



Specialty Solutions, Elevated

Investor Presentation

2024 Third Quarter



Safe Harbor Statement

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts included in this document, including statements regarding our estimates, beliefs, expectations, intentions, strategies or projections are forward-looking statements. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the United States federal securities laws. In some cases, these statements can be identified by the use of forward-looking words such as "may", "should", "could", "anticipate", "estimate", "expect", "plan", "believe", "predict", "potential", "intend" or similar expressions. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections, and various assumptions, many of which, by their nature, are inherently uncertain and beyond management's control.

Forward-looking statements contained in this document may include, but are not limited to, information regarding our estimates for losses and loss expenses, measurements of potential losses in the fair value of our investment portfolio and derivative contracts, our expectations regarding the performance of our business, our financial results, our liquidity and capital resources, the outcome of our strategic initiatives, our expectations regarding pricing, and other market and economic conditions including the liquidity of financial markets, developments in the commercial real estate market, inflation, our growth prospects, and valuations of the potential impact of movements in interest rates, credit spreads, equity securities' prices, and foreign currency exchange rates.

Forward-looking statements only reflect our expectations and are not guarantees of performance. These statements involve risks, uncertainties and assumptions. Accordingly, there are or will be important factors that could cause actual events or results to differ materially from those indicated in such statements. We believe that these factors include, but are not limited to, the following:

Insurance Risk

- the cyclical nature of the insurance and reinsurance business leading to periods with excess underwriting capacity and unfavorable premium rates;
- the occurrence and magnitude of natural and man-made disasters, including the potential increase of our exposure to natural catastrophe losses due to climate change and the potential for inherently unpredictable losses from man-made catastrophes, such as cyber-attacks;
- the effects of emerging claims, systemic risks, and coverage and regulatory issues, including increasing litigation and uncertainty related to coverage definitions, limits, terms and conditions;
- actual claims exceeding reserves for losses and loss expenses;
- losses related to the conflict in the Middle East, the Russian invasion of Ukraine, terrorism and political unrest, or other unanticipated losses;
- the adverse impact of social and economic inflation;
- the failure of any of the loss limitation methods we employ;
- the failure of our cedants to adequately evaluate risks;

Strategic Risk

- increased competition and consolidation in the insurance and reinsurance industry;
- changes in the political environment of certain countries in which we operate or underwrite business;
- the loss of business provided to us by major brokers;
- a decline in our ratings with rating agencies;
- the loss of one or more of our key executives;
- increasing scrutiny and evolving expectations from investors, customers, regulators, policymakers and other stakeholders regarding environmental, social and governance matters;
- the adverse impact of contagious diseases (including COVID-19) on our business, results of operations, financial condition, and liquidity;

Credit and Market Risk

- the inability to purchase reinsurance or collect amounts due to us from reinsurance we have purchased;
- the failure of our policyholders or intermediaries to pay premiums;
- general economic, capital and credit market conditions, including banking and commercial real estate sector instability, financial market illiquidity and fluctuations in interest rates, credit spreads, equity securities' prices, and/or foreign currency exchange rates;
- breaches by third parties in our program business of their obligations to us;

Liquidity Risk

- the inability to access sufficient cash to meet our obligations when they are due;

Operational Risk

- changes in accounting policies or practices;
- the use of industry models and changes to these models;
- difficulties with technology and/or data security;
- the failure of the processes, people or systems that we rely on to maintain our operations and manage the operational risks inherent to our business, including those outsourced to third parties;

Regulatory Risk

- changes in governmental regulations and potential government intervention in our industry;
- inadvertent failure to comply with certain laws and regulations relating to sanctions, foreign corrupt practices, data protection and privacy; and

Risks Related to Taxation

- changes in tax laws.



Readers should carefully consider the risks noted above together with other factors including but not limited to those described under Item 1A, 'Risk Factors' in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC"), as those factors may be updated from time to time in our periodic and other filings with the SEC, which are accessible on the SEC's website at www.sec.gov.

We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

AXIS aspiration

Be the **leading Specialty underwriter**,
generating consistent top-quartile diluted book value per
common share ("DBVPS") growth for shareholders

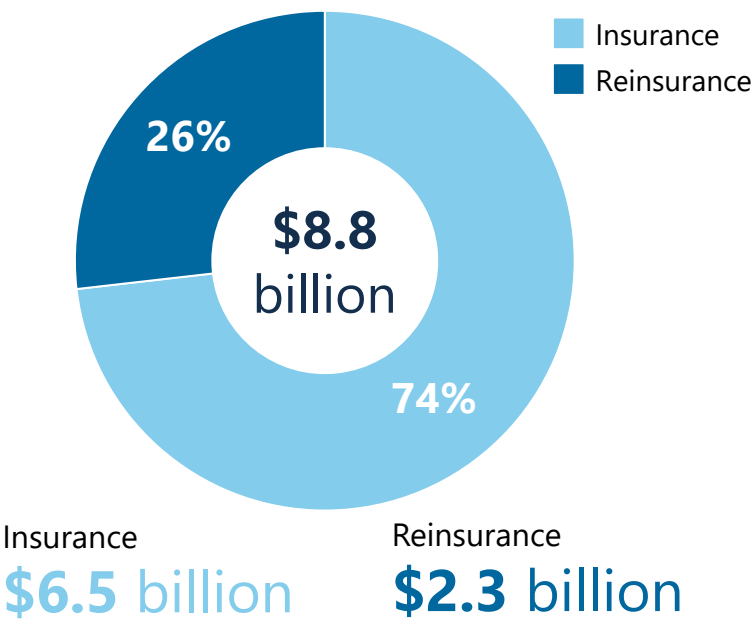
**We are a Specialty
Underwriter**



At a Glance

Our strategic focus is on Specialty products: Risk transfer that requires dedicated, tailored underwriting expertise delivered through differentiated distribution channels and customer profiles

