AXIS CAPITAL HOLDINGS LTD
Form 424B2
May 15, 2013
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Filed Pursuant To
Rule 424(B)(2)
Registration No: 333-186952

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered[(1)]	Proposed Maximum Offering Price per Unit	Maximum Aggregate Offering Price[(1)]	Amount of Registration Fee[(2)]
5.50% Series D Preferred Shares, $0.0125 par value per share, liquidation preference $25 per share	9,200,000	$25.00	$230,000,000	$31,372

(1) Includes Series D Preferred Shares subject to an option to purchase additional Series D Preferred Shares granted to the underwriters, solely to cover over-allotments, if any.
(2) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

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PROSPECTUS SUPPLEMENT
(To Prospectus Dated February 28, 2013)

8,000,000 Shares

AXIS Capital Holdings Limited

5.50% Series D Preferred Shares

(Liquidation Preference $25 Per Share)

We are selling 8,000,000 of our 5.50% Series D Preferred Shares, par value $0.0125 per share (the Series D Preferred Shares).

Upon liquidation, dissolution or winding-up, the holders of the Series D Preferred Shares will be entitled to receive from our assets legally available for distribution to shareholders a liquidation preference of $25 per share, plus declared and unpaid dividends, if any, to the date fixed for distribution. Dividends on the Series D Preferred Shares will be payable on a non-cumulative basis only when, as and if declared by our board of directors, quarterly in arrears on March 1, June 1, September 1 and December 1 of each year, commencing on September 1, 2013, at a rate equal to 5.50% of the liquidation preference per annum (equivalent to $1.375 per share).

On and after June 1, 2018, we may redeem the Series D Preferred Shares, in whole or in part, at any time, at a redemption price of $25 per share, plus declared and unpaid dividends, if any, to, but excluding, the date of redemption. At any time prior to June 1, 2018, we may redeem the Series D Preferred Shares in whole at a redemption price of $26 per Series D Preferred Share, plus declared and unpaid dividends, if any, to, but excluding, the date of redemption, only if we submit to the holders of our common shares a proposal for an amalgamation or merger or if we submit any proposal for any other matter that requires, as a result of a change in Bermuda law after the date of this prospectus supplement, for its validation or effectuation an affirmative vote of the holders of the Series D Preferred Shares at the time outstanding, whether voting as a separate series or together with any other series or class of preference shares as a single class. In addition, following the occurrence of a tax event or within 90 days following the occurrence of a capital redemption trigger date, each as described elsewhere in this prospectus supplement, we may redeem the Series D Preferred Shares, in whole or in part, at a redemption price of $25 per share, plus declared and unpaid dividends, if any, to, but excluding, the date of redemption.

The Series D Preferred Shares have no stated maturity and will not be subject to any sinking fund or mandatory redemption and will not be convertible into any of our other securities or property.

There is currently no public market for the Series D Preferred Shares. We intend to apply to list the Series D Preferred Shares on the New York Stock Exchange (the NYSE) under the symbol AXSprD. If the application is approved, trading in the Series D Preferred Shares is expected to commence within 30 days after the initial delivery of the Series D Preferred Shares.

Investing in our Series D Preferred Shares involves risks. See Risk Factors on page S-12 in this prospectus supplement and on page 1 in the accompanying prospectus.

None of the Securities and Exchange Commission (the SEC), any state securities commission, the Registrar of Companies in Bermuda, the Bermuda Monetary Authority (the BMA) or any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Share	**Total**
Public Offering Price(1)	$25.00	$200,000,000
Underwriting Discount(1)(2)	$0.7875	$6,300,000
Proceeds to AXIS Capital (before expenses)(1)(2)	$24.2125	$193,700,000

(1) Assumes no exercise of the underwriters over-allotment option described below.

(2) For sales of 2,215,000 shares to certain institutions, the underwriting commission will be $0.50 per Series D Preferred Share and, to the extent of such sales, the total underwriting discount will be less than the amount set forth above and the net proceeds to us will be greater than the amount set forth above. See Underwriting.

We have granted the underwriters an option to purchase up to an additional 1,200,000 Series D Preferred Shares within 30 days after the date of this prospectus supplement at the public offering price, less the underwriting discount, solely to cover over-allotments, if any.

The underwriters expect to deliver the Series D Preferred Shares to purchasers on or about May 20, 2013, which is the fifth business day following the date of this prospectus supplement. See Underwriting.

Joint Book-Running Managers

BofA Merrill Lynch **Citigroup** **Wells Fargo Securities**

Co-Managers

Barclays **BMO Capital Markets** **Credit Agricole CIB** **HSBC**
ING **Lloyds Securities**

May 13, 2013

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus relate to the offer and sale by us of the Series D Preferred Shares. You should rely only on the information contained or incorporated by reference into this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We and the underwriters are not making an offer to sell the Series D Preferred Shares in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, results of operations, financial condition and prospects may have changed since those dates.

