 918,078 | 482,302 | 52.5% |
| Credit and Bond | 147,202 | 88,591 | 60.2% |
| Professional Lines | 781,915 | 653,273 | 83.5% |
| Motor | 349,838 | 174,590 | 49.9% |
| Liability | <u>565,636</u> | <u>473,236</u> | <u>83.7%</u> |
| Reinsurance Total | <u>2,762,669</u> | <u>1,871,992</u> | <u>67.8%</u> |
| Consolidated Total | <u>\$ 6,299,456</u> | <u>\$ 4,236,408</u> | <u>67.3%</u> |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Consolidated Total

ITD Summary

Gross

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|-----------|-----------------|---------------------|
| 2002 | 1,108,004 | 576,904 | 94,644 | 4,243 | 98,888 | 5,257 | 104,144 | 18.1% |
| 2003 | 2,273,645 | 1,701,015 | 305,921 | 37,763 | 343,685 | 78,629 | 422,314 | 24.8% |
| 2004 | 3,012,311 | 2,510,847 | 986,413 | 175,391 | 1,161,804 | 229,088 | 1,390,892 | 55.4% |
| 2005 | 3,393,885 | 3,278,266 | 2,411,742 | 468,976 | 2,880,718 | 661,514 | 3,542,233 | 108.1% |
| 2006 | 3,609,036 | 3,353,884 | 580,424 | 277,458 | 857,882 | 725,450 | 1,583,332 | 47.2% |
| 2007 | 3,590,090 | 3,459,816 | 478,836 | 412,019 | 890,855 | 1,052,495 | 1,943,350 | 56.2% |
| 2008 | 3,390,388 | 3,374,076 | 375,545 | 687,198 | 1,062,744 | 1,483,973 | 2,546,717 | 75.5% |
| | 20,377,358 | 18,254,808 | 5,233,526 | 2,063,048 | 7,296,575 | 4,236,408 | 11,532,983 | 63.2% |

Ceded

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|---------|-----------------|---------------------|
| 2002 | 89,726 | 40,054 | 2,494 | 1,518 | 4,013 | - | 4,013 | 10.0% |
| 2003 | 365,258 | 264,785 | 48,865 | 10,171 | 59,036 | 24,297 | 83,333 | 31.5% |
| 2004 | 588,638 | 482,450 | 371,049 | 74,947 | 445,996 | 55,320 | 501,317 | 103.9% |
| 2005 | 734,896 | 724,584 | 834,604 | 140,707 | 975,310 | 165,561 | 1,140,871 | 157.5% |
| 2006 | 619,857 | 659,614 | 62,013 | 39,813 | 101,826 | 158,910 | 260,736 | 39.5% |
| 2007 | 726,333 | 725,406 | 49,115 | 59,229 | 108,344 | 208,624 | 316,968 | 43.7% |
| 2008 | 723,508 | 686,894 | 52,495 | 120,433 | 172,928 | 284,735 | 457,663 | 66.6% |
| | 3,848,216 | 3,583,788 | 1,420,635 | 446,818 | 1,867,453 | 897,448 | 2,764,901 | 77.2% |

Net

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|-----------|-----------------|---------------------|
| 2002 | 1,018,277 | 536,851 | 92,150 | 2,725 | 94,875 | 5,257 | 100,132 | 18.7% |
| 2003 | 1,908,387 | 1,436,229 | 257,056 | 27,592 | 284,649 | 54,332 | 338,981 | 23.6% |
| 2004 | 2,423,673 | 2,028,396 | 615,364 | 100,444 | 715,807 | 173,768 | 889,576 | 43.9% |
| 2005 | 2,658,988 | 2,553,682 | 1,577,138 | 328,270 | 1,905,408 | 495,954 | 2,401,362 | 94.0% |
| 2006 | 2,989,179 | 2,694,270 | 518,411 | 237,645 | 756,056 | 566,540 | 1,322,596 | 49.1% |
| 2007 | 2,863,757 | 2,734,410 | 429,721 | 352,789 | 782,511 | 843,871 | 1,626,382 | 59.5% |
| 2008 | 2,666,880 | 2,687,181 | 323,051 | 566,765 | 889,815 | 1,199,238 | 2,089,053 | 77.7% |
| | 16,529,142 | 14,671,020 | 3,812,892 | 1,616,230 | 5,429,122 | 3,338,960 | 8,768,082 | 59.8% |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Consolidated Total

GROSS BASIS

| | Months | | | | | | | 84 |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|---------|---------|----|
| | 12 | 24 | 36 | 48 | 60 | 72 | | |
| Paid Losses | | | | | | | | |
| 2002 | 16,958 | 68,017 | 86,538 | 88,730 | 90,767 | 92,843 | 94,644 | |
| 2003 | 38,871 | 140,160 | 204,351 | 248,317 | 272,289 | 305,921 | | |
| 2004 | 218,376 | 634,403 | 835,441 | 907,042 | 986,413 | | | |
| 2005 | 372,556 | 1,452,874 | 2,096,900 | 2,411,742 | | | | |
| 2006 | 144,667 | 386,200 | 580,424 | | | | | |
| 2007 | 197,964 | 478,836 | | | | | | |
| 2008 | 375,545 | | | | | | | |
| Case Incurred Losses | | | | | | | | |
| 2002 | 76,953 | 100,275 | 103,044 | 101,829 | 104,852 | 101,799 | 98,888 | |
| 2003 | 182,688 | 275,701 | 299,409 | 327,408 | 334,055 | 343,685 | | |
| 2004 | 643,160 | 935,837 | 1,038,071 | 1,090,550 | 1,161,804 | | | |
| 2005 | 1,978,603 | 2,633,127 | 2,800,742 | 2,880,718 | | | | |
| 2006 | 463,537 | 697,917 | 857,882 | | | | | |
| 2007 | 552,852 | 890,855 | | | | | | |
| 2008 | 1,062,744 | | | | | | | |
| Ultimate Losses | | | | | | | | |
| 2002 | 230,968 | 173,114 | 151,699 | 115,986 | 108,890 | 107,027 | 104,144 | |
| 2003 | 916,012 | 758,063 | 629,435 | 533,665 | 490,114 | 422,314 | | |
| 2004 | 1,924,101 | 1,692,837 | 1,539,235 | 1,470,646 | 1,390,892 | | | |
| 2005 | 3,581,710 | 3,608,316 | 3,615,738 | 3,542,233 | | | | |
| 2006 | 1,954,175 | 1,706,963 | 1,583,332 | | | | | |
| 2007 | 2,061,828 | 1,943,350 | | | | | | |
| 2008 | 2,546,717 | | | | | | | |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008
Values in Thousands USD

Consolidated Total

GROSS BASIS

| Paid Loss Ratio | Months | | | | | | | |
|-----------------|--------|-------|-------|-------|-------|-------|-------|--|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | 2.9% | 11.8% | 15.0% | 15.4% | 15.7% | 16.1% | 16.4% | |
| 2003 | 2.3% | 8.2% | 12.0% | 14.6% | 16.0% | 18.0% | | |
| 2004 | 8.7% | 25.3% | 33.3% | 36.1% | 39.3% | | | |
| 2005 | 11.4% | 44.3% | 64.0% | 73.6% | | | | |
| 2006 | 4.3% | 11.5% | 17.3% | | | | | |
| 2007 | 5.7% | 13.8% | | | | | | |
| 2008 | 11.1% | | | | | | | |

| Case Incurred Loss Ratio | Months | | | | | | | |
|--------------------------|--------|-------|-------|-------|-------|-------|-------|--|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | 13.3% | 17.4% | 17.9% | 17.7% | 18.2% | 17.6% | 17.1% | |
| 2003 | 10.7% | 16.2% | 17.6% | 19.2% | 19.6% | 20.2% | | |
| 2004 | 25.6% | 37.3% | 41.3% | 43.4% | 46.3% | | | |
| 2005 | 60.4% | 80.3% | 85.4% | 87.9% | | | | |
| 2006 | 13.8% | 20.8% | 25.6% | | | | | |
| 2007 | 16.0% | 25.7% | | | | | | |
| 2008 | 31.5% | | | | | | | |

| Ultimate Loss Ratio | Months | | | | | | | |
|---------------------|--------|--------|--------|--------|-------|-------|-------|--|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | 40.0% | 30.0% | 26.3% | 20.1% | 18.9% | 18.6% | 18.1% | |
| 2003 | 53.9% | 44.6% | 37.0% | 31.4% | 28.8% | 24.8% | | |
| 2004 | 76.6% | 67.4% | 61.3% | 58.6% | 55.4% | | | |
| 2005 | 109.3% | 110.1% | 110.3% | 108.1% | | | | |
| 2006 | 58.3% | 50.9% | 47.2% | | | | | |
| 2007 | 59.6% | 56.2% | | | | | | |
| 2008 | 75.5% | | | | | | | |

| Loss Emergence | Months | | | | | | | Total Development |
|----------------|-----------|-----------|-----------|----------|----------|----------|---------|-------------------|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | 230,968 | (57,854) | (21,415) | (35,713) | (7,096) | (1,863) | (2,883) | (126,824) |
| 2003 | 916,012 | (157,949) | (128,628) | (95,770) | (43,550) | (67,800) | | (493,698) |
| 2004 | 1,924,101 | (231,264) | (153,603) | (68,589) | (79,753) | | | (533,209) |
| 2005 | 3,581,710 | 26,607 | 7,422 | (73,505) | | | | (39,477) |
| 2006 | 1,954,175 | (247,212) | (123,630) | | | | | (370,842) |
| 2007 | 2,061,828 | (118,478) | | | | | | (118,478) |
| 2008 | 2,546,717 | | | | | | | - |
| | | | | | | | | (1,682,528) |

| Calendar Year | CY 2002 | CY 2003 | CY 2004 | CY 2005 | CY 2006 | CY 2007 | CY 2008 | Total Development |
|---------------|---------|----------|-----------|-----------|-----------|-----------|-----------|-------------------|
| | - | (57,854) | (179,364) | (395,605) | (229,862) | (353,792) | (466,050) | (1,682,528) |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

iii) Large Loss Table

Valuation Date: December 31, 2008

Values in Thousands USD

Large Losses

Consolidated

ITD Summary

| Gross | Paid Losses | | | | | Case Incurred Losses | | | | | Ultimate Losses | | | | |
|-----------------|------------------|----------------|------------------|--------------|------------------|----------------------|----------------|------------------|--------------|------------------|------------------|----------------|------------------|--------------|------------------|
| | Insurance | | Reinsurance | | All Segments | Insurance | | Reinsurance | | All Segments | Insurance | | Reinsurance | | All Segments |
| | Property | Other | Property | Other | | Property | Other | Property | Other | | Property | Other | Property | Other | |
| 2004 Hurricanes | 282,891 | 43,151 | 214,638 | 941 | 541,621 | 304,782 | 43,151 | 217,564 | 941 | 566,438 | 308,282 | 43,151 | 217,564 | 941 | 569,938 |
| 2005 Hurricanes | 712,594 | 298,905 | 720,200 | 3,168 | 1,734,867 | 775,688 | 391,283 | 751,046 | 5,607 | 1,923,624 | 782,888 | 392,783 | 751,938 | 5,607 | 1,933,216 |
| 2008 Hurricanes | 14,487 | 8,808 | 90,465 | 376 | 114,135 | 103,365 | 28,530 | 215,900 | 977 | 348,772 | 138,266 | 35,343 | 280,516 | 977 | 455,102 |
| Total | 1,009,972 | 350,864 | 1,025,303 | 4,485 | 2,390,624 | 1,183,835 | 462,964 | 1,184,510 | 7,525 | 2,838,834 | 1,229,436 | 471,277 | 1,250,018 | 7,525 | 2,958,256 |

| Ceded | Paid Losses | | | | | Case Incurred Losses | | | | | Ultimate Losses | | | | |
|-----------------|----------------|----------------|----------------|----------|----------------|----------------------|----------------|----------------|----------|------------------|-----------------|----------------|----------------|----------|------------------|
| | Insurance | | Reinsurance | | All Segments | Insurance | | Reinsurance | | All Segments | Insurance | | Reinsurance | | All Segments |
| | Property | Other | Property | Other | | Property | Other | Property | Other | | Property | Other | Property | Other | |
| 2004 Hurricanes | 209,459 | 11,710 | 70,740 | - | 291,909 | 229,590 | 11,710 | 70,740 | - | 312,040 | 232,928 | 11,710 | 70,740 | - | 315,377 |
| 2005 Hurricanes | 403,054 | 207,174 | 67,250 | - | 677,478 | 452,087 | 217,395 | 67,250 | - | 736,733 | 458,006 | 217,395 | 67,250 | - | 742,652 |
| 2008 Hurricanes | 2,612 | - | - | - | 2,612 | 35,389 | - | - | - | 35,389 | 47,089 | - | - | - | 47,089 |
| Total | 615,126 | 218,884 | 137,990 | - | 972,000 | 717,066 | 229,105 | 137,990 | - | 1,084,161 | 738,023 | 229,105 | 137,990 | - | 1,105,118 |

| Net | Paid Losses | | | | | Case Incurred Losses | | | | | Ultimate Losses | | | | |
|-----------------|----------------|----------------|----------------|--------------|------------------|----------------------|----------------|------------------|--------------|------------------|-----------------|----------------|------------------|--------------|------------------|
| | Insurance | | Reinsurance | | All Segments | Insurance | | Reinsurance | | All Segments | Insurance | | Reinsurance | | All Segments |
| | Property | Other | Property | Other | | Property | Other | Property | Other | | Property | Other | Property | Other | |
| 2004 Hurricanes | 73,432 | 31,441 | 143,898 | 941 | 249,712 | 75,192 | 31,441 | 146,824 | 941 | 254,398 | 75,354 | 31,441 | 146,824 | 941 | 254,560 |
| 2005 Hurricanes | 309,540 | 91,731 | 652,950 | 3,168 | 1,057,389 | 323,601 | 173,888 | 683,796 | 5,607 | 1,186,892 | 324,882 | 175,388 | 684,688 | 5,607 | 1,190,565 |
| 2008 Hurricanes | 11,874 | 8,808 | 90,465 | 376 | 111,523 | 67,976 | 28,530 | 215,900 | 977 | 313,383 | 91,177 | 35,343 | 280,516 | 977 | 408,013 |
| Total | 394,846 | 131,980 | 887,313 | 4,485 | 1,418,624 | 466,769 | 233,859 | 1,046,520 | 7,525 | 1,754,673 | 491,413 | 242,172 | 1,112,028 | 7,525 | 1,853,138 |

Note:

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

Specific 2005 events include: Katrina, Rita and Wilma.

Specific 2008 events include: Gustav and Ike.

AXIS Capital Holdings Limited
2008 Loss Development Triangles

V. INSURANCE SEGMENT

i) Reserving Class Descriptions

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

Property

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

Marine

- This class comprises insurance and reinsurance products on a worldwide basis for traditional Marine classes: Offshore Energy, Cargo, Liability, Recreational Marine, Fine Art, Specie, Hull and War.
- Offshore Energy is the largest segment of this class representing approximately 60% of premium in 2008. This segment provides physical damage, business interruption, operators extra expense, and liability coverage for all aspects of offshore upstream energy from exploration and construction through to the operation and distribution

AXIS Capital Holdings Limited
2008 Loss Development Triangles

phases. The remainder of the class is made up of Cargo, Liability and Recreational Marine (between 10% and 15% each). Prior to 2006, Hull and War comprised between 20% and 25% of this class, but these participations have reduced considerably as rates in this segment failed to keep pace with claims emergence.

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

Aviation

- This class includes all-risks coverage for physical damage to hulls of aircraft, liability to passengers, third parties, and spare parts. It also includes coverage for stand-alone hull war and 'AV52' third party war liability.
- The book is predominantly focused around flag-carrying scheduled airlines but also includes coverage for cargo operations, general aviation operations, airports, aviation authorities, security firms and product manufacturers. Included in this reserving class is a small book of Space business written between 2002 and 2005. The Space class provided coverage against perils associated with physical damage or failure of satellites during their launch phase and first year in orbit.
- This business is generally accepted on a direct and facultative basis, but we have occasionally participated on proportional reinsurance treaties, surplus reinsurance treaties and Industry Loss Warranty contracts.
- Between 2002 and 2005, the total premium written in the Aviation class comprised 40% all-risks, 50% Aviation War and 10% Product Liability and Space. Rates have generally been declining since their peak in 2002, and AXIS has significantly reduced its participation in the all-risks market. This has resulted in a shift in the mix of business between 2006 and 2008, with the mix in 2008 comprising approximately 20% Aviation all-risks, 60% Aviation War, and 20% Product Liability.
- Damage to hulls of aircraft is generally reported quickly. This is to be contrasted with liability claims which involve passengers and third parties and generally exhibit longer reporting and paid patterns. Taken together, this results in the Aviation class exhibiting a medium tail with respect to loss development. To date, the claims we have been advised of have predominantly related to damage to hulls, hence, our payment and reporting patterns have typically exhibited a relatively short tail. However, with an increasing mix of liability in the book of business in recent years, our claim emergence patterns could lengthen.

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Credit and Political Risk

- This class comprises Political Risk and Credit Insurance products for banks and corporations. Coverage is provided for a range of perils including sovereign default, credit default, political violence, currency inconvertibility and non-transfer, expropriation, aircraft non-repossession and contract frustration due to political events.
- Prior to 2006, this class was dominated by confiscation, expropriation, nationalization and deprivation coverages (“CEND”) and sovereign credit default coverage. Non-sovereign credit coverage has increased in recent years and is now the largest part of the business representing approximately 60% of the 2008 business volume. The remainder of the class in 2008 is approximately 20% equity and bank CEND, and approximately 10% sovereign and sub-sovereign default.
- As this class has grown over time, the average term of contract has increased from an average of 2-3 years prior to 2006 to 4-5 years in more recent years. The unearned premium associated with the credit and political risk business as of December 31, 2008 was \$523 million, with an average remaining term of 5.4 years.
- Claims in this class tend to be characterized by their severity risk as opposed to their frequency risk and tend to be heterogeneous in nature. Therefore, claim payment and reporting patterns are anticipated to be volatile.
- Under the notification provisions of our non-sovereign credit insurance, we anticipate being advised of an insured event within a relatively short time period. Generally, these contracts include waiting periods following the event which specify that the claim payment is due only after specified waiting periods. In some cases, resolution can be achieved during the waiting period. Also of note, a feature of these contracts is that after the date we pay a claim, we are generally subrogated to all of the insured’s rights of recovery under the insured agreement. In some situations, we may also receive a transfer or assignment of the insured’s rights. This can lead to the situation where we pay a claim in the short term, but receive a recovery over a longer period of time. We anticipate that this will likely lead to claim reporting patterns that will have a medium development tail.

