Letter to Shareholders

By Kevin J. O'Donnell

Dear Shareholders,

At RenaissanceRe, we have spent the last decade building a reinsurance company designed to solve any customer's problem across any line, at scale, through our owned and Capital Partner balance sheets. This journey was signposted by three acquisitions that significantly advanced our strategy – Platinum Underwriters in 2015, Tokio Millennium Re in 2019 and, most recently, Validus in 2023. In each acquisition, I am proud to say the people, the business and the infrastructure were fully integrated into RenaissanceRe.

As a result, we have become one of the world's largest and most respected reinsurers, while preserving our deep underwriting acumen and unique culture. Today, we are one of a handful of leading reinsurers capable of providing the pricing and structuring necessary for successful reinsurance placements.

In 2024, our shareholders benefited from what we have built. In this letter, I will discuss several of the financial and strategic accomplishments that we delivered over the past year. More importantly, regardless of how the reinsurance market evolves, we believe we have the leadership, expertise and partnership necessary to capture the opportunities presented and continue creating value for our shareholders into the future.

I . Our Performance in 2024

Financial Performance

In 2024, we delivered strong shareholder value, reporting net income available to common shareholders of $1.8 billion and operating income available to common shareholders of $2.2 billion. Our return on average common equity was 19.3% and our operating return on average common equity was 23.5%. Our change in book value per common share plus change in accumulated dividends was 19.4% and our change in tangible book value per common share plus change in accumulated dividends was 26.0%.

To put this success in perspective, our operating income was 22% higher in 2024 despite a $660 million net negative impact on net income available to common shareholders from large loss events in the year (versus a $213 million net negative impact in 2023).

Strategic Performance

Strategically, our most notable accomplishment was the completion of the Validus acquisition and integration. This was a nearly two-year undertaking that encompassed extensive due diligence; collaborative negotiation; innovative financing; multiple regulatory approvals; outstanding support from our customers; proactive management of real estate; successful onboarding of new employees and offices; seamless integration of risk, accounting and claims management systems; and capital efficient combination of multiple balance sheets.

Most critically, we successfully retained the Validus portfolio and fully integrated its entities. This would not have been possible without the trust of our customers, and we deeply value our relationships with them. In addition, as I will explain below, we generated significant capital efficiencies as a result of the combined platform for the benefit of our shareholders. In the end, we accomplished our goals, and now have the strategic flexibility necessary to pursue new opportunities in 2025 and beyond.

Capital Management

When we began evaluating the acquisition of Validus in early 2023, our common equity position was around $4.6 billion. Since that time, due to the strong performance of our Three Drivers of Profit, we have generated $4.2 billion in retained earnings and ended 2024 with $9.8 billion in common shareholders' equity. Due to our significantly larger scale, we need more capital to run our business than we did two years ago. That said, a portion of this increase is excess capital – positioning us to both grow our business and increase capital return to our shareholders.

With our industry-leading access to multiple forms of efficient capital, we successfully optimized the Validus capital structure. Prior to the acquisition, Validus had about $3 billion of equity capital. In preparation for closing, this amount was reduced through a $1 billion dividend payment. This left the entities we acquired with $2 billion of capital, which represented the amount we needed to run the company through transition over the course of 2024.

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President and Chief Executive Officer

By optimizing the Validus business onto our owned and Capital Partner balance sheets, we freed half of the remaining capital, or approximately $1 billion. This allowed us to begin returning excess capital to our shareholders. In total, from the time we began buying back our shares in 2024 until February 7, 2025, we repurchased $905 million shares, at an average price of $249 per share. At our current valuation and earnings potential, we believe that this will be near term accretive to our primary metric — growth in tangible book value per share plus change in accumulated dividends.

Also, in the fourth quarter we increased our share repurchase authorization from $500 million to $750 million. This increase was our first since 2007 and reflects the greater scale we have achieved, the consistent, superior returns we expect to continue generating and our substantial excess capital position. To be clear, repurchasing $750 million in a quarter is neither a goal nor an aspiration, but increasing the authorization provides us with additional flexibility if our shares remain at attractive valuations. Of course, we will always prioritize maintaining strong capital and liquidity, and growing the business as we spot attractive opportunities to do so.

Lastly, we paid common dividends of $81 million in 2024 and recently increased our quarterly dividend for the 30th consecutive year.

