Letter to Shareholders

Kevin O'Donnell
President and Chief Executive Officer

Dear Shareholders,

Over the short term, our business can be one in which it is difficult to judge the difference between luck and skill. It is over the long run that skill becomes apparent. One could debate what constitutes "the long run" but in 2013, we celebrated our twentieth year of providing our clients with risk management solutions and our investors with superior returns. We now have twenty years of data against which to measure our performance–more than most of our competitors.

How have we fared these last twenty years?

From our inception, we have:

- grown common equity from $141 million to $3.5 billion;
- written over $20 billion of premium;
- paid over $8 billion in claims;
- generated over $6 billion in book value growth;
- enjoyed an average operating ROE of over 21%;
- grown tangible book value per share, plus accumulated dividends, an average of over 23% per year;
- paid over $800 million in common share dividends while increasing our dividend every year;
- returned an additional $2.3 billion of capital to our common shareholders through share repurchases; and
- sponsored seven limited life vehicles, raised almost $2 billion of third party capital and returned almost $2 billion of capital to investors in our joint ventures.

Performance Over Time

From our start in 1993, we put our customers' needs first by providing much needed capacity for property catastrophe reinsurance and paying valid claims more quickly than anyone in the market. We were pioneers in building risk management tools, offering new coverages and services, and leading innovation in attracting efficient forms of capital to provide solutions for our clients and partners. We have outperformed over time by focusing relentlessly on superior customer relations, superior risk selection and superior capital management.

I have been at RenaissanceRe for all but three years of our 20-year history and have been deeply involved in the development and execution of our strategy. As CEO, I assure you that this strategy will continue to be core to our success going forward, as will our commitment to promoting our unique culture and values.

The Year in Review

In 2013, we again delivered strong operating results, which were boosted by light property catastrophe loss activity. More significantly, we executed well and were able to access the business we wanted, building an attractive portfolio. Despite increased competition and largely flat demand, we were able to achieve net income of $666 million, with diluted earnings per share of $14.87. Operating income was $631 million and we generated an operating ROE of 19.4%. Our tangible book value per share, plus change in accumulated dividends, increased by 19.7%.

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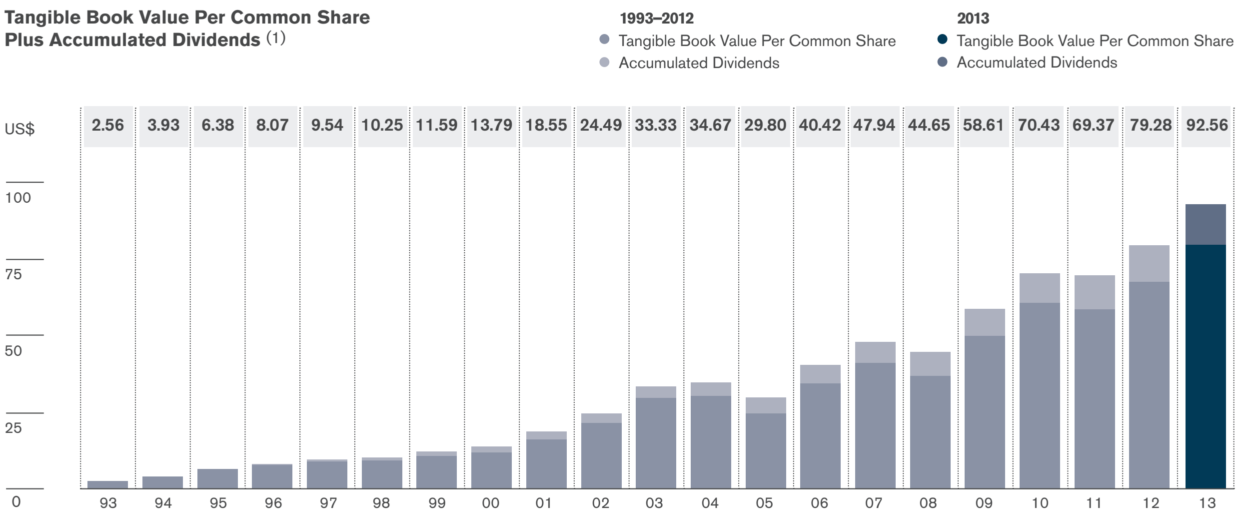
Tangible Book Value Per Common Share Plus Accumulated Dividends (1)



(1) In this Annual Report, we refer to various non-GAAP measures, which are explained in the Comments on Regulation G on pages 19 and 20.

During the year, we restructured the underwriting team to allow enhanced coordination across platforms and improved customer service. We grew business with many core partners by listening to their needs, creating more options for our customers to cede risk as and where they choose. We added bench-strength and expanded our product offerings, along with our global footprint.