Gross premiums written ("GPW"), last 12 months¹



Q3 2024

Represented in
19
offices
worldwide

With
1900
employees

Year-to-Date Annualized
Operating ROACE²
18.2%

Total capital³
\$7.4 billion

Financial strength rating
A/A+
AM Best/S&P

Debt to total capital³
17.8%



One of Forbes's "Best Mid-Size Employers" in 2022 and 2023



Ranked 8/41 insurance companies in 2023



P&C Honors for "ESG Initiative of the Year" in 2023 for GHG reduction goals



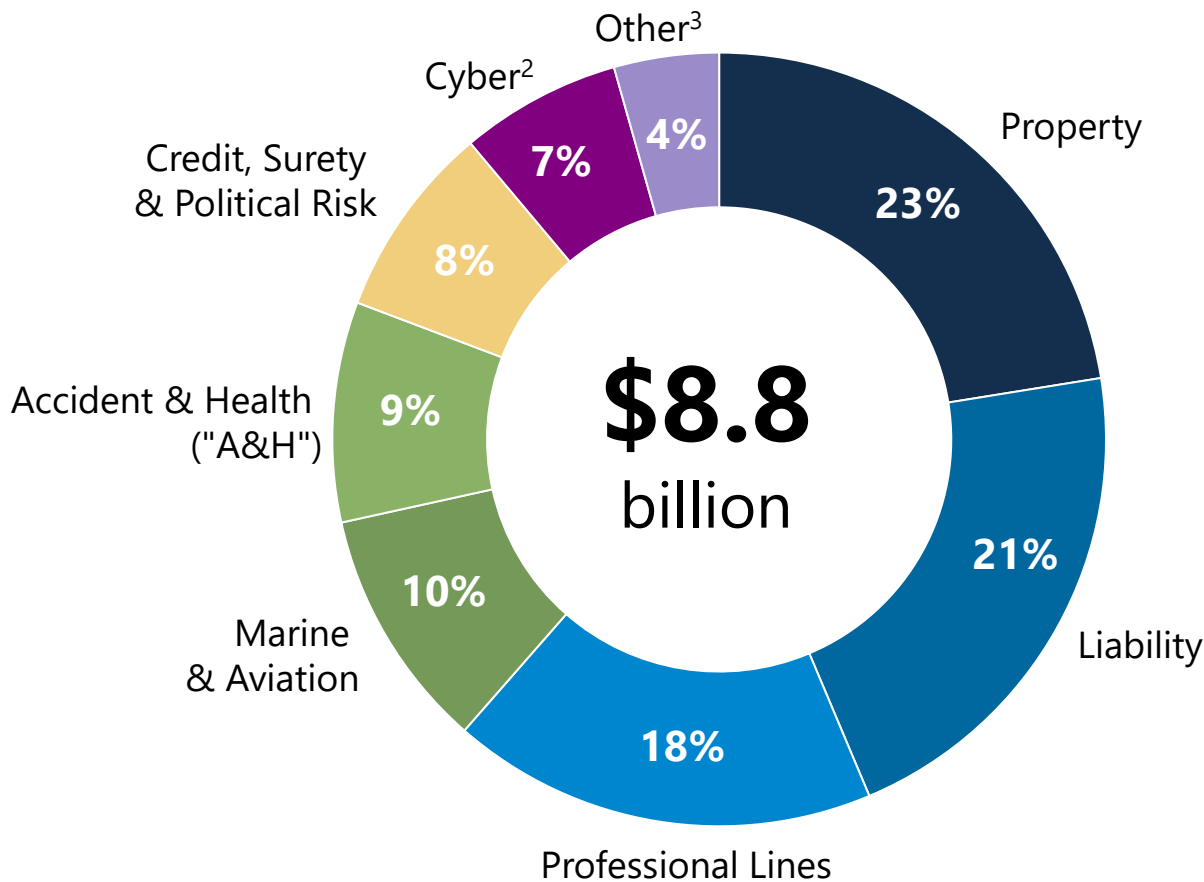
Top ranking in "Overall Commitment to ESG" in 2023 Insurer's Lloyds ESG Survey



¹ GPW, last twelve months ended 9/30/2024
² Annualized operating return on average common equity ("operating ROACE") is a non-GAAP financial measure as defined in SEC Regulation G. The reconciliation to annualized ROACE, the most comparable GAAP financial measure, and a discussion of the rationale for its presentation is provided later in this document
³ Total capital represents the sum of total shareholders' equity and debt. The debt to total capital ratio is calculated by dividing debt by total capital
⁴ Amounts may not reconcile throughout the document due to rounding differences

Broad, diverse Specialty portfolio

Product mix, GPW, last 12 months¹



Insurance

Includes business written out of North America, primarily in Excess and Surplus, and Wholesale, Financial Lines, Programs, and multiline products for the Canadian markets

Also includes Global Markets, our London-based international business, which offers a diverse portfolio of Specialty products including Marine & Aviation, Property, Cyber, and Renewable Energy⁴

Reinsurance

Focus on Accident & Health, Casualty, Credit & Surety, and other Specialty business

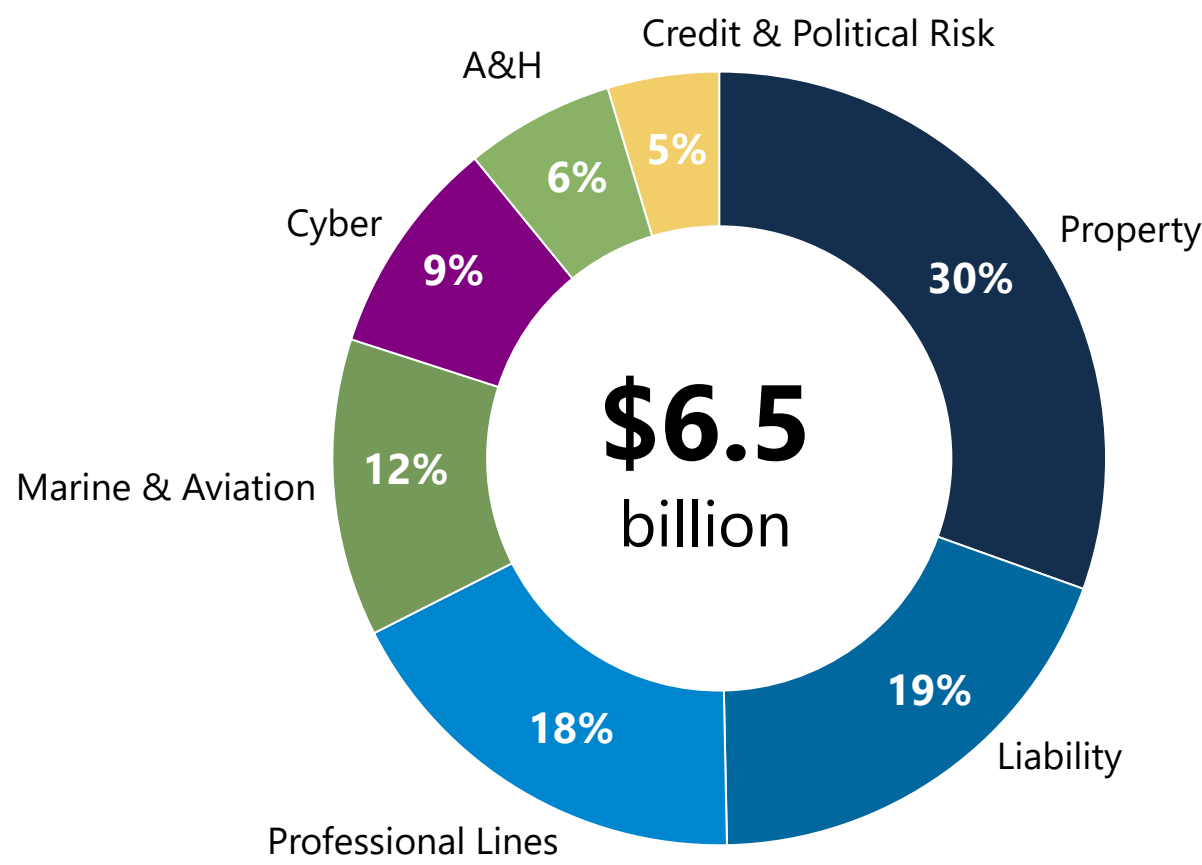
Complementary and accretive to our Specialty insurance book



¹ Percent of total GPW, last twelve months ended 9/30/2024
² Includes Cyber insurance only. Cyber reinsurance is included in Professional Lines
³ Includes Agriculture reinsurance, Motor reinsurance, and Runoff lines.
⁴ Renewable energy is included in Property and Marine & Aviation.

