VALIDUS HOLDINGS LTD
Form S-4/A
June 12, 2009

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As filed with the Securities and Exchange Commission on June 12, 2009
Registration Number 333-159148

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

Amendment No. 4
to
Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

VALIDUS HOLDINGS, LTD.
(Exact Name of Registrant as Specified in its Charter)

BERMUDA	**6331**	**98-0501001**
(State or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

19 Par-La-Ville Road, Hamilton, HM 11 Bermuda
(441) 278-9000
(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)
C. Jerome Dill
Executive Vice President & General Counsel
Validus Holdings, Ltd.
19 Par-La-Ville Road, Hamilton, HM 11 Bermuda
(441) 278-9000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale of securities to the public: As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer þ Accelerated filer o Non-accelerated filer o Smaller reporting company o
(Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) o

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) o

CALCULATION OF REGISTRATION FEE

Title of Each Class of ecurities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3
oting Common Shares, par alue $0.175 per share	68,520,737	N/A	$1,482,329,499.84	$82,713.99

(1) Represents the maximum number of shares of Validus Holdings, Ltd. common shares that can be issued in the exchange offer and second-step acquisition.

(2) Pursuant to Rule 457(c) and Rule 457(f) under the Securities Act, and solely for the purpose of calculating the registration fee, the market value of the securities to be received was calculated as the product of (i) 56,925,096 IPC Holdings, Ltd. common shares (the sum of (x) 55,948,821 IPC Holdings, Ltd. common shares outstanding as of April 9, 2009 (as reported in the joint proxy/prospectus filed by IPC Holdings, Ltd. and Max Capital Group Ltd. on May 7, 2009) and (y) 976,275 IPC Holdings, Ltd. common shares issuable upon the exercise of outstanding options, restricted common shares, restricted share units and performance share units (as reported in the Quarterly Report on Form 10-Q of IPC Holdings, Ltd. filed on May 8, 2009)) and (ii) the average of the high and low sales prices of IPC Holdings, Ltd. common shares as reported on the NASDAQ Global Select Market on May 7, 2009 ($26.04).

(3) The amount of the filing fee, calculated in accordance with Rule 457(c) and Rule 457(f) under the Securities Act, equals $0.00005580 multiplied by the proposed maximum offering price. The amount of such registration fee was previously paid by Validus Holdings, Ltd. in connection with the payment of the $84,262.55 fee paid in respect of the preliminary proxy statement on Schedule 14A filed with the Securities and Exchange Commission on April 16, 2009.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus/offer to exchange may change. The registrant may not complete the exchange offer and issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus/offer to exchange is not an offer to sell these securities and Validus Holdings, Ltd. is not soliciting an offer to buy these securities in any state or jurisdiction in which such offer is not permitted.

Offer to Exchange
Each Outstanding Common Share
of
IPC HOLDINGS, LTD.
for
1.1234 Validus Holdings, Ltd. Voting Common Shares
and
$3.75 in Cash
by
VALIDUS HOLDINGS, LTD.

Validus Holdings, Ltd., which we refer to as Validus or we, us or our, is offering, upon the terms and subject to the conditions set forth in this prospectus/offer to exchange and in the accompanying revised pink letter of transmittal, to exchange 1.1234 voting common shares, par value $0.175 per share, of Validus, which we refer to as Validus common shares, and $3.75 in cash (less any applicable withholding taxes and without interest) for each outstanding common share of IPC Holdings, Ltd., which we refer to as IPC, par value $0.01 per share, which we refer to as IPC common shares, you validly tender and do not properly withdraw before the expiration time of the exchange offer described below. In addition, you will receive cash in lieu of any fractional Validus common share to which you may be entitled.

This prospectus/offer to exchange amends and supersedes information included in the prospectus/offer to exchange originally filed with the Securities and Exchange Commission on May 12, 2009, as amended on May 13, 2009, May 21, 2009 and June 1, 2009.

THE EXCHANGE OFFER AND THE WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME (6:00 P.M. ATLANTIC TIME), ON FRIDAY, JUNE 26, 2009, OR THE EXPIRATION TIME OF THE EXCHANGE OFFER, UNLESS EXTENDED. SHARES TENDERED PURSUANT TO THE EXCHANGE OFFER MAY BE WITHDRAWN AT ANY TIME PRIOR TO THE EXPIRATION TIME OF THE EXCHANGE OFFER, BUT NOT DURING ANY SUBSEQUENT OFFERING PERIOD.

Validus common shares trade on the New York Stock Exchange under the symbol VR. IPC common shares trade on the NASDAQ Global Select Market under the symbol IPCR and on the Bermuda Stock Exchange under the symbol IPCR BH.

FOR A DISCUSSION OF RISKS AND OTHER FACTORS THAT YOU SHOULD CONSIDER IN CONNECTION WITH THE EXCHANGE OFFER, PLEASE CAREFULLY READ THE SECTION OF THIS PROSPECTUS/OFFER TO EXCHANGE ENTITLED RISK FACTORS.

Validus obligation to accept IPC common shares for exchange and to exchange any IPC common shares for Validus common shares is subject to conditions, including a condition that 90% of the then-outstanding number of IPC common shares on a fully-diluted basis (excluding any IPC common shares owned by Validus, its subsidiaries or IPC) have been validly tendered into the exchange offer and not withdrawn and a condition that the Agreement and Plan of Amalgamation, dated as of March 1, 2009, as amended, among Max Capital Group Ltd., which we refer to as Max, IPC and IPC Limited, which we refer to as the Max amalgamation agreement, has been terminated. The conditions to the exchange offer are described in the section of this prospectus/offer to exchange entitled The Exchange Offer Conditions of the Exchange Offer.

On March 31, 2009, Validus publicly announced that it had delivered an offer, which we refer to as the initial Validus offer, to IPC for the amalgamation of Validus and IPC whereby each issued and outstanding IPC common share would be exchanged for 1.2037 Validus common shares. Validus amended the initial Validus offer on May 18, 2009 to include 1.1234 Validus common shares and $3.00 in cash (less any applicable withholding taxes and without interest). On June 8, 2009, Validus publicly announced that it had delivered an increased offer, which we refer to as the Validus amalgamation offer, to IPC, to acquire each outstanding IPC common share in exchange for (i) 1.1234 Validus common shares and (ii) $3.75 in cash (less any applicable withholding taxes and without interest). Validus is making the exchange offer as an alternative to the Validus amalgamation offer in order to acquire all of the issued and outstanding IPC common shares.

Validus has not authorized any person to provide any information or to make any representation in connection with the exchange offer other than the information contained or incorporated by reference in this prospectus/offer to exchange, and if any person provides any of this information or makes any representation of this kind, that information or representation must not be relied upon as having been authorized by Validus.

VALIDUS IS NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND A PROXY TO VALIDUS. As described in this prospectus/offer to exchange, Validus is separately soliciting proxies to vote at the IPC annual general meeting against the proposed amalgamation of IPC and Max, which we refer to as the proposed Max amalgamation, and intends to solicit proxies through separate proxy solicitation material in connection with various matters which are described in the section of this prospectus/offer to exchange entitled Solicitation of Proxies. Any such proxy solicitation is being made, or will be made, only pursuant to separate proxy materials complying with the requirements of the rules and regulations of the Securities and Exchange Commission.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus/offer to exchange. Any representation to the contrary is a criminal offense.

The dealer manager for the exchange offer is:

The date of this prospectus/offer to exchange is June 12, 2009

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THIS PROSPECTUS/OFFER TO EXCHANGE INCORPORATES IMPORTANT BUSINESS AND FINANCIAL INFORMATION ABOUT VALIDUS AND IPC FROM DOCUMENTS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION THAT HAVE NOT BEEN INCLUDED IN OR DELIVERED WITH THIS PROSPECTUS/OFFER TO EXCHANGE.

THIS INFORMATION IS AVAILABLE AT THE INTERNET WEBSITE THE SECURITIES AND EXCHANGE COMMISSION MAINTAINS AT http://www.sec.gov, AS WELL AS FROM OTHER SOURCES. PLEASE SEE THE SECTION OF THIS PROSPECTUS/OFFER TO EXCHANGE ENTITLED WHERE YOU CAN FIND MORE INFORMATION. YOU ALSO MAY REQUEST COPIES OF THESE

DOCUMENTS FROM VALIDUS, WITHOUT CHARGE, UPON WRITTEN OR ORAL REQUEST TO VALIDUS INFORMATION AGENT AT ITS ADDRESS OR TELEPHONE NUMBER SET FORTH ON THE BACK COVER OF THIS PROSPECTUS/OFFER TO EXCHANGE. IN ORDER TO RECEIVE TIMELY DELIVERY OF THE DOCUMENTS, YOU MUST MAKE YOUR REQUEST NO LATER THAN JUNE 19, 2009, OR FIVE BUSINESS DAYS PRIOR TO THE EXPIRATION TIME OF THE EXCHANGE OFFER, WHICHEVER IS LATER.

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The exchange offer does not constitute a solicitation of proxies. Any solicitation of proxies by Validus will be made only pursuant to separate proxy solicitation materials complying with the requirements of Section 14(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act). As described in this prospectus/offer to exchange, Validus is soliciting proxies to vote at the IPC annual general meeting against the proposed Max amalgamation and intends to solicit proxies through separate proxy solicitation materials in connection with various matters which are described in the section of this prospectus/offer to exchange entitled Solicitation of Proxies. Each shareholder is urged to read any proxy statement regarding the business to be conducted at the applicable meeting, if and when it becomes available, because it will contain important information. Any such proxy statement has been, or will be, filed with the Securities and Exchange Commission. When completed, each definitive proxy statement of Validus and an accompanying proxy card of Validus will be made available to applicable shareholders and such shareholders will be able to obtain a free copy of any proxy statement, as well as other filings containing information about the parties (including information regarding the participants in any proxy solicitation (which may include Validus officers and directors and other persons) and a description of their direct and indirect interests, by security holdings or otherwise), from the Securities and Exchange Commission s web site at http://www.sec.gov. Each such proxy statement (when available) and these other documents may also be obtained for free from Validus web site at http://www.validusre.bm.

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QUESTIONS AND ANSWERS ABOUT THE EXCHANGE OFFER

Below are some of the questions that you as a holder of IPC common shares may have regarding the exchange offer and answers to those questions. The answers to these questions do not contain all the information relevant to your decision whether to tender your IPC common shares, and Validus urges you to read carefully the remainder of this prospectus/offer to exchange and the pink letter of transmittal circulated with this prospectus/offer to exchange, which we refer to as the revised pink letter of transmittal.

