XL CATLIN

AHEAD

"Of expectations, with
$300 million in synergy savings."

MIKE MCGAVICK
CHIEF EXECUTIVE OFFICER

XL CATLIN'S LEADERSHIP TEAM

Back row, left to right:
Peter R. Porrino, Executive Vice President and Chief Financial Officer
Gregory S. Hendrick, Executive Vice President and Chief Executive, Reinsurance Operations
Michael S. McGavick, Chief Executive Officer, XL Group plc
Stephen Catlin, Executive Deputy Chairman
Kelly Lyles, Chief Regional Officer, Insurance, and Deputy Chair of the Insurance Leadership Team
Paul Brand, Chief Underwriting Officer, Insurance and Chair of the Insurance Leadership Team

Seated, left to right:
Adrian Spieler, Executive Vice President and Integration Co-Director
Myron Hendry, Executive Vice President, Chief Platform Officer and Integration Co-Director
Eileen Whelley, Executive Vice President and Chief Human Resources Officer
Paul Jardine, Executive Vice President and Chief Experience Officer
Kirstin Gould, Executive Vice President, General Counsel and Secretary

Ahead.

My online dictionary tells me the first synonym for "ahead" is "in front." The synonym for the second definition is "in the future." The third definition is "onward so as to make progress."

Yes, *Ahead*. That pretty much sums up what is going on at XL.

First, we were "in front," leading the way into the epic year of insurance sector M&A, with our decision to combine XL and Catlin Group Ltd.

Second, the reason for the combination was due to what we see "in the future": the need to create a firm with the capabilities to race apace with the faster and faster mutation of risk in order to serve our clients ever more usefully.

Finally, it has been almost a year since our acquisition of Catlin and we are now even more convinced that we are better matched to the future. We're working every day to move "onward so as to make progress." Bluntly, some of the progress we believe we've made needs to start showing up in the numbers. We believe it will, and soon.

So Let's Start at the Beginning: Why XL + Catlin?

Certainly one of our objectives was to get ahead: ahead of trends that we felt would inevitably lead to sector consolidation — consolidation that we think has not yet ended.

My good friend Stephen Catlin and I compared notes, realized we were seeing the same forces and felt strongly that if consolidation was coming, moving early and having the chance to pick your partner was the best path.

Certainly one of our objectives was to get ahead: ahead of trends that we felt would inevitably lead to sector consolidation — consolidation that we think has not yet ended.

But that hardly tells the whole story. Our Leadership Team has been around the industry a long time and we've seen firsthand that the vast majority of mergers in our sector wind

LETTER FROM THE CEO

> Certainly one of our objectives was to get ahead: ahead of trends that we felt would inevitably lead to sector consolidation — consolidation that we think has not yet ended.

up as roadkill, creating larger but often lousier businesses. So the bar around here for contemplating large transactions has always been very high.

For us, the acquisition needed to meet three imperatives:

First, we had to be able to see why the acquisition would enable us to better serve our clients. No business survives unless it is thinking constantly about how to please those who pay it. Simple, yes. And often quite surprisingly forgotten.

Second, the transaction to acquire Catlin had to improve our ability to harness broad economic and sectoral trends to our advantage. Broader trends have a life of their own, almost always beyond the ability of any one actor to change. To us, the art is not in wishing that the trends would change, but rather it is in discerning which trends really matter and which will endure and then designing ourselves so as to make those trends our engines for success.

Finally, the transaction had to make us more durably profitable, moving us further and faster towards our financial ambitions. Too much of M&A, in our view, can articulate either a sound strategic or financial case. Rarely both. We were only interested in achieving both.

Here is how we answered these questions:

First, how does XL Catlin enable us to better serve clients?

Five big ideas stand out:

Our combined product array is broader. This means that more clients can benefit from more products. When you have more to offer, you can create more seamless and trusted solutions.

Our combined global footprint adds both to the number of locations in which we are present and to our leadership position and capabilities across the globe. Our clients' needs are constantly more global. This global network is a key differentiator.

Our depth of expertise is market-leading in the lines of business that lead the way in innovation. Historically, the product evolution is clear: specialty lines and complex risk insurers create unique covers for emerging risks. Eventually these coverages are standardized and, if they have broader utility, wind up as elements of broader policy forms. In a world where risk mutates ever faster, we knew that only a market-leading group of specialty and complex risk talent could really be up to the job of keeping pace with our clients' emerging needs.

Notably this year, for the fourth year in a row, we ranked as one of the top innovators in (re)insurance, with 23 new products introduced. Given the complexity of integrating the companies, this was especially welcome evidence of our will to remain focused on the needs of our clients. We believe it stands to reason, and will be proven out, that if you can make the greatest difference for clients, you will be able to create the greatest value for shareholders.

Our total cost base is lower. With clients always sensitive to cost, only through constant attention to efficiency can we meet both our clients' cost demands and our shareholders' return expectations.

Our Reinsurance offering matches clients' buying trends. The fact is that with alternative capital playing a more substantial role in the reinsurance marketplace, we found clients wanting larger lines from fewer carriers as part of their core programs. XL Catlin is able to take such leadership positions.

So then to our second question: How does XL Catlin harness the big trends we see shaping the sector?

Here too, the combination makes good sense. **The five big trends that we think matter are globalization, analytics, broker consolidation, alternative capital and regulation**. In all five, XL Catlin is better positioned. I've mentioned the expanded and more capable global platform previously, but the others are similarly well served.

Consider analytics: With greater scale of proprietary data, we can make better risk judgments, see risk trends more clearly and innovate more rapidly. And we have the scale to better absorb the related costs.

Consider our position relative to our broker partners: Not only are we offering more products in more places and ranking higher among partners with whom they trade, but through innovation we intend to become more often indispensable to them in service of our mutual clients.

Consider alternative capital: We have the scale of capabilities and history of business model innovation to be an innovator rather than a victim of business model change. We're a sought-after partner and a force in trying to work with governments and others to consider how to make the greatest pool of capital more useful to the world. And bringing together two leading (Re)Insurance teams was key here; these are the minds that will reshape the business model. The end-to-end sophistication of our combined team enables us to more boldly innovate around entirely new ways to create insurance solutions.

Consider regulation: Regulators have increasingly required more strongly capitalized insurers, with approaches like the European Union's Solvency II. Diversification is one of the keys to creating a capital-efficient organization in this new world, and scale helps us afford the large costs of compliance with the many new layers of regulation.

Now, just as you could argue that all of these trends, save regulation, are at some level an effect of the transformation that technology unleashes, so too you could argue that the answer to all five is simply scale. And you would have a point. But, we did not see "size for size's sake" as a solution. We saw increased scale as a nice byproduct of the deeper strategic purpose of creating market-leading depth of expertise in the specialty and complex risk insurance and reinsurance sectors. That, we think, is the long-term big deal.

And finally, the third question, what about the financials?

We forecast at the time of the transaction that we would accelerate our attainment of double digit operating ROEs (excluding other comprehensive income) even in this time of very low interest rates and despite a very soft insurance pricing cycle. We still believe this to be true. A deeper look at the quantitative results should help explain our confidence.