Insurance Overview

Product mix, GPW, last 12 months¹



Segment Highlights

E&S Carrier of the Year 2023²

Top-10 carrier
with leading wholesale brokers

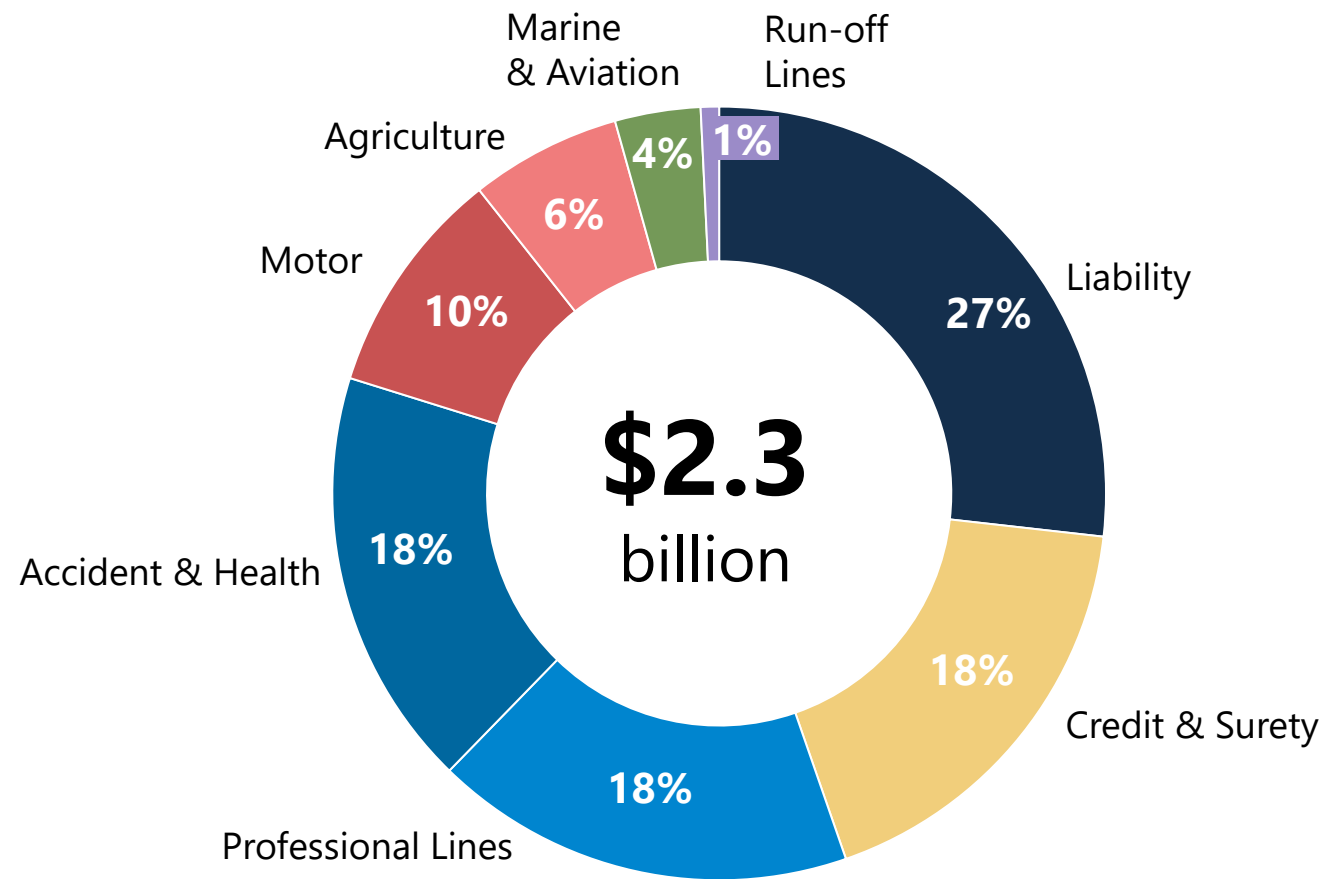
Top-10 syndicate at Lloyd's, rated
"Outperforming"

Active player in attractive and growing markets, including US E&S, US Specialty, and London

Major talent additions
including Head of Wholesale Casualty, Environmental, Errors & Omissions, Inland Marine, Construction, Ocean Marine, Life Sciences

Reinsurance Overview

Product mix, GPW, last 12 months¹



¹ Percent of total GPW, last twelve months ended 9/30/2024

Segment Highlights

Growth in Specialty lines and markets where we have strong capabilities and expertise

Bottom-line focus driving improved underwriting quality through active portfolio management

> 1100
Treaties

> 680
Clients

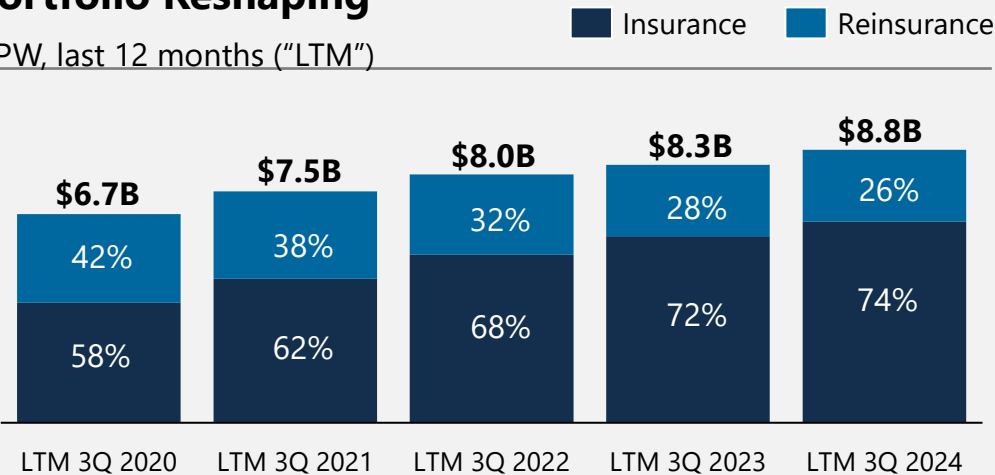
76%
GPW from clients with tenures of more than 10 years

Executing on ROACE Drivers

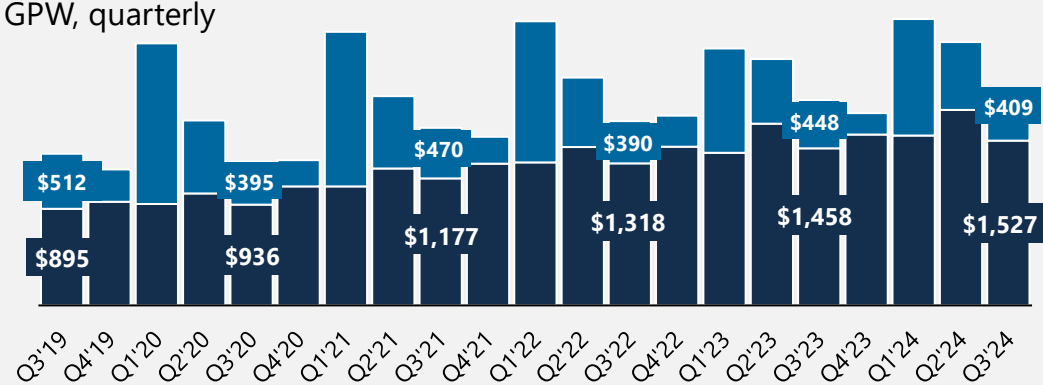
Growth in Specialty Insurance

Portfolio Reshaping

GPW, last 12 months ("LTM")



GPW, quarterly



Quarter-to-Date Growth Highlights

- Gross premiums written of \$1.9B for the quarter are up 2% year over year, an increase of 5% in the insurance segment and partially offset by a decrease of 9% in the reinsurance segment.
- Our insurance segment had its highest ever third quarter production of \$1.5B in gross premiums written.
- \$482 million of the \$1.5B in insurance premium production came from new business with strength in Property, A&H, and Credit and Political Risk.
- Premium production in our Insurance segment has grown at an average annual rate of 16% since Q3'2020.

