Docherty Stephen
Form 3
May 11, 2018

FORM 3

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Â Docherty Stephen
(Last) (First) (Middle)

1735 MARKET STREET, 32ND FLOOR
(Street)

PHILADELPHIA,Â PAÂ 19103
(City) (State) (Zip)

2. Date of Event Requiring Statement (Month/Day/Year)
05/04/2018

3. Issuer Name **and** Ticker or Trading Symbol
ABERDEEN TOTAL DYNAMIC DIVIDEND FUND [AOD]

4. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
_____ Director _____ 10% Owner
_____ Officer __X__ Other
(give title below) (specify below)
Director of Adviser

5. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1.Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			

(I)
(Instr. 5)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Docherty Stephen 1735 MARKET STREET, 32ND FLOOR PHILADELPHIA,Â PAÂ 19103	Â	Â	Â	Director of Adviser

Signatures

Robert Hepp as Attorney-in-Fact for Stephan Docherty	05/11/2018
**Signature of Reporting Person	Date

Explanation of Responses:

No securities are beneficially owned

* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. dding-right:2px;">

$
(7,607
)

$
75,875

$
—

CMBS
10,922

—

(2,516
)

—

(192
)

—

—

(5,153
)

3,061

—

ABS
—

—

—

—

(917
)

18,381

—

—

17,464

—

Explanation of Responses:

49,440

5,733

(7,471
)

(1,037
)

187

66,679

(4,371
)

(12,760
)

96,400

—

Other investments

Other privately held investments
—

—

—

(2,263
)

—

44,405

—

—

42,142

(2,263
)

CLO-Equities
27,257

36,378

—

18,976

—

—

—

(21,911
)

60,700

18,976

27,257

36,378

—

16,713

—

44,405

—

(21,911
)

102,842

16,713

Other assets

Explanation of Responses:

Derivative instruments
4,395

—

—

6,772

—

1,289

—

(9,924
)

2,532

1,200

Insurance-linked securities

Explanation of Responses:

24,925

—

—

98

—

—

—

—

25,023

98

29,320

—

—

6,870

—

1,289

—

Explanation of Responses:

(9,924
)

27,555

1,298

Total assets
$
106,017

$
42,111

$
(7,471
)

$
22,546

$
187

$
112,373

$
(4,371
)

$
(44,595
)

$
226,797

$
18,011

Other liabilities

Derivative instruments
10,937

Explanation of Responses:

—

—

1,862

—

2,723

—

(9,022
)

6,500

(654
)

Total liabilities
$
10,937

$
—

$
—

$
1,862

$
—

$
2,723

$
—

$
(9,022
)

$
6,500

$
(654
)

Year ended December 31, 2015

Fixed maturities

Corporate debt
$
15,837

$
—

$
(7,903
)

$
(49
)

$
88

$
39,225

$
(1,723
)

$
(6,957
)

$
38,518

$
—

CMBS
17,763

5,072

(9,902
)

—

(647
)

—

—

(1,364
)

10,922

—

ABS
40,031

—

(39,951
)

—

102

—

—

(182
)

—

—

73,631

5,072

(57,756
)

(49
)

(457
)

Explanation of Responses:

39,225

(1,723
)

(8,503
)

49,440

—

Other investments

Other privately held investments
—

—

—

—

—

Explanation of Responses:

—

—

—

—

—

CLO-Equities
37,046

—

—

3,705

—

—

—

(13,494
)

27,257

3,705

37,046

—

—

3,705

—

—

—

(13,494
)

27,257

3,705

Other assets

Derivative instruments
111

—

—

2,555

—

1,865

—

(136
)

4,395

3,580

Insurance-linked securities
—

—

—

(75
)

—

25,000

Explanation of Responses:

—

—

24,925

(75
)

111

—

—

2,480

—

26,865

—

(136
)

29,320

3,505

Total assets
$
110,788

$
5,072

$
(57,756
)

$
6,136

$
(457
)

$
66,090

$
(1,723
)

$
(22,133
)

$
106,017

$
7,210

Other liabilities

Derivative instruments
15,288

—

—

(3,208
)

—

4,795

—

(5,938
)

10,937

8,337

Total liabilities
$
15,288

$
—

$
—

$
(3,208
)

$
—

$
4,795

$
—

$
(5,938
)

$
10,937

$
8,337

(1) Gains and losses included in earnings on fixed maturities are included in net realized investment gains (losses). Gains and (losses) included in earnings on other investments are included in net investment income. Gains (losses) on weather derivatives included in earnings are included in other insurance-related income.
(2) Gains and losses included in other comprehensive income (“OCI”) on fixed maturities are included in unrealized gains (losses) arising during the period.
(3) Change in unrealized investment gain (loss) relating to assets held at the reporting date.

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AXIS CAPITAL HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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6. FAIR VALUE MEASUREMENTS (CONTINUED)

The transfers into and out of fair value hierarchy levels reflect the fair values of the securities at the end of the reporting period.

Transfers into Level 3 from Level 2

The transfers into Level 3 from Level 2 made during 2016 were primarily due to the lack of observable market inputs and multiple quotes from pricing vendors and broker-dealers for certain fixed maturities and as the result of a change in valuation methodology relating to our CLO equity fund. An income approach valuation technique (discounted cash flow model) was used to estimate the fair value at December 31, 2016. As the NAV practical expedient is no longer used to determine fair value, the fair value of this fund is now categorized within the fair value hierarchy.

The transfers to Level 3 from Level 2 made during 2015 were primarily due to the lack of observable market inputs and multiple quotes from pricing vendors and broker-dealers for certain fixed maturities.

Transfers out of Level 3 into Level 2

The transfers into Level 2 from Level 3 made during 2016 were primarily due to the availability of observable market inputs and quotes from pricing vendors on certain fixed maturities.

The transfers into Level 2 from Level 3 made during 2015 were primarily due to a review of the pricing inputs used on certain ABS and corporate debt securities and the availability of quotes from pricing vendors on CMBS securities.

Measuring the Fair Value of Other Investments Using Net Asset Valuations

The fair values of hedge funds, direct lending funds, private equity funds and real estate funds are estimated using NAVs as advised by external fund managers or third party administrators. For these funds, NAVs are based on the manager's or administrator's valuation of the underlying holdings in accordance with the fund's governing documents and in accordance with U.S. GAAP.

If there is a reporting lag between the current period end and reporting date of the latest available fund valuation for any hedge fund, we estimate fair values by starting with the most recently available fund valuation and adjusting for return estimates as well as any subscriptions, redemptions and distributions that took place during the current period. Return estimates are obtained from the relevant fund managers. Accordingly, we do not typically have a reporting lag in fair value measurements of these funds. Historically, our valuation estimates incorporating these return estimates have not significantly diverged from the subsequently received NAVs.

For direct lending funds, private equity funds, real estate funds and one of our hedge funds, valuation statements are typically released on a three month reporting lag therefore the Company estimates fair value of these funds by starting with the prior quarter-end fund valuations and adjusting for capital calls, redemptions, drawdowns and distributions. Return estimates are not available from the relevant fund managers for these funds. Accordingly, we typically have a reporting lag in our fair value measurements of these funds. In 2016, funds reported on a lag represented 35% (2015: 18%) of our total other investments balance.

The Company often does not have access to financial information relating to the underlying securities held within the funds, therefore management is unable to corroborate the fair values placed on the securities underlying the asset valuations provided by fund managers or fund administrators. In order to assess the reasonableness of the NAVs, we perform a number of monitoring procedures on a quarterly basis, to assess the quality of the information provided by fund managers and funds administrators. These procedures include, but are not limited to, regular review and discussion of each fund's performance with its manager, regular evaluation of fund performance against applicable benchmarks and the backtesting of our fair value estimates against subsequently received NAVs. Backtesting involves comparing our previously reported fair values for each

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AXIS CAPITAL HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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6. FAIR VALUE MEASUREMENTS (CONTINUED)

fund against NAVs per audited financial statements (for year-end values) and final NAVs from fund managers and fund administrators (for interim values).

The fair values of hedge funds, direct lending funds, private equity funds and real estate funds are measured using the NAV practical expedient, therefore the fair values of these funds have not been categorized within the fair value hierarchy.

Financial Instruments Disclosed, But Not Carried, at Fair Value

The fair value of financial instruments accounting guidance also applies to financial instruments disclosed, but not carried, at fair value, except for certain financial instruments, including insurance contracts.

The carrying values of cash and cash equivalents (including restricted amounts), accrued investment income, receivable for investments sold, certain other assets, payable for investments purchased and certain other liabilities approximated their fair values at December 31, 2016, due to their respective short maturities. As these financial instruments are not actively traded, their fair values are classified as Level 2.

The carrying value of mortgage loans held-for-investment approximated their fair value at December 31, 2016. The fair values of mortgage loans are primarily determined by estimating expected future cash flows and discounting them using current interest rates for similar mortgage loans with similar credit risk, or are determined from pricing for similar loans. As mortgage loans are not actively traded their fair values are classified as Level 3.

At December 31, 2016, senior notes are recorded at amortized cost with a carrying value of $993 million (2015: $992 million) and a fair value of $1,050 million (2015: $1,058 million). The fair values of these notes are based on prices obtained from a third party pricing service and are determined using the spread above the risk-free yield curve. These spreads are generally obtained from the new issue market, secondary trading and broker-dealer quotes. As these spreads and the yields for the risk-free yield curve are observable market inputs, the fair values of senior notes are classified as Level 2.

AXIS CAPITAL HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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7. DERIVATIVE INSTRUMENTS

The following table summarizes the balance sheet classification of derivatives recorded at fair value. The notional amount of derivative contracts represents the basis upon which pay or receive amounts are calculated and is presented in the table to quantify the volume of our derivative activities. Notional amounts are not reflective of credit risk.

None of our derivative instruments are designated as hedges under current accounting guidance.

	At December 31, 2016			At December 31, 2015		
	Derivative Notional Amount	Asset Derivative Fair Value(1)	Liability Derivative Fair Value(1)	Derivative Notional Amount	Asset Derivative Fair Value(1)	Liability Derivative Fair Value(1)
Relating to investment portfolio:						
Foreign exchange forward contracts	$195,979	$ 12,331	$ 87	$198,406	$ 490	$ 837
Interest rate swaps	—	—	—	—	—	—
Relating to underwriting portfolio:						
Foreign exchange forward contracts	492,899	2,034	8,989	692,023	1,582	6,855
Weather-related contracts	67,957	2,532	6,500	51,395	4,395	10,937
Commodity contracts	—	—	—	—	—	—
Total derivatives		$ 16,897	$ 15,576		$ 6,467	$ 18,629

(1) Asset and liability derivatives are classified within other assets and other liabilities on the Consolidated Balance Sheets.

Offsetting Assets and Liabilities

Our derivative instruments are generally traded under International Swaps and Derivatives Association master netting agreements, which establish terms that apply to all transactions. In the event of a bankruptcy or other stipulated event, master netting agreements provide that individual positions be replaced with a new amount, usually referred to as the termination amount, determined by taking into account market prices and converting into a single currency. Effectively, this contractual close-out netting reduces credit exposure from gross to net exposure. The table below presents a reconciliation of our gross derivative assets and liabilities to the net amounts presented in our Consolidated Balance Sheets, with the difference being attributable to the impact of master netting agreements.

	December 31, 2016			December 31, 2015		
	Gross Amounts	Gross Amounts Offset	Net Amounts(1)	Gross Amounts	Gross Amounts Offset	Net Amounts(1)
Derivative assets	$22,270	$(5,373)	$ 16,897	$14,336	$(7,869)	$ 6,467
Derivative liabilities	$20,949	$(5,373)	$ 15,576	$26,498	$(7,869)	$ 18,629

(1) Net asset and liability derivatives are classified within other assets and other liabilities on the Consolidated Balance Sheets.

Refer to Note 5 'Investments' for information on reverse repurchase agreements.

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AXIS CAPITAL HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016, 2015 AND 2014

7. DERIVATIVE INSTRUMENTS (CONTINUED)

a) Relating to Investment Portfolio
Foreign Currency Risk
Within our investment portfolio we are exposed to foreign currency risk. Accordingly, the fair values for our investment portfolio are partially influenced by the change in foreign exchange rates. We may enter into foreign currency forward contracts to manage the effect of this foreign currency risk. These foreign currency hedging activities are not designated as specific hedges for financial reporting purposes.
Interest Rate Risk
Our investment portfolio contains a large percentage of fixed maturities which exposes us to significant interest rate risk. As part of our overall management of this risk, we may use interest rate swaps.
b) Relating to Underwriting Portfolio
Foreign Currency Risk
Our (re)insurance subsidiaries and branches operate in various foreign countries. Consequently, some of our business is written in currencies other than the U.S. dollar and, therefore, our underwriting portfolio is exposed to significant foreign currency risk. We manage foreign currency risk by seeking to match our foreign-denominated net liabilities under (re)insurance contracts with cash and investments that are denominated in such currencies. We may also use derivative instruments, specifically forward contracts and currency options, to economically hedge foreign currency exposures.
Weather Risk

We write derivative-based risk management products designed to address weather risks with the objective of generating profits on a portfolio basis. The majority of this business consists of receiving a payment at contract inception in exchange for bearing the risk of variations in a quantifiable weather-related phenomenon, such as temperature. Where a client wishes to minimize the upfront payment, these transactions may be structured as swaps or collars. In general, our portfolio of such derivative contracts is of short duration, with contracts being predominantly seasonal in nature. In order to economically hedge a portion of this portfolio, we may also purchase weather derivatives.

Commodity Risk

Within our (re)insurance portfolio we are exposed to commodity price risk. We may hedge a portion of this price risk by entering into commodity derivative contracts.

AXIS CAPITAL HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016, 2015 AND 2014

7. DERIVATIVE INSTRUMENTS (CONTINUED)

The total unrealized and realized gains (losses) recognized in earnings for derivatives not designated as hedges were as follows:

	Location of Gain (Loss) Recognized in Income on Derivative	Amount of Gain (Loss) Recognized in Income on Derivative		
		2016	2015	2014
Relating to investment portfolio:				
Foreign exchange forward contracts	Net realized investment gains (losses)	$ 10,929	$ 11,265	$ 10,333
Interest rate swaps	Net realized investment gains (losses)	—	(4,006)	(19,936)
Relating to underwriting portfolio:				
Foreign exchange forward contracts	Foreign exchange gains (losses)	(8,179)	(25,412)	(10,363)
Weather-related contracts	Other insurance related income (loss)	4,910	(3,005)	(5,373)
Commodity contracts	Other insurance related income (loss)	(2,382)	(1,814)	8,328
Total		$ 5,278	$ (22,972)	$ (17,011)

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AXIS CAPITAL HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016, 2015 AND 2014

8. RESERVE FOR LOSSES AND LOSS EXPENSES

Reserving Methodology

The reserving process begins with the collection and analysis of paid and incurred claim data for each of our segments. The segmental data is disaggregated by reserving class and further disaggregated by either accident year (i.e. the year in which the loss event occurred) or by underwriting year (i.e. the year in which the contract generating the premium and losses incepted). We use underwriting year information to analyze our reinsurance business and subsequently allocate reserves to the respective accident years. Our reserving classes are selected to ensure that the underlying contracts have homogeneous loss development characteristics, while remaining large enough to make the estimation of trends credible. This data, in addition to industry benchmarks, serves as a key input to many of the methods employed by our actuaries. The relative weights assigned to our own historical loss data versus industry data vary according to the length of the development profile for the reserving class being evaluated. At present, we generally give more weight to our own experience (and, correspondingly, less weight to industry data) for reserving classes with short and medium claim tails. For some of our longer tail reserving classes we give material weight to industry data. (See ‘Net Incurred and Paid Claims Development Tables By Accident Year’ below for more detailed information by reserving class.)

The following tables reconcile reserving classes to the lines of business categories and the expected claim tails:
Insurance Segment

		Reported Lines of Business							
Reserving Classes	Tail	Property	Marine	Terrorism	Aviation	Credit and Political Risk	Professional Lines	Liability	Accident and Health
Property and Other	Short	X		X					X
Marine	Short		X						
Aviation	Short				X				
Credit and Political Risk	Medium					X			
Professional Lines	Medium						X		
Liability	Long							X	

Reinsurance Segment

		Reported Lines of Business								
Reserving Classes	Tail	Catastrophe	Property	Credit and Surety	Professional Lines	Motor	Liability	Engineering	Agriculture	Marine and Other
Property and Other	Short	X	X					X	X	X
	Medium			X						

Credit and Surety					
Professional Lines	Medium	X			
Motor	Long			X	
Liability	Long				X

Multiple actuarial methods are available to estimate ultimate losses. Each method has its own assumptions and its own advantages and disadvantages, with no single estimation method being better than the others in all situations and no one set of assumption variables being meaningful for all reserving classes. The relative strengths and weaknesses of the particular estimation methods when applied to a particular group of claims can also change over time.

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AXIS CAPITAL HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016, 2015 AND 2014

8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

The following is a brief description of the reserve estimation methods commonly employed by our actuaries:

- Expected Loss Ratio Method ("ELR Method"): This method estimates ultimate losses for an accident year or underwriting year by applying an expected loss ratio to the earned or written premium for that year. Generally, expected loss ratios are based on one or more of (a) an analysis of historical loss experience to date, (b) pricing information and (c) industry data, adjusted as appropriate, to reflect changes in rates and terms and conditions. This method is insensitive to actual incurred losses for the accident year or underwriting year in question and is, therefore, often useful in the early stages of development when very few losses have been incurred. Conversely, the lack of sensitivity to incurred/paid losses for the accident year or underwriting year in question means that this method is usually inappropriate in later stages of an accident year or underwriting year's development.

- Loss Development Method (also referred to as the Chain Ladder Method or Link Ratio Method): This method assumes that the losses incurred/paid for each accident year or underwriting year at a particular development stage follow a relatively similar pattern. It assumes that on average, every accident year or underwriting year will display the same percentage of ultimate losses incurred/paid at the same point in time after the inception of that year. The percentages incurred/paid are established for each development stage (e.g. 12 months, 24 months, etc.) after examining historical averages from historical loss development data and/or external industry benchmark information. Ultimate losses are then estimated by multiplying the actual incurred/paid losses by the reciprocal of the established incurred/paid percentage. The strengths of this method are that it reacts to loss emergence/payments and that it makes full use of historical claim emergence/payment experience. However, this method has weaknesses when the underlying assumption of stable loss development/payment patterns is not valid. This could be the consequence of changes in business mix, claim inflation trends or claim reporting practices and/or the presence of large claims, amongst other things. Furthermore, this method tends to produce volatile estimates of ultimate losses where there is volatility in the underlying incurred/paid patterns. In particular, where the expected percentage of incurred/paid losses is low, small deviations between actual and expected claims can lead to very volatile estimates of ultimate losses. As a result, this method is often unsuitable at early development stages for an accident year or underwriting year.