Professional Lines

- This class of business includes Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability, Crime, Errors & Omissions, Professional Indemnity and other financial insurance related coverages for commercial enterprises, financial institutions and not-for-profit organizations. This business is predominantly written on a claims-made basis.
- Approximately 50% of the business covered is for commercial enterprises, approximately 25% financial institutions, and approximately 25% media and professional firms. Prior to 2006, the commercial segment represented approximately 75% of the total business volume in this class.
- Approximately 80% of the business written is exposed in the U.S. with the remaining 20% predominantly exposed in Europe, Australia and South Africa.
- Rates for professional lines strengthened between 2002 and 2004, with 2005 representing the peak for pricing. Rates were relatively flat in 2006 before the market weakened in 2007 and 2008. One exception to this trend was the Financial Institutions sector which saw a strengthening of rates in 2008 resulting predominantly from expectations regarding increased loss activity emanating from the financial crisis.

AXIS Capital Holdings Limited
2008 Loss Development Triangles

- Typically this class of business would be anticipated to exhibit medium to long tail claim reporting and settlement patterns.

Liability

- The liability book comprises Primary and low/mid-level excess and Umbrella commercial liability risks typically written in the excess and surplus lines market in the U.S. on a non-admitted basis. The core book of business commenced underwriting in 2003 and was supplemented in 2006 by the addition of an Excess Casualty book in Bermuda which focuses on Fortune 500 type accounts with higher attachment points than the core portfolio.
- From 2003 through 2004, the mix of business was approximately 45% primary and 55% excess. Since 2005, the rating environment has been deteriorating year on year with the scale of rate reductions more prevalent on the primary book. Since 2005, the focus of the book has gradually shifted to more of the business being written on an excess basis. The mix of business written in 2008 was approximately 20% primary and 80% excess.
- The key industry sectors for the Liability book are construction, manufacturing, transportation and trucking, and other services. The mix of business by industry in 2008 was 23% construction, 27% manufacturing, 16% transportation and trucking, 9% other services with the remaining 25% being spread across various other industry sectors. Since 2003, there has been a slight shift in the mix of business away from manufacturing to other industries, partly driven by the different mix of primary versus excess books of business.
- Approximately 80% of the premium for this class is written on an occurrence basis with the remaining 20% on a claims-made basis.
- Claim payment and reporting patterns are typically long tail in nature.

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Insurance

Consolidated

ITD Summary

Gross

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|-----------|-----------------|---------------------|
| 2002 | 793,760 | 354,667 | 56,685 | 1,860 | 58,545 | 1,260 | 59,804 | 16.9% |
| 2003 | 1,606,559 | 1,186,672 | 224,760 | 30,880 | 255,641 | 51,025 | 306,666 | 25.8% |
| 2004 | 1,919,563 | 1,602,419 | 622,846 | 126,988 | 749,835 | 134,360 | 884,195 | 55.2% |
| 2005 | 1,875,017 | 1,889,819 | 1,439,546 | 330,388 | 1,769,933 | 388,398 | 2,158,331 | 114.2% |
| 2006 | 2,070,466 | 1,955,967 | 328,779 | 120,797 | 449,575 | 436,508 | 886,083 | 45.3% |
| 2007 | 2,039,214 | 1,921,920 | 240,056 | 214,720 | 454,776 | 569,545 | 1,024,322 | 53.3% |
| 2008 | 1,841,934 | 1,854,949 | 182,987 | 346,739 | 529,725 | 783,320 | 1,313,045 | 70.8% |
| | 12,146,513 | 10,766,413 | 3,095,659 | 1,172,372 | 4,268,030 | 2,364,416 | 6,632,446 | 61.6% |

Ceded

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|---------|-----------------|---------------------|
| 2002 | 89,726 | 40,054 | 2,494 | 1,518 | 4,013 | - | 4,013 | 10.0% |
| 2003 | 352,551 | 255,081 | 48,865 | 10,171 | 59,036 | 24,076 | 83,111 | 32.6% |
| 2004 | 556,278 | 456,566 | 300,309 | 74,947 | 375,256 | 54,016 | 429,273 | 94.0% |
| 2005 | 707,250 | 688,270 | 767,354 | 140,707 | 908,060 | 158,225 | 1,066,285 | 154.9% |
| 2006 | 610,068 | 650,207 | 62,013 | 39,813 | 101,826 | 152,709 | 254,535 | 39.1% |
| 2007 | 712,567 | 713,480 | 49,115 | 59,229 | 108,344 | 202,102 | 310,446 | 43.5% |
| 2008 | 708,091 | 671,807 | 52,495 | 120,433 | 172,928 | 278,110 | 451,038 | 67.1% |
| | 3,736,531 | 3,475,464 | 1,282,645 | 446,818 | 1,729,463 | 869,237 | 2,598,700 | 74.8% |

Net

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|-----------|-----------------|---------------------|
| 2002 | 704,034 | 314,613 | 54,190 | 342 | 54,532 | 1,260 | 55,792 | 17.7% |
| 2003 | 1,254,008 | 931,591 | 175,895 | 20,709 | 196,605 | 26,950 | 223,554 | 24.0% |
| 2004 | 1,363,285 | 1,145,853 | 322,537 | 52,041 | 374,578 | 80,344 | 454,922 | 39.7% |
| 2005 | 1,167,767 | 1,201,549 | 672,192 | 189,681 | 861,873 | 230,173 | 1,092,046 | 90.9% |
| 2006 | 1,460,399 | 1,305,760 | 266,766 | 80,984 | 347,750 | 283,799 | 631,549 | 48.4% |
| 2007 | 1,326,646 | 1,208,439 | 190,942 | 155,491 | 346,433 | 367,444 | 713,876 | 59.1% |
| 2008 | 1,133,842 | 1,183,143 | 130,492 | 226,305 | 356,797 | 505,210 | 862,007 | 72.9% |
| | 8,409,982 | 7,290,949 | 1,813,014 | 725,553 | 2,538,567 | 1,495,179 | 4,033,746 | 55.3% |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Insurance

Consolidated

GROSS BASIS

| Paid Losses | Months | | | | | | |
|-------------|---------|---------|-----------|-----------|---------|---------|--------|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| 2002 | 8,398 | 38,452 | 49,641 | 51,691 | 53,369 | 55,253 | 56,685 |
| 2003 | 23,230 | 95,323 | 142,800 | 182,265 | 196,826 | 224,760 | |
| 2004 | 91,621 | 375,879 | 519,679 | 563,038 | 622,846 | | |
| 2005 | 204,004 | 764,735 | 1,195,877 | 1,439,546 | | | |
| 2006 | 77,983 | 203,642 | 328,779 | | | | |
| 2007 | 109,288 | 240,056 | | | | | |
| 2008 | 182,987 | | | | | | |

| Case Incurred Losses | Months | | | | | | |
|----------------------|-----------|-----------|-----------|-----------|---------|---------|--------|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| 2002 | 46,541 | 55,935 | 62,176 | 62,905 | 63,523 | 60,750 | 58,545 |
| 2003 | 140,013 | 201,883 | 210,837 | 242,845 | 248,151 | 255,641 | |
| 2004 | 398,251 | 577,004 | 647,517 | 682,739 | 749,835 | | |
| 2005 | 1,232,049 | 1,555,330 | 1,694,805 | 1,769,933 | | | |
| 2006 | 227,736 | 342,409 | 449,575 | | | | |
| 2007 | 259,767 | 454,776 | | | | | |
| 2008 | 529,725 | | | | | | |

| Ultimate Losses | Months | | | | | | |
|-----------------|-----------|-----------|-----------|-----------|---------|---------|--------|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| 2002 | 139,551 | 109,765 | 93,629 | 68,715 | 66,141 | 62,636 | 59,804 |
| 2003 | 649,214 | 560,914 | 467,880 | 404,884 | 365,837 | 306,666 | |
| 2004 | 1,213,726 | 1,062,655 | 988,687 | 926,604 | 884,195 | | |
| 2005 | 2,213,407 | 2,176,588 | 2,200,192 | 2,158,331 | | | |
| 2006 | 1,109,793 | 963,483 | 886,083 | | | | |
| 2007 | 1,096,331 | 1,024,322 | | | | | |
| 2008 | 1,313,045 | | | | | | |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Insurance
Consolidated

GROSS BASIS

| Paid Loss Ratio | Months | | | | | | | |
|-----------------|--------|-------|-------|-------|-------|-------|-------|--|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | 2.4% | 10.8% | 14.0% | 14.6% | 15.0% | 15.6% | 16.0% | |
| 2003 | 2.0% | 8.0% | 12.0% | 15.4% | 16.6% | 18.9% | | |
| 2004 | 5.7% | 23.5% | 32.4% | 35.1% | 38.9% | | | |
| 2005 | 10.8% | 40.5% | 63.3% | 76.2% | | | | |
| 2006 | 4.0% | 10.4% | 16.8% | | | | | |
| 2007 | 5.7% | 12.5% | | | | | | |
| 2008 | 9.9% | | | | | | | |

| Case Incurred Loss Ratio | Months | | | | | | | |
|--------------------------|--------|-------|-------|-------|-------|-------|-------|--|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | 13.1% | 15.8% | 17.5% | 17.7% | 17.9% | 17.1% | 16.5% | |
| 2003 | 11.8% | 17.0% | 17.8% | 20.5% | 20.9% | 21.5% | | |
| 2004 | 24.9% | 36.0% | 40.4% | 42.6% | 46.8% | | | |
| 2005 | 65.2% | 82.3% | 89.7% | 93.7% | | | | |
| 2006 | 11.6% | 17.5% | 23.0% | | | | | |
| 2007 | 13.5% | 23.7% | | | | | | |
| 2008 | 28.6% | | | | | | | |

| Ultimate Loss Ratio | Months | | | | | | | |
|---------------------|--------|--------|--------|--------|-------|-------|-------|--|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | 39.3% | 30.9% | 26.4% | 19.4% | 18.6% | 17.7% | 16.9% | |
| 2003 | 54.7% | 47.3% | 39.4% | 34.1% | 30.8% | 25.8% | | |
| 2004 | 75.7% | 66.3% | 61.7% | 57.8% | 55.2% | | | |
| 2005 | 117.1% | 115.2% | 116.4% | 114.2% | | | | |
| 2006 | 56.7% | 49.3% | 45.3% | | | | | |
| 2007 | 57.0% | 53.3% | | | | | | |
| 2008 | 70.8% | | | | | | | |

| Loss Emergence | Months | | | | | | | Total Development |
|----------------|-----------|-----------|----------|----------|----------|----------|---------|-------------------|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | 139,551 | (29,786) | (16,136) | (24,914) | (2,574) | (3,505) | (2,831) | (79,746) |
| 2003 | 649,214 | (88,300) | (93,034) | (62,997) | (39,047) | (59,171) | | (342,549) |
| 2004 | 1,213,726 | (151,071) | (73,969) | (62,083) | (42,409) | | | (329,531) |
| 2005 | 2,213,407 | (36,819) | 23,604 | (41,861) | | | | (55,076) |
| 2006 | 1,109,793 | (146,310) | (77,399) | | | | | (223,710) |
| 2007 | 1,096,331 | (72,010) | | | | | | (72,010) |
| 2008 | 1,313,045 | | | | | | | - |
| | | | | | | | | (1,102,621) |

| Calendar Year | CY 2002 | CY 2003 | CY 2004 | CY 2005 | CY 2006 | CY 2007 | CY 2008 | Total Development |
|---------------|---------|----------|-----------|-----------|-----------|-----------|-----------|-------------------|
| | - | (29,786) | (104,436) | (269,019) | (176,358) | (227,341) | (295,682) | (1,102,621) |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Insurance
Property

ITD Summary

Gross

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|---------|-----------------|---------------------|
| 2002 | 353,025 | 182,398 | 864 | 22 | 886 | 768 | 1,654 | 0.9% |
| 2003 | 582,907 | 466,952 | 93,769 | 6,004 | 99,773 | 2,332 | 102,105 | 21.9% |
| 2004 | 677,348 | 607,961 | 364,078 | 26,931 | 391,009 | 7,710 | 398,720 | 65.6% |
| 2005 | 659,828 | 672,486 | 895,229 | 166,884 | 1,062,113 | 56,777 | 1,118,890 | 166.4% |
| 2006 | 756,892 | 726,804 | 140,925 | 29,025 | 169,950 | 22,472 | 192,422 | 26.5% |
| 2007 | 741,444 | 746,985 | 136,254 | 51,229 | 187,483 | 41,116 | 228,599 | 30.6% |
| 2008 | 579,395 | 657,492 | 127,544 | 239,482 | 367,025 | 133,570 | 500,595 | 76.1% |
| | 4,350,840 | 4,061,077 | 1,758,663 | 519,577 | 2,278,241 | 264,745 | 2,542,986 | 62.6% |

Ceded

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|--------|-----------------|---------------------|
| 2002 | 37,774 | 15,563 | - | - | - | - | - | 0.0% |
| 2003 | 97,392 | 77,473 | 7,015 | 2,307 | 9,323 | - | 9,323 | 12.0% |
| 2004 | 177,351 | 153,193 | 226,918 | 21,153 | 248,071 | 3,339 | 251,409 | 164.1% |
| 2005 | 285,349 | 265,693 | 501,184 | 87,688 | 588,872 | 32,153 | 621,024 | 233.7% |
| 2006 | 251,757 | 278,011 | 5,007 | 12,031 | 17,038 | 8,635 | 25,673 | 9.2% |
| 2007 | 318,109 | 336,098 | 26,458 | 18,910 | 45,368 | 7,601 | 52,969 | 15.8% |
| 2008 | 273,593 | 274,229 | 38,281 | 97,439 | 135,720 | 35,008 | 170,727 | 62.3% |
| | 1,441,325 | 1,400,260 | 804,864 | 239,527 | 1,044,391 | 86,734 | 1,131,125 | 80.8% |

Net

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|---------|-----------------|---------------------|
| 2002 | 315,252 | 166,835 | 864 | 22 | 886 | 768 | 1,654 | 1.0% |
| 2003 | 485,515 | 389,479 | 86,754 | 3,697 | 90,450 | 2,332 | 92,783 | 23.8% |
| 2004 | 499,998 | 454,768 | 137,160 | 5,778 | 142,939 | 4,372 | 147,311 | 32.4% |
| 2005 | 374,479 | 406,793 | 394,045 | 79,197 | 473,242 | 24,624 | 497,866 | 122.4% |
| 2006 | 505,135 | 448,793 | 135,918 | 16,994 | 152,912 | 13,837 | 166,749 | 37.2% |
| 2007 | 423,335 | 410,887 | 109,796 | 32,319 | 142,115 | 33,515 | 175,630 | 42.7% |
| 2008 | 305,802 | 383,263 | 89,263 | 142,043 | 231,306 | 98,562 | 329,868 | 86.1% |
| | 2,909,515 | 2,660,817 | 953,800 | 280,051 | 1,233,850 | 178,011 | 1,411,861 | 53.1% |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Insurance

Property

GROSS BASIS

| | Months | | | | | | | 84 |
|-----------------------------|-----------|-----------|-----------|-----------|---------|---------|--|-------|
| | 12 | 24 | 36 | 48 | 60 | 72 | | |
| Paid Losses | | | | | | | | |
| 2002 | 75 | 191 | 222 | 275 | 442 | 775 | | 864 |
| 2003 | 7,151 | 53,898 | 73,817 | 89,525 | 93,657 | 93,769 | | |
| 2004 | 50,694 | 243,313 | 342,798 | 357,918 | 364,078 | | | |
| 2005 | 146,865 | 553,457 | 776,139 | 895,229 | | | | |
| 2006 | 50,559 | 119,826 | 140,925 | | | | | |
| 2007 | 66,988 | 136,254 | | | | | | |
| 2008 | 127,544 | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Case Incurred Losses | | | | | | | | |
| 2002 | 3,081 | 1,362 | 1,385 | 1,617 | 1,636 | 1,046 | | 886 |
| 2003 | 89,465 | 111,282 | 106,438 | 106,147 | 100,303 | 99,773 | | |
| 2004 | 260,292 | 377,031 | 397,868 | 388,375 | 391,009 | | | |
| 2005 | 835,013 | 1,006,833 | 1,074,705 | 1,062,113 | | | | |
| 2006 | 141,624 | 172,223 | 169,950 | | | | | |
| 2007 | 153,671 | 187,483 | | | | | | |
| 2008 | 367,025 | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Ultimate Losses | | | | | | | | |
| 2002 | 43,143 | 26,999 | 13,171 | 4,099 | 2,961 | 1,777 | | 1,654 |
| 2003 | 250,540 | 180,186 | 131,998 | 115,756 | 105,213 | 102,105 | | |
| 2004 | 543,974 | 465,749 | 431,398 | 398,465 | 398,720 | | | |
| 2005 | 1,182,565 | 1,086,414 | 1,130,436 | 1,118,890 | | | | |
| 2006 | 359,717 | 243,676 | 192,422 | | | | | |
| 2007 | 332,697 | 228,599 | | | | | | |
| 2008 | 500,595 | | | | | | | |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Insurance