This prospectus supplement contains basic information about us and the Series D Preferred Shares. This prospectus supplement may add, update or change information contained in or incorporated by reference into the accompanying prospectus. In addition, the information incorporated by reference into the accompanying prospectus may have added, updated or changed information in the accompanying prospectus. If information in this prospectus supplement is inconsistent with any information in the accompanying prospectus or any information incorporated therein by reference, this prospectus supplement will apply and will supersede such information. It is important for you to read and consider all information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the additional information under the caption Where You Can Find More Information in this prospectus supplement and the accompanying prospectus.

Consent under the Exchange Control Act 1972 (and its related regulations) has been obtained from the Bermuda Monetary Authority for the issue and transfer of our shares, which includes the Series D Preferred Shares to and between non-residents and residents of Bermuda for exchange control purposes provided our shares remain listed on an appointed stock exchange, which includes the NYSE. This prospectus supplement will be filed with the Registrar of Companies in Bermuda in accordance with Bermuda law. In granting such consent and in accepting this prospectus supplement for filing, neither the Bermuda Monetary Authority nor the Registrar of Companies in Bermuda accepts any responsibility for our financial soundness or the correctness of any of the statements made or opinions expressed in this prospectus supplement.

As used in this prospectus supplement and the accompanying prospectus, references to the Company, we, us or our refer to the consolidated operations of AXIS Capital Holdings Limited (AXIS Capital) and its direct and indirect subsidiaries and branches, including AXIS Specialty Limited (AXIS Specialty Bermuda), AXIS Specialty Limited (Singapore Branch), AXIS Specialty Europe SE (AXIS Specialty Europe), AXIS Specialty London, AXIS Specialty Australia, AXIS Specialty Insurance Company (AXIS Specialty U.S.), AXIS Re SE (AXIS Re SE), AXIS Reinsurance Company (AXIS Re U.S.), AXIS Reinsurance Company (Canadian Branch), AXIS Surplus Insurance Company (AXIS Surplus), AXIS Insurance Company (AXIS Insurance Co.), AXIS Re Europe, AXIS Specialty Finance LLC and Dexta Corporation Pty Ltd unless the context suggests otherwise.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement contains forward-looking statements within the meaning of the U.S. federal securities laws. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the United States securities laws. In some cases, these statements can be identified by the use of forward-looking words such as may, should, could, anticipate, estimate, expect, plan, believe, predict, potential and intend. Forward-looking statements contained or incorporated by reference in this prospectus supplement and the accompanying prospectus include information regarding our estimates of losses related to catastrophes and other large losses, measurements of potential losses in the fair value of our investment portfolio and derivative

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contracts, our expectations regarding pricing and other market conditions, our growth prospects, and valuations of the potential impact of movements in interest rates, equity prices, credit spreads and foreign currency rates. Forward-looking statements only reflect our expectations and are not guarantees of performance. These statements involve risks, uncertainties and assumptions. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements. We believe that these factors include, but are not limited to, the following: (1) the occurrence and magnitude of natural and man-made disasters, (2) actual claims exceeding our loss reserves, (3) general economic, capital and credit market conditions, (4) the failure of any of the loss limitation methods we employ, (5) the effects of emerging claims, coverage and regulatory issues, including uncertainty related to coverage definitions, limits, terms and conditions, (6) the failure of our cedants to adequately evaluate risks, (7) inability to obtain additional capital on favorable terms, or at all, (8) the loss of one or more key executives, (9) a decline in our ratings with rating agencies, (10) loss of business provided to us by our major brokers, (11) changes in accounting policies or practices, (12) the use of industry catastrophe models and changes to these models, (13) changes in governmental regulations, (14) increased competition, (15) changes in the political environment of certain countries in which we operate or underwrite business, (16) fluctuations in interest rates, credit spreads, equity prices and/or currency values, and (17) the other matters set forth under Risk Factors contained or incorporated by reference into this prospectus supplement and the accompanying prospectus. 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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PROSPECTUS SUPPLEMENT SUMMARY

AXIS CAPITAL HOLDINGS LIMITED

AXIS Capital is the Bermuda-based holding company for the AXIS group of companies and was incorporated on December 9, 2002. AXIS Specialty Bermuda commenced operations on November 20, 2001. AXIS Specialty Bermuda and its subsidiaries became wholly owned subsidiaries of AXIS Capital pursuant to an exchange offer consummated on December 31, 2002. We provide a broad range of specialty (re)insurance on a worldwide basis, through operating subsidiaries and branch networks based in Bermuda, the United States, Canada, Europe, Australia and Singapore. We also maintain marketing offices in Brazil, France and Spain. Our business consists of two distinct global underwriting platforms, AXIS Insurance and AXIS Reinsurance.

AXIS Capital s underwriting operations are organized around its two global underwriting platforms, AXIS Insurance and AXIS Reinsurance. Therefore we have two reportable segments, insurance and reinsurance. We do not allocate our assets by segment, with the exception of goodwill and intangible assets, as we evaluate the underwriting results of each segment separately from the results of our investment portfolio.

