

AXIS CAPITAL HOLDINGS LTD

Form 424B2

November 02, 2016

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Filed Pursuant to Rule 424(b)(2)

Registration No. 333-193384

**Calculation of the Registration Fee**

<b>Title of Each Class of Securities Offered</b>	<b>Amount to be registered(1)</b>	<b>Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee(2)</b>
Depository Shares of AXIS Capital Holdings Limited (each representing a 1/100th interest in a 5.50% Series E Preferred Shares)	24,000,000	\$600,000,000.00	\$69,540.00
5.50% Series E Preferred Shares, \$0.0125 par value per share, liquidation preference \$2,500 per share	240,000	(3)	(3)

- (1) Includes Depository Shares and Series E Preferred Shares subject to an option to purchase additional Depository Shares each representing a 1/100th interest in a Series E Preferred Share granted to the underwriters, solely to cover over-allotments, if any.
- (2) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.
- (3) No separate consideration will be payable in respect of 5.50% Series E Preferred Shares, which are issued in connection with this offering.

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**PROSPECTUS SUPPLEMENT**

**(To Prospectus Dated January 16, 2014)**

**AXIS CAPITAL HOLDINGS LIMITED**

**22,000,000 DEPOSITARY SHARES**

**EACH REPRESENTING A 1/100<sup>th</sup>**

**INTEREST IN A 5.50% SERIES E PREFERRED SHARE**

We are selling 22,000,000 depositary shares (the "depositary shares") each representing a 1/100<sup>th</sup> interest in a share of our 5.50% Series E Preferred Shares, par value \$0.0125 per share (the "Series E Preferred Shares"). Each depositary share entitles the holder, through the depositary, to a proportional fractional interest in all rights, powers and preferences of the Series E Preferred Share represented by the depositary share. You must exercise these rights through the depositary.

Upon liquidation, dissolution or winding-up, the holders of the Series E Preferred Shares will be entitled to receive from our assets legally available for distribution to shareholders a liquidation preference of \$2,500 per Series E Preferred Share (equivalent to \$25 per depositary share), plus declared and unpaid dividends, if any, to the date fixed for distribution. Dividends on the Series E Preferred Shares will be payable on a non-cumulative basis only when, as and if declared by our board of directors, quarterly in arrears on January 15, April 15, July 15 and October 15 of each year, commencing on January 15, 2017, at a rate equal to 5.50% of the liquidation preference per annum (equivalent to \$137.50 per Series E Preferred Share). Upon the payment of any dividends on the Series E Preferred Shares, holders of depositary shares will receive a related proportionate payment.

On and after November 7, 2021, we may redeem the Series E Preferred Shares, in whole or in part, at any time, at a redemption price of \$2,500 per Series E Preferred Share (equivalent to \$25 per depositary share), plus declared and unpaid dividends, if any, to, but excluding, the date of redemption. At any time prior to November 7, 2021, we may redeem the Series E Preferred Shares in whole at a redemption price of \$2,600 per Series E Preferred Share (equivalent to \$26 per depositary share), plus declared and unpaid dividends, if any, to, but excluding, the date of redemption, only if we submit to the holders of our common shares a proposal for an amalgamation or merger or if we submit any proposal for any other matter that requires, as a result of a change in Bermuda law after the date of this prospectus supplement, for its validation or effectuation an affirmative vote of the holders of the Series E Preferred Shares at the time outstanding, whether voting as a separate series or together with any other series or class of preference shares as a single class. In addition, following the occurrence of a tax event or within 90 days following the occurrence of a capital redemption trigger date, each as described elsewhere in this prospectus supplement, we may redeem the Series E Preferred Shares, in whole or in part, at a redemption price of \$2,500 per Series E Preferred Share

(equivalent to \$25 per depositary share), plus declared and unpaid dividends, if any, to, but excluding, the date of redemption. If we redeem any Series E Preferred Shares, the depositary will redeem a corresponding number of depositary shares.

The depositary shares and the Series E Preferred Shares represented thereby have no stated maturity and will not be subject to any sinking fund or mandatory redemption and will not be convertible into any of our other securities or property.

There is currently no public market for the depositary shares. We intend to apply to list the depositary shares on the New York Stock Exchange (the NYSE) under the symbol AXSprE. If the application is approved, trading in the depositary shares is expected to commence within 30 days after the initial delivery of the depositary shares.

**Investing in our depositary shares involves risks. See Risk Factors on page S-10 in this prospectus supplement and on page 1 in the accompanying prospectus.**

None of the Securities and Exchange Commission (the SEC), any state securities commission, the Registrar of Companies in Bermuda, the Bermuda Monetary Authority (the BMA) or any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	<b>Per Depositary Share</b>	<b>Total</b>
Public Offering Price(1)	\$ 25.0000	\$ 550,000,000
Underwriting Discount(1)(2)	\$ 0.7875	\$ 17,325,000
Proceeds to AXIS Capital (before expenses)(1)(2)	\$ 24.2125	\$ 532,675,000

(1) Assumes no exercise of the underwriters' over-allotment option described below.

(2) For sales of 2,225,000 depositary shares to certain institutions, the underwriting commission will be \$0.50 per depositary share and, to the extent of such sales, the total underwriting discount will be less than the amount set forth above and the net proceeds to us will be greater than the amount set forth above. See Underwriting.

We have granted the underwriters an option to purchase up to an additional 2,000,000 depositary shares within 30 days after the date of this prospectus supplement at the public offering price, less the underwriting discount, solely to cover over-allotments, if any.

The underwriters expect to deliver the depositary shares to purchasers on or about November 7, 2016, which is the fifth business day following the date of this prospectus supplement. See Underwriting.

*Joint Book-Running Managers*

**BofA Merrill Lynch**

**Morgan Stanley**

**UBS Investment Bank**

**Wells Fargo Securities**

*Senior Co-Managers*

**Barclays**

**BNY Mellon Capital Markets, LLC**

**Citigroup**

**J.P. Morgan**

*Co-Managers*

**BMO Capital Markets**

**HSBC**

**ING**

**Lloyds Securities**

**October 31, 2016**

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This prospectus supplement and the accompanying prospectus relate to the offer and sale by us of the depositary shares. You should rely only on the information contained or incorporated by reference into this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We and the underwriters are not making an offer to sell the depositary shares in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, results of operations, financial condition and prospects may have changed since those dates.

This prospectus supplement contains basic information about us, the Series E Preferred Shares and the depositary shares. This prospectus supplement may add, update or change information contained in or incorporated by reference into the accompanying prospectus. In addition, the information incorporated by reference into the accompanying prospectus may have added, updated or changed information in the accompanying prospectus. If information in this prospectus supplement is inconsistent with any information in the accompanying prospectus or any information incorporated therein by reference, this prospectus supplement will apply and will supersede such information. It is important for you to read and consider all information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the additional information under the caption **Where You Can Find More Information** in this prospectus supplement and the accompanying prospectus.

Consent under the Exchange Control Act 1972 (and its related regulations) has been obtained from the Bermuda Monetary Authority for the issue and transfer of our shares, which includes the depositary shares to and between non-residents and residents of Bermuda for exchange control purposes provided our shares remain listed on an appointed stock exchange, which includes the NYSE. In granting such consent, the Bermuda Monetary Authority does not accept any responsibility for our financial soundness or the correctness of any of the statements made or opinions expressed in this prospectus supplement.

As used in this prospectus supplement and the accompanying prospectus, references to the **Company**, **AXIS Capital**, **we**, **us** or **our** refer to the consolidated operations of AXIS Capital Holdings Limited and its direct and indirect subsidiaries and branches unless the context suggests otherwise. References in this prospectus supplement to **dollars** or **\$** are to the lawful currency of the United States of America, unless the context otherwise requires.

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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus contain forward-looking statements within the meaning of the U.S. federal securities laws. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the U.S. federal securities laws. In some cases, these statements can be identified by the use of forward-looking words such as may, should, could, anticipate, estimate, expect, plan, predict, potential, outlook, seeks, approximately and intend. Forward-looking statements only reflect our expectations and are not guarantees of performance. These statements involve risks, uncertainties and assumptions. Actual events or results may differ materially from our expectations. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. We believe these factors include but are not limited to those described under the caption Risk Factors. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus.

Any forward-looking statements made by or on behalf of us in this prospectus supplement, the accompanying prospectus or in a document incorporated by reference into this prospectus supplement and the accompanying prospectus speak only as of the date of this prospectus supplement, the accompanying prospectus or such document incorporated by reference, as the case may be. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.



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**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights information contained or incorporated by reference within this prospectus supplement and the accompanying prospectus. While we have highlighted what we believe is the most important information about us and this offering in this summary, you should read the entire prospectus supplement and the accompanying prospectus carefully, including the Risk Factors and Cautionary Statement Regarding Forward-Looking Statements sections and AXIS Capital's consolidated financial statements and the notes to those consolidated financial statements, in each case incorporated by reference herein, before making an investment decision.*

**AXIS Capital Holdings Limited**

AXIS Capital is the Bermuda-based holding company for the AXIS group of companies and was incorporated on December 9, 2002. AXIS Specialty Limited commenced operations on November 20, 2001. AXIS Specialty Limited and its subsidiaries became wholly owned subsidiaries of AXIS Capital pursuant to an exchange offer consummated on December 31, 2002. AXIS Capital is a global provider of a broad range of specialty (re)insurance on a worldwide basis, through operating subsidiaries and branch networks based in Bermuda, the United States, Canada, Europe, Australia (in run-off) and Singapore. We also maintain marketing offices in Brazil, France, Spain and Dubai.