- Bornhuetter-Ferguson Method ("BF Method"): This method can be seen as a combination of the ELR and Loss Development Methods, under which the Loss Development Method is given progressively more weight as an accident year or underwriting year matures. The main advantage of the BF Method is that it provides a more stable estimate of ultimate losses than the Loss Development Method at earlier stages of development, while remaining more sensitive to emerging loss development than the ELR Method. In addition, the BF Method allows for the incorporation of external market information through the use of expected loss ratios, whereas the Loss Development Method does not incorporate such information.

As part of our loss reserve review process, our actuaries employ the estimation method(s) that they believe will produce the most reliable estimate of ultimate losses, at that particular evaluation date, for each reserving class and accident year or underwriting year combination. Often, this is a blend (i.e. weighted average) of the results of two or more appropriate actuarial methods. These ultimate loss estimates are generally utilized to evaluate the adequacy of our ultimate loss estimates for previous accident or underwriting years, as established in the prior reporting period. For the initial estimate of the current accident or underwriting year, the available claim data is typically insufficient to produce a reliable estimate of ultimate losses. As a result, our initial estimate for an accident or underwriting year is generally based on the ELR Method for longer tailed lines and a BF Method for shorter tailed lines. The initial ELR for each reserving class is established collaboratively by our actuaries, underwriters and management at the start of the year as part of the planning process, taking into consideration prior accident years' or underwriting years' experience and industry benchmarks, adjusted after considering factors such as exposure trends, rate differences, changes in contract terms and conditions, business mix changes and other known differences between the current year and prior accident or underwriting years. The initial expected loss ratios for a given accident or underwriting year may be modified over time if the underlying assumptions, such as loss development or premium rate changes, differ from the original assumptions.

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AXIS CAPITAL HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016, 2015 AND 2014

8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

The use of the above actuarial methods requires us to make certain explicit assumptions, the most significant of which are: (1) expected loss ratios and (2) loss development patterns.
In our earlier years, we placed significant reliance on industry benchmarks in establishing our expected loss ratios and loss development patterns. Over time, we have placed more reliance on our historical loss experience in establishing these ratios and patterns where we believe the weight of our own actual experience has become sufficiently credible for consideration. In establishing expected loss ratios for our insurance segment, we give consideration to a number of other factors, including exposure trends, rate adequacy on new and renewal business, ceded reinsurance costs, changes in claims emergence and our underwriters' view of terms and conditions in the market environment. For our reinsurance segment, expected loss ratios are based on a contract-by-contract review, which considers information provided by clients together with estimates provided by our underwriters and actuaries about the impact of changes in pricing, terms and conditions and coverage. We also have considered the market experience of some classes of business as compiled and analyzed by an independent actuarial firm, as appropriate. The weight given to our experience differs for each of our three claim tails.

Our short-tail business generally includes exposures for which losses are usually known and paid within a relatively short period of time after the underlying loss event has occurred. We expect that the majority of development for an accident year or underwriting year will be recognized in the subsequent one to three years. The key actuarial assumptions for our short-tail business in our early accident years were primarily developed with reference to industry benchmarks for both expected loss ratios and loss development patterns. As our own historical loss experience amassed, it gained credibility and became relevant for consideration in establishing these key actuarial assumptions. As a result, we gradually increased the weighting assigned to our own historical experience in selecting the expected loss ratios and loss development patterns utilized to establish our estimates of ultimate losses for an accident year. Due to the relatively short reporting and settlement patterns for our short-tail business, we generally place more weight upon experience-based methods and other qualitative considerations in establishing reserves for both our recent and more mature accident years.

Our medium-tail business generally has claim reporting and settlement periods longer than those of our short-tail reserving classes. For our earliest accident and underwriting years, our initial key actuarial expected loss ratio and loss development assumptions were established utilizing industry benchmarks. Due to the longer claim tail, the length of time required to develop our own credible loss history for use in the reserving process is greater for our medium-tail business than for our short-tail business. As a result, the number of years where we relied heavily on industry benchmarks to establish our key actuarial assumptions is greater for our medium-tail business.

The claim tails for our long-tail business, in contrast to our short and medium-tail business, is expected to be notably longer, as claims are often reported and ultimately paid or settled years, or even decades, after the related loss events occur. As a general rule, our estimates of accident year or underwriting year ultimate losses for our long-tail business are notably more uncertain than those for our short and medium-tail business. To date, our key actuarial assumptions for our long-tail business have been derived extensively from industry benchmarks supplemented with our own historical experience. Given our relatively short operating history in comparison to the development tail for this business, we do not believe that our own historical loss development for our long-tail business has amassed an appropriate volume to serve as a fully credible input into the key actuarial assumptions previously outlined. While we consider industry benchmarks that we believe reflect the nature and coverage of our business, our actual loss experience may differ from the benchmarks based on industry averages. Due to the length of the development tail for this business, our reserve estimates for most accident years and underwriting years are predominantly based on the BF or ELR method and the consideration of qualitative factors.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

We cannot estimate losses from widespread catastrophic events, such as hurricanes and earthquakes, using the traditional actuarial methods described above. Rather, loss reserves for such events are estimated by management in collaboration with our actuaries, claim handlers and underwriters after a catastrophe occurs by completing an in-depth analysis of individual contracts which may potentially be impacted by the catastrophic event. This in-depth analysis may rely on several sources of information, including: (1) estimates of the size of insured industry losses from the catastrophic event and our corresponding market share; (2) a review of our portfolio of contracts performed to identify those contracts which may be exposed to the catastrophic event; (3) a review of modeled loss estimates based on information previously reported by customers and brokers, including exposure data obtained during the underwriting process; (4) discussions of the impact of the event with our customers and brokers and (5) catastrophe bulletins published by various independent statistical reporting agencies. We generally use a blend of these information sources to arrive at our aggregate estimate of the ultimate losses arising from the catastrophic event. In subsequent reporting periods, we review changes in paid and incurred losses in relation to each significant catastrophe and adjust our estimates of ultimate losses for each event if there are developments that are different from our previous expectations. Adjustments are recorded in the period in which they are identified.

Our reserving process involves the collaboration of our underwriting, claims, actuarial, legal, ceded reinsurance and finance departments, includes various segmental committee meetings and culminates with the approval of a single point best estimate by our Group Reserving Committee, which comprises senior management. In selecting this best estimate, management considers actuarial estimates and applies informed judgment regarding qualitative factors that may not be fully captured in these actuarial estimates. Such factors include, but are not limited to: the timing of the emergence of claims, volume and complexity of claims, social and judicial trends, potential severity of individual claims and the extent of internal historical loss data versus industry information. While these qualitative factors are considered in arriving at the point estimate, no specific provisions for qualitative factors are established.

Reserve for Losses and Loss Expenses

Our gross reserve for losses and loss expenses comprise the following:

As of December 31,	2016	2015
Reserve for reported losses and loss expenses	$3,358,514	$3,253,080
Reserve for losses incurred but not reported	6,339,313	6,393,205
Reserve for losses and loss expenses	$9,697,827	$9,646,285

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8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

Reserve Roll-Forward

The following table presents a reconciliation of our beginning and ending gross reserve for losses and loss expenses and net reserve for unpaid losses and loss expenses for the years indicated:

Year ended December 31,	2016	2015	2014
Gross reserve for losses and loss expenses, beginning of year	$9,646,285	$9,596,797	$9,582,140
Less reinsurance recoverable on unpaid losses, beginning of year	(2,031,309)	(1,890,280)	(1,900,112)
Net reserve for unpaid losses and loss expenses, beginning of year	7,614,976	7,706,517	7,682,028
Net incurred losses and loss expenses related to:			
Current year	2,496,574	2,419,247	2,445,666
Prior years	(292,377)	(243,048)	(258,944)
	2,204,197	2,176,199	2,186,722
Net paid losses and loss expenses related to:			
Current year	(428,153)	(343,063)	(387,197)
Prior years	(1,763,696)	(1,709,659)	(1,544,664)
	(2,191,849)	(2,052,722)	(1,931,861)
Foreign exchange and other	(205,606)	(215,018)	(230,372)
Net reserve for unpaid losses and loss expenses, end of year	7,421,718	7,614,976	7,706,517
Reinsurance recoverable on unpaid losses, end of year	2,276,109	2,031,309	1,890,280
Gross reserve for losses and loss expenses, end of year	$9,697,827	$9,646,285	$9,596,797

We write business with loss experience generally characterized as low frequency and high severity in nature, which can result in volatility in our financial results. During 2016, 2015 and 2014, respectively, we recognized aggregate net losses and loss expenses, net of reinstatement premiums of $204 million, $100 million and $93 million in relation to catastrophe and weather-related events.

During April 2016, the Company entered into a quota share and adverse development cover reinsurance agreement, a retroactive contract which was deemed to have met the established criteria for retroactive reinsurance accounting. Foreign exchange and other includes reinsurance recoverables of $150 million related to this reinsurance agreement.

Prior Year Development

Prior year reserve development arises from changes to loss and loss expense estimates related to loss events that occurred in previous calendar years. Such development is summarized by segment in the following table:

	Insurance	Reinsurance	Total
Year ended December 31, 2016	$ 55,905	$ 236,472	$ 292,377
Year ended December 31, 2015	23,447	219,601	243,048
Year ended December 31, 2014	63,735	195,209	258,944

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AXIS CAPITAL HOLDINGS LIMITED
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8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

The majority of the net favorable prior year reserve development in each period related to short-tail reserve classes. Net favorable prior year reserve development for motor, liability, professional lines, and credit and surety reinsurance reserve classes as well as insurance professional lines reserve classes also contributed in 2016.

Our short tail business includes the underlying exposures in our property and other, marine and aviation reserve classes within our insurance segment and the property and other reserve class within our reinsurance segment. Development from these classes contributed $148 million, $152 million and $207 million of the total net favorable prior year reserve development in 2016, 2015 and 2014, respectively, and primarily reflected the recognition of better than expected loss emergence.

Our medium-tail business consists primarily of professional insurance and reinsurance reserve classes, credit and political risk insurance reserve class, and credit and surety reinsurance reserve class. Our reinsurance professional reserve class business recognized $30 million, $38 million and $33 million of net favorable prior year development in 2016, 2015 and 2014, respectively. The 2016, 2015 and 2014 favorable loss developments on these reserve classes continued to reflect the generally favorable experience on earlier accident years as we continued to transition to more experience based methods. As our loss experience has generally been better than expected, this resulted in the recognition of net favorable prior year reserve development. In 2016, the insurance professional lines recorded $14 million of net favorable prior year development driven by overall better than expected development. In 2015, the insurance professional lines recorded adverse prior year reserve development of $14 million which was primarily the result of strengthening our Australian book of business during the third quarter of 2015. Our credit and surety lines recorded net favorable prior year reserve development of $10 million and $27 million in 2016 and 2015, respectively. This net favorable prior year reserve development reflected the recognition of generally better than expected loss emergence. In 2015, net adverse development of $15 million was recognized in our in credit and political risk insurance lines relating primarily to an increase in loss estimates for one specific claim.

Our long-tail business consists primarily of liability and motor reserve classes. In 2016, 2015 and 2014, our motor and reinsurance liability reserve classes contributed net favorable prior year reserve development of $99 million, $82 million and $40 million, respectively. The net favorable prior year reserve development for the motor reserve class related to favorable loss emergence trends on several classes of business spanning multiple accident years. The net favorable prior year reserve
development for our reinsurance liability reserve class primarily reflected the progressively increased weight given by management to experience based indications on older accident years, which has generally been favorable. This favorable development was partially offset by adverse development in our insurance liability reserve class of $8 million, $27 million and $23 million in 2016, 2015 and 2014, respectively, related primarily to an increase in loss estimates for specific individual
claim reserves as well as a higher frequency of large auto liability claims which impacted the adverse reserve development in
2015.

Our December 31, 2016 net reserve for losses and loss expenses includes estimated amounts for numerous catastrophe events. We caution that the magnitude and/or complexity of losses arising from certain of these events, in particular the Hurricane Matthew, Fort McMurray wildfires, Storm Sandy, the 2011 Japanese earthquake and tsunami, the 2010-11 New Zealand earthquakes and the Tianjin port explosion, inherently increases the level of uncertainty and, therefore, the level of management judgment involved in arriving at our estimated net reserves for losses and loss expenses. As a result, our actual losses for these events may ultimately differ materially from our current estimates.

Net Incurred and Paid Claims Development Tables By Accident Year

The following tables present net incurred and paid claims development by accident year, total incurred-but-not-reported liabilities plus expected development on reported claims, cumulative reported claims frequency and claims duration for each reserve class. The development triangles are presented on an accident year basis for both our Insurance and Reinsurance segments. We do not discount our unpaid losses and loss expense reserves.

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AXIS CAPITAL HOLDINGS LIMITED
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8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

Non-U.S. dollar denominated loss data is converted to U.S dollar at the rates of exchange in effect at the balance sheet date for material underlying currencies. Fluctuations in currency exchange rates may cause material shifts in loss development. Reserves for losses and loss expenses, disclosed on our consolidated balance sheets, are also revalued using the exchange rate at the balance sheet date.

There are many considerations in establishing loss reserves and an attempt to evaluate our loss reserves using solely the data presented in these tables could be misleading. We caution against mechanical application of standard actuarial methodologies to project ultimate losses using data presented in this disclosure.

Insurance Segment

The reporting of cumulative claims frequency for the reserve classes within our Insurance segment has been measured by counting the number of unique claim references including claim references assigned to nil and nominal case reserves. Claim references are grouped by claimant by loss event for each class of business. For certain insurance facilities and business produced by managing general agents where underlying data is reported to the Company in an aggregated format, the information necessary to provide cumulative claims frequency is not available therefore reporting of claims frequency is deemed to be impracticable.

Insurance Property and Other

This reserve class includes our property, terrorism and accident and health lines of business. Our property line of business provides physical loss or damage, business interruption and machinery breakdown coverage for virtually all types of property, including commercial buildings, residential premises, construction projects and onshore energy installations. This line of business consists of both primary and excess risks, some of which are catastrophe-exposed. Our terrorism line of business provides coverage for physical damage and business interruption of an insured following an act of terrorism. Our accident and health line of business includes accidental death, travel insurance and specialty health products for employer and affinity groups, as well as accident and health reinsurance for catastrophic or per life events on a quota share and/or excess of loss basis, with aggregate and/or per person deductibles. The accident and health line of business has contributed an increasing portion of the premium earned within this reserve class from 2010 forward with a large increase in reported claims observed from 2012. In general, paid and reporting patterns are relatively short-tailed although they can be volatile due to the incidence of catastrophe events.

AXIS CAPITAL HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

Insurance Property and Other

	Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										At December 31, 2016	
	For the Years Ended December 31,											
Accident Year	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016	Total of Incurred-But-Not- Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
2007	$209,411	$162,796	$160,343	$151,107	$149,236	$149,580	$148,350	$147,875	$147,552	$147,178	$449	834
2008		318,702	273,666	265,330	255,880	240,324	238,882	234,488	232,738	231,713	2,017	1,573
2009			120,169	101,823	92,505	85,202	83,139	80,983	81,204	80,880	815	1,483
2010				182,337	155,368	147,867	122,700	117,130	116,193	115,888	469	2,309
2011					386,326	364,736	340,974	317,110	316,756	315,517	2,583	3,736
2012						463,117	470,059	446,790	426,457	422,394	9,381	27,679
2013							421,113	414,793	387,086	381,573	10,120	51,231
2014								471,402	467,335	442,392	19,696	60,120
2015									378,216	375,867	38,954	93,312
2016										519,834	189,751	42,460
									Total	$3,033,236		

Insurance Property and Other

	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance									
	For the Years Ended December 31,									
Accident Year	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016
2007	$54,533	$105,253	$126,050	$134,379	$137,481	$139,931	$146,404	$146,717	$146,807	$146,563
2008		83,640	164,425	186,147	197,852	224,874	227,438	229,498	228,989	228,945
2009			34,370	63,009	71,529	75,366	76,212	77,228	79,435	79,717
2010				48,970	87,621	96,449	107,257	111,450	111,543	111,349
2011					88,982	221,701	282,382	304,349	305,184	305,007
2012						107,441	278,331	341,818	364,966	372,567
2013							128,519	302,372	345,866	359,867
2014								173,615	345,785	398,150
2015									124,166	280,577

2016	173,233
Total	2,455,975
All outstanding liabilities before 2007, net of reinsurance	5,376
Liabilities for claims and claim adjustment expenses, net of reinsurance	$ 582,637

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AXIS CAPITAL HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

Insurance Property and Other

Average annual percentage payout of incurred claims by age, net of reinsurance

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
35.1%	38.5%	12.4%	5.9%	3.4%	0.8%	2.0%	0.1%	0.1%	(0.2)%

Insurance Marine

This reserve class comprises our marine line of business and provides coverage for traditional marine classes, including offshore energy, cargo, liability, recreational marine, fine art, specie as well as hull and war. Offshore energy coverage includes physical damage, business interruption, operators extra expense and liability coverage for all aspects of offshore upstream energy, from exploration and construction through the operation and distribution phases. The complex nature of claims arising under our marine policies tends to result in payment and reporting patterns that are longer than those of our property and other class. Exposure to natural perils such as windstorm and earthquake can result in volatility.

Insurance Marine

	Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										At December 31, 2016	
	For the Years Ended December 31,											
Accident Year	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016	Total of Incurred-But-Not-Reported Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
2007	$96,533	$95,994	$106,228	$100,962	$97,949	$96,304	$94,612	$92,405	$92,077	$92,063	$257	684
2008		107,697	108,208	103,287	102,201	95,006	88,612	84,848	84,483	84,221	324	516
2009			82,075	75,532	71,049	65,787	58,383	56,208	54,774	53,652	531	475
2010				67,916	69,312	65,198	52,161	50,248	47,397	45,934	(1,368)	472
2011					90,608	78,293	72,137	65,383	65,363	65,572	2,449	602
2012						89,663	82,344	68,315	70,404	71,370	9,821	697
2013							79,011	99,885	94,917	95,954	9,907	727
2014								59,880	44,221	47,870	8,864	794
2015									158,240	138,915	23,853	850
2016										86,115	41,293	804
									Total	$781,666		

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

Insurance Marine

	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance For the Years Ended December 31,									
Accident Year	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016
2007	$ 14,828	$ 35,176	$ 57,907	$ 76,551	$ 82,021	$ 85,219	$ 85,211	$ 86,792	$ 90,115	$ 90,267
2008		22,745	54,266	70,590	78,641	79,737	83,465	83,546	83,692	83,772
2009			18,938	31,745	40,968	44,535	46,490	47,082	49,588	49,845
2010				17,387	27,822	32,327	41,158	43,962	44,730	45,634
2011					26,431	44,004	54,618	57,677	59,481	60,181
2012						10,669	38,301	44,463	49,100	49,891
2013							18,309	43,193	53,633	61,737
2014								6,359	14,877	26,111
2015									21,584	54,575
2016										12,459
Total										534,472
All outstanding liabilities before 2007, net of reinsurance										6,114
Liabilities for claims and claim adjustment expenses, net of reinsurance										$ 253,308

Insurance Marine
Average annual percentage payout of incurred claims by age, net of reinsurance

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
23.4%	26.6%	16.3%	10.8%	3.5%	2.4%	1.7%	0.8%	1.9%	0.2%

Insurance Aviation

This reserve class comprises our aviation line of business and provides hull and liability and specific war coverage primarily for passenger airlines but also for cargo operations, general aviation operations, airports, aviation authorities, security firms and product manufacturers. The claims reporting pattern varies by coverage. Losses arising from war/terrorism and damage to hulls of aircraft are generally reported quickly. This is to be contrasted with liability claims which involve passengers and third parties and generally exhibit longer reporting and paid patterns. To date, the claims we have been advised of have predominantly related to damage to hulls, hence our payment and reporting patterns have typically exhibited a relatively short tail.