We saw increased scale as a nice byproduct of the deeper strategic purpose of creating market-leading depth of expertise in the specialty and reinsurance sectors. That, we think, is the long-term big deal.

We saw increased scale as a nice byproduct of the deeper strategic purpose of creating market-leading depth of expertise in the specialty and reinsurance sectors. That, we think, is the long-term big deal.

The results so far

Just as with the criteria to consider a transaction in the first instance, we had hard criteria to meet in the execution of the transaction itself and in the results we had to achieve for ourselves and others in order to consider it a success.

- First, we had to keep the book of business together — *at least as far as we wanted.*
- Second, we had to keep our workforce together and energized by the prospect of being part of this new future-oriented company.
- Third, we had to get our infrastructure and systems together so we could operate as one, understand how the Company is performing and begin applying our unique levels of insight to the needs of our clients.
- And finally, we had to do all of that while still delivering an acceptable result, because we said all along this was about both our long-term strategy and a compelling financial rationale.

So, how did we do against those goals?

Number one, we kept the book of business together. In fact, we believe that through the course of 2015 we lost less than a point of premium as a result of merging XL's and Catlin's books of business. We are thrilled by that result. It both validates the determination of our workforce to keep relationships intact through the natural anxiety that integration creates and confirms that our client and broker partners believe in our vision for what we are creating.

Number two, we kept the workforce together. Our voluntary attrition rates this year were only slightly elevated from historical levels. Of course, because of the integration, there are certain key areas where you would expect higher turnover, including in underwriting. But let me put it in perspective: of our more than 1,200 underwriters, there were just a couple of handfuls of voluntary departures that gave us pause. That the vast majority of our colleagues see the potential ahead is, again, an incredibly encouraging and validating result.

As to number three, the combination of our infrastructure and systems, immediately upon the closing of the acquisition, around the world we were operating as one organization. This required substantial effort, and the work of our Facilities and Platform colleagues was stellar. Over a single weekend we moved over 1,600 of our colleagues together into combined offices. We merged information systems, and we began the process of rationalizing our footprint, halting duplicative investments or projects that no longer met our combined needs. And our pipeline of combined client data and risk insights is now supporting our underwriting, distribution and broader marketing efforts.

There is a clear reason for our speed. We can sense that markets are changing. We see companies in our sector overhauling their businesses. We see the many mergers that followed ours. We want to be in a position to take full advantage of what we have built: to be stable and performing in a "business as usual" way. And that's how it feels inside XL Catlin today. Our teams have coalesced nicely; our assignments are clear and the noise of the transaction is receding. It was a manic and messy year, but it has put us in a terrific position relative to the sector.

Now, we said we would do all of those things and not lose sight of the fundamentals, of our fourth benchmark of success, of trying to build a better business with better margin over time. There are many important aspects to this, including our performance in 2015.

The place most people start to evaluate is on transaction-related synergies — a phrase larded with industry jargon which of course simply means how much expense the combined Company will save as a result of gaining greater scale and increased efficiency. When we announced the acquisition we said we could save at least $200 million in run-rate expenses. Later, we revised that figure to $250 million. Now, we have identified not less than $300 million in run-rate savings that we are absolutely committed to delivering by year-end 2017. And we'll keep searching for more.

You might ask, "Where did we find more money?" A couple of places: First, the transaction continues to reveal additional savings opportunities, and when we see one that we're confident in, we grab it. Second, in line with current market conditions, we continue to increase internal expectations for expense savings. That's just a reality of where we are today. With an overabundance of capacity at play in the market, the knife-fight over pennies continues. And, as we are committed to never losing our underwriting discipline, we have to prepare to earn margin in places other than pricing. Third, our people are well aware of these conditions, and they are responding and coming forward with additional opportunities for savings. Our hand will not come off the expense lever, because the simple truth is that these markets continue to worsen and we don't run the business as though we're counting on some turn in the pricing cycle. We may hope for it, but we don't plan for it.

A second benchmark many look at to gauge transaction success is the degree of capital flexibility gained. Throughout the year, as we became increasingly confident that we would meet our integration and savings targets, we resumed share buybacks — buying back over 12 million shares during 2015. Capital management is a conversation which we are continually engaged in with our Board, and it's a mix we continue to evaluate. But in these conditions, as we look for new opportunities and at the same time are realistic about the near-term prospects for the market, continuing to return capital to shareholders remains an attractive strategy.

In terms of our operating results for 2015, taking into account all other factors — namely, the enormous distraction potential from the internal integration focus as well as the hypercompetitive market — we're pleased with the solid results we returned. That said, aside from these factors, compared to the prior year, 2015 was simply a tougher year in many ways. Both natural catastrophe levels and our large loss activity were higher. Volatility returned to the financial markets in a big way, yielding little to no benefit from our investment portfolio. And comparing year-over-year results gets tricky when our (Re)Insurance operations only became XL Catlin as of May 1.

In some areas, such as Reinsurance, results across the board were strong — in a reinsurance market that is a concentration of the broader conditions into an even tougher rate and an often mindboggling underwriting standards environment. In Insurance, there was more noise, but the trends are all pointing in the right direction. And aside from the main event of creating XL Catlin, we were also able to execute several smaller strategic actions, which add to our collective sense of accomplishment for the year.

So, unpacking each of these a bit:

From the top of the house, we produced a total P&C combined ratio of 92.0% and an underwriting profit of $653 million. P&C gross written premium for the year was $10.7 billion. From a legacy XL perspective, that's a 38% increase over 2014, as driven by the combination. From a historical combined basis, that number is essentially flat, compared to what XL Catlin would have done if it had been together in 2014. So it's reasonable to ask, "Why didn't we grow in the year?"

Well, we largely view the assembling of our books as complete, and the task now in front of our underwriters is to refine and optimize these books. The good news is that we're ahead of the game. When we began our integration, we threw out the growth plans that both legacy companies had — realizing the market had worsened more than expected — and got to work walking away from either wildly underpriced businesses or accounts that simply don't meet our performance standards. Thus, the reason for saying that a goal for the transaction was retaining the business *to the extent we wanted,* and it is the reason we didn't grow in the year. On this topic we are crystal clear with all audiences: growth for growth's sake is not the objective. We're bottom-line focused. We are perfectly willing to walk away from business rather than perpetuate the current market. And in fact, we feel we'll have a role to play in helping to turn the market toward rationality, when the time comes.

In Reinsurance, where market conditions are in many ways the fiercest, our result was stellar. The segment produced a combined ratio of 81.0%, gross written premium of $2.3 billion and an underwriting profit of $478 million — the best underwriting profit result in more than 10 years. And even as catastrophe losses inched up year-over-year, the loss ratio held steady at 45.8%, also one of the best results in the past 10 years. Greg Hendrick, our Chief Executive for Reinsurance, and his team deserve much credit for their work navigating a complex field.