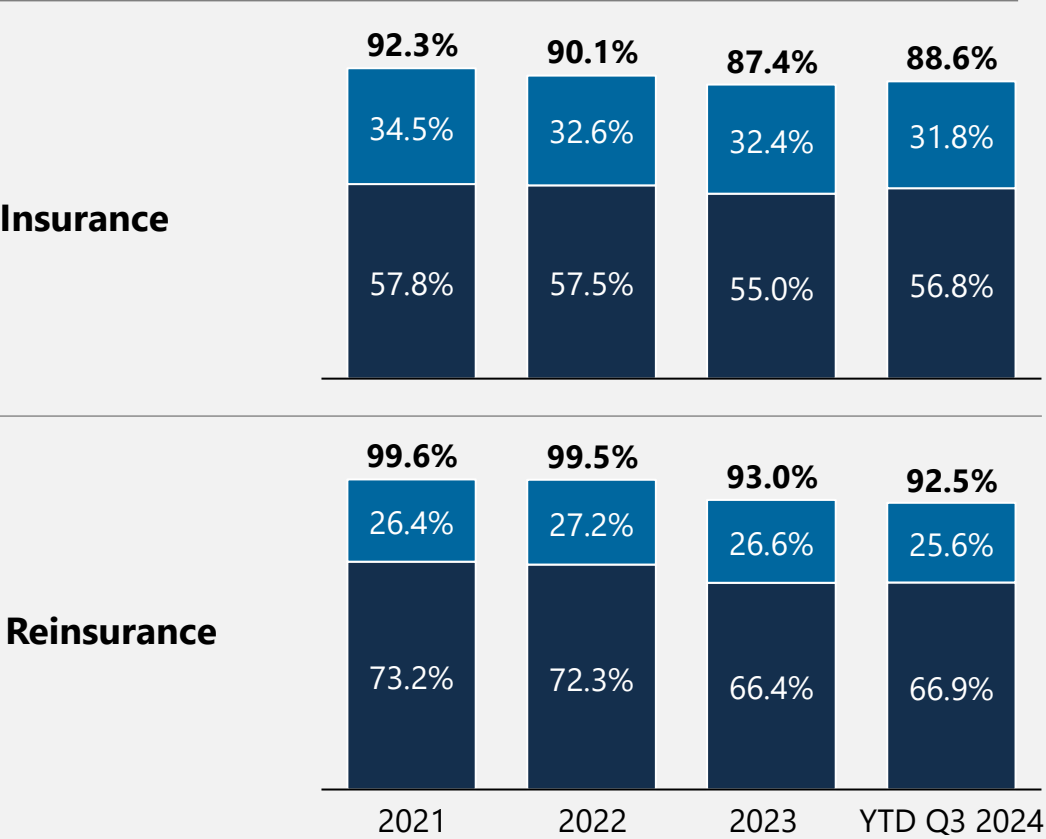
Improved underwriting performance

Consistently improving profitability

Current Accident Year ("CAY")

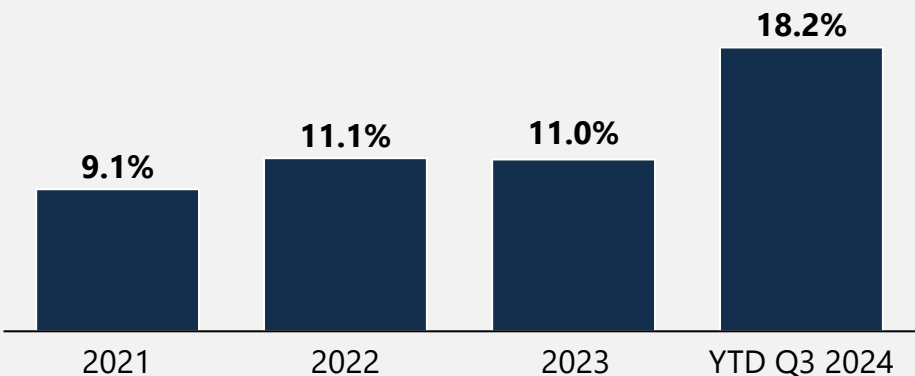
Combined ratio¹

CAY loss ratio² Expense ratio³



Resulting in expanding returns

Annualized operating ROACE

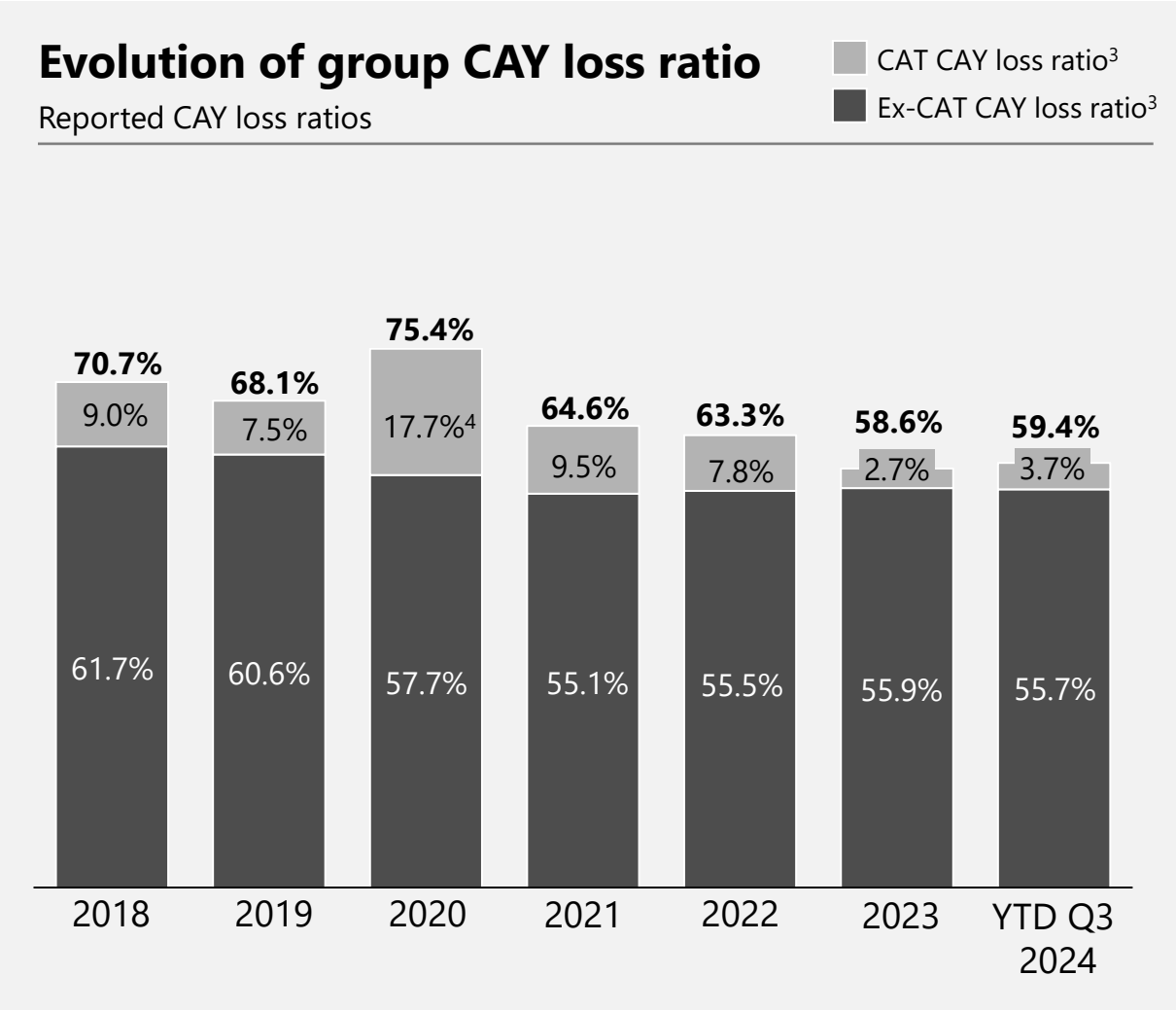
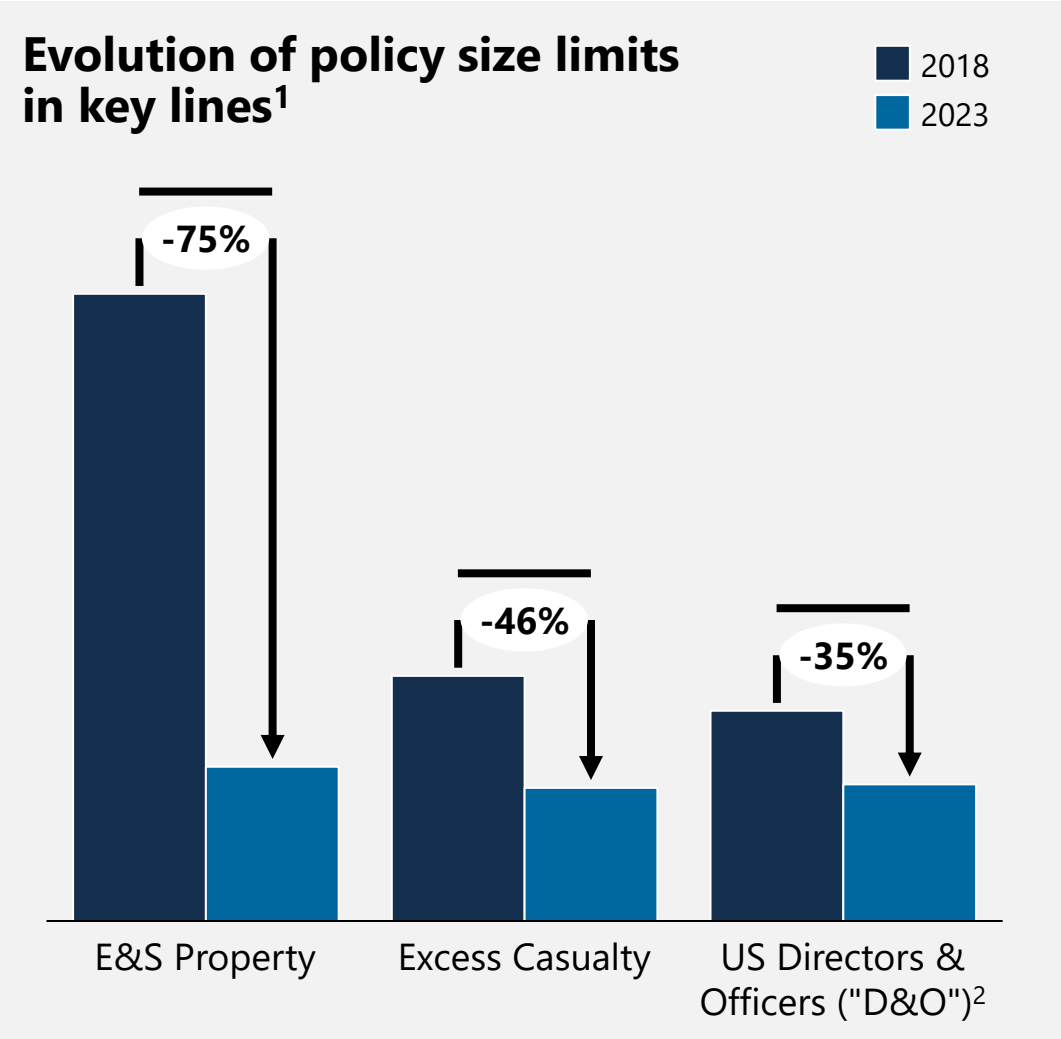