Explanation of Responses:

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8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

Insurance Aviation

	Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										At December 31, 2016	
	For the Years Ended December 31,											
Accident Year	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016	Total of Incurred-But-Not-Reported Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
2007	$29,801	$25,466	$22,682	$17,043	$16,756	$16,352	$14,427	$12,958	$12,853	$12,422	$53	270
2008		14,480	12,009	8,504	8,341	8,243	7,095	5,925	5,840	5,985	91	187
2009			17,408	14,490	18,680	18,007	16,835	16,535	15,351	14,519	176	317
2010				12,629	11,383	11,095	9,419	8,444	8,370	8,418	253	516
2011					17,721	15,377	12,763	9,536	8,404	7,257	434	730
2012						12,772	10,642	10,764	8,678	7,728	499	866
2013							15,647	16,313	15,179	15,223	1,010	1,005
2014								20,429	23,016	24,322	2,969	1,255
2015									29,748	28,453	4,999	1,751
2016										29,135	9,919	1,143
									Total	$153,462		

Insurance Aviation

	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance									
	For the Years Ended December 31,									
Accident Year	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016
2007	$2,400	$ 6,692	$ 9,219	$ 10,498	$ 11,100	$ 11,781	$ 12,129	$ 12,126	$ 12,148	$12,182
2008		488	2,057	3,074	3,655	4,205	4,475	4,651	5,258	5,514
2009			2,022	3,516	6,957	12,697	13,819	14,183	14,120	13,617
2010				745	3,819	5,995	6,567	7,230	7,345	7,788
2011					638	2,813	4,499	5,015	5,547	5,796
2012						951	2,848	4,133	5,927	6,793
2013							4,398	7,317	9,731	11,427
2014								3,985	8,011	11,672
2015									8,077	16,137

2016	10,396
Total	101,322
All outstanding liabilities before 2007, net of reinsurance	2,410
Liabilities for claims and claim adjustment expenses, net of reinsurance	$54,550

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AXIS CAPITAL HOLDINGS LIMITED
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8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

Insurance Aviation
Average annual percentage payout of incurred claims by age, net of reinsurance

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
18.1%	25.1%	19.7%	15.4%	8.0%	3.5%	2.7%	2.2%	2.3%	0.3%

Insurance Credit and Political Risk

This reserve class comprises our credit and political risk line of business and provides credit and political risk insurance products for banks and corporations. Coverage is provided for a range of risks including sovereign default, credit default, political violence, currency inconvertibility and non-transfer, expropriation, aircraft non-repossession and contract frustration due to political events. The credit insurance coverage is primarily for lenders seeking to mitigate the risk of non-payment from their borrowers. For the credit insurance contracts, it is necessary for the buyer of the insurance (most often a bank) to hold an insured asset (most often an underlying loan) in order to claim compensation under the insurance contract. Claims for this business tend to be characterized by their severity risk, as opposed to their frequency risk. Therefore, claim payment and reporting patterns are anticipated to be volatile. Under the notification provisions of our credit insurance, we anticipate being advised of an insured event within a relatively short time period. As a result, we generally estimate ultimate losses based on a contract-by-contract analysis which considers the contracts' terms, the facts and circumstances of underlying loss events and qualitative input from claims managers.

Insurance Credit and Political Risk

	Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										At December 31, 2016	
	For the Years Ended December 31,											
Accident Year	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016	Total of Incurred-But-Not-Reported Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
2007	$ 50,812	$ 44,972	$ 16,695	$ 5,253	$ 898	$ 898	$ 3,609	$ 3,642	$ 3,667	$ 2,741	$ 200	2
2008		52,993	63,552	48,715	45,554	45,551	45,551	45,600	45,200	44,410	—	9
2009			248,082	305,277	326,017	335,525	335,398	335,258	335,278	339,557	1,740	24
2010				62,415	63,179	63,259	65,595	64,975	65,009	72,099	6,900	6
2011					58,154	48,665	47,706	48,361	48,333	45,036	17,400	4
2012						32,602	15,672	12,435	12,447	10,319	10,284	2

2013	26,439	25,684	9,759	9,880	1,6001
2014		38,825	70,712	67,109	9,2475
2015			30,329	30,368	7,0593
2016				43,756	19,0413
			Total	$665,275	

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AXIS CAPITAL HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

Insurance Credit and Political Risk

	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance For the Years Ended December 31,									
Accident Year	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016
2007	$ —	$ 2,798	$ 4,263	$ 4,236	$ 4,236	$ 4,236	$ 4,236	$ 4,236	$ 4,236	$4,236
2008		—	69,217	45,625	45,638	45,379	45,379	44,410	44,410	44,410
2009			92,841	344,648	346,248	346,209	341,564	345,508	345,507	345,555
2010				50,000	85,418	90,729	106,766	101,784	101,946	102,152
2011					32,788	37,205	27,636	27,636	27,636	27,636
2012						—	—	—	—	36
2013							745	2,235	3,726	5,216
2014								1,924	39,951	61,108
2015									—	23,309
2016										—
Total										613,658
All outstanding liabilities before 2007, net of reinsurance										20
Liabilities for claims and claim adjustment expenses, net of reinsurance										$51,637

Insurance Credit and Political Risk
Average annual percentage payout of incurred claims by age, net of reinsurance

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
18.0%	60.0%	4.2%	5.2%	(1.4)%	0.3%	(0.5)%	—%	—%	—%

Insurance Professional Lines

This reserve class comprises our professional line of business and provides coverage for directors' and officers' liability, errors and omissions liability, employment practices liability, fiduciary liability, crime, professional indemnity, medical malpractice and other financial insurance related coverages for commercial enterprises, financial institutions and not-for-profit organizations. This business is predominantly written on a claims-made basis. Typically this reserve class is anticipated to exhibit medium to long tail claim reporting and settlement patterns.

With respect to our key actuarial assumptions, we are progressively giving more weight to our own experience when establishing our expected loss ratios and our selected loss development patterns, though we continue to consider industry benchmarks. Loss reporting patterns for professional lines business tend to be volatile, causing instability in actuarial indications based on incurred loss data until an accident year matures for a number of years. Consequently, our initial loss reserves for an accident year are generally based upon an ELR method and the consideration of relevant qualitative factors. As accident years mature, we increasingly give more weight to methods that reflect our actual experience until our selections are based almost exclusively on experience-based methods. We evaluate the appropriateness of the transition to experience-based methods at the reserving class level, commencing this transition when we believe that our incurred loss development is sufficient to produce meaningful actuarial indications. The rate at which we transition fully to sole reliance on experience-based methods can vary, depending on our assessment of the stability and relevance of such indications. For some professional lines in our insurance segment, we also

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8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

rely upon the evaluation of the open claim inventory in addition to the commonly employed actuarial methods when establishing reserves.

Insurance Professional Lines

	Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance For the Years Ended December 31,										At December 31, 2016	
Accident Year	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016	Total of Incurred-But-Not- Liabilities Plus Expected Development on Reported Claims	Cumulativ Number of Reported Claims
2007	$221,212	$247,155	$249,780	$248,741	$221,708	$217,901	$201,294	$202,636	$197,765	$196,562	$4,683	3,596
2008		240,809	279,486	280,329	299,422	295,953	309,268	328,628	326,623	324,197	23,024	4,582
2009			251,995	257,354	258,134	256,731	263,157	245,939	247,495	223,700	14,856	6,148
2010				251,985	257,527	255,337	218,436	195,831	173,104	195,869	44,799	5,975
2011					341,302	342,063	359,448	348,860	355,008	368,830	69,175	7,633
2012						353,693	399,610	401,976	408,870	397,517	108,180	8,805
2013							410,537	425,400	430,517	398,776	161,370	9,835
2014								435,447	443,665	451,917	244,910	10,017
2015									401,941	401,660	277,836	10,178
2016										348,076	312,698	8,935
									Total	$3,307,104		

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AXIS CAPITAL HOLDINGS LIMITED
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8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

Insurance Professional Lines

	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance For the Years Ended December 31,									
Accident Year	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016
2007	$3,817	$ 18,301	$ 49,258	$ 102,031	$ 114,021	$ 139,144	$ 150,649	$ 161,153	$ 168,368	$ 169,572
2008		5,154	22,565	68,355	125,594	167,923	189,952	214,542	249,050	267,314
2009			4,251	24,559	49,396	76,121	105,510	117,174	136,271	174,032
2010				8,179	30,353	57,282	78,663	96,431	109,403	119,939
2011					8,470	36,396	78,605	117,097	177,629	250,219
2012						8,895	44,804	106,822	194,031	240,671
2013							18,305	75,901	136,542	182,468
2014								25,351	73,828	132,966
2015									20,745	68,050
2016										15,707
Total										1,620,938
All outstanding liabilities before 2007, net of reinsurance										31,393
Liabilities for claims and claim adjustment expenses, net of reinsurance										$ 1,717,559

Insurance Professional Lines
Average annual percentage payout of incurred claims by age, net of reinsurance

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
3.4%	9.6%	13.7%	15.9%	11.6%	10.2%	6.9%	10.9%	4.7%	0.6%

Insurance Liability

This reserve class comprises our liability line of business and primarily targets primary and low/mid-level excess and umbrella commercial liability risks in the U.S. wholesale markets. Target industry sectors include construction, manufacturing, transportation and trucking and other services. The delay between the writing of a contract, notification and subsequent settlement of a claim in respect of that contract results in claim payment and reporting patterns that are typically long tail in nature. A consequence of the claim development tail is that this line of business is particularly exposed, amongst a number of uncertainties, to the potential for unanticipated levels of claim inflation relative to that assumed when the contracts were written. Factors influencing claim inflation on this class can include, but are not limited to, underlying economic and medical inflation, judicial inflation, mass tort and changing social trends.

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Explanation of Responses:

AXIS CAPITAL HOLDINGS LIMITED
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8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

Insurance Liability

	Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										At December 31, 2016	
	For the Years Ended December 31,											
Accident Year	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016	Total of Incurred-But-Not-Reported Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
2007	$100,380	$88,102	$95,435	$98,625	$98,851	$99,483	$102,010	$101,299	$97,526	$97,078	$12,107	3,766
2008		82,969	79,836	80,947	81,785	82,225	81,949	101,589	102,444	108,189	20,340	3,697
2009			61,469	64,017	67,410	67,869	76,431	83,281	101,179	98,384	11,813	2,735
2010				79,406	94,222	98,637	98,115	99,574	98,064	105,123	15,988	2,196
2011					72,586	75,329	83,118	87,059	85,243	83,730	20,189	1,776
2012						70,836	70,608	73,280	70,769	68,179	23,448	1,215
2013							92,146	94,171	94,247	87,491	36,011	1,494
2014								106,121	122,583	128,465	55,811	2,240
2015									127,318	125,844	83,145	2,970
2016										123,233	107,850	3,099
									Total	$1,025,716		

Insurance Liability

	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance									
	For the Years Ended December 31,									
Accident Year	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016
2007	$436	$ 5,968	$ 22,206	$ 40,853	$ 52,660	$ 60,080	$ 69,335	$ 76,411	$ 80,150	$82,449
2008		1,906	8,796	18,507	27,861	37,408	47,447	51,776	55,314	61,618
2009			726	4,646	13,305	26,754	31,865	41,322	44,105	83,991
2010				1,030	15,968	30,791	53,584	61,033	66,118	71,792
2011					2,761	10,540	20,190	38,376	46,074	54,996
2012						1,630	5,513	15,410	30,144	37,138
2013							2,355	23,275	33,314	42,044
2014								1,410	18,620	49,816
2015									5,437	22,323
2016										6,307

Total	512,474
All outstanding liabilities before 2007, net of reinsurance	39,713
Liabilities for claims and claim adjustment expenses, net of reinsurance	$552,955

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AXIS CAPITAL HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016, 2015 AND 2014

8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

Insurance Liability

Average annual percentage payout of incurred claims by age, net of reinsurance									
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
2.3%	10.7%	13.8%	16.6%	8.8%	8.4%	5.4%	17.0%	4.9%	2.4%

Reinsurance Segment

The main difficulty in presenting accident year triangles for the Reinsurance segment relates to the allocation of loss information on proportional treaties to the appropriate accident years. As an example, many proportional treaty reinsurance contracts are submitted using quarterly bordereau reporting by underwriting year, with a supplemental listing of large losses. The large losses can be accurately allocated to the corresponding accident years. However, the remaining losses can generally only be allocated to accident years based on estimated premium earning and loss reporting patterns. To the extent management's assumptions and allocation procedures differ from the actual loss development patterns, the actual loss development may differ materially from the loss development presented below.

The reporting of cumulative claims frequency for the reserve classes within our Reinsurance segment is deemed to be impracticable. The information necessary to provide cumulative claims frequency for these reserve classes is not available to the Company.

Reinsurance Property and Other

This reserve class comprises our property, catastrophe, engineering, agriculture and marine and other lines of business. Our catastrophe line of business provides protection for most catastrophic losses that are covered in the underlying insurance policies written by our cedants. The exposure in the underlying policies is principally property exposure but also covers other exposures including workers compensation, personal accident and life. The principal perils in this portfolio are hurricane and windstorm, earthquake, flood, tornado, hail and fire. In some instances, terrorism may be a covered peril or the only peril. We underwrite catastrophe reinsurance principally on an excess of loss basis. Our property line of business provides coverage for property damage and related losses resulting from natural and man-made perils contained in underlying personal and commercial policies. While our predominant exposure is to property damage, other risks, including business interruption and other non-property losses, may also be covered when arising from a covered peril. While our most significant exposures typically relate to losses from windstorms, tornadoes and earthquakes, we are also exposed to other perils such as freezes, riots, floods, industrial explosions, fires, hail and a number of other loss events. We assume business on both a proportional and excess of loss basis.

Our agriculture line of business provides coverage for risks associated with the production of food and fiber on a global basis for primary insurance companies writing multi-peril crop insurance, crop hail, and named peril covers, as well as custom risk transfer mechanisms for agricultural dependent industries with exposures to crop yield and/or price deviations. We provide both proportional and aggregate stop loss reinsurance. Our engineering line of business provides coverage for all types of construction risks and risks associated with erection, testing and commissioning of machinery and plants during the construction stage. This line of business also includes coverage for losses arising from operational failures of machinery, plant and equipment and electronic equipment as well as business interruption. Our marine and other line of business includes marine, aviation and personal accident reinsurance.

In general, paid and reporting patterns are relatively short-tailed and can be volatile due to the incidence of catastrophe events such as hurricanes and earthquakes.

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AXIS CAPITAL HOLDINGS LIMITED
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8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

Reinsurance Property and Other

	Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										At December 31, 2016
	For the Years Ended December 31,										
Accident Year	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016	Total of Incurred-But-No Liabilities Plus Expected Development on Reported Claims
2007	$394,054	$321,110	$279,571	$265,204	$249,436	$238,779	$231,597	$224,023	$220,937	$220,469	$ 379
2008		671,079	569,031	584,076	562,028	547,586	536,555	520,174	513,948	512,261	(296)
2009			337,333	279,833	241,346	227,777	220,889	199,777	193,703	195,545	705
2010				599,084	584,912	553,798	567,341	569,697	563,532	555,647	7,034
2011					1,083,060	1,092,015	1,090,593	1,049,625	1,032,549	1,006,528	10,715
2012						484,438	450,563	440,303	409,836	393,775	10,707
2013							466,295	441,492	411,440	392,459	10,724
2014								437,470	455,607	442,330	53,805
2015									380,660	359,185	69,223
2016										440,384	224,911
									Total	$4,518,583	

Reinsurance Property and Other

	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance									
	For the Years Ended December 31,									
Accident Year	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016
2007	$58,955	$159,438	$189,166	$203,754	$211,499	$215,294	$219,809	$217,756	$215,894	$217,366
2008		157,415	312,580	437,973	489,821	502,377	506,139	505,939	510,628	509,433
2009			55,694	126,587	156,617	174,250	184,513	183,729	186,448	188,103
2010				104,263	296,764	388,310	419,571	465,358	494,362	519,128
2011					246,222	557,409	759,930	859,089	888,222	961,477
2012						92,620	228,876	300,983	322,801	337,115
2013							54,451	218,110	328,765	355,706
2014								65,721	271,621	346,856

2015	48,121	187,229
2016		77,205
Total		3,699,618
All outstanding liabilities before 2007, net of reinsurance		4,498
Liabilities for claims and claim adjustment expenses, net of reinsurance		$ 823,463

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AXIS CAPITAL HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

Reinsurance Property and Other
Average annual percentage payout of incurred claims by age, net of reinsurance

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
21.2%	37.7%	19.2%	7.7%	4.3%	2.9%	2.0%	0.3%	(0.5)%	0.7%

Reinsurance Credit and Surety

This reserve class is comprised of our credit and surety line of business and consists of reinsurance of trade credit insurance products and includes both proportional and excess of loss structures. The underlying insurance indemnifies sellers of goods and services in the event of a payment default by the buyer of those goods and services. The Company provides credit insurance coverage to mortgage guaranty insurers and government sponsored entities. Also included in this line of business is coverage for losses arising from a broad array of surety bonds issued by insurers to satisfy regulatory demands or contract obligations in a variety of jurisdictions around the world.

Our initial and most recent underwriting year loss projections are generally based on the ELR method, with consideration given to qualitative factors. Given that there is a quicker and more stable reporting pattern for trade credit business, we generally commence the transition to experience-based methods sooner than for the surety business.