In Insurance, where the results were no doubt more complicated, Paul Brand and Kelly Lyles, respectively our Chief Underwriting Officer, Insurance, and Chief Regional Officer, Insurance, have also done extraordinary work. Not only have they combined their teams and retained our business, but they're leading their teams in a new matrixed business model which is different from what either legacy company knew before and which we think represents the best way to run our Insurance segment.

In 2015, the Insurance segment produced a combined ratio of 96.9%, gross written premium of $8.4 billion and an underwriting profit of $175 million. Since 2007, there has only been one year in which the Insurance combined ratio was lower and underwriting profit was higher. That was 2014, which was a standout and low-catastrophe year for the entire industry. So, while these numbers showed some deterioration year-over-year, other important metrics improved — namely the accident year, ex-catastrophe loss ratio, which is in many ways the most accurate measure of our underwriting, as it factors in losses without the benefit of prior year releases or the built-in assumptions for natural catastrophe events. And while this metric, 62.5% for the year, was impacted by large losses in the second half of 2015, it improved over 2014 and improved sequentially in the third and fourth quarters of 2015. If we can make this improvement in the conditions of last year, with some noteworthy large loss events hitting the entire market (such as the Tianjin port explosion in China), we certainly feel we can move the needle further in 2016.

Here, we are all impatient. Many of our observers are as well. We get it. Our Insurance loss ratio has been elevated during 2015, in part simply due to the process of getting the two books of business on common views, especially in long tail lines. But that process is done; and our plans for 2016 indicate to us that our loss ratios can come down through continued underwriting diligence and remixing the portfolio to optimize profit despite the continuing softening of rates paid for insurance risk. And this will further be aided by the steps we took in 2015 to make our reinsurance purchasing more efficient, enabling us to cede less profit while creating an improved risk profile.

“

Other important metrics improved — namely the accident year, ex-catastrophe loss ratio, which is in many ways the most accurate measure of our underwriting, as it factors in losses without the benefit of prior year releases or the built-in assumptions for natural catastrophe events.

Other important metrics improved — namely the accident year, ex-catastrophe loss ratio, which is in many ways the most accurate measure of our underwriting, as it factors in losses without the benefit of prior year releases or the built-in assumptions for natural catastrophe events.

All in, we feel it was an acceptable full year of results during a time of supremely strong effort. But better is expected of us, and we are driven to deliver.

One last thing about our progress in the year: our work in building a common culture.

The importance of culture is something I’ve emphasized before, and it remains an unheralded and most critical aspect of any integration effort. We still firmly believe that strategy in and of itself is great but doesn’t mean much until it’s married with the right people and the right culture. For our effort, culture has been a preeminent and ongoing focus since day one of XL Catlin (and even in the time leading up to the transaction when Stephen Catlin and I were imagining the firm we thought we could combine to create).

No matter how similar the cultures from which legacy companies start, there are both obvious and subtle differences that must be overcome. While always acknowledging that we have more to do, we’ve made leaps and bounds of progress in creating a unified culture. Our colleagues are thinking about XL Catlin and not just "how it used to be." Knowing they are part of one of the powerful forces in the (re)insurance sector, they really believe they are doing something special.

And our group Leadership Team functions as if it has been working together for years. We make decisions together quickly and efficiently, we have a sense of joy about it and we work damn hard because we have a common goal that we think is worthwhile.

With respect to having more to do on culture in the year ahead, I want to note one particular effort we have initiated to increase diversity and inclusion in the Company. Not only is this effort exactly in line with Our Commitments to *Do What's Right* and to continually *Make It Better*, but also there is a logical and compelling business case as well: Today, we are not as diverse as the world around us. And, therefore, by definition we have a more limited point of view and don't as often reflect the clients we seek to serve. To be fair, this is an industry challenge, and XL Catlin is actually better than the industry in many aspects of diversity. But we can and should do more. And while it is indeed a long-term effort, we want to make meaningful improvements as quickly as possible.

A few other items of note:

First, other strategic actions.
In addition to these core goals for the year — maintain our book, retain our talent, integrate our systems and return solid financial results — another effort was to continue to execute other strategic opportunities. While the hard work of integration proceeded, we didn't want to lose sight of what other actions we could take to improve the firm, including:

- The launch of XL Innovate, an XL-sponsored venture capital initiative investing in new and early-stage businesses that offer new approaches to distribution and underwriting — particularly in new or underinsured risk areas. With technology driving rapid risk evolution, we think there's enormous potential to use this structure to create partnerships to align underwriting with capital and risk-specific expertise — all toward pushing our innovation abilities even further. We have proven the model with the successful launch of New Energy Risk, and we're now investing in similar ventures.
- The acquisition of Allied International Holdings, Inc., the holding company of Allied Specialty Insurance, Inc. and T.H.E. Insurance Company, a leading insurer of the outdoor entertainment industry in the US, which had approximately $70 million of gross written premium in 2014.
- Strategic investments in Privilege Underwriters, Inc. and its affiliate, Privilege Underwriters Reciprocal Exchange (PURE), a policyholder-owned insurer dedicated to creating an exceptional experience for responsible high-net-worth individuals and families, and S-RM, a business intelligence and risk consulting and mitigation firm.
- The retrocession of the vast majority of our legacy runoff US term life reinsurance reserves that were not included in the 2014 transaction, which transferred the bulk of this legacy portfolio to GreyCastle Holdings Ltd.

Second, our recently announced proposal to relocate our parent holding company to Bermuda from Ireland.
In so many ways, this feels like a natural step for us to take and one which we think will benefit clients, brokers and shareholders alike.

XL has had a presence in Bermuda since its inception in 1986, and our footprint in the country has grown significantly since the combination with Bermuda-based Catlin. And as the insurance industry and global regulatory environment have evolved, we have concluded with our regulators in Ireland that the Bermuda Monetary Authority (BMA) would be best suited to serve as our group-wide supervisor and be in the best position to approve XL's internal capital solvency model.

In addition to our history in Bermuda, the BMA is a premier regulator of global insurance and reinsurance companies, with highly sophisticated regulatory capabilities. And, our proposal follows the recent announcement that Bermuda has been granted equivalence under Solvency II. Combined with Bermuda's familiarity with our business, and with the BMA already serving as the regulator of our largest operating subsidiary, as I said, this is a natural step for us to take.

In terms of timing and next steps, we expect to submit the proposal for redomestication, along with related proposals, to our shareholders in the next several months and hope to complete the transaction in the third quarter of 2016. Also, we do not expect the proposed redomestication to have any material impact on our financial results, including the Company's worldwide effective tax rate. And, we will continue to trade on the New York Stock Exchange under the ticker symbol "XL" and expect to remain listed on the S&P 500 Index.

So, it should be a seamless transition for all of our partners and, as I said, in the long-term interest of the Company, our clients and brokers, and investors in XL alike.

Ahead and Crystal Clear

Now, I want to make one last thing crystal clear. Despite all that we have achieved in 2015, I know that if our sense of our own progress doesn't show up in our numbers, in many respects it isn't real. We did a lot in 2015, but this wasn't the year progress would show in our results.

