

PARTNERRE LTD  
Form 424B2  
March 12, 2010  
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Filed pursuant to Rule 424(b)(2)

Registration No. 333-158531 and 333-158531-05

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered</b>	<b>Maximum Offering Price Per Unit</b>	<b>Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee(1)</b>
5.500% Notes due 2020	\$ 500,000,000.00	99.885%	\$ 499,425,000	\$ 35,609.00

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

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**PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED APRIL 10, 2009**

**\$500,000,000**

**PartnerRe Finance B LLC**

**5.500% Senior Notes due 2020**

**The 5.500% Senior Notes Will Be Fully and Unconditionally Guaranteed**

**by PartnerRe Ltd.**

This is an offering by PartnerRe Finance B LLC, or the issuer, of \$500,000,000 aggregate principal amount of its 5.500% senior notes due June 1, 2020. Interest will be payable on the notes semi-annually in arrears on June 1 and December 1 of each year, beginning on June 1, 2010.

The notes may be redeemed at the issuer's option in whole or in part, at any time at the greater of 100% of the principal amount or a make whole amount as described in this prospectus supplement under the caption "Description of the Notes and the Guarantee - Optional Redemption", in each case, plus accrued and unpaid interest to the redemption date.

The notes will be the issuer's senior unsecured obligations and will rank equally with all of its other senior unsecured indebtedness from time to time outstanding. The guarantee of the notes will be a senior unsecured obligation of PartnerRe Ltd., or the guarantor, and will rank equally with all other senior unsecured indebtedness of the guarantor from time to time outstanding.

**To read about certain factors you should consider before investing in the notes, see Risk Factors on page S-8 of this prospectus supplement.**

	<b>Price to Public(1)</b>	<b>Underwriting Discount</b>	<b>Proceeds to PartnerRe Finance B LLC</b>
Per note	99.885%	0.650%	99.235%
Total	\$ 499,425,000	\$ 3,250,000	\$ 496,175,000

(1) Plus accrued interest, if any, from March 15, 2010, if settlement occurs after that date.

**The Securities and Exchange Commission, state securities regulators, the Minister of Finance and the Registrar of Companies in Bermuda, the Bermuda Monetary Authority and the Autorité des Marchés Financiers have not approved or disapproved of these securities, or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

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The underwriters expect to deliver the notes only in book-entry form through the facilities of The Depository Trust Company ( DTC ) and its direct participants, including Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*, on or about March 15, 2010.

*Joint Book-Running Managers*

**BofA Merrill Lynch**

**Barclays Capital**

**Credit Suisse**

*Co-Managers*

**Deutsche Bank Securities**

**HSBC**

**J.P. Morgan**

**Wells Fargo Securities**

The date of this prospectus supplement is March 10, 2010.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

You should rely only on information contained or incorporated by reference in this prospectus supplement, the accompanying base prospectus and any free writing prospectus filed by the issuer or the guarantor with the Securities and Exchange Commission (the SEC). We have not, and the underwriters have not, authorized anyone to provide you with information that is different. The information in this prospectus supplement and the accompanying base prospectus may be accurate only as of the date of this prospectus supplement.

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of senior notes and also adds to and updates information contained in the accompanying base prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying base prospectus. The second part, the accompanying base prospectus, gives more general information, some of which may not apply to this offering. If the description of the offering varies between this prospectus supplement and the accompanying base prospectus, you should rely on the information contained in this prospectus supplement.

References in this prospectus supplement and the accompanying base prospectus to PartnerRe, we, us, our or the Company, refer to PartnerRe Ltd., the ultimate parent company of PartnerRe Finance B LLC, and, unless the context otherwise requires or unless otherwise stated, PartnerRe Ltd.'s subsidiaries. References in this prospectus supplement to PRE Finance or the issuer refer to PartnerRe Finance B LLC, the issuer of the senior notes and an indirect wholly owned subsidiary of PartnerRe Ltd. References in this prospectus supplement and the accompanying base prospectus to PartnerRe Ltd. or the guarantor refer to PartnerRe Ltd. (excluding its subsidiaries).

PRE Finance is offering to sell the senior notes (the notes), and is seeking offers to buy the notes, only in jurisdictions where offers and sales are permitted. The distribution of this prospectus supplement and the accompanying base 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 base 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 base prospectus outside the United States. This prospectus supplement and the accompanying base prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

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**FORWARD-LOOKING STATEMENTS**

Certain statements contained or incorporated by reference in this prospectus supplement or the accompanying base prospectus may be considered forward-looking statements as defined in Section 27A of the United States Securities Act of 1933 and Section 21E of the United States Securities Exchange Act of 1934. Forward-looking statements are made based upon our assumptions and expectations concerning the potential effect of future events on our financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements are subject to significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those reflected in such forward-looking statements. Our forward-looking statements could be affected by numerous foreseeable and unforeseeable events and developments. The following review of important factors should not be construed as exhaustive and should be read in conjunction with other cautionary statements that are included herein or elsewhere:

- (1) the occurrence of catastrophic events or other reinsured events with a frequency or severity exceeding our expectations;
- (2) the occurrence of adverse claim development with respect to catastrophic events or other reinsured events, in particular the preliminary loss estimates relating to the earthquake in Chile and European Windstorm Xynthia, which are subject to adjustments that may be material as PartnerRe receives actual loss data from its clients;
- (3) a decrease in the level of demand for reinsurance and/or an increase in the supply of reinsurance capacity;
- (4) increased competitive pressures, including the consolidation and increased globalization of reinsurance providers;
- (5) the continuation of unfavorable economic conditions, which may adversely affect the capital markets, our funding costs and/or the ability to obtain credit;
- (6) actual losses and loss expenses exceeding our estimated loss reserves, which are necessarily based on actuarial and statistical projections of ultimate losses;
- (7) integration and related risks associated with the acquisition of PARIS RE Holdings Limited;
- (8) acts of terrorism, acts of war and other man-made or unanticipated perils;
- (9) changes in the cost, availability and performance of retrocessional reinsurance, including the ability to collect reinsurance recoverables;
- (10) concentration risk in dealing with a limited number of brokers;
- (11) credit risk relating to our brokers, cedants and other counterparties;
- (12) developments in and risks associated with global financial markets that could affect our investment portfolio;

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- (13) changing rates of interest, inflation and other economic conditions;
- (14) availability of borrowings and letters of credit under our credit facilities and limitations imposed under the agreements relating thereto;
- (15) ability to obtain adequate capital or any additional financing on favorable terms;
- (16) impact of fluctuations in foreign currency exchange rates;
- (17) actions by rating agencies that might impact our ability to continue to write existing business or write new business;

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- (18) changes in accounting policies, their application or interpretation;
- (19) changes in the political, governmental, legal or regulatory environments in which we operate, including the passage of federal or state legislation subjecting our non-U.S. operations to supervision or regulation (including additional tax regulation), in the United States or other jurisdictions in which we operate;
- (20) the passage of legislation in the U.S. that would subject our U.S. shareholders to tax rates on dividends that are disadvantageous or our U.S. reinsurance subsidiary to higher U.S. taxation, and any measures designed to limit harmful tax competition that may affect Bermuda;
- (21) defaults by others, including issuers of investment securities that we hold, reinsurers or other counterparties;
- (22) potential industry impact of industry investigations into insurance market practices;
- (23) legal decisions and rulings and new theories of liability;
- (24) amount of dividends received from our subsidiaries;
- (25) new mass tort actions or reemergence of old mass torts such as asbestosis;
- (26) declines in the equity and credit markets;
- (27) changes in social and environmental conditions;
- (28) operational risks, including human or system failures;
- (29) limitations on the voting and ownership of our shares or the ability to enforce a judgment against us in the U.S.; and
- (30) ability to attract and retain executive officers.

The words believe, anticipate, estimate, project, plan, expect, intend, hope, will likely result or will continue, or words of similar meaning generally involve forward-looking statements. We caution readers not to place undue reliance on these forward-looking statements, which speak only as of their dates. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



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**SUMMARY**

*This summary contains basic information about PartnerRe and this offering. Because it is a summary, it does not contain all of the information that you should consider before investing in the notes. You should read this entire prospectus supplement carefully, including the section entitled Risk Factors, the documents incorporated by reference (including the risk factors set forth in Part I, Item 1A of PartnerRe Ltd.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2009), our financial statements and the notes thereto incorporated by reference into this prospectus supplement, and the accompanying base prospectus, before making an investment decision.*

**THE COMPANIES**

**PartnerRe Finance B LLC**

PRE Finance, which was formed on March 10, 2009, is a Delaware limited liability company. PRE Finance is an indirectly wholly owned subsidiary of PartnerRe, and a wholly owned direct subsidiary of PartnerRe U.S. Corporation ( PartnerRe U.S. Holdings ), that was created solely for purposes of issuing, from time to time, debt securities and lending the proceeds from such issuance to PartnerRe U.S. Holdings. The principal executive offices of PRE Finance are c/o PartnerRe U.S. Corporation, One Greenwich Plaza, Greenwich, Connecticut 06830-6352, Attention: Tom Forsyth, and its telephone number is (203) 485-4200.

**PartnerRe Ltd.**

PartnerRe Ltd. is incorporated under the laws of Bermuda, with its principal executive offices located at 90 Pitts Bay Road, Pembroke HM 08, Bermuda. Its telephone number is (441) 292-0888.

PartnerRe provides reinsurance on a worldwide basis through its wholly owned subsidiaries, including Partner Reinsurance Company Ltd., Partner Reinsurance Europe Limited, Partner Reinsurance Company of the U.S. ( PartnerRe U.S. ), PARIS RE S.A. and PARIS RE Switzerland AG. Risks reinsured include, but are not limited to, property, casualty, motor, agriculture, aviation/space, catastrophe, credit/surety, engineering, energy, marine, specialty property, specialty casualty, multiline and other lines and life/annuity and health. PartnerRe also offers alternative risk products that include weather and credit protection to financial, industrial and service companies on a worldwide basis.

**RECENT DEVELOPMENTS**

On March 8, 2010, we announced our initial estimates of expected claims relating to the recent earthquake in Chile and European Windstorm Xynthia. We expect that estimated total insured industry losses from the magnitude 8.8 earthquake in Chile, which occurred on February 27, 2010, to be in the range of approximately \$6 billion - \$10 billion. Within this context, we expect our claims relating to the earthquake will be between \$220 million - \$320 million pre-tax and are expected to be contained primarily within the Global (Non-U.S.) Property & Casualty, Catastrophe and PARIS RE sub-segments.

Our loss estimate is net of reinstatement premium and retrocession. It is based on a top down analysis as well as on model output, the assessment of individual treaties and client data, and is consistent with our market position in the region. This estimate is preliminary, as there is limited actual loss data.

European Windstorm Xynthia, which struck Europe over the weekend of February 27-28, 2010, is estimated to have caused industry losses in the range of \$2 billion - \$4 billion, having swept across several European

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countries including Portugal, Spain, France, Belgium, the Netherlands, Luxembourg, and Germany. We expect our claims relating to Windstorm Xynthia will be between \$40 million - \$70 million pre-tax and are expected to be contained primarily within the Catastrophe and PARIS RE sub-segments. This estimate is net of reinstatement premium and retrocession.

As noted above, at the time of making the estimates there was limited loss data. Accordingly, the estimates were based mainly on industry loss estimates noted above, output from industry and proprietary models and a review of in-force contracts. Actual losses may vary materially from these estimates.

Our actual losses from the Chilean earthquake and European Windstorm Xynthia may exceed our estimates as a result of, among other things, an increase in insured industry loss estimates, the receipt of additional information from clients and the attribution of losses to coverages that for the purpose of our estimates we assumed would not be exposed, in which case our financial results could be further materially adversely affected.

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**THE OFFERING**

*The terms of the notes and the guarantee are summarized below solely for your convenience. This summary is not a complete description of the notes or the guarantee. You should read the full text and more specific details contained elsewhere in this prospectus supplement and the accompanying base prospectus. For a more detailed description of the notes and the guarantee, see the discussion under the caption *Description of the Notes and the Guarantee* beginning on page S-14 of this prospectus supplement.*

Issuer	PartnerRe Finance B LLC.
Securities Offered	\$500,000,000 aggregate principal amount of 5.500% Senior Notes due 2020.
Maturity	The notes will mature on June 1, 2020.
Interest	Interest on the notes will accrue at the rate of 5.500% per year, and will be payable semi-annually in arrears on June 1 and December 1 of each year, beginning on June 1, 2010.
Ranking	The notes will be PRE Finance's senior unsecured obligations and will rank equally with all of its other senior unsecured indebtedness from time to time outstanding. As of the date of this prospectus supplement, PRE Finance has no subsidiaries or debt outstanding.
Guarantor	PartnerRe Ltd.
Guarantee	<p>The guarantor will fully and unconditionally guarantee the notes, including the payment of principal, premium, if any, and interest. The guarantee will be a senior unsecured obligation of the guarantor, and will rank equally with all other senior unsecured indebtedness of the guarantor from time to time outstanding. As of December 31, 2009, the guarantor's indebtedness was approximately \$959 million on an unconsolidated basis.</p> <p>As of December 31, 2009, the guarantor's subsidiaries had approximately \$15.9 billion of outstanding liabilities (including policyholder liabilities on a consolidated basis), with such obligations ranking senior to the guarantee.</p>
Optional Redemption	The issuer may redeem all or part of the notes at its option at any time at a redemption price equal to the greater
of:	<p>100% of the principal amount of the notes being redeemed; or</p>

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the Make-Whole Amount, as defined in Description of the Notes and the Guarantee Optional Redemption in this prospectus supplement for the notes being redeemed;

plus accrued and unpaid interest to the redemption date.

### Use of Proceeds

We estimate that, after deducting net expenses and underwriting discounts and commissions, PRE Finance's net proceeds from this

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offering will be approximately \$495.0 million. PRE Finance will lend all of the net proceeds from this offering to PartnerRe U.S. Holdings, its direct parent. PartnerRe U.S. Holdings will use the proceeds for general corporate purposes.

Risk Factors

See Risk Factors beginning on page S-8 of this prospectus supplement and the risk factors set forth in Part I, Item 1A of PartnerRe Ltd.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2009, which is incorporated by reference herein, for important information regarding us and an investment in the notes.

Book Entry

The notes will be issued in book-entry form and will be represented by global notes deposited with DTC and registered in the name of DTC or its nominees. Beneficial interests in any of the notes will be shown on, and transfers will be effected only through, records maintained by DTC and its participants, including Clearstream, Luxembourg and the Euroclear System, and these beneficial interests may not be exchanged for certificated notes, except in limited circumstances. See Description of the Notes and the Guarantee Book-Entry; Delivery and Form in this prospectus supplement.

No Listing of the Notes or Guarantee

We do not intend to apply to list the notes or the guarantee on any securities exchange or to have the notes or guarantee quoted on any automated quotation system.

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**RISK FACTORS**

*An investment in the notes may involve various risks. Prior to making a decision about investing in our securities, and in consultation with your own financial and legal advisors, you should carefully consider, among other matters, the following factors, the section entitled Risk Factors in the accompanying prospectus, as well as those incorporated by reference in this prospectus supplement from PartnerRe Ltd.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2009 under the heading Risk Factors and other filings we may make from time to time with the SEC.*

**An active after-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 after-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 market 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.

**The issuer may redeem the notes prior to the maturity date and you may not be able to reinvest in a comparable security.**

The issuer may redeem the notes as described under Description of the Notes and the Guarantee Optional Redemption. In the event the issuer chooses 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.

**Investors in the notes face additional risks because neither the issuer nor the guarantor has independent operations and the guarantor has subsidiaries that are regulated.**

The notes are an obligation of PRE Finance. PRE Finance is a finance subsidiary which has no independent operations other than its financing activities. As a result, its ability to service the notes depends upon the distribution, earnings, losses or other payments from the guarantor and its operating subsidiaries to PRE Finance.

As a holding company, PartnerRe derives all its income from its subsidiaries. Accordingly, PartnerRe's ability to service its obligations, including its obligations under the guarantee, is primarily dependent on the earnings of its respective subsidiaries and the payment of those earnings to PartnerRe, in the form of dividends, loans or advances and through repayment of loans or advances. These operating subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts due on the notes or the guarantee or to provide the issuer or guarantor with funds. In addition, any payment of dividends, loans or advances by those subsidiaries could be subject to statutory or contractual restrictions.

Because the guarantor is a holding company, the guarantor's rights and the rights of its creditors, including the holders of the notes who would be creditors of the guarantor by virtue of the guarantee, and its shareholders to participate in any distribution of the assets of any subsidiary upon such subsidiary's liquidation or reorganization or otherwise, would be subject to the prior claims of the subsidiary's creditors and policyholders, except in some cases to the extent that the guarantor is a creditor of the subsidiary. The rights of creditors of the guarantor, including the holders of the notes who are creditors of the guarantor by virtue of the guarantee, to participate in the distribution of stock owned by the guarantor in its subsidiaries, including the guarantor's insurance subsidiaries, may also be subject to the approval of insurance regulatory authorities having jurisdiction over such subsidiaries.

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As of December 31, 2009, the guarantor's indebtedness was approximately \$959 million on an unconsolidated basis, with such obligations ranking equal to the guarantee. As of December 31, 2009, the guarantor's subsidiaries had approximately \$15.9 billion of outstanding liabilities (including policyholder liabilities on a consolidated basis), with such obligations ranking senior to the guarantee.

**PartnerRe may incur additional indebtedness.**

There are no terms in the indenture, the notes or the guarantee that limit the issuer's or the guarantor's ability to incur additional indebtedness, and we expect from time to time to incur additional indebtedness. Any additional indebtedness so incurred could reduce the amount of cash the issuer or the guarantor would have available to pay its obligations under the notes or the guarantee.

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**USE OF PROCEEDS**

We estimate that, after deducting net expenses and underwriting discounts and commissions, PRE Finance's net proceeds from this offering will be approximately \$495.0 million. PRE Finance will lend all of the net proceeds from this offering to its direct parent, PartnerRe U.S. Holdings. PartnerRe U.S. Holdings will use the proceeds for general corporate purposes.

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The following table sets forth PartnerRe's consolidated capitalization as of December 31, 2009. The Actual column reflects PartnerRe's capitalization as of December 31, 2009 on a historical basis, without any adjustments to reflect subsequent or anticipated events. The As Adjusted column is adjusted to give effect to this offering. The following data is qualified in its entirety by, and should be read in conjunction with, our consolidated financial statements and the related notes thereto incorporated in this prospectus supplement and the accompanying prospectus by reference.

	As of December 31, 2009	
	Actual	As Adjusted
	(unaudited, in millions)	
Debt related to senior notes(1)	\$ 250	\$ 750
Debt related to capital efficient notes(2)	63	63
Shareholders' equity:		
Common shares (par value \$1.00; issued: 82,585,707 shares)	\$ 83	\$ 83
Preferred shares:		
Series C cumulative redeemable preferred shares (par value \$1.00, shares authorized, issued and outstanding: 11,600,000 shares; aggregate liquidation preference: \$290,000,000)	12	12
Series D cumulative redeemable preferred shares (par value \$1.00, shares authorized, issued and outstanding: 9,200,000 shares; aggregate liquidation preference: \$230,000,000)	9	9
Additional paid-in capital	3,357	3,357
Other shareholders' equity	85	85
Retained earnings	4,101	4,101
Common shares held in treasury, at cost (5,000 shares)(3)	(1)	(1)
Total shareholders' equity	\$ 7,646	\$ 7,646
Total capitalization	\$ 7,959	\$ 8,459

- (1) PartnerRe Finance A LLC and PartnerRe Finance B LLC, the issuers of the senior notes, do not meet consolidation requirements under U.S. GAAP. Accordingly, the guarantor shows the related intercompany debt of \$750 million on its consolidated balance sheet at December 31, 2009.
- (2) PartnerRe Finance II Inc., the issuer of the capital efficient notes, does not meet consolidation requirements under U.S. GAAP. Accordingly, the guarantor shows the related intercompany debt of \$71.0 million on its consolidated balance sheet at December 31, 2009.
- (3) In February 2010, PartnerRe repurchased 1.8 million of its common shares at a total cost of \$140.0 million, representing an average cost of \$75.83 per share.

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For purposes of computing the following ratios, earnings consist of net income before income tax expense plus fixed charges and non-controlling interests to the extent that these charges are included in the determination of earnings and exclude undistributed earnings or losses of equity investments. Fixed charges consist of interest costs plus one-third of minimum rental payments under operating leases (estimated by our management to be the interest factor of these rentals).

	Fiscal Year Ended December 31,				
	2009	2008	2007	2006	2005
Ratio of Earnings to Fixed Charges	48.53x	2.10x	14.51x	12.07x	0.23x(1)

(1) Additional earnings of \$37.9 million would be necessary to result in a one-to-one ratio of the Ratio of Earnings to Fixed Charges. PRE Finance did not have any operations during the periods set forth above.

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The following table sets forth summary historical consolidated financial and other data of PartnerRe. The year-end financial data has been derived from our audited financial statements, which have been audited by Deloitte & Touche. You should read the following information in conjunction with our financial statements and the related notes and the other financial and statistical information that is included or incorporated by reference in this prospectus supplement and the accompanying base prospectus.

The Statement of Operations data reflects the consolidated results of PartnerRe and its subsidiaries for 2007, 2008 and 2009, including the results of PARIS RE Holdings Ltd. from October 2, 2009 to December 31, 2009. The Balance Sheet data reflects the consolidated financial position of PartnerRe and its subsidiaries as at December 31, 2007, 2008 and 2009, including PARIS RE Holdings Ltd. at December 31, 2009.

	For the Years Ended December 31,		
	2007	2008	2009
	(in millions, except per share data and ratios)		
<b>Statement of Operations data:</b>			
Gross premiums written	\$ 3,810	\$ 4,028	\$ 4,001
Net premiums written	3,757	3,989	3,949
Net premiums earned	\$ 3,777	\$ 3,928	\$ 4,120
Net investment income	523	573	596
Net realized and unrealized investment (losses) gains	(72)	(531)	591
Net realized gain on purchase of capital efficient notes			89
Other (loss) income	(17)	10	22
<b>Total revenues</b>	<b>4,211</b>	<b>3,980</b>	<b>5,418</b>
Losses and loss expenses and life policy benefits	2,082	2,609	2,296
<b>Total expenses</b>	<b>3,328</b>	<b>3,918</b>	<b>3,635</b>
Income before taxes and interest in (losses) earnings of equity investments	883	62	1,783
Income tax expense	82	10	262
Interest in (losses) earnings of equity investments	(83)	(5)	16
<b>Net income</b>	<b>\$ 718</b>	<b>\$ 47</b>	<b>\$ 1,537</b>
Basic net income per common share	\$ 12.18	\$ 0.22	\$ 23.93
Diluted net income per common share	\$ 11.87	\$ 0.22	\$ 23.51
Dividends declared and paid per common share	\$ 1.72	\$ 1.84	\$ 1.88
Weighted average number of common and common share equivalents outstanding	57.6	55.6	63.9
<b>Non-life ratios:</b>			
Loss ratio	50.8%	63.9%	52.7%
Acquisition ratio	22.9	23.3	21.9
Other operating expense ratio	6.7	6.9	7.2
<b>Combined ratio</b>	<b>80.4%</b>	<b>94.1%</b>	<b>81.8%</b>
	At December 31,		
	2007	2008	2009
	(in millions, except per share data)		
<b>Balance Sheet data:</b>			
Total investments, funds held - directly managed and cash and cash equivalents	\$ 11,572	\$ 11,724	\$ 18,165
Total assets	16,149	16,279	23,733
Unpaid losses and loss expenses and policy benefits for life and annuity contracts	8,773	8,943	12,427
Long-term debt	620	200	
Debt related to senior notes		250	250

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Debt related to capital efficient notes	258	258	71
Total shareholders' equity	4,322	4,199	7,646
Diluted book value per common and common share equivalents outstanding	\$ 67.96	\$ 63.95	\$ 84.51
Number of common shares outstanding, net of treasury shares	54.3	56.5	82.6

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**DESCRIPTION OF THE NOTES AND THE GUARANTEE**

PRE Finance will issue the notes under an indenture as supplemented by a first supplemental indenture, each to be dated as of the date of the issuance of the notes, and each among PRE Finance, as issuer, PartnerRe Ltd., as guarantor, and The Bank of New York Mellon, as indenture trustee. We refer to the indenture and the first supplemental indenture collectively as the indenture.

PRE Finance will lend all of the net proceeds from the issuance of the notes to its direct parent, PartnerRe U.S. Holdings. PRE Finance's activities will be limited to issuing debt, including but not limited to the notes, and lending the proceeds from the issuance to PartnerRe U.S. Holdings, and any other activities necessary or incidental to these activities. PRE Finance will have no employees and, with limited exceptions, has agreed not to create, incur, assume or suffer to exist any lien upon or with respect to any of its assets.

The following description of certain terms of the notes and the guarantee and certain provisions of the indenture supplements the description under Description of the Debt Securities and Description of the Debt Securities Guarantee in the accompanying base prospectus and, to the extent it is inconsistent with that description, replaces the description in the accompanying base prospectus.

This description is only a summary of the material terms and does not purport to be complete. We urge you to read the indenture in its entirety because it, and not this description, will define your rights as a beneficial holder of the notes. A copy of the indenture, the notes and the guarantee will also be available during normal business hours at the office of the trustee.

Unless otherwise specified, in this section, guarantor and PartnerRe refer to PartnerRe Ltd. and not to any of its subsidiaries.

**General**

The notes are an obligation of PRE Finance. PRE Finance is a finance subsidiary which has no independent operations other than its financing activities. As a result, its ability to service the notes depends upon the distribution, earnings, losses or other payments from the guarantor and its operating subsidiaries to PRE Finance.

The notes will be issued in fully registered form in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The notes will mature on June 1, 2020. The accompanying base prospectus describes additional provisions of the notes and of the indenture between us and The Bank of New York Mellon, as trustee, under which we will issue the notes. There is no limit on the aggregate principal amount of notes of this series that we may issue. Subject to certain tax limitations, we reserve the right, from time to time and without the consent of any holders of any of the notes, to re-open this series of notes on terms identical in all respects to the outstanding notes (except the date of issuance, the date interest begins to accrue and, in certain circumstances, the first interest payment date), so that such additional notes shall be consolidated with, form a single series with and increase the aggregate principal amount of the notes.

The notes will bear interest at a rate of 5.500% per year from March 15, 2010. Interest will be paid semi-annually in arrears on June 1 and December 1 of each year, commencing June 1, 2010, to the record holders on the preceding May 15 or November 15. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months.

**Optional Redemption**

The issuer may redeem the notes at its option, in whole or in part, at any time and from time to time at a redemption price equal to the greater of:

100% of the principal amount of the notes to be redeemed; or

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the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the then current Treasury Rate plus 30 basis points (the **Make-Whole Amount** ).

In each case, we will pay accrued and unpaid interest on the principal amount being redeemed to the date of redemption.

**Comparable Treasury Issue** means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term ( **Remaining Life** ) of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

**Comparable Treasury Price** means, with respect to any redemption date, (1) the average of four Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Quotation Agent obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

**Quotation Agent** means one of the Reference Treasury Dealers appointed by the issuer.

**Reference Treasury Dealer** means (1) each of Banc of America Securities LLC, Barclays Capital Inc. and Credit Suisse Securities (USA) LLC and their respective successors unless any of them ceases to be a primary U.S. Government securities dealer in New York City ( **Primary Treasury Dealer** ), in which case the issuer shall substitute another Primary Treasury Dealer and (2) one other Primary Treasury Dealers selected by the issuer.

**Reference Treasury Dealer Quotations** means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

**Treasury Rate** means, with respect to any redemption date, the rate per year equal to: (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated **H.15(519)** or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption **Treasury Constant Maturities**, for the maturity corresponding to the Comparable Treasury Issue; provided that, if no maturity is within three months before or after the **Remaining Life** of the notes to be redeemed, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from those yields on a straight line basis, rounding to the nearest month; or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The Treasury Rate shall be calculated on the third business day preceding the redemption date.