1 Current accident year combined ratio is a non-GAAP financial measure as defined in SEC Regulation G. The reconciliation to combined ratio, the most comparable GAAP financial measure, and a discussion of the rationale for its presentation is provided later in this document

2 Current accident year loss ratio is a non-GAAP financial measure as defined in SEC Regulation G. The reconciliation to net losses and loss expenses ratio, the most comparable GAAP financial measure, and a discussion of the rationale for its presentation is provided later in this document

3 Expense ratio includes acquisition cost ratio and underwriting-related general and administrative ratio

Reducing line sizes and ensuring steady CAY loss ratios

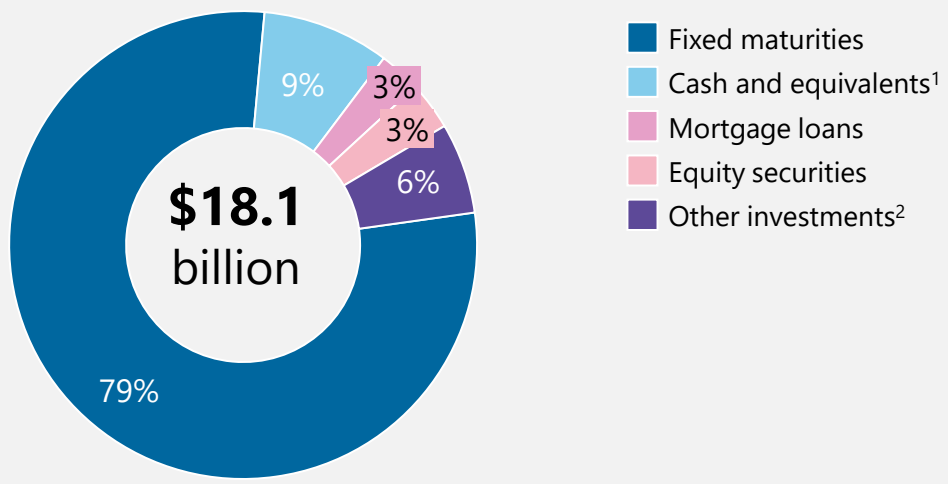


¹ Average gross limits
² US D&O reflects the average gross limits of US commercial D&O portfolio which is inclusive of public D&O, private D&O, Crime, Fidelity, Private Equity and EPL
³ CAT CAY loss ratio refers to catastrophe and weather-related current accident year loss ratio. Ex-CAT CAY loss ratio refers to current accident year loss ratio, excluding catastrophe and weather-related losses. These ratios are non-GAAP financial measures as defined in SEC Regulation G. The reconciliation to net losses and loss expenses ratio, the most comparable GAAP financial measure, and a discussion of the rationale for presentation of these ratios is provided later in this document
⁴ 2020 CAT figures includes the impact of the COVID-19 pandemic

Well-positioned portfolio driving strong investment returns

Investment portfolio as of 9/30/2024

Total cash and investments



16%
Allocation to risk assets

A+
Weighted average credit rating of fixed maturities portfolio

3.0 year
Average duration, with cash flows to cover liabilities along the curve

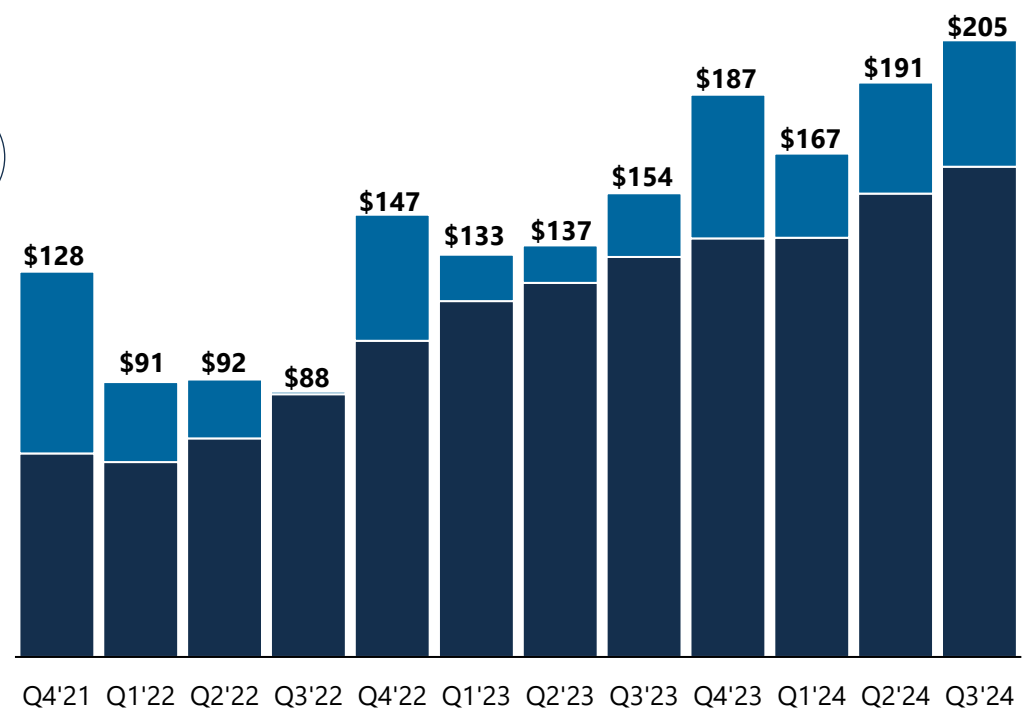
4.9%
Current market yield of fixed maturities