Three Drivers of Profit

Consistent with prior years, I would like to discuss our Three Drivers of Profit – underwriting, fee and investment income.

Underwriting Income

Our first Driver of Profit is the income we earn from our core underwriting business. The Validus acquisition contributed to substantial top line growth, and we recorded $11.7 billion in gross premiums written in 2024, an increase of $2.9 billion, or 32%, from the prior year. Growth was strongest in our more attractive lines, with property catastrophe up almost 40% and other specialty up 58%.

In 2024, our underwriting income was $1.6 billion. This is flat from 2023, with the Property segment up and Casualty and Specialty down. We delivered this strong result in a year with several catastrophic events, punctuated by Hurricanes Helene and Milton, in which industry losses once again exceeded $100 billion (at $140 billion in 2024 compared to $120 billion in 2023).

The continuing strong results in our Property segment are driven by persistent favorable market conditions, our increased scale and significant prior year favorable development. We have a long track record of prudent reserving, which has supported a consistently strong financial position that benefits our shareholders.

For our Casualty and Specialty segment, we reported a small underwriting profit after adjusting for purchase accounting. Our results this year were impacted by the Baltimore bridge collapse, a few one-off losses and increasing loss trend in general liability.

During the year, we closely engaged with customers and shared our observations regarding rate and trend in general liability. There is broad recognition that this business needs to improve to keep up with loss cost inflation. I believe that insurers have made good progress by accelerating rate increases and improving their claims handling and defense against an aggressive plaintiff's bar. We are optimistic that insurers will continue to improve in 2025, which should have a positive effect on the profitability of future underwriting years, while also benefiting prior year claims.

That said, at January 1, 2025, we continued our proactive management of our general liability book by reducing programs where we saw greater exposure to loss trends. We find ourselves at an inflection point in general liability. While we believe this business will be profitable over the long term (something I discuss later in this letter), we are currently taking a cautious approach.

Ultimately, in underwriting casualty lines, the risk you take is not necessarily absolute trend, but change in trend. Trend has been accelerating in liability lines, and as a result, over the past several years, we have been proactively strengthening these reserves.

Notably, however, our Casualty and Specialty segment has had consistent favorable development over the years, including in 2024, as other lines of business performed better than expected, such as professional liability, cyber and credit. This is one of the benefits of a diversified portfolio – at any given time some lines are performing well, while others may be underperforming. We will certainly experience some movement up or down within different lines, but this is the nature of the business and all part of managing a diversified underwriting book.

Diversification in loss reserves is equally important to diversification in the underwriting portfolio and critical to our portfolio management approach. Some risks are event-based and manifest within the year. Some have longer duration and are only known once claims work through the court system. We consider this mix when we construct our inwards portfolio, manage the net mix with ceded reinsurance and apply our reserving process to establish reserves that are resilient to adverse trends if they arise.

Overall, our approach to portfolio management, diversification in reserves and robust reserving process have provided us with stability in Casualty and Specialty, allowing the segment to remain a substantial contributor to our financial results. Over the last five years, across our Three Drivers of Profit, Casualty and Specialty has on average contributed almost half of our operating income. Much of this comes from the investment return on the reserves that the casualty book generates (frequently referred to as "float"). Given the long duration of our casualty reserves, as well as the favorable interest rate environment, returns on float can effectively serve as excess margin above underwriting margin, which can compensate for periods experiencing excess trend.

Fee Income

Our second Driver of Profit is the fee income we earn primarily from our Capital Partners business. As I discussed last year, we take a unique approach to third-party capital. Our interests are highly aligned with our partners and this approach has allowed us to organically grow into one of the largest managers of third-party capital.

For the year, management and performance fees totaled $327 million. Management fees were $219 million, up 24%, largely due to growth in our third-party vehicles DaVinci and Fontana. As I discussed previously, we deployed our Capital Partner balance sheets extensively in the renewal of legacy Validus business, and this is where most of the growth in our fee income originated. Management fees also benefited from some fee recapture from prior years that were impacted by catastrophic events.

Performance fees in 2024 were $107 million, up 78%, due to strong performance across our Capital Partners vehicles.

$1.6B

Underwriting Income

$327M

Fee Income

$1.7B

Net Investment Income

Investment Income

Our third Driver of Profit is investment income. We now manage almost $33 billion in investments and continue to employ a relatively conservative investment strategy. A large portion of our investment portfolio now either backs reserves or supports the underwriting of catastrophe risk, leading to a strong focus on asset quality and liquidity.