As part of our specialty strategy, we opened a reinsurance office in Connecticut, forming a U.S.-based underwriting agency and launching a new balance sheet, RenaissanceRe Specialty U.S. Ltd. This allowed for more direct interactions with our U.S.-based clients and established our physical presence in a major specialty reinsurance marketplace.

Our new agency also writes business on behalf of our Lloyd's syndicate. This is already adding value with the increased contribution of the Specialty Reinsurance segment to our bottom line in 2013.

Additionally, we established RenaissanceRe Specialty Risks Ltd.–an entity designed, among other things, to write a wider range of quota share reinsurance. Having this separate, highly-rated balance sheet allows our clients to share profitable risk in markets that were unavailable to us in prior years. As always, discipline remains paramount and we will focus only on opportunities where we believe the risk/reward trade-offs are appropriate.

We have a long-term track record of being good stewards of capital, returning it as appropriate, and we will continue to do so considering the full range of options available to us.

We underwrite at Lloyd's of London and in Bermuda.

Our Lloyd's syndicate continued to build momentum as we celebrated five years of underwriting, and the unit achieved 42% growth in premiums for 2013. We solidified existing lines and deepened our expertise, and we fully expect to expand the types of coverage we offer over the next several years. The Lloyd's market provides access to business that we would not otherwise see in Bermuda, and our syndicate is a key strategic platform to provide capacity and solutions to our brokers and clients. Due to our disciplined underwriting, our growth there has been steady and deliberate, steadfastly focused on profit over volume.

During 2013, we launched our Singapore branch. We see a significant, long-term growth potential in Asia. Our local presence in the region will help us get closer to our existing clients, form relationships on the ground and access business that might not otherwise be presented to us. The Singapore team has been well received by brokers and customers in that market and we have started to write business. Our strategy is a long-term one and our growth will be measured.

We continued to bolster our reputation as a leader in working with the capital markets to finance our broad portfolio of reinsurance risk. We started the year by launching Upsilon RFO, and ended it successfully renewing the vehicle with increased size and scope. Upsilon RFO is a dedicated aggregate retrocessional reinsurance vehicle which includes capital from our partners, allowing us to bring valuable capacity to the market. We also attracted new world-class, long-term institutional investors to our joint venture, DaVinci, and our catastrophe bond fund, RenaissanceRe Medici Fund Ltd. Top Layer Re continued to provide excellent security to international customers around the world. We completed our first catastrophe bond transaction, Mona Lisa Re Ltd., to optimize the returns of our reinsurance portfolio.

Meanwhile, we continued to provide our investors with attractive portfolios. We turned down offers of capital from a broad range of potential partners and returned over $300 million to our DaVinci investors, our largest single capital return for that joint venture. For the same reason, we decided not to renew our Florida sidecar, Timicuan Reinsurance III Ltd. (48.2% return on equity in 2012), instead returning that capital to our partners. Our goal has always been twofold: to be in a position to bring capital to the market when it is needed by our clients and return it to investors when it is not, providing superior returns in the process. Our partners appreciate this approach and we believe that the trust we have earned will serve us well in the future.

I was pleased with our investment and venture capital returns for the year. We seek to allocate our investment portfolio so that it will provide a stabilizing keel to our underwriting business and contribute to book value growth over time. With a focus on fixed income, the portfolio is especially exposed to rising interest rates, as markets experienced through the year. While the return on our core fixed income portion was largely flat for the year, our higher-risk/higher-expected-return allocations performed well, including our strategic equity investments managed by our Ventures unit. As a result, our investment portfolio contributed meaningfully to book value growth in 2013.

Credit Ratings	A.M. Best	S&P	Moody's	Fitch
Renaissance Reinsurance (1)	A+	AA-	A1	A+
DaVinci (1)	A	AA-	A3	–
RenaissanceRe Specialty Risks (1)	A	A+	–	–
RenaissanceRe Specialty U.S. (1)	A	–	–	–
Renaissance Reinsurance of Europe (1)	A+	AA-	–	–
Top Layer Re (1)	A+	AA	–	–
RenaissanceRe Syndicate 1458	–	–	–	–
Lloyd's Overall Market Rating (2)	A	A+	–	A+
RenaissanceRe (3)	–	Very Strong	–	–

(1) The A.M. Best, S&P, Moody's and Fitch ratings for these companies reflect the insurer's financial strength rating and in addition to the insurer's financial strength rating, the S&P ratings reflect the insurer's issuer credit rating.
(2) The A.M. Best, S&P and Fitch ratings for the Lloyd's Overall Market Rating represent its financial strength rating.
(3) The S&P rating for RenaissanceRe represents rating on its Enterprise Risk Management practices.