Our insurance segment operates through offices in Bermuda, the United States, Canada, Europe, Australia and Singapore and offers specialty insurance products to a variety of niche markets on a worldwide basis. The following are the lines of business in our insurance segment:

Property: provides physical loss or damage, business interruption and machinery breakdown coverage for virtually all types of property, including commercial buildings, residential premises, construction projects and onshore energy installations. This line of business consists of both primary and excess risks, some of which are catastrophe-exposed.

Marine: provides coverage for traditional marine classes, including offshore energy, cargo, liability, recreational marine, fine art, specie, hull and war. Offshore energy coverage includes physical damage, business interruption, operators extra expense and liability coverage for all aspects of offshore upstream energy, from exploration and construction through the operation and distribution phases.

Terrorism: provides coverage for physical damage and business interruption of an insured following an act of terrorism.

Aviation: provides hull and liability and specific war coverage primarily for passenger airlines but also for cargo operations, general aviation operations, airports, aviation authorities, security firms and product manufacturers.

Credit and political risk: provides credit and political risk insurance products for banks and corporations. Coverage is provided for a range of risks including sovereign default, credit default, political violence, currency inconvertibility and non-transfer, expropriation, aircraft non-repossession and contract frustration due to political events. The credit insurance coverage is primarily for lenders seeking to mitigate the risk of non-payment from their borrowers in emerging markets. For the credit insurance contracts, it is necessary for the buyer of the insurance (most often a bank) to hold an insured asset (most often an underlying loan) in order to claim compensation under the insurance contract. The traditional political risk coverage provides protection against sovereign actions that result in the impairment of cross-border investments for banks and major corporations (known as CEND coverages).

Professional lines: provides coverage for directors and officers liability, errors and omissions liability, employment practices liability, fiduciary liability, crime, 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.

Liability: primarily targets primary and low/mid-level excess and umbrella commercial liability risks in the U.S. excess and surplus lines markets. Target industry sectors include construction, manufacturing, transportation and trucking and other services. We also target middle to high excess liability business in the London and Bermuda wholesale markets and primary and excess business in the Canadian marketplace.

Accident & health: includes accidental death, travel insurance and specialty health products for employer and affinity groups, financial institutions, schools and colleges, as well as accident & health reinsurance for catastrophic or per life events on a quota share and/or excess of loss basis, with aggregate and/or per person deductibles.

Our reinsurance segment operates through offices in Bermuda, the United States, Switzerland, Singapore, Brazil and Canada and provides non-life reinsurance to insurance companies on a worldwide basis. The following are the lines of business in our reinsurance segment:

Catastrophe: provides protection for most catastrophic losses that are covered in the underlying insurance policies written by our cedants. The exposure in the underlying policies is principally property exposure but also covers other exposures including workers compensation, personal accident and life. The principal perils in this portfolio are hurricane and windstorm, earthquake, flood, tornado, hail and fire. In some instances, terrorism may be a covered peril or the only peril. We underwrite catastrophe reinsurance principally on an excess of loss basis.

Property: provides coverage for property damage and related losses resulting from natural and man-made perils contained in underlying personal and commercial policies. While our predominant exposure is to property damage, other risks, including business interruption and other non-property losses, may also be covered when arising from a covered peril. While our most significant exposures typically relate to losses from windstorms, tornadoes and earthquakes, we are exposed to other perils such as freezes, riots, floods, industrial explosions, fires, hail and a number of other loss events. We assume business on both a proportional and an excess of loss basis.

Professional Lines: covers directors and officers liability, employment practices liability, medical malpractice, professional indemnity, environmental liability and miscellaneous errors and omissions insurance risks. The underlying business is predominantly written on a claims-made basis. Business is written on both a proportional and excess of loss basis.

Credit and Bond: consists of reinsurance of trade credit insurance products and includes both proportional and excess of loss structures. The underlying insurance indemnifies sellers of goods and services in the event of a payment default by the buyer of those goods and services. Also included in this line of business is coverage for losses arising from a broad array of surety bonds issued by insurers to satisfy regulatory demands or contract obligations in a variety of jurisdictions around the world. Bonding is also known as surety insurance.

Motor: provides coverage to cedants for motor liability and property damage losses arising out of any one occurrence. The occurrence can involve one or many claimants where the ceding insurer aggregates the claims from the occurrence.

Liability: provides coverage to insurers of standard casualty business, excess and surplus casualty business and specialty casualty programs. The primary focus of the underlying business is general liability, although workers compensation and auto liability are also written.

Agriculture: provides coverage for risks associated with the production of food and fiber on a global basis for primary insurance companies writing multi-peril crop insurance, crop hail, and named peril covers, as well as custom risk transfer mechanisms for agricultural dependent industries with exposures to crop yield and/or price deviations. We provide both proportional and aggregate stop loss reinsurance.

Engineering: provides coverage for all types of construction risks and risks associated with erection, testing and commissioning of machinery and plants during the construction stage. This line of business also includes coverage for losses arising from operational failures of machinery, plant and equipment and electronic equipment as well as business interruption.

Other: includes aviation, marine and personal accident reinsurance.

