Annual Letter to Shareholders – 2002

Dear Fellow Shareholder:

2002 was an outstanding year for RenaissanceRe by almost any measure. We continued to expand our leadership in our core property catastrophe reinsurance business and took advantage of opportunities in new areas where our risk management expertise could be leveraged. We more than doubled our managed gross written premiums to over $1.2 billion, and achieved 150% growth in operating profits from the prior year. Our 29% operating return on equity led the industry by a wide margin for the tenth consecutive year.

We attribute this performance to the consistent execution of our strategy and the stability and talent of our management team, together with a little help from the weather, which contributed to an unusually low level of catastrophe losses.

As we enter our tenth year - our eighth as a public company - I am pleased to say we are better positioned than ever. We are the largest and most profitable catastrophe excess reinsurer in the world. We are generating meaningful profits from our individual risk and specialty reinsurance businesses. Our balance sheet remains one of the strongest in the industry (relative to our size), and provides us with a competitive advantage as the "flight to quality" continues in the worldwide reinsurance market. Finally, our reputation for stability, innovation and speed in serving our clients is well established.

Business Environment - Severe Turmoil in the Insurance Markets

The past 18 months have been the most tumultuous for the worldwide insurance industry in my 30 years in the business. In last year's letter to shareholders, I discussed the effects of the September 11th tragedy, corporate scandals and bankruptcies, and adverse loss development that affected the worldwide insurance industry. Since then, continued adverse development on loss reserves, credit issues and steep declines in worldwide equity markets have severely eroded the capital base of many insurers.

Because of our disciplined risk management, RenaissanceRe was not significantly affected by these industry problems, and we are well positioned to grow. By contrast, poor results have forced many competitors to re-evaluate strategies that have proven unsuccessful, resulting in organizational changes, new underwriting standards and exits from various lines of business. In this current market environment, we see many opportunities, and our key challenge is to focus our energies on a few of the best prospects.

Diversification– Leveraging Our Strengths to Create Powerful New Franchises

The makeup of our business has changed significantly over the past several years as a reaction to opportunities presented by the insurance and reinsurance markets. Previously, our superior financial performance was driven almost exclusively by our leadership position in property catastrophe reinsurance. Now, three additional areas are making meaningful contributions to the bottom line:

- We have drawn on our underwriting skill to establish joint ventures from which we generate fee income by managing third party capital in the reinsurance market.
- We have made further use of our knowledge of catastrophe risk by building our individual risk business - which principally assumes commercial insurance exposures that are catastrophe exposed.
- We have grown our specialty reinsurance business to the point where we are seen as a clear market leader in certain classes of business, and have a growing reputation as a "first call" market in these lines.

As a result of this evolution in our business model, we estimate that less than 50% of our 2002 operating profit came from property catastrophe reinsurance underwriting, compared with over 80% in 1997.

Our development of joint ventures that assume reinsurance is a major extension of our franchise. We have gone from managing just over $99 million of premium for joint ventures in 2001 to managing $261 million in 2002. The growth in 2002 was driven by our success in establishing DaVinci Re Holdings -which was formed in October 2001 and wrote $188 million of premium in 2002. The fee income we generate from managing our joint ventures and other fee producing activities now totals $54 million. Fee income, although it is variable, cannot be negative and therefore does not require any capital to support this business, which is an important factor in our high returns on equity.

In another important development in 2002, the hard market presented us with an ideal window of opportunity to continue to transform our specialty reinsurance and individual risk businesses from small "proof of concept" activities to established market leaders in their respective areas, which contribute meaningfully to our bottom line.

Why should we expand into these new areas when "refocusing on the core business" is the mantra for many competitors? We have been making an underwriting profit in these businesses almost as long as we have written catastrophe reinsurance - specialty reinsurance since 1993 and Glencoe's individual risk operations since 1996. Our rapid growth is not a radical change in our strategy, but rather a reaction to market opportunity.

Corporate Governance

Over the course of our history, we have worked hard to develop a tradition of excellence throughout our business, and that has included excellence in representing our shareholders' interests. Over the last several years, RenaissanceRe's Board was transformed from one led primarily by the private equity investors who helped found our Company (and whose influence was very beneficial to our growth and development), to a fully "mature" Board that reflects our status as a broadly held public entity. During the course of this transformation, RenaissanceRe has already put in place most of the practices that are now being mandated by the regulators in their efforts to enhance practices throughout the business community.