Property

GROSS BASIS

| | Months | | | | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------------|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| Paid Loss Ratio | | | | | | | | |
| 2002 | 0.0% | 0.1% | 0.1% | 0.2% | 0.2% | 0.4% | 0.5% | |
| 2003 | 1.5% | 11.5% | 15.8% | 19.2% | 20.1% | 20.1% | | |
| 2004 | 8.3% | 40.0% | 56.4% | 58.9% | 59.9% | | | |
| 2005 | 21.8% | 82.3% | 115.4% | 133.1% | | | | |
| 2006 | 7.0% | 16.5% | 19.4% | | | | | |
| 2007 | 9.0% | 18.2% | | | | | | |
| 2008 | 19.4% | | | | | | | |
| Case Incurred Loss Ratio | | | | | | | | |
| 2002 | 1.7% | 0.7% | 0.8% | 0.9% | 0.9% | 0.6% | 0.5% | |
| 2003 | 19.2% | 23.8% | 22.8% | 22.7% | 21.5% | 21.4% | | |
| 2004 | 42.8% | 62.0% | 65.4% | 63.9% | 64.3% | | | |
| 2005 | 124.2% | 149.7% | 159.8% | 157.9% | | | | |
| 2006 | 19.5% | 23.7% | 23.4% | | | | | |
| 2007 | 20.6% | 25.1% | | | | | | |
| 2008 | 55.8% | | | | | | | |
| Ultimate Loss Ratio | | | | | | | | |
| 2002 | 23.7% | 14.8% | 7.2% | 2.2% | 1.6% | 1.0% | 0.9% | |
| 2003 | 53.7% | 38.6% | 28.3% | 24.8% | 22.5% | 21.9% | | |
| 2004 | 89.5% | 76.6% | 71.0% | 65.5% | 65.6% | | | |
| 2005 | 175.8% | 161.6% | 168.1% | 166.4% | | | | |
| 2006 | 49.5% | 33.5% | 26.5% | | | | | |
| 2007 | 44.5% | 30.6% | | | | | | |
| 2008 | 76.1% | | | | | | | |
| Loss Emergence | | | | | | | | |
| 2002 | 43,143 | (16,144) | (13,828) | (9,073) | (1,138) | (1,183) | (123) | (41,489) |
| 2003 | 250,540 | (70,354) | (48,189) | (16,242) | (10,542) | (3,108) | | (148,435) |
| 2004 | 543,974 | (78,225) | (34,351) | (32,932) | 255 | | | (145,254) |
| 2005 | 1,182,565 | (96,151) | 44,022 | (11,546) | | | | (63,675) |
| 2006 | 359,717 | (116,040) | (51,255) | | | | | (167,295) |
| 2007 | 332,697 | (104,098) | | | | | | (104,098) |
| 2008 | 500,595 | | | | | | | - |
| | | | | | | | | (670,247) |
| Calendar Year | CY 2002 | CY 2003 | CY 2004 | CY 2005 | CY 2006 | CY 2007 | CY 2008 | Total Development |
| | - | (16,144) | (84,182) | (135,486) | (147,882) | (116,677) | (169,875) | (670,247) |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Insurance

Marine

ITD Summary

Gross

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|---------|-----------------|---------------------|
| 2002 | 137,449 | 74,302 | 32,419 | 1,096 | 33,515 | 384 | 33,899 | 45.6% |
| 2003 | 201,268 | 171,410 | 31,687 | 4,657 | 36,344 | 3,423 | 39,766 | 23.2% |
| 2004 | 189,772 | 178,863 | 104,391 | 5,393 | 109,784 | 10,092 | 119,876 | 67.0% |
| 2005 | 199,556 | 204,037 | 376,678 | 102,782 | 479,460 | 21,329 | 500,790 | 245.4% |
| 2006 | 242,798 | 242,364 | 59,793 | 40,091 | 99,884 | 25,592 | 125,476 | 51.8% |
| 2007 | 217,843 | 234,179 | 48,138 | 58,395 | 106,533 | 33,527 | 140,060 | 59.8% |
| 2008 | 193,234 | 202,679 | 28,047 | 49,606 | 77,653 | 72,807 | 150,459 | 74.2% |
| | 1,381,919 | 1,307,835 | 681,153 | 262,020 | 943,173 | 167,153 | 1,110,326 | 84.9% |

Ceded

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|--------|-----------------|---------------------|
| 2002 | 21,755 | 11,611 | 2,494 | 785 | 3,279 | - | 3,279 | 28.2% |
| 2003 | 11,213 | 20,821 | 4,689 | 371 | 5,060 | - | 5,060 | 24.3% |
| 2004 | 46,447 | 35,164 | 22,025 | 4,495 | 26,521 | - | 26,521 | 75.4% |
| 2005 | 101,553 | 93,428 | 209,132 | 21,081 | 230,213 | 710 | 230,924 | 247.2% |
| 2006 | 50,192 | 64,197 | 6,881 | 7,094 | 13,975 | 5,052 | 19,027 | 29.6% |
| 2007 | 72,723 | 77,364 | 8,697 | 14,851 | 23,548 | 7,192 | 30,740 | 39.7% |
| 2008 | 51,663 | 51,502 | 3,476 | 1,802 | 5,277 | 21,118 | 26,396 | 51.3% |
| | 355,547 | 354,086 | 257,394 | 50,480 | 307,874 | 34,073 | 341,947 | 96.6% |

Net

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|---------|-----------------|---------------------|
| 2002 | 115,693 | 62,691 | 29,924 | 312 | 30,236 | 384 | 30,620 | 48.8% |
| 2003 | 190,055 | 150,589 | 26,998 | 4,285 | 31,283 | 3,423 | 34,706 | 23.0% |
| 2004 | 143,325 | 143,699 | 82,366 | 898 | 83,264 | 10,092 | 93,355 | 65.0% |
| 2005 | 98,003 | 110,609 | 167,546 | 81,701 | 249,247 | 20,619 | 269,866 | 244.0% |
| 2006 | 192,605 | 178,167 | 52,912 | 32,996 | 85,908 | 20,540 | 106,448 | 59.7% |
| 2007 | 145,120 | 156,816 | 39,441 | 43,544 | 82,985 | 26,335 | 109,320 | 69.7% |
| 2008 | 141,571 | 151,177 | 24,571 | 47,804 | 72,375 | 51,688 | 124,063 | 82.1% |
| | 1,026,371 | 953,749 | 423,758 | 211,540 | 635,299 | 133,080 | 768,379 | 80.6% |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Insurance

Marine

GROSS BASIS

| | | Months | | | | | | |
|-----------------------------|------|---------|---------|---------|---------|---------|--------|--------|
| | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| Paid Losses | | | | | | | | |
| | 2002 | 6,209 | 19,443 | 28,626 | 29,909 | 30,929 | 32,248 | 32,419 |
| | 2003 | 4,754 | 12,393 | 20,034 | 28,892 | 30,512 | 31,687 | |
| | 2004 | 27,675 | 78,929 | 93,585 | 100,655 | 104,391 | | |
| | 2005 | 40,643 | 160,580 | 320,454 | 376,678 | | | |
| | 2006 | 20,061 | 44,114 | 59,793 | | | | |
| | 2007 | 24,502 | 48,138 | | | | | |
| | 2008 | 28,047 | | | | | | |
| | | Months | | | | | | |
| | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| Case Incurred Losses | | | | | | | | |
| | 2002 | 23,087 | 29,866 | 35,051 | 34,675 | 33,947 | 33,393 | 33,515 |
| | 2003 | 20,644 | 25,605 | 26,341 | 34,063 | 35,853 | 36,344 | |
| | 2004 | 79,663 | 109,129 | 109,535 | 108,057 | 109,784 | | |
| | 2005 | 354,142 | 446,611 | 466,813 | 479,460 | | | |
| | 2006 | 57,558 | 81,091 | 99,884 | | | | |
| | 2007 | 64,850 | 106,533 | | | | | |
| | 2008 | 77,653 | | | | | | |
| | | Months | | | | | | |
| | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| Ultimate Losses | | | | | | | | |
| | 2002 | 50,987 | 43,830 | 47,395 | 36,391 | 34,748 | 34,257 | 33,899 |
| | 2003 | 107,122 | 99,169 | 72,981 | 46,610 | 42,752 | 39,766 | |
| | 2004 | 167,690 | 167,831 | 141,992 | 126,808 | 119,876 | | |
| | 2005 | 441,244 | 535,966 | 511,636 | 500,790 | | | |
| | 2006 | 144,326 | 132,978 | 125,476 | | | | |
| | 2007 | 140,725 | 140,060 | | | | | |
| | 2008 | 150,459 | | | | | | |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Insurance

Marine

GROSS BASIS

| | Months | | | | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------------|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| Paid Loss Ratio | | | | | | | | |
| 2002 | 8.4% | 26.2% | 38.5% | 40.3% | 41.6% | 43.4% | 43.6% | |
| 2003 | 2.8% | 7.2% | 11.7% | 16.9% | 17.8% | 18.5% | | |
| 2004 | 15.5% | 44.1% | 52.3% | 56.3% | 58.4% | | | |
| 2005 | 19.9% | 78.7% | 157.1% | 184.6% | | | | |
| 2006 | 8.3% | 18.2% | 24.7% | | | | | |
| 2007 | 10.5% | 20.6% | | | | | | |
| 2008 | 13.8% | | | | | | | |
| Case Incurred Loss Ratio | | | | | | | | |
| 2002 | 31.1% | 40.2% | 47.2% | 46.7% | 45.7% | 44.9% | 45.1% | |
| 2003 | 12.0% | 14.9% | 15.4% | 19.9% | 20.9% | 21.2% | | |
| 2004 | 44.5% | 61.0% | 61.2% | 60.4% | 61.4% | | | |
| 2005 | 173.6% | 218.9% | 228.8% | 235.0% | | | | |
| 2006 | 23.7% | 33.5% | 41.2% | | | | | |
| 2007 | 27.7% | 45.5% | | | | | | |
| 2008 | 38.3% | | | | | | | |
| Ultimate Loss Ratio | | | | | | | | |
| 2002 | 68.6% | 59.0% | 63.8% | 49.0% | 46.8% | 46.1% | 45.6% | |
| 2003 | 62.5% | 57.9% | 42.6% | 27.2% | 24.9% | 23.2% | | |
| 2004 | 93.8% | 93.8% | 79.4% | 70.9% | 67.0% | | | |
| 2005 | 216.3% | 262.7% | 250.8% | 245.4% | | | | |
| 2006 | 59.5% | 54.9% | 51.8% | | | | | |
| 2007 | 60.1% | 59.8% | | | | | | |
| 2008 | 74.2% | | | | | | | |
| Loss Emergence | | | | | | | | Total Development |
| 2002 | 50,987 | (7,157) | 3,564 | (11,004) | (1,643) | (491) | (357) | (17,088) |
| 2003 | 107,122 | (7,952) | (26,188) | (26,371) | (3,858) | (2,985) | | (67,355) |
| 2004 | 167,690 | 141 | (25,838) | (15,184) | (6,932) | | | (47,814) |
| 2005 | 441,244 | 94,722 | (24,329) | (10,847) | | | | 59,546 |
| 2006 | 144,326 | (11,348) | (7,502) | | | | | (18,851) |
| 2007 | 140,725 | (665) | | | | | | (665) |
| 2008 | 150,459 | | | | | | | - |
| | | | | | | | | (92,227) |
| Calendar Year | CY 2002 | CY 2003 | CY 2004 | CY 2005 | CY 2006 | CY 2007 | CY 2008 | Total Development |
| | - | (7,157) | (4,388) | (37,051) | 40,870 | (55,211) | (29,290) | (92,227) |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Insurance

Aviation

ITD Summary

Gross

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|--------|-----------------|---------------------|
| 2002 | 259,048 | 89,356 | 23,402 | 741 | 24,143 | 88 | 24,231 | 27.1% |
| 2003 | 331,045 | 278,463 | 33,124 | 3,188 | 36,312 | 872 | 37,185 | 13.4% |
| 2004 | 376,137 | 329,925 | 53,407 | 8,329 | 61,736 | 7,281 | 69,017 | 20.9% |
| 2005 | 181,969 | 331,510 | 45,227 | 8,017 | 53,244 | 10,793 | 64,038 | 19.3% |
| 2006 | 113,392 | 175,052 | 13,369 | 3,819 | 17,189 | 11,532 | 28,720 | 16.4% |
| 2007 | 70,200 | 90,194 | 6,798 | 4,107 | 10,905 | 11,118 | 22,022 | 24.4% |
| 2008 | 67,762 | 68,673 | 596 | 816 | 1,412 | 13,460 | 14,872 | 21.7% |
| | 1,399,552 | 1,363,174 | 175,924 | 29,017 | 204,941 | 55,143 | 260,084 | 19.1% |

Ceded

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|-------|-----------------|---------------------|
| 2002 | 25,977 | 11,149 | - | 734 | 734 | - | 734 | 6.6% |
| 2003 | 13,855 | 19,956 | - | - | - | - | - | 0.0% |
| 2004 | 61,635 | 38,702 | 618 | 931 | 1,548 | - | 1,548 | 4.0% |
| 2005 | 9,631 | 33,867 | - | - | - | - | - | 0.0% |
| 2006 | 7,235 | 14,491 | - | - | - | 1,618 | 1,618 | 11.2% |
| 2007 | 4,967 | 1,946 | - | - | - | 319 | 319 | 16.4% |
| 2008 | 2,003 | 3,278 | - | - | - | 690 | 690 | 21.0% |
| | 125,304 | 123,388 | 618 | 1,664 | 2,282 | 2,627 | 4,909 | 4.0% |

Net

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|--------|-----------------|---------------------|
| 2002 | 233,071 | 78,207 | 23,402 | 7 | 23,410 | 88 | 23,497 | 30.0% |
| 2003 | 317,190 | 258,508 | 33,124 | 3,188 | 36,312 | 872 | 37,185 | 14.4% |
| 2004 | 314,501 | 291,223 | 52,789 | 7,398 | 60,188 | 7,281 | 67,469 | 23.2% |
| 2005 | 172,338 | 297,643 | 45,227 | 8,017 | 53,244 | 10,793 | 64,038 | 21.5% |
| 2006 | 106,157 | 160,561 | 13,369 | 3,819 | 17,189 | 9,914 | 27,102 | 16.9% |
| 2007 | 65,233 | 88,248 | 6,798 | 4,107 | 10,905 | 10,799 | 21,703 | 24.6% |
| 2008 | 65,758 | 65,395 | 596 | 816 | 1,412 | 12,770 | 14,182 | 21.7% |
| | 1,274,248 | 1,239,785 | 175,306 | 27,353 | 202,659 | 52,516 | 255,175 | 20.6% |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Insurance

Aviation

GROSS BASIS

| | | Months | | | | | | |
|-----------------------------|------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Paid Losses | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| | 2002 | 2,114 | 18,818 | 20,792 | 21,507 | 21,999 | 22,231 | 23,402 |
| | 2003 | 10,911 | 21,518 | 26,601 | 29,677 | 31,208 | 33,124 | |
| | 2004 | 10,430 | 37,982 | 46,887 | 48,725 | 53,407 | | |
| | 2005 | 14,487 | 27,542 | 40,972 | 45,227 | | | |
| | 2006 | 2,834 | 8,199 | 13,369 | | | | |
| | 2007 | 2,495 | 6,798 | | | | | |
| | 2008 | 596 | | | | | | |
| Case Incurred Losses | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| | 2002 | 20,373 | 24,707 | 25,741 | 26,613 | 27,939 | 26,311 | 24,143 |
| | 2003 | 22,142 | 29,985 | 36,265 | 38,895 | 36,912 | 36,312 | |
| | 2004 | 48,002 | 55,414 | 67,217 | 61,670 | 61,736 | | |
| | 2005 | 29,859 | 42,422 | 53,259 | 53,244 | | | |
| | 2006 | 5,978 | 14,446 | 17,189 | | | | |
| | 2007 | 8,496 | 10,905 | | | | | |
| | 2008 | 1,412 | | | | | | |
| Ultimate Losses | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| | 2002 | 43,390 | 37,352 | 31,572 | 28,024 | 28,315 | 26,578 | 24,231 |
| | 2003 | 104,043 | 86,361 | 65,110 | 49,126 | 40,857 | 37,185 | |
| | 2004 | 171,087 | 99,178 | 84,883 | 73,131 | 69,017 | | |
| | 2005 | 107,486 | 71,725 | 72,479 | 64,038 | | | |
| | 2006 | 51,662 | 33,797 | 28,720 | | | | |
| | 2007 | 30,333 | 22,022 | | | | | |
| | 2008 | 14,872 | | | | | | |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Insurance

Aviation

GROSS BASIS

| Paid Loss Ratio | Months | | | | | | | |
|-----------------|--------|-------|-------|-------|-------|-------|-------|--|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | 2.4% | 21.1% | 23.3% | 24.1% | 24.6% | 24.9% | 26.2% | |
| 2003 | 3.9% | 7.7% | 9.6% | 10.7% | 11.2% | 11.9% | | |
| 2004 | 3.2% | 11.5% | 14.2% | 14.8% | 16.2% | | | |
| 2005 | 4.4% | 8.3% | 12.4% | 13.6% | | | | |
| 2006 | 1.6% | 4.7% | 7.6% | | | | | |
| 2007 | 2.8% | 7.5% | | | | | | |
| 2008 | 0.9% | | | | | | | |

| Case Incurred Loss Ratio | Months | | | | | | | |
|--------------------------|--------|-------|-------|-------|-------|-------|-------|--|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | 22.8% | 27.6% | 28.8% | 29.8% | 31.3% | 29.4% | 27.0% | |
| 2003 | 8.0% | 10.8% | 13.0% | 14.0% | 13.3% | 13.0% | | |
| 2004 | 14.5% | 16.8% | 20.4% | 18.7% | 18.7% | | | |
| 2005 | 9.0% | 12.8% | 16.1% | 16.1% | | | | |
| 2006 | 3.4% | 8.3% | 9.8% | | | | | |
| 2007 | 9.4% | 12.1% | | | | | | |
| 2008 | 2.1% | | | | | | | |

| Ultimate Loss Ratio | Months | | | | | | | |
|---------------------|--------|-------|-------|-------|-------|-------|-------|--|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | 48.6% | 41.8% | 35.3% | 31.4% | 31.7% | 29.7% | 27.1% | |
| 2003 | 37.4% | 31.0% | 23.4% | 17.6% | 14.7% | 13.4% | | |
| 2004 | 51.9% | 30.1% | 25.7% | 22.2% | 20.9% | | | |
| 2005 | 32.4% | 21.6% | 21.9% | 19.3% | | | | |
| 2006 | 29.5% | 19.3% | 16.4% | | | | | |
| 2007 | 33.6% | 24.4% | | | | | | |
| 2008 | 21.7% | | | | | | | |

| Loss Emergence | Months | | | | | | | Total Development |
|----------------|---------|----------|----------|----------|---------|---------|---------|-------------------|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | 43,390 | (6,038) | (5,780) | (3,548) | 292 | (1,737) | (2,347) | (19,159) |
| 2003 | 104,043 | (17,683) | (21,251) | (15,984) | (8,269) | (3,672) | | (66,859) |
| 2004 | 171,087 | (71,909) | (14,295) | (11,752) | (4,115) | | | (102,070) |
| 2005 | 107,486 | (35,761) | 753 | (8,441) | | | | (43,448) |
| 2006 | 51,662 | (17,865) | (5,077) | | | | | (22,942) |
| 2007 | 30,333 | (8,311) | | | | | | (8,311) |
| 2008 | 14,872 | | | | | | | - |
| | | | | | | | | (262,790) |

| Calendar Year | CY 2002 | CY 2003 | CY 2004 | CY 2005 | CY 2006 | CY 2007 | CY 2008 | Total Development |
|---------------|---------|---------|----------|----------|----------|----------|----------|-------------------|
| | - | (6,038) | (23,463) | (96,708) | (65,748) | (38,870) | (31,963) | (262,790) |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Insurance