AXIS Capital's underwriting operations are organized around its two global underwriting platforms, AXIS Insurance and AXIS Reinsurance. Therefore we have two reportable segments, insurance and reinsurance. We do not allocate our assets by segment, with the exception of goodwill and intangible assets, as we evaluate the underwriting results of each segment separately from the results of our investment portfolio.

Our insurance segment operates through offices in Bermuda, the United States, Canada, Europe, the Middle East, Australia (in run-off) and Singapore and offers specialty insurance products to a variety of niche markets on a worldwide basis. The following are the lines of business in our insurance segment:

***Property:*** provides physical loss or damage, business interruption and machinery breakdown coverage for virtually all types of property, including commercial buildings, residential premises, construction projects and onshore energy installations. This line of business consists of both primary and excess risks, some of which are catastrophe-exposed.

***Marine:*** provides coverage for traditional marine classes, including offshore energy, cargo, liability, recreational marine, fine art, specie, hull and war. Offshore energy coverage includes physical damage, business interruption, operators extra expense and liability coverage for all aspects of offshore upstream energy, from exploration and construction through the operation and distribution phases.

***Terrorism:*** provides coverage for physical damage and business interruption of an insured following an act of terrorism.

***Aviation:*** provides hull and liability and specific war coverage primarily for passenger airlines but also for cargo operations, general aviation operations, airports, aviation authorities, security firms and product manufacturers.

***Credit and political risk:*** provides credit and political risk insurance products for banks and corporations. Coverage is provided for a range of risks including sovereign default, credit default, political violence, currency inconvertibility and non-transfer, expropriation, aircraft non-repossession and contract frustration due to political events. The credit insurance coverage is primarily for lenders seeking to mitigate the risk of non-payment from their borrowers. For the credit insurance contracts, it is necessary for the buyer of the insurance (most often a bank) to hold an insured asset (most often an underlying loan) in order to claim compensation under the insurance contract.

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**Professional lines:** provides coverage for directors and officers liability, errors and omissions liability, employment practices liability, fiduciary liability, crime, professional indemnity, medical malpractice and other financial insurance related coverages for commercial enterprises, financial institutions and not-for-profit organizations. This business is predominantly written on a claims-made basis.

**Liability:** primarily targets primary and low/mid-level excess and umbrella commercial liability risks in the U.S. wholesale and retail markets. Target industry sectors include construction, manufacturing, transportation and trucking and other services. We also target primary and excess business in the Canadian marketplace.

**Accident & health:** includes accidental death, travel insurance and specialty health products for employer and affinity groups, as well as accident and health reinsurance for catastrophic or per life events on a quota share and/or excess of loss basis, with aggregate and/or per person deductibles.

Our reinsurance segment operates through offices in Bermuda, the United States, Switzerland, Singapore, Brazil, and Canada and provides non-life reinsurance to insurance companies on a worldwide basis. The following are the lines of business in our reinsurance segment:

**Catastrophe:** provides protection for most catastrophic losses that are covered in the underlying insurance policies written by our cedants. The exposure in the underlying policies is principally property exposure but also covers other exposures including workers compensation and personal accident. The principal perils in this portfolio are hurricane and windstorm, earthquake, flood, tornado, hail and fire. In some instances, terrorism may be a covered peril or the only peril. We underwrite catastrophe reinsurance principally on an excess of loss basis.

**Property:** provides coverage for property damage and related losses resulting from natural and man-made perils contained in underlying personal and commercial policies. While our predominant exposure is to property damage, other risks, including business interruption and other non-property losses, may also be covered when arising from a covered peril. While our most significant exposures typically relate to losses from windstorms, tornadoes and earthquakes, we are exposed to other perils such as freezes, riots, floods, industrial explosions, fires, hail and a number of other loss events. We assume business on both a proportional and excess of loss basis.

**Professional Lines:** covers directors and officers liability, employment practices liability, medical malpractice, professional indemnity, environmental liability and miscellaneous errors and omissions insurance risks. The underlying business is predominantly written on a claims-made basis. Business is written on both a proportional and excess of loss basis.

**Credit and Surety:** consists of reinsurance of trade credit insurance products and includes both proportional and excess of loss structures. The underlying insurance indemnifies sellers of goods and services in the event of a payment default by the buyer of those goods and services. Also included in this line of business is coverage for losses arising from a broad array of surety bonds issued by insurers to satisfy regulatory

demands or contract obligations in a variety of jurisdictions around the world. Bonding is also known as surety insurance.

**Motor:** provides coverage to cedants for motor liability and property damage losses arising out of any one occurrence. The occurrence can involve one or many claimants where the ceding insurer aggregates the claims from the occurrence.

**Liability:** provides coverage to insurers of standard casualty business, excess and surplus casualty business and specialty casualty programs. The primary focus of the underlying business is general liability, although workers compensation and auto liability are also written.

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**Engineering:** provides coverage for all types of construction risks and risks associated with erection, testing and commissioning of machinery and plants during the construction stage. This line of business also includes coverage for losses arising from operational failures of machinery, plant and equipment and electronic equipment as well as business interruption.

**Agriculture:** provides coverage for risks associated with the production of food and fiber on a global basis for primary insurance companies writing multi-peril crop insurance, crop hail, and named peril covers, as well as custom risk transfer mechanisms for agricultural dependent industries with exposures to crop yield and/or price deviations. We provide both proportional and aggregate stop loss reinsurance.

**Other:** includes aviation, marine, and personal accident reinsurance.

### **Our Business Strategy**

We are a global insurer and reinsurer, with our mission being to provide our clients and distribution partners with a broad range of risk transfer products and services and meaningful capacity, backed by excellent financial strength. We manage our portfolio holistically, aiming to construct the optimum consolidated portfolio of funded and unfunded risks, consistent with our risk appetite and the development of our franchise. We nurture an ethical, entrepreneurial and disciplined culture that promotes outstanding client service, intelligent risk taking and the achievement of superior risk-adjusted returns for our shareholders. We believe that the achievement of our objectives will position us as a global leader in specialty risks.

We aim to execute on the following six-point strategy:

**We offer a diversified range of products and services across market segments and geographies:** Our position as a well-balanced hybrid insurance and reinsurance company gives us insight into the opportunities and challenges in a variety of markets. With our origins in Bermuda, today we have locations across the United States and in Canada, while in Europe we have offices in Dublin, London, Zurich, Barcelona, Madrid and Paris. We are addressing opportunities throughout Latin America and have a reinsurance office in Sao Paulo while our Singapore branch serves as a gateway to Asia. We have also recently opened an office in Dubai to focus on marketing accident and health specialty reinsurance to our clients in the Middle East and Africa.

**We underwrite a balanced portfolio of risks, including complex and volatile lines, moderating overall volatility with risk limits, diversification and risk management:** Risk management is a strategic priority embedded in our organizational structure and we are continuously monitoring, reviewing and refining our enterprise risk management practices. We combine judgment and experience with data-driven analysis, enhancing our overall risk selection process.

**We modulate our risk appetite and deployment of capital across the underwriting cycle, commensurate with available market opportunities and returns:** Closely attuned to market dynamics, we recognize opportunities as they develop and react quickly as new trends emerge. Our risk analytics provide important and continuous feedback, further assisting with the ongoing assessment of our risk appetite and strategic capital deployment. We have been successful in extending our product lines, finding new distribution channels and entering new geographies. When we do not find sufficiently attractive uses for our capital, we return excess capital back to our shareholders through share repurchases or dividends.

***We develop and maintain deep and trustful relationships with clients and distribution partners, offering high-levels of service and effective solutions for risk management needs:*** Our management team has extensive industry experience, deep product knowledge and long-standing market relationships. We primarily transact in specialty markets, where risks are complex. Our intellectual capital and proven client-service capability attract clients and distribution partners looking for solutions.

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***We maintain excellent financial strength, characterized by financial discipline and transparency:*** Our total capital of \$7.0 billion at September 30, 2016, our high-quality and liquid investment portfolio and our operating subsidiary ratings of A+ ( Strong ) by Standard & Poor's and A+ ( Superior ) by A.M. Best are key indicators of our financial strength. The foregoing ratings are not ratings of the depositary shares, the Series E Preferred Shares or any of our other securities.

***We attract, develop, retain and motivate an excellent team:*** We aim to attract and retain the best people in the industry and to motivate our employees to make decisions that are in the best interest of both our customers and shareholders. We nurture an ethical, risk-aware, achievement-oriented culture that promotes professionalism, responsibility, integrity, discipline and entrepreneurialism. As a result, we believe that our staff is well-positioned to make the best underwriting and strategic decisions for the Company.

Our principal executive offices are located at 92 Pitts Bay Road, Pembroke HM 08, Bermuda, and our telephone number is (441) 496-2600.

