RENAISSANCERE HOLDINGS LTD
Form 424B5
April 01, 2019
Table of Contents

Filed Pursuant to Rule 424(b)(5)

Registration Statement No. 333-219675

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be Registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee (1)
3.600% Senior Notes due 2029	$400,000,000	98.606%	$394,424,000	$48,480.00

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

Table of Contents

PROSPECTUS SUPPLEMENT

(To Prospectus dated August 1, 2018)

$400,000,000

RenaissanceRe Holdings Ltd.

3.600% Senior Notes Due 2029

The Notes (as defined herein) will bear interest at the rate of 3.600% per year. Interest on the Notes is payable semi-annually in arrears on April 15 and October 15 of each year, commencing on October 15, 2019. The Notes will mature on April 15, 2029. RenaissanceRe Holdings Ltd. may, at its option, redeem some or all of the Notes at any time or from time to time, at the applicable redemption price and subject to the terms described under the heading Description of Notes Redemption Optional Redemption . RenaissanceRe may also redeem all of the Notes under the circumstances described under the heading Description of Notes Redemption Redemption for Changes in Withholding Taxes. Notwithstanding the foregoing, the Notes will not be optionally redeemable at any time prior to April 2, 2022 without BMA Approval (as defined herein), and will not be optionally redeemable at any time prior to their maturity if the Enhanced Capital Requirement (as defined herein) would be breached immediately before or after giving effect to the redemption of such Notes, unless, in each case, RenaissanceRe Holdings Ltd. replaces the capital represented by the Notes to be redeemed with capital having equal or better capital treatment as the Notes under the Group Rules (as defined herein). For the avoidance of doubt, payment of principal on the date of maturity will not be subject to the BMA Redemption Requirements (as defined herein).

The Notes will be senior unsecured obligations of RenaissanceRe Holdings Ltd. and will rank equally in right of payment with all of its existing and future unsecured and unsubordinated indebtedness.

The Notes are a new issue of securities with no established trading market. RenaissanceRe Holdings Ltd. does not intend to apply for listing of the Notes on any securities exchange.

Investing in the Notes involves certain risks. See Risk Factors beginning on page S-5 of this prospectus supplement and included in the Annual Report on Form 10-K of RenaissanceRe Holdings Ltd. for the year ended December 31, 2018.

None of the United States Securities and Exchange Commission (the Commission), any state securities commission, the Registrar of Companies in Bermuda, the Bermuda Monetary Authority 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 Senior Note	**Total**
Public Offering Price(1)	98.606%	$ 394,424,000
Underwriting Discount	0.650%	$ 2,600,000
Proceeds to RenaissanceRe Holdings Ltd. (before expenses)(1)	97.956%	$ 391,824,000

(1) Plus accrued interest from April 2, 2019, if settlement occurs after that date.

The underwriters expect to deliver the Notes to purchasers in book-entry form only through the facilities of The Depository Trust Company on or about April 2, 2019.

Joint Book-Running Managers

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

Co-Managers

BMO Capital Markets **HSBC** **RBC Capital Markets**

March 26, 2019

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

	Page
ABOUT THIS PROSPECTUS SUPPLEMENT	S-iv
DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS	S-iv
SUMMARY	S-1
RISK FACTORS	S-5
USE OF PROCEEDS	S-31
CAPITALIZATION	S-32
PRELIMINARY UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION	S-33
SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA	S-50
DESCRIPTION OF NOTES	S-52
TAXATION	S-63
UNDERWRITING (CONFLICTS OF INTEREST)	S-66
LEGAL MATTERS	S-72
EXPERTS	S-72
WHERE YOU CAN FIND MORE INFORMATION	S-72

Prospectus

	Page
ABOUT THIS PROSPECTUS	1
RENAISSANCERE HOLDINGS LTD.	1
RENAISSANCERE FINANCE INC.	2
RRNAH	2
THE CAPITAL TRUST	2
GENERAL DESCRIPTION OF THE OFFERED SECURITIES	3
RATIO OF EARNINGS TO FIXED CHARGES AND PREFERENCE SHARE DIVIDENDS OF RENAISSANCERE	4
RISK FACTORS	4
FORWARD-LOOKING STATEMENTS	5
USE OF PROCEEDS	7
DESCRIPTION OF OUR CAPITAL SHARES	7
DESCRIPTION OF THE DEPOSITARY SHARES	18
DESCRIPTION OF THE DEBT SECURITIES	20
CERTAIN PROVISIONS APPLICABLE TO SUBORDINATED DEBT SECURITIES	35
CERTAIN PROVISIONS OF THE JUNIOR SUBORDINATED DEBT SECURITIES ISSUED TO THE CAPITAL TRUST	39
DESCRIPTION OF THE DEBT SECURITIES GUARANTEES	42
INFORMATION CONCERNING THE TRUSTEE	44
DESCRIPTION OF THE WARRANTS TO PURCHASE COMMON SHARES OR PREFERENCE SHARES	44
DESCRIPTION OF THE WARRANTS TO PURCHASE DEBT SECURITIES	46

DESCRIPTION OF THE TRUST PREFERRED SECURITIES	47
DESCRIPTION OF THE TRUST PREFERRED SECURITIES GUARANTEE	58
DESCRIPTION OF THE SHARE PURCHASE CONTRACTS AND THE SHARE PURCHASE UNITS	61
DESCRIPTION OF UNITS	62
PLAN OF DISTRIBUTION	62
WHERE YOU CAN FIND MORE INFORMATION	65
INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE	66
LEGAL OPINIONS	67
EXPERTS	67
ENFORCEMENT OF CIVIL LIABILITIES UNDER UNITED STATES FEDERAL SECURITIES LAWS	67

Table of Contents

You should carefully read this prospectus supplement and the accompanying prospectus delivered with this prospectus supplement. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any related free writing prospectus is accurate as of any date other than the respective dates on the front of these documents. Our business, financial condition, results of operations and prospects may have changed since those respective dates.

We are offering to sell, and are seeking offers to buy, the Notes only in jurisdictions where offers and sales of the Notes are permitted. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus supplement and the accompanying prospectus must inform themselves about and observe any restrictions relating to the offering of the Notes and the distribution of this prospectus supplement and the accompanying prospectus outside the United States. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any Notes offered by this prospectus supplement and the accompanying prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

Neither this prospectus supplement nor the accompanying prospectus is a prospectus for the purposes of the Prospectus Directive (as defined below). The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, MiFID II); or (ii) a customer within the meaning of Directive (EU)2016/97 (as amended or superseded, IDD), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the PRIIPs Regulation) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This prospectus supplement and the accompanying prospectus have been prepared on the basis that any offer of Notes in any Member State of the EEA which has implemented the Prospectus Directive (each, a Relevant Member State) will only be made to a legal entity which is a qualified investor under the Prospectus Directive (Qualified Investors). Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of the offering contemplated in this prospectus supplement and the accompanying prospectus may only do so with respect to Qualified Investors. Neither RenaissanceRe nor the underwriters have authorized, nor do they authorize, the making of any offer of Notes other than to Qualified Investors in the EEA. The expression Prospectus Directive means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in the Relevant Member State.

No offered securities may be offered or sold in Bermuda and offers may only be accepted from persons resident in Bermuda, for Bermuda exchange control purposes, where such offers have been delivered outside of Bermuda.

Consent under the Exchange Control Act 1972 (and its related regulations) has been obtained from the BMA for the issue and transfer of the Notes for exchange control purposes. Neither the BMA 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 and the accompanying prospectus.

Table of Contents

In this prospectus supplement, references to RenaissanceRe , we , us and our refer to RenaissanceRe Holdings Ltd. a when the context so requires, RenaissanceRe Holdings Ltd. and its subsidiaries. In this prospectus supplement, references to dollar and $ are to United States currency, and the terms United States and U.S. mean the United Stat of America, its states, its territories, its possessions and all areas subject to its jurisdiction.

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first is this prospectus supplement, which describes the specific terms of this offering of the Notes (as defined below). The second part is the accompanying prospectus which gives more general information, some of which may not apply to this offering. If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. In addition, prior to making an investment decision, you should review the risks of investing in the Notes discussed in this prospectus supplement, as well as the risk factors contained in RenaissanceRe s Annual Report on Form 10-K for the year ended December 31, 2018, filed with the Commission on February 7, 2019 and incorporated herein by reference. Important information is incorporated into this prospectus supplement and the accompanying prospectus by reference. You may obtain the information incorporated by reference into this prospectus supplement and the accompanying prospectus without charge by following the instructions under Where You Can Find More Information.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, including the information incorporated by reference herein, may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, which we refer to in this prospectus supplement as the Securities Act , and Section 21E of the Securities Exchange Act of 1934, as amended, which we refer to in this prospectus supplement as the Exchange Act. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which, with respect to future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, us.

In particular, statements using words such as may , should , estimate , expect , anticipate , intends , believe , potential , or words of similar import generally involve forward-looking statements. In light of the risks and uncertainties inherent in all future projections, the inclusion of forward-looking statements in the prospectus supplement should not be considered as a representation by us or any other person that our objectives or plans will be achieved. Numerous factors could cause our actual results to differ materially from those addressed by the forward-looking statements, including those contained under Note on Forward-Looking Statements in RenaissanceRe s Annual Report on Form 10-K for the year ended December 31, 2018, and incorporated herein by reference. We undertake no obligation to release publicly the results of any future revision we may make to forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

The inclusion of forward-looking statements in this prospectus supplement should not be considered as a representation by us or any other person that our current objectives or plans will be achieved. Numerous factors could cause our actual results to differ materially from those addressed by the forward-looking statements, including the following:

- the frequency and severity of catastrophic and other events we cover;

- the effectiveness of our claims and claim expense reserving process;

risks that the TMR Stock Purchase (as defined herein) disrupts or distracts from current plans and operations;

the ability to recognize the benefits of the TMR Stock Purchase;

the amount of the costs, fees, expenses and charges related to the TMR Stock Purchase;

our ability to maintain our financial strength ratings;

the effect of climate change on our business;

Table of Contents

collection on claimed retrocessional coverage, and new retrocessional reinsurance being available on acceptable terms and providing the coverage that we intended to obtain;

the effects of United States (U.S.) tax reform legislation and possible future tax reform legislation and regulations, including changes to the tax treatment of our shareholders or investors in our joint ventures or other entities we manage;

the effect of emerging claims and coverage issues;

soft reinsurance underwriting market conditions;

our reliance on a small and decreasing number of reinsurance brokers and other distribution services for the preponderance of our revenue;

our exposure to credit loss from counterparties in the normal course of business;

the effect of continued challenging economic conditions throughout the world;

a contention by the Internal Revenue Service (the IRS) that Renaissance Reinsurance Ltd. (Renaissance Reinsurance), or any of our other Bermuda subsidiaries, is subject to taxation in the U.S.;

the success of any of our acquisitions or strategic investments, including our ability to manage our operations as our product and geographical diversity increases;

our ability to retain our key senior officers and to attract or retain the executives and employees necessary to manage our business;

the performance of our investment portfolio;

losses we could face from terrorism, political unrest or war;

the effect of cybersecurity risks, including technology breaches or failure, on our business;

our ability to successfully implement our business strategies and initiatives;

our ability to determine the impairments taken on our investments;

the effects of inflation;

the ability of our ceding companies and delegated authority counterparties to accurately assess the risks they underwrite;

the effect of operational risks, including system or human failures;

our ability to effectively manage capital on behalf of investors in joint ventures or other entities we manage;

foreign currency exchange rate fluctuations;

our ability to raise capital if necessary;

our ability to comply with covenants in our debt agreements;

changes to the regulatory systems under which we operate, including as a result of increased global regulation of the insurance and reinsurance industries;

changes in Bermuda laws and regulations and the political environment in Bermuda;

our dependence on the ability of our operating subsidiaries to declare and pay dividends;

aspects of our corporate structure that may discourage third-party takeovers and other transactions;

the cyclical nature of the reinsurance and insurance industries;

adverse legislative developments that reduce the size of the private markets we serve or impede their future growth;

consolidation of competitors, customers and insurance and reinsurance brokers;

the effect on our business of the highly competitive nature of our industry, including the effect of new entrants to, competing products for and consolidation in the (re)insurance industry;

other political, regulatory or industry initiatives adversely impacting us;

our ability to comply with sanctions and foreign corrupt practices laws with respect to our international operations;

increasing barriers to free trade and the free flow of capital;

international restrictions on the writing of reinsurance by foreign companies and government intervention in the natural catastrophe market;

the effect of Organisation for Economic Co-operation and Development (the OECD) or European Union (EU) measures to increase our taxes and reporting requirements;

the effect of the vote by the U.K. to leave the EU;

changes in regulatory regimes and accounting rules that may impact financial results irrespective of business operations; and

our need to make many estimates and judgments in the preparation of our financial statements.