Who is offering to buy my IPC common shares?

The exchange offer is made by Validus Holdings, Ltd., a Bermuda exempted company. Validus is a provider of reinsurance and insurance, conducting its operations worldwide through two wholly-owned subsidiaries, Validus Reinsurance, Ltd., which we refer to as Validus Re, and Talbot Holdings Ltd., which we refer to as Talbot. Validus Re is a Bermuda-based reinsurer focused on short-tail lines of reinsurance. Talbot is the Bermuda parent of the specialty insurance group primarily operating within the Lloyd s insurance market through Syndicate 1183.

What classes and amounts of IPC securities is Validus seeking for exchange in the exchange offer?

Validus seeks to acquire all of the issued and outstanding IPC common shares.

How has the exchange offer changed?

Validus has increased the offer consideration per IPC common share so that it now consists of 1.1234 Validus common shares and $3.75 in cash (less any applicable withholding taxes and without interest).

Why did Validus increase its offer and add cash to the consideration to be paid in the exchange offer?

Validus increased the consideration to be paid in the exchange offer in order to demonstrate its commitment to completing the acquisition of IPC. Moreover, Validus believes that by adjusting the exchange ratio in the exchange offer, Validus is able to provide IPC shareholders with a meaningful cash component, a request that Validus has heard repeatedly from IPC shareholders.

If I have already tendered my IPC common shares, do I need to do anything to tender into the revised exchange offer for the increased offer consideration?

If you have already tendered your IPC common shares, you do not need to do anything to tender into the revised exchange offer. IPC common shares validly tendered and not properly withdrawn prior to the date of this prospectus/offer to exchange will automatically be considered to have been tendered pursuant to the revised terms of the exchange offer set forth in this prospectus/offer to exchange. All IPC shareholders will receive the highest consideration received by IPC shareholders whose IPC common shares are tendered and accepted for exchange in the exchange offer. Therefore, if you have already tendered your IPC common shares, including if you did so with the blue letter of transmittal previously circulated with the prospectus/offer to exchange dated May 13, 2009, which we refer to as the original blue letter of transmittal, you do not have to take any action to be entitled to receive the offer consideration described in this prospectus/offer to exchange if your shares are accepted for exchange and exchanged pursuant to the exchange offer.

What will I receive for my IPC common shares in the exchange offer?

Validus is offering, upon the terms and subject to the conditions set forth in this prospectus/offer to exchange and in the accompanying revised pink letter of transmittal, to exchange 1.1234 Validus common shares and $3.75 in cash (less any applicable withholding taxes and without interest) for each outstanding IPC common share you validly tender and do not properly withdraw before the expiration time of the exchange offer. Because no fractional Validus common shares will be issued, to the extent that you would be entitled to receive fractional Validus common shares, you will receive cash in lieu of the fractional share interest to which you would otherwise be entitled.

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Based upon closing market prices as of June 5, 2009, the day prior to the announcement of the increased offer, the exchange offer represented a 9.8% premium to the closing price of IPC common shares that day and a 24.9% premium based on the closing prices of IPC common shares and Validus common shares on March 30, 2009, the last trading day before the announcement of the initial Validus offer. The price of Validus common shares fluctuates and may be higher or lower than in these examples at the time IPC common shares are exchanged pursuant to the exchange offer. On June 11 2009, the last practicable date prior to the filing of this prospectus/offer to exchange, the closing price of a Validus common share was $23.65. Based on the closing price of Validus common shares on June 11, 2009, the exchange offer has a value of $30.32 per IPC common share. Shareholders are encouraged to obtain current market quotations for Validus common shares and IPC common shares prior to making any decision with respect to the exchange offer.

Please also see the section of this prospectus/offer to exchange entitled Risk Factors for a discussion, among other things, of the effect of fluctuations in the market price of Validus common shares.

How does the exchange offer relate to the Validus amalgamation offer?

On March 31, 2009, Validus publicly announced that it had delivered the initial Validus offer to IPC, pursuant to which each issued and outstanding IPC common share would be exchanged for 1.2037 Validus common shares.

In connection with the delivery of the initial Validus offer to IPC, Validus delivered a signed amalgamation agreement that would be binding on Validus upon countersignature by IPC, which, together with the two amendments described below, we refer to as the Validus amalgamation agreement, so that, upon a termination of the Max amalgamation agreement, IPC would have the certainty of Validus transaction and would be able to sign the Validus amalgamation agreement. IPC announced on April 7, 2009 that its board of directors had determined that the initial Validus offer did not constitute a superior proposal to the Max amalgamation agreement and reaffirmed its support of the proposed Max amalgamation.

Validus is making the exchange offer as an alternative method for Validus to acquire all of the issued and outstanding IPC common shares. Validus commenced the exchange offer on May 12, 2009 on the economic terms set forth in the initial Validus offer. On May 14, 2009, IPC filed a Solicitation/Recommendation Statement on Schedule 14D-9 reporting that IPC s board had met on May 13, 2009 and determined to recommend that IPC shareholders reject the exchange offer and not tender their IPC common shares to Validus. Validus amended the initial Validus offer on May 18, 2009 to include 1.1234 Validus common shares and $3.00 in cash (less any applicable withholding taxes and without interest) and delivered an executed amendment to the Validus amalgamation agreement to IPC. On May 21, 2009, IPC filed an amendment to its Solicitation/Recommendation Statement on Schedule 14D-9 reporting that IPC s board had met on May 20, 2009 and stating the IPC board of directors recommendation that IPC shareholders reject the revised terms of the exchange offer and not tender their IPC common shares to Validus pursuant to the exchange offer. On June 8, 2009, Validus announced that it had increased the offer consideration such that each IPC common share validly tendered into the exchange offer would be exchanged for 1.1234 Validus common shares and $3.75 in cash (less any applicable withholding taxes and without interest) and delivered an executed amendment to the Validus amalgamation agreement to IPC to reflect this increased consideration. On June 9, 2009, IPC filed an amendment to its Solicitation/Recommendation Statement on Schedule 14D-9 reporting that IPC s board had met on June 9, 2009 and stating the IPC board of directors recommendation that IPC shareholders reject the revised terms of the exchange offer and not tender their IPC common shares to Validus pursuant to the exchange offer. As of the date of this prospectus/offer to exchange, IPC has not been willing to meet or negotiate with Validus.

We are still hopeful that IPC s board of directors will recognize that the Validus amalgamation offer, as amended to increase the consideration offered and revise certain other terms, is a superior proposal (as defined in the Max amalgamation agreement) and IPC s board of directors will approve the Validus amalgamation agreement after the Max amalgamation agreement is terminated.

What is the purpose of the exchange offer?

The exchange offer is one part of our plan to acquire all of the issued and outstanding IPC common shares. We intend to, promptly after completion of the exchange offer, seek to acquire, which we refer to as the second-step acquisition, all shares of those shareholders who choose not to tender their IPC common shares pursuant to the exchange offer, in accordance with either Section 102 or Section 103 of The Companies Act of 1981 of Bermuda, as amended, which we refer to as the Companies Act. The purpose of the second-step acquisition is for Validus to acquire all outstanding IPC common shares that are not acquired in the exchange offer on the same terms as in the exchange offer.

Section 102 of the Companies Act permits a person acquiring shares of a Bermuda company under a scheme or contract that has been approved by at least 90% in value of the shares subject to the scheme or contract to seek to acquire the shares of any shareholders dissenting from such scheme or contract. The exchange offer will constitute a scheme or contract pursuant to Section 102 of the Companies Act. As a result, if Validus acquires at least 90% in value of the IPC common shares subject to the exchange offer (other than IPC common shares owned by Validus, its subsidiaries or IPC), Validus will have the right, subject to compliance with the requirements of Section 102 of the Companies Act, to acquire each remaining IPC common share, subject to the rights of dissenting shareholders as set forth in Section 102, which include the right to petition the Supreme Court of Bermuda for an order as the court sees fit.

Section 103 of the Companies Act permits the holder of at least 95% of any class of shares in a Bermuda company to give notice to the remaining shareholders of such class of such holder s intention to acquire the outstanding shares of the company on the terms set out in the holder s notice. The acquisition of remaining shares will be on the terms set forth in the holder s notice unless a remaining shareholder applies to the Supreme Court of Bermuda for an appraisal of its shares. Therefore, if Validus acquires at least 95% of the outstanding IPC common shares, Validus will have the right, pursuant to Section 103, to acquire each remaining IPC common share on the same terms as in the exchange offer, or at the appraised value as determined by the court.

On May 21, 2009, the Chairman of IPC s board of directors sent a letter to Validus which stated that IPC s bye-laws would prevent Validus from becoming the legal owner of 10% or more of the IPC common shares. Validus believes, based upon the advice of Bermuda and UK counsel, that IPC s bye-laws will not operate to prevent Validus from accepting IPC common shares for exchange in the exchange offer and acquiring beneficial ownership of any such IPC common shares. IPC has stated in a letter to its shareholders that IPC believes that Validus faces substantial legal uncertainties if it attempts to squeeze out IPC s remaining shareholders on such basis. Validus will take such actions as are necessary, including by seeking a judgment of a Bermuda court, to enforce its rights under Section 102 and/or Section 103 of the Companies Act to the extent that any person (including IPC, IPC s board of directors or any IPC shareholder) seeks to restrict the operation thereof. However, resolution of any such actions or proceedings is not a condition to the exchange offer.

After the second-step acquisition, former remaining IPC shareholders will no longer have any ownership interest in IPC and will be shareholders of Validus and Validus will own all of the issued and outstanding IPC common shares. Validus intends, promptly following the second-step acquisition, to amalgamate IPC with a newly-formed, wholly-owned subsidiary of Validus in accordance with Section 107 of the Companies Act. Please see the sections of this prospectus/offer to exchange entitled The Exchange Offer Purpose and Structure of the Exchange Offer ; The Exchange Offer Statutory Requirements; Second-Step Acquisition ; The Exchange Offer Short-Form Amalgamation ; and The Exchange Offer Plans for IPC.

Why is Validus proposing the exchange offer?