Due to growth in invested assets and higher interest rates, our investment portfolio generated $1.7 billion of net investment income in 2024, contributing significantly to our bottom line. While there was volatility in treasury yields from quarter to quarter, overall treasury yields ended the year somewhat above where they began it.

This resulted in a mark-to-market loss in our fixed income portfolio, which was offset by gains in our direct equity investments as well as other investments, demonstrating the benefit of diversification across the portfolio.

We finished the year with a yield to maturity of 5.4%. Interest rates continue to remain relatively attractive and, absent a large movement in the market, we expect our investment portfolio to continue providing a consistent level of income in 2025. We extended our duration to 2.9 years over 2024, which should provide us some protection against rate decreases over the course of 2025.

Our Competitive Advantages

When we speak to our customers about the value we deliver, it is in the rubric of "Leadership, Expertise and Partnership." From the perspective of our shareholders, however, this value is better framed as outcomes of our strategy and the enterprise we have built over the prior three decades. I began this letter by describing our ability to solve our customers' problems, at scale, through our owned and Capital Partner balance sheets. This ability is the ultimate outcome of our competitive advantages and the basis for a deep and enduring moat that we have constructed around our business. As above, I will address each of the competitive advantages constituting this moat in terms of the Three Drivers of Profit.

Underwriting Income

At our core, we are an underwriting shop, consistent with our Vision "To be the best underwriter." Our first and most enduring competitive advantage is the strong underwriting culture we have deeply ingrained in our organization. The way we approach it, we believe everyone at RenaissanceRe contributes to our Vision. This strong underwriting culture is inculcated early and reinforced frequently. The three acquisitions we have made over the prior decade have not diluted this culture. In fact, they have bolstered it, as we retained the best talent and underwriting tools from each acquisition.

Together, our competitive advantages create an especially deep and highly persistent moat. It would be very expensive and likely take the better part of a decade to replicate our underwriting team and tools, become a first-call market and build a large and well-diversified book of business.

Over the decades we have developed a strong organic pipeline of underwriting talent, developing junior analysts into senior underwriters. In addition, the best and brightest reinsurance underwriters want to work for us, and we actively seek them out. We also strive to deploy the most robust underwriting tools. This starts with REMS, our proprietary underwriting management system. We built REMS ourselves and expend considerable resources ensuring it remains on the cutting edge. In addition, our RenaissanceRe Risk Sciences subsidiary provides science and engineering expertise that, among many other things, supports our industry leading proprietary risk models.

Our size and underwriting acumen provide us unparalleled access to underwriting risk and make us a first-call market. This allows us to construct maximally efficient reinsurance portfolios. I will describe how we do this in Part II of this letter, but from a shareholder's perspective, an efficient portfolio has the benefits of lower volatility (i.e., less dispersion of actual results from expected returns) and, as a result, lower overall capital required to support the risk (i.e., higher returns on equity).

A final competitive advantage of our underwriting portfolio is the implied call option on future renewals embedded in reinsurance treaties. While there is not an absolute right to renew, there is certainly a strong expectation by both parties that participations will be respected. In the past, we have described this as “the value of incumbency.” We were the beneficiaries of this incumbency in our successful renewal of the Validus portfolio. More broadly, in 2024, we renewed the overwhelming majority of our existing programs. It takes many years to achieve a significant share on high quality programs, especially in casualty business. Once achieved, however, that share is very sticky. For most of our cedents, we are one of their top three reinsurers and we will continue to benefit from these shares moving forward, most notably in attractive market environments.

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Fee Income

I believe we have built an equally deep and persistent moat around our fee income business. We offer both rated and collateralized investment vehicles across the full panoply of property and casualty risks we write (including catastrophe bonds). Consequently, it is easier and more profitable for an investor to partner with us and benefit from our underwriting competitive advantages on day one, rather than trying to independently recreate them.

In addition, our Capital Partner balance sheets are fully integrated into our operations (and in most cases fully consolidated into our financial results). This allows us to take a unique approach to third-party capital, starting with attractive risk and then allocating that risk between our wholly owned and Capital Partner balance sheets. When our partners experience an underwriting loss, we also experience an underwriting loss. This increases alignment with our Capital Partners and reduces agency conflicts.