Table of Contents

SUMMARY

This summary highlights selected information about RenaissanceRe and this offering. It does not contain all of the information that may be important to you in deciding whether to purchase Notes. We encourage you to read the entire prospectus supplement, the accompanying prospectus and the documents that we have filed with the Commission that are incorporated by reference prior to deciding whether to purchase Notes.

RenaissanceRe Holdings Ltd.

RenaissanceRe, the issuer of the 3.600% Senior Notes due 2029, which we refer to in this prospectus supplement as the Notes , is a Bermuda exempted company with its registered and principal executive offices located at Renaissance House, 12 Crow Lane, Pembroke HM 19 Bermuda, telephone (441) 295-4513. RenaissanceRe is a global provider of reinsurance and insurance. We provide property, casualty and specialty reinsurance and certain insurance solutions to customers, principally through intermediaries. We aspire to be the world s best underwriter by matching well-structured risks with efficient sources of capital and our mission is to produce superior returns for our shareholders over the long term. We seek to accomplish these goals by being a trusted, long-term partner to our customers for assessing and managing risk, delivering responsive and innovative solutions, leveraging our core capabilities of risk assessment and information management, investing in these core capabilities in order to serve our customers across the cycles that have historically characterized our markets and keeping our promises.

RenaissanceRe s core products include property, casualty and specialty reinsurance and certain insurance products principally distributed through intermediaries, with whom we seek to cultivate strong long-term relationships. We believe we have been one of the world s leading providers of catastrophe reinsurance since our founding. In recent years, through the strategic execution of a number of initiatives, including organic growth and acquisitions, we have expanded our casualty and specialty platform and products and believe we are a leader in certain casualty and specialty lines of business.

We also pursue a number of other opportunities through our ventures unit, which has responsibility for creating and managing our joint ventures, executing customized reinsurance transactions to assume or cede risk and managing certain strategic investments directed at classes of risk other than catastrophe reinsurance. From time to time we consider diversification into new ventures, either through organic growth, the formation of new joint ventures, or the acquisition of or the investment in other companies or books of business of other companies.

Recent Developments

On October 30, 2018, we entered into a Stock Purchase Agreement by and among RenaissanceRe, Tokio Marine & Nichido Fire Insurance Co. Ltd. (Tokio) and, with respect to certain sections only, Tokio Marine Holdings, Inc. (the TMR Stock Purchase Agreement), pursuant to which we agreed, subject to the terms and conditions therein, to cause our wholly owned subsidiary RenaissanceRe Specialty Holdings (UK) Limited to purchase all of the share capital of Tokio Millennium Re AG (TMR AG), Tokio Millennium Re (UK) Limited (TMR UK) and their subsidiaries (collectively, the TMR Group Entities) (the TMR Stock Purchase). The TMR Stock Purchase closed on March 22, 2019, including the issuance of $250.0 million in RenaissanceRe common shares to Tokio. The TMR Group Entities comprised the treaty reinsurance business of Tokio Marine Holdings, Inc. See Preliminary Unaudited Pro Forma Consolidated Financial Information herein for further information. Prior to the closing of the TMR Stock Purchase, State Farm Mutual Automobile Insurance Company invested $250.0 million in RenaissanceRe common shares in a private placement in December 2018 (the State Farm Stock Purchase).

Table of Contents

On March 22, 2019, immediately after the closing of the TMR Stock Purchase, A.M. Best removed from under review with developing implications and affirmed the financial strength ratings of Renaissance Reinsurance Ltd., DaVinci Reinsurance Ltd., Renaissance Reinsurance U.S. Ltd., RenaissanceRe Specialty U.S. Ltd. and Renaissance Reinsurance of Europe. S&P has also revised its outlook on these entities to stable from negative and affirmed their financial strength ratings.

On March 21, 2019, the Bermuda Monetary Authority notified RenaissanceRe that it would approve the outstanding $300.0 million 3.450% Senior Notes due 2027 (the 2027 Notes) issued by RenaissanceRe Finance Inc. (RenRe Finance) as Tier 3 Ancillary Capital subject to certain conditions, including the execution of a supplemental indenture with the trustee for the 2027 Notes. On March 25, 2019, RenaissanceRe, RenRe Finance and the trustee executed a supplemental indenture. The supplemental indenture provides that RenRe Finance will not exercise its right to redeem the 2027 Notes on or before July 1, 2022 without BMA Approval (as defined herein) unless the Company replaces the capital with capital having equal or better capital treatment and, further, that RenRe Finance will not exercise its right to redeem the 2027 Notes at any time prior to their maturity if the Enhanced Capital Requirement (as defined herein) would be breached immediately before or after giving effect to the redemption of such 2027 Notes unless the Company replaces the capital with capital having equal or better capital treatment.

Table of Contents

The Offering

This section provides a summary of the terms of the Notes. Because the following summary is not complete, you should refer to the indenture among RenaissanceRe, as issuer, and Deutsche Bank Trust Company Americas, as trustee, as supplemented by a first supplemental indenture, for a complete description of the terms of the Notes. You should also refer to the sections entitled Description of Notes in this prospectus supplement and Description of the Debt Securities in the accompanying prospectus.

Issuer	RenaissanceRe Holdings Ltd.
Securities Offered	$400,000,000 aggregate principal amount of 3.600% Senior Notes due 2029.
Interest Rate	3.600% per year.
Interest Payment Dates	Semi-annually in arrears on each April 15 and October 15, commencing October 15, 2019.
Maturity	April 15, 2029.
Redemption	The Notes will be redeemable at the option of RenaissanceRe at any time as a whole or from time to time in part, at the applicable redemption price and subject to the terms described in Description of Notes Redemption Optional Redemption . RenaissanceRe may also redeem all of the Notes under the circumstances described under Description of Notes Redemption Redemption for Changes in Withholding Taxes. Notwithstanding the foregoing, (i) the Notes will not be optionally redeemable at any time prior to April 2, 2022 without BMA Approval (as defined herein), and (ii) the Notes will not be optionally redeemable at any time prior to their maturity if the Enhanced Capital Requirement (as defined herein) would be breached immediately before or after giving effect to the redemption of such Notes, unless, in each case, RenaissanceRe replaces the capital represented by the Notes to be redeemed with capital having equal or better capital treatment as the Notes under the Group Rules (as defined herein) (clauses (i) and (ii), collectively, the BMA Redemption Requirements).
Ranking	The Notes will be senior unsecured obligations of RenaissanceRe and will rank equally in right of payment with all of RenaissanceRe s existing and future unsecured and unsubordinated indebtedness from time to time

outstanding. The Notes will be effectively subordinated to all existing and future secured obligations of RenaissanceRe to the extent of the security therefor and contractually subordinated to all existing and future obligations of RenaissanceRe s subsidiaries, including amounts owed to holders of reinsurance and insurance policies issued by its reinsurance and insurance company subsidiaries. On an unconsolidated basis, RenaissanceRe did not have any indebtedness for borrowed money as of December 31, 2018. As of December 31, 2018, RenaissanceRe s subsidiaries had $1.0 billion of indebtedness for borrowed money outstanding and $510.6 million

Table of Contents

	face amount of letters of credit outstanding, the reimbursement obligations with respect to which were secured by certain assets of these subsidiaries. As of December 31, 2018, our subsidiaries (after giving pro forma effect to the acquisition of the TMR Group Entities as if the acquisition occurred on such date) had $1.0 billion of indebtedness for borrowed money outstanding and approximately $1.1 billion face amount of letters of credit outstanding (including $603.3 million of letters of credit of the TMR Group Entities).
Use of Proceeds	We expect that the net proceeds available to RenaissanceRe, after deducting the underwriting discount and estimated expenses payable by RenaissanceRe, will be approximately $387,924,000. We intend to use the net proceeds from this offering for general corporate purposes and to repay $200.0 million of indebtedness under our revolving credit facility that we used to fund the purchase price for the TMR Stock Purchase. See Use of Proceeds.
Covenants	The Notes contain various covenants, including limitations on mergers, amalgamations and consolidations, restrictions as to the disposition of the stock of designated subsidiaries and limitations on liens on the stock of designated subsidiaries. See Description of Notes Certain Covenants.
Risk Factors	Investing in the Notes involves certain risks. See Risk Factors beginning on page S-4 of this prospectus supplement.
Conflicts of Interest	Certain of the underwriters and/or their affiliates are expected to receive at least 5% of the net proceeds of this offering in connection with the repayment of indebtedness under our revolving credit facility. See Use of Proceeds. Accordingly, this offering is being made in compliance with the requirements of the Financial Industry Regulatory Authority, Inc. (FINRA) Rule 5121 (FINRA Rule 5121). See Underwriting (Conflicts of Interest) Conflicts of Interest.
Form and Denomination	The Notes will be represented by one or more global notes, deposited with the trustee as custodian for The Depository Trust Company and registered in the name of Cede & Co., The Depository Trust Company s nominee. The Notes will be issued in denominations of $2,000 and integral multiples of $1,000 in excess thereof.
Governing Law	The State of New York.

RISK FACTORS

Your investment in the Notes will involve a degree of risk, including those risks that are described in this section. The risks and uncertainties described below are not the only ones relevant to an investment in the Notes. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of these risks actually occurs, our business, financial condition and results of operations could be materially affected. In that case, the value of the Notes could decline substantially. Before deciding whether an investment in the Notes is suitable for you, you should carefully consider the following discussion of risks. These risk factors update and replace the risk factors in the accompanying prospectus under the caption Risk Factors.

Risks Related to Our Company

Our exposure to catastrophic events and premium volatility could cause our financial results to vary significantly from one period to the next and could adversely impact our financial results.

We have a large overall exposure to natural and man-made disasters, such as earthquakes, hurricanes, tsunamis, winter storms, freezes, floods, fires, tornadoes, hailstorms, drought, cyber-risks and acts of terrorism. As a result, our operating results have historically been, and we expect will continue to be, significantly affected by low frequency and high severity loss events.

Claims from catastrophic events could cause substantial volatility in our quarterly and annual financial results and could materially adversely affect our financial condition, results of operations and cash flows. We believe that certain factors, including increases in the value and geographic concentration of insured property, particularly along coastal regions, the increasing risks associated with extreme weather events as a result of changes in climate conditions, and the effects of inflation, may continue to increase the number and severity of claims from catastrophic events in the future. Accordingly, unanticipated events could result in net negative impacts as compared to our competitors. Historically, a relatively large percentage of our coverage exposures have been concentrated in the U.S. southeast, but due to the expected increase in severe weather events, there is the potential for significant exposures in other geographic areas in the future.

Risks of volatility in our financial results are also exacerbated by the fact that the premiums in both our Property and Casualty and Specialty segments are prone to significant volatility due to factors including the timing of contract inception and our differentiated strategy and capability, which position us to pursue bespoke or large solutions for clients, which may be non-recurring.

Our claims and claim expense reserves are subject to inherent uncertainties.

Our claims and claim expense reserves reflect our estimates, using actuarial and statistical projections at a given point in time, of our expectations of the ultimate settlement and administration costs of claims incurred.

We use actuarial and computer models, historical reinsurance and insurance industry loss statistics, and management s experience and judgment to assist in the establishment of appropriate claims and claim expense reserves. Our estimates and judgments are based on numerous factors, and may be revised as additional experience and other data become available and are reviewed, as new or improved methodologies are developed, as loss trends and claims inflation impact future payments, or as current laws or interpretations thereof change.

Due to the many assumptions and estimates involved in establishing reserves and the inherent uncertainty of modeling techniques, the reserving process is inherently uncertain. It is expected that some of our assumptions or estimates will prove to be inaccurate, and that our actual net claims and claim expenses paid and reported will differ, perhaps materially, from the reserve estimates reflected in our financial statements. For example, our significant gross and net reserves associated with the large catastrophe events in 2017 and 2018 remain subject to significant uncertainty. As these and other events mature, losses are paid and information emerges, we expect our reserves may change, perhaps materially.

Accordingly, we may underestimate the exposures we are assuming and our results of operations and financial condition may be adversely impacted, perhaps significantly. Conversely, we may prove to be too conservative and contribute to factors which would impede our ability to grow in respect of new markets or perils or in connection with our current portfolio of coverages.

A decline in our financial strength ratings may adversely impact our business, perhaps materially so.

Financial strength ratings are used by ceding companies and reinsurance intermediaries to assess the financial strength and quality of reinsurers and insurers. Rating agencies evaluate us periodically and may downgrade or withdraw their financial strength ratings in the future if we do not continue to meet the criteria of the ratings previously assigned to us. In addition, rating agencies may make changes in their capital models and rating methodologies which could increase the amount of capital required to support the ratings.