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*The description of the terms of the depositary shares and the Series E Preferred Shares in this section is only a summary. Because the following summary may not contain all of the information that is important to you, you should refer to the certificate of designations relating to the Series E Preferred Shares for a complete description of the terms of the Series E Preferred Shares, which will be included as an exhibit to a report that we will file with the SEC. You should also refer to the sections entitled *Description of the Series E Preferred Shares* and *Description of Depositary Shares* in this prospectus supplement and *Description of Our Share Capital* and *Description of our Depositary Shares* in the accompanying prospectus.*

Issuer	AXIS Capital Holdings Limited
Securities Offered	22,000,000 depositary shares (or 24,000,000 depositary shares if the underwriters exercise their over-allotment option in full) each representing a 1/100 <sup>th</sup> interest in a 5.50% Series E Preferred Share, par value \$0.0125 per share and liquidation preference of \$2,500 per Series E Preferred Share (equivalent to \$25 per depositary share). Each holder of depositary shares will be entitled, through the depositary, in proportion to the applicable fraction of Series E Preferred Shares represented by such depositary shares, to all the rights and preferences of the Series E Preferred Shares represented thereby (including dividend, voting, redemption and liquidation rights).
Dividends	<p>When, as and if declared by our board of directors, we will pay non-cumulative cash dividends on the Series E Preferred Shares from and including the original issue date, quarterly in arrears on January 15, April 15, July 15 and October 15 of each year, commencing on January 15, 2017, without accumulation of any undeclared dividends, in an amount per share equal to 5.50% of the liquidation preference per annum (equivalent to \$137.50 per Series E Preferred Share and \$1.375 per depositary share). Assuming an initial issue date of November 7, 2016, the dividend for the initial dividend period will be \$25.97 per Series E Preferred Share (equivalent to \$0.2597 per depositary share). See <i>Description of the Series E Preferred Shares Dividends</i> in this prospectus supplement and <i>Description of Our Share Capital Preference Shares Dividends</i> in the accompanying prospectus.</p> <p>Upon the payment of any dividends on the Series E Preferred Shares, holders of depositary shares will receive a related proportionate payment. See <i>Description of Depositary Shares Dividends and Other Distributions</i>.</p>



AXIS Capital is a holding company and has no direct operations. The ability of AXIS Capital to pay dividends or distributions depends almost exclusively on the ability of its subsidiaries to pay dividends or distributions to AXIS Capital. Our operating subsidiaries are subject to significant regulatory restrictions limiting their ability to declare and pay dividends or distributions. See Description of the Series E Preferred Shares Certain Restrictions on Payment of Dividends in this prospectus supplement.

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We believe that dividends paid by us on the Series E Preferred Shares to non-corporate holders of the depositary shares should be eligible for reduced rates of taxation as qualified dividend income if, as is intended, we successfully list the depositary shares on the NYSE. Qualified dividend income is subject to tax at long-term capital gain rates. Dividends paid by us on the Series E Preferred Shares to corporate holders of the depositary shares will not be eligible for a dividends received deduction. For further information, see Certain U.S. Federal Income Tax Considerations Taxation of Distributions in this prospectus supplement.

Redemption

On and after November 7, 2021, at any time following the occurrence of a tax event or within 90 days following the occurrence of a capital redemption trigger date (each as defined in Description of the Series E Preferred Shares Redemption in this prospectus supplement), we may redeem the Series E Preferred Shares, in whole or in part, at a redemption price of \$2,500 per Series E Preferred Share (equivalent to \$25 per depositary share), plus declared and unpaid dividends, if any, to, but excluding, the date of redemption.

At any time prior to November 7, 2021, if we submit to the holders of our common shares a proposal for an amalgamation or merger or if we submit any proposal for any other matter that requires, as a result of a change in Bermuda law after the date of this prospectus supplement, for its validation or effectuation an affirmative vote of the holders of the Series E Preferred Shares at the time outstanding, we will have the option to redeem all of the outstanding Series E Preferred Shares at a redemption price of \$2,600 per Series E Preferred Share (equivalent to \$26 per depositary share), plus declared and unpaid dividends, if any, to, but excluding, the date of redemption, without accumulation of any undeclared dividends. See Description of the Series E Preferred Shares Redemption in this prospectus supplement and Description of Our Share Capital Preference Shares Redemption and Description of Our Share Capital Preference Shares Restrictions in Event of Default in Dividends on Preference Shares in the accompanying prospectus.

If we redeem any Series E Preferred Shares, the depositary will redeem a proportionate number of depositary shares. See Description of Depositary Shares Redemption.

Ranking

The Series E Preferred Shares:

will rank senior to our junior stock with respect to the payment of dividends and distributions of assets upon our liquidation, dissolution or winding-up. As of the date of this prospectus supplement, our common shares comprise the only class of shares that would be considered junior stock;

will rank at least equally with each other series of our capital stock ranking on parity with the Series E Preferred Shares as to dividends and distributions of assets upon our liquidation,

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dissolution or winding-up, which we refer to as parity stock. As of the date of this prospectus supplement, the \$400 million aggregate liquidation preference of 6.875% Series C Preferred Shares (the Series C Preferred Shares ) and the \$225 million aggregate liquidation preference of 5.50% Series D Preferred Shares (the Series D Preferred Shares ) comprise the only classes of shares that would be considered parity stock with the Series E Preferred Shares; and

will rank junior to any series of shares ranking senior to the Series E Preferred Shares as to the payment of dividends and distributions of assets upon our liquidation, dissolution or winding-up. As of the date of this prospectus supplement, we do not have shares that would be considered senior stock.

**Liquidation Rights**

Upon any liquidation, dissolution or winding up of AXIS Capital, holders of the Series E Preferred Shares are entitled to receive from our assets legally available for distribution to shareholders, before any distribution is made to holders of our common shares or other junior stock, a liquidation preference in the amount of \$2,500 per Series E Preferred Share (equivalent to \$25 per depositary share), plus declared and unpaid dividends, if any, to, but excluding, the date fixed for distribution. See Description of the Series E Preferred Shares Liquidation Rights in this prospectus supplement and Description of Our Share Capital Preference Shares Liquidation, Dissolution or Winding Up in the accompanying prospectus.

**Voting Rights**

Generally, the holders of the Series E Preferred Shares will not have any voting rights. Whenever dividends on the Series E Preferred Shares have not been declared by the board of directors and paid for an aggregate of six full dividend periods (whether or not consecutive), the holders of the Series E Preferred Shares, together with the holders of all other current or future classes or series of parity stock, will vote together as a single class to elect two directors to our board of directors. The terms of office of such additional directors will terminate whenever dividends on the Series E Preferred Shares and the parity stock then outstanding have been paid in full, or declared and sufficient funds have been set aside, for at least four dividend periods. We will use our best efforts to effectuate the election or appointment of these two directors.

In addition, certain transactions that would vary the rights of holders of the Series E Preferred Shares cannot be made without the approval in writing of the holders of 75% of the Series E Preferred Shares then issued and outstanding or the sanction of a resolution passed by a majority of the votes cast at a separate meeting of the holders of the Series E Preferred Shares at which a quorum (consisting of the presence,

in person or by proxy, of the holders of 50% of the Series E Preferred Shares) is present. Without the written consent, or the sanction of a resolution passed at a separate meeting, of the holders of at least 67% of the Series E Preferred Shares at the time issued and

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outstanding, we may not authorize any creation or increase in the issued amount of, any shares of any series or any security convertible into shares of any series ranking prior to the Series E Preferred Shares with respect to payment of dividends and distribution of assets upon our liquidation, dissolution or winding-up of the Company. See Description of the Series E Preferred Shares Voting Rights in this prospectus supplement and Description of Our Share Capital Preference Shares Voting Rights in the accompanying prospectus.

Holders of depositary shares must act through the depositary to exercise any voting rights, as described under Description of Depositary Shares Voting the Series E Preferred Shares.

**Maturity**

Neither the depositary shares nor the Series E Preferred Shares represented thereby have any maturity date, and we are not required to redeem the Series E Preferred Shares. Accordingly, the Series E Preferred Shares will remain outstanding indefinitely, unless and until we decide to redeem them.

**Additional Amounts**

We will make all payments on the Series E Preferred Shares free and clear of and without withholding or deduction at source for, or on account of, any present or future taxes, fees, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any relevant taxing jurisdiction (as defined in Description of the Series E Preferred Shares Redemption in this prospectus supplement), unless such taxes, fees, duties, assessments or governmental charges are required to be withheld or deducted. If a withholding or deduction at source is required, we will, subject to certain limitations and exceptions, pay to the holders of the Series E Preferred Shares such additional amounts (as defined in Description of the Series E Preferred Shares Additional Amounts in this prospectus supplement) as may be necessary so that every net payment made to such holders, after the withholding or deduction, will not be less than the amount provided for in the Certificate of Designations to be then due and payable. See Description of the Series E Preferred Shares Additional Amounts in this prospectus supplement.

Upon the payment of any additional amounts, holders of depositary shares will receive a related proportionate payment. See Description of Depositary Shares Dividends and Other Distributions.

**Substitution or Variation**

In lieu of redemption, upon or following a tax event or capital disqualification event, we may, without the consent of any holders of the Series E Preferred Shares vary the terms of, or exchange for new

securities, the Series E Preferred Shares to eliminate the substantial probability that we would be required to pay additional amounts with respect to the Series E Preferred Shares as a result of a change in tax law or to maintain compliance with certain capital adequacy regulations applicable to us. No such variation of terms or securities in exchange shall change specified terms of the Series E Preferred

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Shares. See Description of the Series E Preferred Shares Substitution or Variation in this prospectus supplement.

Listing

We intend to apply to list the depositary shares on the NYSE under the symbol AXSprE. We expect that, if the application is approved, trading of the depositary shares on the NYSE will commence within a 30-day period after initial delivery of the depositary shares. See Underwriting in this prospectus supplement.