Notice of redemption will be mailed at least 30 but not more than 60 days before the redemption date to each holder of record of the notes to be redeemed at its registered address. The notice of redemption for the notes will state, among other things, (i) the redemption date, (ii) the redemption price, (iii) if less than all outstanding notes are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the particular notes to be redeemed and (iv) the place or places that payment will be made upon presentation and surrender of notes to be redeemed. Unless we default in the payment of the redemption price, interest will cease to accrue on any notes that have been called for redemption at the redemption date.

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### **Defeasance**

The provisions of the indenture relating to defeasance, which are described under the caption "Description of the Debt Securities - Discharge, Defeasance and Covenant Defeasance" in the accompanying base prospectus, will apply to the notes.

### **Ranking**

The notes will be PRE Finance's senior unsecured indebtedness and will rank equally with all of its other senior unsecured indebtedness from time to time outstanding. As of the date of this prospectus supplement, PRE Finance has no subsidiaries or debt outstanding.

### **The Guarantee**

The guarantor's obligations under the guarantee are equal in right of payment to all of its other senior unsecured indebtedness, except any indebtedness that by its terms is subordinated to the guarantee.

There are no terms in the indenture, the notes or the guarantee that limit the guarantor's ability to incur additional indebtedness, and the guarantor expects from time to time to incur additional indebtedness.

Because the guarantor is a holding company, the guarantor's rights and the rights of its creditors, including the holders of the notes who would be creditors of the guarantor by virtue of the guarantee, and its shareholders to participate in any distribution of the assets of any subsidiary upon such subsidiary's liquidation or reorganization or otherwise, would be subject to prior claims of the subsidiary's creditors and policyholders, except in some cases to the extent that the guarantor is a creditor of the subsidiary. The rights of creditors of the guarantor, including the holders of the notes who are creditors of the guarantor by virtue of the guarantee, to participate in the distribution of stock owned by the guarantor in its subsidiaries, including the guarantor's insurance subsidiaries, may also be subject to the approval of insurance regulatory authorities having jurisdiction over such subsidiaries.

As a holding company, PartnerRe derives all its income from its subsidiaries. Accordingly, PartnerRe's ability to service its obligations, including its obligations under the guarantee, is primarily dependent on the earnings of its respective subsidiaries and the payment of those earnings to PartnerRe, in the form of dividends, loans or advances and through repayment of loans or advances. These operating subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts due on the notes or the guarantee or to provide the issuer or guarantor with funds. In addition, any payment of dividends, loans or advances by those subsidiaries could be subject to statutory or contractual restrictions.

On an unconsolidated basis, the guarantor's indebtedness as of December 31, 2009 was approximately \$959 million, with such obligations ranking equal to the guarantee. As of December 31, 2009, the guarantor's subsidiaries had approximately \$15.9 billion of outstanding liabilities (including policyholder liabilities on a consolidated basis) that rank senior to the guarantee.

### **Book-Entry; Delivery and Form**

Upon issuance, the notes will be represented by one or more fully registered global certificates, each of which we refer to as a global security. Each such global security will be deposited with, or on behalf of, DTC and registered in the name of DTC or a nominee thereof. Initial settlement for the notes will be made in immediately available funds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC's rules and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System. No assurance can be given as to the effect, if any, of settlement in immediately available funds on trading activity in the notes. Unless and until it is exchanged in whole or in part for notes in definitive form, no global security may be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC or by DTC or any such nominee to a successor of DTC or a nominee of such successor.

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Security entitlements in the notes will be represented through book-entry accounts of financial institutions acting on behalf of holders of such entitlements (i.e., end investors) as direct and indirect participants in DTC. Investors may elect to hold security entitlements in the notes held by DTC through Clearstream, Luxembourg or Euroclear Bank S.A./N.V., as operator of the Euroclear System, (the Euroclear operator), if they are participants in such systems or indirectly through organizations that are participants in such systems. Clearstream, Luxembourg and the Euroclear operator will hold security entitlements on behalf of their participants through customers' securities accounts in Clearstream, Luxembourg and the Euroclear operator's names on the books of their respective depositories, which in turn will hold such security entitlements in customers' securities accounts in the depositories' names on the books of DTC.

So long as DTC, or its nominee, is a registered owner of a global security, DTC or its nominee, as the case may be, will be considered the sole owner or holder of the notes represented by such global security for all purposes under the indenture. Except as provided below, the securities entitlement holders of the notes will not be entitled to have the notes represented by such global security registered in their names, will not receive or be entitled to receive physical delivery of the notes in definitive form and will not be considered the owners or holders thereof under the indenture.

Accordingly, each securities entitlement holder in a global security must rely on the procedures of DTC and, if such person is not a participant of DTC (a participant), on the procedures of the participant through which such person holds its interest, to exercise any rights of a holder under the indenture. We understand that, under existing industry practices, in the event that the issuer requests any action of holders of the notes or owners of security entitlements that a holder is entitled to give or take under the indenture, DTC would authorize the participants holding the relevant security entitlements to give or take such action, and such participants would authorize entitlement holders owning through such participants to give or take such action or would otherwise act upon the instructions of entitlement holders. Conveyance of notices and other communications by DTC to participants, by participants to indirect participants, as defined below, and by participants and indirect participants to entitlement holders will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The following is based on information furnished by DTC:

DTC will act as securities depository for the notes. Offered securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One or more fully-registered global securities will be issued for the notes in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities that its participants deposit with DTC. DTC also facilitates the post-trade settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC (direct participants) include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (DTCC). DTCC is owned by the users of its regulated subsidiaries. Access to DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with one of DTC's direct participants, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of the notes under DTC's system must be made by or through direct participants, which will receive a credit for the notes on DTC's records. The ownership interest of each security entitlement holder is in



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turn to be recorded on the records of direct participants and indirect participants. Entitlement holders will not receive written confirmation from DTC of their purchase, but entitlement holders are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct participants or indirect participants through which such entitlement holders entered into the transaction. Transfers of security entitlement interests in the notes are to be accomplished by entries made on the books of participants acting on behalf of entitlement holders. Entitlement holders will not receive certificates representing their ownership interests in the notes, except in the limited circumstances that may be provided in the indenture.

To facilitate subsequent transfers, all notes deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of the notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual security entitlement holder of the notes. DTC's records reflect only the identity of the direct participants to whose accounts such securities are credited, which may or may not be the entitlement holders. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to entitlement holders will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. nor any other DTC nominee will consent or vote with respect to the notes. Under its usual procedures, DTC mails an omnibus proxy to the issuer as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts securities are credited on the applicable record date (identified in a listing attached to the omnibus proxy).

Payments on the notes will be made in immediately available funds to DTC, Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit direct participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer or the applicable agent on the applicable payment date in accordance with their respective holdings shown on DTC's records. Payments by participants to entitlement holders will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such participant and not of DTC, the trustee or the issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Any payment due to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) on behalf of entitlement holders is the responsibility of the issuer or the applicable agent, disbursement of such payments to direct participants shall be the responsibility of DTC, and disbursement of such payments to the entitlement holders shall be the responsibility of direct participants and indirect participants.

DTC may discontinue providing its services as depository with respect to the notes at any time by giving reasonable notice to the issuer or the applicable agent. Under such circumstances, in the event that a successor securities depository is not obtained, offered security certificates are required to be printed and delivered. The issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, security certificates will be printed and delivered.

Clearstream, Luxembourg advises that it is incorporated under the laws of Luxembourg as a professional depository. Clearstream, Luxembourg holds securities for its participating organizations ( Clearstream, Luxembourg participants ) and facilitates the clearance and settlement of securities transactions between Clearstream, Luxembourg participants through electronic book-entry changes in accounts of Clearstream, Luxembourg participants, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Clearstream, Luxembourg provides to Clearstream, Luxembourg participants, among other things, services for safekeeping, administration, clearance and settlement

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of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg interfaces with domestic markets in several countries. As a professional depository, Clearstream, Luxembourg is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector.

Clearstream, Luxembourg participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, trust companies, clearing corporations and certain other organizations and may include the underwriters. Indirect access to Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream, Luxembourg participant, either directly or indirectly.

Distributions with respect to the notes held beneficially through Clearstream, Luxembourg will be credited to cash accounts of Clearstream, Luxembourg participants in accordance with its rules and procedures, to the extent received by the U.S. depository for Clearstream, Luxembourg.

Euroclear advises that it was created in 1968 to hold securities for its participants ( Euroclear participants ) and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V. (the Euroclear Operator ). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator.

Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters or agents for the notes. Indirect access to Euroclear is also available to others that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

The Euroclear operator is regulated and examined by the Belgian Banking and Finance Commission and the National Bank of Belgium. Securities clearance accounts and cash accounts with the Euroclear operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of Euroclear and applicable Belgian law (collectively, the Terms and Conditions ). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear operator acts under the Terms and Conditions only on behalf of Euroclear participants, and has no record of or relationship with persons holding securities through Euroclear participants.

Distributions with respect to the notes held through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Terms and Conditions, to the extent received by the U.S. depository for Euroclear.

***Global Clearance and Settlement Procedures***

Initial settlement for the notes will be made in immediately available funds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC's rules and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System. If and to the extent this prospectus supplement, with respect to any of the notes, indicates that investors may elect to hold interests in the notes through Clearstream, Luxembourg or Euroclear, secondary market trading between Clearstream, Luxembourg participants and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream, Luxembourg and Euroclear and will be settled using the procedures applicable to conventional Eurobonds in immediately available funds. No assurance can be given as to the effect, if any, of settlement in immediately available funds on trading activity in the notes.

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Cross-market transfers between persons holding notes directly or indirectly through DTC, on the one hand, and holding notes directly or indirectly through Clearstream, Luxembourg or Euroclear participants, on the other hand, will be effected in DTC in accordance with DTC rules on behalf of Clearstream, Luxembourg or Euroclear, as the case may be, by its U.S. depository; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). Clearstream, Luxembourg or Euroclear, as the case may be, will, if the transaction meets its settlement requirements, deliver to its U.S. depository instructions to take action to effect final settlement on its behalf by delivering or receiving the notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream, Luxembourg participants and Euroclear participants may not deliver instructions directly to DTC.

Because of time-zone differences, credits of the notes received in Clearstream, Luxembourg or Euroclear as a result of a transaction with a DTC participant will be made during subsequent securities settlement processing and will be credited the business day following the DTC settlement date. Such credits or any transactions in the notes settled during such processing will be reported to the relevant Clearstream, Luxembourg or Euroclear participants on such business day. Cash received in Clearstream, Luxembourg or Euroclear as a result of sales of the notes by or through a Clearstream, Luxembourg participant or a Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream, Luxembourg or Euroclear case account only as of the business day following settlement in DTC.

Although DTC, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of the notes among participants of DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

## **About the Trustee**

The Bank of New York Mellon is the indenture trustee and will be the principal paying agent and registrar for the notes. We have entered, and from time to time may continue to enter, into banking or other relationships with The Bank of New York Mellon or its affiliates.

The trustee may resign or be removed with respect to one or more series of debt securities under the indenture, and a successor trustee may be appointed to act with respect to such series.

## **Miscellaneous**

The issuer will have the right at all times to assign any of its respective rights or obligations under the indenture to a direct or indirect wholly owned subsidiary of the issuer; provided that, in the event of any such assignment, the issuer will remain liable for all of its respective obligations. Subject to the foregoing, the indenture will be binding upon and inure to the benefit of the parties thereto and their respective successors and assigns. The indenture provides that it may not otherwise be assigned by the parties thereto.

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**MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES**

In the opinion of Davis Polk & Wardwell LLP, the following are the material U.S. federal tax consequences of ownership and disposition of the notes. This discussion only applies to notes held as capital assets by those initial holders who purchase the notes at the issue price, which will equal the first price to the public at which a substantial amount of the notes is sold for money.

This discussion does not describe all of the tax consequences that may be relevant to holders in light of their particular circumstances or to holders subject to special rules, such as:

certain financial institutions;

insurance companies;

tax exempt organizations;

dealers in securities;

persons holding notes as part of a hedge, straddle, integrated transaction or similar transaction or persons entering into a constructive sale with respect to the notes;

U.S. Holders (as defined below) whose functional currency is not the U.S. dollar;

partnerships or other entities classified as partnerships for U.S. federal income tax purposes;

regulated investment companies;

real estate investment trusts; and

persons subject to the alternative minimum tax.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds notes, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Partnerships holding notes and partners in such partnerships should consult their tax advisers as to the particular U.S. federal income tax consequences of holding and disposing of notes.

This summary is based on the Internal Revenue Code of 1986, as amended to the date hereof (the Code), administrative pronouncements, judicial decisions and final, temporary and proposed Treasury Regulations, changes to any of which subsequent to the date of this prospectus supplement may affect the tax consequences described herein, possibly with retroactive effect. This discussion does not address the effect of any state, local or foreign tax laws or any U.S. federal estate or gift tax considerations. Persons considering the purchase of notes are urged to consult their tax advisers with regard to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

**Tax Consequences to U.S. Holders**

## Edgar Filing: PARTNERRE LTD - Form 424B2

As used herein, the term "U.S. Holder" means, for U.S. federal income tax purposes, a beneficial owner of a note that is:

a citizen or resident of the United States;

a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or of any political subdivision thereof; or

an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

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The term U.S. Holder also includes certain former citizens and residents of the United States.

### *Payments of Interest*

It is expected, and therefore this discussion assumes, that the notes will be issued without original issue discount for U.S. federal income tax purposes. Accordingly, interest paid on a note will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with the holder's method of accounting for federal income tax purposes.

### *Sale, Exchange or Retirement of the Notes*

Upon the sale, exchange or retirement of a note, a U.S. Holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and the U.S. Holder's adjusted tax basis in the note. For these purposes, the amount realized does not include any amount attributable to accrued interest. Amounts attributable to accrued interest are treated as interest as described under *Payments of Interest* above. Gain or loss realized on the sale, exchange or retirement of a note will generally be capital gain or loss and will be long term capital gain or loss if at the time of sale, exchange or retirement the note has been held for more than one year.

### *Backup Withholding and Information Reporting*

Information returns will be filed with the Internal Revenue Service ( IRS ) in connection with payments on the notes and the proceeds from a sale or other disposition of the notes. A U.S. Holder will be subject to United States backup withholding on these payments if the U.S. Holder fails to provide its taxpayer identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

## **Tax Consequences to Non-U.S. Holders**

As used herein, the term *Non-U.S. Holder* means, for U.S. federal income tax purposes, a beneficial owner of a note that is:

an individual who is classified as a nonresident for U.S. federal income tax purposes;

a foreign corporation; or

a foreign estate or trust.

A *Non-U.S. Holder* does not include a holder who is an individual present in the United States for 183 days or more in the taxable year of disposition and who is not otherwise a resident of the United States for U.S. federal income tax purposes. Such a holder is urged to consult his or her own tax adviser regarding the U.S. federal income tax consequences of the sale, exchange or other disposition of a note.

### *Payments of Interest*

Subject to the discussion below concerning backup withholding, payments of principal and interest on the notes by the issuer or any paying agent to any *Non-U.S. Holder* will not be subject to U.S. federal withholding tax, provided that

the *Non-U.S. Holder* does not own, actually or constructively, 10 percent or more of the total combined voting power of all classes of stock of PartnerRe U.S. Holdings entitled to vote and is not a controlled foreign corporation related, directly or indirectly, to PartnerRe U.S. Holdings through stock ownership; and



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the beneficial owner of that note certifies on a properly executed IRS Form W-8BEN, under penalties of perjury, that it is not a United States person.

If a Non-U.S. Holder does not qualify for exemption under the preceding paragraph, and the Non-U.S. Holder's receipt of interest on a note is not effectively connected with a trade or business in the United States conducted by such Non-U.S. Holder, payments of interest on the notes will be subject to U.S. federal withholding tax at a rate of 30% (or lower treaty rate if the Non-U.S. Holder provides appropriate documentation).

If a Non-U.S. Holder of a note is engaged in a trade or business in the United States, and if interest on the note is effectively connected with the conduct of this trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed in the preceding paragraph, will generally be taxed in the same manner as a U.S. Holder (see "Tax Consequences to U.S. Holders" above), subject to an applicable income tax treaty providing otherwise, except that the Non-U.S. Holder will be required to provide to the issuer a properly executed IRS Form W-8ECI in order to claim an exemption from withholding tax. These holders are urged to consult their own tax advisers with respect to other U.S. tax consequences of the ownership and disposition of notes including the possible imposition of a branch profits tax at a rate of 30% (or a lower treaty rate).

*Sale, Exchange, Redemption or Other Disposition of a Note*

Subject to the discussion below concerning backup withholding, a Non-U.S. Holder of a note will not be subject to U.S. federal income tax on gain realized on the sale, exchange, redemption or other disposition of such note, unless the gain is effectively connected with the conduct by the holder of a trade or business in the United States.

If a Non-U.S. Holder of a note is engaged in a trade or business in the United States, and if gain realized by the Non-U.S. Holder on a sale, exchange, redemption or other disposition of a note is effectively connected with the conduct of such trade or business, the Non-U.S. Holder will generally be taxed in the same manner as a U.S. Holder (see "Tax Consequences to U.S. Holders" above), subject to an applicable income tax treaty providing otherwise. These holders are urged to consult their tax advisers with respect to other U.S. tax consequences of the ownership and disposition of notes including the possible imposition of a branch profits tax at a rate of 30% (or lower treaty rate).

*Backup Withholding and Information Reporting*

Information returns will be filed with the IRS in connection with payments of interest on the notes. Unless the Non-U.S. Holder complies with certification procedures to establish that it is not a United States person, information returns may be filed with the IRS in connection with the proceeds from a sale or other disposition and the Non-U.S. Holder may be subject to United States backup withholding on payments on the notes or on the proceeds from a sale or other disposition of the notes. Compliance with the certification procedures required to claim the exemption from withholding tax on interest described above will satisfy the certification requirements necessary to avoid backup withholding as well. The amount of any backup withholding from a payment to a Non-U.S. Holder will be allowed as a credit against the Non-U.S. Holder's U.S. federal income tax liability and may entitle the Non-U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.



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**CERTAIN BENEFIT PLAN INVESTOR CONSIDERATIONS**

Each fiduciary of a pension, profit-sharing or other employee benefit plan to which Title I of the Employee Retirement Income Security Act of 1974, as amended ( ERISA ), applies (a Plan ) should consider the fiduciary standards of ERISA in the context of the Plan 's particular circumstances before authorizing an investment in the notes. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the Plan.

Section 406 of ERISA and Section 4975 of the Internal Revenue Code prohibit Plans, as well as individual retirement accounts and Keogh plans to which Section 4975 of the Internal Revenue Code applies (also Plans ), from engaging in specified transactions involving plan assets with persons who are parties in interest under ERISA or disqualified persons under the Internal Revenue Code (together, Parties in Interest ) with respect to such Plan. A violation of those prohibited transaction rules may result in an excise tax or other liabilities under ERISA and/or Section 4975 of the Internal Revenue Code for such persons, unless exemptive relief is available under an applicable statutory or administrative exemption.

Employee benefit plans that are governmental plans, as defined in Section 3(32) of ERISA, certain church plans, as defined in Section 3(33) of ERISA, and non-U.S. plans, as described in Section 4(b)(4) of ERISA, are not subject to the requirements of ERISA, or Section 4975 of the Internal Revenue Code, but governmental and non-U.S. plans may be subject to other legal restrictions.

Under a regulation (the Plan Assets Regulation ) issued by the U.S. Department of Labor, the assets of the issuer would be deemed to be plan assets of a Plan for purposes of ERISA and Section 4975 of the Internal Revenue Code if a Plan makes an equity investment in the issuer and no exception were applicable under the Plan Assets Regulation. An equity interest is defined under the Plan Assets Regulation as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. Based on the limited legal authority in this area, it is uncertain but nonetheless possible that the notes will be treated as equity interests in the issuer.

If the assets of the issuer were deemed to be plan assets, the persons providing services to the assets of the issuer may become Parties in Interest with respect to an investing Plan and may be governed by the fiduciary responsibility provisions of Title I of ERISA and the prohibited transaction provisions of ERISA and Section 4975 of the Internal Revenue Code with respect to transactions involving those assets.

In this regard, if the person or persons with discretionary responsibilities over the notes or the guarantee were affiliated with PartnerRe, any such discretionary actions taken regarding those assets could be deemed to constitute a prohibited transaction under ERISA or the Internal Revenue Code (e.g., the use of such fiduciary authority or responsibility in circumstances under which those persons have interests that may conflict with the interests of the investing Plans and affect the exercise of their best judgment as fiduciaries).

Under an exception contained in the Plan Assets Regulation, the assets of the issuer would not be deemed to be plan assets of investing Plans if the notes are publicly-offered securities that is, they are:

widely held, i.e., owned by more than 100 investors independent of the issuer and of each other;

freely transferable; and

sold to a Plan as part of an offering pursuant to an effective registration statement under the Securities Act of 1933 (the Securities Act ) and then timely registered under Section 12(b) or 12(g) of the Exchange Act.

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PRE Finance expects that the notes will meet the criteria of publicly-offered securities above, although no assurance can be given in this regard. The underwriters expect that the notes will be held by at least 100 independent investors at the conclusion of the offering and that the notes will be freely transferable. The notes will be sold as part of an offering under an effective registration statement under the Securities Act, and then will be timely registered under the Exchange Act.

Even if the assets of the issuer are not deemed to be plan assets of Plans investing in the issuer, investments by Plans in the notes could be deemed to constitute direct or indirect prohibited transactions under ERISA and Section 4975 of the Internal Revenue Code with respect to an investing Plan.

For example, if PartnerRe were a Party in Interest with respect to an investing Plan, either directly or by reason of the activities of one or more of its affiliates, sale of the notes to the Plan and/or extensions of credit between PartnerRe and the issuer, as represented by e.g., the subordinated guarantee, would likely be prohibited by Section 406(a)(1) of ERISA and Section 4975(c)(1) of the Internal Revenue Code, unless exemptive relief were available under an applicable administrative exemption.

The U.S. Department of Labor has issued five prohibited transaction class exemptions ( PTCEs ) that may provide exemptive relief for direct or indirect prohibited transactions resulting from the purchase or holding of the notes by Plans. Those class exemptions are:

PTCE 96-23, for specified transactions determined by in-house asset managers;

PTCE 95-60, for specified transactions involving insurance company general accounts;

PTCE 91-38, for specified transactions involving bank collective investment funds;

PTCE 90-1, for specified transactions involving insurance company separate accounts; and

PTCE 84-14, for specified transactions determined by independent qualified professional asset managers.

In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code provide a limited exemption for the purchase and sale of securities and related lending transactions, provided that neither the issuer of the securities nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction and provided further that the Plan pays no more, and receives no less, than adequate consideration in connection with the transaction (the so-called service-provider exemption ).

The notes may not be purchased or held by or on behalf of any Plan, any entity whose underlying assets include plan assets by reason of any Plan's investment in the entity (a Plan Asset Entity ) or any person investing plan assets of any Plan, unless the purchaser or holder is eligible for the exemptive relief available under PTCE 96-23, 95-60, 91-38, 90-1 or 84-14 or the service-provider exemption.

Any purchaser or holder of the notes or any interest in the notes will be deemed to have represented by its purchase and holding that it either:

is not a Plan or a Plan Asset Entity and is not purchasing such securities on behalf of or with plan assets of any Plan; or

is eligible for the exemptive relief available under PTCE 96-23, 95-60, 91-38, 90-1 or 84-14 or the service-provider exemption with respect to such purchase or holding.

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Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing the notes on behalf of or with plan assets of any Plan consult with their counsel regarding the potential consequences if the assets of the issuer were deemed to be plan assets and the availability of exemptive relief under PTCE 96-23, 95-60, 91-38, 90-1 or 84-14 or the service-provider exemption.

Purchasers of the notes have the exclusive responsibility for ensuring that their purchase and holding of the notes does not violate the prohibited transaction rules of ERISA or Section 4975 of the Code. The sale of any notes to any Plan is in no respect a representation by us or any of our affiliates or representatives that such an investment meets all relevant legal requirements with respect to Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

**Table of Contents****UNDERWRITING**

The guarantor and the issuer have entered into an underwriting agreement with Banc of America Securities LLC, Barclays Capital Inc. and Credit Suisse Securities (USA) LLC, as representatives of the underwriters, pursuant to which, and subject to its terms and conditions, the issuer has agreed to sell to the underwriters, and the underwriters have agreed, severally and not jointly, to purchase from the issuer the respective principal amount of notes set forth opposite their names in the following table.

<b>Underwriters</b>	<b>Principal Amount of Notes</b>
Banc of America Securities LLC	\$ 150,000,000
Barclays Capital Inc.	\$ 150,000,000
Credit Suisse Securities (USA) LLC	\$ 150,000,000
Deutsche Bank Securities Inc.	\$ 12,500,000
HSBC Securities (USA) Inc.	\$ 12,500,000
J.P. Morgan Securities Inc.	\$ 12,500,000
Wells Fargo Securities, LLC	\$ 12,500,000
 Total	 \$ 500,000,000

The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the notes are conditioned upon the delivery of legal opinions by their counsel and other conditions. The underwriters are obligated to purchase all the notes, if any notes are purchased.

The underwriters have advised PartnerRe that they intend to offer the notes initially at the offering price shown on the cover page of this prospectus supplement and may offer the notes to certain dealers at the offering price less a selling concession not to exceed 0.40% of the principal amount of the notes. The underwriters may allow, and dealers may reallow, a concession on sales to other dealers not to exceed 0.25% of the principal amount of the notes. After the initial offering of the notes, the underwriters may change the public offering price and the concession to selected dealers.

PartnerRe and PRE Finance have agreed that, without the prior written consent of the representatives, on behalf of the underwriters, PartnerRe and PRE Finance will not, during the period beginning on the date of the underwriting agreement and continuing to and including the closing under the underwriting agreement, offer, sell, contract to sell or otherwise dispose of, any securities that are substantially similar to the notes.

PartnerRe estimates that the expenses of this offering that are payable by PRE Finance or one of its affiliates, including printing fees and legal and accounting expenses, but excluding underwriting discounts and commissions, will be approximately \$1.2 million.

**New Issue of Notes**

The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any national securities exchange or for quotation of the notes on any automated dealer quotation system. The underwriters have advised us that they presently intend to make a market in the notes as permitted by applicable laws and regulations. The underwriters are not obligated, however, to make a market in the notes, and they may discontinue this market-making at any time in their sole discretion. Accordingly, we cannot assure investors that there will be adequate liquidity or an adequate trading market for the notes.

**Price Stabilization and Short Positions**

The underwriters may engage in over-allotment and stabilizing transactions or purchases and passive market-making for the purpose of pegging, fixing or maintaining the price of the notes in accordance with Regulation M under the Securities Exchange Act of 1934:

Over-allotment involves sales by the underwriters of notes in excess of the number of notes the underwriters are obligated to purchase, which creates a short position. Since the underwriters in this



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offering do not have an over-allotment option to purchase additional securities, their short position will be a naked short position. A naked short position can only be closed out by buying notes in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the notes in the open market after pricing that could adversely affect investors who purchase in the offering;

Stabilizing transactions permit bids to purchase the notes so long as the stabilizing bids do not exceed a specified maximum. These stabilizing transactions may have the effect of raising or maintaining the market price of the notes or preventing or retarding a decline in the market price of the notes. As a result, the price of the notes may be higher than the price that might otherwise exist in the open market. These transactions, if commenced, may be discontinued at any time.

Neither we nor the underwriters make any representations or predictions as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes. In addition, neither we nor the underwriters make representations that the underwriters will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

### **Electronic Distributions**

This prospectus supplement in electronic format may be made available on Internet sites or through other online services maintained by one or more of the underwriters or by their affiliates. In these cases, prospective investors may view offering terms online and, depending upon the underwriter, prospective investors may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of notes for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriters on the same basis as other allocations.

Other than this prospectus supplement in electronic format, the information on any underwriter's web site and any information contained in any other web site maintained by any underwriter is not a part of this prospectus supplement, has not been approved and/or endorsed by us or the underwriters in their capacity as underwriters and should not be relied upon by investors.

### **Indemnification**

We have agreed to indemnify the underwriters against liabilities relating to the offering, including liabilities under the Securities Act of 1933, and to contribute to payments that the underwriters may be required to make for these liabilities.