Credit and Political Risk

ITD Summary

Gross

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|---------|-----------------|---------------------|
| 2002 | 44,238 | 8,611 | - | - | - | 20 | 20 | 0.2% |
| 2003 | 90,302 | 33,531 | 158 | - | 158 | - | 158 | 0.5% |
| 2004 | 125,448 | 40,058 | - | - | - | 1 | 1 | 0.0% |
| 2005 | 129,368 | 61,233 | 8 | - | 8 | 9,329 | 9,337 | 15.2% |
| 2006 | 209,629 | 89,913 | - | - | - | 16,642 | 16,642 | 18.5% |
| 2007 | 232,549 | 113,926 | 2,928 | 77 | 3,005 | 41,907 | 44,911 | 39.4% |
| 2008 | 183,041 | 144,481 | 247 | 13,731 | 13,978 | 40,931 | 54,909 | 38.0% |
| | 1,014,574 | 491,754 | 3,340 | 13,808 | 17,148 | 108,830 | 125,978 | 25.6% |

Ceded

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

Net

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|---------|-----------------|---------------------|
| 2002 | 40,018 | 6,880 | - | - | - | 20 | 20 | 0.3% |
| 2003 | 88,489 | 31,432 | 158 | - | 158 | - | 158 | 0.5% |
| 2004 | 123,013 | 37,034 | - | - | - | 1 | 1 | 0.0% |
| 2005 | 124,468 | 55,081 | 8 | - | 8 | 9,329 | 9,337 | 17.0% |
| 2006 | 207,590 | 88,100 | - | - | - | 16,642 | 16,642 | 18.9% |
| 2007 | 232,048 | 112,837 | 2,928 | 77 | 3,005 | 41,907 | 44,911 | 39.8% |
| 2008 | 183,041 | 144,481 | 247 | 13,731 | 13,978 | 40,931 | 54,909 | 38.0% |
| | 998,666 | 475,845 | 3,340 | 13,808 | 17,148 | 108,830 | 125,978 | 26.5% |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Insurance

Credit and Political Risk

GROSS BASIS

| | | Months | | | | | | |
|-----------------------------|------|--------|--------|--------|--------|-------|-----|----|
| | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| Paid Losses | | | | | | | | |
| | 2002 | - | - | - | - | - | - | - |
| | 2003 | - | - | - | 152 | 158 | 158 | - |
| | 2004 | - | - | - | - | - | - | - |
| | 2005 | - | 8 | 8 | 8 | - | - | - |
| | 2006 | - | - | - | - | - | - | - |
| | 2007 | 120 | 2,928 | - | - | - | - | - |
| | 2008 | 247 | - | - | - | - | - | - |
| Case Incurred Losses | | | | | | | | |
| | 2002 | - | - | - | - | - | - | - |
| | 2003 | - | - | - | 152 | 158 | 158 | - |
| | 2004 | - | - | - | - | - | - | - |
| | 2005 | - | 8 | 8 | 8 | - | - | - |
| | 2006 | - | - | - | - | - | - | - |
| | 2007 | 120 | 3,005 | - | - | - | - | - |
| | 2008 | 13,978 | - | - | - | - | - | - |
| Ultimate Losses | | | | | | | | |
| | 2002 | 2,031 | 1,583 | 1,491 | 202 | 117 | 24 | 20 |
| | 2003 | 14,567 | 13,888 | 10,060 | 5,346 | 4,094 | 158 | - |
| | 2004 | 19,357 | 17,842 | 18,111 | 13,697 | 1 | - | - |
| | 2005 | 26,816 | 27,092 | 27,092 | 9,337 | - | - | - |
| | 2006 | 40,437 | 40,437 | 16,642 | - | - | - | - |
| | 2007 | 50,843 | 44,911 | - | - | - | - | - |
| | 2008 | 54,909 | - | - | - | - | - | - |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Insurance

Credit and Political Risk

GROSS BASIS

| Paid Loss Ratio | Months | | | | | | | |
|-----------------|--------|------|------|------|------|------|------|------|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 2003 | 0.0% | 0.0% | 0.0% | 0.0% | 0.5% | 0.5% | 0.5% | |
| 2004 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | | |
| 2005 | 0.0% | 0.0% | 0.0% | 0.0% | | | | |
| 2006 | 0.0% | 0.0% | 0.0% | | | | | |
| 2007 | 0.1% | 2.6% | | | | | | |
| 2008 | 0.2% | | | | | | | |

| Case Incurred Loss Ratio | Months | | | | | | | |
|--------------------------|--------|------|------|------|------|------|------|------|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 2003 | 0.0% | 0.0% | 0.0% | 0.5% | 0.5% | 0.5% | | |
| 2004 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | | |
| 2005 | 0.0% | 0.0% | 0.0% | 0.0% | | | | |
| 2006 | 0.0% | 0.0% | 0.0% | | | | | |
| 2007 | 0.1% | 2.6% | | | | | | |
| 2008 | 9.7% | | | | | | | |

| Ultimate Loss Ratio | Months | | | | | | | |
|---------------------|--------|-------|-------|-------|-------|------|------|--|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | 23.6% | 18.4% | 17.3% | 2.3% | 1.4% | 0.3% | 0.2% | |
| 2003 | 43.4% | 41.4% | 30.0% | 15.9% | 12.2% | 0.5% | | |
| 2004 | 48.3% | 44.5% | 45.2% | 34.2% | 0.0% | | | |
| 2005 | 43.8% | 44.2% | 44.2% | 15.2% | | | | |
| 2006 | 45.0% | 45.0% | 18.5% | | | | | |
| 2007 | 44.6% | 39.4% | | | | | | |
| 2008 | 38.0% | | | | | | | |

| Loss Emergence | Months | | | | | | | Total Development |
|----------------|--------|---------|----------|----------|----------|---------|-----|-------------------|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | 2,031 | (448) | (92) | (1,289) | (85) | (93) | (4) | (2,011) |
| 2003 | 14,567 | (679) | (3,828) | (4,714) | (1,252) | (3,936) | | (14,410) |
| 2004 | 19,357 | (1,515) | 270 | (4,415) | (13,695) | | | (19,355) |
| 2005 | 26,816 | 276 | - | (17,755) | | | | (17,480) |
| 2006 | 40,437 | - | (23,795) | | | | | (23,795) |
| 2007 | 50,843 | (5,931) | | | | | | (5,931) |
| 2008 | 54,909 | | | | | | | - |
| | | | | | | | | (82,982) |

| Calendar Year | CY 2002 | CY 2003 | CY 2004 | CY 2005 | CY 2006 | CY 2007 | CY 2008 | Total Development |
|---------------|---------|---------|---------|---------|---------|---------|----------|-------------------|
| | - | (448) | (771) | (6,633) | (4,254) | (5,760) | (65,117) | (82,982) |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Insurance

Professional Lines

ITD Summary

Gross

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|-----------|-----------------|---------------------|
| 2002 | - | - | - | - | - | - | - | NA |
| 2003 | 243,228 | 141,101 | 31,307 | 11,834 | 43,141 | 13,013 | 56,154 | 39.8% |
| 2004 | 321,296 | 254,715 | 36,598 | 57,898 | 94,496 | 65,787 | 160,283 | 62.9% |
| 2005 | 431,654 | 369,255 | 49,288 | 22,055 | 71,343 | 193,538 | 264,881 | 71.7% |
| 2006 | 493,754 | 460,900 | 78,083 | 31,316 | 109,399 | 217,913 | 327,312 | 71.0% |
| 2007 | 528,616 | 492,361 | 33,706 | 81,887 | 115,593 | 292,647 | 408,240 | 82.9% |
| 2008 | 601,874 | 548,761 | 15,820 | 30,690 | 46,510 | 369,039 | 415,549 | 75.7% |
| | 2,620,422 | 2,267,093 | 244,801 | 235,681 | 480,482 | 1,151,936 | 1,632,418 | 72.0% |

Ceded

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|---------|-----------------|---------------------|
| 2002 | - | - | - | - | - | - | - | NA |
| 2003 | 165,143 | 92,067 | 25,238 | 7,266 | 32,504 | 7,456 | 39,960 | 43.4% |
| 2004 | 167,205 | 151,090 | 27,759 | 35,283 | 63,042 | 34,831 | 97,873 | 64.8% |
| 2005 | 162,960 | 165,902 | 23,307 | 13,488 | 36,795 | 76,296 | 113,091 | 68.2% |
| 2006 | 150,473 | 148,002 | 28,455 | 12,434 | 40,889 | 58,902 | 99,791 | 67.4% |
| 2007 | 187,856 | 161,714 | 11,422 | 15,215 | 26,637 | 103,812 | 130,448 | 80.7% |
| 2008 | 235,604 | 207,832 | 4,806 | 11,768 | 16,573 | 137,678 | 154,252 | 74.2% |
| | 1,069,241 | 926,607 | 120,987 | 95,454 | 216,440 | 418,974 | 635,415 | 68.6% |

Net

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|---------|-----------------|---------------------|
| 2002 | - | - | - | - | - | - | - | NA |
| 2003 | 78,085 | 49,034 | 6,069 | 4,568 | 10,637 | 5,557 | 16,194 | 33.0% |
| 2004 | 154,091 | 103,625 | 8,839 | 22,615 | 31,454 | 30,956 | 62,410 | 60.2% |
| 2005 | 268,694 | 203,353 | 25,980 | 8,567 | 34,547 | 117,243 | 151,790 | 74.6% |
| 2006 | 343,280 | 312,898 | 49,628 | 18,882 | 68,510 | 159,011 | 227,521 | 72.7% |
| 2007 | 340,759 | 330,646 | 22,284 | 66,672 | 88,956 | 188,835 | 277,791 | 84.0% |
| 2008 | 366,270 | 340,929 | 11,014 | 18,923 | 29,937 | 231,361 | 261,297 | 76.6% |
| | 1,551,181 | 1,340,485 | 123,815 | 140,227 | 264,042 | 732,962 | 997,003 | 74.4% |

**AXIS Capital Holdings Limited
2008 Loss Development Triangles**

Valuation Date: December 31, 2008

Values in Thousands USD

Insurance

Professional Lines

GROSS BASIS

| Paid Losses | Months | | | | | | |
|-------------|--------|--------|--------|--------|--------|--------|----|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| 2002 | - | - | - | - | - | - | - |
| 2003 | 211 | 2,688 | 8,549 | 11,975 | 13,162 | 31,307 | - |
| 2004 | 102 | 6,686 | 13,131 | 18,150 | 36,598 | - | - |
| 2005 | 153 | 10,147 | 24,921 | 49,288 | - | - | - |
| 2006 | 3,765 | 21,813 | 78,083 | - | - | - | - |
| 2007 | 10,913 | 33,706 | - | - | - | - | - |
| 2008 | 15,820 | - | - | - | - | - | - |

| Case Incurred Losses | Months | | | | | | |
|----------------------|--------|---------|---------|--------|--------|--------|----|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| 2002 | - | - | - | - | - | - | - |
| 2003 | 5,550 | 12,560 | 18,463 | 34,943 | 36,260 | 43,141 | - |
| 2004 | 615 | 17,330 | 37,645 | 68,050 | 94,496 | - | - |
| 2005 | 2,043 | 33,049 | 44,720 | 71,343 | - | - | - |
| 2006 | 17,945 | 48,862 | 109,399 | - | - | - | - |
| 2007 | 24,977 | 115,593 | - | - | - | - | - |
| 2008 | 46,510 | - | - | - | - | - | - |

| Ultimate Losses | Months | | | | | | |
|-----------------|---------|---------|---------|---------|---------|--------|----|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| 2002 | - | - | - | - | - | - | - |
| 2003 | 104,528 | 112,934 | 119,415 | 119,730 | 104,604 | 56,154 | - |
| 2004 | 177,941 | 178,296 | 178,504 | 178,349 | 160,283 | - | - |
| 2005 | 266,828 | 267,147 | 266,065 | 264,881 | - | - | - |
| 2006 | 324,582 | 323,653 | 327,312 | - | - | - | - |
| 2007 | 361,209 | 408,240 | - | - | - | - | - |
| 2008 | 415,549 | - | - | - | - | - | - |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Insurance

Professional Lines

GROSS BASIS

| Paid Loss Ratio | Months | | | | | | | 84 |
|-----------------|--------|------|-------|-------|-------|-------|----|----|
| | 12 | 24 | 36 | 48 | 60 | 72 | | |
| 2002 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2003 | 0.1% | 1.9% | 6.1% | 8.5% | 9.3% | 22.2% | | |
| 2004 | 0.0% | 2.6% | 5.2% | 7.1% | 14.4% | | | |
| 2005 | 0.0% | 2.7% | 6.7% | 13.3% | | | | |
| 2006 | 0.8% | 4.7% | 16.9% | | | | | |
| 2007 | 2.2% | 6.8% | | | | | | |
| 2008 | 2.9% | | | | | | | |

| Case Incurred Loss Ratio | Months | | | | | | | 84 |
|--------------------------|--------|-------|-------|-------|-------|-------|----|----|
| | 12 | 24 | 36 | 48 | 60 | 72 | | |
| 2002 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2003 | 3.9% | 8.9% | 13.1% | 24.8% | 25.7% | 30.6% | | |
| 2004 | 0.2% | 6.8% | 14.8% | 26.7% | 37.1% | | | |
| 2005 | 0.6% | 9.0% | 12.1% | 19.3% | | | | |
| 2006 | 3.9% | 10.6% | 23.7% | | | | | |
| 2007 | 5.1% | 23.5% | | | | | | |
| 2008 | 8.5% | | | | | | | |

| Ultimate Loss Ratio | Months | | | | | | | 84 |
|---------------------|--------|-------|-------|-------|-------|-------|----|----|
| | 12 | 24 | 36 | 48 | 60 | 72 | | |
| 2002 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2003 | 74.1% | 80.0% | 84.6% | 84.9% | 74.1% | 39.8% | | |
| 2004 | 69.9% | 70.0% | 70.1% | 70.0% | 62.9% | | | |
| 2005 | 72.3% | 72.3% | 72.1% | 71.7% | | | | |
| 2006 | 70.4% | 70.2% | 71.0% | | | | | |
| 2007 | 73.4% | 82.9% | | | | | | |
| 2008 | 75.7% | | | | | | | |

| Loss Emergence | Months | | | | | | | 84 | Total Development |
|----------------|---------|--------|---------|---------|----------|----------|---|----|-------------------|
| | 12 | 24 | 36 | 48 | 60 | 72 | | | |
| 2002 | - | - | - | - | - | - | - | - | - |
| 2003 | 104,528 | 8,407 | 6,481 | 315 | (15,126) | (48,450) | | | (48,374) |
| 2004 | 177,941 | 355 | 207 | (155) | (18,066) | | | | (17,658) |
| 2005 | 266,828 | 319 | (1,081) | (1,184) | | | | | (1,947) |
| 2006 | 324,582 | (929) | 3,659 | | | | | | 2,730 |
| 2007 | 361,209 | 47,030 | | | | | | | 47,030 |
| 2008 | 415,549 | | | | | | | | - |
| | | | | | | | | | (18,219) |

| Calendar Year | CY 2002 | CY 2003 | CY 2004 | CY 2005 | CY 2006 | CY 2007 | CY 2008 | Total Development |
|---------------|---------|---------|---------|---------|---------|----------|----------|-------------------|
| | - | - | 8,407 | 6,836 | 841 | (17,291) | (17,012) | (18,219) |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Insurance
Liability

ITD Summary

Gross

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|---------|-----------------|---------------------|
| 2002 | - | - | - | - | - | - | - | NA |
| 2003 | 157,808 | 95,215 | 34,715 | 5,197 | 39,912 | 31,385 | 71,298 | 74.9% |
| 2004 | 229,562 | 190,896 | 64,372 | 28,437 | 92,809 | 43,489 | 136,298 | 71.4% |
| 2005 | 272,642 | 251,299 | 73,116 | 30,649 | 103,765 | 96,631 | 200,395 | 79.7% |
| 2006 | 254,002 | 260,934 | 36,609 | 16,545 | 53,154 | 142,358 | 195,512 | 74.9% |
| 2007 | 248,562 | 244,274 | 12,233 | 19,025 | 31,258 | 149,232 | 180,490 | 73.9% |
| 2008 | 216,629 | 232,863 | 10,734 | 12,414 | 23,148 | 153,513 | 176,661 | 75.9% |
| | 1,379,206 | 1,275,481 | 231,778 | 112,267 | 344,045 | 616,608 | 960,653 | 75.3% |

Ceded

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|---------|-----------------|---------------------|
| 2002 | - | - | - | - | - | - | - | NA |
| 2003 | 63,134 | 42,666 | 11,923 | 226 | 12,149 | 16,620 | 28,769 | 67.4% |
| 2004 | 101,204 | 75,393 | 22,989 | 13,086 | 36,075 | 15,847 | 51,922 | 68.9% |
| 2005 | 142,856 | 123,228 | 33,730 | 18,449 | 52,180 | 49,066 | 101,245 | 82.2% |
| 2006 | 148,371 | 143,692 | 21,670 | 8,253 | 29,923 | 78,503 | 108,426 | 75.5% |
| 2007 | 128,411 | 135,269 | 2,538 | 10,253 | 12,791 | 83,178 | 95,969 | 70.9% |
| 2008 | 145,228 | 134,965 | 5,933 | 9,425 | 15,358 | 83,615 | 98,973 | 73.3% |
| | 729,205 | 655,214 | 98,783 | 59,693 | 158,476 | 326,828 | 485,304 | 74.1% |

Net

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|---------|-----------------|---------------------|
| 2002 | - | - | - | - | - | - | - | NA |
| 2003 | 94,674 | 52,549 | 22,793 | 4,971 | 27,764 | 14,766 | 42,529 | 80.9% |
| 2004 | 128,358 | 115,503 | 41,383 | 15,351 | 56,734 | 27,642 | 84,376 | 73.1% |
| 2005 | 129,786 | 128,070 | 39,385 | 12,200 | 51,585 | 47,565 | 99,150 | 77.4% |
| 2006 | 105,631 | 117,242 | 14,938 | 8,292 | 23,230 | 63,856 | 87,086 | 74.3% |
| 2007 | 120,152 | 109,005 | 9,695 | 8,772 | 18,467 | 66,054 | 84,521 | 77.5% |
| 2008 | 71,400 | 97,898 | 4,801 | 2,988 | 7,790 | 69,897 | 77,687 | 79.4% |
| | 650,001 | 620,267 | 132,995 | 52,575 | 185,570 | 289,780 | 475,350 | 76.6% |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Insurance
Liability