Limitation on Transfer and Ownership

Our bye-laws provide generally that in any situation in which the controlled shares (as defined herein) of a U.S. Person (as defined herein) or the shares held by a Direct Foreign Shareholder Group (as defined herein) would constitute 9.5% or more of the votes conferred by the issued shares, the voting rights exercisable by a shareholder with respect to such shares shall be limited so that no U.S. Person or Direct Foreign Shareholder Group is deemed to hold 9.5% or more of the voting power conferred by our shares. In addition, our board of directors may limit a shareholder's voting rights where it deems it necessary to do so to avoid adverse tax, legal or regulatory consequences. See Description of the Series E Preferred Shares Limitations on Transfer and Ownership in this prospectus supplement and Description of Our Share Capital Preference Shares Voting Rights in the accompanying prospectus.

Use of Proceeds

We estimate that net proceeds to us from the sale of the depositary shares will be approximately \$531.9 million (or \$580.3 million if the underwriters exercise their over-allotment option in full), after deducting the underwriting discount and our portion of the offering expenses. We intend to use the net proceeds from this offering to redeem or repurchase all of our outstanding Series C Preferred Shares, which are redeemable at our option at a price of \$25.00 per share, plus declared and unpaid dividends, if any. Alternatively, we may repurchase all or a portion of the outstanding Series C Preferred Shares through privately negotiated purchases, open market transactions or otherwise. We intend to use any remaining net proceeds for general corporate purposes, which may include the repurchase of a portion of our outstanding common shares pursuant to our previously authorized share repurchase program. See Use of Proceeds.

Conversion

The depositary shares and the Series E Preferred Shares represented thereby are not convertible into or exchangeable for any of our other securities or property.

Risk Factors



See **Risk Factors** on page S-10 in this prospectus supplement and on page 1 in the accompanying prospectus for a discussion of factors you should consider carefully before deciding to invest in the depositary shares.

Transfer Agent and Registrar

Computershare Trust Company, N.A.

Depositary

Computershare Inc. and Computershare Trust Company, N.A.

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**RISK FACTORS**

*An investment in the depositary shares involves a number of risks, including those described in this prospectus supplement and the accompanying prospectus and those incorporated by reference into this prospectus supplement. You should carefully consider such risk factors and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus before you decide to purchase any depositary shares.*

**Risks Relating to the Depositary Shares and the Series E Preferred Shares**

*You are making an investment decision about both the depositary shares and the Series E Preferred Shares.*

As described in this prospectus supplement, we are issuing depositary shares representing fractional interests in Series E Preferred Shares. The depositary will rely solely on the payments it receives on the Series E Preferred Shares to fund all payments on the depositary shares. You should carefully review the information in this prospectus supplement regarding both of these securities before making an investment decision.

*General market conditions and unpredictable factors could adversely affect market prices for the depositary shares.*

There can be no assurance about the market prices for the depositary shares. Several factors, many of which are beyond our control, will influence the market prices of the depositary shares. Factors that might influence the market prices of the depositary shares include, but are not limited to:

whether dividends have been declared and are likely to be declared and paid on the Series E Preferred Shares from time to time;

our creditworthiness;

whether the ratings on the depositary shares or the Series E Preferred Shares provided by any ratings agency have changed;

the market for similar securities and the interest rate environment; and

economic, financial, geopolitical, regulatory or judicial events that affect us or financial markets generally. Accordingly, if you purchase depositary shares, the depositary shares may trade at a discount to the price that you paid for them.

*Dividends on the Series E Preferred Shares are non-cumulative.*

Dividends on the Series E Preferred Shares are non-cumulative. Consequently, if our board of directors does not authorize and declare a dividend for any dividend period, holders of the Series E Preferred Shares will not be entitled to receive a dividend for such period, and such undeclared dividend will not accumulate and be payable. We have no obligation to pay dividends for a dividend period after the dividend payment date for such period if our board of

directors has not declared such dividend before the related dividend payment date, whether or not dividends are declared for any subsequent dividend period with respect to the Series E Preferred Shares.

***Our ability to pay dividends and to make payments on indebtedness may be constrained by our holding company structure.***

AXIS Capital is a holding company and has no direct operations of its own. AXIS Capital has no significant operations or assets other than its ownership of the shares of its operating (re)insurance subsidiaries, AXIS Specialty Limited, AXIS Re SE, AXIS Specialty Europe SE, AXIS Reinsurance Company, AXIS Specialty

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Insurance Company, AXIS Surplus Insurance Company and AXIS Insurance Company (collectively, our Insurance Subsidiaries ). Dividends and other permitted distributions from our Insurance Subsidiaries (in some cases through our subsidiary holding companies), are our primary source of funds to meet ongoing cash requirements, including paying dividends to our shareholders. Our Insurance Subsidiaries are subject to significant regulatory restrictions limiting their ability to declare and pay dividends and make distributions. The inability of our Insurance Subsidiaries to pay dividends in an amount sufficient to enable us to meet our cash requirements at the holding company level could have a material adverse effect on our business and our ability to pay dividends.

### ***Our ability to pay dividends may be limited by regulatory law.***

Under Bermuda law, we will not be permitted to pay dividends on the Series E Preferred Shares (even if such dividends have been previously declared) if there are reasonable grounds for believing that we are, or would after the payment be, unable to pay our liabilities as they become due; or the realizable value of our assets would thereby be less than our liabilities or that we are or would after such payment be in breach of the Insurance Act 1978, the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011 (as amended, the Group Solvency Rules ), including the Group Enhanced Capital Requirement contained within the Group Solvency Rules or under such other applicable rules and regulations as may from time to time be issued by the Bermuda Monetary Authority (or any successor agency or then applicable regulatory authority) pursuant to the terms of the Insurance Act 1978, or any successor legislation.

### ***We are able to redeem the Series E Preferred Shares at our option at any time beginning on November 7, 2021 and under certain other circumstances but are under no obligation to do so.***

The Series E Preferred Shares have no maturity date or redemption date. We may, at our option, on and after November 7, 2021, redeem some or all of the Series E Preferred Shares at any time at a redemption price of \$2,500 per Series E Preferred Share (equivalent to \$25 per depositary share), plus declared and unpaid dividends, if any, to, but excluding, the date of redemption. We may also redeem the Series E Preferred Shares under certain circumstances before November 7, 2021 in whole at a redemption price of \$2,600 per Series E Preferred Share (equivalent to \$26 per depositary share), plus declared and unpaid dividends, if any, to, but excluding, the date of redemption. In addition, following the occurrence of a tax event or within 90 days following the occurrence of a capital redemption trigger date, each as described elsewhere in this prospectus supplement, we may redeem the Series E Preferred Shares, in whole or in part, at a redemption price of \$2,500 per Series E Preferred Share (equivalent to \$25 per depositary share), plus declared and unpaid dividends, if any, to, but excluding, the date of redemption.

We do not need your consent in order to redeem the Series E Preferred Shares as described in the paragraph above. If we redeem your Series E Preferred Shares, you may not be able to invest the proceeds in an investment with a comparable return. You may not require us to redeem or repurchase the Series E Preferred Shares under any circumstances. However, our ability to redeem the Series E Preferred Shares is subject to regulatory approval.

### ***The Series E Preferred Shares are equity and are subordinate to our existing and future indebtedness.***

The Series E Preferred Shares are equity interests and do not constitute indebtedness. Consequently, the depositary shares, which represent fractional interests in Series E Preferred Shares, will rank junior to all of our indebtedness and other non-equity claims on us with respect to assets available to satisfy claims, including in the event of our liquidation, dissolution or winding up. As of September 30, 2016, our consolidated indebtedness was \$992.6 million. We may incur additional indebtedness in the future. In addition, our existing and future indebtedness may restrict payments of dividends on the Series E Preferred Shares. Additionally, unlike indebtedness, where principal and interest would customarily be payable on specified due dates, in the case of the

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Series E Preferred Shares (1) dividends are payable only if and when declared by our board of directors and (2) as a corporation, we are subject to restrictions on payments of dividends and redemption price out of lawfully available funds.

***The depositary shares may not have an active trading market.***

The depositary shares are a new issue with no established trading market. We intend to apply to list the depositary shares on the NYSE; however, we cannot assure you that the depositary shares will be approved for listing. If the application is approved, trading of the depositary shares on the NYSE is not expected to begin until after a 30-day period from the date of the initial delivery of the depositary shares. If the depositary shares are approved for listing, an active trading market on the NYSE may not develop, or, even if it does develop, may not continue, in which case the trading prices of the depositary shares could be adversely affected and your ability to trade your shares may be limited. Even if a trading market does develop, it may not have significant liquidity, and transaction costs in such a market could be high. We have been advised by the underwriters that they intend to make a market in the depositary shares, but the underwriters are not obligated to do so and may cease market-making activities, if commenced, at any time.

***There is no limitation on our issuance of securities that rank on parity with the Series E Preferred Shares.***

We may issue securities that rank on parity with the Series E Preferred Shares without limitation. The issuance of securities ranking on parity with the Series E Preferred Shares may reduce the amount recoverable by holders of the depositary shares in the event of our liquidation, dissolution or winding-up.

We currently have issued and outstanding 16,000,000 Series C Preferred Shares (representing \$400 million aggregate liquidation preference) and 9,000,000 Series D Preferred Shares (representing \$225 million aggregate liquidation preference), each of which rank on parity with the Series E Preferred Shares.