The Validus common shares to be issued and cash to be paid to IPC shareholders in exchange for IPC common shares in the exchange offer and second-step acquisition will provide IPC shareholders with an immediate premium for their IPC common shares, and will allow IPC shareholders to participate in the growth and opportunities of the combined company while receiving cash for a portion of their investment in IPC common shares. Validus believes that the acquisition of IPC represents a compelling combination and excellent strategic fit that will enable the combined company to capitalize on opportunities in the global reinsurance market. Successful completion of the exchange offer would allow IPC shareholders to benefit from the superior growth potential of a combined company that would be a leading carrier in Bermuda s short-tail reinsurance and insurance markets, with a strong balance sheet and quality diversification in profitable business lines.

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Why is the exchange offer better than the proposed Max amalgamation?

Validus believes that the combination of Validus and IPC offers a number of benefits to holders of IPC common shares, including the following:

The exchange offer provides a premium to IPC shareholders.

Based upon closing prices of IPC common shares and Validus common shares as of March 30, 2009, the last trading day prior to the announcement of the initial Validus offer, the exchange offer would have had a value of $31.73 per IPC common share, or approximately $1.78 billion in the aggregate, which represented a 24.9% premium to the trading value of IPC common shares as of such date and a 30.8% premium over $24.26, which was the average closing price of IPC common shares between March 2, 2009, the day IPC and Max announced the proposed Max amalgamation, and March 30, 2009, the last trading day before we announced the initial Validus offer. The premium represented by the exchange offer may be larger or smaller depending on the market price of each of the IPC common shares and the Validus common shares at the expiration time of the exchange offer and will fluctuate between now and then depending on the market prices. Based upon the closing prices of IPC common shares and Validus common shares on June 11, 2009, the last practicable date prior to the filing of this prospectus/offer to exchange, the exchange offer had a value of $30.32 per IPC common share, or $1.70 billion in the aggregate, which represented a 10.5% premium to the closing price of the IPC common shares as of such date and a premium of 19.3% over the March 30, 2009 closing price of the IPC common shares. In addition, the meaningful cash component that has been added to the exchange offer provides IPC shareholders with the opportunity to achieve immediate liquidity on a portion of their investment in IPC common shares.

Information with respect to the range of closing prices for IPC common shares for certain dates and periods is set forth in the section of this prospectus/offer to exchange entitled Comparative Market Price and Dividend Information. Validus urges IPC shareholders to obtain a current market quotation for IPC common shares.

The Validus common shares to be issued to IPC shareholders in exchange for IPC common shares under the exchange offer represent what we believe is an attractive investment.

We believe that the relative performance of Validus common shares in the market indicates that the markets view Validus as a more attractive investment than Max. From July 24, 2007 (the date of Validus initial public offering) through March 30, 2009 (the last trading day prior to the announcement of the initial Validus offer), Validus common shares have appreciated 13.2% whereas Max common shares have declined 36.5% over the same period. Based on the closing prices of Validus common shares and Max common shares on March 30, 2009, the last day of trading prior to Validus announcement of the initial Validus offer, Validus common shares traded at a premium to their diluted book value and diluted tangible book value of 1.05x and 1.13x, respectively, whereas Max common shares traded at a discount of 0.76x and 0.77x, respectively.

Between December 31, 2005 and December 31, 2008, and notwithstanding the significant property catastrophe claim activity during this period (generated, for instance, by Hurricanes Ike and Gustav), Validus grew its book value per share (including accumulated dividends) at a 13.2% rate compared to Max s 8.8% growth rate over the same period. In 2008, Validus grew its book value per share by 2.4% compared to Max s decline in book value of 10.8% during the same period. Moreover, Validus common shares are more liquid than Max common shares (as measured by their respective dollar trading volumes in various periods prior to announcement of the proposed Max amalgamation). Further, as a shareholder of Validus following completion of the exchange offer, you will receive a dividend payable by Validus at an equivalent annual rate of approximately $0.90 per IPC common share (based on Validus current annual rate of $0.80 per Validus common share multiplied by the exchange ratio of 1.1234), compared to the current IPC annual dividend of $0.88 per IPC common share, in both cases based on the most recent quarterly dividends declared and paid by each company.

Additionally, Validus common shares are significantly less volatile than Max common shares. As measured by Bloomberg, during the 260 business day (approximately one year) period prior to the announcement of

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the proposed Max amalgamation, the annualized daily volatility of Max s shares was 79.4 compared to 61.0 for Validus common shares. Volatility represents the standard deviation of the day-over-day difference in the daily share price change. Although we believe that the exchange offer would provide the IPC shareholders with a significant premium for their IPC common shares upon consummation, because both the proposed Max amalgamation and the exchange offer provide for stock consideration with fixed exchange ratios, the respective values of the proposed Max amalgamation and the exchange offer to IPC shareholders will vary over time based on relative changes in the market prices of each company s common shares, which could result in a smaller premium or no premium.

A Validus/IPC combination will have a strong balance sheet and minimal exposure to risky asset classes.

Under the proposed Max amalgamation, IPC will be assuming the entirety of Max s assets and liabilities. Despite statements by IPC s board of directors of its desire to reduce earnings volatility through a business combination, it has proposed a transaction in which IPC shareholders will assume an investment portfolio with a significant concentration of risky assets, including alternative investments, and inadequate property and casualty and life and annuity reserves. According to Max s Annual Report of Form 10-K for the year ended December 31, 2008, which we refer to as the Max 2008 Form 10-K, Max s holdings of alternative investments totaled 61% of its tangible equity, indicating a significant amount of embedded risk. Despite Max s announced plan to reduce its exposure to alternative investments to 10% to 12% of its portfolio (according to recent Max disclosures), as a result of the proposed Max amalgamation, IPC s investment in alternative investments would increase from 7% of its total portfolio at December 31, 2008 to 12% of its total portfolio on a pro forma basis after giving effect to the proposed Max amalgamation, an increase of 5%. The riskiness of the Max balance sheet is evident in the fact that Max wrote down the value of its alternative assets in 2008 by $233 million, a markdown which exceeded its underwriting income. In contrast, Validus holds no alternative investments in its investment portfolio and has specific investment policies in place prohibiting it from investing in those asset classes, which it believes are unduly risky to its shareholders and policyholders. Validus believes counterparties will view the strength of Validus balance sheet very favorably as buyers are rethinking counterparty risk in the current environment, giving Validus a significant advantage over many of its competitors.

Also, according to the IPC/Max Joint Proxy Statement/Prospectus Supplement dated June 4, 2009, IPC will have to reflect a fair value adjustment of $130 million to Max s property and casualty and life and annuity reserves, which directly and adversely impacts the capitalization of the combined IPC/Max. We believe that this need to adjust reserves is indicative of prior under-reserving by Max in its businesses. Validus does not expect that the combination of Validus and IPC will require additions or adjustments to IPC s or Validus existing insurance reserves. Although IPC discloses that the amount of the fair value adjustment will be amortized into the combined IPC/Max s income each year and will increase the amount of net income each year during the amortization period, any amortization will be limited to the extent that losses exceed Max s prior unadjusted reserves.

Additionally, an IPC/Validus combination will result in a combined entity with pro forma GAAP shareholders equity of approximately $3.5 billion as of December 31, 2008 and $3.6 billion as of March 31, 2009. This compares to a combined IPC/Max pro forma shareholders equity of approximately $2.8 billion at March 31, 2009, according to the IPC/Max Joint Proxy Statement/Prospectus Supplement dated June 4, 2009. Validus believes that a significant capital base provides an important competitive advantage for companies in Validus industry, especially given the current economic climate in which companies face limited access to new capital and the demand for reinsurance is increasing.

Validus offers IPC a highly experienced, first class management team.

Validus offers IPC a highly experienced, first-class management team. Validus management team has demonstrated the ability to execute growth strategies successfully, carefully manage risk and deliver enhanced shareholder value. Under the stewardship of its current management, Validus has completed the acquisition of Talbot and established a presence in the energy and aviation markets. Similarly, between December 31, 2005 and December 31, 2008, Validus grew its book value per share (including accumulated dividends) at a 13.2% rate compared to Max s 8.8% growth rate over the same period. The superior performance of the leadership of the Validus management team is evidenced by the fact that Validus common shares traded at a premium of 1.05x and 1.13x, respectively, to Validus diluted book value and diluted tangible book value based on the closing price of Validus common shares on March 30, 2009. In comparison, Max common shares traded at a discount of 0.76x and 0.77x, respectively, to Max s diluted book value and diluted tangible book value based on the closing price of Max common shares on March 30, 2009. Please see Schedule I to this prospectus/offer to exchange.

The exchange offer and second-step acquisition provide IPC shareholders with an opportunity for stable, profitable diversification into attractive business lines and further growth.

By entering into the proposed Max amalgamation, IPC s board of directors has chosen to combine with an entity that reported a comprehensive net loss of $200.4 million, or $3.10 per Max diluted share, in 2008. While Max reported a combined ratio of 91.9% in 2008, its underwriting results benefited from $106 million in favorable reserve development. Excluding this benefit, Max s underwriting activities in the 2008 year generated an underwriting loss and a combined ratio of 110.6%. Max s U.S. Specialty segment, the centerpiece of its diversified businesses, operated in 2008 with a combined ratio of 138.5%. The combined ratio is a commonly used measure of an insurance company s underwriting profitability. It is calculated as the sum of an insurer s net loss ratio and its expense ratio. A combined ratio below 100% indicates profitable underwriting; a combined ratio of 100% or higher indicates that premiums are less than aggregate claims and expenses. The net loss ratio is calculated by dividing losses and loss expenses incurred (including estimates for incurred but not reported losses) by net premiums earned. The expense ratio is calculated by dividing acquisition costs combined with general and administrative expenses by net premiums earned. As evidenced by Max s combined ratio in 2008, Max s underwriting business was loss-making in 2008. In contrast, the combined ratio at Validus in 2008, notwithstanding the unusual concurrence of two major events giving rise to claims (Hurricanes Gustav and Ike) was 92.2%, indicating profitable underwriting results.

Max s results have been significantly more volatile than those of Validus in recent years, despite statements by IPC s board of directors and Max s management alleging the reduced volatility that will result from an IPC/Max combination. For example, according to the Max 2008 Form 10-K, Max s return on average shareholders equity has varied between -12.2% and 20.4% in the period from 2006 through 2008. In contrast, Validus return on average shareholders equity has varied between 2.7% and 26.9% in the same period, and has been higher than Max s in each of those years.

The decision of the IPC board of directors to combine with a volatile, underperforming entity diversifies IPC and its shareholders into businesses which have earned returns below what IPC earned on a standalone basis in the same period. In that context, we would urge you to consider that Validus generated comprehensive income of $45.3 million, or net income of $0.61 per Validus diluted share, in 2008.