GROSS BASIS

| | | Months | | | | | | |
|----------------------|------|---------|---------|---------|---------|---------|--------|----|
| Paid Losses | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| | 2002 | - | - | - | - | - | - | - |
| | 2003 | 203 | 4,826 | 13,799 | 22,045 | 28,130 | 34,715 | - |
| | 2004 | 2,720 | 8,969 | 23,279 | 37,590 | 64,372 | - | - |
| | 2005 | 1,855 | 13,001 | 33,383 | 73,116 | - | - | - |
| | 2006 | 763 | 9,690 | 36,609 | - | - | - | - |
| | 2007 | 4,271 | 12,233 | - | - | - | - | - |
| | 2008 | 10,734 | - | - | - | - | - | - |
| | | Months | | | | | | |
| Case Incurred Losses | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| | 2002 | - | - | - | - | - | - | - |
| | 2003 | 2,212 | 22,450 | 23,330 | 28,645 | 38,665 | 39,912 | - |
| | 2004 | 9,678 | 18,100 | 35,252 | 56,587 | 92,809 | - | - |
| | 2005 | 10,993 | 26,406 | 55,300 | 103,765 | - | - | - |
| | 2006 | 4,631 | 25,787 | 53,154 | - | - | - | - |
| | 2007 | 7,653 | 31,258 | - | - | - | - | - |
| | 2008 | 23,148 | - | - | - | - | - | - |
| | | Months | | | | | | |
| Ultimate Losses | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| | 2002 | - | - | - | - | - | - | - |
| | 2003 | 68,414 | 68,375 | 68,316 | 68,316 | 68,316 | 71,298 | - |
| | 2004 | 133,677 | 133,760 | 133,799 | 136,154 | 136,298 | - | - |
| | 2005 | 188,467 | 188,244 | 192,483 | 200,395 | - | - | - |
| | 2006 | 189,068 | 188,941 | 195,512 | - | - | - | - |
| | 2007 | 180,523 | 180,490 | - | - | - | - | - |
| | 2008 | 176,661 | - | - | - | - | - | - |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Insurance

Liability

GROSS BASIS

| | Months | | | | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------------|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| Paid Loss Ratio | | | | | | | | |
| 2002 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2003 | 0.2% | 5.1% | 14.5% | 23.2% | 29.5% | 36.5% | | |
| 2004 | 1.4% | 4.7% | 12.2% | 19.7% | 33.7% | | | |
| 2005 | 0.7% | 5.2% | 13.3% | 29.1% | | | | |
| 2006 | 0.3% | 3.7% | 14.0% | | | | | |
| 2007 | 1.7% | 5.0% | | | | | | |
| 2008 | 4.6% | | | | | | | |
| Case Incurred Loss Ratio | | | | | | | | |
| 2002 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2003 | 2.3% | 23.6% | 24.5% | 30.1% | 40.6% | 41.9% | | |
| 2004 | 5.1% | 9.5% | 18.5% | 29.6% | 48.6% | | | |
| 2005 | 4.4% | 10.5% | 22.0% | 41.3% | | | | |
| 2006 | 1.8% | 9.9% | 20.4% | | | | | |
| 2007 | 3.1% | 12.8% | | | | | | |
| 2008 | 9.9% | | | | | | | |
| Ultimate Loss Ratio | | | | | | | | |
| 2002 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2003 | 71.9% | 71.8% | 71.7% | 71.7% | 71.7% | 74.9% | | |
| 2004 | 70.0% | 70.1% | 70.1% | 71.3% | 71.4% | | | |
| 2005 | 75.0% | 74.9% | 76.6% | 79.7% | | | | |
| 2006 | 72.5% | 72.4% | 74.9% | | | | | |
| 2007 | 73.9% | 73.9% | | | | | | |
| 2008 | 75.9% | | | | | | | |
| Loss Emergence | | | | | | | | Total Development |
| 2002 | - | - | - | - | - | - | - | - |
| 2003 | 68,414 | (39) | (59) | - | - | 2,982 | - | 2,884 |
| 2004 | 133,677 | 83 | 39 | 2,355 | 144 | | | 2,621 |
| 2005 | 188,467 | (223) | 4,239 | 7,912 | | | | 11,928 |
| 2006 | 189,068 | (127) | 6,571 | | | | | 6,444 |
| 2007 | 180,523 | (34) | | | | | | (34) |
| 2008 | 176,661 | | | | | | | - |
| | | | | | | | | <u>23,843</u> |
| Calendar Year | CY 2002 | CY 2003 | CY 2004 | CY 2005 | CY 2006 | CY 2007 | CY 2008 | Total Development |
| | - | - | (39) | 24 | (184) | 6,467 | 17,575 | 23,843 |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

VII. REINSURANCE SEGMENT

i) Reserving Class Descriptions

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

Property

- This class primarily comprises catastrophe reinsurance which provides protection for catastrophic losses in the underlying insurance written by our cedants. The underlying policies principally cover property exposures against such perils as hurricane and windstorm, earthquake, flood, tornado, hail and fire. In some instances, terrorism may be a covered peril or the only peril. Other underlying coverages, written on a multi-claimant basis, include workers' compensation, personal accident and life. This class also includes property reinsurance written on both a proportional and a per-risk excess of loss basis and covers underlying personal lines and commercial property exposures.
- The U.S. property catastrophe market experienced generally hard market conditions during the period from 2002 through 2003 before beginning to weaken slightly in 2004. A relatively stable pricing environment for the 2005 renewal season was followed by significant rate increases in 2006 as a result of Hurricane Katrina and revisions to pricing models. The downward pressure on rates over the next 24 months as a result of relatively benign loss experience was again followed by a modest hardening of the markets towards the end of 2008 as a result of Hurricanes Ike and Gustav together with the financial crisis. Pricing trends in the international property catastrophe market generally followed a similar pattern. However, the absence of significant large losses during this period meant that the pricing cycle, and in particular the market hardening in 2002 and 2006, was generally less pronounced than that observed for the U.S. market.
- Other predominantly short tail reinsurance exposures also included in this class are:
 - Engineering: This line of business comprises non-proportional and proportional treaties that provide coverage for all types of civil construction risks and risks associated with erection, testing and commissioning of machinery and plants during the construction stage. Coverage is also provided for losses arising from operational failures of machinery, plant and equipment and electronic equipment as well as business interruption. The earned premiums for this line of business have increased from \$9 million in 2006 to \$54 million in 2008.
 - Crop: This line of business mainly comprises stop loss contracts with most exposures emanating from North America and Europe. With the exception of the 2008 accident year (earned premium of \$25 million), the earned premiums for this line of business in any one year are in the range of \$5 million to \$15 million.
 - Marine and Aviation: This line of business mainly comprises marine reinsurance which includes hull, cargo and liability risks underwritten on both a proportional and non-proportional basis primarily from the U.S. The aviation reinsurance includes airline hull and liability, manufacturers' products liability and general aviation risks. The annual earned premium for this line of business is approximately \$10 million.

AXIS Capital Holdings Limited
2008 Loss Development Triangles

- In general, paid and reporting patterns are relatively short-tailed and can be volatile due to the incidence of catastrophe events such as the Atlantic hurricanes of 2004 (Charley, Francis, Ivan and Jeanne), 2005 (Katrina, Rita and Wilma) and 2008 (Gustav and Ike).

Credit and Bond

- Approximately 75% of the premium for this class of business comprises European trade credit business with the remainder relating to U.S. and European surety bond business. This mix has remained broadly stable over time. Most of the trade credit reinsurance business is written on a proportional, risks-attaching basis.
- Most of the trade credit business is focused on European exposures and relates mainly to commercial trade credit (i.e. insolvency) risks. Coverage for risks such as contractual disputes, currency fluctuations and entrepreneurial ventures are not included.
- The majority of the trade credit premium is derived from proportional contracts with industry leaders. The percentage of the annual premium relating to the largest proportional treaty has generally been in the range of 35% to 45% of the total trade credit proportional business.
- Original insureds are obliged to request limits on each and every buyer (sometimes original insureds are given a discretionary limit for small buyers). Insurers can decline, reduce or cancel limits under whole-turnover credit insurance policies at any time without prior notice.
- Losses are generally reported to insurers if no payments have been made following a specified payment period (generally 30 days to 3 months). This, together with often partial or full related recoveries, leads to a relatively short loss development profile on this class of business. We would generally expect to observe little loss development beyond 18 to 24 months from inception on an accident year basis in credit insurance.
- Pricing for credit and bond lines were under general downwards pressure during the period from 2004 through 2008 due to favorable loss experience. As discussed in Section IV, we anticipate claims experience on the 2008 accident year to differ from prior years due to the impact of the worldwide credit crisis and subsequent economic slowdown.
- The remainder of this class consists of worldwide surety bond business written on both a proportional and non-proportional basis. The bond related business typically has a longer development profile relative to that of the trade credit business.

Professional Lines

- The majority of this class relates to U.S. Professional Liability business although some relatively small amounts of non-U.S. business are also included.
- The class includes public Directors' & Officers' (D&O) Liability, non-public D&O, medical malpractice, lawyers, accountants, employment practices, environmental and miscellaneous errors and omissions insurance exposures. The percentage of annual professional liability premium relating to public D&O liability business has generally been in the range of 30% to 40%.
- The professional liability treaties are written on both a non-proportional and proportional basis. However, the majority of underlying exposures in this class are excess insurance policies where public D&O exposures typically attach at higher levels than the remainder of

AXIS Capital Holdings Limited
2008 Loss Development Triangles

the portfolio. The attachment point profile for the combined professional liability reinsurance line has remained relatively stable over time.

- The underlying business is predominantly written on a claims-made basis with the majority of reinsurance treaties written on a risks-attaching basis.
- Claim payment and reporting patterns on an accident year basis are typically medium to long tail in nature. However, as discussed in Section IV, we anticipate claims frequency on the 2007 and 2008 accident years to differ from prior years due to the impact of the worldwide credit crisis and subsequent economic slowdown.
- Pricing on underlying primary policies for U.S. professional liability business increased significantly from 2002, peaking for most lines in 2004. The largest rate increases were found in D&O policies. Limits utilized also decreased during this period. Since 2005, D&O pricing remained competitive, reflecting a generally reduced claims environment, although the Financial Institutions sector saw a strengthening of rates in 2008 resulting predominantly from a reaction to the worldwide credit crisis. The overall reinsurance pricing during this period remained relatively stable despite some of the downward pressure on rates observed since 2005 in the primary market.

Motor

- This class of business comprises European motor reinsurance written predominantly on a non-proportional basis. The percentage of annual earned premium relating to motor non-proportional treaties has generally represented greater than 85% of the total motor premium, with the remainder relating to motor proportional business. The majority of business is covered on a losses occurring basis.
- The motor non-proportional business consists of standard excess of loss contracts written for cedants in several European countries. The two major markets, U.K. and France, account for more than 80% of motor non-proportional premium volume. The attachment profiles for the U.K. and French domiciled excess of loss treaties have remained broadly stable over the past 4 to 5 years.
- The motor non-proportional treaties are generally characterized by long paid and reported loss development patterns. We note, however, that for the U.K. business in particular, there has been a trend towards quicker and more adequate reporting of losses over the past 3-4 years.
- The use of additional case reserves (“ACRs”) is more prevalent for the motor reinsurance class of business than for other liability classes. This reflects a higher incidence of large bodily injury claims, the reserves on which are often highly dependent on a number of assumptions such as life expectancy and cost of care. In specific cases where, as a result of different underlying assumptions, AXIS believes that the ultimate cost of a claim may be higher than the reserve indicated by the cedant, an ACR may be recorded. Incurred losses shown in the tables and triangles include ACRs. Specifically, ACRs represented approximately 11% of total reserves (including IBNR) on the Motor class of business as of December 31, 2008.
- The relatively high incidence of bodily injury claims for this class of business also makes it particularly susceptible to increased uncertainty surrounding future loss development due to issues such as continued cost of care inflation and a trend towards more structured settlements in the U.K. market. There has also been a general decrease in claim frequency over the past decade following governmental measures to better control speed limits and drunk driving.

AXIS Capital Holdings Limited
2008 Loss Development Triangles

- The U.K. and French motor reinsurance markets saw significant rate increases on excess of loss treaties during the period from 2001 through 2007; increases after 2007 were mainly limited to upper layers.
- The motor proportional component of this class generally has a significantly shorter paid and reported loss development pattern relative to the motor non-proportional risks.

Liability

- The business covered in this class relates primarily to North American casualty business although some European business is also included.
- The North American business provides coverage to both regional and national insurers writing standard casualty business, excess and surplus casualty business and specialty casualty programs. The primary focus of the underlying business is general liability, which is largely written on an excess basis through umbrella policies. Workers compensation and auto liability are also written, both on a monoline basis and also as part of regional multiline (both lines) and umbrella treaties (auto).
- The majority of treaties are written as non-proportional business, although proportional business generally also covers excess insurance policies. The majority of treaties are written on a risks-attaching basis with the remainder written on a losses occurring basis.
- Pricing on underlying primary policies for the North American casualty book increased significantly from 2002, peaking for most lines in 2004. The largest increases were observed on commercial umbrella and excess policies. Annual rate decreases of between 5% and 10% were realized during the period from 2005 to 2008, although the period also saw declining frequency along with relatively stable severity. Despite downward pressure on insurance rates during 2007 and 2008, the overall reinsurance pricing during this period remained relatively stable compared to the primary market.
- Claim payment and reporting patterns are typically long tail in nature.

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Reinsurance
Consolidated

ITD Summary

Gross

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|-----------|-----------------|---------------------|
| 2002 | 314,244 | 222,237 | 37,960 | 2,383 | 40,343 | 3,997 | 44,340 | 20.0% |
| 2003 | 667,086 | 514,343 | 81,161 | 6,883 | 88,044 | 27,604 | 115,648 | 22.5% |
| 2004 | 1,092,748 | 908,428 | 363,566 | 48,403 | 411,969 | 94,728 | 506,698 | 55.8% |
| 2005 | 1,518,868 | 1,388,447 | 972,197 | 138,589 | 1,110,785 | 273,117 | 1,383,902 | 99.7% |
| 2006 | 1,538,569 | 1,397,917 | 251,646 | 156,661 | 408,307 | 288,942 | 697,249 | 49.9% |
| 2007 | 1,550,876 | 1,537,897 | 238,780 | 197,298 | 436,078 | 482,950 | 919,028 | 59.8% |
| 2008 | 1,548,454 | 1,519,126 | 192,559 | 340,460 | 533,018 | 700,653 | 1,233,672 | 81.2% |
| | 8,230,846 | 7,488,395 | 2,137,868 | 890,677 | 3,028,545 | 1,871,992 | 4,900,536 | 65.4% |

Ceded

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|--------|-----------------|---------------------|
| 2002 | - | - | - | - | - | - | - | NA |
| 2003 | 12,707 | 9,704 | - | - | - | 221 | 221 | 2.3% |
| 2004 | 32,360 | 25,884 | 70,740 | - | 70,740 | 1,304 | 72,044 | 278.3% |
| 2005 | 27,646 | 36,313 | 67,250 | - | 67,250 | 7,336 | 74,586 | 205.4% |
| 2006 | 9,789 | 9,407 | - | - | - | 6,201 | 6,201 | 65.9% |
| 2007 | 13,766 | 11,926 | - | - | - | 6,523 | 6,523 | 54.7% |
| 2008 | 15,417 | 15,088 | - | - | - | 6,626 | 6,626 | 43.9% |
| | 111,685 | 108,324 | 137,990 | - | 137,990 | 28,211 | 166,201 | 153.4% |

Net

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|-----------|-----------------|---------------------|
| 2002 | 314,244 | 222,237 | 37,960 | 2,383 | 40,343 | 3,997 | 44,340 | 20.0% |
| 2003 | 654,379 | 504,639 | 81,161 | 6,883 | 88,044 | 27,383 | 115,427 | 22.9% |
| 2004 | 1,060,388 | 882,543 | 292,826 | 48,403 | 341,229 | 93,424 | 434,653 | 49.3% |
| 2005 | 1,491,221 | 1,352,133 | 904,947 | 138,589 | 1,043,535 | 265,781 | 1,309,316 | 96.8% |
| 2006 | 1,528,781 | 1,388,510 | 251,646 | 156,661 | 408,307 | 282,741 | 691,048 | 49.8% |
| 2007 | 1,537,110 | 1,525,971 | 238,780 | 197,298 | 436,078 | 476,427 | 912,506 | 59.8% |
| 2008 | 1,533,038 | 1,504,038 | 192,559 | 340,460 | 533,018 | 694,028 | 1,227,046 | 81.6% |
| | 8,119,161 | 7,380,071 | 1,999,878 | 890,677 | 2,890,555 | 1,843,781 | 4,734,336 | 64.2% |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Reinsurance

Consolidated

GROSS BASIS

| | | Months | | | | | | |
|----------------------|------|-----------|-----------|-----------|-----------|---------|---------|--------|
| Paid Losses | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| | 2002 | 8,560 | 29,565 | 36,897 | 37,039 | 37,397 | 37,590 | 37,960 |
| | 2003 | 15,641 | 44,837 | 61,551 | 66,052 | 75,464 | 81,161 | |
| | 2004 | 126,755 | 258,524 | 315,762 | 344,004 | 363,566 | | |
| | 2005 | 168,552 | 688,139 | 901,023 | 972,197 | | | |
| | 2006 | 66,684 | 182,558 | 251,646 | | | | |
| | 2007 | 88,676 | 238,780 | | | | | |
| | 2008 | 192,559 | | | | | | |
| | | Months | | | | | | |
| Case Incurred Losses | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| | 2002 | 30,412 | 44,340 | 40,868 | 38,924 | 41,329 | 41,048 | 40,343 |
| | 2003 | 42,675 | 73,818 | 88,572 | 84,563 | 85,904 | 88,044 | |
| | 2004 | 244,908 | 358,833 | 390,554 | 407,811 | 411,969 | | |
| | 2005 | 746,554 | 1,077,797 | 1,105,938 | 1,110,785 | | | |
| | 2006 | 235,801 | 355,509 | 408,307 | | | | |
| | 2007 | 293,085 | 436,078 | | | | | |
| | 2008 | 533,018 | | | | | | |
| | | Months | | | | | | |
| Ultimate Losses | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| | 2002 | 91,417 | 63,349 | 58,070 | 47,271 | 42,749 | 44,392 | 44,340 |
| | 2003 | 266,798 | 197,149 | 161,554 | 128,781 | 124,278 | 115,648 | |
| | 2004 | 710,375 | 630,182 | 550,548 | 544,042 | 506,698 | | |
| | 2005 | 1,368,303 | 1,431,728 | 1,415,546 | 1,383,902 | | | |
| | 2006 | 844,382 | 743,480 | 697,249 | | | | |
| | 2007 | 965,497 | 919,028 | | | | | |
| | 2008 | 1,233,672 | | | | | | |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Reinsurance