***The voting rights of holders of depositary shares and Series E Preferred Shares will be limited, and there are provisions in our charter documents that may further reduce the voting rights of our shares.***

Holders of the Series E Preferred Shares will have no voting rights with respect to matters that generally require the approval of voting shareholders. The limited voting rights of holders of the Series E Preferred Shares include the right to vote as a class on certain matters described under Description of the Series E Preferred Shares Voting Rights. In addition, if dividends on the Series E Preferred Shares have not been declared and paid for an aggregate amount equivalent to six dividend periods, whether or not for consecutive dividend periods, holders of the outstanding Series E Preferred Shares, together with holders of any other series of our preferred shares ranking equal with the Series E Preferred Shares with similar voting rights (including any outstanding Series C Preferred Shares and Series D Preferred Shares), will be entitled to vote for the election of two additional directors to our board of directors subject to the terms and to the limited extent described under Description of the Series E Preferred Shares Voting Rights. However, the voting rights exercisable by a shareholder of Series E Preferred Shares may be limited so that certain persons or groups are not deemed to hold 9.5% or more of the voting power conferred by our issued shares. Under these provisions, some shareholders may have the right to exercise their voting rights limited to less than one vote per share. Moreover, these provisions could have the effect of reducing the voting power of some shareholders who would not otherwise be subject to the limitation by virtue of their direct share ownership. In addition, our board of directors may limit a shareholder's exercise of voting rights where it deems it necessary to do so to avoid adverse tax, legal or regulatory consequences.

We also have the authority under our bye-laws to request information from any shareholder for the purpose of determining whether a shareholder's voting rights are to be limited pursuant to the bye-laws. If a shareholder fails to respond to our request for information or submits incomplete or inaccurate information in response to a request by us, we may, in our sole discretion, eliminate the shareholder's voting rights.

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As a holder of one depositary share, you will be entitled to 1/100<sup>th</sup> of a vote of one Series E Preferred Share. In comparison, holders of shares of our outstanding Series C Preferred Shares and Series D Preferred Shares are each entitled to one vote per Series C Preferred Share or Series D Preferred Share with respect to the matters on which holders of our preference shares are entitled to vote. Accordingly, your voting rights as a holder of depositary shares will be less than the voting rights of holders of a commensurate amount of liquidation preference of our outstanding parity stock.

In addition, holders of the depositary shares must act through the depository to exercise any voting rights of the Series E Preferred Shares. Although each depositary share is entitled to 1/100<sup>th</sup> of a vote, the depository can only vote whole Series E Preferred Shares. While the depository will vote the maximum number of whole Series E Preferred Shares in accordance with the instructions it receives, any remaining votes of holders of the depositary shares will not be voted. See [Description of Depositary Shares](#) [Voting the Series E Preferred Shares](#).

***The depositary shares and the Series E Preferred Shares ratings may be downgraded.***

We have sought to obtain a rating for the depositary shares and the Series E Preferred Shares represented thereby. However, if any ratings are assigned to the depositary shares or the Series E Preferred Shares represented thereby in the future or if we issue other securities with a rating, such ratings, if they are lower than market expectations or are subsequently lowered or withdrawn, could adversely affect the market for or the market value of the depositary shares. A rating is not a recommendation to purchase, sell or hold any particular security, including the depositary shares. Ratings do not reflect market prices or suitability of a security for a particular investor and any future rating of the depositary shares or the Series E Preferred Shares represented thereby may not reflect all risks related to us and our business, or the structure or market value of the depositary shares. Ratings only reflect the views of the rating agency or agencies issuing the ratings and such ratings could be revised downward or withdrawn entirely at the discretion of the issuing rating agency if in its judgment circumstances so warrant. Any such downward revision or withdrawal of a rating could have an adverse effect on the market price of the depositary shares.

***A classification of the Series E Preferred Shares by the National Association of Insurance Commissioners may impact U.S. insurance companies that purchase the depositary shares.***

The National Association of Insurance Commissioners, or the NAIC, may from time to time, in its discretion, classify securities in U.S. insurers' portfolios as either debt, preferred equity or common equity instruments. The NAIC's written guidelines for classifying securities as debt, preferred equity or common equity include subjective factors that require the relevant NAIC examiner to exercise substantial judgment in making a classification. There is therefore a risk that the Series E Preferred Shares may be classified by NAIC as common equity instead of preferred equity. The NAIC classification determines the amount of risk based capital ( RBC ) charges incurred by insurance companies in connection with an investment in a security. Securities classified as common equity by the NAIC carry RBC charges that can be significantly higher than the RBC requirement for debt or preferred equity. Therefore, any classification of the Series E Preferred Shares as common equity may adversely affect U.S. insurance companies that hold depositary shares. In addition, a determination by the NAIC to classify the Series E Preferred Shares as common equity may adversely impact the trading of the depositary shares in the secondary market.

***The regulatory capital treatment of the Series E Preferred Shares may not be what we anticipate and we may vary the terms of the Series E Preferred Shares or exchange the Series E Preferred Shares for new securities without your consent or approval.***

The Series E Preferred Shares are intended to constitute either Tier 1 or Tier 2 capital in accordance with the group insurance requirements of the BMA. In order for the Series E Preferred Shares to qualify as either Tier 1 or Tier 2



capital, the terms of the Series E Preferred Shares should reflect the criteria contained in the Insurance

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(Group Supervision) Rules 2011 (as amended, the Group Supervision Rules ), including the group eligible capital rules. No assurance can be made that the BMA will deem that the Series E Preferred Shares constitute either Tier 1 or Tier 2 capital under the Group Supervision Rules. Among other reasons, we will be entitled to vary the terms of the Series E Preferred Shares to permit them to qualify as either Tier 1 or Tier 2 capital or exchange the Series E Preferred Shares for new securities that qualify as either Tier 1 or Tier 2 capital without your consent or approval in the event of a capital disqualification event, subject to the limitations described herein, as described in this prospectus supplement. See Description of the Series E Preferred Shares Substitution or Variation in this prospectus supplement. In addition, within 90 days following the occurrence of a capital redemption trigger date, we may redeem the Series E Preferred Shares, in whole or in part, at a redemption price of \$2,500 per Series E Preferred Share (equivalent to \$25 per depositary share), plus declared and unpaid dividends, if any, to, but not including, the date of redemption.

***We and holders of the depositary shares may become subject to taxes in Bermuda after March 31, 2035, which may have a material adverse effect on our results of operations or result in material adverse tax consequences to holders of the depositary shares.***

The Bermuda Minister of Finance, under the Exempted Undertakings Tax Protection Act 1966 of Bermuda, as amended, has given each of our Bermuda resident companies an assurance that if any legislation is enacted in Bermuda that would impose tax computed on profits or income, or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of any such tax will not be applicable to our Bermuda resident companies or any of their respective operations, shares, debentures or other obligations until March 31, 2035. We may not be able to obtain any similar assurance from the Minister of Finance following this date. Given the limited duration of the Minister of Finance's assurance, we cannot be certain that we or holders of the depositary shares will not be subject to any Bermuda tax after March 31, 2035.

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**USE OF PROCEEDS**

We estimate that the net proceeds to us from the sale of the depositary shares will be approximately \$531.9 million (or \$580.3 million if the underwriters exercise their over-allotment option in full), after deducting the underwriting discount and our portion of the offering expenses. We intend to use the net proceeds from this offering to redeem or repurchase all of our outstanding Series C Preferred Shares. The 16,000,000 outstanding Series C Preferred Shares are redeemable at our option at a price of \$25.00 per share, equivalent to \$400 million in aggregate liquidation preference, plus declared and unpaid dividends, if any, and upon prior written notice of not less than 30 nor more than 60 days. Alternatively, we may repurchase all or a portion of the outstanding Series C Preferred Shares through privately negotiated purchases, open market transactions or otherwise. We have agreed to repurchase approximately 1,270,000 of our outstanding Series C Preferred Shares at an aggregate price of approximately \$32.7 million. This prospectus supplement does not constitute a notice of redemption or an obligation to issue a notice of redemption.

We intend to use any remaining net proceeds for general corporate purposes, which may include the repurchase of a portion of our outstanding common shares pursuant to our previously authorized share repurchase program. At October 26, 2016, remaining authorization under the common share repurchase program approved by our Board of Directors was \$375 million.

**Table of Contents****CAPITALIZATION**

The following table sets forth our consolidated capitalization as of September 30, 2016 on an actual basis and as adjusted to reflect this offering and the application of the net proceeds therefrom to redeem all of our outstanding Series C Preferred Shares, assuming no exercise of the underwriters' over-allotment option.

You should read this table in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes that are incorporated by reference into this prospectus supplement and the accompanying prospectus.