Validus is one of the leading providers of short-tail insurance globally, writing over $1.0 billion of non-catastrophe business in 2008 in 134 countries around the world from offices in Bermuda, London, Singapore, New York and Miami. Validus is a global leader in profitable business lines including marine, energy and war and terrorism. In independent forecasts conducted by Willis Re, the Council of Insurance Agents and Brokers and Aon, the rate trends in business lines which accounted for approximately 86% of Validus 2008 non-reinsurance gross written premiums (marine, property, war and terrorism, and financial institutions) are currently positive, whereas the same independent forecasts predict negative rate changes in business lines which accounted for 58% of Max s 2008 non-reinsurance gross written premiums. Validus believes its diverse businesses would be highly complementary with IPC s existing operations and provide meaningful, profitable diversification. Validus management team has consistently articulated Validus business plan: to grow in profitable segments. It has taken significant steps in this direction in the last few years. Its acquisition of Talbot in 2007 gave Validus access to a premier underwriting franchise in the Lloyds syndicate, which has already proven a profitable investment. In addition, Validus has set the stage for further organic growth by adding market leading teams in Latin America and the energy and aviation segments. It has global licenses that will permit Validus to expand in other lines if and when the pricing presents a profitable opportunity to do so. Validus believes that the combination of IPC and Validus will bolster all of these initiatives and give the combined company a leading platform and additional opportunities for growth.

Have you discussed the exchange offer with the board of IPC?

No, we have not. On March 31, 2009, Validus delivered the initial Validus offer to IPC, which included the Validus amalgamation agreement signed by Validus. IPC announced on April 7, 2009 that its board of directors determined that the initial Validus offer did not constitute a superior proposal to the Max amalgamation agreement and reaffirmed its support of the proposed Max amalgamation. Because of a prohibition in the Max amalgamation agreement that prevents IPC from even discussing the Validus amalgamation offer with Validus, with no provision allowing IPC s directors to enter into such discussions in order to comply with any fiduciary or other duties that they may have, we made the exchange offer without discussing it with IPC. On May 14, 2009, IPC filed a Solicitation/Recommendation Statement on Schedule 14D-9 reporting that IPC s board had met on May 13, 2009 and determined to recommend that IPC shareholders reject the exchange offer and not tender their IPC common shares to Validus. On May 21, 2009, IPC filed an amendment to its Solicitation/Recommendation Statement on Schedule 14D-9 reporting that IPC s board had met on May 20, 2009 and stating the IPC board of directors recommendation that IPC shareholders reject the May 18, 2009 terms of the exchange offer and not tender their IPC common shares to Validus pursuant to the exchange offer. On June 9, 2009, IPC filed an amendment to its Solicitation/Recommendation Statement on Schedule 14D-9 reporting that IPC s board had met on June 9, 2009 and stating the IPC board of directors recommendation that IPC shareholders reject the June 8, 2009 terms of the exchange offer and not tender their IPC common shares to Validus pursuant to the exchange offer. Additionally, IPC has not sought any information from Validus or to have any discussions with Validus.

When do you expect the exchange offer to be completed?

We believe that we would be able to complete the exchange offer in June 2009, promptly following termination of the Max amalgamation agreement (and subject to the satisfaction or waiver of the other conditions to the exchange offer), based on the following. The expiration time of the exchange offer will be June 26, 2009, unless extended. As a result, if the conditions of the exchange offer are satisfied or waived at the expiration time of the exchange offer, Validus would be able to acquire all of the IPC common shares that are validly tendered pursuant to the exchange offer.

Will you increase the consideration being offered in the exchange offer?

Validus believes that the increased offer consideration represents full and fair value for IPC common shares. **Validus is under no obligation to increase the offer consideration again and does not currently intend to do so.**

What are the conditions of the exchange offer?

The exchange offer is conditioned upon, among other things, the following:

IPC shareholders shall have validly tendered and not withdrawn prior to the expiration time of the exchange offer at least that number of IPC common shares that shall constitute 90% of the then-outstanding number of IPC common shares on a fully-diluted basis (excluding any IPC common shares owned by Validus, its subsidiaries or IPC). We refer to this condition as the minimum tender condition.

The Max amalgamation agreement shall have been validly terminated, and Validus shall reasonably believe that IPC could not have any liability, and Max shall not have asserted any claim of liability or breach against IPC in connection with the Max amalgamation agreement other than with respect to the possible payment of the $50 million termination fee thereunder, which we refer to as the Max termination fee.

The registration statement of which this prospectus/offer to exchange is a part shall have become effective under the Securities Act of 1933, which we refer to as the Securities Act, no stop order suspending the effectiveness of the registration statement shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the Securities and Exchange Commission, which we refer to as the SEC, and Validus shall have received all necessary state securities law or blue sky authorizations.

The shareholders of Validus shall have approved the issuance of the Validus common shares pursuant to the exchange offer and the second-step acquisition as required under the rules of the New York Stock Exchange, which we refer to as the NYSE. All of the Validus officers, directors and those shareholders which Validus refers to as its qualified sponsors (please see the section of this prospectus/offer to exchange entitled The Exchange Offer Conditions of the Exchange Offer), in each case, who own Validus common shares have indicated that they intend to vote the Validus common shares beneficially owned by them in favor of such approvals. As of April 30, 2009, these persons and entities beneficially owned 42.4% of the voting interests relating to the Validus common shares.

The Validus common shares to be issued to IPC shareholders in exchange for IPC common shares in the exchange offer and the second-step acquisition shall have been authorized for listing on the NYSE, subject to official notice of issuance.

There shall be no threatened or pending litigation, suit, claim, action, proceeding or investigation before any governmental authority that, in the judgment of Validus, is reasonably likely to, directly or indirectly, restrain or prohibit (or which alleges a violation of law in connection with) the exchange offer or is reasonably likely to prohibit or limit the full rights of ownership of IPC common shares by Validus or any of its affiliates.

Since December 31, 2008, there shall not have been any material adverse effect on IPC and its subsidiaries, taken as a whole. A more than 50% decline in IPC s book value or a more than 20% decline in IPC s book value relative to Validus book value shall be deemed to have a material adverse effect on IPC.

Each of IPC and its subsidiaries shall have carried on their respective businesses in the ordinary course consistent with past practice at all times on or after the date of this prospectus/offer to exchange and prior to the expiration time of the exchange offer.

All amendments or waivers under Validus credit facilities necessary to consummate the exchange offer, the second-step acquisition and the other transactions contemplated by this prospectus/offer to exchange shall be in full force and effect.

The exchange offer is subject to additional conditions referred to in the section of this prospectus/offer to exchange entitled The Exchange Offer Conditions of the Exchange Offer, including that IPC shareholders shall not have approved the Max amalgamation agreement and that there shall have been no business combination consummated between IPC and Max. The exchange offer is not conditioned on the receipt of regulatory approvals or the elimination of the Max termination fee.

What actions do you propose to take with respect to the proposed Max amalgamation?

Validus has mailed definitive proxy materials and proxy cards to IPC shareholders to solicit votes at the IPC annual general meeting against the proposed Max amalgamation.

The exchange offer does not constitute a solicitation of proxies in connection with such matters. Any such solicitation will be made only pursuant to separate proxy materials complying with the requirements of the rules and regulations of the SEC.

In addition, Validus has filed legal proceedings in the Supreme Court of Bermuda against IPC, IPC Limited and Max, which we refer to as the Bermuda claim. The Bermuda claim challenges the validity of the Max termination fee and provisions which restrict the ability of IPC to discuss competing proposals with third parties, which we refer to as the no talk provisions, in the Max amalgamation agreement. Validus is seeking, among other things, an injunction to restrain payment of the Max termination fee and to restrain operation of the no-talk provisions on the bases that (1) because of its excessive size, the termination fee amounts to an unlawful penalty under Bermuda law and is accordingly unenforceable, and (2) entry into the Max amalgamation agreement, in circumstances where such agreement contained the Max termination fee and the no talk provisions, constituted a breach of the IPC directors fiduciary or other duties. Please see the section of this prospectus/offer to exchange entitled The Exchange Offer Certain Legal Matters; Regulatory Approvals.

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How does the exchange offer relate to the Validus amalgamation offer and the Validus scheme of arrangement?

The exchange offer is one of the parts of our plan to acquire all of the issued and outstanding IPC common shares.

First, Validus has solicited proxies from IPC shareholders to vote against the proposed Max amalgamation. If the proposed Max amalgamation is voted down by IPC shareholders, IPC s board of directors will be able to terminate the Max amalgamation agreement and enter into the Validus amalgamation agreement. If IPC s board of directors were to enter into the Validus amalgamation agreement promptly following the termination of the Max amalgamation agreement, Validus believes the amalgamation contemplated by the Validus amalgamation offer could be completed in late July 2009 based on the assumption that IPC terminates the Max amalgamation agreement promptly following its June 12, 2009 annual general meeting, allowing approximately 45 days to hold a special general meeting of IPC shareholders to obtain the required shareholder approval and to satisfy the other conditions in the Validus amalgamation agreement.

Second, Validus has commenced the exchange offer. The exchange offer is subject to the terms and conditions described in this prospectus/offer to exchange. Under Bermuda law, if Validus acquires at least 90% of the IPC common shares which it is seeking to acquire in the exchange offer, Validus will have the right to acquire the remaining IPC common shares on the same terms in the second-step acquisition. Validus believes that it would be able to complete the exchange offer in June 2009, promptly following termination of the Max amalgamation agreement (and subject to the satisfaction or waiver of the other conditions to the exchange offer), based on the following. The expiration time of the exchange offer will be June 26, 2009, unless extended. As a result, if the conditions of the exchange offer are satisfied or waived at the expiration time of the exchange offer, Validus would be able to acquire all of the IPC common shares that are validly tendered pursuant to the exchange offer.