A ratings downgrade or other negative ratings action could adversely affect our ability to compete with other reinsurers and insurers, as well as the marketability of our product offerings, our access to and cost of borrowing and our ability to write new business, which could materially adversely affect our results of operations. For example, following a ratings downgrade we might lose customers to more highly rated competitors or retain a lower share of the business of our customers or we could incur higher borrowing costs on our credit facilities.

In addition, many reinsurance contracts contain provisions permitting cedants to, among other things, cancel coverage pro rata or require the reinsurer to post collateral for all or a portion of its obligations if the reinsurer is downgraded below a certain rating level. It is increasingly common for our reinsurance agreements to contain such terms. Whether a cedant would exercise any of these rights could depend on various factors, such as the reason for and extent of such downgrade, the prevailing market conditions and the pricing and availability of replacement reinsurance coverage. We cannot predict to what extent these contractual rights would be exercised, if at all, or what effect this would have on our financial condition or future operations, but the effect could be material.

The trend towards increasingly frequent and severe climate events could result in underestimated exposures that have the potential to adversely impact our financial results.

Our most severe estimated economic exposures arise from our coverages for natural disasters and catastrophes. The trend towards increased severity and frequency of weather related natural disasters and catastrophes which we believe arises in part from changes in climate conditions, coupled with currently projected demographic trends in catastrophe-exposed regions, contributes to factors which we believe increase the average economic value of expected losses, increase the number of people exposed per year to natural disasters and in general exacerbate disaster risk, including risks to infrastructure, global supply chains and agricultural production. Accordingly, we expect an increase in claims, especially from properties located in these catastrophe-exposed regions.

A substantial portion of our coverages may be adversely impacted by climate change, and we cannot assure you that our risk assessments accurately reflect environmental and climate related risks. We cannot predict with certainty the frequency or severity of tropical cyclones, wildfires or other catastrophes. Unanticipated environmental incidents could lead to additional insured losses that exceed our current estimates, resulting in disruptions to or adverse impacts on our business, the market, or our clients. Further, certain investments, such as catastrophe-linked securities and property catastrophe managed joint ventures, or other assets in our investment portfolio, could also be adversely impacted by climate change.

Table of Contents

Retrocessional reinsurance may become unavailable on acceptable terms, or may not provide the coverage we intended to obtain, or we may not be able to collect on claimed retrocessional coverage.

As part of our risk management, we buy reinsurance for our own account, which is known as retrocessional reinsurance. The reinsurance we purchase is generally subject to annual renewal. From time to time, market conditions have limited or prevented insurers and reinsurers from obtaining retrocessional reinsurance. Accordingly, we may not be able to renew our current retrocessional reinsurance arrangements or obtain desired amounts of new or replacement coverage. In addition, even if we are able to obtain such retrocessional reinsurance, we may not be able to negotiate terms that we consider appropriate or acceptable from entities with satisfactory creditworthiness or collect on claimed retrocessional coverage. This could limit the amount of business we are willing to write, or decrease the protection available to us as a result of large loss events.

When we purchase reinsurance or retrocessional reinsurance for our own account, the insolvency of any of our reinsurers, or inability or reluctance of any of our reinsurers to make timely payments to us under the terms of our reinsurance agreements could have a material adverse effect on us. We have significant reinsurance recoverables associated with the large catastrophe events of 2017 and 2018 and, generally, we believe that the willingness to pay of some reinsurers and retrocessionaires is declining. Therefore, this risk may be more significant to us at present than at many times in the past. Complex coverage issues or coverage disputes may impede our ability to collect amounts we believe we are owed.

A large portion of our reinsurance protection is concentrated with a relatively small number of reinsurers. The risk of such concentration of retrocessional coverage may be increased by recent and future consolidation within the industry.

Recently enacted U.S. tax reform legislation, as well as possible future tax reform legislation and regulations, could reduce our access to capital, decrease demand for our products and services, impact our shareholders or investors in our joint ventures or other entities we manage or otherwise adversely affect us.

U.S. tax reform legislation, commonly referred to as the Tax Cuts and Jobs Act (the Tax Bill), was signed into law on December 22, 2017. The Tax Bill amends a range of U.S. federal tax rules applicable to individuals, businesses and international taxation, including, among other things, by altering the current taxation of insurance premiums ceded from a United States domestic corporation to any non-U.S. affiliate. For example, the Tax Bill includes a new base erosion anti-avoidance tax (the BEAT) that would have substantially altered the taxation of affiliate reinsurance between our operating affiliates which are subject to U.S. taxation and our non-U.S. affiliates which are not. We believe those transactions would have become economically unfeasible under the BEAT and terminated them as of the 2017 year end. While these transactions were not significant for us, on an industry-wide basis for specific market participants the impacts could be more material, and it is possible that over time the BEAT may result in increased prices for certain reinsurance or insurance products, which could cause a decrease in demand for these products and services due to limitations on the available resources of our clients or their underlying insureds.

The Tax Bill increased the likelihood that we or our non-U.S. subsidiaries or joint ventures managed by us will be deemed a controlled foreign corporation (CFC) within the meaning of the Internal Revenue Code for U.S. federal tax purposes. Specifically, the Tax Bill expands the definition of U.S. shareholder for CFC purposes to include U.S. persons who own 10% or more of the value of a foreign corporation s shares, rather than only looking to voting power held. As a result, the voting cut-back provisions included in our Amended and Restated Bye-laws that limit the voting power of any shareholder to 9.9% of the total voting power of our capital stock will be ineffective in avoiding U.S. shareholder status for U.S. persons who own 10% or more of the value of our shares. The Tax Bill also expands certain attribution rules for stock ownership in a way that would cause foreign subsidiaries in a foreign parented group that includes at least one U.S. subsidiary to be treated as CFCs. In the event a corporation is characterized as a CFC, any U.S. shareholder of the CFC is required to include its pro rata share of certain insurance and related investment income in income for a taxable year, even if such income is not distributed. In addition, U.S. tax exempt entities subject to the unrelated business taxable income (UBTI) rules that own 10% or more of the value of our non-U.S. subsidiaries or joint ventures managed by us that are characterized as CFCs may recognize UBTI with respect to such investment.

In addition to changes in the CFC rules, the Tax Bill contains modifications to certain provisions relating to passive foreign investment company (PFIC) status that could, for example, discourage U.S. persons from investing in our joint ventures or other entities we manage. The Tax Bill makes it more difficult for a non-U.S. insurance company to avoid PFIC status under an exception for certain non-U.S. insurance companies engaged in the active conduct of an insurance business. The Tax Bill limits this exception to a non-U.S. insurance company that would be taxable as an insurance company if it were a U.S. corporation and that maintains insurance liabilities of more than 25% of such company s assets for a taxable year (or maintains reserves that at least equal 10% of its assets and it satisfies a facts and circumstances test that requires a showing that the failure to exceed the 25% threshold is due to run-off or rating agency circumstances). While we believe that our non-U.S. insurance subsidiaries should satisfy this reserve test and we do not expect to be a PFIC for the foreseeable future, we cannot assure you that this will continue to be the case in future years, and there is a significant risk that joint venture entities managed by us may not satisfy the reserve test.

The IRS has been considering other changes to the PFIC rules for several years. In 2015, the IRS issued proposed regulations intended to clarify the application of this insurance company exception to the classification of a non-U.S. insurer as a PFIC. These proposed regulations provide that a non-U.S. insurer will qualify for the insurance company exception only if, among other things, the non-U.S. insurer s officers and employees perform its substantial managerial and operational activities. This proposed regulation will not be effective until adopted in final form.

We are unable to predict all of the ultimate impacts of the Tax Bill and other proposed tax reform regulations and legislation on our business and results of operations. It is possible the IRS will construe the intent of the Tax Bill as having been to reduce or eliminate certain perceived tax advantages of companies (including insurance companies) that have legal domiciles outside the U.S., and its interpretation, enforcement actions or regulatory changes could increase the impact of the Tax Bill beyond prevailing current assessments or our own estimates. Further, it is possible that other legislation could be introduced and enacted in the future that would have an adverse impact on us. These events and trends towards more punitive taxation of cross border transactions could in the future materially adversely impact the insurance and reinsurance industry and our own results of operations by increasing taxation of certain activities and structures in our industry. Accordingly, we cannot reliably estimate what the potential impact of any such changes could be to us or our non-U.S. subsidiaries or joint ventures managed by us and our and their respective sources of capital, investors or the market generally, however, it is possible these changes could materially adversely impact our results of operations.

Emerging claim and coverage issues, or other litigation, could adversely affect us.

Unanticipated developments in the law as well as changes in social conditions could potentially result in unexpected claims for coverage under our insurance and reinsurance contracts. These developments and changes may adversely affect us, perhaps materially so. For example, we could be subject to developments that impose additional coverage obligations on us beyond our underwriting intent, or to increases in the number or size of claims to which we are subject.

In addition, we believe our property results have been adversely impacted over recent periods by increasing primary claims level fraud and abuses, as well as other forms of social inflation, and that these trends may continue, particularly in certain U.S. jurisdictions in which we focus, including Florida and Texas. For example, in Florida, homeowners are increasingly assigning the benefit of their insurance recovery to third parties, typically related to a water loss claim but also with respect to other claims. This practice is referred to as an assignment of benefits , and is characterized by an inflated size and number of claims, increased incidence of litigation, interference in the adjustment of claims, and the assertion of bad faith actions and a one-way right to claim attorney fees. Assignments of benefits and related insurance fraud may directly affect us, potentially materially, through any policy we write in Florida, as well as by inflating the size of occurrences we cover under our reinsurance treaties and reducing the value of certain investments we have in Florida, including both debt and equity investments in domestic reinsurers. Additionally, significant uncertainty may arise from the attribution of potentially insured losses proximately or indirectly related to the 2017 and 2018 California wildfires.

With respect to our casualty and specialty reinsurance operations, these legal and social changes and their impact may not become apparent until some time after their occurrence. For example, we could be deemed liable for losses arising out of a matter, such as the potential for industry losses arising out of a pandemic illness, that we had not anticipated or had attempted to contractually exclude. Moreover, irrespective of the clarity and inclusiveness of policy language, we cannot assure you that a court or arbitration panel will enforce policy language or not issue a ruling adverse to us. Our exposure to these uncertainties could be exacerbated by the increased willingness of some market participants to dispute insurance and reinsurance contract and policy wording. Alternatively, potential efforts by us to exclude such exposures could, if successful, reduce the market s acceptance of our related products. The full effects of these and other unforeseen emerging claim and coverage issues are extremely hard to predict. As a result, the full extent of our liability under our coverages may not be known for many years after a contract is issued. Furthermore, we expect that our exposure to this uncertainty may grow as our long-tail casualty businesses grow, because in these lines claims can typically be made for many years, making them more susceptible to these trends than our traditional catastrophe business, which is typically more short-tail. While we continually seek to improve the effectiveness of our contracts and claims capabilities, we may fail to mitigate our exposure to these growing uncertainties.

A soft reinsurance underwriting market would adversely affect our business and operating results.

In a soft reinsurance underwriting market, premium rates are stable or falling and coverage is readily available. In a hard reinsurance underwriting market, premium rates are increasing and less coverage may be available. Leading global intermediaries and other sources have generally reported that the U.S. reinsurance market reflected a soft underwriting market during the last several years, with growing levels of industry wide capital held. This capital has been supplied principally by traditional market participants and increasingly by alternative capital providers. We believe that the current reinsurance underwriting market is in a prolonged soft market phase, but that it will continue to be cyclical, with hard markets caused by withdrawal or use of excess capital, large or frequent loss events and other factors. However, it is possible that increased access of primary insurers to capital, new technologies and other factors may eliminate or significantly lessen the possibility of any future hard reinsurance underwriting market.

We depend on a few insurance and reinsurance brokers for a preponderance of our revenue, and any loss of business provided by them could adversely affect us.

We market our insurance and reinsurance products worldwide through a limited number of insurance and reinsurance brokers. As our business is heavily reliant on the use of a few brokers, the loss of a broker, through a merger, other business combination or otherwise, could result in the loss of a substantial portion of our business, which would have a material adverse effect on us. Our ability to market our products could decline as a result of the loss of the business provided by any of these brokers and it is possible that our premiums written would decrease. Further, due to the concentration of our brokers, which has increased further following the closing of the TMR Stock Purchase, our brokers may have increasing power to dictate the terms and conditions of our arrangements with them, which could have a negative impact on our business.

We are exposed to counterparty credit risk, including with respect to reinsurance brokers, customers and retrocessionaires.