	<b>At September 30, 2016</b>	
	<b>Actual</b>	<b>As Adjusted(1)</b>
	<b>(in thousands, except for share data)</b>	
<b>Debt:</b>		
Letter of credit facility(2)	N/A	N/A
Revolving credit facility(3)		
2.650% Senior Notes Due 2019	\$ 248,887	\$ 248,887
5.875% Senior Notes Due 2020	497,456	497,456
5.150% Senior Notes Due 2045	246,290	246,290
	992,633	992,633
<b>Shareholders' Equity:</b>		
Series C Preferred Shares (\$0.0125 par value: 16,000,000 shares issued and outstanding)	400,000	
Series D Preferred Shares (\$0.0125 par value: 9,000,000 shares issued and outstanding)	225,000	225,000
Series E Preferred Shares represented by the depositary shares offered hereby (\$0.0125 par value; actual: nil, as adjusted: 220,000 shares issued and outstanding)		550,000
Common shares (\$0.0125 par value: approximately 176,575,000 shares issued and approximately 88,439,000 outstanding)	2,206	2,206
Additional paid in capital(4)	2,307,866	2,289,768
Accumulated other comprehensive income	98,505	98,505
Retained earnings	6,430,573	6,430,573
Treasury shares, at cost (approximately 88,136,000 shares)(5)	(3,438,492)	(3,438,492)
<b>Total shareholders' equity</b>	<b>\$ 6,025,658</b>	<b>\$ 6,157,560</b>
<b>Total Capitalization</b>	<b>\$ 7,018,291</b>	<b>\$ 7,150,193</b>

(1)

- As adjusted amounts assume the offering of the depositary shares hereunder and the redemption of our outstanding Series C Preferred Shares at a price of \$25.00 per share. We have agreed to repurchase approximately 1,270,000 of our outstanding Series C Preferred Shares at an aggregate price of approximately \$32.7 million.
- (2) Consists of a \$500 million letter of credit facility. As of September 30, 2016, there were \$326.4 million letters of credit outstanding under the letter of credit facility.
  - (3) Consists of \$250 million credit facility. As of September 30, 2016, there were no letters of credit or borrowings outstanding under the credit facility.
  - (4) Adjusted for estimated issue costs related to the offering of the depositary shares.
  - (5) Net proceeds from the sale of depositary shares in excess of the amount used to redeem or repurchase Series C Preferred Shares may be used to repurchase a portion of our outstanding common shares. See Use of Proceeds.

**Table of Contents****RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED DIVIDENDS**

For purposes of computing the following ratios, earnings consist of income before income taxes plus fixed charges to the extent that such charges are included in the determination of earnings. Fixed charges consist of interest, amortization of debt issuance costs and credit facility fees and the interest portion on rent expense (for this calculation, 33.3% represents a reasonable approximation of the interest factor).

	<b>Years Ended December 31,</b>					
	<b>Nine Months Ended September 30,</b>					
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Ratio of Earnings to Fixed Charges	9.3	12.0	11.4	11.8	9.1	1.9
Ratio of Earnings to Fixed Charges and Preferred Share Dividends(1)	5.5	7.1	7.6	7.4	5.8	1.2

(1) Dividends have been tax effected at a 0% rate because it is presumed they will be funded from a Bermuda entity.

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**DESCRIPTION OF THE SERIES E PREFERRED SHARES**

*The following description of the terms of the Series E Preferred Shares supplements the description of the general terms and provisions of the preference shares set forth under Description of Our Share Capital-Preference Shares in the accompanying prospectus. The following summary of the terms of the Series E Preferred Shares does not purport to be complete and is qualified in its entirety by reference to the Certificate of Designations creating the Series E Preferred Shares, which will be included as an exhibit to a current report that we file with the SEC. Terms used in this prospectus supplement that are otherwise not defined will have the meanings given to them in the accompanying prospectus. As used in this section, we, us, our and AXIS Capital mean AXIS Capital Holdings Limited and do not include its subsidiaries.*

**General**

We are authorized to issue up to an aggregate of 800,000,000 shares, par value U.S. \$0.0125 per share, including both common and preference shares. As of September 30, 2016, we had approximately 176,575,000 common shares issued and approximately 88,439,000 outstanding and an aggregate of 25,000,000 preference shares issued and outstanding. See Description of Our Share Capital in the accompanying prospectus.

The Series E Preferred Shares will rank senior to our junior stock (as defined under Dividends ) and equally with each other series of our parity stock (as defined under Dividends ) with respect to the payment of dividends and distributions of assets upon liquidation, dissolution or winding-up. At present, we have no issued shares that are senior to the Series E Preferred Shares with respect to payment of dividends and distribution of assets upon our liquidation, dissolution or winding-up.

The depositary will be the sole holder of Series E Preferred Shares. The holders of depositary shares will be required to exercise their proportional rights in the Series E Preferred Shares through the depositary, as described in Description of Depositary Shares.

We have issued two series of preference shares that are outstanding, the Series C Preferred Shares, with an aggregate liquidation preference of \$400 million as of September 30, 2016 and the Series D Preferred Shares, with an aggregate liquidation preference of \$225 million as of September 30, 2016, that are on parity with the Series E Preferred Shares with respect to payment of dividends and distribution of assets upon our liquidation, dissolution or winding-up. Our board of directors may from time to time create and issue new junior shares and parity shares of other series without the approval of the holders of the Series E Preferred Shares and fix their relative rights, preferences and limitations.

We will generally be able to pay dividends and distributions upon liquidation, dissolution or winding-up only out of lawfully available funds for such payment (i.e., after satisfaction of indebtedness and other non-equity claims). The Series E Preferred Shares, upon issuance against full payment of the purchase price for the depositary shares, will be fully-paid and nonassessable.

Holders of the depositary shares and the Series E Preferred Shares represented thereby will not have preemptive or subscription rights to acquire more of our capital stock.

The Series E Preferred Shares will not be convertible into, or exchangeable for, shares of any other class or series of stock or other securities of ours or our property or assets. The Series E Preferred Shares have no stated maturity and will not be subject to any mandatory redemption, sinking fund, retirement fund, purchase fund or other obligation of ours to redeem, repurchase or retire the Series E Preferred Shares.

**Dividends**

Dividends on the Series E Preferred Shares are non-cumulative. Consequently, if our board of directors does not authorize and declare a dividend for any dividend period, holders of the Series E Preferred Shares will not be

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entitled to receive a dividend for such period, and such undeclared dividend will not accumulate and will not be payable. We will have no obligation to pay dividends for a dividend period after the dividend payment date for such period if our board of directors has not declared such dividend before the related dividend payment date, whether or not dividends are declared for any subsequent dividend period with respect to the Series E Preferred Shares.

Holders of Series E Preferred Shares will be entitled to receive, only when, as and if declared by our board of directors, out of funds legally available for the payment of dividends under Bermuda law, non-cumulative cash dividends from and including the original issue date, quarterly in arrears on January 15, April 15, July 15 and October 15 of each year, commencing on January 15, 2017, without accumulation of any undeclared dividends. To the extent declared, these dividends will accumulate, with respect to each dividend period, in an amount per share equal to 5.50% of the liquidation preference per annum (equivalent to \$137.50 per Series E Preferred Share and \$1.375 per depositary share). Assuming an initial issue date of November 7, 2016, the dividend for the initial dividend period is expected to be \$25.97 per Series E Preferred Share (equivalent to \$0.2597 per depositary share). In the event that we issue additional Series E Preferred Shares after the original issue date, to the extent declared, dividends on such additional Series E Preferred Shares may accumulate from and including the original issue date or any other date we specify at the time such additional Series E Preferred Shares are issued.

Dividends will be payable to holders of record of the Series E Preferred Shares as they appear in our register of members on the applicable record date, which shall be the fifteenth day of the month preceding that dividend payment date or such other record date fixed by our board of directors that is not more than 60 nor less than 10 days prior to such dividend payment date. These dividend record dates will apply regardless of whether a particular dividend record date is a business day. The corresponding dividend record dates for the depositary shares will be the same as the dividend record dates for Series E Preferred Shares. As used in this prospectus supplement, *business day* means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City generally are authorized or obligated by law or executive order to close.

A dividend period is the period from and including a dividend payment date to, but excluding, the next dividend payment date, except that the initial dividend period will commence on and include the original issue date of the Series E Preferred Shares and will end on and exclude the January 15, 2017 dividend payment date. Dividends payable on the Series E Preferred Shares will be computed on the basis of a 360-day year consisting of twelve 30-day months. If any date on which dividends would otherwise be payable is not a business day, then the dividend payment date will be the next succeeding business day after the original dividend payment date, and no additional dividends will accumulate on the amount so payable from such date to such next succeeding business day.

Upon the payment of any dividends on the Series E Preferred Shares, holders of depositary shares will receive a related proportionate payment. See *Description of Depositary Shares Dividends and Other Distributions*.

So long as any Series E Preferred Shares remain outstanding for any dividend period, unless the full dividends for the latest completed dividend period on all outstanding Series E Preferred Shares and parity stock have been declared and paid or declared and a sum sufficient for the payment thereof has been set aside:

no dividend shall be paid or declared on our common shares or any other shares of our junior stock, other than a dividend payable solely in our common shares or other junior stock; and

no common shares or other junior stock shall be purchased, redeemed or otherwise acquired for consideration by us, directly or indirectly (other than (1) as a result of a reclassification of junior stock for or into other junior stock or the exchange or conversion of one share of junior stock for or into another share of junior stock, (2) through the use of the proceeds of a substantially contemporaneous

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sale of junior stock) or (3) as required by or necessary to fulfill the terms of any employment contract, benefit plan or similar arrangement with or for the benefit of one or more employees, directors or consultants.

When dividends are not paid or duly provided for in full on any dividend payment date upon the Series E Preferred Shares and any shares of parity stock, all dividends declared upon the Series E Preferred Shares and all such parity stock and payable on such dividend payment date shall be declared on a pro rata basis so that the respective amounts of such dividends shall bear the same ratio to each other as the full amount of dividends payable on the outstanding Series E Preferred Shares for such dividend period and the accumulated and unpaid dividends, or the full amount of dividends payable for such dividend period in the case of non-cumulative preferred stock, on all such parity stock bear to each other. In the case of any parity stock having dividend payment dates different from the dividend payment dates pertaining to the Series E Preferred Shares, the measurement date for such parity stock shall be the dividend payment date falling within the related dividend period for the Series E Preferred Shares.