Third, Validus intends to resubmit its application to the Supreme Court of Bermuda to approve a scheme of arrangement under Part VII of the Companies Act, which we refer to as the Validus scheme of arrangement, pursuant to which Validus would acquire all of the issued and outstanding IPC common shares on the same economic terms as in the exchange offer and the Validus amalgamation offer. In order to implement the Validus scheme of arrangement, the IPC shareholders must approve the Validus scheme of arrangement at a meeting ordered by the Supreme Court of Bermuda, which we refer to as the court-ordered IPC meeting, IPC must separately approve the Validus scheme of arrangement and the Validus scheme of arrangement must be sanctioned by the Supreme Court of Bermuda. The Validus scheme of arrangement must be approved by a majority in number of the holders of IPC common shares voting at the court-ordered IPC meeting, whether in person or by proxy, representing 75% or more in value of the IPC common shares voting at the court-ordered IPC meeting, whether in person or by proxy. If the IPC shareholders approve the Validus scheme of arrangement at the court-ordered IPC meeting, the separate approval of IPC to the Validus scheme of arrangement can be provided by either (i) the IPC board of directors voluntarily complying with the will of the IPC shareholders as expressed at the court-ordered IPC meeting, or (ii) the shareholders of IPC approving resolutions at a special general meeting of IPC, which we refer to as the IPC special general meeting, including resolutions for IPC to approve and to be bound by the Validus scheme of arrangement and to terminate the Max amalgamation agreement. Following IPC shareholder approval at both the court-ordered IPC meeting and the IPC special general meeting, the satisfaction or, where relevant, waiver of the other conditions to the effectiveness of the Validus scheme of arrangement and the granting of a court order from the Supreme Court of Bermuda sanctioning the Validus scheme of arrangement, a copy of the court order sanctioning the Validus scheme of arrangement will be delivered to the Bermuda Registrar of Companies, at which time the Validus scheme of arrangement will be effective. In a decision rendered on May 29, 2009, the Supreme Court of Bermuda dismissed Validus application to convene a meeting of IPC shareholders to consider the Validus scheme of arrangement but determined that it has jurisdiction to sanction the Validus scheme of arrangement without approval of the IPC board of directors. However, the Court determined not to exercise its discretion to order the court-ordered IPC meeting in advance of the vote on the proposed Max amalgamation at the IPC annual general meeting and evidence of IPC shareholder support for the Validus scheme of arrangement and there can be no assurance that the Court will on a subsequent application by Validus exercise its discretion to convene such a meeting. Validus believes that, under the Validus scheme of arrangement, it would be able to close the contemplated acquisition in July 2009 based on the assumptions that: (1) the Supreme Court of Bermuda will be able to

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accommodate the preferred hearings schedule and meeting dates and other procedural matters and exercises its discretion to convene the court-ordered IPC meeting; (2) IPC shareholders holding at least one-tenth of the issued IPC common shares have requisitioned the IPC special general meeting to be held in July 2009; and (3) the IPC directors, following the rejection of the Max amalgamation agreement, or the IPC shareholders, convene the IPC special general meeting, allowing it to be held in July 2009.

The Validus amalgamation offer, the exchange offer and the Validus scheme of arrangement are alternative methods for Validus to acquire all of the issued and outstanding IPC common shares on the same economic terms. Ultimately, only one of these transaction structures can be pursued to completion. Validus intends to seek to acquire all IPC common shares by whichever method Validus determines is most effective and efficient.

The exchange offer does not constitute a solicitation of proxies in connection with the Validus scheme of arrangement or the Validus amalgamation offer. Any such solicitation will be made only pursuant to separate proxy materials complying with the requirements of the rules and regulations of the SEC. Such materials will contain, among other things, a summary of all material terms of the transactions to which such proxy statements relate. Validus advises shareholders to read any such proxy statements applicable to them because they contain important information. Please see the section of this prospectus/offer to exchange entitled Solicitation of Proxies.

Has IPC s board of directors made a recommendation concerning the exchange offer?

On May 14, 2009, IPC filed a Solicitation/Recommendation Statement on Schedule 14D-9 reporting that IPC s board had met on May 13, 2009 and determined to recommend that IPC shareholders reject the exchange offer and not tender their IPC common shares to us. On May 21, 2009, IPC filed an amendment to its Solicitation/Recommendation Statement on Schedule 14D-9 reporting that IPC s board had met on May 20, 2009 and stating the IPC board of directors recommendation that IPC shareholders reject the May 18, 2009 terms of the exchange offer and not tender their IPC common shares to Validus pursuant to the exchange offer. On June 9, 2009, IPC filed an amendment to its Solicitation/Recommendation Statement on Schedule 14D-9 reporting that IPC s board had met on June 9, 2009 and stating the IPC board of directors recommendation that IPC shareholders reject the June 8, 2009 terms of the exchange offer and not tender their IPC common shares to Validus pursuant to the exchange offer.

Do I need to grant proxies to Validus in connection with any of the potential proxy solicitations described above if I wish to accept the exchange offer? Do I have to vote against the proposed Max amalgamation?

No. Your ability to tender your IPC common shares in the exchange offer is not conditioned on IPC shareholders granting proxies to Validus in connection with any of its potential proxy solicitations discussed above. However, a tendering shareholder will irrevocably appoint designees of Validus as such shareholder s agents, attorneys-in-fact and proxies, effective as of and only to the extent that Validus accepts such tendered IPC common shares for exchange. Until such time as Validus accepts such tendered IPC common shares for exchange, IPC shareholders will be able to vote on any alternative proposal.

You may validly tender your IPC common shares in the exchange offer, regardless of whether or how you vote on the proposed Max amalgamation. However, assuming a quorum is present at the annual general meeting of IPC shareholders, at which meeting IPC shareholders will vote upon the proposed Max amalgamation, a majority of votes cast at the annual general meeting must vote against the proposed Max amalgamation and a successful vote against the proposed Max amalgamation would help permit this to occur, as the exchange offer is conditioned on the termination of the Max amalgamation agreement (and such a vote would give IPC the right, but not the obligation, to terminate the Max amalgamation agreement).

Do I have to vote at any meeting to approve the exchange offer or the second-step acquisition?

No. The minimum tender condition will be satisfied only if Validus (or a wholly-owned subsidiary of Validus) acquires 90% of the then-outstanding number of IPC common shares on a fully-diluted basis (excluding any IPC common shares owned by Validus, its subsidiaries or IPC). Once the exchange offer is completed, Bermuda law does not require any additional shareholder vote or the approval of IPC s board of directors for us to complete the second-step acquisition pursuant to Section 102 or Section 103 of the Companies Act.

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What will the composition of the board of directors of IPC and Validus be following the exchange offer and the second-step acquisition?

Validus currently intends to replace IPC s existing board of directors following the second-step acquisition and short-form amalgamation. Upon completion of the exchange offer and the second-step acquisition, Validus board of directors would consist of the directors serving on the board of directors of Validus before the completion of the exchange offer and the second-step acquisition; however, Validus has publicly expressed to the IPC directors that if they desire to participate in the leadership of Validus after completion of the exchange offer and the second-step acquisition, Validus would consider that.

Will I be taxed on the Validus common shares I receive?

The exchange offer, second-step acquisition and short-form amalgamation are intended to constitute a single integrated transaction that qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code. Assuming it does so qualify, U.S. holders of IPC common shares will generally recognize gain (but not loss) in an amount equal to the lesser of (i) the amount of cash received by such U.S. holder and (ii) the excess, if any, of (a) the sum of the cash and the fair market value of the Validus common shares received by such U.S. holder, over (b) the U.S. holder s tax basis in the IPC common shares exchanged pursuant to the exchange offer and second-step acquisition. Subject to the passive foreign investment company rules or the potential application of Section 1248 of the Code, any gain recognized upon the exchange generally will be capital gain, unless the receipt of cash by a U.S. holder has the effect of the distribution of a dividend for U.S. federal income tax purposes. For more information, please see the section of this prospectus/offer to exchange under the caption Material U.S. Federal Income Tax Consequences.

Tax matters are complicated and the tax consequences of the transaction to you will depend upon the facts of your particular circumstances. Because individual circumstances may differ, Validus urges you to consult with your own tax advisor as to the specific tax consequences of the exchange offer, second-step acquisition and short-form amalgamation to you, including the applicability of U.S. federal, state, local, non-U.S. and other tax laws.

Will I have to pay any fee or commission to exchange IPC common shares?

If you are the record owner of your IPC common shares and you tender your IPC common shares in the exchange offer, you will not have to pay any brokerage fees, commissions or similar expenses. If you own your IPC common shares through a broker, dealer, commercial bank, trust company or other nominee and your broker, dealer, commercial bank, trust company or other nominee tenders your IPC common shares on your behalf, your broker, dealer, commercial bank, trust company or other nominee may charge a fee for doing so. You should consult your broker, dealer, commercial bank, trust company or other nominee to determine whether any charges will apply.

Is Validus financial condition relevant to my decision to tender IPC common shares in the exchange offer?

Yes. Validus financial condition is relevant to your decision to tender your IPC common shares because the consideration you will receive if your IPC common shares are exchanged in the exchange offer will consist of a combination of Validus common shares and cash. You should therefore consider Validus financial condition before you decide to become one of Validus shareholders through the exchange offer. You also should consider the likely effect that Validus acquisition of IPC will have on Validus financial condition. This prospectus/offer to exchange contains financial information regarding Validus and IPC, as well as pro forma financial information (which does not reflect any of our expected synergies) for the acquisition of all of the issued and outstanding IPC common shares by Validus, all of which we encourage you to review.

Does Validus have the financial resources to complete the exchange offer and the second-step acquisition?

The exchange offer consideration will consist of a combination of Validus common shares and cash (less any applicable withholding taxes and without interest), including cash paid in lieu of any fractional Validus common shares to which any IPC shareholder may be entitled. The exchange offer is not subject to a financing condition.

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Validus expects to have sufficient cash and cash equivalents on hand to complete the transactions contemplated by the exchange offer and the second-step acquisition, including to pay the cash portion of the offer consideration and any cash that may be required to be paid in respect of dissenter s or appraisal rights and to pay fees, expenses and other related amounts.

The estimated amount of cash required is based on Validus due diligence review of IPC s publicly available information to date and is subject to change. For a further discussion of the risks relating to Validus limited due diligence review, please see the section of this prospectus/offer to exchange entitled Risk Factors Risk Factors Relating to the Exchange Offer and the Second-Step Acquisition.

What percentage of Validus common shares will former holders of IPC common shares own after the exchange offer?

Based on Validus and IPC s respective capitalizations as of March 31, 2009 and the exchange ratio of 1.1234, Validus estimates that if all IPC common shares are exchanged pursuant to the exchange offer and/or the second-step acquisition, former IPC shareholders would own, in the aggregate, approximately 41.3% of the issued and outstanding Validus common shares and non-voting common shares, par value $0.175 per share, of Validus, which we refer to as Validus non-voting common shares, on a fully-diluted basis. For a detailed discussion of the assumptions on which this estimate is based, please see the section of this prospectus/offer to exchange entitled The Exchange Offer Ownership of Validus After the Exchange Offer.