Our Business Strategy

We are a global insurer and reinsurer, with our mission being to provide our clients and distribution partners with a broad range of risk transfer products and services and meaningful capacity, backed by excellent financial strength. We manage our portfolio holistically, aiming to construct the optimum consolidated portfolio of funded and unfunded risks, consistent with our risk appetite and the development of our franchise. We nurture an ethical, entrepreneurial and disciplined culture that promotes outstanding client service, intelligent risk taking and the achievement of superior risk-adjusted returns for our shareholders. We believe that the achievement of our objectives will position us as a leading global, diversified specialty insurance and reinsurance company, as measured by quality, sustainability and profitability.

We aim to execute on the following six-point strategy:

We offer a diversified range of products and services across market segments and geographies: Our position as a well-balanced hybrid insurance and reinsurance company gives us insight into the opportunities and challenges in a variety of markets. With our origins in Bermuda, today we have locations across the U.S. and in Canada, while in Europe we have offices in Dublin, London and Zurich and newly established presences in Barcelona, Madrid and Paris. With a recently established reinsurance office in Sao Paulo, we are addressing opportunities throughout Latin America. We also operate a number of offices in Australia and our Singapore branch serves as our gateway to Asia.

We aim to underwrite a balanced portfolio of risks, including complex and volatile lines, moderating overall volatility with risk limits, diversification and risk management: Risk management is a strategic priority embedded in our organizational structure and we are continuously monitoring, reviewing and refining our enterprise risk management practices. We combine judgment and experience with data-driven analysis, enhancing our overall risk selection process.

We intend to modulate our risk appetite and deployment of capital across the underwriting cycle, commensurate with available market opportunities and returns: Closely attuned to market dynamics, we recognize opportunities as they develop and react quickly as new trends emerge. Our risk analytics provide important and continuous feedback, further assisting with the ongoing assessment of our risk appetite and strategic capital deployment. We have excelled in extending our product lines, finding new distribution channels and entering new geographies. When we do not find sufficiently attractive uses for our capital, we return excess capital back to our shareholders through share repurchases or dividends.

We develop and maintain deep and trustful relationships with clients and distribution partners, offering outstanding service and effective solutions for risk management needs: Our management team has extensive industry experience, deep product knowledge and long-standing market relationships. We primarily transact in specialty markets, where risks are complex. Our intellectual capital and proven client-service capability attract clients and distribution partners looking for solutions.

We maintain excellent financial strength, characterized by financial discipline and transparency: Our total capital of $6.9 billion at March 31, 2013, our high-quality and liquid investment

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portfolio and our operating subsidiary ratings of A+ (Strong) by Standard & Poor s and A (Excellent) with a positive outlook by A.M. Best are key indicators of our financial strength. The foregoing ratings are not ratings of the Series D preferred Shares or any of our other securities.

We attract, develop, retain and motivate an excellent team: We aim to attract and retain the best people in the industry and to motivate our employees to make decisions that are in the best interest of both our customers and shareholders. We nurture an ethical, risk-aware, achievement-oriented culture that promotes professionalism, responsibility, integrity, discipline and entrepreneurialism. As a result, we believe that our staff is well-positioned to make the best underwriting and strategic decisions for the Company.

Our principal executive offices are located at 92 Pitts Bay Road, Pembroke HM 08, Bermuda, and our telephone number is (441) 496-2600.

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THE OFFERING

The description of the terms of the Series D Preferred Shares in this section is only a summary. Because the following summary may not contain all of the information that is important to you, you should refer to the certificate of designations relating to the Series D Preferred Shares for a complete description of the terms of the Series D Preferred Shares, which will be included as an exhibit to a report that we will file with the SEC. You should also refer to the sections entitled Description of the Series D Preferred Shares in this prospectus supplement and Description of Our Share Capital in the accompanying prospectus.

Issuer	AXIS Capital Holdings Limited
Securities Offered	8,000,000 shares (or 9,200,000 shares if the underwriters exercise their over-allotment option in full) of 5.50% Series D Preferred Shares, par value $0.0125 per share and liquidation preference of $25.00 per share.
Dividends	Holders of Series D Preferred Shares will be entitled to receive, only when, as and if declared by our board of directors, non-cumulative cash dividends from and including the original issue date, quarterly in arrears on March 1, June 1, September 1 and December 1 of each year, commencing on September 1, 2013, without accumulation of any undeclared dividends, in an amount per share equal to 5.50% of the liquidation preference per annum (equivalent to $1.375 per share). Assuming an initial issue date of May 20, 2013, the dividend for the initial dividend period will be $0.3858 per Series D Preferred Share. See Description of the Series D Preferred Shares Dividends in this prospectus supplement and Description of Our Share Capital Preference Shares Dividends in the accompanying prospectus.
	AXIS Capital is a holding company and has no direct operations. The ability of AXIS Capital to pay dividends or distributions depends almost exclusively on the ability of its subsidiaries to pay dividends or distributions to AXIS Capital. Our operating subsidiaries are subject to significant regulatory restrictions limiting their ability to declare and pay dividends or distributions. See Description of the Series D Preferred Shares Certain Restrictions on Payment of Dividends in this prospectus supplement.
	We believe that dividends paid by us to non-corporate holders on the Series D Preferred Shares should be eligible for reduced rates of taxation as qualified dividend income if, as is intended, we successfully list the Series D Preferred Shares on the NYSE. Qualified dividend income is subject to tax at long-term capital gain rates. Dividends paid by us to corporate holders on the Series D Preferred Shares will not be eligible for a dividends received deduction. For further information, see Certain U.S. Federal Income Tax Considerations Taxation of Distributions in this prospectus supplement.
Redemption	On and after June 1, 2018, at any time following the occurrence of a tax event or within 90 days following the occurrence of a capital redemption trigger date (each as defined in Description of the