Know that we are every bit as impatient as any observer that these indicators turn into the financial progress we believe this transaction makes possible. From the past year you can see the indicators of our progress; I like the indicators.

Our loss ratios, despite this pricing environment, continue to come down, and we believe that can continue. Our operating expense ratio is coming down, and we're beating our own expense targets in real numbers. We kept the book of business together, and we seized new opportunities. We kept this incredible group of colleagues together, and we've energized them around a common future. That's the direction of the Company we are now building, 7,000 global colleagues strong.

We're pretty happy about where we are. We're glad this last year is a bit of a memory now. And we're excited about the progress we can and will demonstrate in the year Ahead.

Mike

LETTER FROM THE CHAIRMAN

XL CATLIN'S BOARD OF DIRECTORS
From left to right:
Stephen Catlin, Executive Deputy Chairman
Ramani Ayer, Former Chairman and Chief Executive Officer, The Hartford Financial Services Group, Inc.
Joseph Mauriello, Former Deputy Chairman and Chief Operating Officer, KPMG LLP
Dale R. Comey, Former Executive Vice President, ITT Corporation
Clayton S. Rose, President, Bowdoin College
Suzanne B. Labarge, Former Vice Chairman and Chief Risk Officer, Royal Bank of Canada (RBC Financial Group)
Michael S. McGavick, Chief Executive Officer, XL Group plc
Anne Stevens, Chairman, Chief Executive Officer and Principal of SA IT Services
Eugene M. McQuade, Chairman, Former Vice Chairman, Citigroup
Robert R. Glauber, Lecturer, Harvard Kennedy School of Government
Claus-Michael Dill, Former Chief Executive Officer, AXA Group Germany
Edward J. "Ned" Kelly, III, Former Chairman, Citigroup Inc. Institutional Clients Group
John M. Vereker, Former Governor and Commander-in-Chief, Bermuda

Fellow Shareholders,

My first year as Chairman of the Board of Directors was an extraordinary period for XL, during which the Company wrote a new chapter in its history with new energy and an even sharper focus on our future. Not only did we successfully launch our Insurance and Reinsurance operations under the XL Catlin brand following our transformative acquisition last May, we also never took our eye off the ball operationally. Even in a highly difficult market, we amplified our relevance to customers and cemented a strong position to grow value for shareholders in the years to come.

With the closing of the Catlin transaction, our new executive team has driven an integration process across our Company that has incredible people and culture serving as the backbone of our combined organization. We welcomed talented and experienced professionals, refreshed the structure of our Insurance and Reinsurance operations and created centralized and regional roles to capture the strengths of our people. We have exceeded expectations on business and talent retention from the transaction, as well as exceeded our expected operational efficiencies for 2015, demonstrating the success of these integration efforts. At the same time, we have continued our momentum in growing our global footprint, teams and product portfolio.

We have also continued to inject new leadership into our Board, starting with the appointment of Stephen Catlin, who of course founded and led Catlin to its position of industry prominence and who we are very pleased is also serving as Executive Deputy Chairman of the Company. We also welcomed Michael Dill, a former board member of Catlin. Michael's wealth of industry experience and knowledge, particularly regarding European insurers, complements the existing expertise of the Board, and he is a strong addition as we continue to drive value for shareholders.

Even with integration teams hard at work, XL produced solid results in 2015 in a tough (re)insurance market, demonstrating the Company's unrelenting focus on quality underwriting and meeting the evolving needs of our clients.

We continue to prudently balance investment in our technology and talent with returning value to shareholders through our dividend and share buyback program. In 2015, XL returned almost $700 million of capital to our shareholders, comprised of $467 million in share buybacks and $212 million in dividends. And in August 2015, the Board authorized a new $1 billion share buyback program and increased the ordinary share dividend to $0.20 per share. As always, we remain committed to managing capital efficiently.

Our continued progress has gained recognition. S&P recently revised its outlook on our core operating subsidiaries to "Positive," citing our strong management team and business risk profile, enhanced scale and increased product offering, and disciplined underwriting culture. In addition, S&P upgraded the ratings of two of the former Catlin subsidiaries from A to A+.

With integration teams hard at work, XL produced solid results in 2015 in a tough (re)insurance market, demonstrating the Company's unrelenting focus on quality underwriting and meeting the evolving needs of our clients.

> Even in a highly difficult market, we amplified our relevance to customers and cemented a strong position to grow value for shareholders in the years to come.

> We have also continued to inject new leadership into our Board, starting with the appointment of Stephen Catlin, who of course founded and led Catlin to its position of industry prominence and who we are very pleased is also serving as Executive Deputy Chairman of the Company.

We made meaningful strides in 2015. However, the overall (re)insurance market remains extraordinarily difficult. As we near the anniversary of closing the Catlin transaction, we believe the Company's hard work positions it well to navigate the tough market and to deliver new solutions to clients and financial benefits to shareholders.

I should like to take this opportunity to thank the Company's management, particularly Mike McGavick and Stephen Catlin, for a job well done. I should also like to thank all of our constituents for their ongoing support and confidence in the Company. I look forward to updating you on our progress.

Sincerely,

Eugene M. McQuade
Chairman, XL Group plc

Insurance Highlights

$175M

Underwriting Income for the year ended 2015

62.5%

EX-CAT & PYD Loss Ratio for the year ended 2015

Dear Shareholders,

2015 was a memorable year. We expanded our underwriting presence with new offices, retained and added talent to our teams and developed or enhanced over 20 products, earning a top spot on *Advisen's* Pacesetters Index. And both XL Catlin and several of our Insurance colleagues received market recognition.

We did all of this while executing a challenging integration to establish XL Catlin as a new force in the market.

What we delivered

Our global Insurance operations delivered solid results in a challenging environment.

Crucially, we held together the two legacy portfolios through the integration — losing less than 1% of our business in the process. That result, and the new business opportunities we saw, reflect the market's positive perception of XL Catlin. And many of our core metrics further illustrate what we accomplished:

Our Gross Written Premium was $8.4 billion for the full year — a 40% increase over 2014, driven primarily by the combination with Catlin. When we look at what we would have produced had we operated as a combined organization for the full year and normalize for foreign exchange rates, our GWP was still up nearly 3% year-over-year. Being able to combine two organizations and modestly grow the business despite challenging market conditions and a potentially distracting integration is something we're proud of.

Our Combined Ratio was 96.9% for the full year, versus 94.4% in 2014, reflecting the tough pricing market and a higher level of large losses year-over-year. However, the accident year loss ratio, excluding catastrophes, improved not only over 2014 but also sequentially in the second half of 2015, and that is perhaps the best indicator that we are well into fine-tuning XL Catlin's combined Insurance portfolio.

The market

Throughout the year we faced a challenging market — which has continued into 2016. Pricing was negative across most lines of business. However, we intend to continue to leverage those lines that did see increases, most notably our cyber and environmental North America businesses.

Fit to succeed

In 2016, as our clients worldwide face new challenges and moderate economic growth, and as new opportunities and risks emerge with new technology, we expect more change in our industry. We're ready for it.