As used in this prospectus supplement, **junior stock** means any class or series of our capital stock that ranks junior to the Series E Preferred Shares either as to the payment of dividends or as to the distribution of assets upon any liquidation, dissolution or winding-up of AXIS Capital. Junior stock includes our common shares.

As used in this prospectus supplement, **parity stock** means any class or series of our capital stock that ranks equally with the Series E Preferred Shares as to payment of dividends and the distribution of assets on any liquidation, dissolution or winding-up of AXIS Capital. At present, our Series C Preferred Shares and Series D Preferred Shares are the only series of our capital stock that would be considered parity stock with the Series E Preferred Shares.

### **Certain Restrictions on Payment of Dividends**

AXIS Capital is a holding company and has no direct operations. The ability of AXIS Capital to pay dividends or distributions depends almost exclusively on the ability of its subsidiaries to pay dividends or distributions to AXIS Capital.

Our operating subsidiaries are subject to significant regulatory restrictions limiting their ability to declare and pay dividends or distributions. For example, under the Insurance Act 1978 of Bermuda, dividends by a class 4 insurer, such as AXIS Specialty Limited, exceeding 25% of statutory capital and surplus are prohibited unless the insurer files (at least seven days before payment of such dividends) with the Bermuda Monetary Authority an affidavit signed by two directors and the principal representative of the insurer declaring that the insurer will remain in compliance with the solvency margin and liquidity requirements of the Insurance Act 1978 after payment of such dividend.

The Bermuda Monetary Authority has issued notice to AXIS Specialty Limited that it will act as group supervisor and that it has designated AXIS Specialty Limited as the **designated insurer** of the AXIS group of insurance companies. In accordance with the Group Supervision Rules and the Group Solvency Rules, the AXIS insurance group is now required to prepare and submit annual audited group GAAP financial statements, annual group statutory financial statements, an annual group statutory financial return, an annual group capital and solvency return and quarterly group unaudited financial returns.

Under Bermuda law, we will not be permitted to pay dividends on the Series E Preferred Shares (even if such dividends have been previously declared) if there are reasonable grounds for believing that we are, or would after the payment be, unable to pay our liabilities as they become due; or the realizable value of our assets would thereby be less than our liabilities or that we are or would after such payment be in breach of the Insurance Act 1978, the Group Solvency Rules, including the Group Enhanced Capital Requirement contained within the Group

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Solvency Rules, or under such other applicable rules and regulations as may from time to time be issued by the Bermuda Monetary Authority (or any successor agency or then-applicable regulatory authority) pursuant to the terms of the Insurance Act 1978, or any successor legislation.

### **Liquidation Rights**

Upon any voluntary or involuntary liquidation, dissolution or winding-up of AXIS Capital, holders of the Series E Preferred Shares are entitled to receive out of our assets legally available for distribution to shareholders, after satisfaction of indebtedness and other non-equity claims, if any, a liquidation preference in the amount of \$2,500 per Series E Preferred Share (equivalent to \$25 per depositary share), plus declared and unpaid dividends, if any, to, but excluding, the date fixed for distribution, without accumulation of any undeclared dividends, before any distribution of assets is made to holders of our common shares, or any of our other shares of stock ranking junior to the Series E Preferred Shares. Holders of the Series E Preferred Shares will not be entitled to any other amounts from us after they have received their full liquidation preference.

In any such distribution, if our assets are not sufficient to pay the liquidation preference in full to all holders of the Series E Preferred Shares and all holders of any parity stock, the amounts paid to the holders of the Series E Preferred Shares and to the holders of any parity stock will be paid pro rata in accordance with the respective aggregate liquidation preferences of those holders. If the liquidation preference has been paid in full to all holders of the Series E Preferred Shares and any holders of parity stock, the holders of our other capital stock shall be entitled to receive all of our remaining assets according to their respective rights and preferences.

A consolidation, amalgamation, merger, arrangement or reconstruction involving AXIS Capital or the sale or transfer of all or substantially all of the shares of capital stock or the property or business of AXIS Capital will not be deemed to constitute a liquidation, dissolution or winding-up of AXIS Capital.

### **Redemption**

Under Bermuda law, the source of funds that may be used by a company to pay amounts to shareholders on the redemption of their shares in respect of the nominal or par value of their shares is limited to (1) the capital paid up on the shares being redeemed, (2) funds of the company otherwise available for payment of dividends or distributions or (3) the proceeds of a new issuance of shares made for purposes of the redemption, and in respect of the premium over the nominal or par value of their shares is limited to (a) funds otherwise available for dividends or distributions or (b) out of the company's share premium account before the redemption date.

Under Bermuda law, no redemption may be made by us if there are reasonable grounds for believing that we are, or would after the payment be, unable to pay our liabilities as they become due; or the realizable value of our assets would thereby be less than our liabilities or that we are or would after such payment be in breach of the Insurance Act 1978, the Group Solvency Rules, including the Group Enhanced Capital Requirement contained within the Group Solvency Rules, or under such other applicable rules and regulations as may from time to time be issued by the Bermuda Monetary Authority (or any successor agency or then-applicable regulatory authority) pursuant to the terms of the Insurance Act 1978, or any successor legislation.

Our ability to effect a redemption of the Series E Preferred Shares is subject to regulatory approval.

Our ability to effect a redemption of the Series E Preferred Shares may be subject to the performance of our subsidiaries. Distribution to us from our insurance subsidiaries will also be subject to applicable insurance laws and regulatory constraints.

The Series E Preferred Shares are not subject to any mandatory redemption, sinking fund, retirement fund, purchase fund or other similar provisions. The Series E Preferred Shares are not redeemable prior to November 7, 2021, except as described below. The Series E Preferred Shares will be redeemable at our option, in whole or in part, upon not less than 30 nor more than 60 days, prior written notice, at a redemption price equal to \$2,500 per

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Series E Preferred Share (equivalent to \$25 per depositary share), plus declared and unpaid dividends, if any, to, but excluding, the date of redemption, without accumulation of any undeclared dividends:

(i) at any time following the occurrence of a tax event (as defined below);

(ii) at any time within 90 days following the occurrence of the date (a capital redemption trigger date ) on which we have reasonably determined that, as a result of (a) any amendment to, or change in, the laws or regulations of Bermuda that is enacted or becomes effective after the initial issuance of the Series E Preferred Shares; (b) any proposed amendment to, or change in, those laws or regulations that is announced or becomes effective after the initial issuance of the Series E Preferred Shares; or (c) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced after the initial issuance of the Series E Preferred Shares, a capital disqualification event (as defined below) has occurred; provided that any such redemption in part may only be made if (x) we have reasonably determined that the portion of the Series E Preferred Shares to be redeemed are the subject of the capital disqualification event and (y) after giving effect to such redemption, we have reasonably determined that a capital disqualification event will not exist with respect to the then-outstanding Series E Preferred Shares and such redemption will not result in the suspension or removal of the Series E Preferred Shares from NYSE listing; and

(iii) on and after November 7, 2021.

As used in this prospectus supplement, tax event means a change in tax law that, in our reasonable determination, results in a substantial probability that we or any entity formed by a consolidation, merger or amalgamation involving us or the entity to which we convey, transfer or lease substantially all our properties and assets would be required to pay any additional amounts (as defined below) with respect to the Series E Preferred Shares.

As used in this prospectus supplement, change in tax law means (a) a change in or amendment to laws, regulations or rulings of any relevant taxing jurisdiction (as defined below), (b) a change in the official application or interpretation of those laws, regulations or rulings, (c) any execution of or amendment to any treaty affecting taxation to which any relevant taxing jurisdiction is party after the date of this prospectus supplement, or (d) a decision rendered by a court of competent jurisdiction in any relevant taxing jurisdiction, whether or not such decision was rendered with respect to AXIS Capital, in each case, described in (a)-(d) above occurring after the date of this prospectus supplement. As used in this prospectus supplement, a relevant taxing jurisdiction is (a) Bermuda or any political subdivision or governmental authority of or in Bermuda with the power to tax, (b) any jurisdiction from or through which AXIS Capital or its dividend disbursing agent are making payments on the Series E Preferred Shares or any political subdivision or governmental authority of or in that jurisdiction with the power to tax or (c) any other jurisdiction in which AXIS Capital or a successor corporation is organized or generally subject to taxation on a net income basis or any political subdivision or governmental authority of or in that jurisdiction with the power to tax.

As used in this prospectus supplement, capital adequacy regulations means the solvency margin, capital adequacy regulations or any other regulatory capital rules applicable to us from time to time on an individual or group basis pursuant to Bermuda law and/or the laws of any other relevant jurisdiction and which set out the requirements to be satisfied by financial instruments to qualify as solvency margin or additional solvency margin or regulatory capital (or any equivalent terminology employed by the then applicable capital adequacy regulations).