We believe our exposure to counterparty credit risk has increased in recent years. In accordance with industry practice, we pay virtually all amounts owed on claims under our policies to reinsurance brokers, and these brokers, in turn, pay these amounts over to the insurers that have reinsured a portion of their liabilities with us (we refer to these insurers as ceding insurers). Likewise, premiums due to us by ceding insurers are virtually all paid to brokers, who then pass such amounts on to us. In many jurisdictions, we have contractually agreed that if a broker were to fail to make a payment to a ceding insurer, we would remain liable to the ceding insurer for the deficiency. Conversely, in many jurisdictions, when the ceding insurer pays premiums for these policies to reinsurance brokers for payment over to us, these premiums are considered to have been paid by the cedants and the ceding insurer is no longer liable to us for those amounts, whether or not we have actually received the premiums. Consequently, in connection with the settlement of reinsurance balances, we assume a substantial degree of credit risk associated with brokers around the world.

We are also exposed to the credit risk of our customers, who, pursuant to their contracts with us, frequently pay us over time. We cannot assure you that our premiums receivable or reinsurance recoverables, which may not be collateralized, will be collected or that we will not be required to write down additional amounts in future periods. To the extent our customers or retrocedants become unable to pay future premiums, we would be required to recognize a downward adjustment to our premiums receivable or reinsurance recoverables, as applicable, in our financial statements. As of December 31, 2018, we had reinsurance recoverables of $2.4 billion, and our failure to collect even a small portion of these recoverables, or a meaningful delay in the collection of recoverables as to which our own underlying obligations are due, could negatively affect our results of operations and financial condition, perhaps materially.

During periods of economic uncertainty, our consolidated credit risk, reflecting our counterparty dealings with agents, brokers, customers, retrocessionaires, capital providers, parties associated with our investment portfolio, and others may increase, perhaps materially so.

Weakness in business and economic conditions generally or specifically in the principal markets in which we do business could adversely affect our business and operating results.

Challenging economic conditions throughout the world could adversely affect our business and financial results. If economic conditions should weaken, the business environment in our principal markets would be adversely affected, which could adversely affect demand for the products sold by us or our customers. In addition, volatility in the U.S. and other securities markets may adversely affect our investment portfolio or the investment results of our clients, potentially impeding their operations or their capacity to invest in our products. Global financial markets and economic and geopolitical conditions are outside of our control and difficult to predict, being influenced by factors such as national and international political circumstances (including governmental instability, wars, terrorist acts or security operations), interest rates, market volatility, asset or market correlations, equity prices, availability of credit, inflation rates, economic uncertainty, changes in laws or regulations including as regards taxation, trade barriers, commodity prices, interest rates, and currency exchange rates and controls. In addition, as discussed above, we believe our consolidated credit risk is likely to increase during an economic downturn.

U.S. taxing authorities could contend that one or more of our Bermuda subsidiaries is subject to U.S. corporate income tax, as a result of changes in laws or regulations, or otherwise.

If the IRS were to contend successfully that we or one or more of our Bermuda subsidiaries is engaged in a trade or business in the U.S., each entity engaged in a U.S. trade or business would, to the extent not exempted from tax by the U.S.-Bermuda income tax treaty, be subject to U.S. corporate income tax on the portion of its net income treated as effectively connected with a U.S. trade or business, as well as the U.S. corporate branch profits tax. If we or one or more of our Bermuda subsidiaries were ultimately held to be subject to taxation, our earnings would correspondingly decline.

In addition, benefits of the U.S.-Bermuda income tax treaty which may limit any tax to income attributable to a permanent establishment maintained by one or more of our Bermuda subsidiaries in the U.S. are only available to a subsidiary if more than 50% of its shares are beneficially owned, directly or indirectly, by individuals who are Bermuda residents or U.S. citizens or residents. Our Bermuda subsidiaries may not be able to continually satisfy, or establish to the IRS that they satisfy, this beneficial ownership test. Finally, it is unclear whether the U.S.-Bermuda income tax treaty (assuming satisfaction of the beneficial ownership test) applies to income other than premium income, such as investment income.

Acquisitions or strategic investments we have made or may make could turn out to be unsuccessful.

As part of our strategy, we frequently monitor and analyze opportunities to acquire or make a strategic investment in new or other businesses we believe will not detract from our core operations. The negotiation of potential acquisitions (such as the acquisition of the TMR Group Entities) or strategic investments as well as the integration of an acquired business or new personnel, could result in a substantial diversion of management resources.

Future acquisitions could likewise involve numerous additional risks such as potential losses from unanticipated litigation or levels of claims and inability to generate sufficient revenue to offset acquisition costs. As we pursue or consummate a strategic transaction or investment, we may value the acquired or funded company or operations incorrectly, fail to integrate the acquired operations appropriately into our own operations, fail to successfully manage our operations as our product and geographical diversity increases, expend unforeseen costs during the acquisition or integration process, or encounter other unanticipated risks or challenges. If we succeed in consummating a strategic investment, we may fail to value it accurately or divest it or otherwise realize the value which we originally invested or have subsequently reflected in our consolidated financial statements. Any failure by us to effectively limit such risks or implement our acquisitions or strategic investment strategies could have a material adverse effect on our business, financial condition or results of operations. As discussed in more detail below under Risks Related to the TMR Stock Purchase, we face significant challenges in combining our operations with the operations of the TMR Group, and we may not be able to accomplish this integration process smoothly or successfully, which would reduce the anticipated benefits of the TMR Stock Purchase.

The loss of key senior members of management could adversely affect us.

Our success depends in substantial part upon our ability to attract and retain our senior officers. The loss of services of members of our senior management team and the uncertain transition of new members of our senior management team may strain our ability to execute our strategic initiatives. The loss of one or more of our senior officers could adversely impact our business, by, for example, making it more difficult to retain customers, attract or maintain our capital support, or meet other needs of our business, which depend in part on the service of the departing officer. We may also encounter unforeseen difficulties associated with the transition of members of our senior management team to new or expanded roles necessary to execute our strategic and tactical plans from time to time.

In addition, our ability to execute our business strategy is dependent on our ability to attract and retain a staff of qualified underwriters and service personnel. The location of our global headquarters in Bermuda may impede our ability to recruit and retain highly skilled employees. Under Bermuda law, non-Bermudians (other than spouses of Bermudians, holders of Permanent Residents Certificates and holders of Working Residents Certificates) may not engage in any gainful occupation in Bermuda without a valid government work permit. Some members of our senior management are working in Bermuda under work permits that will expire over the next several years. The Bermuda government could refuse to extend these work permits, and no assurances can be given that any work permit will be issued or, if issued, renewed upon the expiration of the relevant term. If any of our senior officers or key contributors were not permitted to remain in Bermuda, or if we experienced delays or failures to obtain permits for a number of our professional staff, our operations could be disrupted and our financial performance could be adversely affected as a result.

Table of Contents

A decline in our investment performance could reduce our profitability and hinder our ability to pay claims promptly in accordance with our strategy.

We have historically derived a meaningful portion of our income from our invested assets, which are comprised of, among other things, fixed maturity securities, such as bonds, asset-backed securities, mortgage-backed securities, equity securities, and other investments, including but not limited to private equity investments, bank loan funds and hedge funds. Accordingly, our financial results are subject to a variety of investment risks, including risks relating to general economic conditions, inflation, market volatility, interest rate fluctuations, foreign currency risk, liquidity risk and credit and default risk. Additionally, with respect to certain of our investments, we are subject to pre-payment or reinvestment risk. Our investment portfolio also includes securities with a longer duration, which may be more susceptible to certain of these risks.

The market value of our fixed maturity investments is subject to fluctuation depending on changes in various factors, including prevailing interest rates and widening credit spreads. Increases in interest rates could cause the market value of our investment portfolio to decrease, perhaps substantially. Conversely, a decline in interest rates could reduce our investment yield, which would reduce our overall profitability. Interest rates are highly sensitive to many factors, including governmental monetary policies, domestic and international economic and political conditions and other factors beyond our control. Any measures we take that are intended to manage the risks of operating in a changing interest rate environment may not effectively mitigate such interest rate sensitivity.

A portion of our investment portfolio is allocated to other classes of investments including equity securities and interests in alternative investment vehicles such as catastrophe bonds, private equity investments, senior secured bank loan funds and hedge funds. These other classes of investments are recorded on our consolidated balance sheet at fair value, which is generally established on the basis of the valuation criteria set forth in the governing documents of such investment vehicles. Such valuations may differ significantly from the values that would have been used had ready markets existed for the shares, partnership interests, notes or other securities representing interests in the relevant investment vehicles. We cannot assure you that, if we were forced to sell these assets, we would be able to sell them for the prices at which we have recorded them, and we might be forced to sell them at significantly lower prices. Furthermore, our interests in many of the investment classes described above are subject to restrictions on redemptions and sales which limit our ability to liquidate these investments in the short term. These classes of investments expose us to market risks including interest rate risk, foreign currency risk, equity price risk and credit risk. The performance of these classes of investments is also dependent on the individual investment managers and the investment strategies. It is possible that the investment managers will leave and/or the investment strategies will become ineffective or that such managers will fail to follow our investment guidelines. Any of the foregoing could result in a material adverse change to our investment performance, and accordingly, adversely affect our financial results.

In addition to the foregoing, we may from time to time re-evaluate our investment approach and guidelines and explore investment opportunities in respect of other asset classes not previously discussed above, including, without limitation, by expanding our relatively small portfolio of direct investments in the equity markets. Any such investments could expose us to systemic and price volatility risk, interest rate risk and other market risks. Any investment in equity securities carries with it inherent volatility. We cannot assure you that such an investment will prove profitable and we could lose the value of our investment. Accordingly, any such investment could impact our financial results, perhaps materially, over both the short and the long term.

As a result of concerns about the accuracy of the calculation of LIBOR, a number of British Bankers Association (BBA) member banks entered into settlements with certain regulators and law enforcement agencies with respect to the alleged manipulation of LIBOR. Actions by the BBA, regulators or law enforcement agencies as a result of these or future events, may result in changes to the manner in which LIBOR is determined. Potential changes, or uncertainty related to such potential changes may adversely affect the market for LIBOR-based securities. In addition, changes or reforms to the determination or supervision of LIBOR may result in a

Table of Contents

sudden or prolonged increase or decrease in reported LIBOR, which could have an adverse impact on the market for LIBOR-based securities.

In July 2017, the head of the United Kingdom Financial Conduct Authority announced the desire to phase out the use of LIBOR by the end of 2021, which may affect us adversely. If LIBOR ceases to exist, we may need to renegotiate the terms of certain of our capital securities and credit instruments, which utilize LIBOR as a factor in determining the interest rate, to replace LIBOR with the new standard that is established. There is currently no definitive information regarding the future utilization of LIBOR or of any particular replacement rate. As such, the potential effect of any such event on our cost of capital and net investment income cannot yet be determined.

We could face losses from terrorism, political unrest and war.

We have exposure to losses resulting from acts of terrorism, political unrest and acts of war. The frequency of these events has increased in recent years and it is difficult to predict the occurrence of these events or to estimate the amount of loss an occurrence will generate. Accordingly, it is possible that actual losses from such acts will exceed our probable maximum loss estimate and that these acts will have a material adverse effect on us.

We closely monitor the amount and types of coverage we provide for terrorism risk under reinsurance and insurance treaties. If we think we can reasonably evaluate the risk of loss and charge an appropriate premium for such risk we will write some terrorism exposure on a stand-alone basis. We generally seek to exclude terrorism from non-terrorism treaties. If we cannot exclude terrorism, we evaluate the risk of loss and attempt to charge an appropriate premium for such risk. Even in cases where we have deliberately sought to exclude coverage, we may not be able to completely eliminate our exposure to terrorist acts.

The Terrorism Risk Insurance Program Reauthorization Act of 2015 (TRIPRA), which provides a federal backstop to all U.S. based property and casualty insurers for insurance related losses resulting from any act of terrorism on U.S. soil or against certain U.S. air carriers, vessels or foreign missions, expires on December 31, 2020. We benefit from TRIPRA as this protection generally inures to our benefit under our reinsurance treaties where terrorism is not excluded.

We are subject to cybersecurity risks and may incur increasing costs in an effort to minimize those risks.

Publicly reported instances of cyber security threats and incidents have increased over recent periods, and we may be subject to heightened cyber-related risks. Our business depends on the proper functioning and availability of our information technology platform, including communications and data processing systems and our proprietary pricing and exposure management system. We are also required to effect electronic transmissions with third parties including brokers, clients, vendors and others with whom we do business, and with our Board of Directors. We believe we have implemented appropriate security measures, controls and procedures to safeguard our information technology systems and to prevent unauthorized access to such systems and any data processed or stored in such systems, and we periodically evaluate and test the adequacy of such systems, measures, controls and procedures and perform third-party risk assessments; however, there can be no guarantee that such systems, measures, controls and procedures will be effective, that we will be able to establish secure capabilities with all of third parties, or that third parties will have appropriate controls in place to protect the confidentiality of our information. Security breaches could expose us to a risk of loss or misuse of our information, litigation and potential liability.