When does the exchange offer expire?

The exchange offer is scheduled to expire at 5:00 p.m., New York City time (6:00 p.m., Atlantic Time), on June 26, 2009, which is the expiration time of the exchange offer, unless further extended by Validus. When we make reference to the expiration time of the exchange offer anywhere in this prospectus/offer to exchange, this is the time to which we are referring, including when applicable, any extension period that may apply. For more information, please see the section of this prospectus/offer to exchange entitled The Exchange Offer Extension, Termination and Amendment.

Can the exchange offer be extended and, if so, under what circumstances?

Validus may, in its sole discretion, extend the exchange offer at any time or from time to time until the expiration time of the exchange offer. For instance, the exchange offer may be extended if any of the conditions specified in The Exchange Offer Conditions of the Exchange Offer are not satisfied prior to the scheduled expiration time of the exchange offer.

Validus may also elect to provide a subsequent offering period for the exchange offer. A subsequent offering period would not be an extension of the exchange offer. Rather, a subsequent offering period would be an additional period of time, beginning after Validus has accepted for exchange all IPC common shares tendered during the exchange offer, during which shareholders who did not tender their shares in the exchange offer may tender their shares and receive the same consideration provided in the exchange offer. Validus does not currently intend to include a subsequent offering period, although it reserves the right to do so.

The exchange offer is conditioned upon, among other things, the termination of the Max amalgamation agreement, the approval by our shareholders of the issuance of Validus common shares to be issued as a portion of the offer consideration in exchange for IPC common shares in the exchange offer and the second-step acquisition, tender without withdrawal of at least 90% of the then-outstanding number of IPC common shares on a fully-diluted basis (excluding any IPC common shares owned by Validus, its subsidiaries or IPC), no material adverse effect having occurred with respect to IPC and its subsidiaries, IPC and its subsidiaries continuing to operate in the ordinary course of business consistent with past practice and the registration statement of which this prospectus/offer to exchange is a part becoming effective. The expiration time of the exchange offer may also be subject to multiple extensions and any decision to extend the exchange offer, and if so, for how long, will be made at such time. **Any decision to extend the exchange offer will be made public by an announcement regarding such extension as described in the section of this prospectus/offer to exchange entitled The Exchange Offer Extension, Termination and Amendment.**

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How do I tender my IPC common shares?

To tender your IPC common shares into the exchange offer, you must deliver the certificates representing your IPC common shares, together with a completed revised pink letter of transmittal and any other documents required by the revised pink letter of transmittal, to BNY Mellon Shareowner Services, the exchange agent for the exchange offer, not later than the expiration time of the exchange offer. The revised pink letter of transmittal is enclosed with this prospectus/offer to exchange.

If your IPC common shares are held in street name (i.e., through a broker, dealer, commercial bank, trust company or other nominee), your IPC common shares can be tendered by your nominee by book-entry transfer through The Depository Trust Company.

If you are unable to deliver any required document or instrument to the exchange agent by the expiration time of the exchange offer, you may have a limited amount of additional time by having a broker, a bank or other fiduciary that is an eligible guarantor institution guarantee that the missing items will be received by the exchange agent by using the enclosed yellow notice of guaranteed delivery circulated with this prospectus/offer to exchange, which we refer to as the revised yellow notice of guaranteed delivery, or the green notice of guaranteed delivery previously circulated with the prospectus/offer to exchange dated May 13, 2009, which we refer to as the original green notice of guaranteed delivery. For the tender to be valid, however, the exchange agent must receive the missing items within three NASDAQ Global Select Market trading days after the date of execution of such notice of guaranteed delivery. In all cases, an exchange of tendered shares will be made only after timely receipt by the exchange agent of certificates for such shares (or of a confirmation of a book-entry transfer of such shares) and a properly completed and duly executed revised pink letter of transmittal and any other required documents.

Tendering stockholders may continue to use the original blue letter of transmittal and the original green notice of guaranteed delivery, or they may use the revised pink letter of transmittal and the revised yellow notice of guaranteed delivery. Stockholders using the original blue letter of transmittal to tender their IPC common shares will nevertheless be deemed to be tendering pursuant to the terms and conditions contained in this prospectus/offer to exchange and the enclosed revised pink letter of transmittal and will receive 1.1234 Validus common shares and $3.75 in cash, less any applicable withholding taxes and without interest. For a complete discussion on the procedures for tendering your IPC common shares, please see the section of this prospectus/offer to exchange entitled The Exchange Offer Procedure for Tendering.

Until what time can I withdraw tendered IPC common shares?

You may withdraw previously tendered IPC common shares any time prior to the expiration time of the exchange offer, and, if Validus has not accepted your IPC common shares for exchange by the expiration time of the exchange offer, at any time following 60 days from commencement of the exchange offer. IPC common shares tendered during the subsequent offering period, if one is provided, may not be withdrawn. For a complete discussion on the procedures for withdrawing your IPC common shares, please see the section of this prospectus/offer to exchange entitled The Exchange Offer Withdrawal Rights.

How do I withdraw previously tendered IPC common shares?

To withdraw previously tendered IPC common shares, you must deliver a written or facsimile notice of withdrawal with the required information to the exchange agent while you still have the right to withdraw. If you tendered shares by giving instructions to a broker, dealer, commercial bank, trust company or other nominee, you must instruct the broker, dealer, commercial bank, trust company or other nominee to arrange for the withdrawal of your IPC common shares. For a complete discussion on the procedures for withdrawing your IPC common shares, please see the section of this prospectus/offer to exchange entitled The Exchange Offer Withdrawal Rights.

When and how will I receive the exchange offer consideration in exchange for my tendered IPC common shares?

Validus will exchange all validly tendered and not properly withdrawn IPC common shares promptly after the expiration time of the exchange offer, subject to the terms thereof and the satisfaction or waiver of the conditions to

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the exchange offer, as set forth in The Exchange Offer Conditions of the Exchange Offer. Validus will deliver the consideration for your validly tendered and not properly withdrawn IPC common shares by depositing the consideration therefor with the exchange agent, which will act as your agent for the purpose of receiving the exchange offer consideration from Validus and transmitting such consideration to you. In all cases, an exchange of tendered IPC common shares will be made only after timely receipt by the exchange agent of certificates for such shares (or of a confirmation of a book-entry transfer of such shares as described in The Exchange Offer Procedure for Tendering) and a properly completed and duly executed revised pink letter of transmittal or original blue letter of transmittal and any other required documents.

Will IPC continue as a public company following the exchange offer?

If the second-step acquisition occurs, IPC will become a wholly-owned subsidiary of Validus and will no longer be publicly owned. Even if the second-step acquisition does not occur, if Validus exchanges all IPC common shares which have been tendered, there may be so few remaining shareholders and publicly-held shares that IPC common shares will no longer be eligible to be traded through the NASDAQ Global Select Market, the Bermuda Stock Exchange or any other securities market, there may not be a public trading market for such shares, and IPC may cease making filings with the SEC or otherwise cease being required to comply with applicable law and SEC rules relating to publicly-held companies. Please see the section of this prospectus/offer to exchange entitled The Exchange Offer Plans for IPC and The Exchange Offer Effect of the Exchange Offer on the Market for IPC Common Shares; NASDAQ and Bermuda Stock Exchange Listing; Registration Under the Exchange Act; Margin Regulations.

Are dissenters or appraisal rights available in either the exchange offer and/or the second-step acquisition?

No dissenters or appraisal rights are available in connection with the exchange offer. However, if the second-step acquisition is subsequently consummated between Validus and IPC, IPC shareholders who have not tendered their IPC common shares in the exchange offer will have certain rights under Section 102 and Section 103 of the Companies Act to dissent from the second-step acquisition and, in the case of Section 103, to demand appraisal. Please see the section of this prospectus/offer to exchange entitled The Exchange Offer Appraisal/Dissenters Rights.

What is the market value of my IPC common shares as of a recent date?

On March 30, 2009, the last trading day before Validus made the initial Validus offer, the closing price of an IPC common share was $25.41. On June 11, 2009, the last practicable date prior to the filing of this prospectus/offer to exchange, the closing price of an IPC common share was $27.45. IPC shareholders are encouraged to obtain a recent quotation for IPC common shares before deciding whether or not to tender such shares.

Why does the cover page state that the exchange offer is subject to change and that the registration statement filed with the SEC is not yet effective? Does this mean that the exchange offer has not commenced?

No. Completion of this preliminary prospectus/offer to exchange and effectiveness of the registration statement are not necessary for the exchange offer to commence. Validus commenced the exchange offer on May 12, 2009. We cannot, however, accept for exchange any IPC common shares tendered in the exchange offer or exchange any IPC common shares until the registration statement is declared effective by the SEC and the other conditions to the exchange offer have been satisfied or waived.

Where can I find more information on Validus and IPC?

You can find more information about Validus and IPC from various sources described in the section of this prospectus/offer to exchange entitled Where You Can Find More Information.

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Who can I contact with any additional questions about the exchange offer?

You can call the information agent or the dealer manager for the exchange offer.

The information agent for the exchange offer is:

199 Water Street, 26th Floor
New York, New York 10038
Banks and Brokerage Firms, Please Call: (212) 440-9800
All Others Call Toll-Free: at (800) 213-0317
Email: validusIPC@georgeson.com

The dealer manager for the exchange offer is:

Greenhill & Co., LLC
300 Park Avenue
New York, New York 10022
Call Toll-Free: (888) 504-7336

SUMMARY OF THE EXCHANGE OFFER

This summary highlights the material information in this prospectus/offer to exchange. To fully understand the exchange offer to holders of IPC common shares, and for a more complete description of the terms of the exchange offer and the second-step acquisition, you should read carefully this entire document, including the exhibits, schedules and documents incorporated by reference herein, and the other documents referred to herein. For information on how to obtain the documents that are on file with the SEC, please see the section of this prospectus/offer to exchange entitled Where You Can Find More Information.