Reinsurance Credit and Surety

	Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										At December 31, 2016
	For the Years Ended December 31,										Total of Incurred-But-Not-Re Liabilities Plus Expected Development on Reported Claims
Accident Year	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016	
2007	$48,646	$53,197	$44,789	$40,395	$39,015	$39,584	$45,853	$53,938	$52,838	$53,775	$ 915
2008		79,689	102,595	92,784	92,151	93,339	92,118	88,619	87,638	87,130	1,456
2009			137,963	117,004	100,943	100,177	99,872	94,541	91,346	90,893	2,968
2010				112,888	92,842	86,340	83,888	79,568	72,316	71,016	6,397
2011					117,902	101,752	99,640	106,196	104,414	96,269	9,658
2012						155,730	142,870	145,147	142,639	134,620	19,094
2013							161,647	148,760	139,761	136,024	23,760
2014								132,483	131,887	139,026	34,983
2015									156,959	161,178	46,635

2016		138,876	72,455
	Total	$1,108,807	

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AXIS CAPITAL HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

Reinsurance Credit and Surety

Accident Year	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance For the Years Ended December 31,									
	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016
2007	$13,612	$ 24,105	$ 28,797	$ 33,178	$ 34,476	$ 35,328	$ 36,580	$ 46,356	$ 46,734	$47,496
2008		20,345	63,686	61,530	75,801	77,425	79,414	81,152	81,790	82,026
2009			31,892	73,878	74,948	76,863	80,635	83,281	83,338	83,185
2010				25,558	44,156	54,023	54,849	56,304	57,263	58,579
2011					22,198	50,959	66,120	73,282	77,734	79,807
2012						48,576	82,707	95,544	101,328	104,802
2013							32,113	74,740	88,904	95,282
2014								35,261	59,406	83,536
2015									32,757	79,523
2016										41,768
Total										756,004
All outstanding liabilities before 2007, net of reinsurance										3,865
Liabilities for claims and claim adjustment expenses, net of reinsurance										$356,668

Reinsurance Credit and Surety
Average annual percentage payout of incurred claims by age, net of reinsurance

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
27.8%	30.5%	9.3%	6.3%	2.9%	2.1%	1.6%	6.2%	0.5%	1.4%

Reinsurance Professional Lines

This reserve class is comprised of our professional line of business and covers directors' and officers' liability, employment practices liability, medical malpractice, professional indemnity, environmental liability and miscellaneous errors and omissions insurance risks. The underlying business is predominantly written on a claims-made basis. Business is written on both a proportional and excess of loss basis. Claim payment and reporting patterns on an accident year basis are typically medium to long tail in nature.

With respect to our key actuarial assumptions, we are progressively giving more weight to our own experience when establishing our expected loss ratios and our selected loss development patterns, though we continue to consider industry benchmarks. Loss reporting patterns for professional lines business tend to be volatile, causing instability in actuarial indications based on incurred loss data until an accident year matures for a number of years. Consequently, our initial loss reserves for an accident year or underwriting year are generally based upon an ELR method and the consideration of relevant qualitative factors. As accident and underwriting years mature, we increasingly give more weight to methods that reflect our actual experience until our selections are based almost exclusively on experience-based methods. We evaluate the appropriateness of the transition to experience-based methods at the reserving class level, commencing this transition when we believe that our incurred loss development is sufficient to produce meaningful actuarial indications. The rate at which we transition fully to sole reliance on experience-based methods can vary, depending on our assessment of the stability and relevance of such indications.

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AXIS CAPITAL HOLDINGS LIMITED
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8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

Reinsurance Professional Lines

	Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance For the Years Ended December 31,										At December 31, 2016
Accident Year	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016	Total of Incurred-But-Not Liabilities Plus Expected Development on Reported Claims
2007	$195,045	$204,971	$204,594	$196,696	$176,792	$151,628	$137,392	$118,321	$114,714	$111,256	$ 8,173
2008		174,881	181,729	181,097	177,038	175,203	171,409	172,414	170,509	170,596	14,293
2009			210,606	210,413	215,065	217,656	208,234	207,939	192,974	189,290	21,035
2010				208,718	209,034	210,413	213,560	213,316	196,067	188,729	42,307
2011					200,400	200,776	201,989	210,770	208,126	207,237	75,492
2012						209,109	215,586	221,036	223,023	221,722	94,535
2013							208,804	213,810	214,659	212,763	114,919
2014								218,734	218,662	218,610	120,754
2015									211,420	211,181	163,900
2016										194,558	183,486
									Total	$1,925,942	

Reinsurance Professional Lines

	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance For the Years Ended December 31,									
Accident Year	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016
2007	$56	$ 4,133	$ 21,286	$ 34,567	$ 54,438	$ 60,188	$ 70,636	$ 73,941	$ 82,406	$86,573
2008		373	6,411	21,620	49,053	70,329	91,554	108,226	123,672	132,194
2009			914	8,588	32,286	62,988	83,537	108,140	127,697	137,842
2010				1,740	12,000	31,198	52,066	76,635	107,096	123,711
2011					1,510	11,812	30,216	57,119	84,672	102,813
2012						776	10,346	29,527	53,440	85,753
2013							1,059	12,020	30,403	64,809
2014								2,019	13,049	48,714

2015	3,134	13,503
2016		1,755
Total		797,667
All outstanding liabilities before 2007, net of reinsurance		26,189
Liabilities for claims and claim adjustment expenses, net of reinsurance		$1,154,464

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AXIS CAPITAL HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

Reinsurance Professional Lines

Average annual percentage payout of incurred claims by age, net of reinsurance

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
0.7%	4.6%	11.2%	13.6%	13.7%	11.1%	9.6%	5.8%	6.3%	3.7%

Reinsurance Motor

This reserving class is comprised of our motor line of business and provides coverage to insurers for motor liability and property damage losses arising out of any one occurrence. A loss occurrence can involve one or many claimants where the ceding insurer aggregates the claims from the occurrence. We offer traditional proportional and non-proportional reinsurance as well as structured solutions predominantly relating to European exposures. The business written on a proportional basis has expanded significantly since 2010 and now represents the majority of the written premium on this class. Most of the premium relates to a relatively small number of large United Kingdom ("U.K.") and, to a lesser extent, Greek quota share treaties. The motor proportional class generally has significantly shorter paid and reported loss development patterns relative to the motor non-proportional class.

The motor non-proportional business consists of standard excess of loss contracts written for cedants in several European countries with the two major markets, U.K. and France, generally accounting for the majority of the premium volume. From 2009/2010 onwards increasing numbers of large bodily injury settlements in the U.K. market were settled using indexed annuities (Periodical Payment Orders "PPOs"). This led to a materially longer development tail on the older accident years for the U.K. non-proportional motor book. This also resulted in a move towards generally lower treaty attachment points and the inclusion of capitalization clauses on a number of U.K. motor treaties partly helping to mitigate the lengthening of the development tail on more recent accident years. Despite the trend toward a greater number of claims settlements using PPOs, we note that there has been a trend towards generally quicker and more adequate reporting of losses in recent years.

Reinsurance Motor

	Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										At December 31, 2016
	For the Years Ended December 31,										Total of Incurred-But-Not-Rep Liabilities Plus Expected Development on Reported Claims
Accident Year	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016	
2007	$65,601	$66,567	$62,829	$62,768	$63,813	$60,568	$59,548	$58,086	$55,279	$54,504	$ 14,117

2008	64,513	69,234	68,617	70,961	68,486	67,783	63,627	58,250	54,678	18,178
2009		77,092	75,034	82,170	83,944	85,870	87,017	78,929	73,670	17,780
2010			92,168	97,598	97,823	96,811	91,248	86,409	77,560	27,778
2011				149,535	151,432	155,096	160,516	156,912	148,843	44,483
2012					170,379	159,822	149,420	142,454	137,841	37,418
2013						155,880	150,277	139,138	130,299	30,902
2014							175,848	173,568	168,846	33,650
2015								215,342	207,409	49,375
2016									238,258	100,635
								Total	$1,291,908	

AXIS CAPITAL HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

Reinsurance Motor

	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance For the Years Ended December 31,									
Accident Year	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016
2007	$1,663	$ 3,881	$ 4,150	$ 6,127	$ 9,939	$ 11,616	$ 13,710	$ 18,527	$ 20,433	$21,596
2008		2,741	5,612	5,827	6,984	8,438	10,788	13,366	13,975	15,452
2009			2,533	6,343	7,346	8,761	12,037	17,973	20,167	24,535
2010				5,138	9,299	13,939	17,068	19,972	23,957	27,017
2011					23,397	45,270	58,841	68,802	74,955	80,593
2012						28,703	50,904	64,918	74,063	80,182
2013							33,173	50,230	62,830	72,085
2014								42,546	70,547	88,652
2015									56,940	89,516
2016										59,989
Total										559,617
All outstanding liabilities before 2007, net of reinsurance										78,865
Liabilities for claims and claim adjustment expenses, net of reinsurance										$811,156

Reinsurance Motor
Average annual percentage payout of incurred claims by age, net of reinsurance

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
15.8%	10.7%	6.0%	4.6%	4.4%	4.9%	3.9%	5.3%	3.1%	2.1%

Reinsurance Liability

This reserve class is comprised of our liability line of business and provides coverage to insurers of standard casualty business, excess and surplus casualty business and specialty casualty programs. The primary focus of the underlying business is general liability, although workers' compensation and auto liability are also written. Claim payment and reporting patterns are typically long tail in nature and, therefore, also subject to increased uncertainty surrounding future loss development. In particular, claims can be subject to inflation from a number of sources including, but not limited to, economic and medical inflation, judicial inflation and changing social trends.

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8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

Reinsurance Liability

	Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										At December 31, 2016
	For the Years Ended December 31,										Total of Incurred-But-Not-Liabilities Plus Expected Development on Reported Claims
Accident Year	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016	
2007	$160,455	$157,947	$158,773	$157,966	$157,886	$157,822	$144,241	$114,939	$97,515	$92,712	$ 11,940
2008		137,646	137,932	138,926	139,592	137,793	132,317	110,545	105,286	94,589	20,513
2009			169,886	171,868	179,239	176,853	184,378	203,553	191,701	177,852	34,578
2010				169,442	168,929	180,949	181,663	199,656	189,531	180,860	53,863
2011					170,182	170,606	172,708	190,043	196,805	193,749	45,166
2012						165,409	162,127	166,492	171,033	172,176	55,572
2013							171,121	174,885	180,802	182,813	83,598
2014								198,634	201,551	203,252	124,579
2015									213,387	213,776	157,257
2016										238,524	199,828
									Total	$1,750,303	

Reinsurance Liability

	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance									
	For the Years Ended December 31,									
Accident Year	2007 Unaudited	2008 Unaudited	2009 Unaudited	2010 Unaudited	2011 Unaudited	2012 Unaudited	2013 Unaudited	2014 Unaudited	2015 Unaudited	2016
2007	$2,556	$ 10,663	$ 22,833	$ 32,641	$ 42,081	$ 54,374	$ 59,966	$ 65,026	$ 66,791	$70,221
2008		2,156	9,940	21,917	29,991	36,497	43,397	51,786	53,578	57,686
2009			1,703	17,100	44,429	56,586	73,197	103,871	123,051	127,354
2010				2,405	17,576	46,123	62,207	83,542	97,167	108,476
2011					5,190	21,274	39,983	69,886	92,221	112,066
2012						3,540	12,791	28,354	58,639	78,037
2013							5,965	22,214	52,299	69,021
2014								7,086	28,645	48,363
2015									7,267	27,440

2016	11,859
Total	710,523
All outstanding liabilities before 2007, net of reinsurance	28,494
Liabilities for claims and claim adjustment expenses, net of reinsurance	$1,068,274

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AXIS CAPITAL HOLDINGS LIMITED
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8. RESERVE FOR LOSSES AND LOSS EXPENSES (CONTINUED)

Reinsurance Liability
Average annual percentage payout of incurred claims by age, net of reinsurance

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
2.7%	8.5%	12.7%	11.0%	10.2%	11.1%	8.0%	3.3%	3.1%	3.7%

Reconciliation of Development Tables to Consolidated Balance Sheet

The following table reconciles the reserves for loss and loss expenses as of December 31, 2016 as reported in our Consolidated Balance Sheet to the reserves for loss and loss expenses included in the development tables:
Reconciliation of the Disclosure of Incurred and Paid Claims Development to the Liability for Unpaid Claims and Claim Adjustment Expenses

	At December 31, 2016		
	Net outstanding liabilities	Reinsurance recoverable on unpaid claims	Gross outstanding liabilities
Insurance Segment			
Property and Other	$582,637	$169,707	$752,344
Marine	253,308	180,996	434,304
Aviation	54,550	6,384	60,934
Credit and Political Risk	51,637	154	51,791
Professional Lines	1,717,559	998,873	2,716,432
Liability	552,955	837,215	1,390,170
Total Insurance Segment	3,212,646	2,193,329	5,405,975
Reinsurance Segment			
Property and Other	823,463	55,637	879,100
Credit and Surety	356,668	1,916	358,584
Professional Lines	1,154,464	8,353	1,162,817
Motor	811,156	—	811,156
Liability	1,068,274	16,874	1,085,148
Total Reinsurance Segment	4,214,025	82,780	4,296,805
Total	$7,426,671	$2,276,109	9,702,780
Unallocated claims adjustment expenses			144,375
Foreign exchange and other[1]			(59,988)

(Ceded)/assumed reserves related to retroactive transactions	(89,340)
Total liability for unpaid claims and claims adjustment expense	$9,697,827

(1) Non-U.S. dollar denominated loss data is converted to U.S dollar at the rates of exchange in effect at the balance sheet date for material underlying currencies. Fluctuations in currency exchange rates cause material shifts in loss development. Reserves for losses and loss expenses, disclosed on our consolidated balance sheets, are also revalued using the exchange rate at the balance sheet date.

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AXIS CAPITAL HOLDINGS LIMITED
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9. REINSURANCE

In the ordinary course of business, we purchase treaty and facultative reinsurance to reduce exposure to significant losses. Facultative reinsurance provides coverage for all or a portion of the losses incurred for a single policy and we separately negotiate each facultative contract. Treaty reinsurance provides coverage for a specified type or category of risks. Our treaty reinsurance agreements provide this coverage on either an excess of loss or a proportional basis. Excess of loss covers provide a contractually set amount of coverage after a specified loss amount has been reached. Under proportional reinsurance, we cede an agreed proportion of the premiums and the losses and loss adjustment expenses on the policies we underwrite. Treaty reinsurance can provide us with coverage for a number of lines of business within one contract. In contrast, proportional covers provide us with a specified percentage of coverage from the first dollar of loss.
All of these reinsurance covers provide us the right to recover a portion of specified losses and loss expenses from reinsurers. However, to the extent that our reinsurers do not meet their obligations under these agreements due to solvency issues, contractual disputes or other reasons, we remain liable. We predominantly cede our business to reinsurers rated A- or better by A.M. Best.

Gross and net premiums written and earned were as follows:

Year ended December 31,	2016		2015		2014	
	Premiums written	Premiums earned	Premiums written	Premiums earned	Premiums written	Premiums earned
Gross	$4,970,208	$4,762,394	$4,603,730	$4,567,953	$4,711,519	$4,652,345
Ceded	(1,217,234)	(1,056,769)	(929,064)	(881,536)	(804,544)	(781,346)
Net	$3,752,974	$3,705,625	$3,674,666	$3,686,417	$3,906,975	$3,870,999

During the year ended December 31, 2016, we recognized ceded losses and loss expenses of $556 million (2015: $577 million; 2014: $401 million).
Our provision for unrecoverable reinsurance was $20 million at December 31, 2016 (2015: $18 million). At December 31, 2016, 96.7% (2015: 96.2%) of our gross reinsurance recoverables were collectible from reinsurers rated A- or better by A.M. Best.

10. DEBT AND FINANCING ARRANGEMENTS

a) Senior Notes

On November 15, 2004, AXIS Capital issued $500 million aggregate principal amount of 5.75% senior unsecured debt (the "5.75% Senior Notes") at an issue price of 99.785%. The net proceeds of the issuance, after consideration of the offering discount and underwriting expenses and commissions, totaled approximately $496 million. Interest on the 5.75% Senior Notes was payable semi-annually in arrears on June 1 and December 1 of each year, beginning on June 1, 2005. AXIS Capital repaid the full $500 million of its outstanding 5.75% Senior Notes upon their scheduled maturity of December 1, 2014.
On March 23, 2010, AXIS Specialty Finance LLC, a 100% owned finance subsidiary, issued $500 million aggregate principal amount of 5.875% senior unsecured debt (the "5.875% Senior Notes") at an issue price of 99.624%. The net

proceeds of the issuance, after consideration of the offering discount and underwriting expenses and commissions, totaled approximately $495 million. Interest on the 5.875% Senior Notes is payable semi-annually in arrears on June 1 and December 1 of each year, beginning on June 1, 2010. Unless previously redeemed, the 5.875% Senior Notes will mature on June 1, 2020. The 5.875% Senior Notes are ranked as unsecured senior obligations of AXIS Specialty Finance LLC. AXIS Capital has fully and unconditionally guaranteed all obligations of AXIS Specialty Finance LLC under the 5.875% Senior Notes. AXIS Capital's obligations under this guarantee are unsecured and senior and rank equally with all other senior obligations of AXIS Capital.

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10. DEBT AND FINANCING ARRANGEMENTS (CONTINUED)

On March 13, 2014, AXIS Specialty Finance PLC, a 100% owned finance subsidiary, issued $250 million aggregate principal amount of 2.65% senior unsecured notes (the "2.65% Senior Notes") at an issue price of 99.896% and $250 million aggregate principal amount of 5.15% senior unsecured notes (the "5.15% Senior Notes", and, together with the 5.875% Senior Notes and the 2.65% Senior Notes, the "Senior Notes") at an issue price of 99.474%. The net proceeds of the issuance, after consideration of the offering discount and underwriting expenses and commissions, totaled approximately $248 million and $246 million for the 2.65% Senior Notes and the 5.15% Senior Notes, respectively. Interest on the 2.65% Senior Notes and the 5.15% Senior Notes is payable semi-annually in arrears on April 1 and October 1 of each year, beginning on October 1, 2014. Unless previously redeemed, the 2.65% Senior Notes and the 5.15% Senior Notes will mature on April 1, 2019 and April 1, 2045, respectively. The 2.65% Senior Notes and the 5.15% Senior Notes are ranked as unsecured senior obligations of AXIS Specialty Finance PLC. AXIS Capital has fully and unconditionally guaranteed all obligations of AXIS Specialty Finance PLC under the 2.65% Senior Notes and the 5.15% Senior Notes. AXIS Capital's obligations under this guarantee are unsecured and senior and rank equally with all other senior obligations of AXIS Capital.
We have the option to redeem the Senior Notes at any time and from time to time, in whole or in part, at a "make-whole" redemption price, which is equal to the greater of the aggregate principal amount or the sum of the present values of the remaining scheduled payments of principal and interest. The related indentures contain various covenants, including limitations on liens on the stock of restricted subsidiaries, restrictions as to the disposition of the stock of restricted subsidiaries and limitations on mergers and consolidations. We were in compliance with all the covenants contained in the indentures at December 31, 2016.