INSURANCE HIGHLIGHTS

We're getting fit for the future by launching initiatives aimed at achieving greater profitability and boosting our efficiency. And despite market headwinds, we're determined and focused on expanding our profit margin by improving our mix of business, leveraging analytics in underwriting actions, managing expenses and increasing our reinsurance efficiency.

Put simply, we see tremendous opportunity. We're determined to outrun the market headwinds and thrive.

Paul and Kelly

Paul Brand
Chief Underwriting Officer, Insurance, and Chair of the Insurance Leadership Team

Kelly Lyles
Chief Regional Officer, Insurance, and Deputy Chair of the Insurance Leadership Team

> Our global Insurance operations delivered solid results in a challenging environment.

Reinsurance Highlights

$478M

Underwriting Income for the year ended 2015

52.5%

EX-CAT & PYD Loss Ratio for the year ended 2015

Dear Shareholders,

As I write this letter, we're nearing the end of our first full year together as XL Catlin's Reinsurance team. We're all excited about the opportunities ahead of us and are ready to take on the challenges.

2015 Summary

Looking back at 2015, our team achieved solid results. Lower natural catastrophe losses were offset by losses from the Tianjin port explosion and loss activity in our property facultative portfolio. Despite those losses, the segment generated a strong combined ratio of 81% for the year and a resulting underwriting profit of $478 million. Gross premiums written were $2.3 billion for the year, a 27.3% increase over the prior year, driven primarily by the combination of XL and Catlin.

Looking at the past year, I'm proud of what we accomplished, despite the ongoing challenges of this reinsurance market. In 2016, we're challenging ourselves to explore every avenue to grow profitably and succeed as a leading global P&C reinsurer in the long term.

Reinsurance at XL Catlin

During 2015 we brought together two strong, innovative companies. We substantially increased our financial strength, grew our product offerings and solidified our presence in the world's major reinsurance markets. Along with these benefits, there were hurdles to clear. Our team successfully aligned systems and processes so we could maintain the service standards our clients and brokers expect.

Looking ahead, we've identified five key principles to guide us as we navigate an evolving market:

- **Underwriting and Analytics —** We believe we have some of the best risk-taking talent in the reinsurance industry. We not only have a deep understanding of our products, but we can also provide powerful analytics to help brokers and clients assess risk and understand the cost of risk transfer.

- **Client Focus —** Our teams have multi-decade relationships with clients and brokers. We're building upon these deep connections with a partnership approach, using our increased and diversified product offerings and expanded global reach to give our clients more flexibility across the cycle and across the globe.

- **Alternative Capital —** As individual companies, we were active in this area and together we are working on expanding our ability to match the appropriate capital to each class of risk we assume.

- **Operational Excellence —** We continue to be market leaders in underwriting response time, fair claims payment and contract wording execution. The global coordination across XL Catlin's Reinsurance platforms provides the same level of operational excellence wherever our clients are in the world.

REINSURANCE HIGHLIGHTS

- **Innovation —** Our collective expertise as risk specialists allows us to identify and respond to risks that exist at, or beyond, the boundaries of traditional insurance risk. And XL Innovate, our sponsored venture capital initiative, is one of the many tools we'll use to bring new solutions to the marketplace.

With this foundation, I'm confident we'll be well positioned to address the world's most complex risks.

On behalf of the entire global Reinsurance team, thank you for your continued support of XL Catlin.

Greg Hendrick

Chief Executive, Reinsurance Operations

> Looking at the past year, I'm proud of what we accomplished, despite the ongoing challenges of this reinsurance market.

INNOVATION

Innovation in 2015

In 2015, with the integration of XL and Catlin requiring much focus and attention, our colleagues still continued to push our (Re)Insurance products in new directions and we ended the year, once again, as a top industry innovator.

In addition to the new products we introduced, some of which are listed below, we launched XL Innovate, our sponsored venture capital initiative. Now off and running, the XL Innovate team is quickly becoming a fixture in the (re)insurance innovation space. In September, XL Innovate announced its acquisition of all shares of New Energy Risk, a strategic risk transfer consultant to the renewable energy industry worldwide, and we expect further announcements soon.

Through other partnerships, like our work with Oxbotica, we hope to break new ground in understanding the insurance needs of emerging fields such as artificial intelligence and mobile robotic vehicles and solutions.

We're proud of what we've accomplished in 2015. And continually looking to what's *ahead*.

Some of the noteworthy products introduced in 2015:

Commercial Crime Insurance — A new comprehensive policy form to help US businesses recover from the financial repercussions of corporate crime including fraud and embezzlement

Cyber Insurance Expands Data Breach Response Partnerships — Adding additional computer forensic and legal resources to our network of prequalified breach response specialists to help clients respond quickly and cost effectively to breach incidents

Environmental Excess Policy Form — This simplified solution for buying an additional layer of environmental insurance protection supports a consistent coverage approach between the excess layer and the underlying policy

CyberRiskIQ.com — An online portal to help XL Catlin's cyber insurance clients access resources and expertise to address data breaches

Excess Executive Liability Form — Providing brokers and clients in the US and Canada with a streamlined solution to buy an additional layer of professional liability insurance protection

Financial Institution Bond Insurance — A suite of comprehensive new financial institution bond insurance policies in the US, offering financial institutions balance sheet protection against employee dishonesty, burglary, robbery, forgery and similar crimes

Global Security Insight Platform — Developed by Salamanca Group for XL Catlin's kidnap and ransom insurance clients

Mining Industry Coverage — Focusing on all mobile assets and can cover all machinery and equipment aboveground, underground or subsea; any natural mineral including precious metals/stones and all employees globally

24/7 Product Recall Crisis Network, Asia — Providing clients with best-practice advice in risk prevention, recall planning and 24/7 crisis response as part of XL Catlin's product recall coverage

Risk Resource for Environmental Industry Clients — An educational series offering safety tips and guidance, part of a series of XL Catlin's online risk control resources for environmental industry clients and their employees, and furthering our commitment to broad-based sustainability and environmental resilience

MAKE IT BETTER

That's one of our core Commitments.

And it's what powers our drive to continually innovate to meet our clients' evolving risk needs.

TALENT

OUR
COMMITMENTS

Over the past few years, XL colleagues have truly transformed a company we all clearly love. We've been delivering. Time to do more.

Make it better

Be open to the new. Give our best, all the time. Around the world and down the hall. Bigger ideas, wiser decisions, innovation, better results.

Be accountable

Work with an entrepreneurial spirit. Take initiative, see things through, know it matters.

Talent has always been a driving force of the (re)insurance industry. With the pressure to innovate and deliver increasing value, that's even more true today.

Keeping a company moving in the right direction is often about the right mix of talent and the continual forces of attracting, retaining and developing the best people. When you combine two high-functioning organizations, as we did with XL and Catlin, you introduce an element of uncertainty that can throw any of these forces out of balance. For many companies, this is the biggest obstacle to a successful integration.

We're enormously proud of how our talent came together in 2015.