Additionally, as a publicly traded company, we maintain robust governance and audit functions, which equally apply to our Capital Partner balance sheets. This further reduces agency conflict and increases trust. It also allows us to bring rated entities to third-party capital across all our lines, which distinguishes us from peers and provides underwriting leverage and improved liquidity to our Capital Partners.

Finally, these many competitive advantages result in partners who invest for the long term across multiple vehicles. Many of our investors have been with us for over a decade, sometimes even more than two. We consistently experience greater demand for investments in our Capital Partners business than we can satisfy. Consequently, when we need to scale this business rapidly, as we did when we purchased Validus, we are able to do so.

Investment Income

Finally, we enjoy several competitive advantages in our investment portfolio. As of year-end, our liability for claims and claim expenses, net of reinsurance (*i.e.*, our net reserves), was $16.8 billion. This “float” represents premium we have collected in advance of losses we expect to pay – in many instances several years in advance. During this time, we can invest this float, and it constitutes a large proportion of our $33 billion portfolio of investments (about $9 billion of which belongs to our Capital Partners) against common shareholders’ equity of $9.8 billion. In the current, higher-for-longer interest rate environment, the returns we earn on this relatively low-risk, predominantly fixed income investment portfolio contribute significantly to our bottom line.

I am sometimes asked how this constitutes a competitive advantage, as the majority of the investments we hold are widely accessible to investors. In this case, our moat is the size and duration of our underwriting float. It has taken us more than a decade to build these reserves, and our strong underwriting has allowed us to do so at an underwriting profit, including in Casualty and Specialty. Similar to our other advantages, this would be difficult to replicate over the short to medium term.

II. Underwriting Between the Lines – Managing a Diversified Portfolio of Property and Casualty Risks

In my letter last year, I described our approach to portfolio construction and how we combine owned and managed balance sheets to build optimally efficient portfolios of risk. I explained how, from the perspective of maximizing risk-adjusted return, taking 100% of risk on our wholly owned balance sheets, or conversely taking none and just earning fees, were both suboptimal.

This year, I would like to address a set of questions similar in nature to those I explored last year:

1. Property catastrophe business appears very profitable – why don't you write even more of that?

   or alternatively,

2. Casualty business isn't nearly as profitable as property catastrophe – why do you write it at all, and isn't that capital better served underwriting more property catastrophe business?

If you read last year's letter to shareholders, you have likely already intuited the answer to this question – "because the resulting portfolio reflecting the optimal mix of both is more efficient than a 100% property catastrophe portfolio."

To explain this, I am going to start with an idealized description of our business and then add detail to better reflect the risks that we actually underwrite, and the choices we make in combining these risks into portfolios.

To begin with, imagine you run a reinsurance company that offers two very different lines of business:

- **Line 1: Short-Tail/Volatile** – this provides customers protection against very large but infrequent losses. Results are known quickly and are binary. Most years, no losses occur, and when they do happen, are paid quickly. Reserves tend to be small and are paid out or released quickly. Occasionally, however, losses occur that are multiple times the premium collected that year. In aggregate, over the long term, underwriting margins tend to be very strong in this business.

- **Line 2: Long-Tail/Stable** – this provides customers protection against smaller, more frequent losses. Most years, premiums exceed losses and expenses, but not overly so. Occasionally, losses in the year may exceed the premium collected, but typically not by much. It takes many years to know the outcome of this business, and a substantial proportion of the premiums collected are held as reserves during this time. These reserves are invested to generate income. Over the long term, underwriting margins are positive, but not as strong as Line 1.

As the reinsurer, which of these two lines should you prefer?

If expected underwriting profitability were the sole determining factor, Line 1 is the obvious choice. Under our idealized assumptions, it has strong underwriting margins, which is not nearly the case for Line 2.

That said, there are a few complicating factors to consider before underwriting Line 1. First, since you may be required to pay multiples of the premium collected in the event of a catastrophic loss, you need to hold substantial capital to support this business. Second, while over time this line is very profitable, in the short run it can be subject to significant volatility. If you experience a large catastrophic event, you might need to raise additional capital. If you experience consecutive large catastrophic events (and the odds tell you that this is possible, even if unlikely), your investors may suspect that you are not very skilled at underwriting. For these reasons, Line 1 requires strong underwriting margins to compensate for the volatility inherent in underwriting it.