Interest expense recognized in relation to our Senior Notes includes interest payable, amortization of the offering discounts and amortization of debt offering expenses. The offering discounts and debt offering expenses are amortized over the period of time during which the Senior Notes are outstanding. During 2016, we incurred interest expense of $50 million (2015: $50 million, 2014: $72 million).

b) Credit Facilities

On March 26, 2013, AXIS Capital and certain of its subsidiaries entered into a $250 million credit facility (the "Credit Facility"), which was issued by a syndication of lenders pursuant to a Credit Agreement and other ancillary documents (together, the "Facility Documents") and will expire in March 2017. At the request of the Company and subject to the satisfaction of certain conditions, the aggregate commitment available under the Credit Facility may be increased by up to $150 million. Under the terms of the Credit Facility, loans are available for general corporate purposes and letters of credit may be issued in the ordinary course of business, with total usage not to exceed the aggregate commitment available. Interest on loans issued under the Credit Facility is payable based on underlying market rates at the time of loan issuance. While loans under the Credit Facility are unsecured, we have the option to issue letters of credit on a secured basis in order to reduce associated fees. Letters of credit issued under the Credit Facility would principally be used to support the (re)insurance obligations of our operating subsidiaries. Each of AXIS Capital, AXIS Specialty Finance LLC, AXIS Specialty Holdings Bermuda Limited and AXIS Specialty Finance PLC guarantees the obligations of the other parties to the Credit Facility. The Credit Facility is subject to certain non-financial covenants, including limitations on fundamental changes, the incurrence of additional indebtedness and liens and certain transactions with affiliates and investments, as defined in the Facility Documents. The Credit Facility also requires compliance with certain financial covenants, including a maximum debt to capital ratio and a minimum consolidated net worth requirement. In addition, each of AXIS Capital's material (re)insurance subsidiaries party to the Credit Facility must maintain a minimum A.M. Best Company, Inc. financial strength rating. In the event of default, including a breach of these covenants, the lenders may exercise certain remedies including the termination of the Credit Facility, the declaration of all principal and interest amounts related to Credit Facility loans to be immediately due and the requirement that all outstanding letters of credit be collateralized.

On September 18, 2013, we entered into an amendment to the Credit Facility in order to permit AXIS Capital and its subsidiaries to enter into swap contracts and other arrangements related to weather derivative transactions. All other material terms and conditions remained unchanged.

AXIS CAPITAL HOLDINGS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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10. DEBT AND FINANCING ARRANGEMENTS (CONTINUED)

Effective February 10, 2014, AXIS Specialty Finance PLC was added as a guarantor to the Credit Facility.

On November 20, 2013, certain of AXIS Capital’s operating subsidiaries (the "Participating Subsidiaries") entered into an amendment to extend the term of the Company's secured $750 million letter of credit facility (the “LOC Facility”) with Citibank Europe plc (“Citibank”) pursuant to a Master Reimbursement Agreement and other ancillary documents (together, the “LOC Facility Documents”). Under the terms of the LOC Facility, letters of credit to a maximum aggregate amount of $750 million are available for issuance on behalf of the Participating Subsidiaries. These letters of credit will principally be used to support the reinsurance obligations of the Participating Subsidiaries. The LOC Facility is subject to certain covenants, including the requirement to maintain sufficient collateral, as defined in the LOC Facility Documents, to cover all of the obligations under the LOC Facility. Such obligations include contingent reimbursement obligations for outstanding letters of credit and fees payable to Citibank. In the event of default, Citibank may exercise certain remedies, including the exercise of control over pledged collateral and the termination of the availability of the LOC Facility to any or all of the Participating Subsidiaries.

On March 31, 2015, the Company entered into an amendment to reduce the maximum aggregate utilization capacity of the LOC Facility from $750 million to $500 million. All other material terms and conditions remained unchanged.

On December 18, 2015, the Participating Subsidiaries renewed their $500 million secured LOC Facility with Citibank Europe plc for a four year term commencing December 31, 2015, pursuant to certain updates to the LOC Facility Documents. All other material terms and conditions remained unchanged.

At December 31, 2016, letters of credit outstanding under the LOC Facility and the Credit Facility totaled $340 million and $nil, respectively. There was no debt outstanding under the Credit Facility. We were in compliance with all LOC Facility and Credit Facility covenants at December 31, 2016.

11. COMMITMENTS AND CONTINGENCIES
a) Concentrations of Credit Risk
Credit Risk Aggregation
We monitor and manage the aggregation of credit risk on a group-wide basis allowing us to consider exposure management strategies for individual companies, countries, regions, sectors and any other relevant inter-dependencies. Our credit exposures are aggregated based on the origin of risk. As part of our credit aggregation framework, we also assign aggregate credit limits by single counterparty (a group of companies or country). These limits are based and adjusted on a variety of factors including the prevailing economic environment and the nature of the underlying credit exposures. Our credit aggregation measurement and reporting process is facilitated by our credit risk exposure database, which contains relevant information on counterparty details and credit risk exposures. We also license third party tools to provide credit risk assessments.
Credit risk aggregation is also managed through minimizing overlaps in underwriting, financing and investing activities.
The assets that potentially subject us to concentrations of credit risk consist principally of cash and investments, reinsurance recoverable and (re)insurance premiums receivable balances, as described below:

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Explanation of Responses:

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11. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Cash and Investments
In order to mitigate concentration and operational risks related to cash and cash equivalents, we limit the maximum amount of cash that can be deposited with a single counterparty and additionally limit acceptable counterparties based on current rating, outlook and other relevant factors.
Our investment portfolio is managed by external investment managers in accordance with our investment guidelines. We limit such credit risk through diversification, issuer exposure limitation graded by ratings and, with respect to custodians, through contractual and other legal remedies. Excluding U.S. Treasury and Agency securities, we limit our concentration of credit risk to any single corporate issuer to 2% or less of our investment grade fixed maturities portfolio for securities rated A- or above and 1% or less of our investment grade fixed maturities portfolio for securities rated below A-. No more than 1.5% of total cash and invested assets can be invested in any single corporate issuer.
At December 31, 2016, we were in compliance with these limits.
Reinsurance Recoverable Balances

Within our reinsurance purchasing activities, we are exposed to the credit risk of a reinsurer failing to meet its obligations
under our reinsurance contracts. To help mitigate this, all of our reinsurance purchasing is subject to financial security requirements specified by our Reinsurance Security Committee. This Committee maintains a list of approved reinsurers, performs credit risk assessments for potential new reinsurers, regularly monitors approved reinsurers with consideration for events which may have a material impact on their creditworthiness, recommends counterparty tolerance levels for different types of ceded business and monitors concentrations of credit risk. This assessment considers a wide range of individual attributes, including a review of the counterparty's financial strength, industry position and other qualitative factors. Generally, the Committee requires that reinsurers who do not meet specified requirements provide collateral.

The three largest balances by reinsurer accounted for 13%, 10% and 9% of total reinsurance recoverable on unpaid and paid losses at December 31, 2016 (2015: 11%, 11% and 11%). Amounts related to our reinsurers with the ten largest balances comprised 67% of December 31, 2016 balance (2015: 72%) and had a weighted average A.M. Best rating of A+ (2015: A+).
Premiums Receivable Balances
The diversity of our client base limits the credit risk associated with our premiums receivable. In addition, for insurance contracts we have contractual rights to cancel coverage for non-payment of premiums and for reinsurance contracts we have contractual rights to offset premiums receivable with corresponding payments for losses and loss expenses.
Brokers and other intermediaries collect premiums from customers to be paid to us. We have policies and standards in place to manage and monitor credit risk from intermediaries with a focus on day-to-day monitoring of the largest positions.
These contractual rights contribute to the mitigation of credit risk, as does our monitoring of aged receivable balances. In light of these mitigating factors, and considering that a significant portion of our premiums receivable are not currently due based on the terms of the underlying contracts, we do not utilize specific credit quality indicators to monitor our premiums receivable balance. At December 31, 2016, we recorded an allowance for estimated

uncollectible premiums receivable of $2 million (2015: $3 million). The corresponding bad debts expense charge for 2016 was $1 million, while the 2015 and 2014 bad debts expense charges were insignificant.

b) Brokers

We produce our business through brokers and direct relationships with insurance companies. During 2016, three brokers accounted for 52% (2015: 53%; 2014: 56%) of our total gross premiums written. Marsh & McLennan Companies Inc. accounted for 21% (2015: 22%; 2014: 22%), Aon plc for 19% (2015: 18%; 2014: 22%), and Willis Tower Watson PLC for

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11. COMMITMENTS AND CONTINGENCIES (CONTINUED)

12% (2015: 13%; 2014: 12%). No other broker and no one insured or reinsured accounted for more than 10% of our gross premiums written in any of the last three years.

c) Lease Commitments

We lease office space under operating leases which expire at various dates. We renew and enter into new leases in the ordinary course of business, as required. During 2016, total rent expense with respect to these operating leases was $25 million (2015: $28 million; 2014: $27 million).

Future minimum lease payments under our leases are expected to be as follows:

Year ended December 31,	
2017	$26,517
2018	25,921
2019	23,136
2020	19,631
2021	19,551
Later years	72,854
Total future minimum lease payments	$187,610

d) Reinsurance Purchase Commitment

We purchase reinsurance and retrocessional protection for our insurance and reinsurance lines of business. The minimum reinsurance premiums are contractually due in advance on a quarterly basis. Accordingly at December 31, 2016, we have an outstanding reinsurance purchase commitment of $34 million, all of which is due in 2017. Actual payments under the reinsurance contracts will depend on the underlying subject premium and may exceed the minimum premium.

e) Legal Proceedings

From time to time, we are subject to routine legal proceedings, including arbitrations, arising in the ordinary course of business. These legal proceedings generally relate to claims asserted by or against us in the ordinary course of insurance or reinsurance operations; estimated amounts payable under such proceedings are included in the reserve for losses and loss expenses in our Consolidated Balance Sheets.

We are not party to any material legal proceedings arising outside the ordinary course of business.

f) Investments

At December 31, 2016 we have $401 million (2015: $379 million) of unfunded investment commitments related to our investments in hedge, direct-lending, real estate, private equity and bank revolver opportunity funds, which are callable by our investment managers. For further details, refer to Note 5(c) 'Investments'. In addition, we have a $2 million commitment to purchase commercial mortgage loans at December 31, 2016.

AXIS CAPITAL HOLDINGS LIMITED
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12. EARNINGS PER COMMON SHARE

The following table sets forth the comparison of basic and diluted earnings per common share:

At and year ended December 31,	2016	2015	2014
Basic earnings per common share			
Net income	$513,368	$641,631	$804,564
Less: amounts attributable from noncontrolling interests	—	—	(6,181)
Less: preferred share dividends	46,597	40,069	40,088
Less: loss on repurchase of preferred shares	1,309	—	—
Net income available to common shareholders	$465,462	$601,562	$770,657
Weighted average common shares outstanding - basic(1)	90,772	98,609	104,368
Basic earnings per common share	$5.13	$6.10	$7.38
Diluted earnings per common share			
Net income available to common shareholders	$465,462	$601,562	$770,657
Weighted average common shares outstanding - basic(1)	90,772	98,609	104,368
Share-based compensation plans	775	1,020	1,345
Weighted average common shares outstanding - diluted(1)	91,547	99,629	105,713
Diluted earnings per common share	$5.08	$6.04	$7.29
Anti-dilutive shares excluded from the dilutive computation	170	165	282

(1) On August 17, 2015, the Company entered into an Accelerated Share Repurchase ("ASR") agreement (refer to Note 13 'Shareholders' Equity' for additional detail). The weighted-average number of shares outstanding used in the computation of basic and diluted earnings per share reflects the Company's receipt of 4,149,378 shares delivered to the Company on August 20, 2015, and 1,358,380 common shares delivered to the Company on January 15, 2016 under the Company's ASR agreement.

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AXIS CAPITAL HOLDINGS LIMITED
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13. SHAREHOLDERS' EQUITY

a) Common Shares

At December 31, 2016, and 2015, our authorized share capital was 800,000,000 common shares, par value of $0.0125 per share.

The following table presents our common shares issued and outstanding, excluding restricted shares under our share-based compensation plans (refer to Note 16 'Share-based Compensation'):

Year ended December 31,	2016	2015	2014
Shares issued, balance at beginning of year	176,240	175,478	174,134
Shares issued	340	762	1,344
Total shares issued at end of year	176,580	176,240	175,478
Treasury shares, balance at beginning of year	(80,174)	(76,052)	(64,649)
Shares repurchased	(10,508)	(4,616)	(11,752)
Shares reissued from treasury	543	494	349
Total treasury shares at end of year	(90,139)	(80,174)	(76,052)
Total shares outstanding	86,441	96,066	99,426

During 2016, the total cash dividends declared per common share were $1.43 (2015: $1.22; 2014: $1.10).

Treasury shares

On December 9, 2016, our Board of Directors authorized a new share repurchase plan for up to $1 billion of our common shares through December 31, 2017. The new plan is effective January 1, 2017.

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13. SHAREHOLDERS' EQUITY (CONTINUED)

The following table presents our common share repurchase activities, which are held in treasury:

Year ended December 31,	2016	2015	2014
In the open market:			
Total shares(1)	10,241	4,264	11,317
Total cost	$557,476	$246,490	$524,168
Average price per share(2)	$54.44	$57.80	$46.32
From employees:(3)			
Total shares	267	352	435
Total cost	$14,329	$18,048	$19,034
Average price per share(2)	$53.74	$51.34	$43.82
Total			
Total shares	10,508	4,616	11,752
Total cost	$571,805	$264,538	$543,202
Average price per share(2)	$54.42	$57.32	$46.22

(1) Amounts in 2016 and 2015 include 1,358,380 and 4,149,378, respectively, of common shares acquired under the accelerated share repurchase program (see below for more detail).
(2) Calculated using whole numbers.
(3) To satisfy withholding tax liabilities upon vesting of restricted stock, restricted stock units, and exercise of stock options. Share repurchases from employees are excluded from the authorized share repurchase plans noted above.

Accelerated Share Repurchase Program

On August 17, 2015, the Company entered into an ASR agreement with Goldman, Sachs & Co. (“Goldman Sachs”) to repurchase an aggregate of $300 million of the Company's ordinary shares under an accelerated share repurchase program.

During August 2015, under the terms of this agreement, the Company paid $300 million to Goldman Sachs and initially repurchased 4,149,378 common shares. The initial shares acquired represented 80% of the $300 million total paid to Goldman Sachs and were calculated using the Company’s stock price at activation of the program. The ASR program is accounted for as an equity transaction. Accordingly, as at December 31, 2015, $240 million of common shares repurchased were included as treasury shares in the Consolidated Balance Sheets with the remaining $60 million included as a reduction to additional paid-in capital.

On January 15, 2016, Goldman Sachs early terminated the ASR agreement and delivered 1,358,380 additional common shares to the Company, resulting in the reduction from additional paid-in capital of $60 million being reclassified to treasury shares. In total, the Company repurchased 5,507,758 common shares under the ASR agreement at an average price of $54.47.

b) Preferred Shares

Series B Preferred Shares

During November 2005, we issued $250 million of 7.50% Series B preferred shares, par value $0.0125 per share, with a liquidation preference of $100.00 per share. We may redeem the shares on or after December 1, 2015 at a redemption price of $100.00 per share. Dividends on the Series B preferred shares are non-cumulative. Holders of Series B preferred shares will

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13. SHAREHOLDERS' EQUITY (CONTINUED)

be entitled to receive, only when, as and if declared by our board of directors, non-cumulative cash dividends, from the original issue date, quarterly in arrears on the first day of March, June, September and December of each year, commencing on March 1, 2006, up to but not including January 27, 2016. To the extent declared, these dividends will accumulate, with respect to each dividend period, in an amount per share equal to 7.50% of the liquidation preference per annum.

During April 2012, we closed a cash tender offer for any and all of our outstanding 7.50% Series B preferred shares at a purchase price of $102.81 per share. As a result, we purchased 2,471,570 Series B preferred shares for $254 million. In connection with this tender offer, we recognized a $9 million loss on redemption (calculated as the difference between the redemption price and the carrying value), which was recognized as a reduction in determining our net income available to common shareholders.

In 2015, total dividends declared on Series B preferred shares were $6.8125 per share, and dividends paid were $7.50 per share. In 2014, total dividends declared and paid on Series B preferred shares were $7.50 per share.

On January 27, 2016 we redeemed the remaining 28,430 Series B preferred shares, for an aggregate redemption price of $3 million.

Series C Preferred Shares

During March 2012, we issued $400 million of 6.875% Series C preferred shares, par value $0.0125 per share, with a liquidation preference of $25.00 per share. We may redeem the Series C preferred shares on or after April 15, 2017 at a redemption price of $25.00 per share. Dividends on the Series C preferred shares are non-cumulative. Holders of the Series C preferred shares will be entitled to receive, only when, as and if declared by the board of directors, non-cumulative cash dividends, from the original issue date, quarterly in arrears on the fifteenth day of January, April, July and October of each year, commencing on July 15, 2012. To the extent declared, these dividends will accumulate, with respect to each dividend period, in an amount per share equal to 6.875% of the liquidation preference per annum.

During October and November 2016, we repurchased 1,957,045 Series C preferred shares at an average purchase price of $25.67 per share for $50 million. In connection with the repurchase of these shares, we recognized a $1 million loss on redemption (calculated as the difference between the redemption price and the carrying value), which was recognized as a reduction in determining our net income available to common shareholders. At December 31, 2016, 14,042,955 Series C preferred shares, representing $351 million in aggregate liquidation preference, remain outstanding.

For 2016, 2015 and 2014, the total dividends declared and paid on Series C preferred shares were $1.7188 per share in each year.

Series D Preferred Shares

During May 2013, we issued $225 million of 5.50% Series D preferred shares, par value $0.0125 per share, with a liquidation preference of $25.00 per share. We may redeem the Series D preferred shares on or after June 1, 2018 at a redemption price of $25.00 per share. Dividends on the Series D preferred shares are non-cumulative. Holders of the Series D preferred shares will be entitled to receive, only when, as and if declared by the Board of Directors, non-cumulative cash dividends from the original issue date, quarterly in arrears on the first day of March, June, September and December of each year, commencing on September 1, 2013. To the extent declared, these dividends will accumulate, with respect to each dividend period, in an amount per share equal to 5.50% of the liquidation preference per annum.

In 2016, 2015 and 2014, total dividends declared and paid on Series D preferred shares were $1.3750 per share.

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13. SHAREHOLDERS' EQUITY (CONTINUED)

Series E Preferred Shares

During November 2016, we issued $550 million of 5.50% Series E preferred shares, par value $0.0125 per share, with a liquidation preference of $2,500 per share. We may redeem the Series E preferred shares on or after November 7, 2021 at a redemption price of $2,500 per share. Dividends on the Series E preferred shares are non-cumulative. Holders of the Series E preferred shares will be entitled to receive, only when, as and if declared by the Board of Directors, non-cumulative cash dividends from the original issue date, quarterly in arrears on the fifteenth day of January, April, July and October of each year, commencing on January 17, 2017. To the extent declared, these dividends will accumulate, with respect to each dividend period, in an amount per Series E preferred share equal to 5.50% of the liquidation preference per annum.

In 2016, total dividends declared on Series E preferred shares were $34.3750 per share, which were subsequently paid in January 2017.

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14. NONCONTROLLING INTERESTS

In November 2013, the Company formed Ventures Re, a Bermuda domiciled insurer. Ventures Re was formed to write reinsurance on a fully collateralized basis.Ventures Re was considered to be a variable interest entity.