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	Series D Preferred Shares Redemption in this prospectus supplement), we may redeem the Series D Preferred Shares, in whole or in part, at a redemption price of $25 per share, plus declared and unpaid dividends, if any, to, but excluding, the date of redemption.
	At any time prior to June 1, 2018, if we submit to the holders of our common shares a proposal for an amalgamation or merger or if we submit any proposal for any other matter that requires, as a result of a change in Bermuda law after the date of this prospectus supplement, for its validation or effectuation an affirmative vote of the holders of the Series D Preferred Shares at the time outstanding, we will have the option to redeem all of the outstanding Series D Preferred Shares at a redemption price of $26 per Series D Preferred Share, plus declared and unpaid dividends, if any, to, but excluding, the date of redemption, without accumulation of any undeclared dividends. See Description of the Series D Preferred Shares Redemption in this prospectus supplement and Description of Our Share Capital Preference Shares Redemption and Description of Our Share Capital Preference Shares Restrictions in Event of Default in Dividends on Preference Shares in the accompanying prospectus.
Ranking	The Series D Preferred Shares:
	will rank senior to our junior stock with respect to the payment of dividends and distributions of assets upon our liquidation, dissolution or winding-up. As of the date of this prospectus supplement, our common shares comprise the only class of shares that would be considered junior stock;
	will rank at least equally with each other series of our capital stock ranking on parity with the Series D Preferred Shares as to dividends and distributions of assets upon our liquidation, dissolution or winding-up, which we refer to as parity stock. As of the date of this prospectus supplement, the $100 million aggregate liquidation preference of 7.25% Series A Preferred Shares (the Series A Preferred Shares), the $3 million aggregate liquidation preference of 7.50% Series B Preferred Shares (the Series B Preferred Shares) and the $400 million aggregate liquidation preference of 6.875% Series C Preferred Shares (the Series C Preferred Shares) comprise the only classes of shares that would be considered parity stock with the Series D Preferred Shares; and
	will rank junior to any series of shares ranking senior to the Series D Preferred Shares as to the payment of dividends and distributions of assets upon our liquidation, dissolution or winding-up. As of the date of this prospectus supplement, we do not have shares that would be considered senior stock.

Liquidation Rights	Upon any liquidation, dissolution or winding up of AXIS Capital, holders of the Series D Preferred Shares are entitled to receive from our assets legally available for distribution to shareholders, before any distribution is made to holders of our common shares or other junior stock, a liquidation preference in the amount of $25 per share, plus declared and unpaid dividends, if any, to, but excluding, the date fixed for distribution. See Description of the Series D Preferred Shares Liquidation Rights in this prospectus supplement and Description of Our Share Capital Preference Shares Liquidation, Dissolution or Winding Up in the accompanying prospectus.
Voting Rights	Generally, the holders of the Series D Preferred Shares will not have any voting rights. Whenever dividends on the Series D Preferred Shares have not been declared by the board of directors and paid for an aggregate of six full dividend periods (whether or not consecutive), the holders of the Series D Preferred Shares, together with the holders of all other current or future classes or series of parity stock, will vote together as a single class to elect two directors to our board of directors. The terms of office of such additional directors will terminate whenever dividends on the Series D Preferred Shares and the parity stock then outstanding have been paid in full, or declared and sufficient funds have been set aside, for at least four dividend periods. We will use our best efforts to effectuate the election or appointment of these two directors.
	In addition, certain transactions that would vary the rights of holders of the Series D Preferred Shares cannot be made without the approval in writing of the holders of 75% of the Series D Preferred Shares then outstanding or the sanction of a resolution passed by a majority of the votes cast at a separate meeting of the holders of the Series D Preferred Shares at which a quorum (consisting of the presence, in person or by proxy, of the holders of 50% of the Series D Preferred Shares) is present. Without the written consent, or the sanction of a resolution passed at a separate meeting, of the holders of at least 67% of the Series D Preferred Shares at the time outstanding, we may not authorize any creation or increase in the issued amount of, any shares of any series or any security convertible into shares of any series ranking prior to the Series D Preferred Shares with respect to payment of dividends and distribution of assets upon our liquidation, dissolution or winding-up of the Company. See Description of the Series D Preferred Shares Voting Rights in this prospectus supplement and Description of Our Share Capital Preference Shares Voting Rights in the accompanying prospectus.
Maturity	The Series D Preferred Shares do not have any maturity date, and we are not required to redeem the Series D Preferred Shares. Accordingly, the Series D Preferred Shares will remain outstanding indefinitely, unless and until we decide to redeem them.