Line 2, which has smaller margins from an underwriting perspective, has several features that make it very attractive. You collect your premium up front, which is typically sufficient to cover losses and the volatility of potential outcomes is low. In aggregate, this means you need significantly less additional capital to support this business. In addition, Line 2 generates substantial float. If consistently written across multiple cedents over many years, there is a compounding benefit from the accumulation of this float, resulting in more dollars of invested assets per dollar of common equity. For all intents and purposes, Line 2 can be very close to an interest free loan (and if you underwrite it appropriately, it is effectively a loan you are paid to take). So, Line 2 can be quite profitable, both relative to the amount of capital required to write it and on an absolute basis including the value of investment return on the float it generates.

As stipulated, Line 1 and Line 2 are idealized. In the real world, the actual business that we write falls on a continuum somewhere between pure Line 1 and Line 2. Property catastrophe is not nearly as binary as Line 1, nor is general liability as low volatility as Line 2.

Summary of Line 1 and Line 2

Line 1	Line 2
• Capital Consumptive	• Float Generating
• High Underwriting Margin	• Lower Underwriting Margin
• High Volatility	• Low Volatility
• Short-Tail	• Long-Tail
• High Fee Generating	• Low Fee Generating

Let's peel back a few additional idealizations to provide a better representation on where our major lines of business fall across this continuum – in all cases neither pure Line 1 nor pure Line 2.

Starting on the Line 1 side. Property catastrophe business is almost never either loss free or a total loss. We diversify this business across perils and geographies and it is rare that a large natural catastrophe does not occur somewhere. Thankfully, large events in peak zones, such as major hurricanes in Florida or powerful earthquakes in California, are infrequent. Rather, the outcome is usually somewhere in between, with property catastrophe typically delivering strong underwriting margins.

Similarly, while typically very short-tail, property catastrophe claim payments are not all made in the first year. Rather, a substantial proportion of claims are initially paid in the first two years and then smaller payments are made over time.

The short-tail, volatile nature of property catastrophe makes it very capital consumptive. Our required capital levels are driven by peak zones such as Florida hurricane and California earthquake, which typically require multiples of premium to support the business. This business' inherent volatility and short-tail nature also dictates the investments supporting it, necessitating them to be short duration, highly liquid and very safe. Think mostly U.S. treasuries, some corporate debt and asset backed securities, and a smattering of equities.

Finally, because of Line 1's inherently strong margins and capital consumptive nature, it fits nicely in our fee generating Capital Partners business. This business brings us attractive fees and substantial capital relief, while providing our partners strong underwriting returns.

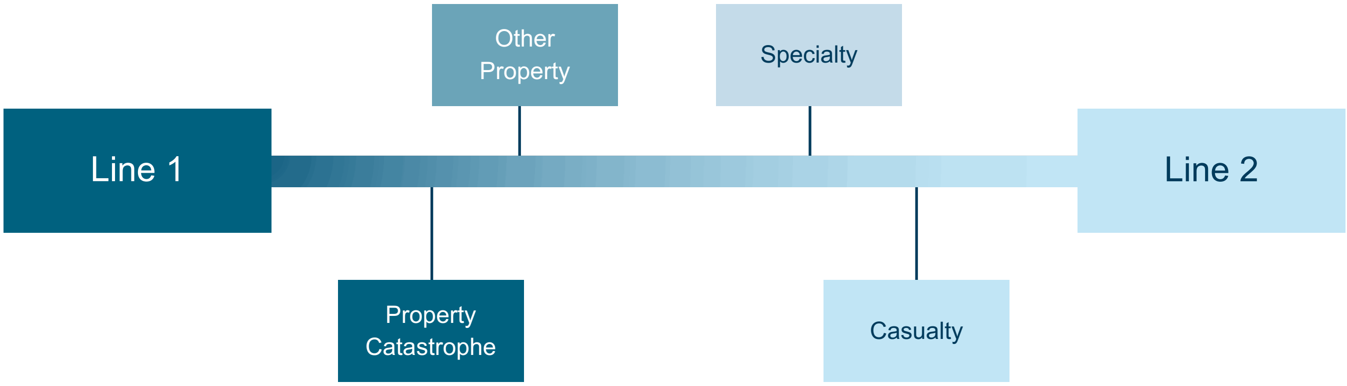
Moving now to the Line 2 side. Casualty business such as general liability should be profitable over the long term if appropriately underwritten. The underwriting margins on this business tend to be much smaller, but at the same time volatility should be significantly lower. Consequently, this business requires much less capital than property catastrophe. This means the underwriting return as a percentage of required capital can be similar to property catastrophe (although much smaller on an absolute basis). Like Line 2, our casualty business is longer tail, although a little more skewed to larger payments in the earlier years. Typically, the average duration of this business is around 4-5 years, while the tail can extend beyond 10 years. This business' lower volatility and long-tail nature allows additional discretion on investment choices, permitting longer duration and lower liquidity. Line 2's smaller margins and lower capital consumption make it less amenable to inclusion in our Capital Partners business than Line 1. That said, many investors find its float generating potential attractive which allowed us to create our innovative Fontana vehicle in 2022.