Consolidated

GROSS BASIS

| | Months | | | | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------------|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| Paid Loss Ratio | | | | | | | | |
| 2002 | 3.9% | 13.3% | 16.6% | 16.7% | 16.8% | 16.9% | 17.1% | |
| 2003 | 3.0% | 8.7% | 12.0% | 12.8% | | 15.8% | | |
| 2004 | 14.0% | 28.5% | 34.8% | 37.9% | 40.0% | | | |
| 2005 | 12.1% | 49.6% | 64.9% | 70.0% | | | | |
| 2006 | 4.8% | 13.1% | 18.0% | | | | | |
| 2007 | 5.8% | 15.5% | | | | | | |
| 2008 | 12.7% | | | | | | | |
| Case Incurred Loss Ratio | | | | | | | | |
| 2002 | 13.7% | 20.0% | 18.4% | 17.5% | 18.6% | 18.5% | 18.2% | |
| 2003 | 8.3% | 14.4% | 17.2% | 16.4% | 16.7% | 17.1% | | |
| 2004 | 27.0% | 39.5% | 43.0% | 44.9% | 45.3% | | | |
| 2005 | 53.8% | 77.6% | 79.7% | 80.0% | | | | |
| 2006 | 16.9% | 25.4% | 29.2% | | | | | |
| 2007 | 19.1% | 28.4% | | | | | | |
| 2008 | 35.1% | | | | | | | |
| Ultimate Loss Ratio | | | | | | | | |
| 2002 | 41.1% | 28.5% | 26.1% | 21.3% | 19.2% | 20.0% | 20.0% | |
| 2003 | 51.9% | 38.3% | 31.4% | 25.0% | 24.2% | 22.5% | | |
| 2004 | 78.2% | 69.4% | 60.6% | 59.9% | 55.8% | | | |
| 2005 | 98.5% | 103.1% | 102.0% | 99.7% | | | | |
| 2006 | 60.4% | 53.2% | 49.9% | | | | | |
| 2007 | 62.8% | 59.8% | | | | | | |
| 2008 | 81.2% | | | | | | | |
| Loss Emergence | | | | | | | | Total Development |
| 2002 | 91,417 | (28,068) | (5,279) | (10,799) | (4,522) | 1,642 | (52) | (47,077) |
| 2003 | 266,798 | (69,649) | (35,594) | (32,774) | (4,503) | (8,629) | | (151,150) |
| 2004 | 710,375 | (80,193) | (79,634) | (6,506) | (37,344) | | | (203,677) |
| 2005 | 1,368,303 | 63,425 | (16,182) | (31,644) | | | | 15,599 |
| 2006 | 844,382 | (100,902) | (46,231) | | | | | (147,133) |
| 2007 | 965,497 | (46,468) | | | | | | (46,468) |
| 2008 | 1,233,672 | | | | | | | - |
| | | | | | | | | (579,907) |
| Calendar Year | CY 2002 | CY 2003 | CY 2004 | CY 2005 | CY 2006 | CY 2007 | CY 2008 | Total Development |
| | - | (28,068) | (74,928) | (126,586) | (53,504) | (126,451) | (170,368) | (579,907) |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Reinsurance

Property

ITD Summary

Gross

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|---------|-----------------|---------------------|
| 2002 | 314,244 | 222,237 | 37,960 | 2,383 | 40,343 | 3,997 | 44,340 | 20.0% |
| 2003 | 488,903 | 438,869 | 61,565 | 1,695 | 63,260 | 3,582 | 66,843 | 15.2% |
| 2004 | 697,375 | 628,509 | 304,854 | 10,209 | 315,062 | 10,098 | 325,160 | 51.7% |
| 2005 | 943,345 | 901,213 | 896,216 | 53,231 | 949,447 | 64,311 | 1,013,758 | 112.5% |
| 2006 | 882,845 | 819,031 | 177,555 | 35,806 | 213,361 | 25,899 | 239,260 | 29.2% |
| 2007 | 860,590 | 863,994 | 187,004 | 79,327 | 266,331 | 95,777 | 362,107 | 41.9% |
| 2008 | 883,477 | 869,570 | 162,312 | 253,125 | 415,436 | 278,639 | 694,075 | 79.8% |
| | 5,070,779 | 4,743,425 | 1,827,464 | 435,776 | 2,263,240 | 482,302 | 2,745,542 | 57.9% |

Ceded

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|------|-----------------|---------------------|
| 2002 | - | - | - | - | - | - | - | NA |
| 2003 | 9,370 | 8,017 | - | - | - | - | - | 0.0% |
| 2004 | 28,122 | 21,890 | 70,740 | - | 70,740 | - | 70,740 | 323.2% |
| 2005 | 16,736 | 23,510 | 67,250 | - | 67,250 | - | 67,250 | 286.1% |
| 2006 | 930 | 548 | - | - | - | - | - | 0.0% |
| 2007 | 4,448 | 2,608 | - | - | - | - | - | 0.0% |
| 2008 | 6,861 | 6,532 | - | - | - | - | - | 0.0% |
| | 66,467 | 63,106 | 137,990 | - | 137,990 | - | 137,990 | 218.7% |

Net

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|---------|-----------------|---------------------|
| 2002 | 314,244 | 222,237 | 37,960 | 2,383 | 40,343 | 3,997 | 44,340 | 20.0% |
| 2003 | 479,533 | 430,852 | 61,565 | 1,695 | 63,260 | 3,582 | 66,843 | 15.5% |
| 2004 | 669,253 | 606,619 | 234,114 | 10,209 | 244,322 | 10,098 | 254,420 | 41.9% |
| 2005 | 926,608 | 877,704 | 828,966 | 53,231 | 882,197 | 64,311 | 946,508 | 107.8% |
| 2006 | 881,915 | 818,482 | 177,555 | 35,806 | 213,361 | 25,899 | 239,260 | 29.2% |
| 2007 | 856,142 | 861,386 | 187,004 | 79,327 | 266,331 | 95,777 | 362,107 | 42.0% |
| 2008 | 876,616 | 863,038 | 162,312 | 253,125 | 415,436 | 278,639 | 694,075 | 80.4% |
| | 5,004,312 | 4,680,319 | 1,689,474 | 435,776 | 2,125,250 | 482,302 | 2,607,552 | 55.7% |

**AXIS Capital Holdings Limited
2008 Loss Development Triangles**

Valuation Date: December 31, 2008

Values in Thousands USD

Reinsurance

Property

GROSS BASIS

| | | Months | | | | | | |
|----------------------|------|---------|-----------|-----------|-----------|---------|--------|--------|
| Paid Losses | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| | 2002 | 8,560 | 29,565 | 36,897 | 37,039 | 37,397 | 37,590 | 37,960 |
| | 2003 | 11,521 | 38,173 | 53,468 | 53,661 | 59,236 | 61,565 | |
| | 2004 | 123,953 | 239,601 | 286,252 | 297,935 | 304,854 | | |
| | 2005 | 154,092 | 650,553 | 845,059 | 896,216 | | | |
| | 2006 | 50,564 | 140,839 | 177,555 | | | | |
| | 2007 | 67,545 | 187,004 | | | | | |
| | 2008 | 162,312 | | | | | | |
| | | Months | | | | | | |
| Case Incurred Losses | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| | 2002 | 30,412 | 44,340 | 40,868 | 38,924 | 41,329 | 41,048 | 40,343 |
| | 2003 | 37,951 | 62,073 | 70,279 | 63,620 | 63,941 | 63,260 | |
| | 2004 | 229,406 | 306,320 | 318,344 | 316,818 | 315,062 | | |
| | 2005 | 705,061 | 953,089 | 959,574 | 949,447 | | | |
| | 2006 | 150,781 | 198,155 | 213,361 | | | | |
| | 2007 | 206,383 | 266,331 | | | | | |
| | 2008 | 415,436 | | | | | | |
| | | Months | | | | | | |
| Ultimate Losses | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| | 2002 | 91,417 | 63,349 | 58,070 | 47,271 | 42,749 | 44,392 | 44,340 |
| | 2003 | 211,876 | 142,365 | 106,885 | 75,275 | 70,751 | 66,843 | |
| | 2004 | 500,930 | 425,389 | 344,848 | 339,959 | 325,160 | | |
| | 2005 | 996,064 | 1,054,626 | 1,042,098 | 1,013,758 | | | |
| | 2006 | 394,414 | 291,083 | 239,260 | | | | |
| | 2007 | 428,212 | 362,107 | | | | | |
| | 2008 | 694,075 | | | | | | |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Reinsurance

Property

GROSS BASIS

| Paid Loss Ratio | Months | | | | | | | |
|-----------------|--------|-------|-------|-------|-------|-------|-------|--|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | 3.9% | 13.3% | 16.6% | 16.7% | 16.8% | 16.9% | 17.1% | |
| 2003 | 2.6% | 8.7% | 12.2% | 12.2% | 13.5% | 14.0% | | |
| 2004 | 19.7% | 38.1% | 45.5% | 47.4% | 48.5% | | | |
| 2005 | 17.1% | 72.2% | 93.8% | 99.4% | | | | |
| 2006 | 6.2% | 17.2% | 21.7% | | | | | |
| 2007 | 7.8% | 21.6% | | | | | | |
| 2008 | 18.7% | | | | | | | |

| Case Incurred Loss Ratio | Months | | | | | | | |
|--------------------------|--------|--------|--------|--------|-------|-------|-------|--|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | 13.7% | 20.0% | 18.4% | 17.5% | 18.6% | 18.5% | 18.2% | |
| 2003 | 8.6% | 14.1% | 16.0% | 14.5% | 14.6% | 14.4% | | |
| 2004 | 36.5% | 48.7% | 50.7% | 50.4% | 50.1% | | | |
| 2005 | 78.2% | 105.8% | 106.5% | 105.4% | | | | |
| 2006 | 18.4% | 24.2% | 26.1% | | | | | |
| 2007 | 23.9% | 30.8% | | | | | | |
| 2008 | 47.8% | | | | | | | |

| Ultimate Loss Ratio | Months | | | | | | | |
|---------------------|--------|--------|--------|--------|-------|-------|-------|--|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | 41.1% | 28.5% | 26.1% | 21.3% | 19.2% | 20.0% | 20.0% | |
| 2003 | 48.3% | 32.4% | 24.4% | 17.2% | 16.1% | 15.2% | | |
| 2004 | 79.7% | 67.7% | 54.9% | 54.1% | 51.7% | | | |
| 2005 | 110.5% | 117.0% | 115.6% | 112.5% | | | | |
| 2006 | 48.2% | 35.5% | 29.2% | | | | | |
| 2007 | 49.6% | 41.9% | | | | | | |
| 2008 | 79.8% | | | | | | | |

| Loss Emergence | Months | | | | | | | Total Development |
|----------------|---------|-----------|----------|----------|----------|---------|------|-------------------|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | 91,417 | (28,068) | (5,279) | (10,799) | (4,522) | 1,642 | (52) | (47,077) |
| 2003 | 211,876 | (69,511) | (35,480) | (31,610) | (4,523) | (3,909) | | (145,033) |
| 2004 | 500,930 | (75,541) | (80,541) | (4,890) | (14,799) | | | (175,770) |
| 2005 | 996,064 | 58,562 | (12,527) | (28,341) | | | | 17,694 |
| 2006 | 394,414 | (103,331) | (51,824) | | | | | (155,154) |
| 2007 | 428,212 | (66,105) | | | | | | (66,105) |
| 2008 | 694,075 | | | | | | | - |
| | | | | | | | | (571,446) |

| Calendar Year | CY 2002 | CY 2003 | CY 2004 | CY 2005 | CY 2006 | CY 2007 | CY 2008 | Total Development |
|---------------|---------|----------|----------|-----------|----------|-----------|-----------|-------------------|
| | - | (28,068) | (74,791) | (121,820) | (58,111) | (123,628) | (165,029) | (571,446) |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Reinsurance

Credit and Bond

ITD Summary

Gross

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|--------|-----------------|---------------------|
| 2002 | - | - | - | - | - | - | - | NA |
| 2003 | - | - | - | - | - | - | - | NA |
| 2004 | 73,352 | 36,873 | 12,007 | 1,030 | 13,036 | 1,776 | 14,813 | 40.2% |
| 2005 | 103,277 | 83,030 | 28,658 | 2,983 | 31,641 | 6,557 | 38,198 | 46.0% |
| 2006 | 97,664 | 94,487 | 32,992 | 4,318 | 37,310 | 11,477 | 48,787 | 51.6% |
| 2007 | 124,976 | 107,618 | 30,136 | 13,733 | 43,868 | 26,927 | 70,795 | 65.8% |
| 2008 | 154,497 | 139,861 | 22,532 | 36,549 | 59,081 | 41,853 | 100,934 | 72.2% |
| | 553,766 | 461,869 | 126,325 | 58,612 | 184,937 | 88,591 | 273,527 | 59.2% |

Ceded

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|------|-----------------|---------------------|
| 2002 | - | - | - | - | - | - | - | NA |
| 2003 | - | - | - | - | - | - | - | NA |
| 2004 | - | - | - | - | - | - | - | NA |
| 2005 | - | - | - | - | - | - | - | NA |
| 2006 | - | - | - | - | - | - | - | NA |
| 2007 | - | - | - | - | - | - | - | NA |
| 2008 | - | - | - | - | - | - | - | NA |
| | - | - | - | - | - | - | - | NA |

Net

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|--------|-----------------|---------------------|
| 2002 | - | - | - | - | - | - | - | NA |
| 2003 | - | - | - | - | - | - | - | NA |
| 2004 | 73,352 | 36,873 | 12,007 | 1,030 | 13,036 | 1,776 | 14,813 | 40.2% |
| 2005 | 103,277 | 83,030 | 28,658 | 2,983 | 31,641 | 6,557 | 38,198 | 46.0% |
| 2006 | 97,664 | 94,487 | 32,992 | 4,318 | 37,310 | 11,477 | 48,787 | 51.6% |
| 2007 | 124,976 | 107,618 | 30,136 | 13,733 | 43,868 | 26,927 | 70,795 | 65.8% |
| 2008 | 154,497 | 139,861 | 22,532 | 36,549 | 59,081 | 41,853 | 100,934 | 72.2% |
| | 553,766 | 461,869 | 126,325 | 58,612 | 184,937 | 88,591 | 273,527 | 59.2% |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Reinsurance

Credit and Bond

GROSS BASIS

| | Months | | | | | | |
|-----------------------------|---------|--------|--------|--------|--------|----|----|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| Paid Losses | | | | | | | |
| 2002 | - | - | - | - | - | - | - |
| 2003 | - | - | - | - | - | - | - |
| 2004 | 1,140 | 7,413 | 11,626 | 11,744 | 12,007 | | |
| 2005 | 8,796 | 23,439 | 27,184 | 28,658 | | | |
| 2006 | 13,683 | 26,984 | 32,992 | | | | |
| 2007 | 14,617 | 30,136 | | | | | |
| 2008 | 22,532 | | | | | | |
| Case Incurred Losses | | | | | | | |
| 2002 | - | - | - | - | - | - | - |
| 2003 | - | - | - | - | - | - | - |
| 2004 | 4,535 | 11,304 | 14,078 | 13,638 | 13,036 | | |
| 2005 | 15,323 | 32,891 | 31,635 | 31,641 | | | |
| 2006 | 37,398 | 37,109 | 37,310 | | | | |
| 2007 | 39,662 | 43,868 | | | | | |
| 2008 | 59,081 | | | | | | |
| Ultimate Losses | | | | | | | |
| 2002 | - | - | - | - | - | - | - |
| 2003 | - | - | - | - | - | - | - |
| 2004 | 19,466 | 19,315 | 18,137 | 16,358 | 14,813 | | |
| 2005 | 45,405 | 43,947 | 40,542 | 38,198 | | | |
| 2006 | 51,705 | 51,705 | 48,787 | | | | |
| 2007 | 59,493 | 70,795 | | | | | |
| 2008 | 100,934 | | | | | | |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Reinsurance

Credit and Bond

GROSS BASIS

| Paid Loss Ratio | Months | | | | | | | |
|-----------------|--------|-------|-------|-------|-------|----|----|----|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2003 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2004 | 3.1% | 20.1% | 31.5% | 31.8% | 32.6% | | | |
| 2005 | 10.6% | 28.2% | 32.7% | 34.5% | | | | |
| 2006 | 14.5% | 28.6% | 34.9% | | | | | |
| 2007 | 13.6% | 28.0% | | | | | | |
| 2008 | 16.1% | | | | | | | |

| Case Incurred Loss Ratio | Months | | | | | | | |
|--------------------------|--------|-------|-------|-------|-------|----|----|----|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2003 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2004 | 12.3% | 30.7% | 38.2% | 37.0% | 35.4% | | | |
| 2005 | 18.5% | 39.6% | 38.1% | 38.1% | | | | |
| 2006 | 39.6% | 39.3% | 39.5% | | | | | |
| 2007 | 36.9% | 40.8% | | | | | | |
| 2008 | 42.2% | | | | | | | |

| Ultimate Loss Ratio | Months | | | | | | | |
|---------------------|--------|-------|-------|-------|-------|----|----|----|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2003 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2004 | 52.8% | 52.4% | 49.2% | 44.4% | 40.2% | | | |
| 2005 | 54.7% | 52.9% | 48.8% | 46.0% | | | | |
| 2006 | 54.7% | 54.7% | 51.6% | | | | | |
| 2007 | 55.3% | 65.8% | | | | | | |
| 2008 | 72.2% | | | | | | | |

| Loss Emergence | Months | | | | | | | Total Development |
|----------------|---------|---------|---------|---------|---------|----|----|-------------------|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | - | - | - | - | - | - | - | - |
| 2003 | - | - | - | - | - | - | - | - |
| 2004 | 19,466 | (151) | (1,178) | (1,779) | (1,545) | | | (4,653) |
| 2005 | 45,405 | (1,457) | (3,405) | (2,344) | | | | (7,207) |
| 2006 | 51,705 | - | (2,917) | | | | | (2,917) |
| 2007 | 59,493 | 11,302 | | | | | | 11,302 |
| 2008 | 100,934 | | | | | | | - |
| | | | | | | | | (3,475) |

| Calendar Year | CY 2002 | CY 2003 | CY 2004 | CY 2005 | CY 2006 | CY 2007 | CY 2008 | Total Development |
|---------------|---------|---------|---------|---------|---------|---------|---------|-------------------|
| | | - | - | - | (151) | (2,635) | (5,184) | 4,495 |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Reinsurance