Prior to the adoption of ASU 2015-02 “Amendments to the Consolidation Analysis” issued by the FASB, the Company had concluded that it was the primary beneficiary of Ventures Re and following this determination, Ventures Re was consolidated by the Company. Shareholders' equity attributable to Ventures Re's third party investors was recorded in the Consolidated Financial Statements as noncontrolling interests.

During the second quarter of 2015, the Company early adopted ASU 2015-02. Following the adoption of this amended accounting guidance, the Company concluded that it no longer had a variable interest in Ventures Re and therefore it was no longer required to consolidate the results of operations and the financial position of Ventures Re. The Company adopted this revised accounting guidance using the modified retrospective approach and ceased to consolidate Ventures Re effective as of January 1, 2015. There was no impact from the adoption of ASU 2015-02 on the Company’s cumulative retained earnings.

The reconciliation of the beginning and ending balance of the noncontrolling interests in Ventures Re was as follows:

	Total	
	2016	2015
Balance at beginning of year	$—	$58,819
Adjustment due to the adoption of revised accounting guidance effective January 1, 2015	—	(58,819)
Balance at end of year	$—	$—

15. RETIREMENT PLANS

The Company provides defined contribution plans that are self directed to eligible employees through various plans sponsored by the Company. Generally, mutual funds are made available pursuant to which the Company and employees contribute a percentage of the employee’s gross salary into the plan each month.

For eligible U.S. employees, the Company provides a non-qualified deferred compensation plan that enables them to make salary contributions in excess of those permitted under the AXIS 401(k) Plan, to make additional employee contributions from their bonus payments, and to receive discretionary employer contributions.

During 2016, total pension expenses were $23 million (2015: $21 million and 2014: $21 million) for the above retirement benefits.

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16. SHARE-BASED COMPENSATION

In May 2007, our shareholders approved the establishment of the AXIS Capital Holdings Limited 2007 Long-Term Equity Compensation Plan ("2007 Plan"). The 2007 Plan provides for, among other things, the grant of restricted stock, restricted stock units, non-qualified and incentive stock options, and other equity-based awards to our employees and directors. The 2007 Plan authorized the issuance of a total of 5,000,000 shares. In May of 2009 and 2012, our shareholders approved amendments to the 2007 Plan to increase the number of common shares authorized for issuance by 4,000,000 and 6,000,000 respectively, to bring the total number of common shares authorized for issuance to 15,000,000. As a result of the adoption of the 2007 Plan, the 2003 Long-Term Equity Compensation and 2003 Directors Long-Term Equity Compensation Plan were terminated, except that all related outstanding awards will remain in effect. At December 31, 2016, 5,714,048 equity-based awards remained available for grant under the 2007 Plan.

We currently issue restricted stock units to our employees with service conditions, vesting generally over a period of 3 or 4 years. The 3 year awards are subject to cliff vesting or a graded vesting schedule. With the 4 year awards, 25% of the award vests annually. We also grant performance-based stock awards to certain employees, which represent the right to receive a specified number of common shares in the future, based upon the achievement of established performance criteria during the applicable performance period. The awards have a scaled performance metric. At December 31, 2016, we anticipate that the established performance based criteria for these awards are likely to be achieved, and the related expense is based on a review of current and projected performance criteria.

Grants provided under the 2007 Plan generally allow for accelerated vesting provisions upon the employee's death, permanent disability, or certain terminations following a change in control of the Company occurring within two years of the change in control event. Notwithstanding these vesting provisions, the Compensation Committee of our Board has broad authority to accelerate vesting at its own discretion.

The total fair value of restricted stock, restricted stock units and cash settled awards vested during 2016 was $67 million (2015: $75 million; 2014: $68 million). At December 31, 2016, we had unrecognized compensation costs of $85 million (2015: $95 million) which are expected to be recognized over the weighted average period of 2.3 years (2015: 2.2 years).

Between January 1, 2017 and February 24, 2017, a total of 892,574 service-based restricted stock units and 102,558 performance-based restricted stock units were approved for grant. Included in the total restricted stock awards approved for grant subsequent to December 31, 2016 were 420,070 awards which will be settled in cash upon vesting.

In 2016, the Company established the AXIS Executive RSU Retirement Plan (the "Plan") to reward certain eligible long-term employees of the Company for their dedicated service. Subject to certain conditions being met, eligible employees will not forfeit all of their outstanding restricted stock units ("RSUs") on or following their retirement. Absent the Plan, outstanding RSUs are generally forfeited upon termination of employment.

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16. SHARE-BASED COMPENSATION (CONTINUED)

a) Share-settled Awards

The following table provides a reconciliation of the beginning and ending balance of nonvested restricted stock (including restricted stock units) for the year ended December 31, 2016:

	Performance-based Stock Awards		Service-based Stock Awards	
	Number of Restricted Stock	Weighted Average Grant Date Fair Value	Number of Restricted Stock	Weighted Average Grant Date Fair Value (1)
Nonvested restricted stock - beginning of year	201	$ 49.24	1,954	$ 43.34
Granted	104	53.80	589	53.87
Performance Adjustment	26	45.95	n/a	n/a
Vested	(48)	45.38	(789)	39.29
Forfeited	—	—	(161)	47.33
Nonvested restricted stock - end of year	283	$ 51.27	1,593	$ 48.88

n/a – not applicable

(1) Fair value is based on the closing price of our common shares on the New York Stock Exchange on the grant approval date.

During 2016, we granted 692,316 restricted stock awards (2015: 661,398; 2014: 1,121,066) to our employees with a weighted average grant-date fair value per share of $53.86 (2015: $51.95; 2014: $44.46).

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16. SHARE-BASED COMPENSATION (CONTINUED)

b) Cash-settled Awards

The following table provides a reconciliation of the beginning and ending balance of nonvested cash settled restricted stock units for the year ended December 31, 2016:

	Performance-based Cash Settled RSUs	Service-based Cash Settled RSUs
	Number of Restricted Stock Units	Number of Restricted Stock Units
Nonvested restricted stock units - beginning of period	70	1,433
Granted	18	497
Performance Adjustment	12	n/a
Vested	(32)	(377)
Forfeited	—	(161)
Nonvested restricted stock units - end of period	68	1,392

n/a – not applicable

During 2016, we granted 515,122 restricted stock units that will settle in cash when the awards vest (2015: 487,758; 2014:1,018,083) of which 17,793 restricted stock units are performance based and 497,329 restricted stock units are service based. At December 31, 2016, there were 1,459,513 outstanding restricted stock units that will settle in cash when the awards vest (2015: 1,503,264; 2014: 1,503,380), and the corresponding liability for cash-settled units, included in other liabilities on the Consolidated Balance Sheets, was $48 million (2015: $33 million).

During 2016, we incurred a compensation cost of $74 million (2015: $59 million; 2014: $73 million) in respect of all restricted stock, restricted stock units, and cash awards, and recorded tax benefits thereon of $16 million (2015: $15 million; 2014: $14 million).

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17. RELATED PARTY TRANSACTIONS

A member of the Company’s Board of Directors, Mr. Charles Davis, is the Chief Executive Officer of Stone Point Capital, LLC ("Stone Point"). In the ordinary course of business, we engage SKY Harbor Capital Management, LLC, an affiliate of Stone Point, for asset management services for certain of our short duration high yield debt portfolios and StoneRiver RegEd, also an affiliate of Stone Point, for broker and adjuster licensing, appointment and compliance services. During 2016, total fees paid to these Stone Point companies were $4 million (2015: $4 million; 2014: $4 million).

We currently have $30 million committed to the NXT Capital Senior Loan Fund II and $30 million committed to NXT Capital Senior Loan Fund III. The manager of these funds is an indirect subsidiary of NXT Capital Holdings, L.P. ("NXT Capital"). Investment funds managed by Stone Point own approximately 45% of NXT Capital. During 2016, fees paid to NXT Capital totaled $1 million (2015: $1 million; 2014: $1 million).

Our Chairman, Mr. Butt, received $0.6 million in consulting fee payments in 2016 pursuant to the terms of a consulting agreement by and between Mr. Butt and the Company dated May 3, 2012, as amended December 5, 2013, December 4, 2014, and January 15, 2016 (2015: $1 million; 2014: $1 million). The consulting agreement was further amended on December 8, 2016 to extend the term of the agreement to the Company's 2018 Annual General Meeting for an annual fee of $0.5 million.

Our investments portfolio includes certain investments where we are considered to have the ability to exercise significant influence over the investment entity's operations. Significant influence is generally deemed to exist where we have an investment of 20% or more in the common stock of a corporation or an investment of 3% or more in closed end funds, limited partnerships, LLCs or similar investment vehicles. At December 31, 2016 we have $411 million (2015: $193 million) of investments where we are deemed to have the ability to exercise such significant influence. We generally pay management and performance fees to the investment managers of these investments. We consider all fees paid to the investment managers to be at market rates consistent with negotiated arms-length contracts.

As discussed further in Note 5 ‘Investments’, during the second quarter of 2016, Harrington and Harrington Re commenced operations. AXIS has the ability to exercise significant influence over the operating and financial policies of Harrington. In the normal course of business, the Company entered into certain reinsurance transactions with Harrington Re. During the six months ended December 31, 2016, the Company ceded reinsurance premiums of $128 million to Harrington Re and ceded losses of $27 million. In addition, Harrington Re paid certain acquisition costs and administrative fees to the Company. At December 31, 2016, the amount of reinsurance recoverable on unpaid and paid losses was $38 million and the amount of ceded reinsurance payable included in insurance and reinsurance balances payable was $86 million in the Consolidated balance sheets.

As discussed further in Note 14 'Noncontrolling Interests', during November 2013, the Company formed Ventures Re, a Bermuda domiciled insurer. With effect from January 1, 2015, Ventures Re is no longer consolidated in the financial statements of the Company. All of Ventures Re's directors are employees of the Company. In the normal course of business, the Company enters into certain reinsurance contracts with Ventures Re. During the year ended December 31, 2016, the Company ceded premiums of $40 million to Ventures Re and ceded losses of $10 million. In addition, Ventures Re also paid certain acquisition costs and administrative fees to the Company. We believe that all transactions were conducted at market rates consistent with negotiated arms-length contracts.

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Explanation of Responses:

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18. REORGANIZATION AND RELATED EXPENSES

During 2015, the Company implemented a number of profitability enhancement initiatives which resulted in the recognition of reorganization and related expenses including staff severance and related costs, the write-off of certain information technology assets, lease cancellation costs and an impairment of certain customer-based intangibles following the decision to wind down the Company's Australian retail insurance operations. Reorganization and related expenses amounted to $nil and $46 million for the years ended December 31, 2016 and 2015, respectively. In addition, we incurred corporate expenses of $nil and $5 million associated with these profitability enhancement initiatives for the years ended December 31, 2016 and 2015, respectively. Refer Note 4 'Goodwill and Intangible Assets' for additional information on the intangible impairment charge and refer to Note 23 'Subsequent Events' for an update on the regulatory process related to the wind down of the Company's Australian retail insurance operations.

19. INCOME TAXES

Under current Bermuda law, our Bermuda domiciled companies are not required to pay any taxes in Bermuda on income or capital gains. We have received an assurance from the Minister of Finance in Bermuda that, in the event of any taxes being imposed, we will be exempt from taxation in Bermuda until March 2035. Our primary Bermuda subsidiary has an operating branch in Singapore, which is subject to the relevant taxes in that jurisdiction. The branch is not under examination in this tax jurisdiction, but remains subject to examination for tax years 2013 through 2016.

Our U.S. subsidiaries are subject to federal, state and local corporate income taxes and other taxes applicable to U.S. corporations. The provision for federal income taxes has been determined under the principles of the consolidated tax provisions of the U.S. Internal Revenue Code and Regulations. Should the U.S. subsidiaries pay a dividend outside the U.S. group, withholding taxes will apply. Our U.S. subsidiaries are not under examination but remain subject to examination in the U.S. for tax years 2013 through 2016.
In Canada, our U.S. reinsurance company operates through a branch and our U.S. service company has an unlimited liability company subsidiary based in Canada. These Canadian operations are subject to the relevant taxes in that jurisdiction and generally remain subject to examination for tax years 2012 through 2016.
We also have subsidiaries in Ireland, the U.K., Australia and Brazil. These subsidiaries and their branches, are not under examination, but generally remain subject to examination in all applicable jurisdictions for tax years 2012 through 2016.

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19. INCOME TAXES (CONTINUED)

The following table provides an analysis of our income tax expense and net tax assets:

Year ended December 31,	2016	2015	2014
Current income tax expense			
U.S.	$606	$4,927	$8,411
Europe	7,451	144	16,582
Other	—	5	1
Deferred income tax expense (benefit)			
U.S.	(1,829)	(267)	1,313
Europe	112	(1,781)	(399)
Other	—	—	—
Total income tax expense	$6,340	$3,028	$25,908
Net current tax receivables (payables)	$3,540	$(69)	$(11,203)
Net deferred tax assets	103,313	104,762	89,405
Net tax assets	$106,853	$104,693	$78,202

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19. INCOME TAXES (CONTINUED)

Deferred income taxes reflect the tax impact of temporary differences between the carrying amounts of assets and liabilities for financial reporting and income tax purposes. The significant components of our deferred tax assets and liabilities were as follows:

At December 31,	2016	2015
Deferred tax assets:		
Discounting of loss reserves	$47,258	$50,928
Unearned premiums	41,797	40,861
Net unrealized losses on investments	—	2,161
Operating and capital loss carryforwards	43,687	36,080
Accruals not currently deductible	59,098	58,042
Other investment adjustments and impairments	84	917
Tax credits	10,139	12,961
Other deferred tax assets	3,684	2,261
Deferred tax assets before valuation allowance	205,747	204,211
Valuation allowance	(41,100)	(40,331)
Deferred tax assets net of valuation allowance	164,647	163,880
Deferred tax liabilities:		
Deferred acquisition costs	(45,788)	(41,170)
Net unrealized gains on investments	(1,168)	—
Amortization of intangible assets and goodwill	(13,096)	(11,972)
Equalization reserves	—	(4,493)
Other deferred tax liabilities	(1,282)	(1,483)
Deferred tax liabilities	(61,334)	(59,118)
Net deferred tax assets	$103,313	$104,762

As a result of certain realization requirements of ASC 718 "Compensation - Stock Compensation", the table of deferred tax assets and liabilities does not include certain deferred tax assets as of December 31, 2016, that arose directly from tax deductions related to equity compensation greater than compensation recognized for financial reporting. Equity will be increased by $2 million if and when such deferred tax assets are ultimately realized.

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19. INCOME TAXES (CONTINUED)

Below is a summary of our total operating and capital loss carryforwards and tax credits:

At December 31,	2016	2015
Operating and Capital Loss Carryforwards[1]		
Singapore (branch) operating loss carryforward	$83,532	$102,430
Australia (branch) operating loss carryforward	147,193	121,575
Australia capital loss carryforward	4,207	4,207
United Kingdom operating loss carryforward	19,306	22,002
Switzerland (branch) operating loss carryforward	—	378
Ireland operating loss carryforward	—	3,258
Ireland capital loss carryforward	716	716
U.S. operating loss carryforward	14,221	—
Tax Credits[1]		
Ireland foreign tax credit	$3,298	$6,073
U.S. alternative minimum tax credit	6,840	6,888

(1) All operating and capital loss carryforwards and tax credits can be carried forward indefinitely with the exception of the U.S. net operating loss which will expire in 2036.

The following table provides an analysis of the movement in our valuation allowance:

At December 31,	2016	2015
Income tax expense:		
Valuation allowance - beginning of year	$40,331	$34,865
Operating loss carryforwards	3,857	6,809
Foreign tax credit	(2,775)	(1,573)
Australian CTA and accruals and other foreign rate differentials	(313)	1,001
Change in investment-related items	—	(771)
Valuation allowance - end of year	$41,100	$40,331

At December 31, 2016 and 2015, we established a full valuation allowance on: (1) operating and capital loss carryforwards relating to operations in Australia and Singapore; (2) unutilized foreign tax credits available in Ireland and (3) certain other deferred tax assets related to branch operations.

Although realization is not assured, management believes it is more likely than not that the tax benefit of the recorded net deferred tax assets will be realized. Other than the items discussed above, the remaining gross deferred tax assets relate substantially to our U.S. operations. In evaluating our ability to recover these tax assets within the jurisdiction from which they arise, we consider all available positive and negative evidence, including historical results, operating loss carryback potential and scheduled reversals of deferred tax liabilities. Our U.S. operations have produced significant taxable income in prior periods and have deferred tax liabilities that will reverse in future periods such that we believe sufficient ordinary taxable income is available to utilize all remaining ordinary deferred tax assets. In 2016 and 2015, there were sufficient net

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19. INCOME TAXES (CONTINUED)

unrealized gains or capital loss carryback potential to offset remaining impairments, therefore a valuation allowance on such impairments in the U.S., was not considered necessary.
There were no unrecognized tax benefits at December 31, 2016 and 2015.

The following table presents the distribution of income before income taxes between domestic and foreign jurisdictions as well as a reconciliation of the actual income tax rate to the amount computed by applying the effective tax rate of 0% under Bermuda law to income before income taxes:

Year ended December 31,	2016	2015	2014
Income before income taxes			
Bermuda (domestic)	$469,306	$652,235	$690,517
Foreign	50,402	(7,576)	139,955
Total income before income taxes	$519,708	$644,659	$830,472
Reconciliation of effective tax rate (% of income before income taxes)			
Expected tax rate	0.0 %	0.0 %	0.0 %
Foreign taxes at local expected rates:			
U.S.	(0.6)%	0.8 %	1.8 %
Europe	1.5 %	(0.2)%	1.5 %
Other	— %	(0.3)%	— %
Valuation allowance	0.2 %	1.2 %	1.1 %
Net tax exempt income	(0.2)%	(0.1)%	(0.7)%
Other	0.3 %	(0.9)%	(0.6)%
Actual tax rate	1.2 %	0.5 %	3.1 %

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20. OTHER COMPREHENSIVE INCOME (LOSS)

The tax effects allocated to each component of other comprehensive income (loss) were as follows:

	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
Year ended December 31, 2016			
Available for sale investments:			
Unrealized investment gains arising during the year	$10,165	$(5,093)	$5,072
Adjustment for reclassification of net realized investment losses and OTTI losses recognized in net income	60,423	1,767	62,190
Unrealized investment gains arising during the year, net of reclassification adjustment	70,588	(3,326)	67,262
Non-credit portion of OTTI losses	—	—	—
Foreign currency translation adjustment	(638)	—	(638)
Total other comprehensive income	$69,950	$(3,326)	$66,624
Year ended December 31, 2015			
Available for sale investments:			
Unrealized investment losses arising during the year	$(280,512)	$14,128	$(266,384)
Adjustment for reclassification of net realized investment losses and OTTI losses recognized in net income	145,766	(775)	144,991
Unrealized investment losses arising during the year, net of reclassification adjustment	(134,746)	13,353	(121,393)
Non-credit portion of OTTI losses	—	—	—
Foreign currency translation adjustment	(21,498)	—	(21,498)
Total other comprehensive loss	$(156,244)	$13,353	$(142,891)
Year ended December 31, 2014			
Available for sale investments:			
Unrealized investment losses arising during the year	$(22,704)	$(15,963)	$(38,667)
Adjustment for reclassification of net realized investment gains and OTTI losses recognized in net income	(141,172)	26,702	(114,470)
Unrealized investment losses arising during the year, net of reclassification adjustment	(163,876)	10,739	(153,137)
Non-credit portion of OTTI losses	—	—	—
Foreign currency translation adjustment	(10,262)	—	(10,262)
Total other comprehensive loss	$(174,138)	$10,739	$(163,399)

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20. OTHER COMPREHENSIVE INCOME (LOSS) (CONTINUED)

Reclassifications out of AOCI into net income available to common shareholders were as follows:

Details About AOCI Components	Consolidated Statement of Operations Line Item That Includes Reclassification	Amount Reclassified from AOCI[1] Year ended December 31, 2016	2015	2014
Unrealized gains (losses) on available for sale investments				
	Other realized investment gains (losses)	$(34,213)	$(73,046)	$172,399
	OTTI losses	(26,210)	(72,720)	(31,227)
	Total before tax	(60,423)	(145,766)	141,172
	Income tax (expense) benefit	(1,767)	775	(26,702)
	Net of tax	$(62,190)	$(144,991)	$114,470

(1) Amounts in parentheses are debits to net income available to common shareholders

21. STATUTORY FINANCIAL INFORMATION

Our (re)insurance operations are subject to insurance and/or reinsurance laws and regulations in the jurisdictions in which they operate, the most significant of which include Bermuda, Ireland and the U.S. These regulations include certain restrictions on the amount of dividends or other distributions, such as loans or cash advances, available to shareholders without prior approval of the insurance regulatory authorities.