In addition, cyber incidents that impact the availability, reliability, speed, accuracy or other proper functioning of our systems could have a significant impact on our operations, and potentially on our results.

We protect our information systems with physical and electronic safeguards as well as backup systems considered appropriate by management. However, it is not possible to protect against every potential power loss, telecommunications failure, cybersecurity attack or similar event that may arise. Moreover, the safeguards we use are subject to human implementation and maintenance and to other uncertainties. Although we attempt to keep personal, confidential, and proprietary information confidential, we may be impacted by third parties who may not have or use appropriate controls to protect such information.

We may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyberattacks. A significant cyber incident, including system failure, security breach, disruption by malware or other damage could interrupt or delay our operations, result in a violation of applicable privacy and other laws, damage our reputation, cause a loss of customers or give rise to monetary fines and other penalties, which could be significant. While management is not aware of a cybersecurity incident that has had a material effect on our operations, there can be no assurances that a cyber incident that could have a material impact on us will not occur in the future.

Our disaster recovery and business continuity plans involve arrangements with our off-site, secure data centers. We cannot assure you that we will be able to access our systems from these facilities in the event that our primary systems are unavailable due to various scenarios, such as natural disasters or that we have prepared for every disaster or every scenario which might arise in respect of a disaster for which we have prepared, and cannot assure you our efforts in respect of disaster recovery will succeed, or will be sufficiently rapid to avoid harm to our business.

The cybersecurity regulatory environment is evolving, and it is possible that the costs to us of and the resources required for complying with new or developing regulatory requirements will increase. For example, the New York Department of Financial Services Cybersecurity Regulation imposes pre-breach cybersecurity obligations with which certain of our subsidiaries are required to comply. We may be required to comply with other cybersecurity requirements as a result of the TMR Stock Purchase. It is also possible that similar laws and regulations may be enacted in the future in other jurisdictions. We also operate in a number of jurisdictions with strict data privacy and other related laws, which could be violated in the event of a significant cybersecurity incident, or by our personnel. Failure to comply with these obligations can give rise to monetary fines and other penalties, which could be significant.

We may from time to time modify our business and strategic plan, and these changes could adversely affect us and our financial condition.

We regularly evaluate our business plans and strategies, which often results in changes to our business plans and initiatives. Given the increasing importance of strategic execution in our industry, we are subject to increasing risks related to our ability to successfully implement our evolving plans and strategies, particularly as the pace of change in our industry continues to increase. Changing plans and strategies requires significant management time and effort, and may divert management s attention from our core and historically successful operations and competencies. We routinely evaluate potential investments and strategic transactions, but there can be no assurance we will successfully consummate any such transaction, or that a consummated transaction will succeed financially or strategically. Moreover, modifications we undertake to our operations may not be immediately reflected in our financial statements. Therefore, risks associated with implementing or changing our business strategies and initiatives, including risks related to developing or enhancing our operations, controls and other infrastructure, may not have an impact on our publicly reported results until many years after implementation. Our failure to carry out our business plans may have an adverse effect on our long-term results of operations and financial condition.

Our current business strategy focuses on writing reinsurance, with limited writing of primary insurance. Our acquisition of the TMR Group Entities will further concentrate our strategy on reinsurance. Certain of our competitors have, in connection with consolidation in the insurance and reinsurance industries, recently increased the amount of primary insurance they are writing, both on an absolute and relative basis. There can be no assurance that our business strategy of focusing on writing reinsurance, with limited writing of primary insurance, will prove prudent as compared to the strategies of our competitors.

Table of Contents

The determination of impairments taken is highly subjective and could materially impact our financial position or results of operations.

The determination of impairments taken on our investments, investments in other ventures, goodwill and other intangible assets and loans varies by type of asset and is based upon our periodic evaluation and assessment of known and inherent risks associated with the respective asset class. Such evaluations and assessments are revised as conditions change and new information becomes available. Management updates its evaluations regularly and reflects impairments in operations as such evaluations are revised. There can be no assurance that our management has accurately assessed the level of impairments taken in our financial statements. Furthermore, management may determine that impairments are needed in future periods and any such impairment will be recorded in the period in which it occurs, which could materially impact our financial position or results of operations. Historical trends may not be indicative of future impairments.

We may be adversely impacted by inflation.

We monitor the risk that the principal markets in which we operate could experience increased inflationary conditions, which would, among other things, cause loss costs to increase, and impact the performance of our investment portfolio. We believe the risks of inflation across our key markets is increasing. The impact of inflation on loss costs could be more pronounced for those lines of business that are considered to be long tail in nature, as they require a relatively long period of time to finalize and settle claims. Changes in the level of inflation also result in an increased level of uncertainty in our estimation of loss reserves, particularly for long tail lines of business. The onset, duration and severity of an inflationary period cannot be estimated with precision.

We depend on the policies, procedures and expertise of ceding companies and delegated authority counterparties, who may fail to accurately assess the risks they underwrite, which exposes us to operational and financial risks.

Like other reinsurers, we do not separately evaluate each primary risk assumed under our reinsurance contracts or pursuant to our delegated authority business. Accordingly, we are heavily dependent on the original underwriting decisions made by our ceding companies and delegated authority counterparties and are therefore subject to the risk that our customers may not have adequately evaluated the risks to be reinsured, or that the premiums ceded to us will not adequately compensate us for the risks we assume, perhaps materially so. In addition, it is possible that delegated authority counterparties or other counterparties authorized to bind policies on our behalf will fail to fully comply with regulatory requirements, such as those relating to sanctions, or the standards we impose in light of our own underwriting and reputational risk tolerance. To the extent we continue to increase the relative amount of proportional coverages we offer, we will increase our aggregate exposure to risks of this nature.

Our business is subject to operational risks, including systems or human failures.

We are subject to operational risks including fraud, employee errors, failure to document transactions properly or to obtain proper internal authorization, failure to comply with regulatory requirements or obligations under our agreements, failure of our service providers, such as investment custodians, actuaries, information technology providers, etc., to comply with our service agreements, or information technology failures. Losses from these risks may occur from time to time and may be significant.

We are exposed to risks in connection with our management of capital on behalf of investors in joint ventures or other entities we manage.

Our operating subsidiaries owe certain legal duties and obligations (including reporting, governance and allocation obligations) to third party investors and are subject to a variety of increasingly complex laws and

Table of Contents

regulations relating to the management of third party capital. Complying with these obligations, laws and regulations requires significant management time and attention. Although we continually monitor our compliance policies and procedures, faulty judgments, simple errors or mistakes, or the failure of our personnel to adhere to established policies and procedures, could result in our failure to comply with applicable obligations, laws or regulations, which could result in significant liabilities, penalties or other losses to us and seriously harm our business and results of operations.

In addition, in furtherance of our goal of matching well-structured risk with capital whose owners would find the risk-return trade-off attractive, we may invest capital in new and complex ventures with which we do not have a significant amount of experience, which may increase our exposure to legal, regulatory and reputational risks.

In addition, our third party capital providers may, in general, redeem their interests in our joint ventures at certain points in time, which could materially impact the financial condition of such joint ventures, and could in turn materially impact our financial condition and results of operations.

Certain of our joint venture capital providers provide significant capital investment and other forms of capital support in respect of our joint ventures. The loss, or alteration in a negative manner, of any of this capital support could be detrimental to our financial condition and results of operations. Moreover, we can provide no assurance that we will be able to attract and raise additional third party capital for our existing joint ventures or for potential new joint ventures and therefore we may forego existing and/or potentially attractive fee income and other income generating opportunities.

We may be adversely affected by foreign currency fluctuations.

We routinely transact business in currencies other than the U.S. dollar, our financial reporting currency. Moreover, we maintain a portion of our cash and investments in currencies other than the U.S. dollar. Although we generally seek to hedge significant non-U.S. dollar positions, we may, from time to time, experience losses resulting from fluctuations in the values of these foreign currencies, which could cause our consolidated earnings to decrease. In addition, failure to manage our foreign currency exposures could cause our results of operations to be more volatile. Adverse, unforeseen or rapidly shifting currency valuations in our key markets may magnify these risks over time. Our acquisition of the TMR Group Entities and significant third party capital management operations may further complicate our foreign currency operational needs and risk.

We may require additional capital in the future, which may not be available or may only be available on unfavorable terms.

To the extent that our existing capital is insufficient to support our future operating requirements, we may need to raise additional funds through financings or limit our growth. Our operations are subject to significant volatility in capital due to our exposure to potentially significant catastrophic events. Any further equity or debt financings, or capacity needed for letters of credit, if available at all, may be on terms that are unfavorable to us. Our ability to raise such capital successfully would depend upon the facts and circumstances at the time, including our financial position and operating results, market conditions, and applicable legal issues. We are also exposed to the risk that the contingent capital facilities we have in place may not be available as expected. If we are unable to obtain adequate capital when needed, our business, results of operations and financial condition would be adversely affected.

In addition, we are exposed to the risk that we may be unable to raise new capital for our managed joint ventures and other private alternative investment vehicles, which would reduce our future fee income and market capacity and thus negatively affect our results of operations and financial condition.

Table of Contents

The covenants in our debt agreements limit our financial and operational flexibility, which could have an adverse effect on our financial condition.

We have incurred indebtedness, and may incur additional indebtedness in the future. Our indebtedness primarily consists of publicly traded notes, letters of credit and a revolving credit facility.

The agreements governing our indebtedness contain covenants that limit our ability and the ability of certain of our subsidiaries to borrow money, make particular types of investments or other restricted payments, sell or place a lien on our or their respective assets, merge or consolidate. Certain of these agreements also require us or our subsidiaries to maintain specific financial ratios or contain cross-defaults to our other indebtedness. If we or our subsidiaries fail to comply with these covenants or meet these financial ratios, the noteholders or the lenders could declare a default and demand immediate repayment of all amounts owed to them or, where applicable, cancel their commitments to lend or issue letters of credit or, where the reimbursement obligations are secured, require us to pledge additional or a different type of collateral.

The regulatory systems under which we operate and potential changes thereto could restrict our ability to operate, increase our costs, or otherwise adversely impact us.

Certain of our operating subsidiaries are not licensed or admitted in any jurisdiction except Bermuda, conduct business only from their principal offices in Bermuda and do not maintain offices in the U.S. The insurance and reinsurance regulatory framework continues to be subject to increased scrutiny in many jurisdictions, including the U.S. and Europe. If our Bermuda insurance or reinsurance operations become subject to the insurance laws of any state in the U.S., jurisdictions in the EU, or elsewhere, we could face challenges to the future operations of these companies.

Moreover, we could be put at a competitive disadvantage in the future with respect to competitors that are licensed and admitted in U.S. jurisdictions. Among other things, jurisdictions in the U.S. do not permit insurance companies to take credit for reinsurance obtained from unlicensed or non-admitted insurers on their statutory financial statements unless security is posted. Our contracts generally require us to post a letter of credit or provide other security (e.g., through a multi-beneficiary reinsurance trust). In order to post these letters of credit, issuing banks generally require collateral. It is possible that the EU or other countries might adopt a similar regime in the future, or that U.S. or EU regulations could be altered in a way that treats Bermuda-based companies disparately. It is possible that individual jurisdiction or cross border regulatory developments could adversely differentiate Bermuda, the jurisdiction in which we are subject to group supervision, or could exclude Bermuda-based companies from benefits such as market access, mutual recognition or reciprocal rights made available to other jurisdictions, which could adversely impact us, perhaps significantly. Any such development, or our inability to post security in the form of letters of credit or trust funds when required, could significantly and negatively affect our operations.

We could be required to allocate considerable time and resources to comply with any new or additional regulatory requirements in any of the jurisdictions in which we operate, including Bermuda, Maryland and the U.K., and any such requirements could impact the operations of our insurance and/or non-insurance subsidiaries, result in increased costs for us and impact our financial condition. In addition, we could be adversely affected if a regulatory authority believed we had failed to comply with applicable law or regulations.

Our current or future business strategy could cause one or more of our currently unregulated subsidiaries to become subject to some form of regulation. Any failure to comply with applicable laws could result in the imposition of significant restrictions on our ability to do business, and could also result in fines and other sanctions, any or all of which could adversely affect our financial results and operations.

We face risks related to changes in Bermuda law and regulations, and the political environment in Bermuda.