From a capital management perspective, we bought back over $200 million of our stock, paid down $100 million of maturing debt and refinanced half of our perpetual preferred stock at very attractive levels, saving $11 million in financing costs per year. Over the past five years, we have repurchased approximately 34% of our outstanding common shares, which we believe reflects disciplined capital management on behalf of our shareholders. We have a long-term track record of being good stewards of capital, returning it as appropriate, and we will continue to do so considering the full range of options available to us.

During the year, we sold our Houston-based weather and energy unit, RenRe Energy Advisors Ltd. This decision was prompted by our commitment to streamlining our business and better serving our core customer base. The sale did not impact WeatherPredict Consulting Inc., our wholly-owned affiliate, whose advanced scientists continue to provide our underwriters with valuable natural hazards and vulnerability modeling expertise.

We have invested significant time and resources in regulatory compliance, particularly at Lloyd's, and are on target with being Solvency II compliant. I believe that industry regulation will continue to increase and it may have a profound impact on capitalization and solvency over time. I look at this as an opportunity to provide efficient capital, in whatever form, to our customers against the increasing cost of their compliance. We are well-positioned in that respect. We monitor the best jurisdictions in which to domicile our business and we remain convinced that Bermuda is the best place to operate our holding company and flagship reinsurance companies.

An Evolving Market

Our job is to match desirable risk with efficient capital. In the past, abundant risk often sought scarce capital. Now, this dynamic is inverted with abundant capital seeking to finance a scarce or static supply of risk.

Much has been said about the convergence of insurance and capital markets, and the impact on pricing. There is a view that so-called “convergence capital” can require lower returns, because of the diversification benefits that catastrophe risk brings to a portfolio. This is most true for “peak zones” such as southeast U.S. hurricane, but much less so outside of peak risks, where all capital tends to benefit from diversification and where rated reinsurance balance sheets offer the advantage of leverage. Looking exclusively at diversified returns can be misleading. Just as returns on poorly underwritten mortgage debt could not be improved by repackaging it into derivative instruments, poorly underwritten reinsurance cannot be transformed by issuing a cat bond. Ultimately, the fact remains there is a standalone price for all risks that will at some point provide a floor on rate.

For this reason, the belief in the existence of “cheap capital” is, in many cases, naïve. As a publicly-traded company, we have access to the largest, deepest and most efficient capital markets in the world. When we underwrite on behalf of our third-party capital providers, we uphold the same high standards that have served us well over the last two decades. In order to compensate for the inherent event-driven volatility in the risk that we assume, we always require an adequate margin that takes into account even very remote potential outcomes. We invest substantially across our integrated system to bring the underwriting, risk management, corporate governance, financial reporting and other expertise developed over our history to our capital partners. We do not raise capital solely because it is available and might result in fees. As a result, we have industry-leading access to additional capital while strengthening and expanding ceding relationships, providing strong service on both ends.

There is also a view that we are witnessing the “flattening” of the underwriting cycle. While excess capital seems to have effectively dampened the upside of the cycle for the time being, the amplitude of the downside last year took many by surprise. This may seem cold comfort, but it confirms that our industry remains just as volatile today as it was when we began business twenty years ago. As in the past, we expect to find opportunity in that volatility. In this environment of greater uncertainty, good underwriters will need to be nimble enough to react to less obvious market signals.

I believe there will be several long-term trends in our industry. More and more, we are seeing our largest, most sophisticated clients seeking to focus their reinsurance relationships to a core group of well-capitalized, highly-rated reinsurers, who can bring more than just capital to meet their needs. Clients are increasingly forming their own view of risk, and are bringing in house many of the risk functions that were previously in the domain of intermediaries. As clients continue to evolve in this direction, we expect to see a natural progression to fewer, larger, more sophisticated reinsurers. I believe that reinsurers will be differentiated between “commodity” capital and “partner” capital. Our clients will place

RenaissanceRe has always been focused on the needs of our customers and willing to expand our capabilities to help them when and where our support is needed.

In 2013, we opened underwriting operations in Singapore and Connecticut, U.S.

increasing value on partner capital that helps them manage their risk more holistically. Relationships will be measured on willingness and ability to pay, to meet demand with different forms of capital, and to provide a unique perspective on risks and the market in general.