4.4%
Book yield of fixed maturities

Growing Investment Income

Net investment income, in millions

Other³
Fixed Maturities



1 Includes short-term investments, accrued interest receivable, and net receivable/(payable) for investments sold (purchased)
2 Includes equity method investments
3 Includes other investments, equity securities, mortgage loans, cash and cash equivalents, short-term investments, and investment expenses

Capital management aligned with strategy execution

Robust "toolbox" for generating and managing capital

Capital generated annually from operations

Further optionality through insurance-linked securities platforms, catastrophe bonds, outward reinsurance, loss portfolio transfer arrangements, etc.

Efficient capital management and strong balance sheet at 17.8% debt-to-total capital

S&P

Financial strength rating

A+

A.M. Best

Financial strength rating

A



Capital deployed to advance strategic priorities

Cycle management & profitable growth

Capital allocated to businesses providing attractive long-term returns

- Underwriting portfolio, e.g.,
 - E&S Property and Excess Casualty lines
 - New line expansion (e.g., Inland Marine)
 - London business (expanding leadership position)
- Investment portfolio

Investments in capabilities

- Talent and productivity enhancements
- At-scale adoption of digital & analytics

Capital returns

- Consistent dividends
- Share repurchases (\$300 million authorized in May 2024)

Inorganic opportunities

- Strategic investments, including through AXIS Digital Ventures
- Bolt-on acquisitions



Delivering Value

3Q QTD Results Highlights

Growth

- Gross premiums written of \$1.9B for the quarter represented **the highest third quarter production in company history**. Our insurance segment had its **highest ever third quarter production of \$1.5B in gross premiums written**, driven by Property, Credit & Political Risk, and A&H lines.
- Strength in the insurance segment was driven by **\$482 million in new business premiums**.

Profitability

- Combined Ratio of **93.1%**
 - Insurance: **90.4%**
 - Reinsurance: **91.4%**
- **G&A ratio of 12.1% versus 13.5% a year ago** highlights ongoing successful execution of our “How We Work” program

Balance Sheet & Capital Management

- Total **capital returned to common shareholders was \$253 million year-to-date**, including \$140 million in share repurchases pursuant to our Board-authorized share repurchase program and dividends of \$113 million
- Diluted Book Value per Common Share of \$64.65, **up 9.0% in the quarter and 26.3% over 12 months**

Investment Portfolio

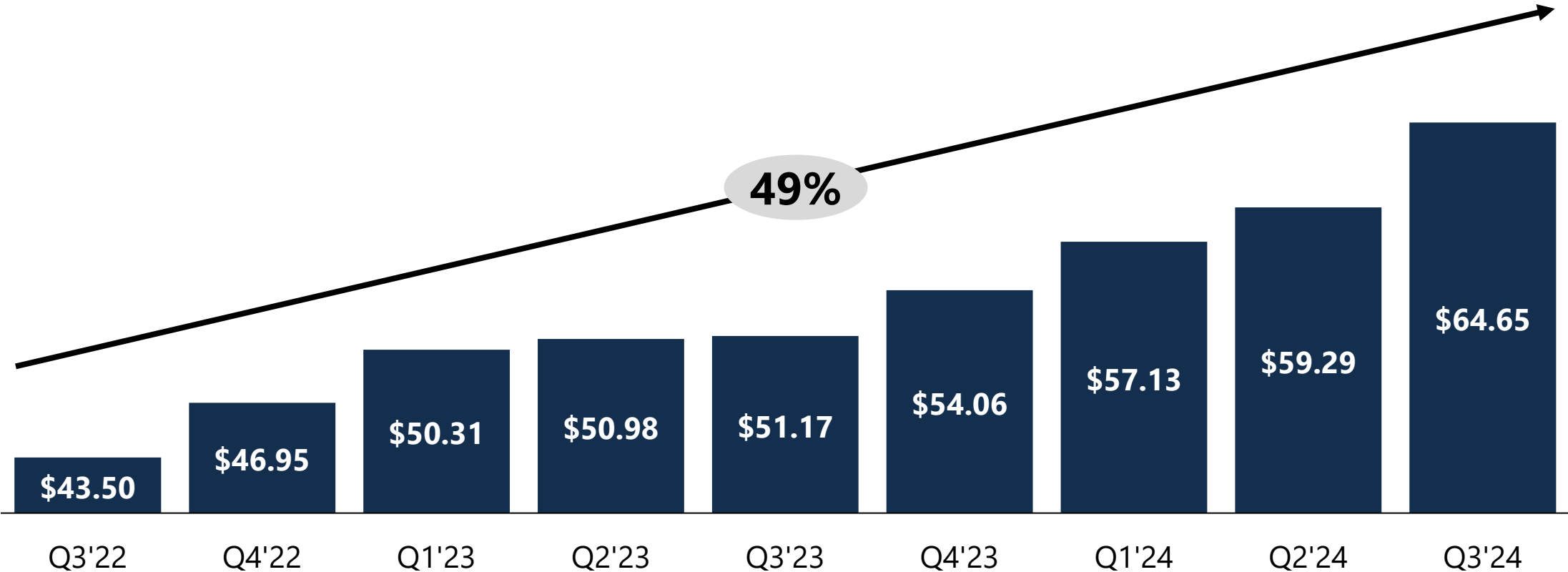
- Net investment income for the third quarter of 2024 was a record **\$205 million, compared to \$154 million, for the third quarter of 2023, an increase of \$51 million or 33%**, primarily attributable to income from our fixed maturities portfolio due to increased yields and substantial cash flows from operations that resulted in an increase in fixed maturity assets, together with higher returns on alternative investments

Operating⁽¹⁾ EPS of \$2.71



¹ Operating income (loss) and operating income (loss) per diluted common share are non-GAAP financial measures as defined in SEC Regulation G. The reconciliations to the most comparable GAAP financial measures, net income (loss) available (attributable) to common shareholders and earnings (loss) per diluted common share, respectively, and a discussion of the rationale for the presentation of these items are provided later in this document.