As Mike noted in his letter, a primary goal of our integration process was to keep our workforce together. Not only were we successful, but also that our colleagues maintained their focus across so many areas is a real testament to their dedication and to the degree to which they believe in the vision for XL Catlin.

Of course, the integration also brought new opportunities to combine and refine our programs and lay the groundwork for an XL Catlin culture. A few highlights:

- Developed and rolled out a new set of values, *Our Commitments* to each other and to our clients: *Make It Better, Collaborate, Be Accountable* and *Do What's Right*
- Reorganized and strengthened our leadership teams, both at the top of the Company and in each business segment and function, blending the best of both legacy organizations
- Established a new operating structure, tailored for XL Catlin and different from what either company knew before
- Maintained both the former XL Emerging Leader Program and the former Catlin Development and Apprenticeship programs, which offer colleagues opportunities for leadership growth

As with any integration process, there was also the necessary hard work of managing a global redundancy process, in line with our synergy goals. Again, we're proud of the way these processes were carried out and that those colleagues who did leave the Company did so with the highest level of respect and benefit we could offer.

There's a lot we've accomplished for our talent – and more to do. And one area in which we are fully committed to doing more is increasing Diversity and Inclusion (D&I) at XL Catlin.

The reasons for our work in this area are pretty straightforward: Though XL Catlin is ahead of many in our industry, we're simply not as diverse as the world around us or the clients we seek to serve. This limits our point of view, and our ability to innovate and understand our clients is lessened.

Therefore, increasing Diversity and Inclusion at XL Catlin is both in line with *Our Commitments to Do What's Right* and to continually *Make It Better* and a logical and compelling business opportunity.

D&I is a broad topic, and there are many ways in which we can and will attack the opportunity to create a more diverse workforce and make XL Catlin increasingly inclusive. We'll have much more to share on this in the months ahead, but for now, we can say we have two main goals: real near-term impact for the benefit of our colleagues and longer-term change that will truly differentiate the Company in our market. I look forward to sharing more.

Sincerely,

Eileen Whelley
Chief Human Resources Officer

Collaborate

Build solid partnerships, outside and in. Search for the best answers with and for our clients. Take it seriously. Make it fun.

Do what's right

Embrace differences and respect diversity. Build relationships on trust, consideration and integrity.

In 2015, XL Catlin's talent was recognized in the market. Here are just a few of the rewards and recognitions received:

- *Business Insurance Woman to Watch* – Donna Nadeau, Chief Operations Officer, North America P&C
- *National Underwriter Excellence in Cyber Security Management Award* – Tom Dunbar, Head of Information Risk Management, and team
- Aon Risk Solutions Asia Innovator of the Year
- *Risk & Insurance Risk All Star* – David Brooks, Global Head of ERM, Man-Made Perils
- *Risk & Insurance 2016 Executive to Watch* – Joe Tocco, Chief Executive, Americas
- *Reactions North America Awards, Insurance CEO of the Year* – Mike McGavick, Chief Executive Officer
- 2015 Brazilian Insurance Awards Best Insurer in Brazil
- *L'Argus de l'Assurance International Woman Award* – Rosana Rodrigo, Country Claims Manager, France
- *Insurance Day London Market Awards, highly commended in Rising Star of the Year category* – Matthew Newman, Underwriter
- *Insurance Day London Market Awards Industry Achiever of the Year* – Mike McGavick
- *Lloyd's List Insurance Top 10, 2nd place* – Lee Meyrick, Chief Underwriting Officer, Global Marine and Offshore Energy
- Gracechurch London Insurers Report 2015 #1 Insurer of Choice
- *Actuarial Post GI Actuary of the Year nomination* – Brian Bissett, Chief Data Officer
- *Insurance Insider Lifetime Achievement Award* – Stephen Catlin, Executive Deputy Chairman
- *Bermuda:Re/Insurance+ILS Bermuda Rising Stars* – Shellé Hendrickson, Underwriter; Simon Penney, Underwriting Actuary and Jevon Williams, Associate Legal Counsel

RESPONSIBILITY

Corporate Social Responsibility (CSR) is good business. Our CSR work is constantly evolving — as it should — but our focus remains constant: reducing our environmental impact, positively affecting the communities in which we live and work, developing products that increase resiliency and encouraging people to make a meaningful difference.

Community

Throughout the year we maintained our commitment to making a difference in communities around the world, with our philanthropic efforts focused on education, youth development, health and the environment.

In 2015 we celebrated our 10th Global Day of Giving, and our first as XL Catlin. Over 4,000 employees worldwide spent the day volunteering in their local communities, serving meals at homeless shelters, teaching business lessons to high school students, rebuilding homes for low-income families and cleaning up parks and streams. Collectively we donated over 35,000 hours of service to more than 250 nonprofits and schools in 28 countries.

We also piloted a new pro-bono volunteer project with Boston Public Schools (BPS). Our Strategic Analytics team is developing visualization tools to help process complex student enrollment data, enabling BPS to more accurately allocate resources to its schools.

Over 4,000 of our colleagues lent a hand to our local communities as part of our 10th Global Day of Giving. Together we donated more than 35,000 hours of service across 28 countries.

Over 4,000 of our colleagues lent a hand to our local communities as part of our 10th Global Day of Giving. Together we donated more than 35,000 hours of service across 28 countries.

Sustainability

We continue to track our carbon footprint across our offices, developing energy-saving and recycling initiatives to minimize our impact on our environment. A number of our offices are LEED (Leadership in Energy and Environmental Design) certified, with some receiving Gold ratings (Kuala Lumpur; Scottsdale, Arizona) and Silver ratings (London; Calgary and Toronto, Canada; Walnut Creek, California; Atlanta; Exton, Pennsylvania; New York and Boston). We're currently in the process of obtaining Silver LEED certification for our offices in Wrocław, Poland, and Sydney.

XL Catlin also participated in many discussions at the recent Conference of Parties (COP21) in Paris, a forum focused on global climate change. Chief Executive Officer Mike McGavick announced that the insurance industry will join policymakers to launch the Insurance Development Forum, an initiative to reduce the impact of natural disasters and climate change in emerging markets. The initiative, which will be co-chaired by our Executive Deputy Chairman Stephen Catlin, will aim to create insurance access for some 400 million people across 52 countries in Africa, Asia, Latin America and the Caribbean by 2020.

A number of XL Catlin representatives appeared as panelists at COP21, covering subjects such as the consequences of ocean warming, policy and product innovation, incentives for emissions-reducing behavior and enhanced investment in green energy.

We were also proud to co-host the Evening for the Ocean event during COP21, focused on the Great Barrier Reef and the future of reefs worldwide. The evening featured a discussion with broadcaster and author Sir David Attenborough, entrepreneur Sir Richard Branson, Director General of World Wildlife Fund Marco Lambertini, oceanographer Dr. Sylvia Earle and XL Catlin Seaview Survey Head of Science Professor Ove Hoegh-Guldberg.