### **United Kingdom Legal Matters**

Each underwriter has represented and warranted that:

- (1) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the FSMA)) in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply; and
- (2) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

### **European Economic Area Legal Matters**

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus

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Directive is implemented in that relevant member state (the relevant implementation date), each underwriter has represented and agreed that it has not made and will not make an offer of the notes to the public in that relevant member state that would require the publication in that relevant member state or approval by the competent authority of that relevant member state or, where appropriate, the competent authority of another relevant member state, of a prospectus in relation to the notes in that relevant member state; subject to such restriction, they may, with effect from and including the relevant implementation date, make an offer of notes to the public in that relevant member state at any time:

- (1) to legal entities that are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (2) to any legal entity that has two or more of (A) an average of at least 250 employees during the last financial year; (B) a total balance sheet of more than 43,000,000 and (C) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;
- (3) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior written consent of the representatives; or
- (4) in any other circumstances falling within Article 3(2) of the Prospectus Directive; *provided* that no such offer of notes shall require PRE Finance or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For purposes of this provision, the expression an offer of notes to the public in relation to any notes in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state, and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state.

The restrictions described above concerning the relevant member states are in addition to any other applicable restrictions in the member states that have implemented the Prospectus Directive.

**Other Relationships**

From time to time, the underwriters and their respective affiliates have directly and indirectly provided investment and/or commercial banking services to us for which they have received customary compensation and expense reimbursement. The underwriters and their respective affiliates may in the future provide similar services to us. For example, Credit Suisse is a co-documentation agent under the Company's \$660 million syndicated, unsecured credit facility and represented PARIS RE Holdings Limited as financial advisor during its acquisition by PartnerRe.

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**VALIDITY OF THE NOTES**

Certain legal matters with respect to United States and New York law with respect to the validity of the offered securities will be passed upon for PartnerRe Ltd. and PRE Finance by Davis Polk & Wardwell LLP, New York, New York. Certain legal matters with respect to Bermuda law will be passed upon for PartnerRe Ltd. and PRE Finance by corporate counsel for PartnerRe Ltd. Certain legal matters will be passed on for the underwriters by Willkie Farr & Gallagher LLP, New York, New York.

**WHERE YOU CAN FIND MORE INFORMATION**

*Government Filings.* We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any document that we file at the SEC's public reference rooms at 100 F Street, N.E., Washington, D.C., 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our SEC filings subsequent to June 2001 are also available to you free of charge at the SEC's web site at <http://www.sec.gov>.

*Stock Market.* PartnerRe's common shares are traded on the New York Stock Exchange and the NYSE Euronext Paris under the symbol PRE. Material filed by PartnerRe Ltd. can be inspected at the New York Stock Exchange, 20 Broad Street, 17th Floor, New York, New York 10005.

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be an important part of this prospectus supplement, and information that we file later with the SEC will automatically update and supersede previously filed information, including information contained in this document.

We incorporate by reference the documents listed below and any future filings we will make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until this offering has been completed:

1. Our Annual Report on Form 10-K for the year ended December 31, 2009 filed with the SEC on March 1, 2010;
2. The portions of our Definitive Proxy Statement on Schedule 14A for the 2009 annual meeting of shareholders incorporated by reference into our Annual Report on Form 10-K for the year ended December 31, 2008; and
3. Current Reports on Form 8-K filed on May 28, 2009, July 10, 2009, October 7, 2009, February 22, 2010 and March 10, 2010. You may request free copies of these filings by writing or telephoning us at the following address:

90 Pitts Bay Road

Pembroke HM 08

Bermuda

Attention: Legal and Corporate Compliance

Telephone: (441) 292-0888

Fax: (441) 292-3060



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*PROSPECTUS*

**Common Shares, Preferred Shares, Depositary Shares, Debt Securities, Warrants to Purchase Common Shares, Warrants to Purchase Preferred Shares, Warrants to Purchase Debt Securities, Share Purchase Contracts, Share Purchase Units and Units**

**PartnerRe Finance A LLC**

**PartnerRe Finance B LLC**

**PartnerRe Finance C LLC**

**PartnerRe Finance II Inc.**

**Debt Securities**

**Fully and Unconditionally Guaranteed**

**by PartnerRe Ltd.**

**PartnerRe Capital Trust II**

**PartnerRe Capital Trust III**

**Preferred Securities**

**Fully and Unconditionally Guaranteed to the Extent Provided in this Prospectus**

**by PartnerRe Ltd.**

We may offer and sell from time to time:

common shares;

preferred shares;

depositary shares representing preferred shares or common shares;

warrants to purchase common shares, preferred shares or debt securities;

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senior or subordinated debt securities;

share purchase contracts, share purchase units and units; and

guarantees of debt securities and preferred securities issued by our finance subsidiaries.

PartnerRe Finance A LLC, PartnerRe Finance B LLC, PartnerRe Finance C LLC and PartnerRe Finance II Inc. may offer and sell from time to time:

senior, subordinated or junior subordinated debt securities (which we will guarantee).

PartnerRe Capital Trust II and PartnerRe Capital Trust III may offer and sell from time to time:

preferred securities (which we will guarantee).

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This prospectus may not be used to confirm sales of any securities unless accompanied by a prospectus supplement.

These securities may be sold to or through underwriters and also to other purchasers or through agents. The names of any underwriters or agents, the offering prices and any applicable commission or discount will be stated in an accompanying prospectus supplement.

Our common shares are traded on the New York Stock Exchange under the symbol PRE.

**Investing in our securities involves certain risks. See Risk Factors on page 4 and in our annual report on Form 10-K for the year ended December 31, 2008 filed on February 27, 2009.**

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is April 10, 2009.

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS, ANY SUPPLEMENT THERETO AND IN ANY FREE WRITING PROSPECTUS RELATING THERETO THAT WE FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND ANY INFORMATION ABOUT THE TERMS OF OFFERED SECURITIES WE OR THE UNDERWRITERS CONVEY TO YOU. NEITHER WE, PARTNERRE FINANCE A LLC, PARTNERRE FINANCE B LLC, PARTNERRE FINANCE C LLC, PARTNERRE FINANCE II INC., PARTNERRE CAPITAL TRUST II NOR PARTNERRE CAPITAL TRUST III HAS AUTHORIZED ANYONE ELSE TO PROVIDE YOU WITH ADDITIONAL OR DIFFERENT INFORMATION. IF ANYONE PROVIDED YOU WITH ADDITIONAL OR DIFFERENT INFORMATION, YOU SHOULD NOT RELY ON IT. WE, PARTNERRE FINANCE A LLC, PARTNERRE FINANCE B LLC, PARTNERRE FINANCE C LLC, PARTNERRE FINANCE II INC., PARTNERRE CAPITAL TRUST II AND PARTNERRE CAPITAL TRUST III ARE OFFERING THESE SECURITIES ONLY IN STATES WHERE THE OFFER IS PERMITTED. YOU SHOULD NOT ASSUME THAT THE INFORMATION IN THIS PROSPECTUS, ANY SUPPLEMENT THERETO OR ANY FREE WRITING PROSPECTUS RELATING THERETO THAT WE FILE WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE DOCUMENTS INCORPORATED BY REFERENCE THEREIN IS ACCURATE AS OF ANY DATE OTHER THAN THEIR RESPECTIVE DATES. OUR BUSINESS, FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS MAY HAVE CHANGED SINCE THOSE DATES.

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Securities may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act 2003, and Exchange Control Act 1972, and related regulations of Bermuda which regulate the sale of securities in Bermuda. In addition, specific permission is required from the Bermuda Monetary Authority ( BMA ), pursuant to the provisions of the Exchange Change Control Act 1972 and related regulations (the Exchange Control Act ), for all issuances and transfers of securities of Bermuda companies, other than in cases where the BMA has granted a general permission. The BMA, in its policy dated June 1, 2005, provides that where any equity securities, which would include our common shares, of a Bermuda company are listed on an appointed stock exchange (the New York Stock Exchange is deemed to be an appointed stock exchange under Bermuda law), general permission is hereby given for the issue and subsequent transfer of any securities of a company from and/or to a non-resident, for as long as any equity securities of the company remain so listed.

The BMA has also granted us permission for the issue, sale and transfer of up to 20% of any security as defined in the Exchange Control Act including (without limitation) the grant or creation of options, warrants, coupon, rights and depository receipts (collectively the Securities ) to and among persons who are resident of Bermuda for exchange control purposes, whether or not the Securities are listed on an appointed stock exchange.

In this prospectus, references to dollar and \$ are to United States currency, and the terms United States and U.S. mean the United States of America, its states, its territories, its possessions and all areas subject to its jurisdiction.

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we, the Finance Subsidiaries (defined below) and the Capital Trusts (defined below) have filed with the U.S. Securities and Exchange Commission (the Commission) using a shelf registration process, relating to the common shares, preferred shares, depositary shares, debt securities, debt securities guarantees, warrants, share purchase contracts, share purchase units, units, preferred securities and preferred securities guarantees described in this prospectus. This means:

we, the applicable Finance Subsidiary or Capital Trust, as the case may be, will provide a prospectus supplement each time these securities are offered pursuant to this prospectus; and

the prospectus supplement will provide specific information about the terms of that offering and also may add to, change or update information contained in this prospectus.

This prospectus provides you with a general description of the securities we, a Finance Subsidiary or a Capital Trust may offer. This prospectus does not contain all of the information set forth in the registration statement as permitted by the rules and regulations of the Commission. For additional information regarding us, the Finance Subsidiaries, the Capital Trusts and the offered securities, please refer to the registration statement. To the extent that information in any prospectus supplement or the information incorporated by reference in any prospectus supplement is inconsistent with information contained in this prospectus, the information in such prospectus supplement or the information incorporated by reference into such prospectus supplement shall govern. You should read both this prospectus and any prospectus supplement together with additional information described under the heading **Where You Can Find More Information**.

All references to:

we, us, our or PartnerRe refer to PartnerRe Ltd.;

PRE Finance A refer to PartnerRe Finance A LLC;

PRE Finance B refer to Partner Finance B LLC;

PRE Finance C refer to PartnerRe Finance C LLC;

PRE Finance II refer to PartnerRe Finance II Inc.;

Finance Subsidiary refer to PRE Finance A, PRE Finance B, PRE Finance C, PRE Finance II or any other finance subsidiary of PartnerRe so designated in any prospectus supplement (together, the Finance Subsidiaries);

Capital Trust II refer to PartnerRe Capital Trust II;

Capital Trust III refer to PartnerRe Capital Trust III; and

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Capital Trust refer to Capital Trust II or Capital Trust III (together, the Capital Trusts ).  
**PARTNERRE LTD.**

### **Overview**

We provide reinsurance on a worldwide basis through our wholly owned subsidiaries, Partner Reinsurance Company Ltd., Partner Reinsurance Europe Limited and Partner Reinsurance Company of the U.S. Risks

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reinsured include, but are not limited to, property, casualty, motor, agriculture, aviation/space, catastrophe, credit/surety, engineering, energy, marine, specialty property, specialty casualty, multiline and other lines and life/annuity and health. We also offer alternative risk products that include weather and credit protection to financial, industrial and service companies on a worldwide basis.

We are a Bermuda company with principal executive offices located at 90 Pitts Bay Road, Pembroke HM 08, Bermuda. Our telephone number is (441) 292-0888.

For further information regarding PartnerRe, including financial information, you should refer to our recent filings with the Commission.

## **THE FINANCE SUBSIDIARIES**

### **PRE Finance A, PRE Finance B and PRE Finance C**

Each of PRE Finance A, PRE Finance B and PRE Finance C is a Delaware limited liability company. PRE Finance A was formed on May 6, 2008, PRE Finance B was formed on March 10, 2009 and PRE Finance C was formed on March 30, 2009. Each of PRE Finance A, PRE Finance B and PRE Finance C is an indirectly wholly owned subsidiary of PartnerRe, and a wholly owned direct subsidiary of PartnerRe U.S. Corporation, that was created solely for the purpose of issuing, from time to time, debt securities to finance the operations of the PartnerRe group. The principal executive offices of PRE Finance A, PRE Finance B and PRE Finance C are c/o PartnerRe U.S. Corporation, One Greenwich Plaza, Greenwich, Connecticut 06830-6352, Attention: Tom Forsyth, and their telephone number is (203) 485-4200.

### **PRE Finance II**

PRE Finance II is a Delaware corporation, with its principal executive offices located at c/o PartnerRe U.S. Corporation, One Greenwich Plaza, Greenwich, Connecticut 06830-6352. PRE Finance II's telephone number is (203) 485-4200. PRE Finance II is an indirect, wholly-owned subsidiary of PartnerRe, and a wholly-owned direct subsidiary of PartnerRe U.S. Corporation, that was created solely for the purpose of issuing, from time to time, debt securities to finance the operations of the PartnerRe group.

## **THE CAPITAL TRUSTS**

The Capital Trusts are statutory trusts each created under Delaware law pursuant to a trust agreement executed by PRE Finance II, as depositor of each Capital Trust, and the Capital Trustees for such Capital Trust and the filing of a certificate of trust with the Delaware Secretary of State on December 11, 2001. Each trust agreement was amended and restated in March 2009 to evidence certain changes in the persons and entities that serve as the Property Trustee, Delaware Trustee, and Administrative Trustees of the Capital Trusts. Each trust agreement will be further amended and restated in its entirety substantially in the form attached as an exhibit to the registration statement of which this prospectus forms a part. Each amended and restated trust agreement will be qualified as an indenture under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). It is possible that an amended and restated trust agreement will substitute a different Finance Subsidiary as depositor of a Capital Trust. If this were to occur, it is intended that such Finance Subsidiary will own the common securities of the Capital Trust and such Capital Trust will hold junior subordinated debt securities of such Finance Subsidiary.

Each Capital Trust exists for the exclusive purposes of:

issuing and selling preferred securities and common securities that represent undivided beneficial interests in the assets of such Capital Trust;

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using the proceeds from the sale of its preferred securities and common securities to acquire junior subordinated debt securities issued by a Finance Subsidiary, and guaranteed by, us; and

engaging in only those other activities necessary or incidental to the issuance and sale of its preferred securities and common securities.

The common securities of each Capital Trust, all of which will be indirectly owned by PartnerRe, will rank equally, and payments will be made on the common securities pro rata, with the preferred securities of such Capital Trust, except that, if an event of default under the applicable amended and restated trust agreement has occurred and is continuing, the rights of the holders of the common securities of such Capital Trust to payment in respect of distributions and payments upon liquidation, redemption and otherwise will be subordinated to the rights of the holders of the preferred securities of such Capital Trust. Each Capital Trust is a legally separate entity and the assets of one are not available to satisfy the obligations of the other.

Unless otherwise disclosed in the related prospectus supplement, each Capital Trust will have a term of approximately 55 years, but may dissolve earlier as provided in the applicable amended and restated trust agreement. Unless otherwise disclosed in the applicable prospectus supplement, each Capital Trust's business and affairs will be conducted by the trustees, which we refer to as the Capital Trustees, appointed by the direct or indirect holder of all of the common securities of such Capital Trust. The holder of the common securities of each Capital Trust will be entitled to appoint, remove or replace any of, or increase or reduce the number of, the Capital Trustees of such Capital Trust. The duties and obligations of the Capital Trustees of each Capital Trust will be governed by the amended and restated trust agreement of such Capital Trust.

Unless otherwise disclosed in the related prospectus supplement, two of the Capital Trustees, which we refer to as the Administrative Trustees, of each Capital Trust will be persons who are employees or officers of or affiliated with PartnerRe. One Capital Trustee of each Capital Trust will be a financial institution, which we refer to as the Property Trustee, that is not affiliated with PartnerRe. Each Property Trustee will have a minimum amount of combined capital and surplus of not less than \$50,000,000, and shall act as property trustee and as indenture trustee for the purposes of compliance with the provisions of the Trust Indenture Act, pursuant to the terms set forth in the applicable prospectus supplement. In addition, one Capital Trustee of each Capital Trust, which may be the Property Trustee, if it otherwise meets the requirements of applicable law, will have its principal place of business or reside in the State of Delaware, which we refer to as the Delaware Trustee. We or one of our affiliates will pay all fees and expenses related to each Capital Trust and the offering of preferred securities and common securities by such Capital Trust.

The office of the Delaware Trustee for each Capital Trust in the State of Delaware is located at c/o BNY Mellon Trust of Delaware, White Clay Center, Route 273, Newark, DE 19711. The principal executive offices for each Capital Trust is located at c/o PartnerRe U.S. Corporation, One Greenwich Plaza, Greenwich, CT 06830-6352. The telephone number for both Capital Trusts is (203) 485-4200.



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**RISK FACTORS**

Before you invest in securities issued by PartnerRe, the Finance Subsidiaries or the Capital Trusts, you should carefully consider the risks involved. Accordingly, you should carefully consider:

the information contained in or incorporated by reference into this prospectus;

information contained in or incorporated by reference into any prospectus supplement relating to specific offerings of securities;

the risks described in our Annual Report on Form 10-K for the year ended December 31, 2008 filed with the Commission on February 27, 2009, which we incorporate by reference into this prospectus; and

other risks and other information that may be contained in, or incorporated by reference from, other filings we make with the Commission.

**FORWARD-LOOKING STATEMENTS**

Certain statements contained or incorporated by reference in this prospectus may be considered forward-looking statements as defined in Section 27A of the United States Securities Act of 1933 and Section 21E of the United States Securities Exchange Act of 1934. Forward-looking statements are made based upon our assumptions and expectations concerning the potential effect of future events on our financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements are subject to significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those reflected in such forward-looking statements. Our forward-looking statements could be affected by numerous foreseeable and unforeseeable events and developments. The following review of important factors should not be construed as exhaustive and should be read in conjunction with other cautionary statements that are included herein or elsewhere:

- (1) the occurrence of catastrophic events or other reinsured events with a frequency or severity exceeding our expectations;
- (2) a decrease in the level of demand for reinsurance and/or an increase in the supply of reinsurance capacity;
- (3) increased competitive pressures, including the consolidation and increased globalization of reinsurance providers;
- (4) the continuation of unfavorable economic conditions, which may adversely affect the capital markets, our funding costs and/or the ability to obtain credit;
- (5) actual losses and loss expenses exceeding our estimated loss reserves, which are necessarily based on actuarial and statistical projections of ultimate losses;
- (6) acts of terrorism, acts of war and other man-made or unanticipated perils;

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- (7) changes in the cost, availability and performance of retrocessional reinsurance, including the ability to collect reinsurance recoverables;
  
- (8) concentration risk in dealing with a limited number of brokers;

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- (9) credit risk relating to our brokers, cedants and other counterparties;
- (10) developments in and risks associated with global financial markets that could affect our investment portfolio;
- (11) changing rates of interest, inflation and other economic conditions;
- (12) availability of borrowings and letters of credit under our credit facilities;
- (13) ability to obtain any additional financing on favorable terms;
- (14) impact of fluctuations in foreign currency exchange rates;
- (15) actions by rating agencies that might impact our ability to continue to write existing business or write new business;
- (16) changes in accounting policies, their application or interpretation;
- (17) changes in the legal or regulatory environments in which we operate, including the passage of federal or state legislation subjecting our non-U.S. operations to supervision or regulation, including additional tax regulation, in the United States or other jurisdictions in which we operate;
- (18) the passage of legislation in the U.S. that would subject our U.S. shareholders to tax rates on dividends that are disadvantageous or our U.S. reinsurance subsidiary to higher U.S. taxation, and any measures designed to limit harmful tax competition that may affect Bermuda;
- (19) defaults by others, including issuers of investment securities that we hold, reinsurers or other counterparties;
- (20) potential industry impact of industry investigations into insurance market practices;
- (21) legal decisions and rulings and new theories of liability;
- (22) amount of dividends received from our subsidiaries;
- (23) new mass tort actions or reemergence of old mass torts such as asbestosis;
- (24) declines in the equity and credit markets;

(25) changes in social and environmental conditions;

(26) operational risks, including human or system failures; and

(27) limitations on the voting and ownership of our shares or the ability to enforce a judgment against us in the U.S.

The foregoing review of important factors should not be construed as exhaustive.

The words believe, anticipate, estimate, project, plan, expect, intend, hope, will likely result or will continue, or words of similar meaning generally involve forward-looking statements. We caution readers not to place undue reliance on these forward-looking statements, which speak only as of their dates. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

**Table of Contents****USE OF PROCEEDS**

The net proceeds from the sale of preferred securities by each Capital Trust will be used to purchase junior subordinated debt securities of the Finance Subsidiaries. Unless the applicable prospectus supplement states otherwise, the net proceeds from the sale of securities offered by PartnerRe or the Finance Subsidiaries will be used for working capital, capital expenditures, acquisitions or other general corporate purposes of Partner Re and its affiliates.

**RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED SHARE DIVIDENDS OF PARTNERRE**

For purposes of computing the following ratios, earnings consist of net income before income tax expense plus fixed charges to the extent that these charges are included in the determination of earnings and exclude undistributed earnings (losses) of equity investments. Fixed charges consist of interest costs plus one-third of minimum rental payments under operating leases (estimated by management to be the interest factor of such rentals).

	2008	2007	2006	2005	2004
Ratio of Earnings to Fixed Charges	2.10x	14.51x	12.07x	0.23x(1)	9.62x
Ratio of Earnings to Combined Fixed Charges and Preference Share Dividends	1.30x	9.49x	8.27x	0.14x(1)	6.99x

- (1) Additional earnings of \$37.9 million and \$72.4 million would be necessary to result in a one-to-one ratio of the Ratio of Earnings to Fixed Charges and the Ratio of Earnings to Combined Fixed Charges and Preference Share Dividends, respectively.

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**GENERAL DESCRIPTION OF THE OFFERED SECURITIES**

We may from time to time offer under this prospectus, separately or together:

common shares;

preferred shares;

depository shares, each representing a fraction of a common share or of a preferred share;

unsecured senior or subordinated debt securities;

warrants to purchase common shares;

warrants to purchase preferred shares;

warrants to purchase debt securities;

share purchase contracts to purchase common shares;

share purchase units, each representing ownership of a share purchase contract and, as security for the holder's obligation to purchase common shares under the share purchase contract, any of (1) our debt obligations, (2) debt obligations of third parties, including U.S. Treasury securities, or (3) preferred securities of any of the Capital Trusts; and

units which may consist of any combination of the securities listed above.

Each Finance Subsidiary may from time to time offer unsecured senior, subordinated or junior subordinated debt securities, which will be fully and unconditionally guaranteed by us to the extent described in this prospectus.

Each Capital Trust may offer preferred securities representing undivided beneficial interests in their respective assets, which will be fully and unconditionally guaranteed by us to the extent described in this prospectus.

**DESCRIPTION OF OUR CAPITAL SHARES**

The following is a summary of certain provisions of:

our Memorandum of Association and Bye-Laws, which set forth certain terms of our capital stock,

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the certificate of designation for our 6.75% Series C Cumulative Redeemable Preferred Shares, which we refer to in this prospectus as the Series C Preferred Shares, and

the certificate of designation for our 6.50% Series D Cumulative Redeemable Preferred Shares, which we refer to in the prospectus as the Series D Preferred Shares.

This summary is not complete. You should read our Memorandum of Association and Bye-Laws and the certificate of designation of each series of our preferred shares for complete information regarding the provisions of these governing documents including the definitions of some of the terms used below. Copies of our Memorandum of Association and Bye-Laws and the certificates of designation are incorporated by reference as

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exhibits to the registration statement of which this prospectus forms a part. Whenever we refer to particular sections or defined terms of our Memorandum of Association, Bye-Laws or the certificates of designation, those sections or defined terms are incorporated by reference into this prospectus, and the statement in connection with which such reference is made is qualified in its entirety by such reference.

### **General**

Our total authorized share capital consists of 200,000,000 shares, par value \$1.00 per share. More specifically, this share capital consists of 11,600,000 Series C Preferred Shares, 9,200,000 Series D Preferred Shares, 144,000,000 designated shares and 35,200,000 undesignated shares, par value \$1.00 per share. As of April 7, 2009 approximately 56,579,095 common shares, net of treasury shares, were issued and outstanding, 11,600,000 Series C Preferred Shares were issued and outstanding and 9,200,000 Series D Preferred Shares were issued and outstanding.

### **Common Shares**

Our common shares are listed on the New York Stock Exchange under the symbol PRE. The common shares currently issued and outstanding are fully paid and nonassessable within the meaning of applicable Bermuda law. There are no provisions of Bermuda law, our Memorandum of Association or our Bye-Laws which impose any limitation on the rights of shareholders to hold or vote common shares by reason of their not being residents of Bermuda.

Under our Bye-Laws, the holders of common shares have no redemption, conversion or sinking fund rights. Subject to the restrictions set forth under Transfer of Shares and Anti-Takeover Effects of Certain Bye-Law Provisions Voting Rights Limitations, below, holders of common shares are entitled to one vote per share on all matters submitted to a vote of holders of common shares and do not have any cumulative voting rights. If we are liquidated, dissolved, or wound-up, the holders of common shares are entitled to share equally and ratably in our assets, if any, remaining after the payment of all of our debts and liabilities and the liquidation preference of any outstanding preferred shares.

Other than as required by Bermuda law or in respect of alteration of class rights and reporting requirements and certain procedural matters, all actions by our shareholders are decided by a simple majority of votes cast.

The holders of common shares will receive such dividends, if any, as may be declared by our board of directors out of funds legally available for such purposes.

A description of our common shares is also set forth in our registration statements filed under the Exchange Act on Form 8-A on October 4, 1993 (file No. 000-22530) and October 24, 1996 (file No. 001-14536), including any amendment or report for the purpose of updating such description.

### **Series C Preferred Shares**

The Series C Preferred Shares are listed on the New York Stock Exchange under the symbol PRE PrC. The Series C Preferred Shares currently issued and outstanding are fully paid and nonassessable within the meaning of applicable Bermuda law.

The holders of the Series C Preferred Shares have no preemptive rights with respect to any of our common shares or any of our other securities convertible into or carrying rights or options to purchase any such shares. The Series C Preferred Shares are not subject to any sinking fund or other obligation on our part to redeem or retire the Series C Preferred Shares. Unless we redeem them, the Series C Preferred Shares will have a perpetual term with no maturity. We have not issued shares that are senior to the Series C Preferred Shares with respect to payment of dividends and distribution of assets in liquidation. Our Series C Preferred Shares rank equally with our Series D Preferred Shares, with respect to dividends and distribution of assets in liquidation.



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*Dividends.* Holders of the Series C Preferred Shares are entitled to receive, when, as and if declared by our board of directors out of funds legally available for the payment of dividends, cumulative preferential cash dividends in an amount per share equal to 6.75% of the liquidation preference per annum (equivalent to \$1.6875 per share). Such dividends are payable quarterly, when, as and if declared by the board of directors.

If any of the Series C Preferred Shares are outstanding, unless full cumulative dividends on the Series C Preferred Shares have been paid, we generally may not:

declare or pay any dividends upon any other capital shares ranking *pari passu* with the Series C Preferred Shares, as to dividends and the distribution of assets upon any liquidation, dissolution or winding up of PartnerRe, unless either all dividends are declared upon the Series C Preferred Shares, or all dividends declared upon the Series C Preferred Shares and the shares ranking equally with the Series C Preferred Shares are declared pro rata;

declare or pay any dividends upon the common shares or any other capital shares ranking junior to the Series C Preferred Shares, as to dividends or the distribution of assets upon any liquidation, dissolution or winding up of PartnerRe; or

redeem any common shares or other shares ranking junior to the Series C Preferred Shares.

*Liquidation.* Upon any voluntary or involuntary liquidation, dissolution or winding-up of the affairs of the Company, the holders of the Series C Preferred Shares will be entitled to receive from our assets legally available for distribution to shareholders, \$25.00 per share, plus all dividends accrued and unpaid to the date fixed for distribution. This distribution must be made before we make any distribution to holders of our common shares and any other shares ranking junior to the Series C Preferred Shares.

*Redemption.* We, at our option upon not less than 30 nor more than 90 days written notice, may redeem the Series C Preferred Shares, in whole at any time or in part from time to time, for cash at a redemption price of \$25.00 per share, plus all accrued and unpaid dividends, if any, thereon to the date fixed for redemption, without interest.

*Voting.* Generally, the Series C Preferred Shares shall have no voting rights. However, the holders of Series C Preferred Shares, together with the holders of any other shares ranking equally with the Series C Preferred Shares, voting as a single class, shall have the right to elect two directors to our board of directors whenever dividends payable on the Series C Preferred Shares or any other shares ranking equally with the Series C Preferred Shares are in arrears in an amount equivalent to dividends for six full dividend periods.