Growth in Diluted Book Value per Common Share¹



¹ Calculated using the treasury stock method

Emphasis on generating shareholder value

Fully aligned incentives between management and shareholders

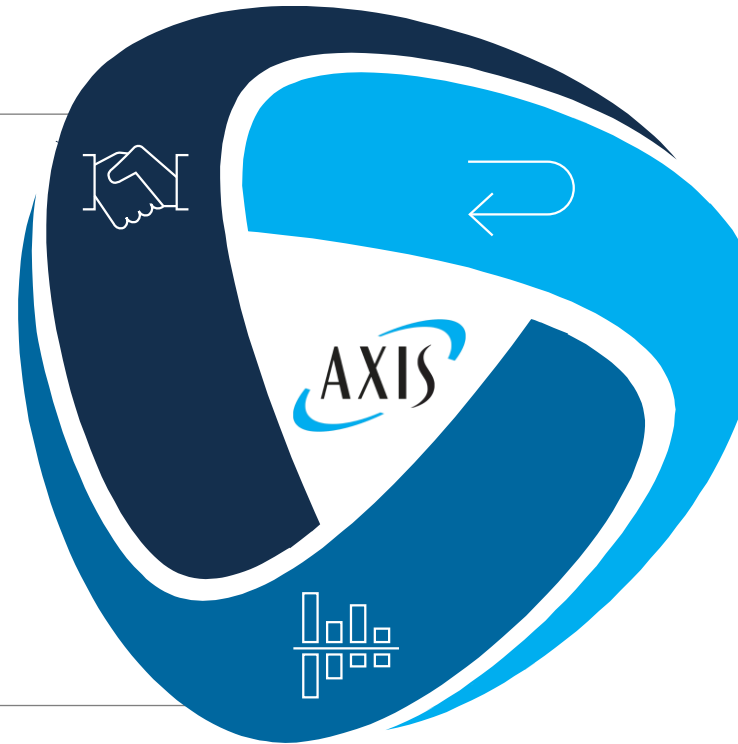
Compensation clearly tied to value creation

Performance-based equity program based on 15% annual adjusted DBVPS growth and relative total shareholder returns ("rTSR")

Maximum transparency

Consistent engagement with investor community – e.g., Investor Day, regular participation in industry and investor conferences

Granular financial and operational reporting



Consistent capital returns

Ongoing share repurchases

\$300 million of share repurchases authorized in May 2024

Regular dividends

45% cumulative TSR delivered in 2024¹



Specialty Solutions, Elevated

Appendix: Non-GAAP Financial Measures Reconciliations

Non-GAAP Financial Measures Reconciliation (Unaudited)

Operating Income and Operating Return on Average Common Equity

For the nine months ended September 30, 2024 and years ended December 31, 2023, 2022, and 2021

	Nine months ended September 30,	Years ended December 31,		
	2024	2023	2022	2021
	(in thousands, except per share amounts)			
Net income available to common shareholders	\$ 765,465	\$ 346,042	\$ 192,833	\$ 588,359
Net investment (gains) losses	30,503	74,630	456,789	(134,279)
Foreign exchange losses (gains)	61,268	58,115	(157,945)	315
Reorganization expenses	26,312	28,997	31,426	—
Interest in (income) loss of equity method investments	(10,689)	(4,163)	(1,995)	(32,084)
Bermuda net deferred tax asset ⁽¹⁾	(162,705)	—	—	—
Income tax expense (benefit) ⁽²⁾	(9,938)	(17,488)	(23,177)	14,166
Operating income	<u>\$ 700,216</u>	<u>\$ 486,133</u>	<u>\$ 497,931</u>	<u>\$ 436,477</u>
Average common shareholders' equity	\$ 5,123,212	\$4,401,553	\$4,475,283	\$4,803,175
Annualized return on average common equity	19.9%	7.9%	4.3%	12.2%
Annualized operating return on average common equity	18.2%	11.0%	11.1%	9.1%

Non-GAAP Financial Measures Reconciliation (Unaudited)

Operating Income and Operating Income per Diluted Common Share

For the three months ended September 30, 2024 and 2023

	Three months ended September 30,	
	2024	2023
	(in thousands, except per share amounts)	
Net income available to common shareholders	\$ 173,165	\$ 180,535
Net investment (gains) losses	(32,182)	53,114
Foreign exchange losses (gains)	92,204	(50,570)
Reorganization expenses	—	28,997
Interest in (income) loss of equity method investments	(1,621)	(2,940)
Bermuda net deferred tax asset	—	—
Income tax benefit	(1,503)	(7,245)
Operating income	<u>\$ 230,063</u>	<u>\$ 201,891</u>
Earnings per diluted common share	\$ 2.04	\$ 2.10
Net investment (gains) losses	(0.38)	0.62
Foreign exchange losses (gains)	1.08	(0.59)
Reorganization expenses	—	0.34
Interest in (income) loss of equity method investments	(0.02)	(0.03)
Bermuda net deferred tax asset	—	—
Income tax benefit	(0.01)	(0.10)
Operating income per diluted common share	<u>\$ 2.71</u>	<u>\$ 2.34</u>
Weighted average diluted common shares outstanding	85,000	86,108

Non-GAAP Financial Measures Reconciliation (Unaudited)

Current Accident Year Combined Ratio – Insurance Segment

For the nine months ended September 30, 2024 and years ended December 31, 2023, 2022, and 2021

Insurance Segment

	Nine months ended September 30,	Years ended December 31,		
	2024	2023	2022	2021
Underwriting ratios:				
Current accident year loss ratio, excluding catastrophe and weather-related losses	52.1%	51.8%	51.0%	51.4%
Catastrophe and weather-related losses ratio	4.7%	3.2%	6.5%	6.4%
Current accident year loss ratio	56.8%	55.0%	57.5%	57.8%
Prior year reserve development ratio	(0.2%)	5.1%	(0.5%)	(0.7%)
Net losses and loss expenses ratio	56.6%	60.1%	57.0%	57.1%
Acquisition cost ratio	19.6%	18.7%	18.4%	18.3%
Underwriting-related general and administrative expense ratio	12.2%	13.7%	14.2%	16.2%
Combined ratio	88.4%	92.5%	89.6%	91.6%
Current accident year combined ratio	88.6%	87.4%	90.1%	92.3%

Non-GAAP Financial Measures Reconciliation (Unaudited)

Current Accident Year Combined Ratio – Reinsurance Segment

For the nine months ended September 30, 2024 and years ended December 31, 2023, 2022, and 2021

Reinsurance Segment

	Nine months ended September 30,	Years ended December 31,		
	2024	2023	2022	2021
Underwriting ratios:				
Current accident year loss ratio, excluding catastrophe and weather-related losses	66.0%	64.8%	62.6%	59.9%
Catastrophe and weather-related losses ratio	0.9%	1.6%	9.7%	13.3%
Current accident year loss ratio	66.9%	66.4%	72.3%	73.2%
Prior year reserve development ratio	(0.4%)	14.6%	(0.4%)	(0.6%)
Net losses and loss expenses ratio	66.5%	81.0%	71.9%	72.6%
Acquisition cost ratio	22.1%	21.7%	21.9%	21.3%
Underwriting-related general and administrative expense ratio	3.5%	4.9%	5.3%	5.1%
Combined ratio	92.1%	107.6%	99.1%	99.0%
Current accident year combined ratio	92.5 %	93.0 %	99.5 %	99.6 %

Non-GAAP Financial Measures Reconciliation (Unaudited)

Current Accident Year Combined Ratio – Consolidated

For the nine months ended September 30, 2024 and years ended December 31, 2023, 2022, and 2021

Consolidated

	Nine months ended September 30,	Years ended December 31,		
	2024	2023	2022	2021
Underwriting ratios:				
Current accident year loss ratio, excluding catastrophe and weather-related losses	55.7%	55.9%	55.5%	55.1%
Catastrophe and weather-related losses ratio	3.7%	2.7%	7.8%	9.5%
Current accident year loss ratio	59.4%	58.6%	63.3%	64.6%
Prior year reserve development ratio	(0.2%)	8.1%	(0.5%)	(0.7%)
Net losses and loss expenses ratio	59.2%	66.7%	62.8%	63.9%
Acquisition cost ratio	20.2%	19.7%	19.8%	19.6%
Underwriting-related general and administrative expense ratio	12.2%	13.5%	13.2%	14.0%
Combined ratio	91.6%	99.9%	95.8%	97.5%
Current accident year combined ratio	91.8 %	91.8 %	96.3 %	98.2 %

Non-GAAP Financial Measures Reconciliation (Unaudited)

Current Accident Year Loss Ratio

For the years ended December 31, 2018 – 2023 and nine months ended September 30, 2024