XL Catlin Seaview Survey's Chief Scientist Prof. Ove Hoegh-Guldberg chairs a discussion on "How to ensure a future for coral reefs" with panellists Sir David Attenborough, ocean explorer Sylvia Earle, Sir Richard Branson, and the WWF's Director General, Marco Lambertini, at the recent COP 21 in Paris

XL Catlin Seaview Survey's Chief Scientist Prof. Ove Hoegh-Guldberg chairs a discussion on "How to ensure a future for coral reefs" with panellists Sir David Attenborough, ocean explorer Sylvia Earle, Sir Richard Branson, and the WWF's Director General, Marco Lambertini, at the recent COP 21 in Paris.

Research

The XL Catlin Seaview Survey, the world's most comprehensive digital survey of coral reefs, entered a new phase of development in 2015 by surveying the Chagos Islands, the Maldives and Hawaii. In October, the strengthening El Niño led to bleaching reports in the Caribbean. Scientists from the XL Catlin Seaview Survey and the National Oceanic and Atmospheric Administration (NOAA) subsequently announced a new global coral bleaching incident — for only the third time in recorded history. This led to widespread media coverage across the world.

To complement XL Catlin's commitment to ocean science, we continue to work with education providers to deliver our award-winning Oceans Education program — a series of curriculum-based resources focused on ocean literacy for 7–16 year olds. So far, over 2.5 million children worldwide have been taught using the materials. Our target is 10 million children by 2020.

We believe that insurers should take a leadership role in helping scientists learn more about the risks our clients will face in the future. The XL Catlin Seaview Survey is continuing its mission to study the world's coral reefs, utilizing cutting edge underwater digital technologies to produce a global baseline of coral reef health.

We believe that insurers should take a leadership role in helping scientists learn more about the risks our clients will face in the future. The XL Catlin Seaview Survey is continuing its mission to study the world's coral reefs, utilizing cutting edge underwater digital technologies to produce a global baseline of coral reef health.

Solutions

We recognize that our own products and services can help our clients build more sustainable business practices. For the last 30 years, our environmental underwriters have been designing pollution insurance coverage and services to help businesses and industries implement strong risk management systems.

In 2015 we also strengthened our commitment to developing innovative solutions for the underinsured, particularly in emerging markets. XL Catlin joined a group of leading companies in the insurance industry to establish Blue Marble Microinsurance, a consortium and microinsurance venture incubator (MVI). The MVI has committed to launching 10 microinsurance ventures over the next 10 years, intended to deliver solutions to address the risk management needs of the underinsured.

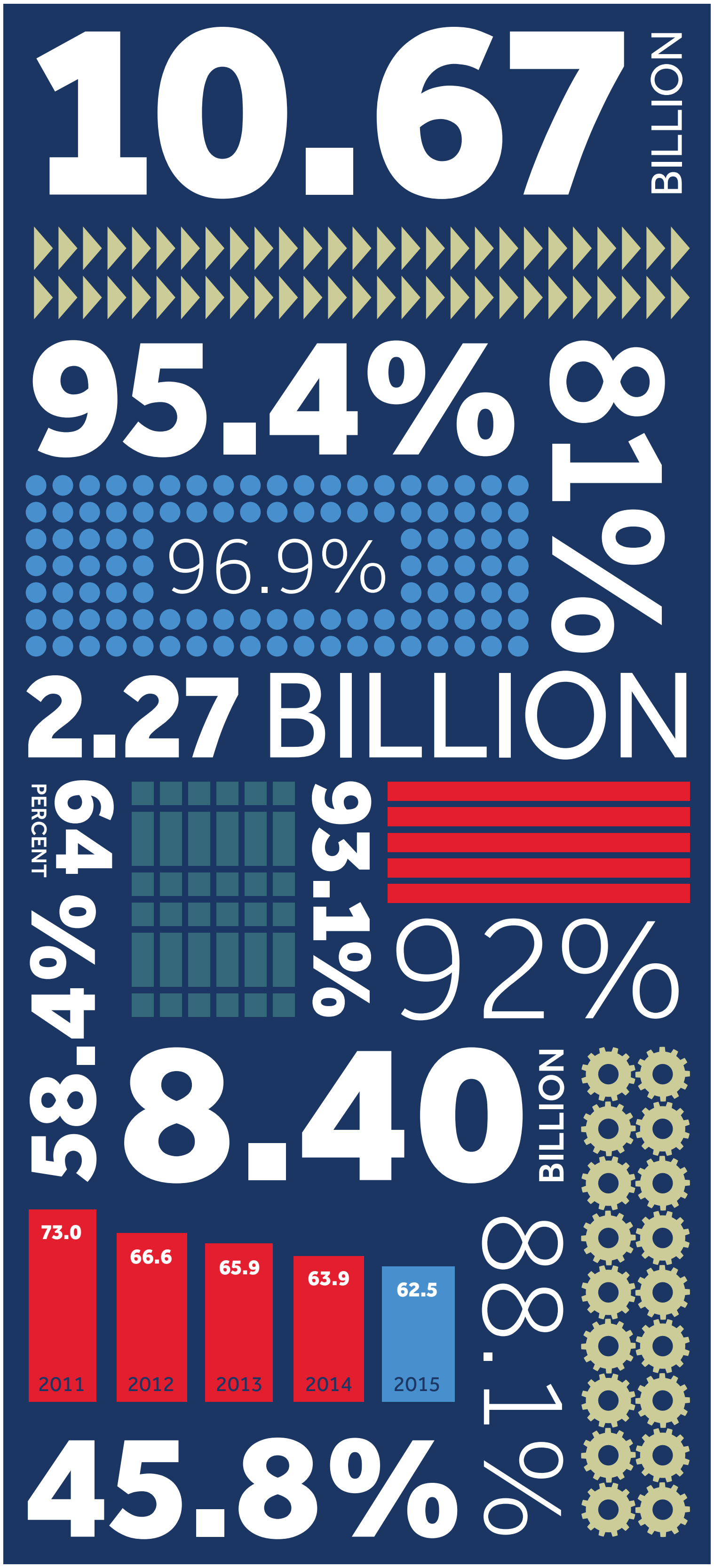
XL Catlin is also a key participant in a new Lloyd's of London initiative aiming to help the world's poorest communities, which are disproportionately affected by natural catastrophes, by bridging the growing gap between economic and insured losses.

These initiatives are a great opportunity for us to demonstrate our commitment to innovate where it's needed most, while underpinning the relevance of the insurance industry in society today.

Ethics & Governance

Integrity and responsibility are not negotiable at XL Catlin. We hold ourselves to high standards with strong governance practices. Our Code of Conduct is a key component of our Compliance Program and sets out the high standards we expect from colleagues, especially regarding marketplace and workplace conduct. XL Catlin prohibits bribery of any kind and is committed to complying with all applicable laws and regulations, including those related to money laundering and international trade sanctions. We have procedures in place, including a non-retaliation policy, to encourage colleagues and other concerned parties to report potential Code of Conduct violations and other concerns.

