

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): June 15, 1999

XL CAPITAL LTD

(Exact Name of Registrant as Specified in its Charter)

Cayman Islands (State or Other Jurisdiction of Incorporation)	1-10804 (Commission File Number)	98-0191089 (IRS Employer Identification No.)
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Cumberland House, 1 Victoria Street, Hamilton, Bermuda HM 11

(Address of Principal Executive Offices) (Zip Code)

(441) 292-8515

(Registrant's telephone number, including area code)

ITEM 5. OTHER EVENTS.

On June 15, 1999, XL Capital Ltd. ("XL") issued a press release stating that it had received the approval of the Superintendent of Insurance of the State of New York in connection with its anticipated merger with NAC Re Corp. ("NAC Re") pursuant to an Agreement and Plan of Merger (the "Merger Agreement"), dated as of February 15, 1999, among XL, Dasher Acquisition Corp., a wholly-owned subsidiary of XL, and NAC Re. With this approval, XL and NAC Re have received all material regulatory approvals required in connection with the merger, as well as approval of the NAC Re stockholders and the termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. XL and NAC Re expect to consummate the merger on June 18, 1999.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

Exhibit	Description
99.1	Letter dated June 8, 1999 from Brian M. O'Hara to Nicholas M. Brown, Jr.
99.2	Press release dated June 15, 1999

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf

by the undersigned hereunto duly authorized.

Dated: June 15, 1999

XL CAPITAL LTD

By: /s/ Paul S. Giordano

Paul S. Giordano
Senior Vice President, General Counsel
and Secretary

EXHIBIT INDEX

Exhibit Description

- 99.1 Letter dated June 8, 1999 from Brian O'Hara to Nicholas M. Brown, Jr.
- 99.2 Press release dated June 15, 1999

EXHIBIT 99.1

EXHIBIT 99.1

[LOGO]

XL Capital Ltd
Cumberland House
One Victoria Street
P.O. Box HM 2245
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Bermuda

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Fax: (441) 292-5280

NEWS RELEASE

IMMEDIATE

Contact: Paul S. Giordano
Senior Vice President,
General Counsel & Secretary
(441) 292-8515

XL CAPITAL LTD AND NAC RE CORP. MERGER SCHEDULED TO CLOSE ON JUNE 18, 1999

HAMILTON, BERMUDA, June 15, 1999 - The Superintendent of Insurance of the State of New York has approved XL Capital Ltd's (NYSE:XL) ("XL Capital") acquisition of control of NAC Re Corp. (NYSE:NRC) ("NAC Re") pursuant to the Agreement and Plan of Merger (the "Merger Agreement"), dated as of February 15, 1999, as amended, among XL Capital, Dasher Acquisition Corp., a wholly-owned subsidiary of XL Capital, and NAC Re. With this approval, XL Capital and NAC Re have received all material regulatory approvals required in connection with the merger, as well as the approval of NAC Re's stockholders and the termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. XL Capital and Nac Re expect to consummate the merger on June 18, 1999. The merger remains subject to the other closing conditions and other provisions of the Merger Agreement.

XL Capital, through its wholly owned subsidiaries, including XL Insurance Ltd, XL Mid Ocean Reinsurance Ltd, XL Capital Products Ltd and The Brockbank Group plc, is a leading provider of insurance and reinsurance coverages and financial products worldwide.

NAC Re is the parent company of NAC Reinsurance Corporation, an A+ rated U.S. reinsurer which is licensed in all fifty states, the District of Columbia and all provinces of Canada.

Additional information on both XL Capital and NAC Re is available from their respective web sites, www.xl.bm. and www.nacre.com.

EXHIBIT 99.2

EXHIBIT 99.2

Re: Agreement and Plan of Merger dated as of
February 15, 1999, as amended on April 26, 1999
(the "Merger Agreement") among XL Capital Ltd
("XL"), Dasher Acquisition Corp. ("Dasher") and
NAC Re Corp. ("NAC Re")

June 8, 1999

NAC Re Corp.
One Greenwich Plaza
Greenwich, CT 06836-2568

Attn: Mr. Nicholas M. Brown, Jr.

Dear Sirs:

Reference is made to Section 1.2 of the Merger Agreement (capitalized terms used and not defined herein having the meaning assigned to them in the Merger Agreement). XL, Dasher and NAC Re desire that the Closing take place on or about June 18, 1999. In light of the foregoing, XL, Dasher

and NAC Re agree that the "Determination Date" referred to in Section 7.1(g) of the Merger Agreement shall be the later of (i) June 18, 1999 and (ii) the trading day immediately prior to the date on which all the conditions to Closing (other than conditions that, by their terms, cannot be satisfied until the Closing Date) set forth in Article VI of the Merger Agreement shall have been satisfied or waived, subject to change as provided in Section 7.1(g) of the Merger Agreement.

We hope that the foregoing has been useful in memorializing our position on these matters. Our Board looks forward to completing the Merger on or about June 18, 1999.

Very truly yours,

/s/ Brian M. O'Hara

Brian M. O'Hara
President and Chief Executive Officer of
XL Capital Ltd and
President of Dasher Acquisition Corp.

Agreed and Accepted:

/s/ Nicholas M. Brown, Jr.
Nicholas M. Brown, Jr.
President and Chief Executive Officer of
NAC Re Corp.
June 8, 1999