We are incorporated in Bermuda and many of our operating companies are domiciled in Bermuda. Therefore, our exposure to potential changes in Bermuda law and regulation that may have an adverse impact on

Table of Contents

our operations, such as the imposition of tax liability, increased regulatory supervision or changes in regulation is heightened. The Bermuda insurance and reinsurance regulatory framework recently has become subject to increased scrutiny in many jurisdictions, including in the U.S. in various states within the U.S and in the EU. We are unable to predict the future impact on our operations of changes in Bermuda laws and regulations to which we are or may become subject.

In addition, we are subject to changes in the political environment in Bermuda, which could make it difficult to operate in, or attract talent to, Bermuda. For example, Bermuda is a small jurisdiction and may be disadvantaged in participating in global or cross border regulatory matters as compared with larger jurisdictions such as the U.S. or the leading EU and Asian countries. In addition, Bermuda, which is currently an overseas territory of the U.K., may consider changes to its relationship with the U.K. in the future. These changes could adversely affect Bermuda or the international reinsurance market focused there, either of which could adversely impact us commercially.

Because we are a holding company, we are dependent on dividends and payments from our subsidiaries.

As a holding company with no direct operations, we rely on our investment income, cash dividends and other permitted payments from our subsidiaries to make principal and interest payments on our debt and to pay dividends to our shareholders. From time to time, we may not have sufficient liquid assets to meet these obligations. Regulatory restrictions on the payment of dividends under Bermuda law and various U.S. laws regulate the ability of our subsidiaries to pay dividends. If our subsidiaries are restricted from paying dividends to us, we may be unable to pay dividends to our shareholders or to repay our indebtedness.

Some aspects of our corporate structure may discourage third party takeovers and other transactions or prevent the removal of our current board of directors and management.

Some provisions of our Amended and Restated Bye-Laws may discourage third parties from making unsolicited takeover bids or prevent the removal of our current board of directors and management. In particular, our Bye-Laws prohibit transfers of our capital shares if the transfer would result in a person owning or controlling shares that constitute 9.9% or more of any class or series of our shares. In addition, our Bye-Laws reduce the total voting power of any shareholder owning, directly or indirectly, beneficially or otherwise, more than 9.9% of our common shares to not more than 9.9% of the total voting power of our capital stock unless otherwise waived at the discretion of the Board. These provisions may have the effect of deterring purchases of large blocks of our common shares or proposals to acquire us, even if our shareholders might deem these purchases or acquisition proposals to be in their best interests.

In addition, our Bye-Laws provide for, among other things:

- a classified Board, whose size is fixed and whose members may be removed by the shareholders only for cause upon a 66 2/3% vote;

- restrictions on the ability of shareholders to nominate persons to serve as directors, submit resolutions to a shareholder vote and requisition special general meetings;

- a large number of authorized but unissued shares which may be issued by the Board without further shareholder action; and

- a 66 2/3% shareholder vote to amend, repeal or adopt any provision inconsistent with several provisions of the Bye-Laws.

These Bye-Law provisions make it more difficult to acquire control of us by means of a tender offer, open market purchase, proxy contest or otherwise and could discourage a prospective acquirer from making a tender offer or otherwise attempting to obtain control of us. In addition, these Bye-Law provisions could prevent the removal of our current Board of Directors and management. To the extent these provisions discourage takeover attempts, they could deprive shareholders of opportunities to realize takeover premiums for their shares or could depress the market price of the shares.

Maryland law also requires prior notice and Maryland Insurance Administration approval of changes in control of a Maryland-domestic insurer or its holding company. Any purchaser of 10% or more of the outstanding voting securities of an insurance company or its holding company is presumed to have acquired control, unless the presumption is rebutted. Therefore, any investor who intends to acquire 10% or more of our outstanding voting securities would be required to file notices and reports with the Maryland Insurance Administration before such acquisition.

The United Kingdom s (U.K) Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) regulate the acquisition of control of RenaissanceRe Syndicate Management Limited (RSML), RenaissanceRe s Lloyd s managing agent, which is authorized under the Financial Services and Markets Authority (FSMA). Any company or individual that, together with its or his associates, directly or indirectly acquires 10% or more of the shares in a Lloyd s managing agent or its parent company, or is entitled to exercise or control the exercise of 10% or more of the voting power in such Lloyd s managing agent or its parent company, would be considered to have acquired control for the purposes of the relevant legislation, as would a person who has significant influence over the management of such Lloyd s managing agent or its parent company by virtue of its or his shareholding or voting power in either. Lloyd s approval is also required before any person can acquire control (using the same definition as for the PRA and FCA) of a Lloyd s managing agent or Lloyd s corporate member.

Investors may have difficulty in serving process or enforcing judgments against us in the U.S.

We are a Bermuda company. In addition, certain of our officers and directors reside in countries outside the U.S. All or a substantial portion of our assets and the assets of these officers and directors are or may be located outside the U.S. Investors may have difficulty effecting service of process within the U.S. on our directors and officers who reside outside the U.S. or recovering against us or these directors and officers on judgments of U.S. courts based on civil liabilities provisions of the U.S. federal securities laws whether or not we appoint an agent in the U.S. to receive service of process.

Risks Related to Our Industry

The reinsurance and insurance businesses are historically cyclical and the pricing and terms for our products may decline, which would affect our profitability.

The reinsurance and insurance industries have historically been cyclical, characterized by periods of decreasing prices followed by periods of increasing prices. Reinsurers have experienced significant fluctuations in their results of operations due to numerous factors, including the frequency and severity of catastrophic events, perceptions of risk, levels of capacity, general economic conditions and underwriting results of other insurers and reinsurers. All of these factors may contribute to price declines generally in the reinsurance and insurance industries. Following an increase in capital in our industry after the 2005 catastrophe events and the subsequent period of substantial dislocation in the financial markets, the reinsurance and insurance markets have experienced a prolonged period of generally softening markets.

Our catastrophe-exposed lines are affected significantly by volatile and unpredictable developments, including natural and man-made disasters. The occurrence, or nonoccurrence, of catastrophic events, the frequency and severity of which are inherently unpredictable, affects both industry results and consequently prevailing market prices of our products.

We expect premium rates and other terms and conditions of trade to vary in the future. If demand for our products falls or the supply of competing capacity rises, our prospects for potential growth, due in part to our disciplined approach to underwriting, may be adversely affected. In particular, we might lose existing customers or suffer a decline in business, which we might not regain when industry conditions improve.

Recent or future U.S. federal or state legislation may impact the private markets and decrease the demand for our property reinsurance products, which would adversely affect our business and results of operations.

Legislation adversely impacting the private markets could be enacted on a state, regional or federal level. In the past, federal bills have been proposed in Congress which would, if enacted, create a federal reinsurance backstop or guarantee mechanism for catastrophic risks, including those we currently insure and reinsure in the private markets. These measures were not enacted by Congress; however, new bills to create a federal catastrophe reinsurance program to back up state insurance or reinsurance programs, or to establish other similar or analogous funding mechanisms or structures, may be introduced. We believe that such legislation, if enacted, could contribute to the growth, creation or alteration of state insurance entities in a manner that would be adverse to us and to market participants more generally. If enacted, bills of this nature would likely further erode the role of private market catastrophe reinsurers and could adversely impact our financial results, perhaps materially. Moreover, we believe that numerous modeled potential catastrophes could exceed the actual or politically acceptable bonded capacity of the Florida Hurricane Catastrophe Fund (FHCF) and the state-sponsored insurer, Citizens Property Insurance Corporation (Citizens). This could lead either to a severe dislocation or the necessity of federal intervention in the Florida market, either of which would adversely impact the private insurance and reinsurance industry.

In March 2014, Congress passed the Homeowner Flood Insurance Affordability Act of 2014 , which we believe has had an adverse impact on near term prospects for increased U.S. private flood insurance demand, the stability of the National Flood Insurance Program (the NFIP) and the primary insurers that produce policies for the NFIP or offer private coverages, and it is possible that additional adverse legislation or rulemaking will be enacted at the federal or state level.

From time to time, the state of Florida has enacted legislation altering the size and the terms and operations of the FHCF and Citizens. For example, in 2007 legislation expanded the FHCF s provision of below-market rate reinsurance to up to $28.0 billion per season and expanded the ability of Citizens to compete with private insurance companies and other companies that cede business to us, which reduced the role of the private insurance and reinsurance markets in Florida. Much of the impact of the 2007 legislation was repealed over time. In January of 2019, a bill was filed for introduction in the Florida House of Representatives, titled House Bill 561, which would, among other things, lower the FHCF s aggregate retention by about $2.1 billion; reduce the first limit provided by the FHCF from $17 billion to $7 billion; implement a second event or season limit of a $7 billion; implement additional coverage options for Florida domestic insurers to consider when choosing their specific FHCF limit; eliminate the FHCF cash build up factor at times when the FHCF s cash balance exceeds $7 billion; and permit appropriation of all of the FHCF s investment income for mitigation. At this time, we can not assess the likelihood of this proposed legislation or other related legislation passing, or the precise impacts to us, our clients or the market should any such legislation be adopted. Because we are one of the largest providers of catastrophe-exposed coverage globally and in Florida, adverse legislation such as the 2007 bill, or the weakened financial position of Florida insurers which resulted in 2007 and could result from future legislation or other occurrences, may have a greater adverse impact on us than it would on other reinsurance market participants. In addition, other states, particularly those with Atlantic or Gulf Coast exposures or seismic exposures (such as California), may enact new or expanded legislation based on the prior Florida legislation, the current proposal or otherwise, that would diminish aggregate private market demand for our products.

Consolidation in the (re)insurance industry could adversely impact us.

The (re)insurance industry, including our competitors, customers and insurance and reinsurance brokers, has been consolidating. Should the market continue to consolidate, there can be no assurance we would remain a leading reinsurer. These consolidated client and competitor enterprises may try to use their enhanced market power to negotiate price reductions for our products and services and/or obtain a larger market share through increased line sizes. If competitive pressures reduce our prices, we would generally expect to reduce our future underwriting activities, resulting in reduced premiums and a reduction in expected earnings. As the insurance industry consolidates, competition for customers will become more intense and the importance of sourcing and properly servicing each customer will become greater. We could incur greater expenses relating to customer acquisition and retention, further reducing our operating margins. In addition, insurance companies that merge may be able to spread their risks across a consolidated, larger capital base so that they require less reinsurance. The number of companies offering retrocessional reinsurance may decline. Reinsurance intermediaries could also continue to consolidate, potentially adversely impacting our ability to access business and distribute our products. We could also experience more robust competition from larger, better capitalized competitors. Any of the foregoing could adversely affect our business or our results of operations.

We operate in a highly competitive environment.

The reinsurance industry is highly competitive. We compete, and will continue to compete, with major U.S. and non-U.S. insurers and reinsurers, including other Bermuda-based reinsurers. Many of our competitors have greater financial, marketing and management resources than we do. Historically, periods of increased capacity levels in our industry have led to increased competition and decreased prices for our products.

In recent years, pension funds, endowments, investment banks, investment managers, exchanges, hedge funds and other capital markets participants have been active in the reinsurance market and markets for related risks, either through the formation of reinsurance companies or the use of other financial products intended to compete with traditional reinsurance. We expect competition from these sources and others to continue to increase over time. It is possible that such new or alternative capital could cause reductions in prices of our products, or reduce the duration or amplitude of attractive portions of the historical market cycles. New entrants or existing competitors may attempt to replicate all or part of our business model and provide further competition in the markets in which we participate. Moreover, government-backed entities increasingly represent competition for the coverages we provide directly or for the business of our customers, reducing the potential amount of third party private protection our clients might need or desire. To the extent that industry pricing of our products does not meet our hurdle rate, we would generally expect to reduce our future underwriting activities, thus resulting in reduced premiums and a reduction in expected earnings. We are unable to predict the extent to which the foregoing or other new, proposed or potential initiatives may affect the demand for our products or the risks for which we seek to provide coverage.

Other political, regulatory and industry initiatives by state and international authorities could adversely affect our business.

The insurance and reinsurance regulatory framework is subject to heavy scrutiny by the U.S. and individual state governments, as well as an increasing number of international authorities, and we believe it is likely there will be increased regulatory intervention in our industry in the future. For example, the U.S. federal government has increased its scrutiny of the insurance regulatory framework in recent years (including as specifically addressed in the Dodd-Frank Act), and some states, including Maryland, have enacted laws that increase state regulation of insurance and reinsurance companies and holding companies. Moreover, the National Association of Insurance Commissioners, which is an association of the insurance commissioners of all 50 states and the District of Columbia, and state insurance regulators regularly reexamine existing laws and regulations. We could also be adversely affected by proposals or enacted legislation to expand the scope of coverage under existing policies for perils such as hurricanes or earthquakes or for a pandemic disease outbreak, mandate the terms of insurance and reinsurance policies, expand the scope of the FIO or establish a new federal insurance regulator, revise laws, regulations, or contracts under which we operate, disproportionately benefit the companies of one country over those of another or repeal or diminish the insurance company antitrust exemption from the McCarran Ferguson Act. Our jurisdiction of Bermuda is also subject to increasing scrutiny by political bodies outside of Bermuda, including the EU Code of Conduct Group. See *The OECD and the EU may pursue measures that might increase our taxes and reduce our net income and increase our* *reporting requirements*.