The statutory capital and surplus in each of our most significant regulatory jurisdictions at December 31, 2016 and 2015 was as follows:

At December 31,	Bermuda 2016	2015	Ireland 2016	2015	U.S. 2016	2015
Required statutory capital and surplus	$1,835,279	$1,948,833	$552,678	$282,857	$430,145	$412,990
Available statutory capital and surplus	$4,055,252	$3,619,642	$925,164	$781,892	$1,470,772	$1,439,366

Under the Insurance Act 1978, amendments thereto and Related Regulations of Bermuda (the "Act"), our Bermuda subsidiary, AXIS Specialty Bermuda is required to maintain minimum statutory capital and surplus equal to the greater of a minimum solvency margin ("MSM") and the Enhanced Capital Requirement ("ECR"). The MSM is the greater of $100 million, 50% of net premiums written, 15% of the net reserve for losses and loss expenses or 25% of the ECR. The ECR is calculated based on either an internally developed risk-based capital model or a standard risk-based capital model developed by the Bermuda Monetary Authority ("BMA"). In 2016, the BMA implemented an Economic Balance Sheet ("EBS") framework which was used as the basis to determine the ECR. The required and available statutory capital and surplus as at December 31, 2016 are based on this EBS framework.

Under the Act, AXIS Specialty Bermuda is restricted as to the payment of dividends for amounts greater than 25% of the prior year's statutory capital and surplus, whereby a signed affidavit by at least two members of the Board of Directors attesting that the dividend in excess of this amount would not cause the company to fail to meet its relevant margins is required. The maximum dividend AXIS Specialty Bermuda could pay, without a signed affidavit, having met minimum levels of statutory capital and surplus requirements, is approximately $1.0 billion.

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21. STATUTORY FINANCIAL INFORMATION (CONTINUED)

Effective January 1, 2016, our Irish subsidiaries, AXIS Specialty Europe SE and AXIS Re SE, are required to maintain the Minimum Capital Requirement ("MCR") (subject to a monetary minimum floor) and the Solvency Capital Requirement "SCR" at all times. The capital requirements are calculated by reference to standard formulae defined in Solvency II. The MCR is the level of capital below which a company would be deemed insolvent for regulatory purposes. If a company falls below the SCR, the Central Bank of Ireland is authorized to take action to restore the financial position of the company. At December 31, 2016, our subsidiaries were in compliance with these requirements. Our Irish subsidiaries may declare dividends out of retained earnings subject to meeting their solvency and capital requirements. The maximum dividend is limited to excess eligible own funds (excess Solvency II capital over the SCR) and may also be limited to "profits available for distribution", which consists of accumulated realized profits less accumulated realized losses and statutory reserves. At December 31, 2016, the maximum dividend our Irish subsidiaries could pay having met minimum levels of statutory capital and surplus requirements, after obtaining prior approval from the Central Bank of Ireland, was approximately $372 million.

Our U.S. operations required statutory capital and surplus is determined using risk based capital tests, which is the threshold that constitutes the authorized control level. If a company falls below the control level, the commissioner is authorized to take whatever regulatory actions may be considered necessary to protect policyholders and creditors. The maximum dividend that may be paid by our U.S. insurance subsidiaries is restricted by the regulatory requirements of the domiciliary states. Generally, the maximum dividend that may be paid by each of our U.S. insurance subsidiaries is limited to unassigned surplus (statutory equivalent of retained earnings) and may also be limited to statutory net income, net investment income or 10% of total statutory capital and surplus. At December 31, 2016, the maximum dividend that our U.S. insurance operations could pay without regulatory approval was approximately $147 million.

Our operating subsidiaries in Bermuda and the U.S. maintain branch offices in Singapore and Canada, respectively. Our Irish operating subsidiaries maintain branch offices in Switzerland, Australia and the U.K. As branch offices are not considered separate entities for regulatory purposes, the required and actual statutory capital and surplus amounts for each jurisdiction in the table above include amounts related to the applicable branch offices. Our branch offices in Singapore, Australia and Canada are subject to additional minimum capital or asset requirements in their countries of domicile. At December 31, 2016 and 2015, the actual capital/assets for each of these branches exceeded the relevant local regulatory requirements.

Total statutory net income of our operating subsidiaries was $598 million, $457 million, $884 million for 2016, 2015 and 2014, respectively. The differences between statutory financial statements and statements prepared in accordance with U.S. GAAP vary by jurisdiction, however, the primary differences are that statutory financial statements may not reflect deferred acquisition costs, certain net deferred tax assets, goodwill and intangible assets, unrealized appreciation or depreciation on debt securities or certain unauthorized reinsurance recoverables.

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22. UNAUDITED CONDENSED QUARTERLY FINANCIAL DATA

The following is an unaudited summary of our quarterly financial results:

Quarters ended	Mar 31	Jun 30	Sep 30	Dec 31
2016				
Net premiums earned	$902,340	$946,990	$934,415	$921,879
Net investment income	49,164	91,730	116,923	95,517
Net realized investment gains (losses)	(66,508)	21,010	5,205	(20,229)
Underwriting income	98,951	9,860	103,998	66,265
Net income available to common shareholders	38,417	119,491	176,644	130,912
Earnings per common share - basic	$0.41	$1.30	$1.97	$1.50
Earnings per common share - diluted	$0.41	$1.29	$1.96	$1.48
2015				
Net premiums earned	$904,053	$941,211	$919,341	$921,812
Net investment income	92,107	88,544	45,685	79,000
Net realized investment losses	(42,553)	(11,110)	(69,957)	(14,872)
Underwriting income	100,790	56,848	56,245	88,358
Net income available to common shareholders	155,803	63,349	247,620	134,787
Earnings per common share - basic	$1.56	$0.63	$2.52	$1.40
Earnings per common share - diluted	$1.54	$0.63	$2.50	$1.39

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23. SUBSEQUENT EVENTS

The transfer of the insurance business of AXIS Specialty Australia to a reinsurer was approved by the Irish High Court on February 1, 2017 and the Federal Court of Australia on February 10, 2017. Consequently, the insurance policies, assets and liabilities of AXIS Specialty Australia have been transferred to the reinsurer with effect from February 13, 2017. AXIS Specialty Australia is now seeking approval from Australia Prudential Regulation Authority to revoke its authorization to carry on insurance business in Australia.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company’s management has performed an evaluation, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the “Exchange Act”)) as of December 31, 2016. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2016, our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and is accumulated and communicated to management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosures.

Management’s Annual Report on Internal Control Over Financial Reporting

The Company’s management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act). The Company’s management has performed an assessment, with the participation of the Company’s Chief Executive Officer and the Company’s Chief Financial Officer, of our internal control over financial reporting as of December 31, 2016. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework (2013). Based upon that assessment, the Company’s management believes that, as of December 31, 2016, our internal control over financial reporting is effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Our independent registered public accounting firm has issued an audit report on our assessment of our internal control over financial reporting as of December 31, 2016. This report appears below.

All internal control systems, no matter how well designed, have inherent limitations. As a result, even those internal control systems determined to be effective can provide only reasonable assurance with respect to financial reporting and the preparation of financial statements.

Changes in Internal Control Over Financial Reporting

The Company’s management has performed an evaluation, with the participation of the Company’s Chief Executive Officer and the Company’s Chief Financial Officer, of changes in the Company’s internal control over financial reporting that occurred during the quarter ended December 31, 2016. Based upon that evaluation, there were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
AXIS Capital Holdings Limited

We have audited the internal control over financial reporting of AXIS Capital Holdings Limited and subsidiaries (the "Company") as of December 31, 2016, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Controls Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2016 of the Company and our report dated February 24, 2017 expressed an unqualified opinion on those financial statements.

/s/ Deloitte Ltd.
Hamilton, Bermuda
February 24, 2017

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ITEM 9B. OTHER INFORMATION

Disclosure of Certain Activities Under Section 13(r) of the Securities Exchange Act of 1934

Section 13(r) of the Securities Exchange Act of 1934, as amended, requires issuers to disclose in their annual and quarterly reports whether they or any of their affiliates knowingly engaged in certain activities with Iran or with individuals or entities that are subject to certain sanctions under U.S. law. Issuers are required to provide this disclosure even where the activities, transactions or dealings are conducted outside of the U.S. in compliance with applicable law.

As and when allowed by the applicable law and regulations, certain of our non-U.S. subsidiaries provide treaty reinsurance coverage to non-U.S. insurers on a worldwide basis, including insurers of liability, marine, aviation and energy risks, and as a result, these underlying reinsurance portfolios may have some exposure to Iran. In addition, we underwrite insurance and facultative reinsurance on a global basis to non-U.S. insureds and insurers, including for liability, marine, aviation and energy risks. Coverage provided to non-Iranian business may indirectly cover an exposure in Iran. For example, certain of our operations underwrite global marine hull and cargo policies that provide coverage for vessels navigating into and out of ports worldwide, including Iran. For the quarter ended December 31, 2016, there has been no material amount of premium allocated or apportioned to activities relating to Iran. As we believe these activities are permitted under applicable laws and regulations, we intend for our non-U.S. subsidiaries to continue to provide such coverage to the extent permitted by applicable law.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item is incorporated by reference from the sections captioned “Proposal No. 1 – Election of Directors”, “Corporate Governance”, “Section 16(a) Beneficial Ownership Reporting Compliance” and “Executive Officers” in the definitive proxy statement that will be filed with the Securities and Exchange Commission not later than 120 days after the close of the fiscal year ended December 31, 2016 pursuant to Regulation 14A.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated by reference from the sections captioned “Executive Compensation”, “Compensation Discussion and Analysis”, “Director Compensation” , "Compensation Committee Report" and “Compensation Committee Interlocks and Insider Participation” in the definitive proxy statement that will be filed with the Securities and Exchange Commission not later than 120 days after the close of the fiscal year ended December 31, 2016 pursuant to Regulation 14A.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item is incorporated by reference from the sections captioned “Principal Shareholders” and "Equity Compensation Plan Information" in the definitive proxy statement that will be filed with the Securities and Exchange Commission not later than 120 days after the close of the fiscal year ended December 31, 2016 pursuant to Regulation 14A.

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ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated by reference from the sections captioned “Certain Relationships and Related Transactions”, and “Corporate Governance” in the definitive proxy statement that will be filed with the Securities and Exchange Commission not later than 120 days after the close of the fiscal year ended December 31, 2016 pursuant to Regulation 14A.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is incorporated by reference from the section captioned “Principal Accounting Fees and Services” in the definitive proxy statement that will be filed with the Securities and Exchange Commission not later than 120 days after the close of the fiscal year ended December 31, 2016 pursuant to Regulation 14A.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Financial Statements, Financial Statement Schedules and Exhibits

1. Financial Statements
Included in Part II – see Item 8 of this report.

2. Financial Statement Schedules

Report of Independent Registered Public Accounting Firm
Schedule I – Summary of Investments - Other than Investments in Related Parties
Schedule II – Condensed Financial Information of Registrant
Schedule III – Supplementary Insurance Information
Schedule IV – Supplementary Reinsurance Information
Schedules V and VI have been omitted as the information is provided in Item 8, Consolidated Financial Statements, or in the above schedules.

3. Exhibits

Exhibit Number	Description of Document
2.1	Termination Agreement, dated August 2, 2015, by and between PartnerRe Ltd. and AXIS Capital Holdings Limited (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 3, 2015).
3.1	Certificate of Incorporation and Memorandum of Association of AXIS Capital Holdings Limited (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1 (Amendment No. 1) (No. 333-103620) filed on April 16, 2003).
3.2	Amended and Restated Bye-laws of AXIS Capital Holdings Limited (incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-8 filed on May 15, 2009).
4.1	Specimen Common Share Certificate (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1 (Amendment No. 3) (No. 333-103620) filed on June 10, 2003).
4.2	Senior Indenture between AXIS Capital Holdings Limited and The Bank of New York, as trustee, dated as of November 15, 2004 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on November 15, 2004).
4.3	First Supplemental Indenture between AXIS Capital Holdings Limited and The Bank of New York, as trustee, dated as of November 15, 2004 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on November 15, 2004).
4.4	Senior Indenture among AXIS Specialty Finance LLC, AXIS Capital Holdings Limited and The Bank of New York Mellon Trust Company, N.A., as trustee, dated as of March 23, 2010 (incorporated by reference to Exhibit 4.4 to the Company's Quarterly Report on Form 10-Q filed on April 27, 2010).

4.5	Senior Indenture, dated as of March 13, 2014, among AXIS Specialty Finance PLC, as issuer, the Company, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on March 13, 2014).
4.6	Form of 2.650% Senior Notes due 2019 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on March 13, 2014).
4.7	Form of 5.150% Senior Notes due 2045 (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on March 13, 2014).

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4.8	Certificate of Designations setting forth the specific rights, preferences, limitations and other terms of the Series B Preferred Shares (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on November 23, 2005).
4.9	Certificate of Designations setting forth the specific rights, preferences, limitations and other terms of the Series C Preferred Shares (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on March 19, 2012).
4.10	Certificate of Designations setting forth the specific rights, preferences, limitations and other terms of the Series D Preferred Shares (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 20, 2013).
4.11	Certificate of Designations setting forth the specific rights, preferences, limitations and other terms of the Series E Preferred Shares (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on November 7, 2016).
10.1	Amended and Restated Shareholders Agreement dated December 31, 2002, among AXIS Capital Holdings Limited and each of the persons listed on Schedule A thereto (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-1 (Amendment No. 3) (No. 333-103620) filed on June 10, 2003).
*10.2	Consulting Agreement by and between Michael A. Butt and AXIS Specialty Limited dated May 3, 2012 (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K/A filed on May 9, 2012).
*10.3	Amendment No. 1 to Consulting Agreement by and between Michael A. Butt and AXIS Specialty Limited dated December 5, 2013 (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on December 9, 2013).
*10.4	Amendment No. 2 to Consulting Agreement by and between Michael A. Butt and AXIS Specialty Limited dated December 5, 2014 (incorporated by reference to Exhibit 10.4 to the Company's Annual Report on Form 10-K filed on February 23, 2015).
*10.5	Amendment No. 3 to Consulting Agreement by and between Michael A. Butt and AXIS Specialty Limited dated January 15, 2016 (incorporated by reference to Exhibit 10.4 to the Company's Annual Report on Form 10-K filed on February 25, 2016).
†*10.6	Amendment No. 4 to Consulting Agreement by and between Michael A. Butt and AXIS Specialty Limited dated December 8, 2016.
*10.7	Employment Agreement by and among Albert Benchimol, AXIS Capital Holdings Limited and AXIS Specialty U.S. Services, Inc. dated May 3, 2012 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K/A filed on May 9, 2012).
*10.8	Amendment No. 1 to Employment Agreement dated May 3, 2012 by and among Albert Benchimol, AXIS Capital Holdings Limited and AXIS Specialty U.S. Services, Inc. effective as of March 9, 2015 (incorporated

	by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 11, 2015).
*10.9	Amendment No. 2 to Employment Agreement dated May 3, 2012 by and among Albert Benchimol, AXIS Capital Holdings Limited and AXIS Specialty U.S. Services, Inc. effective as of January 19, 2016 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 25, 2016).
†*10.10	Amendment No. 3 to Employment Agreement dated May 3, 2012 by and among Albert Benchimol, AXIS Capital Holdings Limited, AXIS Specialty U.S. Services, Inc. and AXIS Specialty Limited effective as of January 1, 2017.
*10.11	Restricted Stock Agreement for Albert Benchimol pursuant to the AXIS Capital Holdings Limited 2007 Long-Term Equity Compensation Plan (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K/A filed on May 9, 2012).
*10.12	Separation Agreement entered into by and between John Gressier and AXIS Specialty Europe SE dated August 5, 2014 (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed on August 7, 2014).

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*10.13	Letter Agreement by and between John D. Nichols, Jr. and AXIS Specialty U.S. Services, Inc. dated July 8, 2013 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 12, 2013).
*10.14	Employment Agreement by and between John D. Nichols, Jr. and AXIS Specialty U.S. Services, Inc. dated January 23, 2015 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 29, 2015).
*10.15	Amendment No. 1 to Letter Agreement by and between John D. Nichols, Jr. and AXIS Specialty U.S. Services, Inc. dated September 23, 2015 (incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K filed on February 25, 2016).
*10.16	Employment Agreement by and between Joseph C. Henry and AXIS Specialty U.S. Services, Inc. dated January 23, 2015 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on January 29, 2015).
*10.17	Employment Agreement by and between Peter W. Wilson and AXIS Specialty U.S. Services, Inc. dated June 23, 2014 (incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K filed on February 23, 2015).
*10.18	Employment Agreement by and between Chris DiSipio and AXIS Specialty U.S. Services, Inc. dated February 27, 2014 (incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K filed on February 23, 2015).
*10.19	2003 Long-Term Equity Compensation Plan (incorporated by reference to Exhibit 10.12 to the Company's Registration Statement on Form S-1 (Amendment No. 2) (No. 333-103620) filed on May 17, 2003).
*10.20	2007 Long-Term Equity Compensation Plan, as amended (incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-8 filed on May 15, 2012).
*10.21	Form of Employee Restricted Stock Agreement (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 28, 2010).
†*10.22	Form of Employee Restricted Stock Unit Agreement (Performance Vesting).
*10.23	Form of Employee Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.24 to the Company's Annual Report on Form 10-K filed on February 21, 2014).
*10.24	2013 Executive Long-Term Equity Compensation Program (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 9, 2013).
†*10.25	2014 Executive Annual Incentive Plan.
†*10.26	AXIS Executive RSU Retirement Plan.
†*10.27	Form of Employee Restricted Stock Unit Agreement (Retirement Eligible/Performance Vesting).
†*10.28	Form of Employee Restricted Stock Unit Agreement (Retirement Eligible).