Additional Amounts	We will make all payments on the Series D Preferred Shares free and clear of and without withholding or deduction at source for, or on account of, any present or future taxes, fees, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any relevant taxing jurisdiction (as defined in Description of the Series D Preferred Shares Redemption in this prospectus supplement), unless such taxes, fees, duties, assessments or governmental charges are required to be withheld or deducted. If a withholding or deduction at source is required, we will, subject to certain limitations and exceptions, pay to the holders of the Series D Preferred Shares such additional amounts (as defined in Description of the Series D Preferred Shares Additional Amounts in this prospectus supplement) as may be necessary so that every net payment made to such holders, after the withholding or deduction, will not be less than the amount provided for in the Certificate of Designations to be then due and payable. See Description of the Series D Preferred Shares Additional Amounts in this prospectus supplement.
Substitution or Variation	In lieu of redemption, upon or following a tax event or capital disqualification event, we may, without the consent of any holders of the Series D Preferred Shares vary the terms of, or exchange for new securities, the Series D Preferred Shares to eliminate the substantial probability that we would be required to pay additional amounts with respect to the Series D Preferred Shares as a result of a change in tax law or to maintain compliance with certain capital adequacy regulations applicable to us. No such variation of terms or securities in exchange shall change specified terms of the Series D Preferred Shares. See Description of the Series D Preferred Shares Substitution or Variation in this prospectus supplement.
Listing	We intend to apply to list the Series D Preferred Shares on the NYSE under the symbol AXSprD. We expect that, if the application is approved, trading of the Series D Preferred Shares on the NYSE will commence within a 30-day period after initial delivery of the Series D Preferred Shares. See Underwriting in this prospectus supplement.
Limitation on Transfer and Ownership	Our bye-laws provide generally that in any situation in which the controlled shares (as defined herein) of a U.S. Person (as defined herein) or the shares held by a Direct Foreign Shareholder Group (as defined herein) would constitute 9.5% or more of the votes conferred by the issued shares, the voting rights exercisable by a shareholder with respect to such shares shall be limited so that no U.S. Person or Direct Foreign Shareholder Group is deemed to hold 9.5% or more of the voting power conferred by our shares. In addition, our board of directors may limit a shareholder s voting rights where it deems it

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	necessary to do so to avoid adverse tax, legal or regulatory consequences. See Description of the Series D Preferred Shares Limitations on Transfer and Ownership in this prospectus supplement and Description of Our Share Capital Preference Shares Voting Rights in the accompanying prospectus.
Use of Proceeds	We estimate that net proceeds to us from the sale of the Series D Preferred Shares will be approximately $194.0 million (or $223.0 million if the underwriters exercise their over-allotment option in full), after deducting the underwriting discount and our portion of the offering expenses. We intend to use a portion of the net proceeds from this offering to redeem all of our outstanding Series A Preferred Shares. We intend to use any remaining net proceeds for general corporate purposes, which may include the repurchase of a portion of our outstanding common shares pursuant to our previously authorized share repurchase program. See Use of Proceeds.
Conversion	The Series D Preferred Shares are not convertible into or exchangeable for any of our other securities or property.
Risk Factors	See Risk Factors on page S-12 in this prospectus supplement and on page 1 in the accompanying prospectus for a discussion of factors you should consider carefully before deciding to invest in the Series D Preferred Shares.

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RISK FACTORS

An investment in our Series D Preferred Shares involves a number of risks, including those described in this prospectus supplement and the accompanying prospectus and those incorporated by reference into this prospectus supplement. You should carefully consider such risk factors and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus before you decide to purchase any Series D Preferred Shares.

Risks Relating to the Series D Preferred Shares

General market conditions and unpredictable factors could adversely affect market prices for the Series D Preferred Shares.

There can be no assurance about the market prices for the Series D Preferred Shares. Several factors, many of which are beyond our control, will influence the market prices of the Series D Preferred Shares. Factors that might influence the market prices of the Series D Preferred Shares include, but are not limited to:

- whether dividends have been declared and are likely to be declared and paid on the Series D Preferred Shares from time to time;
- our creditworthiness;
- whether the ratings on the Series D Preferred Shares provided by any ratings agency have changed;
- the market for similar securities and the interest rate environment; and
- economic, financial, geopolitical, regulatory or judicial events that affect us or financial markets generally.

Accordingly, if you purchase Series D Preferred Shares, the Series D Preferred Shares may trade at a discount to the price that you paid for them.

Dividends on the Series D Preferred Shares are non-cumulative.

Dividends on the Series D Preferred Shares are non-cumulative. Consequently, if our board of directors does not authorize and declare a dividend for any dividend period, holders of the Series D Preferred Shares will not be entitled to receive a dividend for such period, and such undeclared dividend will not accumulate and be payable. We have no obligation to pay dividends for a dividend period after the dividend payment date for such period if our board of directors has not declared such dividend before the related dividend payment date, whether or not dividends are declared for any subsequent dividend period with respect to the Series D Preferred Shares.