The Companies (See page 40)

Validus

Validus is a Bermuda exempted company with its principal executive offices located at 19 Par-La-Ville Road, Hamilton HM11, Bermuda. The telephone number of Validus is (441) 278-9000. Validus is a provider of reinsurance and insurance, conducting its operations worldwide through two wholly-owned subsidiaries, Validus Re and Talbot. Validus Re is a Bermuda-based reinsurer focused on short-tail lines of reinsurance. Talbot is the Bermuda parent of the specialty insurance group primarily operating within the Lloyd s insurance market through Syndicate 1183. At March 31, 2009, Validus had total shareholders equity of $2.023 billion and total assets of $4.763 billion. Validus common shares are traded on the NYSE under the symbol VR and, as of June 11, 2009, the last practicable date prior to the filing of this prospectus/offer to exchange, Validus had a market capitalization of approximately $1.80 billion. Validus has approximately 280 employees.

As of the date of the filing of this prospectus/offer to exchange with the SEC, Validus was the registered holder of 100 IPC common shares, or less than 1% of the amount outstanding.

IPC

The following description of IPC is taken from the registration statement on Form S-4 filed by IPC on March 27, 2009, as amended, which we refer to as the IPC/Max S-4. Please see the section of this prospectus/offer to exchange entitled Note on IPC Information.

IPC, a Bermuda exempted company, provides property catastrophe reinsurance and, to a limited extent, property-per-risk excess, aviation (including satellite) and other short-tail reinsurance on a worldwide basis. During 2008, approximately 93% of its gross premiums written, excluding reinstatement premiums, covered property catastrophe reinsurance risks. Property catastrophe reinsurance covers against unpredictable events such as hurricanes, windstorms, hailstorms, earthquakes, volcanic eruptions, fires, industrial explosions, freezes, riots, floods and other man-made or natural disasters. The substantial majority of the reinsurance written by IPCRe, IPC s Bermuda-based property catastrophe reinsurance subsidiary, has been, and continues to be, written on an excess of loss basis for primary insurers rather than reinsurers, and is subject to aggregate limits on exposure to losses. During 2008, IPC had approximately 258 clients from whom it received either annual/deposit or adjustment premiums, including many of the leading insurance companies around the world. In 2008, approximately 36% of those clients were based in the United States, and approximately 53% of gross premiums written, excluding reinstatement premiums, related primarily to U.S. risks. IPC s non-U.S. clients and its non-U.S. covered risks are located principally in Europe, Japan, Australia and New Zealand. During 2008, no single ceding insurer accounted for more than 3.7% of IPC s gross premiums written, excluding reinstatement premiums. IPC did not disclose gross premiums written by class of business in its Quarterly Report on Form 10-Q for the three months ended March 31, 2009, which we refer to as the

IPC 10-Q. Therefore, comparable disclosure of property catastrophe premiums cannot be presented. At March 31, 2009, IPC had total shareholders equity of $1.849 billion and total assets of $2.453 billion.

IPC common shares are quoted on the NASDAQ Global Select Market under the ticker symbol IPCR and the Bermuda Stock Exchange under the symbol IPCR BH. IPC s principal executive offices are located at American International Building, 29 Richmond Road, Pembroke HM 08, Bermuda and its telephone number is (441) 298-5100.

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The Exchange Offer (See pages 68 and 84)

Validus is offering to exchange for each outstanding IPC common share that is validly tendered and not properly withdrawn prior to the expiration time of the exchange offer, 1.1234 Validus common shares and $3.75 in cash (less any applicable withholding taxes and without interest), upon the terms and subject to the conditions contained in this prospectus/offer to exchange and the accompanying revised pink letter of transmittal. In addition, you will receive cash in lieu of any fractional Validus common share to which you may be entitled.

Validus intends, promptly following acceptance for exchange and exchange of IPC common shares in the exchange offer, to effect the second-step acquisition pursuant to which Validus will acquire all shares of those IPC shareholders who choose not to tender their IPC common shares pursuant to the exchange offer in accordance with either Section 102 or Section 103 of the Companies Act. After the second-step acquisition, former remaining IPC shareholders will no longer have any ownership interest in IPC and will be shareholders of Validus. Validus intends, promptly following the second-step acquisition, to amalgamate IPC with a newly-formed, wholly-owned subsidiary of Validus in accordance with Section 107 of the Companies Act.

On May 21, 2009, the Chairman of IPC s board of directors sent a letter to Validus which stated that IPC s bye-laws would prevent Validus from becoming the legal owner of 10% or more of the IPC common shares. Validus believes, based upon the advice of Bermuda and UK counsel, that IPC s bye-laws will not operate to prevent Validus from accepting IPC common shares for exchange in the exchange offer and acquiring beneficial ownership of any such IPC common shares. IPC has stated in a letter to its shareholders that IPC believes that Validus faces substantial legal uncertainties if it attempts to squeeze out IPC s remaining shareholders on such basis. Validus will take such actions as are necessary, including by seeking a judgment of a Bermuda court, to enforce its rights under Section 102 and/or Section 103 of the Companies Act to the extent that any person (including IPC, IPC s board of directors or any IPC shareholder) seeks to restrict the operation thereof. However, resolution of any such actions or proceedings is not a condition to the exchange offer.

Reasons for the Exchange Offer (See page 64)

The Validus common shares to be issued and cash to be paid to IPC shareholders in exchange for IPC common shares will provide IPC shareholders with an immediate premium for their shares and will allow IPC shareholders to participate in the growth and opportunities of the combined company. Validus believes that the acquisition of IPC represents a compelling combination and excellent strategic fit that will enable the combined company to capitalize on opportunities in the global reinsurance market. Successful completion of the exchange offer would allow IPC shareholders to benefit from the superior growth potential of a combined company that would be a leading carrier in Bermuda s short-tail reinsurance and insurance markets, with a strong balance sheet and quality diversification in profitable business lines.

Conditions of the Exchange Offer (See page 90)

The exchange offer is conditioned upon, among other things, the following:

IPC shareholders shall have validly tendered and not withdrawn prior to the expiration time of the exchange offer at least that number of IPC common shares that shall constitute 90% of the then-outstanding number of IPC common shares on a fully-diluted basis (excluding any IPC common shares owned by Validus, its subsidiaries or IPC).

The Max amalgamation agreement shall have been validly terminated, and Validus shall reasonably believe that IPC could not have any liability, and Max shall not have asserted any claim of liability or breach against IPC in connection with the Max amalgamation agreement other than with respect to the possible payment of the Max termination fee.

The registration statement of which this prospectus/offer to exchange is a part shall have become effective under the Securities Act, no stop order suspending the effectiveness of the registration statement shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the SEC, and Validus shall have received all necessary state securities law or blue sky authorizations.

The shareholders of Validus shall have approved the issuance of the Validus common shares pursuant to the exchange offer and the second-step acquisition as required under the rules of the NYSE. All of the Validus officers, directors and those shareholders which Validus refers to as its qualified sponsors (please see the section of this prospectus/offer to exchange entitled The Exchange Offer Conditions of the Exchange Offer), in each case, who own Validus common shares have indicated that they intend to vote the Validus common shares beneficially owned by them in favor of such approvals. As of April 30, 2009, these persons and entities beneficially owned 42.4% of the voting interests relating to the Validus common shares.

The Validus common shares to be issued to IPC shareholders in exchange for IPC common shares in the exchange offer and the second-step acquisition shall have been authorized for listing on the NYSE, subject to official notice of issuance.

There shall be no threatened or pending litigation, suit, claim, action, proceeding or investigation before any governmental authority that, in the judgment of Validus, is reasonably likely to, directly or indirectly, restrain or prohibit (or which alleges a violation of law in connection with) the exchange offer or is reasonably likely to prohibit or limit the full rights of ownership of IPC common shares by Validus or any of its affiliates.

Since December 31, 2008, there shall not have been any material adverse effect on IPC and its subsidiaries, taken as a whole. A more than 50% decline in IPC s book value or a more than 20% decline in IPC s book value relative to Validus book value shall be deemed to have a material adverse effect on IPC.

Each of IPC and its subsidiaries shall have carried on their respective businesses in the ordinary course consistent with past practice at all times on or after the date of this prospectus/offer to exchange and prior to the expiration time of the exchange offer.

All amendments or waivers under Validus credit facilities necessary to consummate the exchange offer, the second-step acquisition and the other transactions contemplated by this prospectus/offer to exchange shall be in full force and effect.

The exchange offer is subject to additional conditions, including that IPC shareholders shall not have approved the Max amalgamation agreement and that there shall have been no business combination consummated between IPC and Max. The exchange offer is not conditioned on the receipt of regulatory approvals or the elimination of the Max termination fee. The conditions to the exchange offer are for the sole benefit of Validus and, other than the unwaivable conditions described in the section of this prospectus/offer to exchange entitled The Exchange Offer Conditions of the Exchange Offer, may be waived prior to the expiration time of the offer by Validus in its discretion.

Ownership of Validus After the Exchange Offer (See page 76)

Based on Validus and IPC s respective capitalizations as of March 31, 2009 and the exchange ratio of 1.1234, Validus estimates that if all IPC common shares are exchanged pursuant to the exchange offer and/or the second-step acquisition, former IPC shareholders would own, in the aggregate, approximately 41.3% of the issued and outstanding Validus common shares and Validus non-voting common shares on a fully-diluted basis. For a detailed discussion of the assumptions on which this estimate is based, please see the section of this prospectus/offer to exchange entitled The Exchange Offer Ownership of Validus After the Exchange Offer.

Comparative Market Price and Dividend Information (See page 32)

Validus common shares are listed on the NYSE under the symbol VR. IPC common shares are listed on the NASDAQ Global Select Market under the symbol IPCR and the Bermuda Stock Exchange under the symbol IPCR BH. The following table sets forth the closing prices of Validus and IPC as reported on March 30, 2009, the last day of trading before Validus public announcement of delivery of the initial Validus offer to the board of directors of IPC, and

June 11, 2009, the last practicable trading day prior to the filing of this prospectus/offer to exchange. The table also shows the implied value of one IPC common share in the exchange offer, which was calculated by multiplying the closing price for one Validus common share by the exchange ratio of 1.1234 and adding $3.75 in cash.

	Validus Common Shares Closing Price	IPC Common Shares Closing Price	Implied Value Per IPC Common Share in the Exchange Offer
March 30, 2009	$ 24.91	$ 25.41	$ 31.73
June 11, 2009	$ 23.65	$ 27.45	$ 30.32

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The value of the exchange offer will change as the market prices of Validus common shares and IPC common shares fluctuate during the exchange offer period and thereafter, and may therefore be different from the prices set forth above at the expiration time of the exchange offer and at the time you receive your Validus common shares. Please see the section of this prospectus/offer to exchange entitled Risk Factors. Shareholders are encouraged to obtain current market quotations for Validus common shares and IPC common Shares prior to making any decision with respect to the exchange offer.