2015 FINANCIAL HIGHLIGHTS*



USD **10.67B**	Gross Premiums Written Total P&C
USD **8.40B**	Gross Premiums Written Insurance
USD **2.27B**	Gross Premiums Written Reinsurance
58.4%	Loss Ratio Total P&C
64.0%	Loss Ratio Insurance
45.8%	Loss Ratio Reinsurance
92.0%	Combined Ratio Total P&C
96.9%	Combined Ratio Insurance
81.0%	Combined Ratio Reinsurance
93.1%	Combined Ratio Total P&C excluding CAT & PYD
95.4%	Combined Ratio Insurance excluding CAT & PYD
88.1%	Combined Ratio Reinsurance excluding CAT & PYD
59.5%	Loss Ratio Total P&C excluding CAT & PYD
52.5%	Loss Ratio Reinsurance excluding CAT & PYD
62.5%	Loss Ratio Insurance excluding CAT & PYD

The Company's results for the year ended December 31, 2015 include those of Catlin Group Limited from May 1, 2015

SHAREHOLDER INFORMATION

Annual General Meeting

The annual general meeting of holders of ordinary shares of XL Group plc will be held on Friday, May 13, 2016 at its offices, located at 8 St Stephen's Green, Dublin 2, Ireland at 8:30 a.m. local time.

Form 10-K

The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, was filed with the US Securities and Exchange Commission on February 26, 2016. Copies are available online at xlgroup.com. A complimentary hard copy may be requested by writing to Investor Relations, at the address provided at right.

The Company's ordinary shares were first listed on the New York Stock Exchange on July 19, 1991 under the symbol XL. The table below sets forth the high, low and closing sales prices per share of the Company's ordinary shares, as reported on the New York Stock Exchange Composite Tape for the four fiscal quarters of 2014 and 2015. As of December 31, 2015, there were 294,745,045 ordinary shares outstanding.

(In US Dollars)	Q1 2015	Q1 2014	Q2 2015	Q2 2014	Q3 2015	Q3 2014	Q4 2015	Q4 2014
High	37.45	31.85	38.78	33.41	40.41	35.52	40.48	36.35
Low	33.98	27.79	36.33	30.54	25.56	31.83	34.44	30.83
Close	36.80	31.25	37.20	32.73	36.32	33.17	39.18	34.37

Registered Office
XL Group plc
8 St Stephen's Green
Dublin 2
Ireland

Investor Relations
100 Washington Boulevard, 6th Fl.
Stamford, CT 06902-6040
USA
Tel 1 203 964-3470
Fax 1 203 964-3444

Transfer Agent
Computershare
480 Washington Boulevard
Jersey City, NJ 07310-1900
USA
Tel 1 800 851-9677
or 1 201 680-6578
www.computershare.com/investor

Independent Auditor
PricewaterhouseCoopers LLP
300 Madison Avenue
New York, NY 10017-6302
USA

Download 2015 Form 10-K

Cautionary Note Regarding Forward-Looking Statements

These materials contain forward-looking statements. Statements that are not historical facts, including statements about XL's beliefs, plans or expectations, are forward-looking statements. These statements are based on current plans, estimates and expectations, all of which involve risk and uncertainty. Statements that include the words "expect," "intend," "plan," "believe," "project," "anticipate," "will," "may," or similar statements of a future or forward-looking nature identify forward-looking statements. Actual results may differ materially from those included in such forward-looking statements and therefore you should not place undue reliance on them. A non-exclusive list of important factors that could cause actual results to differ materially from those in such forward-looking statements includes: We believe that these factors include, but are not limited to, the following: (a) changes in the size of our claims relating to unpredictable natural or man-made catastrophe losses, such as hurricanes, typhoons, floods, nuclear accidents or terrorism, due to the preliminary nature of some reports and estimates of loss and damage to date; (b) the continuation of downward trends in rates for property and casualty insurance and reinsurance; (c) the availability, cost or quality of ceded reinsurance, and the timely and full recoverability of such reinsurance, or other amounts due to us, or changes to our projections relating to such recoverables; (d) actual loss experience from insured or reinsured events and the timing of claims payments being faster or the receipt of reinsurance recoverables being slower than we anticipated; (e) increased competition on the basis of pricing, capacity, coverage terms or other factors, such as the increased inflow of third-party capital into reinsurance markets, which could harm our ability to maintain or increase our business volumes or profitability; (f) greater frequency or severity of claims and loss activity than our underwriting, reserving or investment practices anticipate based on historical experience or industry data; (g) the impact of changes in the global financial markets, such as the effects of inflation on our business including on pricing and reserving, changes in interest rates, credit spreads and foreign currency exchange rates and future volatility in the world's credit, financial and capital markets that adversely affect the performance and valuation of our investments, future financing activities and access to such markets, our ability to pay claims or general financial condition; (h) The effects of climate change (such as changes to weather patterns, sea levels or temperatures) on our business, which our modeling or risk management practices may not adequately address due to the uncertain nature of climate change; (i) our ability to successfully implement our business strategy; (j) our ability to successfully attract and raise additional third party capital for existing or new investment vehicles; (k) changes in credit ratings or rating agency policies or practices, which could trigger cancelation provisions in our assumed reinsurance agreements or an event of default under our credit facilities; (l) the potential for changes to methodologies, estimations and assumptions that underlie the valuation of our financial instruments, that could result in changes to investment valuations; (m) changes to our assessment as to whether it is more likely than not that we will be required to sell, or have the intent to sell, available for sale fixed maturity securities before their anticipated recovery; (n) unanticipated constraints on our liquidity, including the availability of borrowings and letters of credit under our credit facilities, that inhibit our ability to support our operations, including our ability to underwrite policies and pay claims; (o) the ability of our subsidiaries to pay dividends to XL-Ireland and XL-Cayman and Catlin Insurance Company Ltd; (p) changes in regulators or regulation applicable to us, such as changes in regulatory capital balances that our operating subsidiaries must maintain, or to our brokers or customers; (q) the effects of business disruption, economic contraction or economic sanctions due to unpredictable global political and social conditions such as war, terrorism or other hostilities, or pandemics; (r) the actual amount of new and renewal business and acceptance of our products and services, including new products and services and the materialization of risks related to such products and services; (s) changes in the distribution or placement of risks due to increased consolidation of insurance and reinsurance brokers; (t) bankruptcies or other financial concerns of companies insofar as they affect P&C insurance and reinsurance coverages or claims that we may have as a counterparty; (u) the loss of key personnel; (v) the effects of mergers, acquisitions and divestitures, including our ability to modify our internal control over financial reporting, changes to our risk appetite and our ability to realize the strategic value or financial benefits expected, in each case, as a result of such transactions; (w) changes in general economic conditions, including new or continued sovereign debt concerns in Euro-Zone countries or emerging markets such as Brazil or China, or governmental actions for the purpose of stabilizing financial markets; (x) changes in applicable tax laws, tax treaties or tax regulations or the interpretation or enforcement thereof; (y) judicial decisions and rulings, new theories of liability or emerging claims coverage issues, legal tactics and settlement terms; and (z) the other factors set forth in Item 1A, "Risk Factors," and our other documents on file with the SEC. XL undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.