Our ability to pay dividends and to make payments on indebtedness may be constrained by our holding company structure.

AXIS Capital is a holding company and has no direct operations of its own. AXIS Capital has no significant operations or assets other than its ownership of the shares of its operating (re)insurance subsidiaries, AXIS Specialty Bermuda, AXIS Re SE, AXIS Specialty Europe, AXIS Re U.S., AXIS Specialty U.S., AXIS Surplus and AXIS Insurance Co. (collectively, our Insurance Subsidiaries). Dividends and other permitted distributions from our Insurance Subsidiaries (in some cases through our subsidiary holding companies), are our primary source of funds to meet ongoing cash requirements, including paying dividends to our shareholders. Our Insurance Subsidiaries are subject to significant regulatory restrictions limiting their ability to declare and pay dividends and make distributions. The inability of our Insurance Subsidiaries to pay dividends in an amount sufficient to enable us to meet our cash requirements at the holding company level could have a material adverse effect on our business and our ability to pay dividends.

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Our ability to pay dividends may be limited by regulatory law.

Under Bermuda law, we will not be permitted to pay dividends on the Series D Preferred Shares (even if such dividends have been previously declared) if there are reasonable grounds for believing that we are, or would after the payment be, unable to pay our liabilities as they become due; or the realizable value of our assets would thereby be less than our liabilities or that we are or would after such payment be in breach of the Insurance Act 1978, the Insurance (Prudential Standards) Class 4 Solvency Requirement Rules, the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules, including the Enhanced Capital Requirement contained within such Rules, or the Group Enhanced Capital Requirement or under such other applicable rules and regulations as may from time to time be issued by the Bermuda Monetary Authority (or any successor agency or then applicable regulatory authority) pursuant to the terms of the Insurance Act 1978, or any successor legislation.

We are able to redeem the Series D Preferred Shares at our option at any time beginning on June 1, 2018 and under certain other circumstances but are under no obligation to do so.

The Series D Preferred Shares have no maturity date or redemption date. We may, at our option, on and after June 1, 2018, redeem some or all of the Series D Preferred Shares at any time at a redemption price of $25 per share, plus declared and unpaid dividends, if any, to, but excluding, the date of redemption. We may also redeem the Series D Preferred Shares under certain circumstances before June 1, 2018 in whole at a redemption price of $26 per Series D Preferred Share, plus declared and unpaid dividends, if any, to, but excluding, the date of redemption. In addition, following the occurrence of a tax event or within 90 days following the occurrence of a capital redemption trigger date, each as described elsewhere in this prospectus supplement, we may redeem the Series D Preferred Shares, in whole or in part, at a redemption price of $25 per share, plus declared and unpaid dividends, if any, to, but excluding, the date of redemption.

We do not need your consent in order to redeem the Series D Preferred Shares as described in the paragraph above. If we redeem your Series D Preferred Shares, you may not be able to invest the proceeds in an investment with a comparable return. You may not require us to redeem or repurchase the Series D Preferred Shares under any circumstances. However, our ability to redeem the Series D Preferred Shares is subject to regulatory approval.

The Series D Preferred Shares are equity and are subordinate to our existing and future indebtedness.

The Series D Preferred Shares are equity interests and do not constitute indebtedness. Consequently, the Series D Preferred Shares will rank junior to all of our indebtedness and other non-equity claims on us with respect to assets available to satisfy claims, including in the event of our liquidation, dissolution or winding up. As of March 31, 2013, our consolidated indebtedness was $995.4 million. We may incur additional indebtedness in the future. In addition, our existing and future indebtedness may restrict payments of dividends on the Series D Preferred Shares. Additionally, unlike indebtedness, where principal and interest would customarily be payable on specified due dates, in the case of the Series D Preferred Shares (1) dividends are payable only if and when declared by our board of directors and (2) as a corporation, we are subject to restrictions on payments of dividends and redemption price out of lawfully available funds.

The Series D Preferred Shares may not have an active trading market.

The Series D Preferred Shares are a new issue with no established trading market. We intend to apply to list the Series D Preferred Shares on the NYSE; however, we cannot assure you that the Series D Preferred Shares will be approved for listing. If the application is approved, trading of the Series D Preferred Shares on the NYSE is not expected to begin until after a 30-day period from the date of the initial delivery of the Series D Preferred Shares. If the Series D Preferred Shares are approved for listing, an active trading market on the NYSE may not develop, or, even if it does develop, may not continue, in which case the trading prices of the Series D Preferred Shares could be adversely affected and your ability to trade your

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shares may be limited. Even if a trading market does develop, it may not have significant liquidity, and transaction costs in such a market could be high. We have been advised by the underwriters that they intend to make a market in the Series D Preferred Shares, but the underwriters are not obligated to do so and may cease market-making activities, if commenced, at any time.