Due to this increased legislative and regulatory scrutiny of the reinsurance industry and Bermuda, our cost of compliance with applicable laws may increase, which could result in a decrease to both our profitability and the amount of time that our senior management allocates to running our day-to-day operations.

Further, as we continue to expand our business operations to different regions of the world outside of Bermuda, we are increasingly subject to new and additional regulations with respect to our operations, including, for example, laws relating to anti-corruption and anti-bribery, which have received increased scrutiny in recent years.

Our business is subject to certain laws and regulations relating to sanctions and foreign corrupt practices, the violation of which could adversely affect our operations.

We must comply with all applicable economic sanctions and anti-bribery laws and regulations of the U.S. and other jurisdictions. U.S. laws and regulations that may be applicable to us in certain circumstances include the economic trade sanctions laws and regulations administered by the U.S. Treasury Department s Office of Foreign Assets Control as well as certain laws administered by the U.S. Department of State. The sanctions laws and regulations of non-U.S. jurisdictions in which we operate may differ to some degree from those of the U.S. and these differences may additionally expose us to sanctions violations. In addition, we are subject to the Foreign Corrupt Practices Act and other anti-bribery laws that generally prohibit corrupt payments or improper gifts to non-U.S. governments or officials. Although we have policies and controls in place that are designed to ensure compliance with these laws and regulations, it is possible that an employee or intermediary could fail to comply with applicable laws and regulations. In such event, we could be exposed to civil penalties, criminal penalties and other sanctions, including fines or other punitive actions. In addition, such violations could damage our business and/or our reputation. Such criminal or civil sanctions, penalties, other sanctions, and damage to our business and/or reputation could adversely affect our financial condition and results of operations.

Increasing barriers to free trade and the free flow of capital could adversely affect the reinsurance industry and our business.

Recent political initiatives to restrict free trade and close markets, such as Brexit and the Trump administration s decision to withdraw from the Trans-Pacific partnership and potentially renegotiate or terminate existing bilateral and multilateral trade arrangements, could adversely affect the reinsurance industry and our business. The reinsurance industry is disproportionately impacted by restraints on the free flow of capital and risk because the value it provides depends on our ability to globally diversify risk.

Internationally, restrictions on the writing of reinsurance by foreign companies and government intervention in the natural catastrophe market could reduce market opportunities for our customers and adversely impact us.

Internationally, many countries with fast growing economies, such as China and India, continue to impose significant restrictions on the writing of reinsurance by foreign companies. In addition, in the wake of recent large natural catastrophes, a number of proposals have been introduced to alter the financing of natural catastrophes in several of the markets in which we operate. For example, the Thailand government has announced it is studying proposals for a natural catastrophe fund, under which the government would provide coverage for natural disasters in excess of an industry retention and below a certain limit, after which private reinsurers would continue to participate. The government of the Philippines has announced that it is considering similar proposals. Indonesia s financial services authority has announced a proposal to increase the amount of insurance business placed with domestic reinsurers. A range of proposals from varying stakeholders have been reported to have been made to alter the current regimes for insuring flood risk in the U.K., flood risk in Australia and earthquake risk in New Zealand. If these proposals are enacted and reduce market opportunities for our clients or for the reinsurance industry, we could be adversely impacted.

Table of Contents

The OECD and the EU may pursue measures that might increase our taxes and reduce our net income and increase our reporting requirements.

The OECD has published reports and launched a global dialog among member and non-member countries on measures to limit harmful tax competition. These measures are largely directed at counteracting the effects of jurisdictions perceived by the OECD to be tax havens or offering preferential tax regimes. The OECD has not listed Bermuda as an uncooperative tax haven jurisdiction because Bermuda has committed to eliminating harmful tax practices and to embracing international tax standards for transparency, exchange of information and the elimination of any aspects of the regimes for financial and other services that attract business with no substantial domestic activity. We are not able to predict what changes will arise from the commitment to the OECD or whether such changes will subject us to additional taxes. The EU has initiated its own measures along similar lines. In December 2017, the EU identified certain jurisdictions (including Bermuda) which it considered had a tax system that facilitated offshore structuring by attracting profits without commensurate economic activity. In an effort to avoid EU blacklisting , Bermuda introduced new economic substance legislation in December 2018 (the Economic Substance Legislation), which came into force on January 1, 2019. Based on the EU guidelines, the legislation requires Bermuda companies to be locally managed and directed, to carry on their core income generating activities in Bermuda and to have an adequate level of local full time qualified employees, local physical presence and local expenditure. There is no experience yet as to how the Bermuda authorities will interpret and enforce these new rules and, accordingly, we are not able to predict their impact on our operations and net income. Notwithstanding Bermuda s adoption of the Economic Substance Legislation, on March 12, 2019, the EU added Bermuda to its blacklist of non-cooperative jurisdictions for tax purposes. While there are no immediate regulatory, tax, trade or other legal impacts to RenaissanceRe, the long-term effect of this listing is not yet clear. Member states of the EU may choose to apply a range of countermeasures to Bermuda and entities registered in Bermuda, including increased monitoring and audits, withholding taxes, special documentation requirements and anti-abuse provisions. The Bermuda government has stated that it believes the Economic Substance Legislation complies with EU requirements and is committed to reversing Bermuda s inclusion on the list of non-cooperative jurisdictions for tax purposes at the earliest opportunity. We are not able to predict how long Bermuda will remain on this list and how it might impact our financial condition and results of operations.

In addition, in 2015, the OECD published its final series of Base Erosion and Profit Shifting (BEPS) reports related to its attempt to coordinate multilateral action on international tax rules. One of these reports covers country-by-country reporting, which calls for the provision, at a country-specific level, of information such as affiliate and non-affiliate revenues, profit or loss before tax, income taxes paid and accrued, capital, number of employees and tangible assets. It is expected that some countries, including some EU countries, would deem a failure to implement country-by-country reporting to be sufficient rationale to place another country on a black-list , thus potentially restricting in some way business between the two countries. Bermuda implemented country-by-country reporting in 2016 for 2017 reporting. The implementation and ongoing requirements of country-by-country reporting will require significant management time and resources. Although we believe Bermuda s implementation of country-by-country reporting has reduced the likelihood that Bermuda would appear on a black-list , some uncertainty remains. The other actions proposed in the BEPS report include an examination of the definition of a permanent establishment and the rules for attributing profit to a permanent establishment, tightening up transfer pricing rules to ensure that outcomes are in line with value creation, neutralizing the effect of hybrid financial instruments and limiting the deductibility of interest costs of tax purposes. Any changes in the tax law of an OECD member state in response to the BEPS reports and recommendations could subject us to additional taxes.

The vote by the U.K. to leave the EU could adversely affect our business.

As a result of Brexit, negotiations to determine the terms of the U.K. s withdrawal from the EU and its future relationship with the EU are ongoing. As a result, we face risks associated with the potential uncertainty and consequences that may follow Brexit, including with respect to volatility in financial markets, exchange rates and interest rates. These uncertainties could increase the volatility of, or reduce, our investment results in particular periods or over time. Brexit could adversely affect European or worldwide political, regulatory, economic or market conditions and could contribute to instability in global political institutions and regulatory agencies. Brexit could also lead to legal uncertainty and differing laws and regulations between the U.K., and the EU, and could impair or adversely affect the ability of the Lloyd s market, including our Lloyd s syndicate RenaissanceRe Syndicate 1458, to transact business in EU countries, particularly in respect of primary or direct insurance business as to which we currently rely on the licensure afforded to syndicates at Lloyd s for access to EU markets. To mitigate against the risks of Brexit we will utilize the Lloyd s Brussels Subsidiary through RSML. The Lloyd s Brussels Subsidiary is authorized and regulated by the National Bank of Belgium and regulated by the Financial Services and Markets Authority. The Lloyd s Brussels Subsidiary will write all non-life risks from European Economic Area countries from January 1, 2019.

In addition, uncertainties related to Brexit could affect the operations, strategic position or results of insurers or reinsurers on whom we ultimately rely to access underlying insured coverages. Any of these potential effects of Brexit, and others we cannot anticipate, could adversely affect our results of operations or financial condition.

Regulatory regimes and changes to accounting rules may adversely impact financial results irrespective of business operations.

Accounting standards and regulatory changes may require modifications to our accounting principles, both prospectively and for prior periods, and such changes could have an adverse impact on our financial results. Required modification of our existing principles, and new disclosure requirements, could have an impact on our results of operations and increase our expenses in order to implement and comply with any new requirements.

The preparation of our consolidated financial statements requires us to make many estimates and judgments.

The preparation of consolidated financial statements requires us to make many estimates and judgments that affect the reported amounts of assets, liabilities (including claims and claim expense reserves), shareholders equity, revenues and expenses, and related disclosures. On an ongoing basis, we evaluate our estimates, including those related to premiums written and earned, our net claims and claim expenses, investment valuations, income taxes and those estimates used in our risk transfer analysis for reinsurance transactions. We base our estimates on historical experience, where possible, and on various other assumptions we believe to be reasonable under the circumstances, which form the basis for our judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Our judgments and estimates may not reflect our actual results. We utilize actuarial models as well as historical insurance industry loss development patterns to establish our claims and claim expense reserves. Actual claims and claim expenses paid may deviate, perhaps materially, from the estimates reflected in our financial statements.

Risks Related to RenaissanceRe Following the TMR Stock Purchase

The integration of RenaissanceRe and the TMR Group Entities following the TMR Stock Purchase may present significant challenges and costs.

We may face significant challenges, including technical, accounting and other challenges, in combining our operations and that of the TMR Group Entities. We entered into the TMR Stock Purchase Agreement because we believe that the TMR Stock Purchase will be beneficial to us and our shareholders and accelerate our existing strategy. Achieving the anticipated benefits of the TMR Stock Purchase will depend in part upon whether we will be successful in integrating the TMR Group Entities businesses in a timely and efficient manner. We may not be able to accomplish this integration process smoothly or successfully.

Any of the following items could adversely affect the combined company s ability to maintain relationships with customers, brokers, employees and other constituencies or our ability to achieve the anticipated benefits of

Table of Contents

the TMR Stock Purchase or could otherwise adversely affect our business and financial results after the TMR Stock Purchase:

- delays in the integration of management teams, strategies, operations, products and services;
- diversion of the attention of management as a result of the TMR Stock Purchase;
- differences in business backgrounds, corporate cultures and management philosophies that may delay successful integration;
- the inability to retain key employees (notwithstanding the fact that, as of the date hereof, most of the employees of the TMR Group Entities that we have targeted for employment have accepted their offers of post-closing employment);
- the inability to establish and maintain integrated risk management systems, underwriting methodologies and controls, which could give rise to excess accumulation or aggregation of risks, underreporting or underrepresentation of exposures or other adverse consequences;
- the inability to create and enforce uniform financial, compliance and operating controls, procedures, policies and information systems;
- complexities associated with managing the TMR Group Entities operating units as a component of RenaissanceRe, including the challenge of integrating complex systems, technology, networks and other assets of the TMR Group Entities into those of RenaissanceRe in a seamless manner that minimizes any adverse impact on customers, brokers, employees and other constituencies;
- potential unknown liabilities and unforeseen increased expenses or delays associated with the TMR Stock Purchase, including one-time cash costs to integrate the TMR Group Entities beyond current estimates;
- the disruption of, or the loss of momentum in, the combined company s ongoing businesses or inconsistencies in standards, controls, procedures and policies; and
- potential complexities or delays in collecting any amounts which may potentially be owed to us in the future under the reinsurance protection which is a component of the transaction.

While we have been advised that during the January 2019 renewal season, the TMR Group Entities renewed their reinsurance program (excluding run-off and third party capital business) in a manner materially consistent with prior periods, and also materially decreased their renewals related to the third party capital business (reducing both risk exposure and fee income), there can be no assurance that such trends will continue in future periods.

In addition, we will incur integration and restructuring costs as a result of the TMR Stock Purchase as we integrate the businesses of the TMR Group Entities. Although we expect that the realization of efficiencies related to the integration of the businesses will offset incremental transaction, integration and restructuring costs over time, we cannot give any assurance that this net benefit will be achieved at any time in the future, if at all.