Whenever we have paid all arrearages in dividends on the Series C Preferred Shares and any shares that rank equal to the Series C Preferred Shares then outstanding and we have paid or declared and set apart for payment, dividends for the current quarterly dividend period, then the right of holders of the Series C Preferred Shares and any shares that rank equal to the Series C Preferred Shares to be represented by directors shall cease. As of April 10, 2009, there were no dividends in arrears on the Series C Preferred Shares.

In addition, without the written consent of the holders of at least 75% of the outstanding Series C Preferred Shares, we may not:

amend or repeal any of the provisions of our Memorandum of Association, Bye-Laws or the certificate of designation relating to the Series C Preferred Shares that would vary the rights, preferences or voting powers of the holders of the Series C Preferred Shares;

authorize any amalgamation, consolidation, merger or statutory share exchange that affects the Series C Preferred Shares, unless each Series C Preferred Share remains outstanding with no variation in its

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rights, preferences or voting powers or is converted into or exchanged for preferred shares of the surviving entity having rights, preferences and voting powers identical to that of a Series C Preferred Share; or

authorize any creation or increase in the authorized amount of, any shares of any class or series or any security convertible into shares of any class or series ranking prior to the Series C Preferred Shares in payment of dividends or the distribution of assets on any liquidation, dissolution or winding up of the Company.

We may create and issue additional classes or series of shares that rank equal or junior to the Series C Preferred Shares without the consent of any holder of the Series C Preferred Shares.

A more detailed description of our Series C Preferred Shares is set forth in our registration statement filed under the Exchange Act on Form 8-A on May 2, 2003 (file No. 001-14536), including any amendment or report for the purpose of updating such description.

**Series D Preferred Shares**

The Series D Preferred Shares are listed on the New York Stock Exchange under the symbol `PRE PrD`. The Series D Preferred Shares currently issued and outstanding are fully paid and nonassessable within the meaning of applicable Bermuda law.

The holders of Series D Preferred Shares have no preemptive rights with respect to any of our common shares or any of our other securities convertible into or carrying rights or options to purchase any such shares. The Series D Preferred Shares are not subject to any sinking fund or other obligation on our part to redeem or retire the Series D Preferred Shares. Unless we redeem them, the Series D Preferred Shares will have a perpetual term with no maturity. We have not issued shares that are senior to the Series D Preferred Shares with respect to payment of dividends and distribution of assets in liquidation. Our Series D Preferred Shares rank equally with our Series C Preferred Shares with respect to payment of dividends and distribution of assets in liquidation.

*Dividends.* Holders of Series D Preferred Shares are entitled to receive, when, as and if declared by our board of directors out of funds legally available for the payment of dividends, cumulative preferential cash dividends in an amount per share equal to 6.50% of the liquidation preference per annum (equivalent to \$1.625 per share). Such dividends are paid quarterly when, as and if declared by the board of directors.

If any of the Series D Preferred Shares are outstanding, unless full cumulative dividends on the Series D Preferred Shares have been paid, we generally may not:

declare or pay any dividends upon any other capital shares ranking *pari passu* with the Series D Preferred Shares, as to dividends and the distribution of assets upon any liquidation, dissolution or winding up of PartnerRe, unless either all dividends are declared upon the Series D Preferred Shares, or all dividends declared upon the Series D Preferred Shares and the shares ranking equally with the Series D Preferred Shares are declared pro rata;

declare or pay any dividends upon the common shares or any other capital shares ranking junior to the Series D Preferred Shares, as to dividends or the distribution of assets upon any liquidation, dissolution or winding up of PartnerRe; or

redeem any common shares or other shares ranking junior to the Series D Preferred Shares.

*Liquidation.* Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, the holders of Series D Preferred Shares will be entitled to receive from our assets legally available for distribution to

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shareholders, \$25.00 per share, plus all dividends accrued and unpaid to the date fixed for distribution. This distribution must be made before we make any distribution to holders of our common shares and any other shares ranking junior to the Series D Preferred Shares.

*Redemption.* The Series D Preferred Shares are not redeemable prior to November 15, 2009. On or after such date, we at our option upon not less than 30 nor more than 90 days written notice, may redeem the Series D Preferred Shares, in whole at any time or in part from time to time, for cash at a redemption price of \$25.00 per share, plus all accrued and unpaid dividends, if any, thereon to the date fixed for redemption, without interest.

*Voting.* Generally, the Series D Preferred Shares shall have no voting rights. However, the holders of Series D Preferred Shares, together with the holders of any other shares ranking equally with the Series D Preferred Shares, voting as a single class, shall have the right to elect two directors to our board of directors whenever dividends payable on the Series D Preferred Shares or any other shares ranking equally with the Series D Preferred Shares are in arrears in an amount equivalent to dividends for six full dividend periods.

Whenever we have paid all arrearages in dividends on the Series D Preferred Shares and any shares that rank equal to the Series D Preferred Shares then outstanding and we have paid or declared and set apart for payment, dividends for the current quarterly dividend period, then the right of holders of the Series D Preferred Shares and any shares that rank equal to the Series D Preferred Shares to be represented by directors shall cease. As of April 10, 2009, there were no dividends in arrears on the Series D Preferred Shares.

In addition, without the written consent of the holders of at least 75% of the outstanding Series D Preferred Shares, we may not:

amend or repeal any of the provisions of our Memorandum of Association, Bye-Laws or the certificate of designation relating to the Series D Preferred Shares that would vary the rights, preferences or voting powers of the holders of the Series D Preferred Shares;

authorize any amalgamation, consolidation, merger or statutory share exchange that affects the Series D Preferred Shares, unless each Series D Preferred Share remains outstanding with no variation in its rights, preferences or voting powers or is converted into or exchanged for preferred shares of the surviving entity having rights, preferences and voting powers identical to that of a Series D Preferred Share; or

authorize any creation or increase in the authorized amount of, any shares of any class or series or any security convertible into shares of any class or series ranking prior to the Series D Preferred Shares in payment of dividends or the distribution of assets on any liquidation, dissolution or winding up of the Company.

We may create and issue additional classes or series of shares that rank equal with or junior to the Series D Preferred Shares without the consent of any holder of the Series D Preferred Shares.

A more detailed description of our Series D Preferred Shares is set forth in our registration statement filed under the Exchange Act on Form 8-A on November 12, 2004 (file No. 001-14536), including any amendment or report for the purpose of updating such description.

## **Other Preferred Shares**

From time to time, pursuant to the authority granted by our Bye-Laws, our board of directors may create and issue one or more series of preferred shares. The particular rights and preferences of the preferred shares offered by any prospectus supplement and the extent, if any, to which the general provisions described below may apply to the offered preferred shares, will be described in the prospectus supplement.

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A prospectus supplement will specify the terms of a particular class or series of preferred shares as follows:

the number of shares to be issued and sold and any distinctive designation;

the dividend rights of the preferred shares, whether dividends will be cumulative and, if so, from which date or dates and the relative rights or priority, if any, of payment of dividends on preferred shares and any limitations, restrictions or conditions on the payment of such dividends;

the voting powers, if any, of the preferred shares, equal to or greater than one vote per share, which may include the right to vote, as a class or with other classes of capital stock, to elect one or more of our directors;

the terms and conditions (including the price or prices, which may vary under different conditions and at different redemption dates), if any, upon which all or any part of the preferred shares may be redeemed, at whose option such a redemption may occur, and any material limitations, restrictions or conditions on such redemption;

the terms, if any, upon which the preferred shares will be convertible into or exchangeable for our shares of any other class, classes or series;

the relative amounts, and the relative rights or priority, if any, of payment in respect of preferred shares, which the holders of the preferred shares will be entitled to receive upon our liquidation, dissolution or winding up;

the terms, if any, of any purchase, retirement or sinking fund to be provided for the preferred shares;

the restrictions, limitations and conditions, if any, upon the issuance of our indebtedness so long as any preferred shares are outstanding; and

any other relative rights, preferences, limitations and powers not inconsistent with applicable law, the Memorandum of Association or the Bye-Laws.

**Undesignated Shares**

As of December 31, 2008, we have authorized 35,200,000 shares, par value \$1.00 per share, the rights and preferences of which are undesignated. Without further action of our shareholders, our board of directors may fix the relative rights, preferences and limitations of such shares. Such determination may include:

fixing the dividend rates and payment dates;

the extent of voting rights, if any,

the terms and prices of redemption;

the amount payable on the shares in the event of liquidation;

sinking fund provisions; and

the terms and conditions on which shares may be converted if the shares are to be issued with the privilege of conversion.

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### **Transfer of Shares**

Our Bye-Laws contain various provisions affecting the transferability of our capital shares. Under the Bye-Laws, our board of directors has absolute discretion to decline to register a transfer of any share which is not fully-paid. In addition, our board of directors may decline to register any transfer of shares unless:

the appropriate instrument of transfer is submitted along with such evidence as our board of directors may reasonably require showing the right of the transferor to make the transfer;

where applicable, the consent of the Bermuda Monetary Authority has been obtained; or

the instrument of transfer is in respect of only one class of shares.

Our Board may also decline to register a transfer of shares if it determines that such transfer would result in a person controlling more than 9.9% of all our outstanding shares. This limit may also have the effect of deterring purchases of large blocks of common shares or proposals to acquire us, even if some or a majority of the shareholders might deem these purchases or acquisition proposals to be in their best interests. With respect to this issue, also see the provisions discussed below under **Anti-Takeover Effects of Certain Bye-Laws Provisions**.

If our board of directors refuses to register any transfer of shares, it shall send notice of such refusal to the transferee within three months of the date on which the transfer was lodged with us.

Our Bermuda counsel has advised us that while the precise form of the restrictions on transfers contained in the Bye-Laws is untested, as a matter of general principle, restrictions on transfers are enforceable under Bermuda law and are not uncommon.

### **Anti-Takeover Effects of Certain Bye-Laws Provisions**

In addition to those provisions of the Bye-Laws discussed above under **Transfers of Shares**, our Bye-Laws contain certain provisions that make it more difficult to acquire control of us by means of a tender offer, open market purchase, a proxy fight or otherwise. These provisions are designed to encourage persons seeking to acquire control of us to negotiate with our board of directors. We believe that, as a general rule, the interests of our shareholders would be best served if any change in control results from negotiations with our board of directors. Our board of directors would negotiate based upon careful consideration of the proposed terms, such as the price to be paid to shareholders, the form of consideration to be paid and the anticipated tax effects of the transaction. However, these provisions could have the effect of discouraging a prospective acquiror from making a tender offer or otherwise attempting to obtain control of us. 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.

*Board Provisions.* Our Bye-laws provide for a classified board, to which approximately one-third of our board of directors is elected each year at our annual general meeting of shareholders. Accordingly, our directors serve three-year terms rather than one-year terms. Each class of directors is required to have a minimum of one director and a maximum of four directors.

The classification of directors will have the effect of making it more difficult for shareholders to change the composition of our board of directors. At least two annual meetings of shareholders, instead of one, will generally be required to effect a change in a majority of our board of directors. Such a delay may help ensure that our directors, if confronted by a holder attempting to force a proxy contest, a tender or exchange offer, or an extraordinary corporate transaction, would have sufficient time to review the proposal as well as any available alternatives to the proposal and to act in what they believe to be in our best interests, including the shareholders

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best interests. The classification provisions will apply to every election of directors, however, regardless of whether a change in the composition of our board of directors would be beneficial to PartnerRe and its shareholders and whether or not a majority of our shareholders believe that such a change would be desirable.

The classification provisions could also have the effect of discouraging a third party from initiating a proxy contest, making a tender offer or otherwise attempting to obtain control of PartnerRe, even though such an attempt might be beneficial to PartnerRe and its shareholders. The classification of our board of directors could thus increase the likelihood that incumbent directors will retain their positions. In addition, because the classification provisions may discourage accumulations of large blocks of our stock by purchasers whose objective is to take control of PartnerRe and remove a majority of our board of directors, the classification of our board of directors could tend to reduce the likelihood of fluctuations in the market price of the shares that might result from accumulations of large blocks for such a purpose. Accordingly, shareholders could be deprived of certain opportunities to sell their shares at a higher market price than might otherwise be the case.

*Voting Rights Limitations.* Our Bye-Laws provide that the voting rights with respect to shares directly or indirectly beneficially or constructively owned by any person owning more than 9.9% of the voting power of the outstanding shares, including common shares and preferred shares, of PartnerRe will be limited to voting power of 9.9%. The voting rights with respect to all shares held by such person in excess of the 9.9% limitation will be allocated to the other holders of shares pro rata based on the number of shares held by all such other holders of shares, subject only to the further limitation that no shareholder allocated any such voting rights may exceed the 9.9% limitation as a result of such allocation.

*Availability of Shares for Future Issuances.* We have available for issuance a large number of authorized but unissued common shares. Generally, these shares may be issued by action of our directors without further action by shareholders, except as may be required by applicable stock exchange requirements. The availability of these shares for issue could be viewed as enabling the directors to make more difficult a change in our control. For example, the directors could determine to issue warrants or rights to acquire shares. In addition, we have authorized a sufficient amount of our shares such that we could put in place a shareholder rights plan without further action by shareholders. A shareholder rights plan could serve to dilute or deter stock ownership of persons seeking to obtain control of us.

Our ability to take these actions makes it more difficult for a third party to acquire us without negotiating with our board of directors, even if some or a majority of the shareholders desired to pursue a proposed transaction. Moreover, these powers could discourage or defeat unsolicited stock accumulation programs and acquisition proposals.

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### **DESCRIPTION OF THE DEPOSITARY SHARES**

#### **General**

We may elect to offer depositary shares, each representing a fraction of a common share or a particular series of preferred shares as described below. The relevant fraction will be set forth in the prospectus supplement relating to our common shares or a particular series of preferred shares. If we elect to do so, depositary receipts evidencing depositary shares will be issued to the public.

We will deposit the common shares or a class or series of preferred shares represented by depositary shares under a deposit agreement among us, a depositary selected by us and the holders of the depositary receipts. The depositary will be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least \$50,000,000. Subject to the terms of the deposit agreement, each owner of a depositary share will be entitled, in proportion to the applicable fraction of a common share or preferred share represented by such depositary share, to all the rights and preferences of the common shares or preferred shares, including dividend, voting, redemption and liquidation rights.

The depositary shares will be evidenced by depositary receipts issued pursuant to the deposit agreement. We will distribute depositary receipts to those persons purchasing the fractional common shares or related class or series of preferred shares in accordance with the terms of the offering described in the related prospectus supplement. If we issue depositary shares we will file copies of the forms of deposit agreement and depositary receipt as exhibits to the registration statement of which this prospectus forms a part, and the following summary is qualified in its entirety by reference to such exhibits.

The following description of the depositary shares sets forth the material terms and provisions of the depositary shares to which any prospectus supplement may relate. The particular terms of the depositary shares offered by any prospectus supplement, and the extent to which the general provisions described below may apply to the offered securities, will be described in the prospectus supplement.

#### **Dividends and Other Distributions**

The depositary will distribute all cash dividends or other distributions received on the related common shares or class or series of preferred shares to the record holders of depositary shares relating to the common shares or class or series of preferred shares in proportion to the number of such depositary shares owned by the holders.

If there is a distribution other than in cash, the depositary will distribute property received by it to the record holders of depositary shares that are entitled to receive the distribution, unless the depositary determines that it is not feasible to make such distribution. If this occurs, the depositary may, with our approval, sell the property and distribute the net proceeds from such sale to the applicable holders.

#### **Withdrawal of Shares**

Upon surrender of the depositary receipts at the corporate trust office of the depositary, unless the related depositary shares have previously been called for redemption, the holder of the depositary shares is entitled to delivery of the number of whole shares of the related common shares or preferred shares and any money or other property represented by the depositary shares. Holders of depositary shares will be entitled to receive whole shares of the related common shares or preferred shares on the basis set forth in the prospectus supplement. However, holders of such whole common shares or preferred shares will not be entitled to exchange them for depositary shares. If the depositary receipts delivered by the holder evidence a number of depositary shares in excess of the number of depositary shares representing the number of whole common shares or preferred shares to be withdrawn, the depositary will deliver to such holder at the same time a new depositary receipt evidencing such excess number of depositary shares. We will not deliver fractional common shares or preferred shares upon surrender of depositary receipts to the depositary.



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### **Redemption of Depositary Shares**

If we redeem common shares or preferred shares held by the depositary, the depositary will redeem as of the same redemption date the number of depositary shares representing the common shares or the related preferred shares redeemed. The redemption price per depositary share will be equal to the applicable fraction of the redemption price per share payable with respect to such common shares or preferred shares. If we redeem less than all the depositary shares, the depositary shares to be redeemed will be selected by lot or pro rata as the depositary may determine.

### **Voting the Common Shares or Preferred Shares**

Upon receipt of notice of any meeting at which the holders of the common shares or preferred shares are entitled to vote, the depositary will mail the information contained in such notice of meeting to the record holders of the depositary shares underlying such shares. Each record holder of such depositary shares on the record date will be entitled to instruct the depositary as to the exercise of the voting rights pertaining to the amount of the preferred shares or common shares represented by such holder's depositary shares. The record date for the depositary shares will be the same date as the record date for the applicable common shares or preferred shares. The depositary will try, as far as practicable, to vote the number of the common shares or preferred shares represented by such depositary shares in accordance with such instructions. We will agree to take all action which the depositary deems necessary in order to enable the depositary to do so.

### **Amendment of the Deposit Agreement**

The form of depositary receipt evidencing the depositary shares and any provision of the deposit agreement may at any time be amended by agreement between us and the depositary. However, any amendment which materially and adversely alters the rights of the holders of depositary receipts will not be effective unless such amendment has been approved by the holders of depositary receipts representing at least a majority of the depositary shares then outstanding.

### **Charges of Depositary**

We will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. We will also pay charges of the depositary in connection with the initial deposit of the related common shares or class or series of preferred shares and any redemption of such common shares or preferred shares. Holders of depositary receipts will pay all other transfer and other taxes and governmental charges and such other charges as are expressly provided in the deposit agreement to be for their accounts.

### **Miscellaneous**

The depositary will forward all reports and communications from us which are delivered to the depositary and which we are required to furnish to the holders of the common shares or preferred shares.

Neither we nor the depositary will be liable if either of us is prevented or delayed by law or any circumstance beyond our control in performing our obligations under the deposit agreement. Our obligations and the obligations of the depositary under the deposit agreement will be limited to performance in good faith of their duties under the deposit agreement. Neither we nor the depositary will be obligated to prosecute or defend any legal proceeding relating to any depositary shares or class or series of preferred shares unless satisfactory indemnity is furnished. We and the depositary may rely on written advice of counsel or accountants, or information provided by persons presenting preferred shares for deposit, holders of depositary shares or other persons believed to be competent and on documents believed to be genuine.

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**Resignation and Removal of Depositary; Termination of the Deposit Agreement**

The depositary may resign at any time by delivering to us notice of its resignation, and we may at any time remove the depositary. Any resignation or removal will take effect upon the appointment of a successor depositary and its acceptance of the appointment. We will appoint a successor depositary within 60 days after delivery of the notice of resignation or removal. The deposit agreement may be terminated at our direction or by the depositary if 90 days have expired after the depositary has delivered to us written notice of its resignation and a successor depositary has not been appointed. Upon termination of the deposit agreement, the depositary will discontinue the transfer of depositary receipts, will suspend the distribution of dividends to the holders thereof, and will not give any further notices (other than notice of such termination) or perform any further acts under the deposit agreement. The depositary will continue to deliver common or preferred share certificates, together with such dividends and distributions and the net proceeds of any sales of rights, preferences, privileges or other property in exchange for depositary receipts surrendered. Upon our request, the depositary shall deliver all books, records, certificates evidencing common or preferred shares, depositary receipts and other documents relating to the subject matter of the depositary agreement to us.

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**DESCRIPTION OF THE DEBT SECURITIES**

We or any of the Finance Subsidiaries may offer debt securities. The following description of debt securities sets forth the material terms and provisions of the debt securities to which any prospectus supplement may relate.

Our senior debt securities would be issued under a senior indenture between us and The Bank of New York Mellon, as trustee. Our subordinated debt securities would be issued under a subordinated indenture between us and The Bank of New York Mellon, as trustee. Each of these indentures is an exhibit to the registration statement of which this prospectus forms a part.

Each Finance Subsidiary's senior debt securities would be issued under a senior indenture between the relevant Finance Subsidiary, us, as guarantor, and The Bank of New York Mellon, as trustee. Each Finance Subsidiary's subordinated debt securities would be issued under a subordinated indenture between the relevant Finance Subsidiary, us, as guarantor, and The Bank of New York Mellon, as trustee. Each Finance Subsidiary may also issue junior subordinated debt securities, including to a Capital Trust in connection with the issuance of preferred securities and common securities by that Capital Trust. These junior subordinated debt securities would be issued under a junior subordinated indenture between the relevant Finance Subsidiary, us, as guarantor, and The Bank of New York Mellon, as trustee. Each of these indentures is an exhibit to the registration statement of which this prospectus forms a part.

In this prospectus, we refer to our senior indenture, our subordinated indenture, each of the Finance Subsidiaries' senior indentures, each of the Finance Subsidiaries' subordinated indentures, and each of the Finance Subsidiaries' junior subordinated indentures collectively as the indentures and each individually as an indenture. In this prospectus, we refer to our senior indenture and each of the Finance Subsidiaries' senior indentures collectively as the senior indentures and each individually as a senior indenture. In this prospectus, we refer to our subordinated indenture and each of the Finance Subsidiaries' subordinated indentures collectively as the subordinated indentures and each individually as a subordinated indenture. In this prospectus, we refer to each of the Finance Subsidiaries' junior subordinated indentures collectively as the junior subordinated indentures and each individually as a junior subordinated indenture. The particular terms of the debt securities offered by any prospectus supplement, and the extent to which the general provisions described below may apply to the offered debt securities, will be described in the prospectus supplement.

The following summaries of the material terms and provisions of the indentures and the related debt securities are not complete. You should read the indentures and the debt securities for complete information regarding the terms and provisions of the indentures, including the definitions of some of the terms used below, and the debt securities. Wherever we refer to particular articles, sections or defined terms of an indenture, those articles, sections or defined terms are incorporated herein by reference, and the statement in connection with which such reference is made is qualified in its entirety by such reference. Whenever we refer to particular articles, sections or defined terms of an indenture, without specific reference to an indenture, those articles, sections or defined terms are contained in all indentures. The indentures are subject to and governed by the Trust Indenture Act.

Our senior indenture and our subordinated indenture are substantially identical to one another, except for certain covenants relating to subordination contained in our subordinated indenture. Each of the Finance Subsidiaries' senior indentures and each respective entity's subordinated indenture are also substantially identical to one another, except for certain covenants relating to subordination contained in such Finance Subsidiary's subordinated indenture. Each of the Finance Subsidiaries' subordinated indentures and each respective entity's junior subordinated indenture are substantially identical to one another, except for certain rights and covenants and provisions relating to subordination, the possible issuance of securities to the applicable Capital Trust and certain events of default not included in the junior subordinated indentures.

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**General Information Regarding the Debt Securities**

The indentures do not limit the aggregate principal amount of the debt securities which we or any of the Finance Subsidiaries may issue. The indentures provide that we or any of the Finance Subsidiaries may issue the debt securities from time to time in one or more series. (Section 3.01) While the indentures do not limit the amount of other indebtedness or the debt securities which the issuer or its subsidiaries may issue, the supplemental indentures related to offerings by certain Finance Subsidiaries of currently outstanding debt securities have imposed restrictions on the activities of the issuer, including its ability to issue other types of debt securities.

Unless otherwise provided in the related prospectus supplement, senior debt securities will be unsecured obligations of the relevant issuer and will rank equally with all of such issuer's other unsecured and unsubordinated indebtedness. The subordinated debt securities will be unsecured obligations of the relevant issuer, subordinated in right of payment to the prior payment in full of all senior indebtedness of such issuer as described below under Subordination of the Subordinated Debt Securities Issued by PartnerRe, Subordination of the Subordinated Debt Securities Issued by the Finance Subsidiaries and in the applicable prospectus supplement. The junior subordinated debt securities will be unsecured obligations of the relevant issuer, subordinated in right of payment to the prior payment in full of all of such issuer's senior and subordinated indebtedness, as described below under Subordination of the Junior Subordinated Debt Securities Issued by the Finance Subsidiaries.

Because we are a holding company, our rights and the rights of our creditors (including the holders of our debt securities and the holders of any of the Finance Subsidiaries' debt securities who are creditors of PartnerRe by virtue of our guarantee of the debt securities issued by the Finance Subsidiaries) and shareholders to participate in any distribution of assets of any of our subsidiaries upon that subsidiary's liquidation or reorganization or otherwise would be subject to the prior claims of that subsidiary's creditors and policyholders, except to the extent that we may ourselves be a creditor with recognized claims against that subsidiary. The rights of our creditors (including the holders of our debt securities and the holders of any of the Finance Subsidiaries' debt securities who are creditors of PartnerRe by virtue of our guarantee of the debt securities issued by the Finance Subsidiaries) to participate in the distribution of stock owned by us in certain of our subsidiaries, including our insurance subsidiaries, may also be subject to approval by certain insurance regulatory authorities having jurisdiction over such subsidiaries.

If any of the Finance Subsidiaries issues junior subordinated debt securities to a Capital Trust in connection with the issuance of preferred securities and common securities by such Capital Trust, such junior subordinated debt securities may be distributed pro rata to the holders of such preferred securities and common securities in connection with the dissolution of such Capital Trust upon the occurrence of certain events. These events will be described in the prospectus supplement relating to such preferred securities and common securities.