There is no limitation on our issuance of securities that rank on parity with the Series D Preferred Shares.

We may issue securities that rank on parity with the Series D Preferred Shares without limitation. The issuance of securities ranking on parity with the Series D Preferred Shares may reduce the amount recoverable by holders of the Series D Preferred Shares in the event of our liquidation, dissolution or winding-up.

We currently have outstanding 4,000,000 Series A Preferred Shares (representing $100 million aggregate liquidation preference), 28,430 Series B Preferred Shares (representing $3 million aggregate liquidation preference) and 16,000,000 Series C Preferred Shares (representing $400 million aggregate liquidation preference), each of which rank on parity with the Series D Preferred Shares.

The voting rights of holders of Series D Preferred Shares will be limited, and there are provisions in our charter documents that may further reduce the voting rights of our shares.

Holders of the Series D Preferred Shares will have no voting rights with respect to matters that generally require the approval of voting shareholders. The limited voting rights of holders of the Series D Preferred Shares include the right to vote as a class on certain matters described under Description of the Series D Preferred Shares Voting Rights. In addition, if dividends on the Series D Preferred Shares have not been declared and paid for an aggregate amount equivalent to six dividend periods, whether or not for consecutive dividend periods, holders of the outstanding Series D Preferred Shares, together with holders of any other series of our preferred shares ranking equal with the Series D Preferred Shares with similar voting rights (including any outstanding Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares), will be entitled to vote for the election of two additional directors to our board of directors subject to the terms and to the limited extent described under Description of the Series D Preferred Shares Voting Rights. However, the voting rights exercisable by a shareholder of Series D Preferred Shares may be limited so that certain persons or groups are not deemed to hold 9.5% or more of the voting power conferred by our issued shares. Under these provisions, some shareholders may have the right to exercise their voting rights limited to less than one vote per share. Moreover, these provisions could have the effect of reducing the voting power of some shareholders who would not otherwise be subject to the limitation by virtue of their direct share ownership. In addition, our board of directors may limit a shareholder s exercise of voting rights where it deems it necessary to do so to avoid adverse tax, legal or regulatory consequences.

We also have the authority under our bye-laws to request information from any shareholder for the purpose of determining whether a shareholder s voting rights are to be limited pursuant to the bye-laws. If a shareholder fails to respond to our request for information or submits incomplete or inaccurate information in response to a request by us, we may, in our sole discretion, eliminate the shareholder s voting rights.

The Series D Preferred Shares ratings may be downgraded.

We have sought to obtain a rating for the Series D Preferred Shares. However, if any ratings are assigned to the Series D Preferred Shares in the future or if we issue other securities with a rating, such ratings, if they are lower than market expectations or are subsequently lowered or withdrawn, could adversely affect the market for or the market value of the Series D Preferred Shares. A rating is not a recommendation to purchase, sell or hold any particular security, including the Series D Preferred Shares. Ratings do not reflect market prices or suitability of a security for a particular investor and any future rating of the Series D Preferred Shares may not reflect all risks related to us and our business, or the structure or market value of the Series D Preferred Shares. Ratings only reflect the views of the rating agency or

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agencies issuing the ratings and such ratings could be revised downward or withdrawn entirely at the discretion of the issuing rating agency if in its judgment circumstances so warrant. Any such downward revision or withdrawal of a rating could have an adverse effect on the market price of the Series D Preferred Shares.

A classification of the Series D Preferred Shares by the National Association of Insurance Commissioners may impact U.S. insurance companies that purchase the Series D Preferred Shares.

The National Association of Insurance Commissioners, or the NAIC, may from time to time, in its discretion, classify securities in U.S. insurers portfolios as either debt, preferred equity or common equity instruments. The NAIC s written guidelines for classifying securities as debt, preferred equity or common equity include subjective factors that require the relevant NAIC examiner to exercise substantial judgment in making a classification. There is therefore a risk that the Series D Preferred Shares may be classified by NAIC as common equity instead of preferred equity. The NAIC classification determines the amount of risk based capital (RBC) charges incurred by insurance companies in connection with an investment in a security. Securities classified as common equity by the NAIC carry RBC charges that can be significantly higher than the RBC requirement for debt or preferred equity. Therefore, any classification of the Series D Preferred Shares as common equity may adversely affect U.S. insurance companies that hold Series D Preferred Shares. In addition, a determination by the NAIC to classify the Series D Preferred Shares as common equity may adversely impact the trading of the Series D Preferred Shares in the secondary market.

The regulatory capital treatment of the Series D Preferred Shares may not be what we anticipate and we may vary the terms of the Series D Preferred Shares or exchange the Series D Preferred Shares for new securities without your consent or approval.

The Series D Preferred Shares are intended to constitute Tier 1 or Tier 2 capital in accordance with the group insurance requirements of the BMA. In order for the Series D Preferred Shares to qualify as Tier 1 or Tier 2 capital, the terms of the Series D Preferred Shares should reflect the criteria contained in the Insurance (Group Supervision) Rules published by the BMA in January 2012, including the group el