Our future results will suffer if we do not effectively manage our expanded operations following the TMR Stock Purchase.

Following completion of the TMR Stock Purchase, we may continue to expand our operations, and our future success depends, in part, upon our ability to manage our expansion opportunities, which pose numerous risks and uncertainties, including the need to integrate the operations and business of the TMR Group Entities into our existing business in an efficient and timely manner, to combine systems and management controls and to integrate relationships with customers, vendors and business partners.

The market price of our common shares may decline in the future as a result of the sale of shares issued to Tokio and State Farm in connection with the TMR Stock Purchase and the State Farm Stock Purchase or due to other factors.

We issued 1,947,496 of our common shares to State Farm Mutual Automobile Insurance Company (State Farm) in connection with the State Farm Stock Purchase, and 1,739,071 of our common shares to Tokio in connection with the TMR Stock Purchase. Following a 12-month lock-up period, each of Tokio and State Farm may seek to sell our common shares held by them and we are obligated to register all of such shares. Our current shareholders may also seek to sell our common shares held by them following the TMR Stock Purchase and the State Farm Stock Purchase, or in reaction to these announcements or the consummation of these transactions. These sales (or the perception that these sales may occur), coupled with the increase in the outstanding number of our common shares, may affect the market for, and the market price of, our common shares in an adverse manner.

The market price of our common shares may also decline in the future as a result of the TMR Stock Purchase for a number of other reasons, including:

- the unsuccessful integration of the TMR Group Entities into RenaissanceRe;
- our failure to achieve the anticipated benefits of the TMR Stock Purchase, including financial results, as rapidly as or to the extent anticipated;
- decreases in our financial results before or after the closing of the TMR Stock Purchase;
- as described below, any failure to maintain our financial strength, claims-paying and enterprise-wide risk management ratings as a result of the TMR Stock Purchase; or
- general market or economic conditions unrelated to our performance.

These factors are, to some extent, beyond our control.

The post-acquisition integration process in connection with the TMR Stock Purchase may subject us to liabilities that currently cannot be estimated.

We have incurred significant transaction and integration costs in connection with our acquisition of the TMR Group Entities, and we will continue to incur additional costs and expenses following completion of the TMR Stock Purchase. These costs relate to matters including investment banking fees; legal, actuarial and other professional fees; employee severance and sign-on costs, regulatory filing fees; and a range of other matters. Moreover, the TMR Stock Purchase and post-merger integration process may give rise to unexpected liabilities and costs, including financing costs and costs associated with the defense and resolution of possible litigation or other claims. Unexpected delays in connection with the post-acquisition integration process may significantly increase our aggregate related costs and expenses.

As a result of the TMR Stock Purchase, we are subject to certain laws and regulations applicable to the TMR Group Entities business to which we would not otherwise have been subject.

The TMR Group Entities are subject to the requirements of certain regulatory agencies and bodies, to which our operations have not previously been subject. As a result of the TMR Stock Purchase, we are subject to the laws and regulations applicable to the operations of the TMR Group Entities. It is difficult to predict or quantify the additional costs to us that may result from complying with the additive regulatory requirements imposed by the regulatory agencies with oversight authority over the operations acquired in the TMR Stock Purchase.

The TMR Group Entities counterparties to contracts and arrangements may acquire certain rights upon the TMR Stock Purchase, which could negatively affect us following the TMR Stock Purchase.

In analyzing the value of the TMR Group Entities, we ascribed value to the revenue streams and renewal prospects of certain of the TMR Group Entities in-force portfolio of business. The TMR Group Entities and its

Table of Contents

operating subsidiaries are parties to numerous contracts, agreements, licenses, permits, authorizations and other arrangements that contain provisions giving counterparties certain rights (including, in some cases, termination rights) upon a change in control of the TMR Group Entities or their subsidiaries. The definition of change in control varies from contract to contract, ranging from a narrow to a broad definition, and in some cases, the change in control provisions may be implicated by the TMR Stock Purchase. If such change in control provisions are triggered as a result of the TMR Stock Purchase, a wide range of consequences may result, including the possibility that cedants will have the right to cancel and commute a contract, or the requirement that the TMR Group Entities return unearned premiums, net of commissions, or post certain collateral requirements.

Whether a counterparty would have any of these or other rights in connection with the TMR Stock Purchase depends upon the language of its agreement with the TMR Group Entities or its applicable subsidiaries. Whether a counterparty exercises any cancellation rights it has would depend on, among other factors, such counterparty s views with respect to our business reputation and financial strength following the TMR Stock Purchase, the extent to which such counterparty currently has reinsurance coverage with our affiliates, prevailing market conditions, the pricing and availability of replacement reinsurance coverage and our ratings following the TMR Stock Purchase. We cannot currently predict the extent to which such cancellation rights would be triggered or exercised, if at all.

In addition to the risk outlined above, many of these reinsurance contracts, as well as most of our reinsurance and insurance contracts, renew annually, and so whether or not they may be terminated following the TMR Stock Purchase, reinsurance cedants or policyholders may choose not to renew these contracts with us following the TMR Stock Purchase.

Termination of in-force contracts or failure to renew reinsurance or insurance agreements and policies by contractual counterparties could adversely affect the benefits to be received by us from the TMR Group Entities contractual arrangements. If the benefits from these arrangements are less than expected, including as a result of these arrangements being terminated, determined to be unenforceable, in whole or in part, or the counterparties to such arrangements failing to satisfy their obligations thereunder, the benefits of the TMR Stock Purchase to us may be significantly less than anticipated.

Risks Relating to the Notes

An active trading market for the Notes may not develop.

The Notes constitute a new issue of securities with no established trading market. We cannot assure you that an active market for the Notes will develop or be sustained or that holders of the Notes will be able to sell their Notes at favorable prices or at all. Although the underwriters have indicated to us that they intend to make a market in the Notes, as permitted by applicable laws and regulations, they are not obligated to do so and may discontinue any such market-making at any time without notice. Accordingly, we cannot give any assurance as to the liquidity of, or trading markets for, the Notes. The Notes are not listed, and we do not plan to apply to list the Notes on any securities exchange or to include them in any automated quotation system.

If a trading market does develop, changes in our credit rating or the financial markets could adversely affect the market price of the Notes.

The market price for the Notes will depend on many factors, including, among others:

our credit ratings with major credit rating agencies;

the prevailing interest rates being paid by other companies similar to us;

our financial condition, financial performance and future prospects; and

the overall condition of the financial markets.

The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Such fluctuations could have an adverse effect on the market price of the Notes.

In addition, credit rating agencies continually review their ratings for the companies that they follow, including us. The credit rating agencies also evaluate the insurance industry as a whole and may change their credit rating for us based on their overall view of our industry. A negative change in our rating could have an adverse effect on the market price of the Notes.

Failure to comply with restrictive covenants contained in the indenture governing the Notes or agreements governing any other existing or future indebtedness could trigger prepayment obligations, which could adversely affect our and our subsidiaries business, financial condition and results of operations.

The indenture governing the Notes contains covenants that impose restrictions on us with respect to, among other things, the incurrence of liens on, and the disposition of, the capital stock of certain of our subsidiaries. In addition, the indenture governing the Notes requires us to file with the trustee copies of annual, quarterly and current reports which we are required to file with the Commission. We and certain of our subsidiaries are also required to comply with certain covenants set forth in our existing credit facilities and in other existing financing agreements and any debt agreements we and our subsidiaries may enter into in the future. Failure to comply with any of such covenants could result in an event of default under the applicable agreements governing such indebtedness, which could, if not cured or waived, result in us or certain of our subsidiaries being required to repay such indebtedness. As a result, we and our subsidiaries business, financial condition, results of operations and liquidity could be adversely affected.

Our credit ratings may not reflect all risks of an investment in the Notes and there is no protection in the indenture for holders of the Notes in the event of a ratings downgrade.

Our credit ratings are an assessment of our ability to pay our obligations. Credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the rating organization in its sole discretion. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the Notes. Our credit ratings, however, may not reflect the potential impact of risks related to the structure of the Notes or market or other factors discussed in this prospectus supplement on the value of the Notes. Neither us nor any underwriter has any obligation to the holders of Notes to maintain any credit ratings or to advise holders of Notes of any change in its credit ratings and there is no requirement in the indenture governing the Notes to maintain a rating on the Notes. Each agency s rating should be evaluated independently of any other agency s rating.

The Notes are obligations of ours and not of our operating subsidiaries and will be contractually subordinated to the claims of our operating subsidiaries policyholders and creditors.

The Notes are an obligation of ours and not of our subsidiaries. We are a holding company and, accordingly, we conduct substantially all of our operations through our operating subsidiaries. As a result, our cash flow and our ability to service our debt depends upon the earnings of our operating subsidiaries and on the distribution of earnings, loans or other payments from such subsidiaries to us. See the risk factor above entitled Because we are a holding company, we are dependent on dividends and payments from our subsidiaries.

Our operating subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts due on the Notes or to provide us with funds for their respective payment obligations, whether by dividends, distributions, loans or other payments. In addition to being limited by the financial condition and operating requirements of such subsidiaries, any payment of dividends, distributions, loans or advances by our subsidiaries to us could be subject to statutory or contractual restrictions. Moreover, since certain of our subsidiaries are insurance companies, their ability to pay dividends to us is subject to regulatory limitations. See Business Regulation in RenaissanceRe s Annual Report on Form 10-K for the year ended December 31, 2018, which is incorporated into this prospectus supplement by reference.

Our right to receive any assets of any of our respective subsidiaries upon liquidation or reorganization of such subsidiaries, and therefore the rights of the holders of the Notes, respectively, to participate in those assets, will be contractually subordinated to the claims of such subsidiary s policyholders and creditors. In addition, even if we were a creditor of any of their respective subsidiaries, our rights as a creditor could be subordinate to policyholder obligations under policies written by such subsidiaries and would be subordinate to any security interest in the assets of such subsidiaries and any indebtedness of such subsidiaries senior to that held by it.

We may, subject to the BMA Redemption Requirements, at our option, redeem the Notes prior to the maturity date and you may not be able to reinvest in a comparable security.

We may, at our option, redeem some or all of the Notes at any time or from time to time at the applicable redemption price and subject to the terms described in Description of Notes Redemption Optional Redemption. We may also redeem the Notes in certain circumstances as described under Description of Notes Redemption Redemption for Changes in Withholding Taxes. If we choose to redeem your Notes, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the Notes. This redemption right also may adversely impact your ability to sell your Notes as the optional redemption date or period approaches. In addition, the redemption of the Notes may be a taxable event to you for U.S. federal income tax purposes.

The indenture governing the Notes will differ from indentures governing our other existing series of senior notes.

The indenture governing the Notes reflects certain prescribed changes to the covenants (including the covenant described under Description of Notes Certain Covenants Limitation on Liens on Stock of Designated Subsidiaries) and redemption and other provisions of the indentures governing our other existing series of senior notes in order to comply with applicable regulatory capital requirements of the Bermuda Monetary Authority.

The indenture governing the Notes does not prohibit the incurrence of indebtedness by, or any fundamental change of, ours.

The indenture governing the Notes does not limit the amount of indebtedness and other liabilities that we or our respective subsidiaries can incur, including additional senior debt issued by us under the indenture governing the Notes, debt incurred by us or our subsidiaries by becoming a guarantor or co-obligor of existing indebtedness of affiliated entities, and debt that is secured, other than as described in Description of Notes Certain Covenants Limitation on Liens on Stock of Designated Subsidiaries in this prospectus supplement.

On an unconsolidated basis, we did not have any indebtedness for borrowed money as of December 31, 2018. As of December 31, 2018, our subsidiaries had $1.0 billion of indebtedness for borrowed money outstanding and $510.6 million face amount of letters of credit outstanding, the reimbursement obligations with respect to which were secured by certain assets of these subsidiaries. As of December 31, 2018, our subsidiaries (after giving pro forma effect to the acquisition of the TMR Group Entities as if the acquisition occurred on such date) had $1.0 billion of indebtedness for borrowed money outstanding and approximately $1.1 billion face amount of letters of credit outstanding (including $603.3 million of letters of credit of the TMR Group Entities). In connection with the closing of the TMR Stock Purchase, we entered into new letter of credit facilities to replace a substantial portion of the face amount of the letters of credit of the TMR Group Entities.

If we or our subsidiaries incur additional debt or liabilities, our ability to pay our obligations on the Notes could be adversely affected. We and our subsidiaries expect that we will from time to time incur additional debt and other liabilities. In addition, we and our subsidiaries are not restricted under the indenture governing the Notes from entering into affiliate transactions, issuing or repurchasing securities or paying dividends on, or making distributions in respect of, securities.

Table of Contents

Except as described under   Description of Notes   Certain Covenants   Limitatio