	Years ended December 31,						Nine months ended September 30,
	2018	2019	2020	2021	2022	2023	2024
Group							
Current accident year loss ratio, excluding catastrophe and weather-related losses	61.7%	60.6%	57.7%	55.1%	55.5%	55.9%	55.7%
Catastrophe and weather-related losses ratio	9.0%	7.5%	17.7%	9.5%	7.8%	2.7%	3.7%
Current accident year loss ratio	70.7%	68.1%	75.4%	64.6%	63.3%	58.6%	59.4%
Prior year reserve development ratio	(4.1%)	(1.7%)	(0.3%)	(0.7%)	(0.5%)	8.1%	(0.2%)
Net losses and loss expenses ratio	66.6%	66.4%	75.1%	63.9%	62.8%	66.7%	59.2%

Rationale for use of Non-GAAP Measures

We present our results of operations in a way we believe will be meaningful and useful to investors, analysts, rating agencies and others who use our financial information to evaluate our performance. Some of the measurements we use are considered non-GAAP financial measures under SEC rules and regulations. In this document, we present operating income (loss) in total and on a per share basis, annualized operating return on average common equity ("operating ROACE"), current accident year combined ratio, current accident year loss ratio, catastrophe and weather-related losses ratio, and current accident year loss ratio, excluding catastrophe which are non-GAAP financial measures as defined in SEC Regulation G. We believe that these non-GAAP financial measures, which may be defined and calculated differently by other companies, help explain and enhance the understanding of our results of operations. However, these measures should not be viewed as a substitute for those determined in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Operating Income (Loss) and Annualized Operating ROACE

Operating income (loss) represents after-tax operational results exclusive of net investment gains (losses), foreign exchange losses (gains), reorganization expenses, interest in income (loss) of equity method investments and Bermuda net deferred tax asset.

Although the investment of premiums to generate income and investment gains (losses) is an integral part of our operations, the determination to realize investment gains (losses) is independent of the underwriting process and is heavily influenced by the availability of market opportunities. Furthermore, many users believe that the timing of the realization of investment gains (losses) is somewhat opportunistic for many companies.

Foreign exchange losses (gains) in our consolidated statements of operations primarily relate to the impact of foreign exchange rate movements on net insurance-related liabilities. However, we manage our investment portfolio in such a way that unrealized and realized foreign exchange losses (gains) on our investment portfolio, including unrealized foreign exchange losses (gains) on our equity securities and foreign exchange losses (gains) realized on the sale of our available for sale investments and equity securities recognized in net investment gains (losses) and unrealized foreign exchange losses (gains) on our available for sale investments in other comprehensive income (loss), generally offset a large portion of the foreign exchange losses (gains) arising from our underwriting portfolio, thereby minimizing the impact of foreign exchange rate movements on total shareholders' equity. As a result, we believe that foreign exchange losses (gains) in our consolidated statements of operations in isolation are not a meaningful contributor to the performance of our business. Therefore, foreign exchange losses (gains) are excluded from operating income (loss).

Reorganization expenses in 2024 primarily relate to severance costs attributable to our "How We Work" program which is focused on simplifying our operating structure. Reorganization expenses in 2023 primarily relate to impairments of computer software assets and severance costs mainly attributable to our "How We Work" program. Reorganization expenses in 2022 primarily relate to severance costs and impairments of computer software assets mainly attributable to our exit from catastrophe and property reinsurance lines of business which was part of an overall approach to reduce our exposure to volatile catastrophe risk. Reorganization expenses are primarily driven by business decisions, the nature and timing of which are not related to the underwriting process. Therefore, these expenses are excluded from operating income (loss). Interest in income (loss) of equity method investments is primarily driven by business decisions, the nature and timing of which are not related to the underwriting process. Therefore, this income (loss) is excluded from operating income (loss).

Bermuda net deferred tax asset is due to the recognition of deferred tax assets net of deferred tax liabilities related to a future Bermuda corporate income tax rate of 15%, pursuant to the Corporate Income Tax Act 2023 effective for fiscal years beginning on or after January 1, 2025. The Bermuda net deferred tax asset is not related to the underwriting process. Therefore, this income is excluded from operating income (loss).

Certain users of our financial statements evaluate performance exclusive of after-tax net investment gains (losses), foreign exchange losses (gains), reorganization expenses, interest in income (loss) of equity method investments and Bermuda net deferred tax asset in order to understand the profitability of recurring sources of income.

We believe that showing net income (loss) available (attributable) to common shareholders exclusive of after-tax net investment gains (losses), foreign exchange losses (gains), reorganization expenses, interest in income (loss) of equity method investments and Bermuda net deferred tax asset reflects the underlying fundamentals of our business. In addition, we believe that this presentation enables investors and other users of our financial information to analyze performance in a manner similar to how our management analyzes the underlying business performance. We also believe this measure follows industry practice and, therefore, facilitates comparison of our performance with our peer group. We believe that equity analysts and certain rating agencies that follow us, and the insurance industry as a whole, generally exclude these items from their analyses for the same reasons. The reconciliation of operating income (loss) to net income (loss) available (attributable) to common shareholders, the most comparable GAAP financial measure, is presented in the 'Non-GAAP Financial Measures Reconciliation' section of this document.

Rationale for use of Non-GAAP Measures

We also present operating income (loss) per diluted common share and annualized operating ROACE, which are derived from the operating income (loss) measure and are reconciled to the most comparable GAAP financial measures, earnings (loss) per diluted common share and annualized return on average common equity ("ROACE"), respectively, in the 'Non-GAAP Financial Measures Reconciliation' section of this document.

Current Accident Year Combined Ratio

Current accident year combined ratio represents underwriting results exclusive of net favorable (adverse) prior year reserve development. We believe that the presentation of current accident year combined ratio provides investors with an enhanced understanding of our results of operations by highlighting the profitability of our underwriting activities excluding the impact of volatile prior year reserve development. The reconciliation of current accident year combined ratio to combined ratio, the most comparable GAAP financial measure, is presented in the '*Non-GAAP Financial Measures Reconciliation*' section of this document.

Current Accident Year Loss Ratio

Current accident year loss ratio represents net losses and loss expenses ratio exclusive of net favorable (adverse) prior year reserve development. We believe that the presentation of current accident year loss ratio provides investors with an enhanced understanding of our results of operations by highlighting net losses and loss expenses associated with our underwriting activities excluding the impact of volatile prior year reserve development. The reconciliation of current accident year loss ratio to net losses and loss expenses ratio, the most comparable GAAP financial measure, is presented in the '*Non-GAAP Financial Measures Reconciliation*' section of this document.

Catastrophe and Weather-Related Losses Ratio (referred to as "CAT CAY loss ratio" on page 12 of this presentation) and Current Accident Year Loss Ratio, excluding Catastrophe and Weather-Related Losses (referred to as "Ex-CAT CAY loss ratio" on page 12 of this presentation)

Catastrophe and weather-related losses ratio represents net losses and loss expenses ratio associated with natural disasters, man-made catastrophes, other catastrophe events and other weather-related events exclusive of net favorable (adverse) prior year reserve development.

Current accident year loss ratio, excluding catastrophe and weather-related losses represents net losses and loss expenses ratio exclusive of net favorable (adverse) prior year reserve development and net losses and loss expenses associated with natural disasters, man-made catastrophes, other catastrophe events and other weather-related events.

We believe that the presentation of these ratios that separately identify net losses and loss expenses associated with catastrophe and weather-related events provide investors with an enhanced understanding of our results of operations due to the inherently unpredictable nature of the occurrence of these events, the potential magnitude of these losses and the complexity that affects our ability to accurately estimate ultimate losses associated with these events. The reconciliation of catastrophe and weather-related losses ratio and current accident year loss ratio, excluding catastrophe and weather-related losses to net losses and loss expenses ratio, the most comparable GAAP financial measure, is presented in the '*Non-GAAP Financial Measures Reconciliation*' section of this document.