Professional Lines

ITD Summary

Gross

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|---------|-----------------|---------------------|
| 2002 | - | - | - | - | - | - | - | NA |
| 2003 | 132,148 | 57,181 | 12,401 | 2,484 | 14,884 | 13,305 | 28,190 | 49.3% |
| 2004 | 204,637 | 146,178 | 25,691 | 13,943 | 39,633 | 54,566 | 94,200 | 64.4% |
| 2005 | 232,259 | 209,590 | 22,613 | 28,470 | 51,083 | 112,883 | 163,967 | 78.2% |
| 2006 | 274,435 | 225,902 | 17,117 | 39,883 | 57,000 | 124,298 | 181,297 | 80.3% |
| 2007 | 230,040 | 245,672 | 5,012 | 35,129 | 40,141 | 173,922 | 214,063 | 87.1% |
| 2008 | 226,768 | 221,531 | 972 | 8,734 | 9,705 | 174,299 | 184,004 | 83.1% |
| | 1,300,287 | 1,106,052 | 83,805 | 128,642 | 212,447 | 653,273 | 865,721 | 78.3% |

Ceded

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|-------|-----------------|---------------------|
| 2002 | - | - | - | - | - | - | - | NA |
| 2003 | 3,337 | 1,687 | - | - | - | 221 | 221 | 13.1% |
| 2004 | 4,238 | 3,994 | - | - | - | 1,304 | 1,304 | 32.6% |
| 2005 | 399 | 2,292 | - | - | - | 1,788 | 1,788 | 78.0% |
| 2006 | - | - | - | - | - | - | - | NA |
| 2007 | - | - | - | - | - | - | - | NA |
| 2008 | - | - | - | - | - | - | - | NA |
| | 7,974 | 7,974 | - | - | - | 3,313 | 3,313 | 41.6% |

Net

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|---------|-----------------|---------------------|
| 2002 | - | - | - | - | - | - | - | NA |
| 2003 | 128,811 | 55,493 | 12,401 | 2,484 | 14,884 | 13,084 | 27,969 | 50.4% |
| 2004 | 200,399 | 142,183 | 25,691 | 13,943 | 39,633 | 53,262 | 92,896 | 65.3% |
| 2005 | 231,861 | 207,298 | 22,613 | 28,470 | 51,083 | 111,095 | 162,179 | 78.2% |
| 2006 | 274,435 | 225,902 | 17,117 | 39,883 | 57,000 | 124,298 | 181,297 | 80.3% |
| 2007 | 230,040 | 245,672 | 5,012 | 35,129 | 40,141 | 173,922 | 214,063 | 87.1% |
| 2008 | 226,768 | 221,531 | 972 | 8,734 | 9,705 | 174,299 | 184,004 | 83.1% |
| | 1,292,313 | 1,098,078 | 83,805 | 128,642 | 212,447 | 649,960 | 862,407 | 78.5% |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Reinsurance

Professional Lines

GROSS BASIS

| | | Months | | | | | | |
|----------------------|------|---------|---------|---------|---------|--------|--------|----|
| Paid Losses | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| | 2002 | - | - | - | - | - | - | - |
| | 2003 | 4,034 | 5,068 | 5,309 | 8,921 | 11,711 | 12,401 | - |
| | 2004 | 445 | 3,668 | 7,627 | 16,569 | 25,691 | - | - |
| | 2005 | 1,172 | 6,083 | 13,459 | 22,613 | - | - | - |
| | 2006 | 116 | 4,920 | 17,117 | - | - | - | - |
| | 2007 | 830 | 5,012 | - | - | - | - | - |
| | 2008 | 972 | - | - | - | - | - | - |
| | | Months | | | | | | |
| Case Incurred Losses | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| | 2002 | - | - | - | - | - | - | - |
| | 2003 | 4,472 | 7,119 | 11,753 | 13,580 | 13,184 | 14,884 | - |
| | 2004 | 2,850 | 13,028 | 25,319 | 36,993 | 39,633 | - | - |
| | 2005 | 4,681 | 31,725 | 42,087 | 51,083 | - | - | - |
| | 2006 | 5,405 | 32,942 | 57,000 | - | - | - | - |
| | 2007 | 5,750 | 40,141 | - | - | - | - | - |
| | 2008 | 9,705 | - | - | - | - | - | - |
| | | Months | | | | | | |
| Ultimate Losses | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| | 2002 | - | - | - | - | - | - | - |
| | 2003 | 41,431 | 41,284 | 41,170 | 40,006 | 40,026 | 28,190 | - |
| | 2004 | 114,107 | 110,157 | 110,157 | 110,157 | 94,200 | - | - |
| | 2005 | 163,777 | 163,777 | 163,777 | 163,967 | - | - | - |
| | 2006 | 177,922 | 177,922 | 181,297 | - | - | - | - |
| | 2007 | 203,193 | 214,063 | - | - | - | - | - |
| | 2008 | 184,004 | - | - | - | - | - | - |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Reinsurance

Professional Lines

GROSS BASIS

| Paid Loss Ratio | Months | | | | | | | |
|-----------------|--------|------|------|-------|-------|-------|----|----|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2003 | 7.1% | 8.9% | 9.3% | 15.6% | 20.5% | 21.7% | | |
| 2004 | 0.3% | 2.5% | 5.2% | 11.3% | 17.6% | | | |
| 2005 | 0.6% | 2.9% | 6.4% | 10.8% | | | | |
| 2006 | 0.1% | 2.2% | 7.6% | | | | | |
| 2007 | 0.3% | 2.0% | | | | | | |
| 2008 | 0.4% | | | | | | | |

| Case Incurred Loss Ratio | Months | | | | | | | |
|--------------------------|--------|-------|-------|-------|-------|-------|----|----|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2003 | 7.8% | 12.5% | 20.6% | 23.7% | 23.1% | 26.0% | | |
| 2004 | 1.9% | 8.9% | 17.3% | 25.3% | 27.1% | | | |
| 2005 | 2.2% | 15.1% | 20.1% | 24.4% | | | | |
| 2006 | 2.4% | 14.6% | 25.2% | | | | | |
| 2007 | 2.3% | 16.3% | | | | | | |
| 2008 | 4.4% | | | | | | | |

| Ultimate Loss Ratio | Months | | | | | | | |
|---------------------|--------|-------|-------|-------|-------|-------|----|----|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2003 | 72.5% | 72.2% | 72.0% | 70.0% | 70.0% | 49.3% | | |
| 2004 | 78.1% | 75.4% | 75.4% | 75.4% | 64.4% | | | |
| 2005 | 78.1% | 78.1% | 78.1% | 78.2% | | | | |
| 2006 | 78.8% | 78.8% | 80.3% | | | | | |
| 2007 | 82.7% | 87.1% | | | | | | |
| 2008 | 83.1% | | | | | | | |

| Loss Emergence | Months | | | | | | | Total Development |
|----------------|---------|---------|-------|---------|----------|----------|----|-------------------|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| 2002 | - | - | - | - | - | - | - | - |
| 2003 | 41,431 | (146) | (114) | (1,164) | 20 | (11,836) | | (13,241) |
| 2004 | 114,107 | (3,951) | - | - | (15,957) | | | (19,908) |
| 2005 | 163,777 | - | - | 189 | | | | 189 |
| 2006 | 177,922 | - | 3,376 | | | | | 3,376 |
| 2007 | 203,193 | 10,870 | | | | | | 10,870 |
| 2008 | 184,004 | | | | | | | - |
| | | | | | | | | (18,713) |

| Calendar Year | CY 2002 | CY 2003 | CY 2004 | CY 2005 | CY 2006 | CY 2007 | CY 2008 | Total Development |
|---------------|---------|---------|---------|---------|---------|---------|----------|-------------------|
| | - | - | (146) | (4,065) | (1,164) | 20 | (13,358) | (18,713) |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Reinsurance

Motor

ITD Summary

Gross

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|---------|-----------------|---------------------|
| 2002 | - | - | - | - | - | - | - | NA |
| 2003 | - | - | - | - | - | - | - | NA |
| 2004 | 30,221 | 23,494 | 2,285 | 14,562 | 16,847 | 5,591 | 22,438 | 95.5% |
| 2005 | 71,580 | 67,467 | 4,891 | 38,053 | 42,943 | 23,997 | 66,941 | 99.2% |
| 2006 | 83,199 | 83,892 | 4,595 | 56,360 | 60,955 | 22,935 | 83,890 | 100.0% |
| 2007 | 96,805 | 98,628 | 5,227 | 43,379 | 48,606 | 49,558 | 98,164 | 99.5% |
| 2008 | 100,227 | 97,773 | 4,063 | 22,894 | 26,957 | 72,509 | 99,466 | 101.7% |
| | 382,033 | 371,254 | 21,061 | 175,248 | 196,309 | 174,590 | 370,899 | 99.9% |

Ceded

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|------|-----------------|---------------------|
| 2002 | - | - | - | - | - | - | - | NA |
| 2003 | - | - | - | - | - | - | - | NA |
| 2004 | - | - | - | - | - | - | - | NA |
| 2005 | - | - | - | - | - | - | - | NA |
| 2006 | - | - | - | - | - | - | - | NA |
| 2007 | - | - | - | - | - | - | - | NA |
| 2008 | - | - | - | - | - | - | - | NA |
| | - | - | - | - | - | - | - | NA |

Net

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|---------|-----------------|---------------------|
| 2002 | - | - | - | - | - | - | - | NA |
| 2003 | - | - | - | - | - | - | - | NA |
| 2004 | 30,221 | 23,494 | 2,285 | 14,562 | 16,847 | 5,591 | 22,438 | 95.5% |
| 2005 | 71,580 | 67,467 | 4,891 | 38,053 | 42,943 | 23,997 | 66,941 | 99.2% |
| 2006 | 83,199 | 83,892 | 4,595 | 56,360 | 60,955 | 22,935 | 83,890 | 100.0% |
| 2007 | 96,805 | 98,628 | 5,227 | 43,379 | 48,606 | 49,558 | 98,164 | 99.5% |
| 2008 | 100,227 | 97,773 | 4,063 | 22,894 | 26,957 | 72,509 | 99,466 | 101.7% |
| | 382,033 | 371,254 | 21,061 | 175,248 | 196,309 | 174,590 | 370,899 | 99.9% |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Reinsurance

Motor

GROSS BASIS

| Paid Losses | Months | | | | | | |
|-------------|--------|-------|-------|-------|-------|----|----|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| 2002 | - | - | - | - | - | - | - |
| 2003 | - | - | - | - | - | - | - |
| 2004 | 26 | 993 | 1,224 | 1,862 | 2,285 | | |
| 2005 | 1,868 | 3,651 | 4,293 | 4,891 | | | |
| 2006 | 947 | 3,674 | 4,595 | | | | |
| 2007 | 2,419 | 5,227 | | | | | |
| 2008 | 4,063 | | | | | | |

| Case Incurred Losses | Months | | | | | | |
|----------------------|--------|--------|--------|--------|--------|----|----|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| 2002 | - | - | - | - | - | - | - |
| 2003 | - | - | - | - | - | - | - |
| 2004 | 2,827 | 11,389 | 13,584 | 15,166 | 16,847 | | |
| 2005 | 14,113 | 36,485 | 38,255 | 42,943 | | | |
| 2006 | 29,318 | 56,269 | 60,955 | | | | |
| 2007 | 23,532 | 48,606 | | | | | |
| 2008 | 26,957 | | | | | | |

| Ultimate Losses | Months | | | | | | |
|-----------------|--------|--------|--------|--------|--------|----|----|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| 2002 | - | - | - | - | - | - | - |
| 2003 | - | - | - | - | - | - | - |
| 2004 | 20,741 | 20,571 | 22,673 | 22,772 | 22,438 | | |
| 2005 | 61,239 | 68,560 | 68,409 | 66,941 | | | |
| 2006 | 81,904 | 84,341 | 83,890 | | | | |
| 2007 | 98,545 | 98,164 | | | | | |
| 2008 | 99,466 | | | | | | |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Reinsurance

Motor

GROSS BASIS

| Paid Loss Ratio | Months | | | | | | | 84 |
|-----------------|--------|------|------|------|------|----|----|----|
| | 12 | 24 | 36 | 48 | 60 | 72 | | |
| 2002 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2003 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2004 | 0.1% | 4.2% | 5.2% | 7.9% | 9.7% | | | |
| 2005 | 2.8% | 5.4% | 6.4% | 7.2% | | | | |
| 2006 | 1.1% | 4.4% | 5.5% | | | | | |
| 2007 | 2.5% | 5.3% | | | | | | |
| 2008 | 4.2% | | | | | | | |

| Case Incurred Loss Ratio | Months | | | | | | | 84 |
|--------------------------|--------|-------|-------|-------|-------|----|----|----|
| | 12 | 24 | 36 | 48 | 60 | 72 | | |
| 2002 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2003 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2004 | 12.0% | 48.5% | 57.8% | 64.6% | 71.7% | | | |
| 2005 | 20.9% | 54.1% | 56.7% | 63.7% | | | | |
| 2006 | 34.9% | 67.1% | 72.7% | | | | | |
| 2007 | 23.9% | 49.3% | | | | | | |
| 2008 | 27.6% | | | | | | | |

| Ultimate Loss Ratio | Months | | | | | | | 84 |
|---------------------|--------|--------|--------|-------|-------|----|----|----|
| | 12 | 24 | 36 | 48 | 60 | 72 | | |
| 2002 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2003 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2004 | 88.3% | 87.6% | 96.5% | 96.9% | 95.5% | | | |
| 2005 | 90.8% | 101.6% | 101.4% | 99.2% | | | | |
| 2006 | 97.6% | 100.5% | 100.0% | | | | | |
| 2007 | 99.9% | 99.5% | | | | | | |
| 2008 | 101.7% | | | | | | | |

| Loss Emergence | Months | | | | | | | 84 | Total Development |
|----------------|--------|-------|-------|---------|-------|----|---|----|-------------------|
| | 12 | 24 | 36 | 48 | 60 | 72 | | | |
| 2002 | - | - | - | - | - | - | - | - | - |
| 2003 | - | - | - | - | - | - | - | - | - |
| 2004 | 20,741 | (169) | 2,102 | 99 | (334) | | | | 1,697 |
| 2005 | 61,239 | 7,322 | (151) | (1,468) | | | | | 5,702 |
| 2006 | 81,904 | 2,437 | (451) | | | | | | 1,986 |
| 2007 | 98,545 | (381) | | | | | | | (381) |
| 2008 | 99,466 | | | | | | | | - |
| | | | | | | | | | 9,004 |

| Calendar Year | CY 2002 | CY 2003 | CY 2004 | CY 2005 | CY 2006 | CY 2007 | CY 2008 | Total Development |
|---------------|---------|---------|---------|---------|---------|---------|---------|-------------------|
| | - | - | - | (169) | 9,424 | 2,384 | (2,634) | 9,004 |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Reinsurance
Liability

ITD Summary

Gross

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|---------|-----------------|---------------------|
| 2002 | - | - | - | - | - | - | - | NA |
| 2003 | 46,034 | 18,293 | 7,195 | 2,704 | 9,899 | 10,717 | 20,616 | 112.7% |
| 2004 | 87,162 | 73,374 | 18,730 | 8,660 | 27,390 | 22,697 | 50,087 | 68.3% |
| 2005 | 168,406 | 127,146 | 19,819 | 15,852 | 35,671 | 65,368 | 101,039 | 79.5% |
| 2006 | 200,427 | 174,606 | 19,387 | 20,294 | 39,681 | 104,334 | 144,015 | 82.5% |
| 2007 | 238,465 | 221,984 | 11,401 | 25,731 | 37,132 | 136,767 | 173,899 | 78.3% |
| 2008 | 183,486 | 190,391 | 2,680 | 19,159 | 21,838 | 133,353 | 155,192 | 81.5% |
| | 923,980 | 805,794 | 79,212 | 92,399 | 171,612 | 473,236 | 644,848 | 80.0% |

Ceded

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|--------|-----------------|---------------------|
| 2002 | - | - | - | - | - | - | - | NA |
| 2003 | - | - | - | - | - | - | - | NA |
| 2004 | - | - | - | - | - | - | - | NA |
| 2005 | 10,512 | 10,512 | - | - | - | 5,548 | 5,548 | 52.8% |
| 2006 | 8,859 | 8,859 | - | - | - | 6,201 | 6,201 | 70.0% |
| 2007 | 9,318 | 9,318 | - | - | - | 6,523 | 6,523 | 70.0% |
| 2008 | 8,556 | 8,556 | - | - | - | 6,626 | 6,626 | 77.4% |
| | 37,244 | 37,244 | - | - | - | 24,898 | 24,898 | 66.8% |

Net

| Accident Year | Written Premium | Earned Premium | Paid Losses | Case Reserves | Case Incurred Losses | IBNR | Ultimate Losses | Ultimate Loss Ratio |
|---------------|-----------------|----------------|-------------|---------------|----------------------|---------|-----------------|---------------------|
| 2002 | - | - | - | - | - | - | - | NA |
| 2003 | 46,034 | 18,293 | 7,195 | 2,704 | 9,899 | 10,717 | 20,616 | 112.7% |
| 2004 | 87,162 | 73,374 | 18,730 | 8,660 | 27,390 | 22,697 | 50,087 | 68.3% |
| 2005 | 157,895 | 116,635 | 19,819 | 15,852 | 35,671 | 59,820 | 95,491 | 81.9% |
| 2006 | 191,568 | 165,747 | 19,387 | 20,294 | 39,681 | 98,133 | 137,814 | 83.1% |
| 2007 | 229,147 | 212,666 | 11,401 | 25,731 | 37,132 | 130,244 | 167,377 | 78.7% |
| 2008 | 174,930 | 181,835 | 2,680 | 19,159 | 21,838 | 126,728 | 148,566 | 81.7% |
| | 886,736 | 768,550 | 79,212 | 92,399 | 171,612 | 448,339 | 619,950 | 80.7% |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Reinsurance