During 2002, our Board of Directors conducted a review of our corporate governance policies and procedures. The Board retained Tillinghast - Towers Perrin and outside counsel to assist it in this review. Partly as a result of this review, we implemented various changes over the course of the year:

- We expanded the mandate of our corporate governance committee, comprised solely of independent directors, to assume responsibility for the nomination of additional directors at appropriate times, and monitor and manage the effectiveness of our Board of Directors.
- We adopted a written corporate governance policy, which summarizes our governance procedures, structures and policies, and outlines the responsibilities of each of our committees. Among other things, the policy formalized our practice of scheduling executive sessions of our non-management directors at each Board meeting.

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Our Board reviewed and determined that each of our non-management directors satisfied the standards of "independence" as defined under both the current and pending New York Stock Exchange rules.

- We expanded the mandate of our Investment Committee (accordingly recast as our Investment and Risk Management Committee) to include the review of insurance liabilities and other financial risk matters.

  We plan to continue to develop our corporate governance policies and procedures to seek to keep pace with our rapidly evolving business.

Management Team – Formation of the Operating Committee

If there is a single key to our record of success over the past several years, it is the quality of our management team. I believe that our top management team is the best in the reinsurance business, and is deeper in talent than is generally recognized. We have 20 senior officers, each of whom has embraced the RenaissanceRe culture, and are the most critical factors in driving the growth in our business.

As an organization, we value clarity and simplicity: there should be no confusion as to who is accountable for each decision and activity. Having worked together collaboratively for many years, we can make decisions quickly and this has developed into an important competitive advantage, since we are known in the market as an organization that can effectively execute complex transactions very quickly. Finally, we do not work in organizational silos. Every significant risk-taking decision is viewed by "multiple pairs of eyes."

As we are growing into several operations in several different locations, we have recognized the need to adapt our management procedures. This year we established an "Operating Committee" of our five top executives: Bill Riker, Chief Operating Officer and President; Dave Eklund, President, Renaissance Reinsurance; John Lummis, Chief Financial Officer; Jay Nichols, President, Renaissance Underwriting Managers; and myself. This group approves all major decisions, and we place great trust in each other's judgment, and on clear and complete communication among the group.

Financial Measures – Charting RenaissanceRe's Performance

We judge the performance and financial health of our Company by continuously reviewing a number of financial measures. The most fundamental one, in my judgment, is growth in tangible book value per share (plus dividends): for each share of stock, how much "real money" - excluding soft assets such as goodwill and tax loss carryforwards - has been either accumulated in the Company or transferred to the shareholder over time. This is a measure that we manage to both in the short run and in the long run. This is how I look at the value of my own shareholding in the Company, which represents the majority of my personal net worth. A business is usually most successful in accomplishing what it is focusing on, and in this case, we have been very successful. Since the end of 1995, the year of our IPO, through the end of 2002, we have produced a compounded annual growth rate in tangible book value per share of 19%. I do not believe that any other public company in the insurance or reinsurance industry has matched our record of growth in tangible book value per share over the same period.

A second measure, less important, but still meaningful, is growth in operating earnings per share. In a cyclical business it would be a serious mistake to focus exclusively on this measure in the short run. When prices in the insurance markets decline, RenaissanceRe will turn down under-priced business and let the top line fall (as we did in the last soft market of 1996-1998). However, over the course of cycles, measuring earnings from peak to peak, or average growth over long periods, we should be able to deliver surprisingly good growth. Our track record from 1995 through 2002 represents a compounded annual growth rate of 13% - which includes periods of relatively modest growth, as well as periods of explosive growth such as the past two years.

Of course, all shareholders want to see the stock price appreciate, but as an investor who expects to be an owner for the long run, I do not worry about the short-term swings in valuation. I believe that valuation will take care of itself if we continue to achieve strong growth in tangible book value per share.

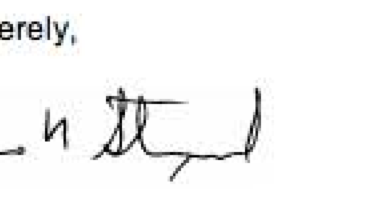
Challenges for 2003

The turmoil in the insurance market means that there will be many more opportunities available to us than we can hope to realize. We will balance our desire for growth in this environment with the discipline and focus that have enabled us to deliver superior performance for shareholders over the course of our history. Our main priorities for 2003 are to:

1. Continue to build RenaissanceRe's position as the world's leading property catastrophe reinsurance market;
2. Continue to meet or exceed our joint venture partners' expectations;
3. Continue to build our specialty reinsurance and individual risk businesses into sustainable franchises;
4. Successfully enter a small number of additional business business segments, probably through startup, purchase of renewal rights and/or joint ventures; and
5. Develop our management talent and organizational structure to maintain our entrepreneurial culture as our business and financial scale expand.

As always, we greatly appreciate your continued support of RenaissanceRe.

Sincerely,



James N. Stanard
Chairman, President and Chief Executive Officer