The prospectus supplement relating to the particular debt securities being offered will include specific terms relating to the offering. The terms will include, among other terms, some or all of the following, as applicable:

the title and series of such debt securities, which may include medium-term notes;

the aggregate principal amount of such debt securities and any limit upon such principal amount;

the date or dates on which the principal of such debt securities will be payable;

the rate or rates at which such debt securities will bear interest, if any;

the date or dates from which such interest, if any, will accrue or the method by which such date or dates will be determined;

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the date or dates on which interest, if any, on such debt securities will be payable and any regular record dates applicable to the date or dates on which interest will be so payable;

any right to extend or defer the interest payment period and the duration of the extension;

the portion of the principal amount of the debt securities that will be payable if the maturity is accelerated, if other than the entire principal amount;

the place or places where the principal of, any premium or interest on or any additional amounts with respect to such debt securities will be payable;

any optional or mandatory redemption terms or prepayment, conversion, sinking fund or remarketing provisions;

if other than denominations of \$2,000 or multiples of \$1,000, the denominations in which any debt securities to be issued in registered form (as defined below) will be issuable;

if other than a denomination of \$5,000, the denominations in which any debt securities to be issued in bearer form (as defined below) will be issuable;

any convertibility or exchangeability provisions;

any index, formula or other method used to determine the amount of payments of principal of, or any premium or interest with respect to such debt securities;

whether such debt securities will be issued in the form of one or more temporary or permanent global securities and, if so, the identity of the depository for such global security or securities;

whether such debt securities are senior debt securities or subordinated debt securities and, if subordinated debt securities, the specific subordination provisions applicable thereto;

in the case of debt securities issued by any of the Finance Subsidiaries, the agreement relating to our guarantee of such debt securities;

in the case of junior subordinated debt securities issued by any of the Finance Subsidiaries to a Capital Trust, the form of amended and restated trust agreement and the agreement relating to our guarantee of the preferred securities of such Capital Trust;

United States federal income tax considerations, if any;

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the currency or currencies, if other than the U.S. dollar, in which payments of the principal of and interest on the debt securities will be payable;

in the case of junior subordinated debt securities issued by any of the Finance Subsidiaries to a Capital Trust, the terms and conditions of any obligation or right of the applicable Finance Subsidiary or such Capital Trust to convert or exchange such junior subordinated debt securities into or for preferred securities of such Capital Trust;

any deletions from, modifications of or additions to the Events of Default or covenants of the issuer with respect to such debt securities;

in the case of subordinated debt securities or junior subordinated debt securities, any modifications, including additions to or exclusions from, the definition of Senior Indebtedness (defined under Subordination of the Subordinated Debt Securities Issued by PartnerRe , Subordination of the

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Subordinated Debt Securities Issued by the Finance Subsidiaries and Subordination of the Junior Subordinated Debt Securities Issued by the Finance Subsidiaries ); and

any other terms of such debt securities and any other deletions from or modifications or additions to the applicable indenture in respect of such debt securities. (Section 3.01)

The issuer will have the ability under the indentures to reopen a previously issued series of the debt securities and issue additional debt securities of that series or establish additional terms of that series. The issuer is also permitted to issue debt securities with the same terms as previously issued debt securities. (Section 3.01)

Unless otherwise provided in the related prospectus supplement, principal, premium and interest, if any, with respect to any debt securities will be payable at the office or agency maintained by the issuer for such purposes. The payment office will initially be the corporate trust office of the trustee. In the case of debt securities issued in registered form, interest may be paid by check mailed to the persons entitled to the payment at their addresses appearing on the security register or by wire transfer to an account maintained by the payee with a bank located in the United States. A security issued in registered form is a security for which the issuer or the paying agent keeps a record of all the current holders. Interest on debt securities issued in registered form will be payable on any interest payment date to the persons in whose names the debt securities are registered at the close of business on the regular record date with respect to such interest payment date. Interest on such debt securities which have a redemption date after a regular record date, and on or before the following interest payment date, will also be payable to the persons in whose names the debt securities are registered. All paying agents initially designated by the issuer for the debt securities will be named in the related prospectus supplement. The issuer may at any time designate additional paying agents or rescind the designation of any paying agent or approve a change in the office through which any paying agent acts, except that the issuer will be required to maintain a paying agent in each place where the principal of or any premium or interest on the debt securities are payable. (Sections 3.07, 10.02 and 11.06)

Unless otherwise provided in the related prospectus supplement, the debt securities may be presented for transfer or exchanged for other debt securities of the same series at the office or agency maintained by the issuer for such purposes. This office will initially be the corporate trust office of the trustee. If so required by the issuer or the security registrar, any debt security presented for transfer must be duly endorsed or accompanied by a written instrument of transfer. Debt securities received upon exchange will contain identical terms and provisions, in any authorized denominations, and of a like aggregate principal amount. Such transfer or exchange will be made without service charge, but the issuer may require payment of a sum sufficient to cover any tax or other governmental charge and any other expenses then payable. The issuer will not be required to:

issue, register the transfer of, or exchange, the debt securities during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of any such debt securities and ending at the close of business on the day of such mailing,

register the transfer or exchange of any debt security so selected for redemption in whole or in part, except the unredeemed portion of any debt security being redeemed in part, or

register the transfer of or exchange any debt security which, in accordance with its terms, has been surrendered for repayment at the option of the holder, except the portion, if any, of such debt security not to be so repaid. (Section 3.05)

We and the Finance Subsidiaries have appointed the trustee as security registrar. Any transfer agent (in addition to the security registrar) initially designated by the relevant issuer for any debt securities will be named in the related prospectus supplement. The relevant issuer may at any time designate additional transfer agents or rescind the designation of any transfer agent or approve a change in the office through which any transfer agent acts, except that such issuer will be required to maintain a transfer agent in each place where the principal of, any premium or interest on the debt securities are payable. (Section 10.02)

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Unless otherwise provided in the related prospectus supplement, the debt securities will be issued only in fully registered form without coupons in denominations of \$2,000 and any integral multiple of \$1,000. The debt securities may be represented in whole or in part by one or more global debt securities (as defined below) registered in the name of a depository or its nominee and, if so represented, interests in such global debt security will be shown on, and transfers thereof will be effected only through, records maintained by the designated depository and its participants as described below. Where the debt securities of any series are issued in bearer form, the special restrictions and considerations, including special offering restrictions and special United States federal income tax considerations, applicable to such debt securities and to payment on and transfer and exchange of such debt securities will be described in the related prospectus supplement. A security issued in bearer form is a security for which the issuer does not keep a record of the holder. The owner is deemed to be the person holding the security.

If the purchase price of any debt securities is payable in one or more foreign currencies or currency units or if any debt securities are denominated in one or more foreign currencies or currency units or if the principal of, or any premium or interest on any debt securities is payable in one or more foreign currencies or currency units, the restrictions, elections, certain United States federal income tax considerations, specific terms and other information with respect to such debt securities and such foreign currency or currency units will be set forth in the related prospectus supplement.

The issuer will comply with Section 14(e) under the Exchange Act, and any other tender offer rules under the Exchange Act which may then be applicable, in connection with any obligation of the issuer to purchase debt securities at the option of the holders. Any such obligation applicable to a series of debt securities will be described in the related prospectus supplement.

You should refer to the prospectus supplement relating to a particular series of debt securities for information regarding any deletions from, modifications of or additions to the Events of Defaults described below or covenants contained in the indentures, including any addition of a covenant or other provisions providing event risk or similar protection.

## **Conversion and Exchange**

The terms, if any, on which debt securities of any series are convertible into or exchangeable for common shares, preferred shares or other securities, whether or not issued by PartnerRe or any of the Finance Subsidiaries, property or cash, or a combination of any of the foregoing, will be set forth in the related prospectus supplement. Such terms may include provisions for conversion or exchange, either mandatory, at the option of the holder, or at the option of the issuer, in which the securities, property or cash to be received by the holders of the debt securities would be calculated according to the factors and at such time as described in the related prospectus supplement. Any such conversion or exchange will comply with applicable law, including securities laws, and the issuer's organizational documents.

## **Global Securities**

The debt securities of a series may be issued in whole or in part under a book entry system in the form of one or more global debt securities. Each global security will be deposited with, or on behalf of, a depository identified in the prospectus supplement relating to such series.

The depository will be a limited purpose trust company organized under the laws of the State of New York, a banking organization within the meaning of the New York banking law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. The depository was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants through electronic book-entry changes in accounts of the participants, thereby eliminating



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the need for physical movement of securities certificates. The depositary's participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, some of which (and/or their representatives) own the depositary. Access to the depositary's book-entry system is also available to others, such as banks, brokers, dealers, and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

The specific terms of the depositary arrangement with respect to a series of the debt securities will be described in the prospectus supplement relating to such series. We and the Finance Subsidiaries anticipate that the following provisions will apply to all depositary arrangements.

Upon the issuance of a global security in registered form, the depositary for such global security or its nominee will credit, on its book-entry registration and transfer system, the respective principal amounts of the debt securities represented by such global security to the participants' accounts. Such accounts will be designated by the underwriters or agents with respect to such debt securities or by the issuer if such debt securities are offered and sold directly by the issuer. Ownership of beneficial interests in a global security will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests by participants in the global security will be shown on, and the transfer of that ownership will be effected only through the participants' records. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in definitive form. These laws may impair the ability to transfer beneficial interests in a global security.

So long as the depositary, or its nominee, is the owner of record of a global security, we and the relevant Finance Subsidiary, as the case may be, consider such depositary or its nominee the sole owner or holder of the debt securities represented by a global security for all purposes under the applicable indenture. Except as described below, owners of beneficial interests in a global security will not be entitled to have the debt securities represented by a global security registered in their names, and will not receive or be entitled to receive physical delivery of the debt securities of that series in definitive form and will not be considered the owners or holders thereof under the indenture under which these debt securities are issued. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of the depositary. Persons who are not participants must rely on the procedures of the participant through which they own their interest. We and the Finance Subsidiaries understand that under existing industry practices, if we request any action of holders or if any owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the applicable indenture, the depositary would authorize the participants holding the relevant beneficial interests to give or take such action, and such participants would authorize beneficial owners owning through such participants to give or take such action or would otherwise act upon the instruction of beneficial owners holding through them.

Payments of principal of, any premium and interest on, the debt securities represented by a global security registered in the name of a depositary or its nominee will be paid to the depositary or its nominee, as the case may be, as the registered owner. None of the trustee, any paying agent, the security registrar or the issuer will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of the global security for such debt securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

We and the Finance Subsidiaries expect that the depositary for a series of the debt securities or its nominee, upon receipt of any payment with respect to such debt securities, will immediately credit participants' accounts with payments in amounts proportionate to their respective beneficial interest in the principal amount of the global security for such debt securities as shown on the records of such depositary or its nominee. We and the Finance Subsidiaries also expect that payments by participants to owners of beneficial interests in such global security held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in street name, and will be the responsibility of such participants.

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The indentures provide that global securities will be exchanged for the debt securities of such series in definitive form of like tenor and of an equal aggregate principal amount, in authorized denominations, if:

the depository for a series of the debt securities notifies the issuer that it is unwilling or unable to continue as depository or if such depository ceases to be eligible under the applicable indenture and a successor depository is not appointed by the issuer within 90 days of written notice;

the issuer determines that the debt securities of a particular series will no longer be represented by global securities and execute and deliver to the trustee a company order to such effect; or

an Event of Default with respect to a series of the debt securities has occurred and is continuing.

With respect to the second bullet point above, we and the Finance Subsidiaries understand, however, that under current industry practices, the depository would notify its participants of our request, but will only withdraw beneficial interests from a global security at the request of each participant. We or the relevant Finance Subsidiary, as the case may be, would issue definitive certificates in exchange for any such interests withdrawn. Such definitive debt securities will be registered in such name or names as the depository shall instruct the trustee. (Section 3.05) We expect that such instructions may be based upon directions received by the depository from participants with respect to ownership of beneficial interests in global securities.

## **Consolidation, Amalgamation, Merger and Sale of Assets**

Each indenture provides that the issuer may not (1) consolidate or amalgamate with or merge into any person or convey, transfer or lease the properties and assets of the issuer as an entirety or substantially as an entirety to any person, or (2) permit any person to consolidate or amalgamate with or merge into the issuer, or convey, transfer or lease such person's properties and assets as an entirety or substantially as an entirety to the issuer, unless:

such person is a corporation, limited liability company, incorporated association, company or business trust, as the case may be, organized and existing under the laws of the United States of America, any state thereof or the District of Columbia, Bermuda or any country which is, on the date of the indenture, a member of the Organization of Economic Cooperation and Development;

such person will expressly assume, by supplemental indenture, the due and punctual payment of the principal of, or any premium and interest on, all of the debt securities issued under the applicable indenture, and the performance of the issuer's obligations under such indenture and the debt securities issued under the applicable indenture, and provides for conversion or exchange rights in accordance with the provisions of the debt securities of any series that are convertible or exchangeable into common shares or other securities;

immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of the issuer as a result of such transaction as having been incurred by the issuer or such subsidiary at the time of such transaction, no Event of Default, and no event which after notice or lapse of time or both would become an Event of Default, will have happened and be continuing; and

certain other conditions are met. (Section 8.01)

The senior subordinated and junior subordinated indentures of the Finance Subsidiaries include a like restriction on consolidation, amalgamation and merger involving PartnerRe, as guarantor of each Finance Subsidiary's obligations under the respective Finance Subsidiary's senior subordinated and junior subordinated debt securities. (Section 8.03 of the senior, subordinated and junior subordinated indentures of the Finance Subsidiaries)



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**Events of Default Under Senior and Subordinated Indentures**

Unless the issuer provides other or substitute Events of Default in a prospectus supplement, the following events will constitute an Event of Default under the senior and subordinated indentures with respect to any debt securities issued under such indentures:

- (1) default in paying interest on any debt security, when it becomes due and payable, and the default continues for a period of 30 days;
- (2) default in paying principal or any premium on any debt security, when such principal or premium becomes due and payable;
- (3) default in the performance, or breach, of any covenant or warranty in the applicable indenture for the benefit of such debt securities, and the continuance of such default or breach for a period of 60 days after written notice of default is given under the indenture;
- (4) if any event of default as defined in any mortgage, indenture or instrument under which there may be issued, or by which there may be secured or evidenced, any Indebtedness of the issuer for borrowed money (other than Indebtedness which is non-recourse to the issuer) happens and consists of default in the payment of more than \$100,000,000 in principal amount of such Indebtedness when due (after giving effect to any applicable grace period) or shall result in such Indebtedness in principal amount in excess of \$100,000,000 becoming or being declared due and payable prior to the date on which it would otherwise become due and payable, and such default is not cured or waived or such acceleration is not rescinded or annulled within a period of 30 days after there has been given written notice as provided in the applicable indenture;
- (5) the issuer fails within 60 days to pay, bond or otherwise discharge any uninsured judgment or court order for the payment of money in excess of \$100,000,000, which is not stayed on appeal or is not otherwise being appropriately contested in good faith; and
- (6) certain events relating to bankruptcy, insolvency or reorganization of the issuer.

In the senior and subordinated indentures of each Finance Subsidiary, the Events of Default described in clauses (3) through (6) above also include references to PartnerRe, as guarantor under the applicable indenture.

If an Event of Default (other than an Event of Default described in (6) of the preceding paragraph) occurs with respect to the debt securities of any series and continues, either the trustee or the holders of at least 25% in principal amount of the outstanding debt securities of such series may, by written notice as provided in the applicable indenture, declare the principal amount (or such lesser amount as may be provided for in the debt securities of such series) of all outstanding debt securities of such series to be due and payable immediately. At any time after a declaration of acceleration has been made, but before a judgment or decree for payment of money has been obtained by the trustee, and subject to applicable law and certain other provisions of the applicable indenture, the holders of a majority in aggregate principal amount of the debt securities of such series may, under certain circumstances, rescind and annul such acceleration. An Event of Default described in (6) of the preceding paragraph will cause the principal amount and accrued interest (or such lesser amount as provided for in the debt securities of such series) to become immediately due and payable without any declaration or other act by the trustee or any holder. (Section 5.02 of the senior indentures and subordinated indentures)

Each senior and subordinated indenture provides that, within 90 days after the occurrence of any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to the debt securities of any series (a default), the trustee will transmit, in the manner set forth in such indenture, notice of such default to the holders of the debt securities of such series unless such default has been cured or waived.

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However, except in the case of a default in the payment of principal, premium, interest or any sinking fund or purchase fund installment with respect to, any debt security of such series, the trustee may withhold such notice if and so long as the issuer's board of directors, its executive committee or a trust committee of directors and/or responsible officers of the trustee in good faith determine that the withholding of such notice is in the best interest of the holders of the debt securities of such series. In addition, in the case of any default of the character described in (4) of the second preceding paragraph, no such notice to holders will be given until at least 30 days after the default occurs. (Section 6.02)

If an Event of Default occurs and continues with respect to the debt securities of any series, the trustee may in its discretion proceed to protect and enforce its rights and the rights of the holders of the debt securities of such series by all appropriate judicial proceedings. (Section 5.03) Each senior and subordinated indenture provides that, subject to the duty of the trustee during any default to act with the required standard of care, the trustee will be under no obligation to exercise any of its rights or powers under such indenture at the request or direction of any of the holders of the debt securities, unless such holders shall have offered to the trustee indemnity satisfactory to it in its reasonable judgment. (Section 6.01) Subject to the provisions for the indemnification of the trustee, and applicable law and certain other provisions of the applicable indenture, the holders of a majority in aggregate principal amount of the outstanding debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, with respect to debt securities of such series. (Section 5.12)

### **Events of Default under Junior Subordinated Indentures**

Unless the issuer provides other or substitute Events of Default in a prospectus supplement, the following events will constitute an Event of Default under the junior subordinated indentures with respect to any debt securities issued under such indentures:

- (1) default in paying interest on any debt security, when they become due and payable, and the default continues for a period of 30 days;
- (2) default in paying principal, any premium on any debt security, when such principal or premium becomes due and payable; and
- (3) certain events relating to bankruptcy, insolvency or reorganization of the issuer.

In the junior subordinated indenture of each Finance Subsidiary, the Events of Default described in clause (3) above also include references to PartnerRe, as guarantor under the applicable indenture.

These events of default do not include the failure to comply with or breach of other covenants in the junior subordinated indenture ( other covenant breach ). Accordingly, an other covenant breach will not result in the acceleration of payment of the debt securities issued under the junior subordinated indenture. Although an other covenant breach will not constitute an event of default, it will otherwise constitute a breach of contract under the junior subordinated indenture and could give rise to a claim against the relevant issuer relating to the specific breach; however, the remedy of the holders of any debt securities issued under the junior subordinated indenture may be limited to direct monetary damages (if any). An other covenant breach will only give rise to possible remedies if it continues for 90 days after delivery of specified notice.

If an Event of Default (other than an Event of Default described in (3) above) occurs with respect to the debt securities of any series and continues, either the trustee or the holders of at least 25% in principal amount of the outstanding debt securities of such series may, by written notice as provided in the applicable indenture, declare the principal amount (or such lesser amount as may be provided for in the debt securities of such series) of all outstanding debt securities of such series to be due and payable immediately. At any time after a declaration of acceleration has been made, but before a judgment or decree for payment of money has been obtained by the

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trustee, and subject to applicable law and certain other provisions of the applicable indenture, the holders of a majority in aggregate principal amount of the debt securities of such series may, under certain circumstances, rescind and annul such acceleration. An Event of Default described in (3) above will cause the principal amount and accrued interest (or such lesser amount as provided for in the debt securities of such series) to become immediately due and payable without any declaration or other act by the trustee or any holder. (Section 5.02 of the junior subordinated indentures)

Each junior subordinated indenture provides that, within 90 days after the occurrence of any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to the debt securities of any series (a junior subordinated default), the trustee will transmit, in the manner set forth in such indenture, notice of such junior subordinated default to the holders of the debt securities of such series unless such junior subordinated default has been cured or waived. However, except in the case of a junior subordinated default in the payment of principal, premium, interest or any sinking fund or purchase fund installment with respect to, any debt security of such series, the trustee may withhold such notice if and so long as the issuer's board of directors, its executive committee or a trust committee of directors and/or responsible officers of the trustee in good faith determine that the withholding of such notice is in the best interest of the holders of the debt securities of such series. (Section 6.02)

If an Event of Default occurs and continues with respect to the debt securities of any series, the trustee may in its discretion proceed to protect and enforce its rights and the rights of the holders of the debt securities of such series by all appropriate judicial proceedings. (Section 5.03) Each junior subordinated indenture provides that, subject to the duty of the trustee during any junior subordinated default to act with the required standard of care, the trustee will be under no obligation to exercise any of its rights or powers under such indenture at the request or direction of any of the holders of the debt securities, unless such holders shall have offered to the trustee indemnity satisfactory to it in its reasonable judgment. (Section 6.01) Subject to the provisions for the indemnification of the trustee, and applicable law and certain other provisions of the applicable indenture, the holders of a majority in aggregate principal amount of the outstanding debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, with respect to debt securities of such series. (Section 5.12)

### **Modification and Waiver**

The issuer and the trustee may modify or amend any of the indentures with the consent of the holders of not less than a majority in aggregate principal amount of the outstanding debt securities of each series affected by the modification of amendments. However, each affected holder must consent to certain modifications or amendments, including:

changes to the stated maturity of the principal of, or any premium or installment of interest with respect to, any debt security; or

reductions of the principal amount of, or the rate (or modify the calculation of such principal amount or rate) of interest with respect to, or any premium payable upon the redemption of, any debt security.

In addition, no supplemental indenture may directly or indirectly modify or eliminate the subordination provisions of the subordinated indentures or junior subordinated indentures in any manner which might terminate or impair the subordination of the subordinated debt securities or junior subordinated debt securities, as the case may be, to Senior Indebtedness (as defined under Subordination of the Subordinated Debt Securities Issued by PartnerRe, Subordination of the Subordinated Debt Securities Issued by the Finance Subsidiaries or Subordination of the Junior Subordinated Debt Securities Issued by the Finance Subsidiaries, as applicable) without the prior written consent of the holders of such Senior Indebtedness. (Section 9.07 of the subordinated indentures and junior subordinated indentures)

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The relevant issuer and the trustee may modify or amend any of the indentures and debt securities of any series without the consent of any holder in order to, among other things:

provide for such issuer's successor pursuant to a consolidation, amalgamation, merger or sale of assets;

provide for a successor trustee with respect to debt securities of all or any series;

cure any ambiguity, defect or inconsistency;

make any other provisions with respect to matters or questions arising under any indenture which will not adversely affect the interests of the holders of debt securities of any series; or

make any other change that does not materially adversely affect the interests of the holders of any debt securities then outstanding under the applicable indenture. (Section 9.01)

The holders of at least a majority in principal amount of debt securities of any series may, on behalf of the holders of all debt securities of that series, waive compliance by the issuer with certain restrictive provisions of the applicable indenture. (Section 10.06) The holders of not less than a majority in aggregate principal amount of the outstanding debt securities of any series may, on behalf of the holders of all debt securities of that series, waive any past default and its consequences under the applicable indenture with respect to debt securities of that series, except a default:

in paying principal, premium or interest with respect to debt securities of that series; or

in respect of a covenant or provision of the applicable indenture that cannot be modified or amended without the consent of the holder of each debt security of any series. (Section 5.13)

Under each indenture, the issuer is required to furnish to the trustee annually a statement as to its performance of certain of its obligations under that indenture and as to any default in such performance. The issuer is also required to deliver to the trustee, within five days after its occurrence, written notice of any Event of Default or any event which after notice or lapse of time or both would constitute an Event of Default. (Section 10.07)

## **Discharge, Defeasance and Covenant Defeasance**

The issuer may discharge certain obligations to holders of any series of debt securities that have not already been delivered to the trustee for cancellation and that either have become due and payable or will become due and payable within one year (or scheduled for redemption within one year) by depositing with the trustee, in trust, funds in U.S. dollars or in the Foreign Currency (defined below) in which such debt securities are payable in an amount sufficient to pay the entire indebtedness on such debt securities with respect to principal and any premium and interest to the date of such deposit (if such debt securities have become due and payable) or to the maturity thereof, as the case may be. (Section 4.01)

Each indenture provides that, unless the provisions of Section 4.02 thereof are made inapplicable to debt securities of or within any series pursuant to Section 3.01 thereof, the issuer may elect either:

to defease and be discharged from any and all obligations with respect to such debt securities (except for, among other things, obligations to register the transfer or exchange of such debt securities, to replace temporary or mutilated, destroyed, lost or stolen debt securities, to maintain an office or agency with respect to such debt securities and to hold moneys for payment in trust)

( defeasance ); or

to be released from its obligations with respect to such debt securities under certain covenants as described in the related prospectus supplement, and any omission to comply with such obligations will



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not constitute a default or an Event of Default with respect to such debt securities ( covenant defeasance ).  
Defeasance or covenant defeasance, as the case may be, will be conditioned upon the irrevocable deposit by the issuer with the trustee, in trust, of an amount in U.S. dollars or in the Foreign Currency (defined below) in which such debt securities are payable at stated maturity, or Government Obligations (as defined below), or both, applicable to such debt securities which through the scheduled payment of principal and interest in accordance with their terms will provide money in an amount sufficient to pay the principal of, and any premium and interest on, such debt securities on the scheduled due dates. (Section 4.02)

Such a trust may only be established if, among other things:

the applicable defeasance or covenant defeasance does not result in a breach or violation of, or constitute a default under or any material agreement or instrument to which the issuer is a party or by which it is bound;

no Event of Default or event which with notice or lapse of time or both would become an Event of Default with respect to the debt securities to be defeased will have occurred and be continuing on the date of establishment of such a trust after giving effect to such establishment and, with respect to defeasance only, no bankruptcy proceeding will have occurred and be continuing at any time during the period ending on the 91st day after such date;

with respect to registered securities and any bearer securities for which the place of payment is within the United States, the issuer has delivered to the trustee an opinion of counsel (as specified in each indenture) to the effect that the holders of such debt securities will not recognize income, gain or loss for United States federal income tax purposes as a result of such defeasance or covenant defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance had not occurred, and such opinion of counsel, in the case of defeasance, must refer to and be based upon a letter ruling of the Internal Revenue Service received by the issuer, a Revenue Ruling published by the Internal Revenue Service or a change in applicable United States federal income tax law occurring after the date of the applicable indenture; and

with respect to defeasance, the issuer has delivered to the trustee an officers certificate as to solvency and the absence of intent of preferring holders over other creditors. (Section 4.02)

Foreign Currency means any currency, currency unit or composite currency, including, without limitation, the euro, issued by the government of one or more countries other than the United States of America or by any recognized confederation or association of such governments. (Section 1.01)

Government Obligations means debt securities which are (1) direct obligations of the United States of America or the other government or governments or confederation or association of governments which issued the Foreign Currency in which the debt securities of a particular series are payable, for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America or such other government or governments or confederation or association of governments which issued the Foreign Currency in which the debt securities of such series are payable, the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America or such other government or governments or confederation or association of governments, which, in the case of clauses (1) and (2), are not callable or redeemable at the option of the issuer or issuers thereof, and will also include a depository receipt issued by a bank or trust company as custodian with respect to any such Government Obligation or a specific payment of interest on or principal of or any other amount with respect to any such Government Obligation held by such custodian for the account of the holder of

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such depository receipt, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian with respect to the Government Obligation or the specific payment of interest on or principal of or any other amount with respect to the Government Obligation evidenced by such depository receipt. (Section 1.01)

If after the issuer has deposited funds and/or Government Obligations to effect defeasance or covenant defeasance with respect to debt securities of any series, (1) the holder of a debt security of that series is entitled to, and does, elect pursuant to Section 3.01 of the applicable indenture or the terms of such debt security to receive payment in a currency other than that in which such deposit has been made in respect of such debt security, or (2) a Conversion Event (as defined below) occurs in respect of the Foreign Currency in which such deposit has been made, the indebtedness represented by such debt security will be deemed to have been, and will be, fully discharged and satisfied through the payment of the principal of, any premium and interest on, such debt security as such debt security becomes due out of the proceeds yielded by converting the amount or other properties so deposited in respect of such debt security into the currency in which such debt security becomes payable as a result of such election or such Conversion Event based on (a) in the case of payments made pursuant to clause (1) above, the applicable market exchange rate for such currency in effect on the second business day prior to such payment date, or (b) with respect to a Conversion Event, the applicable market exchange rate for such Foreign Currency in effect (as nearly as feasible) at the time of the Conversion Event. (Section 4.02)

Conversion Event means the cessation of use of (1) a Foreign Currency both by the government of the country or countries which issued such Foreign Currency and for the settlement of transactions by a central bank or other public institutions of or within the international banking community or (2) any currency unit or composite currency for the purposes for which it was established. (Section 1.01)

If the issuer effects covenant defeasance with respect to any of its debt securities and such debt securities are declared due and payable because of the occurrence of any Event of Default other than an Event of Default with respect to any covenant as to which there has been covenant defeasance, the amount in such Foreign Currency in which such debt securities are payable, and Government Obligations on deposit with the trustee, will be sufficient to pay amounts due on such debt securities at the time of the stated maturity but may not be sufficient to pay amounts due on such debt securities at the time of the acceleration resulting from such Event of Default. However, the relevant issuer (and the guarantor, if applicable) would remain liable to make payment of such amounts due at the time of acceleration.

**Subordination of the Subordinated Debt Securities Issued by PartnerRe**

Our subordinated debt securities will, to the extent set forth in our subordinated indenture, be subordinate in right of payment to the prior payment in full of all Senior Indebtedness (as defined below in this section) of ours, whether outstanding at the date of our subordinated indenture or thereafter incurred. (Section 16.01 of our subordinated indenture) Holders of our Senior Indebtedness will first be entitled to receive payment in full of all amounts due on our Senior Indebtedness before the holders of our subordinated debt securities are entitled to receive payment on account of principal, premium, interest on our subordinated debt securities, if certain events occur. These events include:

any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relative to us or to our creditors, as such, or to our assets; or

any voluntary or involuntary liquidation, dissolution or other winding up of ours, whether or not involving insolvency or bankruptcy; or

any assignment for the benefit of creditors or any other marshalling of assets and liabilities of ours.  
(Section 16.03 of our subordinated indenture)

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If we are liquidated or become insolvent, holders of our Senior Indebtedness and holders of other obligations of ours that are not subordinated to our Senior Indebtedness may recover more, ratably, than the holders of our subordinated debt securities.