Our other property and specialty classes of businesses individually fall somewhere in between property catastrophe and casualty, depending on their relative exposure to catastrophic events.

Finally, an important distinction between Line 1 and Line 2 is the time frame over which we evaluate it. Property catastrophe business is straightforward, in that each year stands on its own. At time zero, you mostly know everything you need to know about the risk. In any event, any new information can be quickly reflected in pricing on an annual basis.

However, with Line 2 business such as general liability, it is only over an extended period that we begin to understand how the business is performing. Consequently, we like to think about this business over a 10-year time frame.

Continuum of Reinsurance Lines



To summarize, each of our classes of business have different risk and volatility profiles and contribute in distinct – but equally important – ways to our Three Drivers of Profit. Property is more volatile and produces more underwriting profit in good years. It also generates substantial fee income from partner capital. Casualty and Specialty, on the other hand, is less volatile, generating a smaller but more predictable underwriting result, as well as some fee income from Fontana. Its largest contribution in today's market conditions, however, is to our investment income, due to the considerable float it generates from our loss reserves.

Our approach to underwriting is to combine all these lines of business together to build an optimally efficient portfolio. We do this by taking into account the contribution of each line we write to the Three Drivers of Profit, given the individual volatility and diversification characteristics of each line, and matching this against shareholder and partner capital. We continue to add more of each type of risk so long as doing so increases the efficiency of our portfolio. The combination of diversified underwriting, fee and investment income enhances expected risk-adjusted returns and, therefore, our ability to deliver superior long-term returns to our shareholders.

A final benefit of writing across the continuum of Property and Casualty and Specialty is that it furthers our capacity to solve our customers' problems. Our ability to provide holistic solutions to our customers makes us a more valuable partner and gives us a seat at the table when programs are being designed. We are far more likely to receive favorable signings on attractive lines, which results in a superior portfolio of risk relative to our competitors.

Governance

In November of 2024, we announced Loretta J. Mester's appointment to our Board of Directors. Loretta joins us following an exemplary career at the Federal Reserve, including a decade as President of the Federal Reserve Bank of Cleveland. Her deep understanding of macroeconomic policy, global financial systems and management of systemic risk will further RenaissanceRe's purpose of protecting communities and enabling prosperity in an increasingly volatile world.

Loretta's appointment followed the retirement of Brian G. J. Gray from our Board of Directors. I would like to thank Brian for his more than 11 years of service. As an industry expert, Brian's guidance was invaluable to RenaissanceRe and my fellow directors as we expanded our global footprint and diversified our underwriting portfolio. We are grateful to Brian for his important contributions and welcome Loretta to the Board.

In Closing

We delivered strong results in 2024. Financially, we reported operating income available to common shareholders of $2.2 billion, operating return on average common equity of 23.5%, and change in tangible book value per common share plus change in accumulated dividends of 26.0%.

Strategically, we continued building one of the world's leading reinsurance companies by completing our integration of Validus and retaining the combined portfolio. Consequently, we enter 2025 larger and stronger than any time in our history, and are positioned to continue creating long-term shareholder value.

Thank you for your continued support.

Kevin J. O'Donnell
President and Chief Executive Officer

Cautionary Statement Regarding Forward-Looking Statements

Any forward-looking statements made in this Letter to Shareholders and Annual Report, including any statements regarding any future results of operations and financial positions, business strategy, plan and any objectives for future operations, reflect RenaissanceRe's current views with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are subject to numerous factors that could cause actual results to differ materially from those set forth in or implied by such forward-looking statements, including the factors affecting future results disclosed in RenaissanceRe's filings with the SEC, including its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.