Interest of Executive Officers and Directors of Validus in the Exchange Offer (See page 97)

Except as set forth in this prospectus/offer to exchange, neither we nor, after due inquiry and to the best of our knowledge and belief, any of our directors, executive officers or other affiliates has any contract, arrangement, understanding or relationship with any other person with respect to any securities of IPC, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of any securities, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or the giving or withholding of proxies.

Validus does not believe that the exchange offer and the second-step acquisition will result in a change in control under any of Validus stock option plans or any employment agreement between Validus and any of its employees. As a result, no options or other equity grants held by such persons will vest as a result of the exchange offer and the second-step acquisition. Please see the section of this prospectus/offer to exchange entitled The Exchange Offer Certain Relationships With IPC and Interests of Validus in the Exchange Offer.

Appraisal/Dissenters Rights (See page 86)

You do not have appraisal or dissenter s rights in connection with the exchange offer. However, if the second-step acquisition is subsequently consummated between Validus and IPC, IPC shareholders who have not tendered their IPC common shares in the exchange offer will have certain rights under Section 102 and Section 103 of the Companies Act to dissent from the second-step acquisition and, in the case of Section 103, to demand appraisal.

Material U.S. Federal Income Tax Consequences (See page 77)

The exchange offer, second-step acquisition and short-form amalgamation are intended to constitute a single integrated transaction that qualifies as a reorganization within the meaning of Section 368(a) of the Code. Assuming it does so qualify, U.S. holders of IPC common shares will generally recognize gain (but not loss) in an amount equal to the lesser of (i) the amount of cash received by such U.S. holder and (ii) the excess, if any, of (a) the sum of the cash and the fair market value of the Validus common shares received by such U.S. holder, over (b) the U.S. holder s tax basis in the IPC common shares exchanged pursuant to the exchange offer and second-step acquisition. Subject to the passive foreign investment company rules or the potential application of Section 1248 of the Code, any gain recognized upon the exchange generally will be capital gain, unless the receipt of cash by a U.S. holder has the effect of the distribution of a dividend for U.S. federal income tax purposes. For more information, please see the section of this prospectus/offer to exchange under the caption Material U.S. Federal Income Tax Consequences.

Tax matters are complicated and the tax consequences of the transaction to you will depend upon the facts of your particular circumstances. Because individual circumstances may differ, Validus urges you to consult with your own tax advisor as to the specific tax consequences of the exchange offer, second-step acquisition and short-form amalgamation to you, including the applicability of U.S. federal, state, local, non-U.S. and other tax laws.

Accounting Treatment (See page 98)

Validus will account for the acquisition of IPC common shares under the purchase method of accounting in accordance with Statement of Financial Accounting Standards (FAS) 141(R), Business Combinations, under which the total consideration paid in the exchange offer will be allocated among acquired assets and assumed liabilities based on the fair values of the assets acquired and liabilities assumed. In the event there is an excess of the total consideration paid in the exchange offer over the fair values, the excess will be accounted for as goodwill.

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Intangible assets with definite lives will be amortized over their estimated useful lives. Goodwill resulting from the exchange offer will not be amortized but instead will be tested for impairment at least annually (more frequently if certain indicators are present). In the event that the management of Validus determines that the value of goodwill has become impaired, an accounting charge will be taken in the fiscal quarter in which such determination is made. In the event there is an excess of the fair values of the acquired assets and liabilities assumed over the total consideration paid in the exchange offer, the excess will be accounted for as a gain to be recognized through the income statement at the close of the transaction, in accordance with FAS 141(R). Validus anticipates the acquisition will result in an excess of the fair values of the acquired assets and liabilities assumed over the total consideration paid.

Regulatory Approval and Status (See page 95)

Validus is not aware of any governmental license or regulatory permit that appears to be material to IPC s business that might be adversely affected by Validus acquisition of IPC common shares pursuant to the exchange offer or, except as described below, of any approval or other action by any government or governmental administrative or regulatory authority or agency, domestic or foreign, that would be required for Validus acquisition or ownership of IPC common shares pursuant to the exchange offer. Should any of these approvals or other actions be required, Validus currently contemplates that these approvals or other actions will be sought. There can be no assurance that any such approvals or other actions, if required, will be obtained (with or without conditions), or that if these approvals were not obtained or these other actions were not taken adverse consequences might not result to IPC s business, or that certain parts of IPC s or Validus , or any of their respective subsidiaries , businesses might not have to be disposed of or held separate.

The consummation of the exchange offer and the second-step acquisition will not require the approval of any U.S. insurance regulators because neither Validus nor IPC operates a U.S.-regulated insurance business that would require any such approval.

The exchange offer is not conditioned on the receipt of regulatory approvals.

Listing of Validus Common Shares to be Issued Pursuant to the Exchange Offer and the Second-Step Acquisition (See page 90)

Validus will submit the necessary applications to cause the common shares to be issued as a portion of the offer consideration and the consideration in the second-step acquisition to be authorized for listing on the NYSE. Approval of this listing is a condition to the exchange offer.

Comparison of Shareholders Rights (See page 100)

You will receive Validus common shares as a portion of the offer consideration if you tender your IPC common shares in the exchange offer. Although both companies are incorporated under Bermuda law, there are a number of differences between the rights of a shareholder of IPC and the rights of a shareholder of Validus. Validus urges you to review the discussion in the section of this prospectus/offer to exchange entitled Comparison of Shareholders Rights.

Expiration Time of the Exchange Offer (See page 69)

The exchange offer is scheduled to expire at 5:00 p.m., New York City time (6:00 p.m., Atlantic Time), on June 26, 2009, which is the expiration time of the exchange offer, unless further extended by Validus. For more information, you should read the discussion in the section of this prospectus/offer to exchange entitled The Exchange Offer Extension, Termination and Amendment.

Extension, Termination and Amendment (See page 69)

To the extent legally permissible, Validus also reserves the right, in its sole discretion, at any time or from time to time (except as expressly limited below) until the expiration time of the exchange offer:

- to extend, for any reason, the period of time during which the exchange offer is open;

- to delay acceptance for exchange of, or exchange of, any IPC common shares in order to comply in whole or in part with applicable law;

- to terminate the exchange offer without accepting for exchange, or exchanging, any IPC common shares if any of the individually subheaded conditions referred to in the section of this prospectus/offer to exchange entitled The Exchange Offer Conditions of the Exchange Offer have not been satisfied immediately prior to the expiration time of the exchange offer or if any event specified in the section of this prospectus/offer to exchange entitled The Exchange Offer Conditions of the Exchange Offer under the subheading Other Conditions has occurred;

- to amend or terminate the exchange offer without accepting for exchange, or exchanging, any IPC common shares if Validus or any of its affiliates enters into a definitive agreement or announces an agreement in principle with IPC providing for an amalgamation, scheme of arrangement or other business combination or transaction with or involving IPC or any of its subsidiaries, or the purchase or exchange of securities or assets of IPC or any of its subsidiaries, or the Supreme Court of Bermuda sanctions a scheme of arrangement between IPC and its shareholders whereby Validus or any of its subsidiaries acquires securities of IPC, or Validus and IPC reach any other agreement or understanding, in either case, pursuant to which it is agreed or provided that the exchange offer will be terminated; and

- to amend the exchange offer or waive any conditions to the exchange offer;

in each case, by giving oral or written notice of such delay, termination, waiver or amendment to the exchange agent and by making public announcement thereof.

The expiration time of the exchange offer may be subject to multiple extensions and any decision to extend the exchange offer will be made at the expiration time of the exchange offer.

Procedure for Tendering Shares (See page 72)

The procedure for tendering IPC common shares varies depending on whether you possess physical certificates or a nominee holds your certificates for you and on whether or not you hold your securities in book-entry form. Validus urges you to read the section of this prospectus/offer to exchange entitled The Exchange Offer Procedure for Tendering as well as the transmittal materials, including the revised pink letter of transmittal.

Withdrawal Rights (See page 75)

You can withdraw tendered shares at any time until the exchange offer has expired and, if Validus has not accepted your IPC common shares for exchange by the expiration time of the exchange offer, at any time following 60 days from commencement of the exchange offer. If Validus decides to provide a subsequent offering period, it will accept shares validly tendered during that period immediately and you will not be able to withdraw shares tendered in the exchange offer during any subsequent offering period. Please see the section of this prospectus/offer to exchange entitled The Exchange Offer Withdrawal Rights.

Exchange of IPC Common Shares; Delivery of Offer Consideration (See page 71)

Upon the terms and subject to the conditions of the exchange offer (including, if the exchange offer is extended or amended, the terms and conditions of any such extension or amendment), Validus will accept for exchange, and will exchange for Validus common shares and cash promptly after the expiration time of the exchange offer, all IPC common shares validly tendered and not properly withdrawn. If Validus elects to provide a subsequent offering period following the expiration time of the exchange offer, IPC common shares validly tendered during such subsequent offering period will be accepted for exchange immediately upon tender and will be promptly exchanged for the exchange offer consideration.

Risk Factors (See page 35)

The exchange offer and the second-step acquisition are, and if the exchange offer and the second-step acquisition are consummated, the combined company will be, subject to several risks which you should carefully consider prior to participating in the exchange offer.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF VALIDUS

Set forth below is certain selected historical consolidated financial data relating to Validus. The financial data has been derived from Validus Quarterly Report on Form 10-Q for the three months ended March 31, 2009, which is incorporated by reference into this prospectus/offer to exchange, and which we refer to as the Validus 10-Q, and Validus Annual Report on Form 10-K for the year ended December 31, 2008, which is incorporated into this prospectus/offer to exchange, and which we refer to as the Validus 10-K. You should not take historical results as necessarily indicative of the results that may be expected for any future period. This financial data should be read in conjunction with the financial statements and the related notes and other financial information contained in the Validus 10-Q and the Validus 10-K. More comprehensive financial information, including Management s Discussion and Analysis of Financial Condition and Results of Operations, is contained in the Validus 10-Q and Validus 10-K, and the following summary is qualified in its entirety by reference to the Validus 10-Q and Validus 10-K and all of the financial information and notes contained therein. Please see the section of the prospectus/offer to exchange entitled Where You Can Find More Information.

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006	Period Ended December 31, 2005
	(Dollars in thousands, except share and per share amounts)					
Revenues						
Gross premiums written	$ 609,892					