Subject to the payment in full of all Senior Indebtedness of ours, the rights of the holders of our subordinated debt securities will be subrogated to the rights of the holders of our Senior Indebtedness to receive payments or distributions of cash, property or securities of ours applicable to such Senior Indebtedness until the principal of, and any premium and interest on, our subordinated debt securities have been paid in full. (Section 16.04 of our subordinated indenture)

No payment of principal of or any premium or interest with respect to our subordinated debt securities, or payments to acquire such securities (other than pursuant to their conversion), may be made if:

any Senior Indebtedness of ours is not paid when due and any applicable grace period with respect to such default has ended and such default has not been cured or waived or ceased to exist, or

if the maturity of any Senior Indebtedness of ours has been accelerated because of a default. (Section 16.02 of our subordinated indenture)

Our subordinated indenture does not limit or prohibit us from incurring additional Senior Indebtedness, which may include Indebtedness that is senior to our subordinated debt securities, but subordinate to our other obligations. The senior debt securities issued by us will constitute Senior Indebtedness under our subordinated indenture.

For purposes of this section, the term Senior Indebtedness means all Indebtedness of ours outstanding at any time, except:

our subordinated debt securities;

Indebtedness as to which, by the terms of the instrument creating or evidencing the same, it is provided that such Indebtedness is subordinated to or ranks equally with our subordinated debt securities or any other Indebtedness ranking *pari passu* with our subordinated debt securities;

interest accruing after the filing of a petition initiating any bankruptcy, insolvency or other similar proceeding unless such interest is an allowed claim enforceable against us in a proceeding under federal or state bankruptcy laws;

trade accounts payable;

liability for income, franchise, real estate or other taxes owed or owing; and

our guarantees of any junior subordinated debt securities of the Finance Subsidiaries, including those issued to a Capital Trust (or similar financing vehicle of PartnerRe).

Such Senior Indebtedness will continue to be Senior Indebtedness and be entitled to the benefits of the subordination provisions irrespective of any amendment, modification or waiver of any term of such Senior Indebtedness. (Sections 1.01 and 16.08 of our subordinated indenture)

Our subordinated indenture provides that the foregoing subordination provisions, including the definition of Senior Indebtedness, insofar as they relate to any particular issue of our subordinated debt securities, may be changed prior to such issuance. Any such change would be described in

the related prospectus supplement.

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**Subordination of the Subordinated Debt Securities Issued by the Finance Subsidiaries**

The subordinated debt securities issued by the Finance Subsidiaries will, to the extent set forth in the applicable subordinated indenture, be subordinate in right of payment to the prior payment in full of all Senior Indebtedness (as defined below in this section) of the relevant issuer, whether outstanding at the date of such subordinated indenture or thereafter incurred. (Section 16.01 of the Finance Subsidiaries' subordinated indentures) Holders of Senior Indebtedness of any of the Finance Subsidiaries will first be entitled to receive payment in full of all amounts due or to become due on or in respect of all such Senior Indebtedness, or provision will be made for such payment in cash, before the holders of the subordinated debt securities of the relevant issuer are entitled to receive or retain any payment on account of principal, premium or interest with respect to such subordinated debt securities, if certain events occur. These events include:

any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relative to the relevant issuer or to its creditors, as such, or to its assets; or

any voluntary or involuntary liquidation, dissolution or other winding up of the relevant issuer, whether or not involving insolvency or bankruptcy; or

any assignment for the benefit of creditors or any other marshalling of assets and liabilities of the relevant issuer.  
(Section 16.03 of the Finance Subsidiaries' subordinated indentures)

If any of the Finance Subsidiaries is liquidated or becomes insolvent, holders of Senior Indebtedness of the relevant issuer and holders of other obligations of such issuer that are not subordinated to such Senior Indebtedness may recover more, ratably, than the holders of subordinated debt securities of such issuer.

Subject to the payment in full of all Senior Indebtedness of the relevant Finance Subsidiary, the rights of the holders of subordinated debt securities of such issuer will be subrogated to the rights of the holders of such Senior Indebtedness to receive payments or distributions of cash, property or securities of the relevant issuer applicable to such Senior Indebtedness until the principal of, any premium and interest on such subordinated debt securities have been paid in full. (Section 16.04 of the Finance Subsidiaries' subordinated indentures)

No payment of principal of or any premium or interest on the subordinated debt securities of the relevant Finance Subsidiary, or payments to acquire such securities (other than pursuant to their conversion), may be made if:

any Senior Indebtedness of such issuer is not paid when due and any applicable grace period with respect to such default has ended and such default has not been cured or waived or ceased to exist, or

if the maturity of any Senior Indebtedness of such issuer has been accelerated because of a default.  
(Section 16.02 of the Finance Subsidiaries' subordinated indentures)

The subordinated indentures of the Finance Subsidiaries do not limit or prohibit the relevant issuer from incurring additional Senior Indebtedness, which may include Indebtedness that is senior to its subordinated debt securities, but subordinate to the relevant issuer's other obligations. The senior debt securities issued by a Finance Subsidiary will constitute Senior Indebtedness under such Finance Subsidiary's subordinated indenture.

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For purposes of this section, the term Senior Indebtedness means all Indebtedness of the relevant Finance Subsidiary outstanding at any time, except:

the subordinated debt securities issued by such Finance Subsidiary;

Indebtedness as to which, by the terms of the instrument creating or evidencing the same, it is provided that such Indebtedness is subordinated to or ranks equally with such subordinated debt securities or any other Indebtedness ranking *pari passu* with such subordinated debt securities;

interest accruing after the filing of a petition initiating any bankruptcy, insolvency or other similar proceeding unless such interest is an allowed claim enforceable against such Finance Subsidiary in a proceeding under federal or state bankruptcy laws;

trade accounts payable;

liability for income, franchise, real estate or other taxes owed or owing; and

any junior subordinated debt securities, including those issued to a Capital Trust (or similar financing vehicle of PartnerRe). Such Senior Indebtedness will continue to be Senior Indebtedness of the relevant issuer and be entitled to the benefits of the subordination provisions irrespective of any amendment, modification or waiver of any term of such Senior Indebtedness. (Sections 1.01 and 16.08 of the Finance Subsidiaries subordinated indentures)

The Finance Subsidiaries subordinated indentures provide that the foregoing subordination provisions, including the definition of Senior Indebtedness, insofar as they relate to any particular issue of subordinated debt securities by the relevant issuer, may be changed prior to such issuance. Any such change would be described in the related prospectus supplement.

**Subordination of the Junior Subordinated Debt Securities Issued by the Finance Subsidiaries**

The junior subordinated debt securities issued by the Finance Subsidiaries will, to the extent set forth in the applicable junior subordinated indenture, be subordinate in right of payment to the prior payment in full of all Senior Indebtedness (as defined below in this section) of the relevant issuer, whether outstanding at the date of the applicable junior subordinated indenture or thereafter incurred. (Section 16.01 of the junior subordinated indenture) Holders of Senior Indebtedness of any of the Finance Subsidiaries will first be entitled to receive payment in full of all amounts due or to become due on or in respect of all such Senior Indebtedness, or provision will be made for such payment in cash, before the holders of the junior subordinated debt securities of the relevant issuer are entitled to receive or retain any payment on account of principal, premium or interest with respect to, junior subordinated debt securities if certain events occur. These events include:

any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relative to the relevant issuer or to its creditors, as such, or to its assets; or

any voluntary or involuntary liquidation, dissolution or other winding up of the relevant issuer, whether or not involving insolvency or bankruptcy; or

any assignment for the benefit of creditors or any other marshalling of assets and liabilities of the relevant issuer.

(Section 16.03 of the junior subordinated indentures)

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If any of the Finance Subsidiaries is liquidated or becomes insolvent, holders of Senior Indebtedness of the relevant issuer and holders of such issuer's other obligations that are not subordinated to such Senior Indebtedness may recover more, ratably, than the holders of junior subordinated debt securities of such issuer.

Subject to the payment in full of all Senior Indebtedness of the relevant Finance Subsidiary, the rights of the holders of junior subordinated debt securities of such issuer will be subrogated to the rights of the holders of such Senior Indebtedness to receive payments or distributions of cash, property or securities of the relevant issuer applicable to such Senior Indebtedness until the principal of, and any premium and interest on, junior subordinated debt securities have been paid in full. (Section 16.04 of the junior subordinated indentures)

No payment of principal (including redemption and sinking fund payments) of or any premium or interest on the junior subordinated debt securities of a Finance Subsidiary, or payments to acquire such securities (other than pursuant to their conversion), may be made if:

any Senior Indebtedness of such Finance Subsidiary is not paid when due and any applicable grace period with respect to such default has ended and such default has not been cured or waived or ceased to exist, or

if the maturity of any Senior Indebtedness of such Finance Subsidiary has been accelerated because of a default.  
(Section 16.02 of the junior subordinated indentures)

The junior subordinated indentures of the Finance Subsidiaries generally do not limit or prohibit the relevant issuer from incurring additional Senior Indebtedness, which may include Indebtedness that is senior to the junior subordinated debt securities, but subordinate to the relevant issuer's other obligations; however, the supplemental indenture, dated as of November 7, 2006, under which PRE Finance II issued 6.440% Fixed-to-Floating Rate Junior Subordinated Capital Efficient Notes due 2066 ( CENts ), states that for so long as any CENts remain outstanding, PRE Finance II has agreed that its activities will be limited to issuing CENts and lending the proceeds from the sale of CENts to PartnerRe U.S., and any other activities necessary or incidental to these activities.

For purposes of this section, the term Senior Indebtedness means all Indebtedness of the relevant Finance Subsidiary outstanding at any time, except:

the junior subordinated debt securities issued by such Finance Subsidiary;

Indebtedness as to which, by the terms of the instrument creating or evidencing the same, it is provided that such Indebtedness is subordinated to or ranks equally with the junior subordinated debt securities or any other Indebtedness ranking *pari passu* with the junior subordinated debt securities;

interest accruing after the filing of a petition initiating any bankruptcy, insolvency or other similar proceeding unless such interest is an allowed claim enforceable against such issuer in a proceeding under federal or state bankruptcy laws;

trade accounts payable;

liability for income, franchise, real estate or other taxes owed or owing; and

any junior subordinated debt securities issued to a Capital Trust (or similar financing vehicle of PartnerRe).





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Such Senior Indebtedness will continue to be Senior Indebtedness of the relevant issuer and be entitled to the benefits of the subordination provisions irrespective of any amendment, modification or waiver of any term of such Senior Indebtedness. (Section 1.01 and 16.08 of the junior subordinated indentures)

The junior subordinated indentures provide that the foregoing subordination provisions, including the definition of Senior Indebtedness, insofar as they relate to any particular issue of junior subordinated debt securities, may be changed prior to such issuance. Any such change would be described in the related prospectus supplement.

### **New York Law to Govern**

The indentures and the debt securities will be governed by, and construed in accordance with, the laws of the State of New York applicable to agreements made or instruments entered into and, in each case, performed in that state. (Section 1.13 of the senior indentures and the subordinated indentures and Section 1.14 of the junior subordinated indentures)

### **Information Concerning the Trustee**

The Finance Subsidiaries may from time to time borrow from, maintain deposit accounts with and conduct other banking transactions with The Bank of New York Mellon and its affiliates in the ordinary course of business.

Under each indenture, The Bank of New York Mellon is required to transmit annual reports to all holders regarding its eligibility and qualifications as trustee under the applicable indenture and related matters. (Section 7.03)

## **CERTAIN PROVISIONS OF THE JUNIOR SUBORDINATED DEBT SECURITIES**

### **ISSUED TO THE CAPITAL TRUSTS**

#### **Option to Extend Interest Payment Date**

Unless provided otherwise in the related prospectus supplement, each Finance Subsidiary will have the right at any time and from time to time during the term of any series of junior subordinated debt securities issued to a Capital Trust to defer payment of interest for such number of consecutive interest payment periods as may be specified in the related prospectus supplement. This right to extend is subject to the terms, conditions and covenants, if any, specified in this prospectus and such prospectus supplement. However, the relevant issuer may not defer such interest payments beyond the stated maturity of the junior subordinated debt securities. (Section 3.11 of the junior subordinated indentures)

#### **Option to Extend Maturity Date**

Unless provided otherwise in the related prospectus supplement, each Finance Subsidiary will have the right to change the stated maturity of the principal of the junior subordinated debt securities issued to a Capital Trust upon the liquidation of such Capital Trust and the exchange of the junior subordinated debt securities for the preferred securities of such Capital Trust. The relevant issuer may also extend the stated maturity of the principal of the junior subordinated debt securities, provided that at the time such election to extend the stated maturity is made and at the time such extension commences, the following conditions are satisfied:

no event of default on the junior subordinated debt securities has occurred and is continuing;

such Capital Trust is not in arrears on payments of distributions on its preferred securities and no deferred distributions have accumulated;

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the junior subordinated debt securities are, and immediately after such extension will be, rated at least investment grade by either Standard & Poor's Ratings Services, Moody's Investors Service, Inc. or another nationally recognized statistical rating organization; and

the extended stated maturity is no later than the 49th anniversary of the initial issuance of the preferred securities of such Capital Trust.

If any Finance Subsidiary exercises its right to liquidate such Capital Trust and exchange the junior subordinated debt securities for the preferred securities of such Capital Trust as described above, any changed stated maturity of the principal of the junior subordinated debt securities shall be no earlier than the date that is 15 years after the initial issue date of the preferred securities and no later than the date 30 years (plus an extended term of up to an additional 19 years if the conditions described above are satisfied) after the initial issue date of the preferred securities of such Capital Trust. (Section 3.13 of the junior subordinated indentures)

**Additional Sums**

If any Finance Subsidiary issues junior subordinated debt securities to a Capital Trust, and such Capital Trust is required to pay any taxes, duties, assessments or governmental charges of whatever nature, other than withholding taxes (including backup withholding taxes), imposed by the United States, or any other taxing authority, then the applicable Finance Subsidiary will be required to pay additional interest ( Additional Sums ) on the junior subordinated debt securities. The amount of any Additional Sums will be an amount sufficient so that the net amounts received and retained by such Capital Trust after paying any such taxes, duties, assessments or other governmental charges will be not less than the amounts that such Capital Trust would have received had no such taxes, duties, assessments or other governmental charges been imposed. This means that the Capital Trust will be in the same position it would have been in if it did not have to pay such taxes, duties, assessments or other charges.

**Redemption**

Except as otherwise provided in the related prospectus supplement, if an Investment Company Event or a Tax Event (each, a Special Event ) shall occur and be continuing, the relevant Finance Subsidiary may, at its option, redeem such junior subordinated debt securities, in whole but not in part, at any time within 90 days of the occurrence of the Special Event, at a redemption price equal to 100% of the principal amount of such junior subordinated debt securities then outstanding plus accrued and unpaid interest to the date fixed for redemption. (Section 11.08 of the junior subordinated indentures)

For purposes of the junior subordinated indenture, Investment Company Event means, in respect of a Capital Trust, the receipt by such Capital Trust of an opinion of counsel rendered by an independent law firm experienced in such matters, to the effect that, as a result of the occurrence of a change in law or regulation or a written change in the interpretation or application of law or regulation by any legislative body, court or governmental agency or regulatory authority, there is more than an insubstantial risk that such Capital Trust is or will be considered an investment company, or a company controlled by an investment company, that is required to be registered under the Investment Company Act, which change becomes effective on or after the date of original issuance of the preferred securities of such Capital Trust. (Section 1.01 of the junior subordinated indenture) Tax Event means, in respect of a Capital Trust, the receipt by such Capital Trust or the relevant Finance Subsidiary of an opinion of counsel, rendered by an independent law firm experienced in such matters, to the effect that, as a result of any amendment to, or change (including any announced prospective change) in, the laws (or any regulation thereunder) of the United States or any political subdivision or taxing authority thereof or therein, or as a result of any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations (including any change in interpretation or application of law or regulation by any applicable taxing authority), which amendment or change is effective or which pronouncement or decision is

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announced on or after the date of issuance of the preferred securities of such Capital Trust, there is more than an insubstantial risk that:

such Capital Trust is or will be, within 90 days of delivery of such opinion of counsel, subject to United States federal income tax with respect to income received or accrued on the corresponding series of junior subordinated debt securities;

interest payable by the relevant issuer on such junior subordinated debt securities is not or will not be, within 90 days of delivery of such opinion of counsel, deductible by such issuer, in whole or in part, for United States federal income tax purposes; or

such Capital Trust is or will be, within 90 days of delivery of such opinion of counsel, subject to more than a de minimis amount of other taxes, duties or other governmental charges. (Section 1.01 of the junior subordinated indentures)

**Certain Covenants**

PartnerRe and each Finance Subsidiary will covenant, as to the junior subordinated debt securities issued to a Capital Trust in connection with the issuance of preferred securities and common securities by such Capital Trust, that if:

- (1) any event occurs, of which the relevant issuer has actual knowledge that (A) with the giving of notice or lapse of time or both, would constitute an Event of Default under the junior subordinated indenture and (B) in respect of which the issuer shall not have taken reasonable steps to cure;
- (2) PartnerRe shall be in default with respect to its payment of obligations under the preferred securities guarantee relating to such preferred securities; or
- (3) the relevant issuer shall have given notice of its election to defer interest payments on the junior subordinated debt securities as provided in the junior subordinated indenture and shall not have rescinded such notice, or such election, shall be continuing, it will not, and will not permit any of its subsidiaries to:

declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of PartnerRe's outstanding capital stock; or

make any payment of principal, interest, premium, if any, on or repay, repurchase or redeem any debt security of PartnerRe or the relevant issuer, as the case may be, that ranks equal to or junior in interest to the junior subordinated debt securities or the related guarantee, as the case may be, or make any guarantee payments with respect to any guarantee by PartnerRe or the relevant issuer, as the case may be, of the debt securities of any subsidiary of PartnerRe or the relevant issuer, as the case may be, if such guarantee ranks equal to or junior in interest to the junior subordinated debt securities or the guarantee in respect thereof, as the case may be, except in each case for the transactions described in the immediately following sentence.

Notwithstanding the preceding sentence and regardless of whether any event described in clauses (1)-(3) above shall have occurred or be continuing, PartnerRe shall not be restricted from making or effecting the following dividends, distributions, redemptions, purchases, declarations, payments, exchanges and conversions:

dividends or distributions in the common shares or options or other rights to acquire the common shares of PartnerRe;



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redemptions or purchases of any rights outstanding under a shareholder rights plan of PartnerRe, or the declaration of a dividend of such rights or the issuance of shares under such plan in the future;

purchases of common shares related to the issuance of common shares under any of PartnerRe's benefit plans for its directors, officers or employees;

the purchase of fractional shares resulting from a reclassification of the capital stock of PartnerRe;

the exchange or conversion of any class or series of the capital stock of PartnerRe (or any of its subsidiary's) for another class or series of the capital stock of PartnerRe (or any of its subsidiary's) or of any class or series of its (or any of its subsidiary's) indebtedness pursuant to the terms of the capital stock or indebtedness as originally issued;

the purchase of fractional interests in shares of the capital of PartnerRe (or any of its subsidiary's) stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged; and

any inter-company payments, other than dividend payments by the relevant Finance Subsidiary or its direct parent, PartnerRe U.S. Corporation. (Section 10.09 of the junior subordinated indentures).

If any of the Finance Subsidiaries issues the junior subordinated debt securities to a Capital Trust in connection with the issuance of preferred securities and common securities of such Capital Trust, for so long as such junior subordinated debt securities remain outstanding, the relevant issuer will also covenant:

to maintain directly or indirectly 100% ownership of the common securities of such Capital Trust; provided, however, that any permitted successor of such issuer under the junior subordinated indenture may succeed to its ownership of such common securities;

not to voluntarily dissolve, wind-up or liquidate such trust, except in connection with the distribution of its junior subordinated debt securities to the holders of preferred securities and common securities in liquidation of such Capital Trust, the redemption of all of the preferred securities and common securities of such Capital Trust, or certain mergers, consolidations or amalgamations, each as permitted by the amended and restated trust agreement of such Capital Trust; and

to take reasonable steps as necessary so that such Capital Trust will not fail or cease to qualify as a grantor trust for United States federal income tax purposes.

(Section 10.11 of the junior subordinated indentures)

**Direct Action Right Upon Certain Events of Default**

If an Event of Default with respect to junior subordinated debt securities of a Finance Subsidiary issued to a Capital Trust has occurred and is continuing and such event is attributable to a default in the payment of interest or principal on the related junior subordinated debt securities on the date such interest or principal is otherwise payable, a holder of preferred securities of such Capital Trust may institute a legal proceeding directly against the relevant issuer and/or against PartnerRe, as guarantor, which is referred to in this prospectus as a Direct Action, for enforcement of payment to such holder of the principal of or interest on such related junior subordinated debt securities having a principal amount equal to the aggregate liquidation amount of the related preferred securities of such holder. The relevant issuer and PartnerRe may not amend the applicable junior subordinated indenture to remove the foregoing right to bring a Direct Action without the prior written consent of the holders of all of the preferred securities of such trust. In addition, so long as PartnerRe is a guarantor of the



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obligations of the Finance Subsidiaries and the Capital Trusts and a Direct Action may be brought directly against PartnerRe, the Finance Subsidiaries and the Capital Trusts are not subject to the information reporting requirements of the Exchange Act. If the right to bring a Direct Action is removed, each Finance Subsidiary and each Capital Trust may become subject to the reporting obligations under the Exchange Act. Each Finance Subsidiary will have the right under the applicable junior subordinated indenture to set-off any payment made to such holder of preferred securities by it, in connection with a Direct Action. (Section 1.12 of the junior subordinated indentures) The holders of preferred securities will not be able to exercise directly any other remedy available to the holders of the related junior subordinated debt securities. For more information on the reporting obligations of PartnerRe, the Finance Subsidiaries and the Capital Trusts, see [Where You Can Find More Information](#) .

The holders of the preferred securities would not be able to exercise directly any remedies other than those set forth in the preceding paragraph available to the holders of the junior subordinated debt securities unless there shall have been an event of default under the applicable amended and restated trust agreement. See [Description of the Trust Preferred Securities Events of Default; Notice](#). (Section 5.08 of the junior subordinated indentures)



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**DESCRIPTION OF THE DEBT SECURITIES GUARANTEES**

Concurrently with any issuance by a Finance Subsidiary of its senior debt securities, we will execute and deliver a senior debt securities guarantee for the benefit of the holders from time to time of such senior debt securities. The Bank of New York Mellon will act as indenture trustee under the senior debt securities guarantee for the purposes of compliance with the Trust Indenture Act. The senior debt securities guarantee will be qualified as an indenture under the Trust Indenture Act. Similarly, concurrently with any issuance by a Finance Subsidiary of its subordinated debt securities, we will execute and deliver a subordinated debt securities guarantee for the benefit of the holders from time to time of such subordinated debt securities. The Bank of New York Mellon will act as indenture trustee under the subordinated debt securities guarantee for the purposes of compliance with the Trust Indenture Act. The subordinated debt securities guarantee will be qualified as an indenture under the Trust Indenture Act. Concurrently with any issuance by a Finance Subsidiary of its junior subordinated debt securities, we will execute and deliver a junior subordinated debt securities guarantee for the benefit of the holders from time to time of such junior subordinated debt securities. The Bank of New York Mellon will act as indenture trustee under the junior subordinated debt securities guarantees for the purposes of compliance with the Trust Indenture Act. The junior subordinated debt securities guarantees will be qualified as indentures under the Trust Indenture Act.

The following summary sets forth the material terms and provisions of our guarantee of the Finance Subsidiaries' senior debt securities, subordinated debt securities and junior subordinated debt securities. The following summary of certain provisions of the guarantees is not complete. You should read the forms of guarantee and the Trust Indenture Act for more complete information regarding the provisions of the guarantees, including the definitions of some of the terms used below. The forms of guarantee have been attached as exhibits to the registration statement of which this prospectus forms a part and are incorporated by reference in this summary. Whenever we refer to particular sections or defined terms of the guarantees, such sections or defined terms are incorporated herein by reference, and the statement in connection with which such reference is made is qualified in its entirety by such reference. The indenture trustee, as guarantee trustee under each guarantee, will hold the applicable guarantee for the benefit of the holders of the related debt securities.

**General**

We will fully and unconditionally guarantee all obligations of the Finance Subsidiaries under the applicable indenture and the related debt securities. Unless otherwise provided in a prospectus supplement, each guarantee will be an unsecured obligation of PartnerRe, and the guarantees of the Finance Subsidiaries' subordinated and junior subordinated debt securities will be subordinated in right of payment to the prior payment in full of all of our senior indebtedness.

Since PartnerRe is a holding company, its rights and the rights of its creditors, including the holders of any of the Finance Subsidiaries' debt securities who are creditors of PartnerRe by virtue of the guarantees, and shareholders to participate in any distribution of the assets of any of our subsidiaries upon such subsidiary's liquidation or reorganization or otherwise would be subject to prior claims of that subsidiary's creditors and policyholders, except to the extent that PartnerRe may itself be a creditor with recognized claims against that subsidiary. The right of creditors of PartnerRe, including the holders of any of the Finance Subsidiaries' debt securities who are creditors of PartnerRe by virtue of the guarantees, to participate in the distribution of the stock owned by PartnerRe in certain of its subsidiaries, including PartnerRe's insurance subsidiaries, may also be subject to approval by certain insurance regulatory authorities having jurisdiction over such subsidiaries.

**Waiver of Events of Default**

The holders of not less than a majority of the outstanding principal amount of the relevant Finance Subsidiary's senior debt securities or subordinated debt securities, as the case may be, may, by vote, on behalf of all such holders, waive any past event of default of PartnerRe and its consequences on any of its payment or other obligations under the senior or subordinated debt securities guarantee agreement, as applicable.

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The holders of a majority in liquidation preference of the preferred securities issued by a Capital Trust may, by vote, on behalf of all holders, waive any past event of default of PartnerRe and its consequences on any of its payment or other obligations under the junior subordinated debt securities guarantee agreement.

### **Amendments**

The senior debt securities guarantee, the subordinated debt securities guarantee and the junior subordinated debt securities guarantee may only be amended in writing with the prior approval of the holders of not less than a majority of the outstanding principal amount of the applicable debt securities. In addition, certain amendments affecting the obligations of PartnerRe may only be made in writing with the prior approval of each holder.

In the event that junior subordinated debt securities are issued to a Capital Trust, the junior subordinated debt securities guarantees may only be amended in writing with the prior approval of the holders of at least a majority in liquidation preference of the then outstanding preferred securities issued by the applicable Capital Trust. In addition, certain amendments affecting the obligations of PartnerRe may only be made in writing with the prior approval of each holder of the then outstanding preferred securities.

No consent of the holders of the Finance Subsidiaries senior, subordinated or junior subordinated debt securities, as the case may be, is required to amend the applicable guarantee in a way that does not adversely affect in any material respect the rights of such holders.

## **DESCRIPTION OF THE WARRANTS TO PURCHASE COMMON SHARES OR PREFERRED SHARES**

PartnerRe Ltd. may offer warrants to purchase common shares or preferred shares from time to time. The following statements with respect to the common share warrants and preferred share warrants are summaries of, and subject to, the detailed provisions of a share warrant agreement to be entered into by us and a share warrant agent to be selected at the time of issue. The particular terms of any warrants offered by any prospectus supplement, and the extent to which the general provisions described below may apply to the offered securities, will be described in the prospectus supplement.

### **General**

The share warrants, evidenced by share warrant certificates, may be issued under the share warrant agreement independently or together with any other securities offered by any prospectus supplement and may be attached to or separate from such other offered securities. If share warrants are offered, the related prospectus supplement will describe the designation and terms of the share warrants, including without limitation the following:

the offering price, if any;

the designation and terms of the common shares or preferred shares purchasable upon exercise of the share warrants;

if applicable, the date on and after which the share warrants and the related offered securities will be separately transferable;

the number of common shares or preferred shares purchasable upon exercise of one share warrant and the initial price at which such shares may be purchased upon exercise;

the date on which the right to exercise the share warrants shall commence and the date on which such right shall expire;



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a discussion of certain United States federal income tax considerations;

the call provisions, if any;

the currency, currencies or currency units in which the offering price, if any, and exercise price are payable;

the antidilution provisions of the share warrants; and

any other material terms of the share warrants.

The common shares or preferred shares issuable upon exercise of the share warrants will, when issued in accordance with the share warrant agreement, be fully paid and nonassessable.