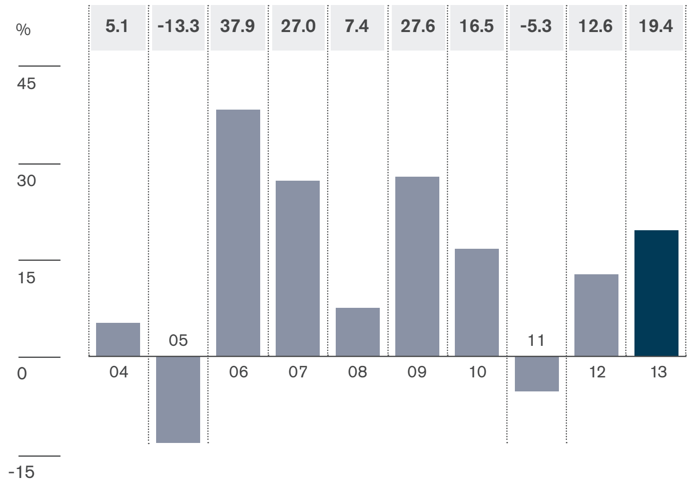
The reinsurer of the future will need expertise in managing, warehousing and tranching risk to reduce the cost of capital. Rated balance sheets have traditionally been the most efficient capital for accepting most risks. This is still true today. But industry participants will need to be better prepared to bring the most suitable capital to risk, no matter what form. This will be easiest for those with underwriting and risk management expertise as they will be best equipped to find suitable risk, and have the trust of those for whom they are managing capital. In the future, "risk-taker" and "purveyor of risk to capital" might become more appropriate labels than "reinsurer".

While our customers are the primary beneficiaries of many of the trends discussed above, we must never lose sight of the fact that ultimately, we must be paid adequately for the risk we assume. Over our history, we have developed a reputation as good stewards of capital and disciplined underwriters. Capital providers value this and we must ensure that we continue to earn our reputation.

Looking Forward

As I begin my tenure as this organization's third CEO, I am acutely aware that there is much work to be done. Our industry is evolving rapidly and important trends are redefining our business. But along with challenges, I see great opportunity for 2014 and beyond.

Operating Return On Average Common Equity (1)



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Much of what concerns leaders around the world is either uninsured or underinsured. Perils that come to mind are cyber risk, conventional terror, pandemic, U.S. flood and California earthquake, among others. I believe that, as an industry and certainly as a company, we need to find ways to provide solutions for these risks with capital that is structured to bear it. Our industry cannot exclude its way to greatness; RenaissanceRe has always been focused on the needs of our customers and willing to expand our capabilities to help them when and where our support is needed.

> We believe that being the best underwriter of catastrophe risk is essential to our success. This aspiration was part of our founding vision; it will always be core to our franchise.

As China and other emerging economies continue to develop, we can expect increased demand for risk coverage over time, in response to the growing wealth in those countries and the need to respond to the devastating impacts of natural and man-made catastrophes. This will be meaningful for our business, and we believe our Singapore branch will play an increasingly important role in our long-term strategy. Sustainable profitability–not short-term growth–will be the challenge. We will be patient, focusing as we always have on growing tangible book value per share over the long term.

We believe that being the best underwriter of catastrophe risk is essential to our success. This aspiration was part of our founding vision; it will always be core to our franchise. This does not mean that we will forego the many benefits of diversification. Over the last two decades, we have demonstrated an entrepreneurial zeal, not only for new lines of business, but also for geographic expansion and exploration of ventures outside our core business. We have had some notable successes with this approach, including our many joint ventures, such as DaVinci and Top Layer Re, and sidecars such as the Tim Re, Starbound and Upsilon entities. Effective execution of this strategy requires having the discipline to expand and contract as circumstances require. I am committed to continuing to push our organization towards greater innovation, carefully evaluating performance and promptly rectifying mistakes.

In Closing

Our people continue to be our number one asset and we would not have achieved what we did these last twenty years without an outstanding team. I would like to thank Neill Currie for his many years of contribution to RenaissanceRe; I wish him the very best for his retirement. I would also like to thank our Board of Directors, my leadership team, and our employees–not only for their support through a year of transition, but also for their dedication and hard work. I promise to do my best to earn their continued support.

As I look back over the last two decades, I have to say it has been an interesting journey. I believe we were both true pioneers of catastrophe risk management and true innovators in bringing in increasingly efficient and diversified capital to the reinsurance market. Great rewards came from entering uncharted waters. As others follow these paths, efficiencies have become more widespread and the journey has become less costly.

There are new paths to be discovered. I believe we are a company that is on the right course, with the right team and the right culture, and I am proud to be leading RenaissanceRe. It is in challenging markets that expertise really shines, and I cannot think of any company in our industry that is better equipped to handle the changing risk environment we face. I will work diligently on your behalf to continue building on the successes of the last twenty years.

Sincerely,

Kevin J. O'Donnell
President and Chief Executive Officer