Liability

GROSS BASIS

| | | Months | | | | | | |
|----------------------|------|---------|---------|---------|---------|--------|--------|----|
| Paid Losses | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| | 2002 | - | - | - | - | - | - | - |
| | 2003 | 86 | 1,596 | 2,773 | 3,470 | 4,517 | 7,195 | - |
| | 2004 | 1,191 | 6,850 | 9,033 | 15,894 | 18,730 | - | - |
| | 2005 | 2,623 | 4,413 | 11,028 | 19,819 | - | - | - |
| | 2006 | 1,374 | 6,140 | 19,387 | - | - | - | - |
| | 2007 | 3,265 | 11,401 | - | - | - | - | - |
| | 2008 | 2,680 | - | - | - | - | - | - |
| | | Months | | | | | | |
| Case Incurred Losses | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| | 2002 | - | - | - | - | - | - | - |
| | 2003 | 252 | 4,626 | 6,541 | 7,362 | 8,780 | 9,899 | - |
| | 2004 | 5,290 | 16,791 | 19,230 | 25,196 | 27,390 | - | - |
| | 2005 | 7,376 | 23,607 | 34,388 | 35,671 | - | - | - |
| | 2006 | 12,899 | 31,034 | 39,681 | - | - | - | - |
| | 2007 | 17,758 | 37,132 | - | - | - | - | - |
| | 2008 | 21,838 | - | - | - | - | - | - |
| | | Months | | | | | | |
| Ultimate Losses | | 12 | 24 | 36 | 48 | 60 | 72 | 84 |
| | 2002 | - | - | - | - | - | - | - |
| | 2003 | 13,491 | 13,500 | 13,500 | 13,500 | 13,500 | 20,616 | - |
| | 2004 | 55,131 | 54,750 | 54,733 | 54,796 | 50,087 | - | - |
| | 2005 | 101,819 | 100,818 | 100,719 | 101,039 | - | - | - |
| | 2006 | 138,437 | 138,429 | 144,015 | - | - | - | - |
| | 2007 | 176,054 | 173,899 | - | - | - | - | - |
| | 2008 | 155,192 | - | - | - | - | - | - |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Valuation Date: December 31, 2008

Values in Thousands USD

Reinsurance

Liability

GROSS BASIS

| | Months | | | | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------------|
| | 12 | 24 | 36 | 48 | 60 | 72 | 84 | |
| Paid Loss Ratio | | | | | | | | |
| 2002 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2003 | 0.5% | 8.7% | 15.2% | 19.0% | 24.7% | 39.3% | | |
| 2004 | 1.6% | 9.3% | 12.3% | 21.7% | 25.5% | | | |
| 2005 | 2.1% | 3.5% | 8.7% | 15.6% | | | | |
| 2006 | 0.8% | 3.5% | 11.1% | | | | | |
| 2007 | 1.5% | 5.1% | | | | | | |
| 2008 | 1.4% | | | | | | | |
| Case Incurred Loss Ratio | | | | | | | | |
| 2002 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2003 | 1.4% | 25.3% | 35.8% | 40.2% | 48.0% | 54.1% | | |
| 2004 | 7.2% | 22.9% | 26.2% | 34.3% | 37.3% | | | |
| 2005 | 5.8% | 18.6% | 27.0% | 28.1% | | | | |
| 2006 | 7.4% | 17.8% | 22.7% | | | | | |
| 2007 | 8.0% | 16.7% | | | | | | |
| 2008 | 11.5% | | | | | | | |
| Ultimate Loss Ratio | | | | | | | | |
| 2002 | NA | NA | NA | NA | NA | NA | NA | NA |
| 2003 | 73.8% | 73.8% | 73.8% | 73.8% | 73.8% | 112.7% | | |
| 2004 | 75.1% | 74.6% | 74.6% | 74.7% | 68.3% | | | |
| 2005 | 80.1% | 79.3% | 79.2% | 79.5% | | | | |
| 2006 | 79.3% | 79.3% | 82.5% | | | | | |
| 2007 | 79.3% | 78.3% | | | | | | |
| 2008 | 81.5% | | | | | | | |
| Loss Emergence | | | | | | | | Total Development |
| 2002 | - | - | - | - | - | - | - | - |
| 2003 | 13,491 | 9 | - | - | - | 7,116 | - | 7,124 |
| 2004 | 55,131 | (381) | (17) | 63 | (4,709) | | | (5,044) |
| 2005 | 101,819 | (1,001) | (99) | 320 | | | | (780) |
| 2006 | 138,437 | (8) | 5,586 | | | | | 5,578 |
| 2007 | 176,054 | (2,155) | | | | | | (2,155) |
| 2008 | 155,192 | | | | | | | - |
| | | | | | | | | 4,724 |
| Calendar Year | CY 2002 | CY 2003 | CY 2004 | CY 2005 | CY 2006 | CY 2007 | CY 2008 | Total Development |
| | - | - | 9 | (381) | (1,018) | (43) | 6,158 | 4,724 |

AXIS Capital Holdings Limited
2008 Loss Development Triangles

VII. SELECTED DISCLOSURES FROM 2008 ANNUAL REPORT ON FORM 10-K

We believe that the most significant judgment made by management is the estimation of our reserve for losses and loss expenses, which we also refer to as loss reserves. We are required by U.S. GAAP to establish loss reserves for the estimated unpaid portion of the ultimate liability for losses and loss expenses (“ultimate losses”) under the terms of our policies and agreements with our insured and reinsured customers. Our loss reserves comprise the following components:

- Case reserves - cost of claims that were reported to us but not yet paid, and
- Reserves for incurred but not reported (“IBNR”) - anticipated cost of claims incurred but not reported.

Loss reserves also include an estimate of the expense associated with settling claims, including legal and other fees and the general expenses of administering the claims adjustment process.

Case Reserves

For reported losses, management primarily establishes case reserves based on the amounts reported from insureds or ceding companies. Case reserves are established on a case by case basis within the parameters of coverage provided in the insurance and reinsurance contracts. The method of establishing case reserves for reported losses differs among our segments.

With respect to our insurance operations, we are notified of insured losses by brokers and insureds and record a case reserve for the estimated amount of the ultimate expected liability arising from the claim. The estimate reflects the judgment of our claims personnel based on general reserving practices, the experience and knowledge of such personnel regarding the nature of the specific claim and, where appropriate, advice of counsel, loss adjusters and other relevant consultants.

The reserving process for our reinsurance operations is more complicated than for our insurance operations. For reported losses, we generally establish case reserves based on reports received primarily from brokers and also from ceding companies. With respect to contracts written on an excess of loss basis, we typically are notified of insured losses on specific contracts and record a case reserve for the estimated amount of the ultimate expected liability arising from the claim. With respect to contracts written on a pro rata basis, we typically receive aggregated claims information and record a case reserve based on this information. However, our pro-rata reinsurance contracts typically require that pre-defined large losses must be separately notified so that these losses can be adequately evaluated.

In deciding whether to provide treaty reinsurance, we carefully review and analyze the cedant’s underwriting and risk management practices to ensure appropriate underwriting, data capture and reporting procedures. We undertake an extensive program of cedant audits, utilizing outsourced legal and industry expertise when necessary. This allows us to review a cedant’s claims administration to ensure that its claim reserves are consistent with reinsured exposures, are adequately established and are properly reported in a timely manner, and to verify that claims are being handled appropriately. For those losses where we receive contract-specific loss notifications, our claims department evaluates each notification and, as discussed above, may record additional case reserves if claims are not considered to be adequately reserved by the ceding company. This requires considerable judgment. At December 31, 2008, additional case reserves were \$106 million, or 5% of our total case reserves compared to \$70 million, or 4%, at December 31, 2007.

AXIS Capital Holdings Limited
2008 Loss Development Triangles

IBNR

IBNR reserves are necessary due to time lags between when a loss occurs and when it is actually reported and settled. This is often referred to as the “claim-tail”. Reporting lags arise from the use of intermediaries to provide loss reports, complexities in the claims adjusting process and other related factors. IBNR reserves are calculated by projecting our ultimate losses on each class of business and subtracting paid losses and case reserves.

Unlike case reserves, IBNR is generally calculated at an aggregate level and cannot usually be directly identified as reserves for a particular loss or contract. Our loss and premium data is aggregated by exposure class and by accident year (i.e. the year in which losses were incurred).

The evaluation process to determine our ultimate losses involves the collaboration of our underwriting, claims, internal actuarial, legal and finance departments, and includes various segmental committee meetings, culminating with the approval of a single point best estimate by senior management in our Group Reserving Committee. The evaluation process also includes consultation with an independent actuarial firm. The work performed by the actuarial firm is an important part of the process and we compare our recorded claims and claim expense reserves to those estimated by the actuarial firm to determine whether our estimates are reasonable.

On an annual basis, our independent actuarial firm performs work for the purpose of issuing an actuarial opinion on the reasonableness of our loss reserves for each of our operating subsidiaries. The actuarial opinions are required to meet various insurance regulatory requirements. The actuarial firm discusses its conclusions with management and presents its findings to our Board of Directors.

Reserving Methodology:

We primarily use the following actuarial methods in our reserving process:

- Initial expected loss ratio method (“IELR”): This method calculates an estimate of ultimate losses by applying an estimated loss ratio to an estimate of ultimate earned premium for each underwriting year. The estimated loss ratio is based on pricing information and industry data and is independent of the current claim experience to date. This method is appropriate for classes of business where the actual paid or reported loss experience is not yet mature enough to override our initial expectations of the ultimate loss ratios.
- Bornhuetter-Ferguson (“BF”): The BF method uses as a starting point an assumed IELR and blends in the loss ratio implied by the claims experience to date by using benchmark loss development patterns. This method is generally appropriate where there are few reported claims and a relatively less stable pattern of reported losses.
- Loss development (Chain Ladder): This method uses actual loss data and the historical development profiles on older accident years to project more recent, less developed years to their ultimate position. This method is appropriate when there is a relatively stable pattern of loss emergence and a relatively large number of reported claims.

The basis of our selected single point best estimate on a particular line of business is often a blend of the results from two or more methods (e.g. weighted averages). Our estimate is highly dependant on actuarial and management judgment as to which method(s) is most appropriate for a particular accident year and class of business. Our methodology changes over time as new information emerges regarding underlying loss activity and other factors.

AXIS Capital Holdings Limited
2008 Loss Development Triangles

Our Key Reserving Assumptions:

Implicit in the actuarial methodologies utilized above are two critical reserving assumptions; the selected IELR for each accident year and the expected loss development profiles. We regularly monitor these assumptions and, at each quarter end, undertake a full actuarial review. Any adjustments that result from this review are recorded in the quarter in which they are identified. The historic loss information we use is also assumed to be indicative of future loss development and trends.

The IELR selections in our insurance segment are primarily developed using industry benchmarks with varying degrees of weight given to our own historical loss experience within our short-tail lines of business (see below). We also give consideration to a number of other factors, including exposure trends, rate adequacy on new and renewal business, ceded reinsurance costs and our underwriters' view of terms and conditions in the market environment. In our reinsurance segment, our IELR selections are based on a contract by contract review which incorporates information provided by clients together with estimates provided by our underwriters and actuaries concerning the impact of changes in pricing, terms and conditions and coverage. Our estimate of the impact of these changes includes assumptions which consider, among other things, the market experience of our independent actuarial firm.

Our loss development profiles are primarily developed using industry benchmarks with varying degrees of weight given to our own historical loss experience within certain lines of our short and medium-tail business. Having begun operations in late 2001 and having grown our business substantially since, the credibility of our own loss development profiles have generally been limited. Our development profiles are only adjusted when the weight of our own actual experience becomes sufficiently credible to identify deviations from the market based assumptions. As this happens, we will begin to incorporate the experience from these accident years in our actuarial analysis to determine future accident year expected loss ratios, adjusted for the occurrence or lack of large losses, changes in pricing, loss trends, terms and conditions and reinsurance structure. The most significant change made to our loss development profiles prior to this year was on our terrorism and aviation lines. In 2005, having observed a lack of claims development on these lines, we adjusted our loss development profiles to incorporate reporting that was more prompt than expected. The following section includes details of the various modifications to our development profiles during 2008.

Reserving by class of business:

The weight given to a particular actuarial method is dependent upon the characteristics specific to each class of business, including the types of coverage and the expected claim-tail.

Short-tail business:

Short-tail exposures describe classes of business for which losses are usually known and paid within a relatively short period after a loss event has occurred. Our short-tail lines include the majority of the property, terrorism and aviation lines of business within our insurance segment, together with the property and catastrophe lines of business within our reinsurance segment.

Due to the relatively short reporting development pattern for our short-tail lines, our estimate of ultimate losses responds quickly to the latest loss data. We therefore typically assign higher credibility to methods that incorporate actual loss emergence, sooner than would be the case for long-tail lines at a similar stage of development. The reserving process for losses arising from catastrophic events typically involves the determination by our claims department, in conjunction with our underwriters and actuaries, of our exposure and likely losses immediately following an event with subsequent refinement of those losses as our clients provide updated actual loss information. When a catastrophe event occurs, we review our contracts to determine those that could be potentially exposed to the event. We contact brokers and clients to determine their estimate of involvement and the extent to which their programs are affected. We may also use

AXIS Capital Holdings Limited 2008 Loss Development Triangles

commercial vendor models to estimate loss exposures under the actual event scenario. As part of the underwriting process, we obtain exposure data from our clients, so that when an event occurs we can run the models to produce an estimate of the losses incurred by clients on programs that we insure or reinsure. Typically, we derive our estimate for the losses from a catastrophic event by blending all of the sources of loss information available to us. This estimate is derived by the claims team and, where there are no reported case reserves, we establish a separate provision for IBNR. Because much of our excess insurance and excess of loss reinsurance business has high attachment points, there is significant judgment required in estimating whether claims will exceed those attachment points. The inherent uncertainties relating to coverage and damage assessment on catastrophe events, together with our typically large line sizes, add to the complexity of estimating our potential exposure.

During 2008, we incurred net losses of \$408 million on Hurricanes Ike and Gustav. Our current estimates for these hurricanes is based primarily on reported loss information from our clients, brokers and loss adjusters, supplemented by our review of in-force contracts, the output of industry models and a market share analysis. Industry-wide insured losses and our own loss estimates for Hurricanes Gustav and Ike are subject to change as claims continue to be reported and adjusted. Actual losses may ultimately differ materially from current loss estimates.

For accident year 2008, our short-tail lines were predominantly established using the BF method which is apt to the low frequency, high severity nature of much of our business (which limits the usefulness of the Loss Development method). For our short-tail lines of business taken as whole, our overall loss trend assumptions have not differed significantly relative to prior years. Within our limited operating history, as well as experiencing significant business growth, our loss activity has generally been volatile, which has reduced the degree to which we can rely upon our own development trends from older accident years. Following actuarial reviews, we did however change the development profile on certain short-tail lines in 2008. Specifically, we updated the loss development profile of our aviation war and property lines managed by general agents to reflect a more accelerated profile, based on our review of historical data. The impact of favorable loss development in recent years did have some positive impact on our expected loss ratios for accident year 2008, although the impact of deteriorating rates within competitive markets generally offset this favorable effect.

For prior accident years, changes to ultimate loss estimates in 2008 were primarily the result of better than expected reported loss data rather than changes in underlying actuarial assumptions.

Medium-tail business:

Our medium-tail exposures include the majority of our aviation hull, energy offshore and credit and political risk lines of our insurance segment together with most of the credit and bond and engineering lines of our reinsurance segment. We generally use the IELR method on more recent accident years for these classes and the BF method on older accident years. The most significant change in loss assumptions on our medium-tail lines of business was on our credit and political risk line of business. In 2008, we refined the sovereign and corporate credit portion of our credit and political risk book. We updated the loss development profile on these lines to reflect a more accelerated loss development profile based on our historical experience. This change in reserving assumption also had a favorable impact on our prior year loss reserves.

Long-tail business:

Long-tail lines of business describe lines of business for which specific losses may not be known for some period. Our long tail exposures include most of our professional lines and liability lines of business as well as our motor reinsurance business. There are many factors contributing to the uncertainty and volatility of long-tail business, including the following:

- Our historical loss data and experience is generally too immature and lacking in actuarial credibility to place reliance upon for reserving purposes. Instead, we place reliance on industry loss ratios and industry benchmark development profiles that we anticipate

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reflect the nature and coverage of our business and its future development. Actual loss experience is apt to differ from industry loss statistics that are based on averages as well as loss experience of previous underwriting years;

- The inherent uncertainty around loss trends, claims inflation (e.g., medical and judicial) and underlying general economic conditions; and
- The possibility of future litigation, legislative or judicial change that might impact future loss experience relative to prior loss experience relied upon in loss reserve analyses.

For our liability lines of business, we predominantly use the IELR method across all accident years. Due to the long-term reporting and settlement period for liability business, additional facts regarding coverages written in prior years, as well as actual claims and trends may become known and, as a result, we may be required to adjust our reserves accordingly. During 2008, we strengthened our prior year liability reserves within both our insurance and reinsurance segment as a result of increased claims trends on certain contracts. Refer to “Underwriting Results – Group – Prior Period Development” for further information.

For our professional lines business, during 2008, we began to give weight to our own loss experience, in particular business written on a claims-made basis from accident years 2004 and prior, which has developed a reasonable level of credible data. As these older accident years mature further, we expect to move from a blend of the BF and IELR methods to using the BF only. For more recent accident years, we continue to use the IELR method, although our ultimate loss estimates for accident year 2007 and 2008 are weighted more heavily towards our expected loss exposure to the sub-prime lending credit crisis. Our reserves for sub-prime incorporate analyses by our claims personnel, actuaries and underwriters following a review of known notifications of potential loss, as well as a review of accounts that may have exposure to this area, but have not yet provided notice of a claim. Although our reserves provide for future deterioration in our exposure to the sub-prime crisis, while the crisis continues and as new information is reported, actual losses may ultimately differ materially from our current estimates.

Potential Volatility in Our Estimates

While we believe that our loss reserves at December 31, 2008 are adequate, new information, events or circumstances, unknown at the original valuation date, may lead to future developments in our ultimate losses significantly greater or less than the reserves currently provided. The actual final cost of settling both claims outstanding at December 31, 2008 and claims expected to arise from unexpired period of risk is uncertain. As noted above there are many factors that may cause our reserves to increase or decrease, particularly those related to catastrophe losses and long-tail lines of business.

The uncertainty in our reserve estimate is generally greater for a company like ours that has a somewhat limited operating history and therefore places some reliance upon industry benchmarks when establishing our loss reserve estimates. To reduce some of the uncertainty, management performs an analysis of additional factors to be considered when establishing our IBNR, intended to enhance our best estimate beyond quantitative techniques. At December 31, 2008, we recorded additional IBNR for uncertainties relating to the timing of the emergence of claims. Although time lags are incorporated within the actuarial methods discussed above, these rely on industry experience which may not be indicative of our business. For example, the low frequency, high severity nature of much of our business, together with the vast and diverse expanse of our worldwide exposures, may limit the usefulness of claims experience of other insurers and reinsurers for similar types of business.

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VIII. GLOSSARY

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

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

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

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

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

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

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

Diagonals in the triangle from bottom left to top right represent evaluation dates. For example, the last diagonal in our published triangles shows the position of each Accident Year as at December 31, 2008.

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

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

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

Inception to Date means the period from 2002 through 2008, 2001 is considered immaterial for the purpose of this document.

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

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

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

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

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

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

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

Total Reserves is the unpaid losses and loss adjustment expenses.

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

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

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

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