### **Exercise of Share Warrants**

Share warrants may be exercised by surrendering to the share warrant agent the share warrant certificate with the form of election to purchase on the reverse thereof duly completed and signed by the warrant holder, or its duly authorized agent, indicating the warrant holder's election to exercise all or a portion of the share warrants evidenced by the certificate. The signature to be guaranteed by a bank or trust company, by a broker or dealer which is a member of the Financial Industry Regulatory Authority (FINRA) or by a member of a national securities exchange. Surrendered share warrant certificates shall be accompanied by payment of the aggregate exercise price of the share warrants to be exercised, as set forth in the related prospectus supplement, in lawful money of the United States, unless otherwise provided in the related prospectus supplement. Upon receipt by the share warrant agent, the share warrant agent will requisition from the transfer agent for the common shares or the preferred shares, as the case may be, for issuance and delivery to or upon the written order of the exercising warrant holder, a certificate representing the number of common shares or preferred shares purchased. If less than all of the share warrants evidenced by any share warrant certificate are exercised, the share warrant agent shall deliver to the exercising warrant holder a new share warrant certificate representing the unexercised share warrants.

### **Antidilution and Other Provisions**

The exercise price payable and the number of common shares or preferred shares purchasable upon the exercise of each share warrant and the number of share warrants outstanding may be subject to adjustment in certain events. The adjustment events may include the issuance of a stock dividend to holders of common shares or preferred shares or a combination, subdivision or reclassification of common shares or preferred shares. In lieu of adjusting the number of common shares or preferred shares purchasable upon exercise of each share warrant, we may elect to adjust the number of share warrants. We may, at our option, reduce the exercise price at any time. We may pay the cash value of any fractional shares otherwise issuable upon exercise of any share warrants. Notwithstanding the foregoing, in case of our consolidation, merger, or sale or conveyance of our property as an entirety or substantially as an entirety, if provided for in the relevant share warrant agreement, the holder of each outstanding share warrant shall have the right to the kind and amount of shares of stock and other securities and property (including cash) receivable by a holder of the number of common shares or preferred shares into which such share warrants were exercisable immediately prior thereto.

### **No Rights as Shareholders**

Holders of share warrants will not be entitled, by virtue of being such holders, to vote, to consent, to receive dividends, to receive notice as shareholders with respect to any meeting of shareholders for the election of our directors or any other matter, or to exercise any rights whatsoever as our shareholders.

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**DESCRIPTION OF THE WARRANTS TO PURCHASE DEBT SECURITIES**

PartnerRe Ltd. may offer warrants to purchase debt securities from time to time. The following statements with respect to the debt warrants are summaries of, and subject to, the detailed provisions of a debt warrant agreement to be entered into by us and a debt warrant agent to be selected at the time of issue. The particular terms of any warrants offered by any prospectus supplement, and the extent to which the general provisions described below may apply to the offered securities, will be described in the prospectus supplement.

**General**

The debt warrants, evidenced by debt warrant certificates, may be issued under the debt warrant agreement independently or together with any other securities offered by any prospectus supplement and may be attached to or separate from such other offered securities. If debt warrants are offered, the related prospectus supplement will describe the designation and terms of the debt warrants, including without limitation the following:

the offering price, if any;

the designation, aggregate principal amount and terms of the debt securities purchasable upon exercise of the debt warrants;

if applicable, the date on and after which the debt warrants and the related offered securities will be separately transferable;

the principal amount of debt securities purchasable upon exercise of one debt warrant and the price at which such principal amount of debt securities may be purchased upon exercise;

the date on which the right to exercise the debt warrants shall commence and the date on which such right shall expire;

a discussion of certain United States federal income tax considerations;

whether the warrants represented by the debt warrant certificates will be issued in registered or bearer form;

the currency, currencies or currency units in which the offering price, if any, and exercise price are payable;

the antidilution provisions of the debt warrants; and

any other material terms of the debt warrants.

Warranholders will not have the right to receive the payment of principal of, any premium or interest on or any additional amounts with respect to, the debt securities. Warranholders will not have the right to enforce any of the covenants of the debt securities or the applicable indenture except as otherwise provided in the applicable indenture.

**Exercise of Debt Warrants**

Debt warrants may be exercised by surrendering the debt warrant certificate at the office of the debt warrant agent, with payment in full of the exercise price, as set forth in the related prospectus supplement. Warranholders must also complete and execute the form of election to purchase

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on the reverse side of the debt warrant certificate. The signature(s) must be guaranteed by a bank or trust company, by a broker or dealer which is a member of the FINRA or by a member of a national securities exchange. Upon the exercise of debt warrants, we will issue the debt securities in authorized denominations in accordance with the instructions of the exercising warrant holder. If less than all of the debt warrants evidenced by the debt warrant certificate are exercised, we will issue a new debt warrant certificate for the remaining number of debt warrants.

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**DESCRIPTION OF THE TRUST PREFERRED SECURITIES**

References in this section to junior subordinated debt securities shall be to those junior subordinated debt securities that are issued to a Capital Trust. Each Capital Trust will be governed by the terms of the applicable amended and restated trust agreement. Under each such trust agreement, a Capital Trust may issue, from time to time, only one series of preferred securities. The preferred securities will have the terms set forth in the applicable amended and restated trust agreement or made a part of such amended and restated trust agreement by the Trust Indenture Act, and described in the related prospectus supplement. These terms will mirror the terms of the junior subordinated debt securities issued by the relevant Finance Subsidiary and purchased by such Capital Trust using the proceeds from the sale of its preferred securities and its common securities. The junior subordinated debt securities issued by a Finance Subsidiary to any Capital Trust will be guaranteed by PartnerRe on a subordinated basis and are referred to as the corresponding junior subordinated debt securities relating to such Capital Trust.

The following summary sets forth the material terms and provisions of the amended and restated trust agreements and the preferred securities to which any prospectus supplement relates. This summary is not complete. You should read the forms of amended and restated trust agreement and the Trust Indenture Act for complete information regarding the terms and provisions of amended and restated trust agreements and of the preferred securities, including the definitions of some of the terms used below. The forms of amended and restated trust agreement are attached as exhibits to the registration statement of which this prospectus forms a part. Whenever we refer to particular sections or defined terms of an amended and restated trust agreement, such sections or defined terms are incorporated herein by reference, and the statements in connection with which such reference is made is qualified in its entirety by such reference.

**Issuance, Status and Guarantee of Preferred Securities**

Under the terms of the amended and restated trust agreement for each Capital Trust, the Administrative Trustees will issue the preferred securities on behalf of such Capital Trust. The preferred securities will represent preferred beneficial interests in the Capital Trust. The holders of the preferred securities will be entitled to a preference in certain circumstances to distributions and amounts payable on redemption or liquidation over the common securities of such Capital Trust. Holders of preferred securities will also be entitled to other benefits under the corresponding amended and restated trust agreement. The preferred securities of a Capital Trust will rank equally, and payments will be made on the preferred securities pro rata, with the common securities of such Capital Trust except as described under Subordination of Common Securities. The Property Trustee will hold junior subordinated debt securities in trust for the benefit of the holders of the related preferred securities and common securities. In this prospectus we refer to the common securities and the preferred securities of each Capital Trust as the trust securities of such Capital Trust.

PartnerRe will issue a guarantee agreement for the benefit of the holders of each Capital Trust's preferred securities. Under each preferred securities guarantee, we will guarantee on a subordinated basis payment of distributions on the related preferred securities and amounts payable on redemption or liquidation of such preferred securities. Our guarantee will be only to the extent that the related Capital Trust has funds on hand to make such payments. See Description of the Trust Preferred Securities Guarantees.

**Distributions**

Unless otherwise specified in the relevant prospectus supplement, distributions on the preferred securities will be cumulative, will accumulate from the original issue date and will be payable on the dates and at the rates specified in the related prospectus supplement. The amount of distributions payable for any period will be computed on the basis of a 360-day year of twelve 30-day months unless otherwise specified in the related prospectus supplement. Distributions to which holders of preferred securities are entitled will accumulate additional distributions at the rate per annum if and as specified in the related prospectus supplement. (Section 4.01) References to distributions include any such additional distributions unless otherwise stated.

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Each Finance Subsidiary has the right under the applicable junior subordinated indenture to defer the payment of interest at any time or from time to time on any series of corresponding junior subordinated debt securities for a period which will be specified in the related prospectus supplement. This right is subject to the terms, conditions and covenants specified in this prospectus and such prospectus supplement. The deferral of interest payments may not extend beyond the stated maturity of the corresponding junior subordinated debt securities. See Certain Provisions of the Junior Subordinated Debt Securities Issued to the Capital Trusts Option to Extend Interest Payment Date. If the relevant Finance Subsidiary extends the payment of interest on the junior subordinated debt securities, the Capital Trust which issued such preferred securities would defer distributions on the corresponding preferred securities during any such extension period. Any deferred preferred securities would continue to accumulate additional distributions at the rate per annum set forth in the prospectus supplement. (Section 4.01)

The funds of each Capital Trust available for distribution to holders of its preferred securities will be limited to payments under the corresponding junior subordinated debt securities in which the Capital Trust will invest the proceeds from the issuance and sale of its trust securities. If neither the applicable Finance Subsidiary nor PartnerRe, as guarantor, makes interest payments on those corresponding junior subordinated debt securities, the Property Trustee will not have funds available to pay distributions on the related preferred securities. The payment of distributions is guaranteed by us on a limited basis as set forth herein under Description of the Trust Preferred Securities Guarantees.

A Capital Trust will pay distributions to the holders of the preferred securities as they appear on the register of such Capital Trust on the relevant record dates. Subject to any applicable laws and regulations and the provisions of the applicable amended and restated trust agreement, as long as the preferred securities remain in book-entry form, the record dates will be one day prior to the relevant distribution dates and each distribution payment will be made as described under Description of the Trust Preferred Securities Global Preferred Securities. If any preferred securities are not in book-entry form, the relevant record date for such preferred securities will be the date 15 days prior to the relevant distribution date, as specified in the related prospectus supplement. (Section 4.01)

## **Redemption or Exchange**

*Mandatory Redemption.* When any Finance Subsidiary repays or redeems any corresponding junior subordinated debt securities, whether at stated maturity or upon earlier redemption, the Property Trustee will apply the proceeds from such repayment or redemption to redeem, on a pro rata basis, preferred securities and common securities having an aggregate stated liquidation amount equal to the aggregate principal amount of the corresponding junior subordinated debt securities so repaid or redeemed. The Property Trustee must apply the proceeds upon not less than 30 nor more than 60 days notice to holders of trust securities. The redemption price per trust security will be equal to the stated liquidation amount plus accumulated and unpaid distributions to the date of redemption, plus the related amount of premium, if any, paid by the relevant Finance Subsidiary or by us upon the concurrent repayment or redemption of the corresponding junior subordinated debt securities. (Section 4.02)

If less than all of any series of corresponding junior subordinated debt securities are to be repaid or redeemed on a redemption date, then the proceeds from such repayment or redemption shall be allocated to the redemption pro rata of the related preferred securities and the common securities. (Section 4.02)

Each Finance Subsidiary will have the right to redeem any series of its corresponding junior subordinated debt securities:

at any time, in whole but not in part as described under Certain Provisions of the Junior Subordinated Debt Securities Issued to the Capital Trusts Redemption above, or

as may be otherwise specified in the applicable prospectus supplement.



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*Special Event Redemption or Distribution of Corresponding Junior Subordinated Debt Securities.* If a Special Event relating to the preferred securities and common securities of a Capital Trust shall occur and be continuing, the relevant Finance Subsidiary has the right to redeem the corresponding junior subordinated debt securities, in whole but not in part, and thereby cause a mandatory redemption of such preferred securities and common securities, in whole but not in part, at the redemption price within 90 days following the occurrence of the Special Event. (Section 11.08 of the junior subordinated indentures) At any time, the relevant Finance Subsidiary has the right to dissolve such Capital Trust and after satisfaction of the liabilities of creditors of such Capital Trust as provided by applicable law, cause such corresponding junior subordinated debt securities to be distributed to the holders of such preferred securities and common securities in liquidation of the Capital Trust. If the relevant Finance Subsidiary does not elect to redeem the corresponding junior subordinated debt securities upon the occurrence of a Special Event, the applicable preferred securities will remain outstanding. In this event, Additional Sums may be payable on the corresponding junior subordinated debt securities under the circumstances described above in Certain Provisions of the Junior Subordinated Debt Securities Issued to the Capital Trusts Additional Sums.

Except with respect to certain other circumstances, on and after the date on which junior subordinated debt securities are distributed to holders of preferred securities and common securities in connection with the dissolution and liquidation of a Capital Trust as a result of an early termination event:

the trust securities will no longer be deemed to be outstanding;

certificates representing a like amount of junior subordinated debt securities will be issued to the holders of trust securities certificates, upon surrender of such certificates to the administrative trustees or their agent for exchange;

the relevant Finance Subsidiary will use its reasonable efforts to have the junior subordinated debt securities listed or traded on such stock exchange, interdealer quotation system and/or other self-regulatory organization to the extent that the preferred securities are then listed or traded;

any trust securities certificates not so surrendered for exchange will be deemed to represent a like amount of junior subordinated debt securities, accruing interest at the rate provided for in the applicable junior subordinated indenture from the last distribution date on which a distribution was made on such trust securities certificates until such certificates are so surrendered (and until such certificates are so surrendered, no payments of interest or principal will be made to holders of trust securities certificates with respect to such junior subordinated debt securities); and

all rights of securityholders holding trust securities will cease, except the right of such securityholders to receive junior subordinated debt securities upon surrender of trust securities certificates. (Section 9.04(d))

An early termination event, within the meaning of this section, means:

certain events relating to the dissolution or bankruptcy of the relevant Finance Subsidiary or PartnerRe, as guarantor;

the written direction of the property trustee to dissolve a Capital Trust and exchange its trust securities for junior subordinated debt securities;

the redemption of the trust securities in connection with the redemption of all junior subordinated debt securities; or

a court order to dissolve a Capital Trust.



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There can be no assurance as to the market prices for the preferred securities or the corresponding junior subordinated debt securities that may be distributed in exchange for preferred securities if a dissolution and liquidation of a Capital Trust were to occur. Accordingly, the preferred securities that you may purchase, or the corresponding junior subordinated debt securities that you may receive on dissolution and liquidation of a Capital Trust, may trade at a discount to the price that you paid to purchase the preferred securities.

### **Redemption Procedures**

The applicable Capital Trust may redeem preferred securities on each redemption date at the redemption price with the applicable proceeds from the contemporaneous redemption of the corresponding junior subordinated debt securities. The applicable Capital Trust may redeem preferred securities and the redemption price shall be payable on each redemption date only to the extent that the related Capital Trust has funds on hand available for the payment of such redemption price. See also Subordination of Common Securities.

When notice of redemption is given and funds deposited as required, all rights of the holders of such preferred securities so called for redemption will cease and such preferred securities will cease to be outstanding. However, the holders of such preferred securities will continue to have the right to receive the redemption price as well as any cash distributions and any accumulated or additional distributions, if any, that are payable under the applicable amended and restated trust agreement, but without interest. If payment of the redemption price for preferred securities called for redemption is improperly withheld or refused and not paid either by a Capital Trust or by us pursuant to the preferred securities guarantee as described under Description of the Trust Preferred Securities Guarantees, distributions on such preferred securities will continue to accrue. The distributions will accrue at the then applicable rate, from the redemption date originally established by such Capital Trust for such preferred securities to the date such redemption price is actually paid. In this case the actual payment date will be the date fixed for redemption for purposes of calculating the redemption price.

Subject to applicable law (including, without limitation, United States federal securities law), we or our subsidiaries (including the Finance Subsidiaries) may at any time and from time to time purchase outstanding preferred securities by tender, in the open market or by private agreement.

The relevant Capital Trust will pay the redemption price on the preferred securities to the applicable recordholders as they appear on the register for such preferred securities on the relevant record date. Subject to any applicable laws and regulations and the provisions of the applicable amended and restated trust agreement, as long as the preferred securities remain in book-entry form, the record date shall be one day prior to the relevant redemption date. If any preferred securities are not in book-entry form, the record date for such preferred securities shall be the date 15 days prior to the relevant redemption date. If a Capital Trust redeems less than all of the preferred securities and common securities issued by it on a redemption date, then the aggregate liquidation amount of such preferred securities and common securities to be redeemed shall be allocated pro rata to the preferred securities and the common securities based upon the relative liquidation amounts of such classes.

Unless the Capital Trust, the relevant Finance Subsidiary or us each defaults in payment of the redemption price on the corresponding junior subordinated debt securities, on and after the redemption date, interest will cease to accrue on such subordinated debt securities called for redemption. Distributions will also cease to accrue on the related preferred securities called for redemption. (Section 4.02)

### **Subordination of Common Securities**

Payment of distributions on, and the redemption price of, each Capital Trust's preferred securities and common securities, as applicable, shall be made pro rata based on the liquidation amount of such preferred securities and common securities. However, if on any distribution date or redemption date an event of default under the corresponding junior subordinated debt securities occurs and continues, no payment of any distribution on, or redemption price of, any of such Capital Trust's common securities, and no other payment on account of

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the redemption, liquidation or other acquisition of such common securities, shall be made unless payment in full in cash of all accumulated and unpaid distributions on all of such Capital Trust s outstanding preferred securities for all distribution periods terminating on or prior to the liquidation date, or in the case of payment of the redemption price the full amount of such redemption price on all of such Capital Trust s outstanding preferred securities then called for redemption, shall have been made or provided for, and all funds immediately available to the Property Trustee shall first be applied to the payment in full in cash of all distributions on, or redemption price of, such Capital Trust s preferred securities then due and payable.

If any Event of Default under an amended and restated trust agreement resulting from an event of default under the corresponding junior subordinated debt securities occurs, the holder of the applicable Capital Trust s common securities will be deemed to have waived any right to act with respect to any such Event of Default under the applicable amended and restated trust agreement until the effect of all such Events of Default with respect to such preferred securities have been cured, waived or otherwise eliminated. Until any such Events of Default under the applicable amended and restated trust agreement with respect to the preferred securities have been so cured, waived or otherwise eliminated, the Property Trustee shall act solely on behalf of the holders of such preferred securities and not on behalf of the holder of the Capital Trust s common securities, and only the holders of such preferred securities will have the right to direct the Property Trustee to act on their behalf. (Section 4.03)

**Liquidation Distribution Upon Dissolution of a Capital Trust**

Each amended and restated trust agreement states that each Capital Trust shall automatically dissolve upon expiration of its term and shall dissolve automatically on the first to occur of:

the bankruptcy, dissolution or liquidation of PartnerRe or the applicable Finance Subsidiary;

the depositor of the Capital Trust gives written direction to the Property Trustee to dissolve such Capital Trust and distribute to the holders of its trust securities corresponding junior subordinated debt securities having an aggregate principal amount equal to the aggregate stated liquidation amount of the trust securities;

the redemption of all of the Capital Trust s trust securities in connection with the redemption of all the junior subordinated debt securities; or

the entry of an order for the dissolution of the Capital Trust by a court of competent jurisdiction.

(Section 9.02)

If an early dissolution occurs as described in first, second and fourth clauses above or upon the date designated for automatic dissolution of a Capital Trust, the Capital Trustees of the Capital Trust shall liquidate the Capital Trust by distributing to the holders of such trust securities corresponding junior subordinated debt securities having an aggregate principal amount equal to the aggregate stated liquidation amount of the trust securities. This distribution will be made after satisfaction of claims and obligations to creditors of such Capital Trust as provided by applicable law. However, if the Property Trustee determines that such distribution is impractical, such holders will be entitled to receive out of the assets of the Capital Trust available for distribution to holders, after satisfaction of liabilities to creditors of such Capital Trust as provided by applicable law, an amount equal to, in the case of holders of preferred securities, the aggregate of the liquidation amount plus accumulated and unpaid distributions thereon to the date of payment (such amount being the Liquidation Distribution ). If such Liquidation Distribution can be paid only in part because such Capital Trust has insufficient assets available to pay in full the aggregate Liquidation Distribution, then, subject to the next succeeding sentence, the amounts payable directly by such Capital Trust on its preferred securities shall be paid on a pro rata basis. Holders of such Capital Trust s common securities will be entitled to receive distributions

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upon any such liquidation pro rata with the holders of its preferred securities, except that if an event of default relating to the corresponding junior subordinated debt securities has occurred and is continuing, the preferred securities shall have a priority over the common securities. (Section 9.04)

### **Events of Default; Notice**

The occurrence of an event of default relating to the corresponding junior subordinated debt securities (described under Description of the Debt Securities Events of Default under Junior Subordinated Indentures above), shall constitute a Debenture Event of Default under each amended and restated trust agreement with respect to the applicable preferred securities. (Section 1.01)

Within five business days after the occurrence of any Debenture Event of Default actually known to the Property Trustee, the Property Trustee shall transmit notice of such Debenture Event of Default to the holders of the applicable Capital Trust's preferred securities, the Administrative Trustees and to the depositor, unless such Debenture Event of Default shall have been cured or waived. (Section 8.02) The depositor and the Administrative Trustees are required to file annually with the Property Trustee a certificate as to whether or not they are in compliance with all the conditions and covenants applicable to them under each amended and restated trust agreement. (Sections 8.15 and 8.16)

If a Debenture Event of Default has occurred and is continuing, the preferred securities shall have a preference over the common securities upon dissolution of such Capital Trust as described above under Liquidation Distribution Upon Dissolution of a Capital Trust. The existence of a Debenture Event of Default under the amended and restated trust agreements does not entitle the holders of preferred securities to accelerate the maturity of the preferred securities.

### **Removal of Capital Trustees**

Unless a Debenture Event of Default has occurred and is continuing, the Property Trustee and the Delaware Trustee of either Capital Trust may be removed at any time by the holder of the common securities of such Capital Trust. If a Debenture Event of Default under the corresponding junior subordinated debt securities has occurred and is continuing, the Property Trustee and the Delaware Trustee may be removed at such time by the holders of a majority in liquidation amount of the outstanding preferred securities. The holders of the preferred securities of such Capital Trust will not have the right to vote to appoint, remove or replace the Administrative Trustees. The voting rights to appoint, remove or replace the Administrative Trustees are vested exclusively in the holder of the common securities. No resignation or removal of a Capital Trustee and no appointment of a successor trustee shall be effective until the acceptance of appointment by the successor trustee in accordance with the provisions of the applicable amended and restated trust agreement. (Section 8.10)

### **Co-Trustees and Separate Property Trustee**

Unless a Debenture Event of Default has occurred and is continuing, at any time or times, for the purpose of meeting the legal requirements of the Trust Indenture Act or of any jurisdiction in which any part of the property of either Capital Trust may at the time be located, the holder of the common securities of such Capital Trust and the Administrative Trustees shall have power to appoint one or more persons approved by the Property Trustee either to act as a co-trustee, jointly with the Property Trustee, of all or any part of the property of such Capital Trust, or, to the extent required by law, to act as separate trustee of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such person or persons in such capacity any property, title, right or power deemed necessary or desirable, subject to the provisions of the applicable amended and restated trust agreement. In case a Debenture Event of Default has occurred and is continuing, the Property Trustee alone shall have power to make such appointment. (Section 8.09)

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**Mergers, Consolidations, Amalgamations or Replacements of the Capital Trusts**

A Capital Trust may not merge with or into, convert into, consolidate, amalgamate, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to any corporation or other entity, except as described below or as described in Liquidation Distribution Upon Dissolution of a Capital Trust. A Capital Trust may, at the request of the depositor of the Capital Trust, with the consent of only the Administrative Trustees of such Capital Trust and without the consent of the holders of its preferred securities, merge with or into, convert into, consolidate, amalgamate, or be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to a trust organized as such under the laws of any state, provided, that:

such successor entity either expressly assumes all of the obligations of such Capital Trust with respect to the preferred securities or substitutes for the preferred securities other securities having substantially the same terms as the preferred securities so long as such successor securities rank the same as the preferred securities rank in priority with respect to distributions and payments upon liquidation, redemption and otherwise;

the depositor of the Capital Trust expressly appoints a trustee of such successor entity possessing the same powers and duties as the Property Trustee as the holder of the corresponding junior subordinated debt securities;

the successor securities are listed or traded, or any successor securities will be listed upon notification of issuance, on any national securities exchange or other organization on which the preferred securities are then listed or traded, if any;

such merger, conversion, consolidation, amalgamation, replacement, conveyance, transfer or lease does not cause the preferred securities (including any successor securities) to be downgraded by any nationally recognized statistical rating organization;

such merger, conversion, consolidation, amalgamation, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the holders of the preferred securities (including any successor securities) in any material respect;

such successor entity has a purpose substantially identical to that of the Capital Trust;

prior to such merger, conversion, consolidation, amalgamation, replacement, conveyance, transfer or lease, the depositor of the Capital Trust has received an opinion from independent counsel experienced in such matters to the effect that (a) such merger, conversion, consolidation, amalgamation, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the holders of the preferred securities (including any successor securities) in any material respect, and (b) following such merger, conversion, consolidation, amalgamation, replacement, conveyance, transfer or lease, neither the Capital Trust nor any successor entity will be required to register as an investment company under the Investment Company Act; and

the depositor of the Capital Trust (or any permitted successor or assignee) owns all of the common securities of such successor entity and PartnerRe guarantees the obligations of such successor entity under the successor securities at least to the extent provided by the preferred securities guarantee.

However, a Capital Trust may not, except with the consent of holders of 100% in liquidation amount of its preferred securities, consolidate, amalgamate, merge with or into, convert into or be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to any other entity or permit any other entity



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to consolidate, amalgamate, merge with or into, or replace it if it would cause such Capital Trust or the successor entity to be classified as other than a grantor trust for federal income tax purposes or cause any other material adverse tax consequences to the holders of the preferred securities. (Section 9.05)

### **Voting and Preemptive Rights**

Except as provided below and under Description of the Trust Preferred Securities Guarantees Amendments and Assignment and as otherwise required by law and the applicable amended and restated trust agreement, the holders of the preferred securities will have no voting rights. Holders of the preferred securities have no preemptive or similar rights. (Section 6.01)

### **Amendment of Amended and Restated Trust Agreements**

Each amended and restated trust agreement may be amended from time to time by the depositor of the Capital Trust and the Capital Trustees, without the consent of the holders of the trust securities to:

cure any ambiguity;

correct or supplement any provisions in such amended and restated trust agreement that may be inconsistent with any other provision;

make any other provisions with respect to matters or questions arising under such amended and restated trust agreement, which shall not be inconsistent with the other provisions of such amended and restated trust agreement; or

modify, eliminate or add to any provisions of such amended and restated trust agreement to such extent as shall be necessary to ensure that the Capital Trust will be classified for United States federal income tax purposes as a grantor trust at all times that any trust securities are outstanding or to ensure that the Capital Trust will not be required to register as an investment company under the Investment Company Act.

However, in the case of the first three clauses above such action shall not adversely affect in any material respect the interests of any holder of trust securities. Any amendments of an amended and restated trust agreement shall become effective when notice of the amendment is given to the holders of trust securities of the applicable Capital Trust. (Section 10.02)

Each amended and restated trust agreement may be amended by the depositor of the Capital Trust and the Capital Trustees with the consent of holders representing not less than a majority (based upon liquidation amounts) of the outstanding trust securities, and receipt by the Capital Trustees of an opinion of counsel to the effect that such amendment or the exercise of any power granted to the Capital Trustees in accordance with such amendment will not affect the Capital Trust's status as a grantor trust for United States federal income tax purposes or the Capital Trust's exemption from status of an investment company under the Investment Company Act. However, without the consent of each holder of trust securities of such Capital Trust, such amended and restated trust agreement may not be amended to:

change the amount or timing of any distribution on the trust securities or otherwise adversely affect the amount of any distribution required to be made in respect of the trust securities as of a specified date; or

restrict the right of a holder of trust securities to institute suit for the enforcement of any such payment on or after such date. (Section 10.02)



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So long as any corresponding junior subordinated debt securities are held by the Property Trustee, the Capital Trustees shall not:

direct the time, method and place of conducting any proceeding for any remedy available to the indenture trustee, or executing any trust or power conferred on the Property Trustee with respect to such corresponding junior subordinated debt securities;

waive any past default that is waivable under Section 5.13 of the applicable junior subordinated indenture (as described in Description of the Debt Securities Modification and Waiver );

exercise any right to rescind or annul a declaration that the principal of all the junior subordinated debt securities shall be due and payable; or

consent to any amendment, modification or termination of the junior subordinated indenture or such corresponding junior subordinated debt securities, where consent shall be required, without, in each case, obtaining the prior approval of the holders of a majority in aggregate liquidation amount of all outstanding preferred securities. (Section 6.01)

### **Global Preferred Securities**

The preferred securities of a Capital Trust may be issued in whole or in part in the form of one or more global preferred securities that will be deposited with, or on behalf of, the depository identified in the prospectus supplement.