*10.29	2003 Directors Long-Term Equity Compensation Plan (incorporated by reference to Exhibit 4.5 to the Company's Registration Statement on Form S-8 (No. 333-110228) filed on November 4, 2003).
*10.30	2003 Directors Deferred Compensation Plan, as amended and restated (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on April 28, 2009).
*10.31	2016 Directors Annual Compensation Program (incorporated by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K filed on February 25, 2016).
†*10.32	2017 Directors Annual Compensation Program.
*10.33	AXIS Specialty U.S. Services, Inc. Supplemental Retirement Plan (incorporated by reference to Exhibit 10.23 to the Company's Annual Report on Form 10-K filed on February 26, 2008).

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10.34	Master Reimbursement Agreement, dated as of May 14, 2010, by and among AXIS Specialty Limited, AXIS Re Limited, AXIS Specialty Europe Limited, AXIS Insurance Company, AXIS Surplus Insurance Company, AXIS Specialty Insurance Company, AXIS Reinsurance Company and Citibank Europe plc (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 19, 2010).
10.35	Amendment to Master Reimbursement Agreement dated January 27, 2012 by and among AXIS Specialty Limited, AXIS Re Limited, AXIS Specialty Europe Limited, AXIS Insurance Company, AXIS Surplus Insurance Company, AXIS Specialty Insurance Company and AXIS Reinsurance Company and Citibank Europe plc (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 30, 2012).
10.36	Amendment to Committed Facility Letter dated November 20, 2013 by and among AXIS Specialty Limited, AXIS Re SE, AXIS Specialty Europe SE, AXIS Insurance Company, AXIS Surplus Insurance Company and AXIS Reinsurance Company and Citibank Europe plc (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 21, 2013).
10.37	Amendment to Committed Facility Letter dated March 31, 2015 by and among AXIS Specialty Limited, AXIS Re SE, AXIS Specialty Europe SE, AXIS Insurance Company, AXIS Reinsurance Company, AXIS Surplus Insurance Company and Citibank Europe plc (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 1, 2015).
10.38	Amendment to Facility Fee Letter dated March 31, 2015 by and among AXIS Specialty Limited, AXIS Re SE, AXIS Specialty Europe SE, AXIS Insurance Company, AXIS Reinsurance Company, AXIS Surplus Insurance Company and Citibank Europe plc (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on April 1, 2015).
10.39	Committed Facility Letter dated December 18, 2015 by and among AXIS Specialty Limited, AXIS Re SE, AXIS Specialty Europe SE, AXIS Insurance Company, AXIS Surplus Insurance Company and AXIS Reinsurance Company and Citibank Europe plc (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 22, 2015).
10.40	Credit Agreement dated March 26, 2013 by and among AXIS Capital Holdings Limited, certain subsidiaries of AXIS Capital Holdings Limited party thereto, Wells Fargo Bank, National Association, as Administrative Agent, Fronting Bank and L/C Administrator and the other lenders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 29, 2013).
10.41	First Amendment to Credit Agreement dated September 18, 2013 by and among AXIS Capital Holdings Limited, certain subsidiaries of AXIS Capital Holdings Limited party thereto, Wells Fargo Bank, National Association, as Administrative Agent, Fronting Bank and L/C Administrator and the other lenders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 24, 2013).
10.42	Letter of Credit Facility dated November 6, 2013 by and between AXIS Specialty Limited and ING Bank N.V., London Branch (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 8, 2013).

10.43	Guaranty dated February 10, 2014 by AXIS Specialty Finance PLC in favor of the Lenders, the Administrative Agent, the Fronting Banks and the L/C Administrator under the Credit Agreement dated March 26, 2013, as amended, by and among AXIS Capital Holdings Limited, certain subsidiaries of AXIS Capital Holdings Limited party thereto, Wells Fargo Bank, National Association, as Administrative Agent, Fronting Bank and L/C Administrator and the other lenders party thereto (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed on February 11, 2014).
10.44	Master Confirmation and form of Supplemental Confirmation, dated August 17, 2015, by and between AXIS Capital Holdings Limited and Goldman, Sachs & Co. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 19, 2015).
†12.1	Computation of Ratio of Earnings to Fixed Charges and Preferred Dividends.
†21.1	Subsidiaries of the registrant.
†23.1	Consent of Deloitte Ltd.
†24.1	Power of Attorney (included as part of signature pages hereto).

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†31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

†31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

†32.1 Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

†32.2 Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

†101 The following financial information from AXIS Capital Holdings Limited’s Annual Report on Form 10-K for the year ended December 31, 2016 formatted in XBRL: (i) Consolidated Balance Sheets at December 31, 2016 and 2015; (ii) Consolidated Statements of Operations for the years ended December 31, 2016, 2015 and 2014; (iii) Consolidated Statements of Comprehensive Income for the years ended December 31, 2016, 2015 and 2014; (iv) Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2016, 2015 and 2014; (v) Consolidated Statements of Cash Flows for the years ended December 31, 2016, 2015 and 2014; and (vi) Notes to Consolidated Financial Statements, tagged as blocks of text and in detail.

* Exhibits 10.2 through 10.33 represent a management contract, compensatory plan or arrangement in which directors and/or executive officers are eligible to participate.

† Filed herewith.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

ITEM 16. FORM 10-K SUMMARY

None.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on February 24, 2017.

AXIS CAPITAL HOLDINGS LIMITED

By: /s/ ALBERT BENCHIMOL
Albert Benchimol
President and Chief Executive Officer

POWER OF ATTORNEY

We, the undersigned directors and executive officers of AXIS Capital Holdings Limited, hereby appoint Joseph Henry and Conrad D. Brooks, and each of them singly, as our true and lawful attorneys with full power to them and each of them to sign for us, and in our names in the capacities indicated below, any and all amendments to the Annual Report on Form 10-K filed with the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys to any and all amendments to said Annual Report on Form 10-K.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 24, 2017.

Signature	Title
/s/ ALBERT BENCHIMOL Albert Benchimol	Chief Executive Officer, President and Director (Principal Executive Officer)
/s/ JOSEPH HENRY Joseph Henry	Chief Financial Officer (Principal Financial Officer)
/s/ JAMES O'SHAUGHNESSY James O'Shaughnessy	Controller (Principal Accounting Officer)
/s/ JANE BOISSEAU Jane Boisseau	Director
/s/ MICHAEL A. BUTT Michael A. Butt	Director
/s/ CHARLES A. DAVIS Charles A. Davis	Director
/s/ ROBERT L. FRIEDMAN Robert L. Friedman	Director

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Signature	Title
/s/ CHRISTOPHER V. GREETHAM Christopher V. Greetham	Director
/s/ MAURICE A. KEANE Maurice A. Keane	Director
/s/ CHERYL-ANN LISTER Cheryl-Ann Lister	Director
/s/ THOMAS C. RAMEY Thomas C. Ramey	Director
/s/ HENRY B. SMITH Henry B. Smith	Director
/s/ ALICE YOUNG Alice Young	Director
/s/ WILHELM ZELLER Wilhelm Zeller	Director

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
To the Board of Directors and Shareholders of
AXIS Capital Holdings Limited
We have audited the consolidated financial statements of AXIS Capital Holdings Limited and subsidiaries (the "Company") as of December 31, 2016, and 2015, and for each of the three years in the period ended December 31, 2016, and the Company's internal control over financial reporting as of December 31, 2016, and have issued our reports thereon dated February 24, 2017; such reports are included elsewhere in this Form 10-K. Our audits also included the consolidated financial statement schedules of the Company listed in Item 15. These consolidated financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

/s/ Deloitte Ltd.
Hamilton, Bermuda
February 24, 2017

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SCHEDULE I
AXIS CAPITAL HOLDINGS LIMITED
SUMMARY OF INVESTMENTS - OTHER THAN INVESTMENTS IN RELATED PARTIES

	At December 31, 2016		
	Amortized Cost	Fair Value	Amount shown on the Balance Sheet
(in thousands)			
Type of investment:			
Fixed maturities			
U.S. government and agency	$1,681,425	$1,656,069	$1,656,069
Non-U.S. government	613,282	565,834	565,834
Corporate debt	4,633,834	4,600,743	4,600,743
Agency RMBS	2,487,837	2,465,135	2,465,135
CMBS	664,368	666,237	666,237
Non-Agency RMBS	57,316	56,921	56,921
ABS	1,221,813	1,222,214	1,222,214
Municipals	163,441	163,961	163,961
Total fixed maturities	$11,523,316	11,397,114	11,397,114
Mortgage loans, at amortized cost and fair value		349,969	349,969
Short-term investments, at amortized cost and fair value		127,461	127,461
Equity securities		638,744	638,744
Other investments (1)		534,784	830,219
Equity method investments (2)		—	116,000
Total investments		$13,048,072	$13,459,507

(1) Other investments excludes investments where AXIS is considered to have the ability to exercise significant influence over the operating and financial policies of the investees.

(2) Equity method investments are excluded as AXIS has the ability to exercise significant influence over the operating and financial policies of the investees.

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SCHEDULE II
AXIS CAPITAL HOLDINGS LIMITED
CONDENSED BALANCE SHEETS – PARENT COMPANY
DECEMBER 31, 2016 AND 2015

	2016	2015
	(in thousands)	
Assets		
Investments in subsidiaries on equity basis	$6,033,564	$5,943,182
Promissory note receivable from subsidiary	368,252	—
Cash and cash equivalents	99	8,098
Other assets	9,913	9,381
Total assets	$6,411,828	$5,960,661
Liabilities		
Intercompany payable	$66,123	$32,837
Dividends payable	58,791	52,237
Other liabilities	14,544	8,705
Total liabilities	139,458	93,779
Shareholders' equity		
Preferred shares	1,126,074	627,843
Common shares (2016: 176,580; 2015: 176,240 shares issued and 2016: 86,441; 2015: 96,066 shares outstanding)	2,206	2,202
Additional paid-in capital	2,299,857	2,241,388
Accumulated other comprehensive loss	(121,841)	(188,465)
Retained earnings	6,527,627	6,194,353
Treasury shares, at cost (2016: 90,139; 2015: 80,174 shares)	(3,561,553)	(3,010,439)
Total shareholders' equity	6,272,370	5,866,882
Total liabilities and shareholders' equity	$6,411,828	$5,960,661

(1) AXIS Capital has fully and unconditionally guaranteed all obligations of AXIS Specialty Finance LLC, a 100% owned finance subsidiary, related to the issuance of $500 million aggregate principal amount of 5.875% senior unsecured notes. AXIS Capital's obligations under this guarantee are unsecured and senior and rank equally with all other senior obligations of AXIS Capital.

(2) AXIS Capital has fully and unconditionally guaranteed all obligations of AXIS Specialty Finance PLC, a 100% owned finance subsidiary, related to the issuance of $250 million aggregate principal amount of 2.65% and $250 million aggregate principal amount of 5.15% senior unsecured notes. AXIS Capital's obligations under this guarantee are unsecured and senior and rank equally with all other senior obligations of AXIS Capital.

(3) AXIS Capital has fully and unconditionally guaranteed the obligations of AXIS Specialty Finance LLC, AXIS Specialty Holdings Bermuda Limited, AXIS Specialty Finance PLC, and operating subsidiaries i.e. the borrowing entities related to the $250 million credit facility issued by a syndication of lenders. At December 31, 2016 and 2015, debt outstanding under the credit facility was $nil.

(4)

AXIS Capital has fully and unconditionally guaranteed the derivative instrument obligations of certain of its 100% owned operating subsidiaries. At December 31, 2016, the notional value of guaranteed obligations utilized aggregated to $64 million (2015: $70 million).

(5) On November 7, 2016, AXIS Capital advanced an amount of $368 million to AXIS Specialty Limited, bearing interest at an annual rate of 1.132% and a maturity date of April 15, 2017. Interest income on the promissory note is recorded in net investment income.

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SCHEDULE II
AXIS CAPITAL HOLDINGS LIMITED
CONDENSED STATEMENTS OF OPERATIONS – PARENT COMPANY
YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

	2016	2015	2014
	(in thousands)		
Revenues			
Net investment income	$656	$1	$3
Termination fee received	—	280,000	—
Total revenues	656	280,001	3
Expenses			
General and administrative expenses	39,909	8,012	57,998
Interest expense and financing costs	—	—	26,749
Total expenses	39,909	8,012	84,747
Income (loss) before equity in net earnings of subsidiaries	(39,253)	271,989	(84,744)
Equity in net earnings of subsidiaries	552,621	369,642	895,489
Net income	513,368	641,631	810,745
Preferred share dividends	46,597	40,069	40,088
Loss on repurchase of preferred shares	1,309	—	—
Net income available to common shareholders	$465,462	$601,562	$770,657
Comprehensive income	$579,992	$498,740	$641,165

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SCHEDULE II
AXIS CAPITAL HOLDINGS LIMITED
CONDENSED STATEMENTS OF CASH FLOWS – PARENT COMPANY
YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

	2016	2015	2014
	(in thousands)		
Cash flows from operating activities:			
Net income	$513,368	$641,631	$810,745
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in net earnings of subsidiaries	(552,621)	(369,642)	(895,489)
Change in intercompany payable	33,286	(180,312)	8,272
Dividends received from subsidiaries	550,000	420,000	724,000
Other items	17,807	(23,614)	53,865
Net cash provided by operating activities	561,840	488,063	701,393
Cash flows from investing activities:			
Promissory note receivable from subsidiary	(368,252)	—	—
Capital repaid from subsidiary	—	—	496,593
Net cash provided by (used in) investing activities	(368,252)	—	496,593
Cash flows from financing activities:			
Net proceeds from issuance of preferred shares	531,945	—	—
Repurchase of common shares	(509,755)	(332,252)	(543,202)
Dividends paid - common shares	(132,323)	(118,652)	(117,619)
Repurchase of preferred shares	(51,769)	—	—
Dividends paid - preferred shares	(39,909)	(40,088)	(40,088)
Proceeds from issuance of common shares	224	3,986	5,550
Redemption of senior notes	—	—	(500,000)
Net cash used in financing activities	(201,587)	(487,006)	(1,195,359)
Increase (decrease) in cash and cash equivalents	(7,999)	1,057	2,627
Cash and cash equivalents - beginning of year	8,098	7,041	4,414
Cash and cash equivalents - end of year	$99	$8,098	$7,041
Supplemental disclosures of cash flow information:			
Interest paid	$—	$—	$28,750

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SCHEDULE III
AXIS CAPITAL HOLDINGS LIMITED
SUPPLEMENTARY INSURANCE INFORMATION

At and year ended December 31, 2016

(in thousands)	Deferred Acquisition Costs	Reserve for Losses and Loss Expenses	Unearned Premiums	Net Premiums Earned	Net Investment Income[1]	Losses And Loss Expenses	Amortization of Deferred Acquisition Costs	Other Operating Expenses[2]	Net Premiums Written
Insurance	$128,880	$5,345,655	$1,574,164	$1,777,321	$—	$1,141,933	$251,120	$346,857	$1,807,125
Reinsurance	309,756	4,352,172	1,395,334	1,928,304	—	1,062,264	495,756	135,844	1,945,849
Corporate	—	—	—	—	353,335	—	—	120,016	—
Total	$438,636	$9,697,827	$2,969,498	$3,705,625	$353,335	$2,204,197	$746,876	$602,717	$3,752,974

At and year ended December 31, 2015

(in thousands)	Deferred Acquisition Costs	Reserve for Losses and Loss Expenses	Unearned Premiums	Net Premiums Earned	Net Investment Income[1]	Losses And Loss Expenses	Amortization of Deferred Acquisition Costs	Other Operating Expenses[2]	Net Premiums Written
Insurance	$119,186	$5,291,218	$1,494,068	$1,798,191	$—	$1,154,928	$261,208	$341,658	$1,759,359
Reinsurance	352,596	4,355,067	1,266,821	1,888,226	—	1,021,271	456,904	145,253	1,915,307
Corporate	—	—	—	—	305,336	—	—	109,910	—
Total	$471,782	$9,646,285	$2,760,889	$3,686,417	$305,336	$2,176,199	$718,112	$596,821	$3,674,666

At and year ended December 31, 2014

(in thousands)	Deferred Acquisition Costs	Reserve for Losses and Loss Expenses	Unearned Premiums	Net Premiums Earned	Net Investment Income[1]	Losses And Loss Expenses	Amortization of Deferred Acquisition Costs	Other Operating Expenses[2]	Net Premiums Written
Insurance	$135,111	$5,063,147	$1,506,925	$1,830,544	$—	$1,131,880	$278,804	$341,214	$1,779,501
Reinsurance	331,876	4,533,650	1,228,451	2,040,455	—	1,054,842	458,393	144,987	2,127,474
Corporate	—	—	—	—	342,766	—	—	135,675	—
Total	$466,987	$9,596,797	$2,735,376	$3,870,999	$342,766	$2,186,722	$737,197	$621,876	$3,906,975

(1) As we evaluate the underwriting results of each of our reportable segments separately from the results of our investment portfolio, we do not allocate net investment income to our reportable segments.

(2) Amounts related to our reportable segments reflect underwriting-related general and administrative expenses, including those incurred directly by segment personnel and certain corporate overhead costs allocated based on estimated consumption, headcount and other variables deemed relevant. Other corporate overhead costs, which are are not incremental and/or directly attributable to our individual underwriting operations, are not allocated to our reportable segments and are presented separately as corporate expenses.

SCHEDULE IV
AXIS CAPITAL HOLDINGS LIMITED
SUPPLEMENTARY REINSURANCE INFORMATION
YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

(in thousands)	DIRECT GROSS PREMIUM	CEDED TO OTHER COMPANIES	ASSUMED FROM OTHER COMPANIES	NET AMOUNT	PERCENTAGE OF AMOUNT ASSUMED TO NET	
2016						
Property and Casualty	$1,975,497	$ 1,215,775	$ 2,564,606	$3,324,328	77.1	%
Accident and Health	136,681	1,459	293,424	428,646	68.5	%
Total	$2,112,178	$ 1,217,234	$ 2,858,030	$3,752,974	76.2	%
2015						
Property and Casualty	$1,901,757	$ 910,917	$ 2,350,680	$3,341,520	70.3	%
Accident and Health	129,808	18,147	221,485	333,146	66.5	%
Total	$2,031,565	$ 929,064	$ 2,572,165	$3,674,666	70.0	%
2014						
Property and Casualty	$1,882,695	$ 786,555	$ 2,548,174	$3,644,314	69.9	%
Accident and Health	127,279	17,989	153,371	262,661	58.4	%
Total	$2,009,974	$ 804,544	$ 2,701,545	$3,906,975	69.1	%

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