The specific terms of the depository arrangement with respect to the preferred securities of a Capital Trust will be described in the related prospectus supplement.

Unless otherwise specified in the applicable prospectus supplement, the amended and restated trust agreement of each Capital Trust will provide that the global preferred securities will be exchanged for preferred securities in definitive form in accordance with the instructions of the depository, if:

the depositor of the Capital Trust advises the Capital Trustees in writing that the depository is no longer willing or able to act as depository and the depositor of the Capital Trust fails to appoint a qualified successor within 90 days;

the depositor of the Capital Trust at its option advises the Capital Trustees in writing that it elects to terminate the book-entry system through the depository; or

after the occurrence of a Debenture Event of Default under the corresponding junior subordinated debt securities, owners of preferred securities representing at least a majority of liquidation amount of such preferred securities advise the Property Trustee in writing that the continuation of a book-entry system through the depository is no longer in their best interests. (Section 5.13)

With respect to the second bullet point above, the depositor of the Capital Trust understands, however, that under current industry practices, the depository would notify its participants of the depositor's request, but will only withdraw beneficial interests from a global preferred security at the request of each participant. The depositor of the Capital Trust would issue preferred securities in definitive form in exchange for any such interests withdrawn.

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### **Payment and Paying Agency**

Payments on the preferred securities will be made to the depository, which will credit the relevant accounts at the depository on the applicable distribution dates. If any Capital Trust's preferred securities are not held by the depository, payments will be made by check mailed to the address of the holder entitled to such payments as such address shall appear on the register of such Capital Trust. Unless otherwise specified in the applicable prospectus supplement, the paying agent shall initially be the Property Trustee. The paying agent shall be permitted to resign as paying agent upon 30 days' written notice to the depositor of the Capital Trust, the Administrative Trustees and the Property Trustee. If the Property Trustee shall no longer be the paying agent, the Administrative Trustees shall appoint a successor to act as paying agent. Any successor shall be a bank or trust company acceptable to the Property Trustee and the depositor of the Capital Trust. (Section 5.09)

### **Registrar and Transfer Agent**

The initial registrar and transfer agent for the preferred securities will be designated by the depositor of the Capital Trust and specified in the applicable prospectus supplement. The depositor of the Capital Trust has the right to change the registrar and transfer agent for the preferred securities at any time in its sole discretion.

Registration of transfers of preferred securities will be effected without charge by or on behalf of each Capital Trust, but upon payment of any tax or other governmental charges that may be imposed in connection with any transfer or exchange. The Capital Trusts will not be required to register or cause to be registered the transfer of their preferred securities after such preferred securities have been called for redemption. (Section 5.04)

### **Administrative Trustees**

The Administrative Trustees are authorized and directed to conduct the affairs of and to operate the respective Capital Trusts in such a way that such Capital Trust will not be deemed to be an investment company required to be registered under the Investment Company Act or fail or cease to qualify as a grantor trust for United States federal income tax purposes and so that the corresponding junior subordinated debt securities will be treated as the applicable Finance Subsidiary's indebtedness for United States federal income tax purposes. In this connection, the depositor of the Capital Trust and the Administrative Trustees are authorized to take any action, not inconsistent with applicable law, the certificate of trust of each Capital Trust or each amended and restated trust agreement, that the depositor and the Administrative Trustees determine in their discretion to be necessary or desirable for such purposes, as long as such action does not materially adversely affect the interests of the holders of the related preferred securities.

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**DESCRIPTION OF THE TRUST PREFERRED SECURITIES GUARANTEES**

**Capital Trust Securities Guarantees**

Concurrently with any issuance by a Capital Trust of its preferred securities, we will execute and deliver a preferred securities guarantee for the benefit of the holders from time to time of such preferred securities. The Bank of New York Mellon will act as indenture trustee under the preferred securities guarantees for the purposes of compliance with the Trust Indenture Act. The preferred securities guarantees will be qualified as indentures under the Trust Indenture Act.

The following summary sets forth the material terms and provisions of the preferred securities guarantees. The following summary of certain provisions of the preferred securities guarantees is not complete. You should read the preferred securities guarantees and the Trust Indenture Act for more complete information regarding the provisions of the preferred securities guarantees, including the definitions of some of the terms used below. The preferred securities guarantees have been attached as exhibits to the registration statement of which this prospectus forms a part. Whenever we refer to particular sections or defined terms of a preferred securities guarantee, such sections or defined terms are incorporated herein by reference, and the statement in connection with which such reference is made is qualified in its entirety by such reference. Reference in this summary to preferred securities means such Capital Trust's preferred securities to which a preferred securities guarantee relates. The Guarantee Trustee will hold each preferred securities guarantee for the benefit of the holders of the related Capital Trust's preferred securities.

**General**

We will irrevocably and unconditionally agree to pay in full on a subordinated basis, to the extent described in this prospectus, to the holders of the preferred securities of such Capital Trust, the Guarantee Payments (as defined below) (without duplication of amounts paid by or on behalf of the applicable Capital Trust) regardless of any defense, right of setoff or counterclaim that such Capital Trust may have or assert other than the defense of payment. The following payments with respect to preferred securities, to the extent not paid by or on behalf of the applicable Capital Trust (the Guarantee Payments), will be subject to the related preferred securities guarantee:

any accrued and unpaid distributions required to be paid on such preferred securities, to the extent that such Capital Trust has funds on hand available for payment at such time;

the redemption price, including all accrued and unpaid distributions to the redemption date, with respect to any preferred securities called for redemption, to the extent that such Capital Trust has funds on hand available for payment at such time; and

upon a voluntary or involuntary dissolution, winding up or liquidation of such Capital Trust (unless the corresponding junior subordinated debt securities are distributed to holders of such preferred securities), the lesser of (a) the Liquidation Distribution, to the extent such Capital Trust has funds available for payment at such time and (b) the amount of assets of such Capital Trust remaining available for distribution to holders of preferred securities.

Our obligation to make a Guarantee Payment may be satisfied by direct payment of the required amounts by us to the holders of the applicable preferred securities or by causing the related Capital Trust to pay such amounts to such holders. (Section 5.01)

Each preferred securities guarantee will be an irrevocable and unconditional guarantee on a subordinated basis of the applicable Capital Trust's payment obligations under its preferred securities, but will apply only to the extent that such Capital Trust has funds sufficient to make such payments. (Sections 1.01, 5.01) Each preferred securities guarantee is, to that extent, a guarantee of payment and not a guarantee of collection. (Section 5.05)

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If the relevant Finance Subsidiary does not make interest payments on the corresponding junior subordinated debt securities held by a Capital Trust, and if we do not make such payments under the junior subordinated debt securities guarantee, the Capital Trust will not be able to pay distributions on the preferred securities and will not have funds legally available for payment. Each preferred securities guarantee will rank subordinate and junior in right of payment to all Senior Indebtedness of ours (including all debt securities). See Status of the Preferred Securities Guarantees.

Because we are a holding company, our rights and the rights of our creditors (including the holders of preferred securities who are creditors of ours by virtue of the preferred securities guarantee) and shareholders to participate in any distribution of assets of any subsidiary upon such subsidiary's liquidation or reorganization or otherwise would be subject to the prior claims of the subsidiary's creditors and policyholders, except to the extent that we may ourselves be a creditor with recognized claims against the subsidiary. The right of creditors of ours (including the holders of preferred securities who are creditors of ours by virtue of the preferred securities guarantee) to participate in the distribution of stock owned by us in certain of our subsidiaries may also be subject to approval by certain insurance regulatory authorities having jurisdiction over such subsidiaries. Except as otherwise provided in the applicable prospectus supplement, the preferred securities guarantees do not limit our ability to incur or issue other secured or unsecured debt, whether under an indenture or otherwise.

Our obligations described herein and in any accompanying prospectus supplement, through the applicable preferred securities guarantee, the applicable amended and restated trust agreement, the applicable junior subordinated indenture and any supplemental indentures thereto and the applicable junior subordinated debt securities guarantee agreement, taken together, constitute a full, irrevocable and unconditional guarantee by us of payments due on the preferred securities. No single document standing alone or operating in conjunction with fewer than all of the other documents constitutes such guarantee. It is only the combined operation of these documents that has the effect of providing a full, irrevocable and unconditional guarantee of the applicable Capital Trust's obligations under its preferred securities. See The Capital Trusts, Description of the Trust Preferred Securities, and Description of the Debt Securities.

### **Status of the Preferred Securities Guarantees**

Each preferred securities guarantee will constitute an unsecured obligation of ours and will rank subordinate and junior in right of payment to all of our Senior Indebtedness (as defined above in Description of Debt Securities Subordination of the Subordinated Debt Securities Issued by PartnerRe ). (Section 6.02)

Each preferred securities guarantee will rank equally with all other similar preferred securities guarantees issued by us on behalf of holders of preferred securities of any trust, partnership or other entity affiliated with us which is a financing vehicle of ours. Each preferred securities guarantee will constitute a guarantee of payment and not of collection. This means that the guaranteed party may institute a legal proceeding directly against us to enforce its rights under the preferred securities guarantee without first instituting a legal proceeding against any other person or entity. Each preferred securities guarantee will not be discharged except by payment of the Guarantee Payments in full to the extent not paid by the applicable Capital Trust or upon distribution to the holders of the preferred securities of the corresponding junior subordinated debt securities. None of the preferred securities guarantees places a limitation on the amount of additional Indebtedness that may be incurred by us. We expect from time to time to incur additional Indebtedness that will rank senior to the preferred securities guarantees.

### **Amendments and Assignment**

Except with respect to any changes that do not materially adversely affect the rights of holders of the related preferred securities (in which case no vote will be required), and any changes to the terms of our guarantee under each preferred securities guarantee and certain of our covenants described under Certain Provisions of the Junior Subordinated Debt Securities Issued to the Capital Trusts Certain Covenants (which may only be

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amended in writing with the prior approval of each holder of such preferred securities then outstanding), no preferred securities guarantee may be amended without the prior approval of the holders of not less than a majority in liquidation preference of all such then outstanding preferred securities. (Section 8.02) All guarantees and agreements contained in each preferred securities guarantee shall bind our successors, assigns, receivers, trustees and representatives and shall inure to the benefit of the holders of the related preferred securities then outstanding.

### **Events of Default**

An event of default under a preferred securities guarantee will occur upon our failure to perform any of our payment obligations under the preferred securities guarantee. The holders of not less than a majority in aggregate liquidation amount of the related preferred securities have the right to direct the time, method and place of conducting any proceeding for any remedy available to the indenture trustee in respect of such preferred securities guarantee or to direct the exercise of any trust or power conferred upon the indenture trustee under such preferred securities guarantee. (Section 5.04)

If the indenture trustee fails to enforce a preferred securities guarantee, any holder of the related preferred securities may institute a legal proceeding directly against us to enforce its rights under such preferred securities guarantee without first instituting a legal proceeding against the applicable Capital Trust, the indenture trustee or any other person or entity. (Section 5.04)

We, as guarantor, are required to file annually with the indenture trustee a certificate as to whether or not we are in compliance with all the conditions and covenants applicable to us under the applicable preferred securities guarantee. (Section 2.04)

### **Termination of the Preferred Securities Guarantees**

Each preferred securities guarantee will terminate and be of no further force and effect upon:

full payment of the redemption price of all the related preferred securities,

the distribution of the corresponding junior subordinated debt securities to the holders of such preferred securities or

upon full payment of the amounts payable upon liquidation of the related Capital Trust. Each preferred securities guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any holder of the related preferred securities must restore payment of any sums paid with respect to such preferred securities or such preferred securities guarantee. (Section 7.01)

### **New York Law to Govern**

Each preferred securities guarantee will be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and performed in that state. (Section 8.06)

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**DESCRIPTION OF THE SHARE PURCHASE CONTRACTS AND THE SHARE PURCHASE UNITS**

We may issue share purchase contracts, representing contracts obligating holders to purchase from us, and obligating us to sell to the holders, a specified number of common shares at a future date or dates. We may fix the price per share and the number of common shares at the time we issue the share purchase contracts or we may also fix the price per share and the number of common shares by reference to a specific formula set forth in the share purchase contracts. We may issue the share purchase contracts separately or as a part of share purchase units. If issued as a part of share purchase units, such share purchase contract may be combined with, as security for the holder's obligations to purchase the shares under the share purchase contracts, either:

senior debt securities or subordinated debt securities of ours;

senior debt securities, subordinated debt securities or junior debt securities of any of the Finance Subsidiaries;

preferred shares;

debt obligations of third parties, including U.S. Treasury securities; or

preferred securities of a Capital Trust.

The share purchase contracts may require us to make periodic payments to the holders of the share purchase units or vice versa, and such payments may be unsecured or prefunded on some basis. The share purchase contracts may require holders to secure their obligations in a specified manner and in certain circumstances we may deliver newly issued share purchase contracts upon release to a holder of any collateral securing such holder's obligations under the original share purchase contract.

The applicable prospectus supplement will describe the terms of any share purchase contracts or share purchase units. The description in the prospectus supplement will not purport to be complete and will be qualified in its entirety by reference to:

the share purchase contracts; and

the collateral arrangements and depositary arrangements, if applicable, relating to such share purchase contracts or share purchase units.

**DESCRIPTION OF UNITS**

As specified in the applicable prospectus supplement, we may issue units consisting of one or more purchase contracts, purchase units, warrants, debt securities, preferred shares, common shares, preferred securities, depositary shares or any combination of such securities, including guarantees of any of such securities. The applicable prospectus supplement will describe:

the terms of the units and of the securities comprising the units, including whether and under what circumstances the securities comprising the units may be traded separately;

a description of the terms of any unit agreement governing the units; and

a description of the provisions for the payment, settlement, transfer or exchange of the units.

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**PLAN OF DISTRIBUTION**

We, each Finance Subsidiary and/or each Capital Trust may sell offered securities in any one or more of the following ways from time to time:

through agents;

through underwriters or dealers; or;

directly to a limited number of purchasers or a single purchaser, including our affiliates.

The prospectus supplement with respect to the offered securities will set forth the terms of the offering of the offered securities, including:

the name or names of any underwriters, dealers or agents and the respective amount of the offered securities underwritten or purchased by each of them;

the purchase price of the offered securities and the proceeds to us, any of the Finance Subsidiaries and/or a Capital Trust from such sale;

any underwriting discounts and commissions or agency fees and other items constituting underwriters or agents compensation;

any delayed delivery arrangements;

any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers; and

any securities exchange on which such offered securities may be listed.

Any initial public offering price, discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

The distribution of the offered securities may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

Offered securities may be sold directly by us or through agents designated by us from time to time. Any agent involved in the offer or sale of the offered securities in respect of which this prospectus is delivered will be named, and any commissions payable by us, any of the Finance Subsidiaries and/or a Capital Trust to such agent will be set forth, in the applicable prospectus supplement. Unless otherwise indicated in such prospectus supplement, any such agent will be acting on a reasonable best efforts basis for the period of its appointment. Any such agent may be deemed to be an underwriter, as that term is defined in the Securities Act, of the offered securities so offered and sold.

If offered securities are sold by means of an underwritten offering, we, a Finance Subsidiary and/or a Capital Trust will execute an underwriting agreement with an underwriter or underwriters, and the names of the specific managing underwriter or underwriters, as well as any other underwriters, and the terms of the transaction, including commissions, discounts and any other compensation of the underwriters and dealers, if any, will be set forth in the prospectus supplement which will be used by the underwriters in connection with sales of the offered securities. The offered securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at fixed public offering prices or at varying prices determined by the underwriters at the time of sale.





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Our offered securities may be offered to the public either through underwriting syndicates represented by managing underwriters or directly by the managing underwriters. Unless otherwise indicated in the prospectus supplement, the underwriting agreement will provide that the obligations of the underwriters are subject to certain conditions precedent. The underwriters will be obligated to purchase all of the offered securities of a series if they purchase any of such offered securities.

We, a Finance Subsidiary and/or a Capital Trust may grant to the underwriters options to purchase additional offered securities, to cover over-allotments, if any, at the public offering price (with additional underwriting discounts or commissions), as may be set forth in the prospectus supplement relating thereto. If we, a Finance Subsidiaries and/or a Capital Trust grants any over-allotment option, the terms of such over-allotment option will be set forth in the prospectus supplement relating to such offered securities.

In connection with an offering, the underwriters or other agents may purchase and sell securities in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by an agent of a greater number of securities than they are required to purchase in an offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the securities while an offering is in progress.

The agents may also impose a penalty bid. This occurs when a particular agent repays to the agents a portion of the discount received by it because the agents have repurchased securities sold by or for the account of that agent in stabilizing or short-covering transactions.

These activities by the agents may stabilize, maintain or otherwise affect the market price of the securities. As a result, the price of the securities may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the agents at any time. These transactions may be effected on an exchange or automated quotation system, if the securities are listed on that exchange or admitted for trading on that automated quotation system, or in the over-the-counter market or otherwise.

If a dealer is utilized in the sales of offered securities, we, a Finance Subsidiary and/or a Capital Trust will sell such offered securities to the dealer as principal. The dealer may then resell such offered securities to the public at varying prices to be determined by such dealer at the time of resale. Any such dealer may be deemed to be an underwriter as such term is defined in the Securities Act, of the offered securities so offered and sold. The name of the dealer and the terms of the transaction will be set forth in the related prospectus supplement.

We may enter into derivative transactions with third parties or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement indicates, in connection with those derivatives, such third parties (or affiliates of such third parties) may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, such third parties (or affiliates of such third parties) may use securities pledged by us or borrowed from us or others to settle those sales or to close out any related open borrowings of stock, and may use securities received from us in settlement of those derivatives to close out any related open borrowings of stock. The third parties (or affiliates of such third parties) in such sale transactions will be underwriters and, if not identified in this prospectus, will be identified in the applicable prospectus supplement (or a post-effective amendment).

We may loan or pledge securities to a financial institution or other third party that in turn may sell the securities using this prospectus. Such financial institution or third party may transfer its short position to investors in our securities or in connection with a simultaneous offering of other securities offered by this prospectus.

Offered securities may also be offered and sold, if so indicated in the applicable prospectus supplement, in connection with a remarketing upon their purchase, in accordance with a redemption or repayment pursuant to their terms, or otherwise, by one or more firms ( remarketing firms ), acting as principals for their own accounts

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or as agents for us, a Finance Subsidiary and/or a Capital Trust. Any remarketing firm will be identified and the terms of its agreements, if any, with us, a Finance Subsidiary and/or a Capital Trust and its compensation will be described in the applicable prospectus supplement. Remarketing firms may be deemed to be underwriters, as such term is defined in the Securities Act, in connection with the offered securities remarketed thereby.

Agents, underwriters, dealers and remarketing firms may be entitled under relevant agreements entered into with us, a Finance Subsidiary and/or a Capital Trust to indemnification by us, a Finance Subsidiary and/or a Capital Trust against certain civil liabilities, including liabilities under the Securities Act that may arise from any untrue statement or alleged untrue statement of a material fact or any omission or alleged omission to state a material fact in this prospectus, any supplement or amendment hereto, or in the registration statement of which this prospectus forms a part, or to contribution with respect to payments which the agents, underwriters or dealers may be required to make.

We, a Finance Subsidiary and/or a Capital Trust may authorize underwriters or other persons acting as agents to solicit offers by certain institutions to purchase offered securities from us, a Finance Subsidiary and/or such Capital Trust, pursuant to contracts providing for payments and delivery on a future date. Institutions with which such contracts may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others, but in all cases such institutions must be approved by us, a Finance Subsidiary and/or such Capital Trust. The obligations of any purchaser under any such contract will be subject to the condition that the purchase of the offered securities shall not at the time of delivery be prohibited under the laws of the jurisdiction to which such purchaser is subject. The underwriters and such other agents will not have any responsibility in respect of the validity or performance of such contracts.

Disclosure in the prospectus supplement of the use by us, a Finance Subsidiary and/or a Capital Trust of delayed delivery contracts will include the commission that underwriters and agents soliciting purchases of the securities under delayed contracts will be entitled to receive in addition to the date when we will demand payment and delivery of the securities under the delayed delivery contracts. These delayed delivery contracts will be subject only to the conditions that are described in the prospectus supplement.

Each series of offered securities will be a new issue and, other than the common shares, the Series C Preferred Shares and the Series D Preferred Shares, each of which are listed on the New York Stock Exchange, will have no established trading market. We, a Finance Subsidiary and/or a Capital Trust may elect to list any series of offered securities on an exchange, and in the case of the common shares, on any additional exchange, but, unless otherwise specified in the applicable prospectus supplement, neither we, such Finance Subsidiary and/or such Capital Trust shall be obligated to do so. No assurance can be given as to the liquidity of the trading market for any of the offered securities.

Underwriters, dealers, agents and remarketing firms may be customers of, engage in transactions with, or perform services for, us and our subsidiaries (including the Finance Subsidiaries) in the ordinary course of business.

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### **LEGAL OPINIONS**

Certain legal matters with respect to United States and New York law with respect to the validity of certain of the offered securities will be passed upon for us by Davis Polk & Wardwell, New York, New York. Certain legal matters with respect to Delaware law with respect to the validity of certain of the offered securities will be passed upon for us by Richards, Layton & Finger, P.A., Wilmington, Delaware. Certain legal matters with respect to Bermuda law will be passed upon for us by corporate counsel for PartnerRe. Additional legal matters may be passed on for PartnerRe, any underwriters, dealers or agents by counsel which we will name in the applicable prospectus supplement.

### **EXPERTS**

The consolidated financial statements, the related financial statement schedules, incorporated in this Prospectus by reference from the Company's Annual Report on Form 10-K, and the effectiveness of PartnerRe Ltd.'s internal control over financial reporting have been audited by Deloitte & Touche, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such consolidated financial statements and financial statement schedules have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

### **WHERE YOU CAN FIND MORE INFORMATION**

#### **General**

We have filed with the Securities and Exchange Commission, or the Commission, a registration statement on Form S-3 under the Securities Act of 1933, as amended, relating to the common shares, preferred shares, debt securities, debt securities guarantees, depositary shares, warrants, share purchase contracts, share purchase units, trust preferred securities and preferred securities guarantees described in this prospectus. This prospectus is a part of the registration statement, but the registration statement also contains additional information and exhibits.

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended. Accordingly, we file annual, quarterly and special reports and other information with the Commission. You may read and copy any document that we file at the Commission's public reference rooms at 100 F Street, N.E., Washington, D.C. 20549. Please call the Commission at 1-800-SEC-0330 for further information on the public reference rooms. Our filings with the Commission subsequent to June 2001 are also available to you free of charge at the Commission's website at <http://www.sec.gov>.

Additionally, our common shares, our 6.75% Series C Cumulative Redeemable Preferred Shares and our 6.50% Series D Cumulative Redeemable Preferred Shares are each listed on the New York Stock Exchange, so our reports can also be inspected at the offices of the New York Stock Exchange located at 20 Broad Street, 17th Floor, New York, New York 10005.

#### **The Finance Subsidiaries**

There are no separate financial statements of the Finance Subsidiaries in this prospectus. We do not believe the financial statements would be helpful to the holders of the debt securities of the Finance Subsidiaries because:

we, a reporting company under the Exchange Act, own indirectly all of the outstanding capital stock of each Finance Subsidiary;

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the Finance Subsidiaries have no independent operations or proposals to engage in any activity other than issuing debt securities and applying the proceeds as described in Use of Proceeds ; and

the obligations of the Finance Subsidiaries under the senior, subordinated or junior subordinated debt securities issued by them will be fully and unconditionally guaranteed by us. See Description of the Debt Securities Guarantees.

The Finance Subsidiaries are not currently subject to the information reporting requirements of the Exchange Act and will not become subject to the requirements upon the effectiveness of the registration statement that contains this prospectus.

### **The Capital Trusts**

There are no separate financial statements of the Capital Trusts in this prospectus. We do not believe the financial statements would be helpful to the holders of the preferred securities of either of the Capital Trusts because:

we, a reporting company under the Exchange Act, will directly or indirectly own all of the voting securities of each Capital Trust;

each Capital Trust has no independent operations or proposals to engage in any activity other than issuing securities representing undivided beneficial interests in the assets of such Capital Trust and investing the proceeds in junior subordinated debt securities issued by a Finance Subsidiary which will be guaranteed by us; and

the obligations of each Capital Trust under the preferred securities issued by it will be guaranteed by us. See Description of the Trust Preferred Securities Guarantees.

Neither Capital Trust is currently subject to the information reporting requirements of the Exchange Act and neither of them will become subject to the requirements upon the effectiveness of the registration statement that contains this prospectus.

### **INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

We file annual, quarterly and special reports, proxy statements and other information with the Commission. The Commission allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring to those documents. The information incorporated by reference is an important part of this prospectus. Any statement contained in a document which is incorporated by reference in this prospectus is automatically updated and superseded if information contained in this prospectus, or information that we later file with the Commission, modifies or replaces this information. All documents we subsequently file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, prior to the termination of an offering (including any documents filed after the date of this prospectus and prior to the effectiveness of the Registration Statement) shall be deemed to be incorporated by reference into this prospectus.

We incorporate by reference the following previously filed documents:

- (1) our Annual Report on Form 10-K for the year ended December 31, 2008 filed with the Commission on February 27, 2009 (file no. 001-14536);
- (2) the description of our common shares set forth in our registration statements filed under the Exchange Act on Form 8-A on October 4, 1993 (file no. 000-22530) and October 24, 1996 (file no. 001-14536), including any amendment or report for the purpose of updating such description;

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- (3) our Current Reports on Form 8-K filed on March 2, 2009 and March 16, 2009 (file no. 001-14536);
  
- (4) the description of our 6.75% Series C Cumulative Redeemable Preferred Shares set forth in our registration statement filed under the Exchange Act on Form 8-A on May 2, 2003 (file no. 001-14536), including any amendment or report for the purpose of updating such description; and
  
- (5) the description of our 6.50% Series D Cumulative Redeemable Preferred Shares set forth in our registration statement filed under the Exchange Act on Form 8-A on November 12, 2004 (file no. 001-14536), including any amendment or report for the purpose of updating such description.

You may request free copies of these filings (other than the exhibits) by writing or telephoning us at the following address:

90 Pitts Bay Road

Pembroke HM 08

Bermuda

Attention: Legal and Corporate Compliance

Telephone: (441) 292-0888

Fax: (441) 292-6080

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**ENFORCEMENT OF CIVIL LIABILITIES UNDER UNITED STATES FEDERAL SECURITIES LAWS**

We are a Bermuda company. In addition, certain of our directors and officers as well as certain of the experts named in this prospectus, reside outside the United States, and all or a substantial portion of our assets and their assets are located outside the United States. Therefore, it may be difficult for investors to effect service of process within the United States upon those persons or to recover against us or those persons on judgments of courts in the United States, including judgments based on civil liabilities provisions of the United States federal securities laws.

The United States and Bermuda do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Also, there is doubt as to whether the courts of Bermuda would enforce (1) judgments of United States courts based on the civil liability provisions of the United States federal securities laws obtained in actions against us or our directors and officers, and (2) original actions brought in Bermuda against us or our officers and directors based solely upon the United States federal securities laws. A Bermuda court may, however, impose civil liability on us or our directors or officers in a suit brought in the Supreme Court of Bermuda provided that the facts alleged constitute or give rise to a cause of action under Bermuda law. Certain remedies available under the laws of U.S. jurisdictions, including certain remedies under the U.S. federal securities laws, would not be allowed in Bermuda courts to the extent that they are contrary to public policy.

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**\$500,000,000**

**PartnerRe Finance B LLC**

**5.500% Senior Notes due 2020**

**Fully and Unconditionally Guaranteed by**

**PartnerRe Ltd.**

**PROSPECTUS SUPPLEMENT**

**March 10, 2010**

*Joint Book-Running Managers*

**BofA Merrill Lynch**

**Barclays Capital**

**Credit Suisse**

*Co-Managers*

**Deutsche Bank Securities**

**HSBC**

**J.P. Morgan**

**Wells Fargo Securities**