As used in this prospectus supplement, a capital disqualification event has occurred if the Series E Preferred Shares cease to qualify, in whole or in part (including as a result of any transitional or grandfathering provisions), for purposes of determining our solvency margin, capital adequacy ratios or any other comparable ratios, regulatory capital resource or level of AXIS Capital or any member thereof, where subdivided into tiers,

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as Tier 1 or Tier 2 capital securities under then-applicable capital adequacy regulations imposed upon us by the Bermuda Monetary Authority (or any successor agency or then-applicable regulatory authority), which includes our individual and group Enhanced Capital Requirements under the Bermuda Monetary Authority's capital regulations, except as a result of any applicable limitation on the amount of such capital. For the avoidance of doubt, a capital disqualification event shall not be deemed to have occurred so long as the Series E Preferred Shares qualify as either Tier 1 or Tier 2 capital securities as described above.

At any time prior to November 7, 2021, if we submit to the holders of our common shares a proposal for an amalgamation or merger or if we submit any proposal for any other matter that requires, as a result of a change in Bermuda law after the date of this prospectus supplement, for its validation or effectuation an affirmative vote of the holders of the Series E Preferred Shares at the time outstanding, whether voting as a separate series or together with any other series or class of preference shares as a single class, we will have the option, upon not less than 30 nor more than 60 days prior written notice, to redeem all of the outstanding Series E Preferred Shares for cash at a redemption price of \$2,600 per Series E Preferred Share (equivalent to \$26 per depositary share), plus declared and unpaid dividends, if any, to, but excluding, the date of redemption, without accumulation of any undeclared dividends.

Neither holders of depositary shares nor holders of Series E Preferred Shares will have the right to require the redemption or repurchase of the Series E Preferred Shares.

See Description of Depositary Shares Redemption of Depositary Shares for information about redemption of the depositary shares relating to the Series E Preferred Shares.

If the Series E Preferred Shares or any depositary shares representing interest in the Series E Preferred Shares are to be redeemed, the notice of redemption shall be given by first class mail to the holders of record of the depositary shares representing interests in the Series E Preferred Shares to be redeemed within the time period provided above; provided that, if the depositary shares are held in book-entry form through The Depository Trust Company, or DTC, we may give such notice in any manner permitted by DTC. Each notice of redemption will include a statement setting forth:

the redemption date;

the number of Series E Preferred Shares to be redeemed (and the corresponding number of depositary shares) and, if less than all the Series E Preferred Shares held by such holder are to be redeemed, the number of such Series E Preferred Shares to be redeemed from such holder;

the redemption price; and

the place or places where holders may surrender certificates evidencing the depositary shares representing interests in the Series E Preferred Shares for payment of the redemption price.

If notice of redemption of any Series E Preferred Shares has been given and if the funds necessary for such redemption have been set aside by us for the benefit of the holders of the Series E Preferred Shares so called for redemption, then, from and after the redemption date, dividends will cease to accumulate on such Series E Preferred Shares, such Series E Preferred Shares shall no longer be deemed outstanding and all rights of the holders of such Series E Preferred Shares will terminate, except the right to transfer the Series E Preferred Shares prior to the

redemption date and the right to receive the redemption price. See Description of Depositary Shares below for information about redemption of the depositary shares relating to our Series E Preferred Shares.

In case of any redemption of only part of the Series E Preferred Shares at the time outstanding, the Series E Preferred Shares to be redeemed shall be selected either pro rata or in such other manner as we may determine to be fair and equitable.

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**Additional Amounts**

We will make all payments on the Series E Preferred Shares free and clear of and without withholding or deduction at source for, or on account of, any present or future taxes, fees, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any relevant taxing jurisdiction, unless such taxes, fees, duties, assessments or governmental charges are required to be withheld or deducted by (x) the laws (or any regulations or rulings promulgated thereunder) of any relevant taxing jurisdiction or (y) an official position regarding the application, administration, interpretation or enforcement of any such laws, regulations or rulings (including, without limitation, a holding by a court of competent jurisdiction or by a taxing authority in any relevant taxing jurisdiction). If a withholding or deduction at source is required, we will, subject to certain limitations and exceptions described below, pay to the holders of the Series E Preferred Shares such additional amounts (the additional amounts ) as may be necessary so that every net payment made to such holders, after the withholding or deduction, will not be less than the amount provided for in the Certificate of Designations to be then due and payable. We will not be required to pay any additional amounts for or on account of:

(a) any tax, fee, duty, assessment or governmental charge of whatever nature that would not have been imposed but for the fact that (i) the holder or beneficial owner of the Series E Preferred Shares was a resident, citizen, domiciliary or national of, or engaged in business or maintained a permanent establishment or was physically present in, the relevant taxing jurisdiction or otherwise had some connection with the relevant taxing jurisdiction other than by reason of the mere ownership of, or receipt of payment under, such Series E Preferred Shares or (ii) the holder presented, where presentation is required, such Series E Preferred Shares for payment more than 30 days after the relevant date (as defined below), except to the extent that the holder would have been entitled to such additional amounts if it had presented such Series E Preferred Shares for payment on any day within that 30-day period. The relevant date means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the dividend disbursing agent on or prior to such due date, it means the first date on which the full amount of such moneys has been so received and is available for payment to holders, and notice to that effect shall have been duly given to the holders of the Series E Preferred Shares;

(b) any estate, inheritance, gift, sale, transfer, personal property or similar tax, fee, duty, assessment or other governmental charge;

(c) any tax, fee, duty, assessment or other governmental charge that is payable otherwise than by withholding or deduction from payment of the liquidation preference of or any dividends on the Series E Preferred Shares;

(d) any tax, fee, duty, assessment or other governmental charge that is imposed or withheld by reason of the failure by the holder or beneficial owner of such Series E Preferred Shares to comply with any reasonable request by us addressed to the holder within 90 days of such request (a) to provide information concerning the nationality, citizenship, residence or identity of the holder or beneficial owner or (b) to make any declaration or other similar claim or satisfy any information or reporting requirement, which is required or imposed by statute, treaty, regulation or administrative practice of the relevant taxing jurisdiction as a precondition to exemption from all or part of such tax, fee, duty, assessment or other governmental charge;

(e) any withholding or deduction imposed on or in respect of the Series E Preferred Shares pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the Code ), any current or future regulations or official interpretations thereof or intergovernmental agreements in connection therewith, and any agreements entered into pursuant to Section 1471(b)(1) of the Code; or

(f) any combination of items (a), (b), (c), (d) and (e).

In addition, we will not pay additional amounts with respect to any payment on any such Series E Preferred Shares to any holder who is a fiduciary, partnership, limited liability company or other pass-thru entity or a

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person other than the sole beneficial owner of such Series E Preferred Shares if such payment would be required by the laws of the relevant taxing jurisdiction to be included in the income for tax purposes of a beneficiary or settlor with respect to such fiduciary or a member of such partnership, limited liability company or other pass-thru entity or a beneficial owner to the extent such beneficiary, settlor, member or beneficial owner would not have been entitled to such additional amounts had it been the holder of the Series E Preferred Shares.

If there is a substantial probability that we or any successor corporation would be required to pay any additional amounts as a result of a change in tax law occurring after the date of this prospectus supplement, we will also have the option to redeem the Series E Preferred Shares. See [Redemption](#) above.

Upon the payment of any additional amounts, holders of depositary shares will receive a related proportionate payment. See [Description of Depositary Shares Dividends and Other Distributions](#).

### **Substitution or Variation**

In lieu of redemption, at any time following a tax event or at any time following a capital disqualification event, we may, without the consent of any holders of the Series E Preferred Shares, vary the terms of the Series E Preferred Shares such that they remain securities, or exchange the Series E Preferred Shares with new securities, which (i) in the case of a tax event, would eliminate the substantial probability that we or any successor corporation would be required to pay any additional amounts with respect to the Series E Preferred Shares as a result of a change in tax law, and (ii) in the case of a capital disqualification event, for purposes of determining the solvency margin, capital adequacy ratios or any other comparable ratios, regulatory capital resource or level of AXIS Capital or any member thereof, where subdivided into tiers, qualify as Tier 1 or Tier 2 capital securities under then-applicable capital adequacy regulations imposed upon us by the Bermuda Monetary Authority (or any successor agency or then-applicable regulatory authority), which includes our individual and group Enhanced Capital Requirements. In either case, the terms of the varied securities or new securities considered in the aggregate cannot be less favorable to holders than the terms of the Series E Preferred Shares prior to being varied or exchanged; provided that no such variation of terms or securities received in exchange shall change the specified denominations of, any payment of dividend on, the redemption dates (other than any extension of the period during which an optional redemption may not be exercised by the Company) or currency of, the Series E Preferred Shares, reduce the liquidation preference thereof, dividend payable, lower the ranking of the securities, reduce the voting threshold for the issuance of senior stock or change the foregoing list of items that may not be so amended as part of such variation or exchange. Further, no such variation of terms or securities received in exchange shall impair the right of a holder of the securities to institute suit for the payment of any amounts due (as provided under the Certificate of Designations), but unpaid with respect to such holder's securities.

Prior to any variation or exchange, we will be required to receive an opinion of independent legal advisers of recognized standing to the effect that holders and beneficial owners of the depositary shares and the Series E Preferred Shares represented thereby (including as holders and beneficial owners of the varied or exchanged securities) will not recognize income, gain or loss for United States federal income tax purposes as a result of such variation or exchange and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case had such variation or exchange not occurred.

Any variation or exchange of the Series E Preferred Shares described above will be made after notice is given to the holders of the Series E Preferred Shares not less than 30 nor more than 60 days prior to the date fixed for variation or exchange, as applicable.

### **Voting Rights**

Except as provided below, the holders of the Series E Preferred Shares will have no voting rights.

Under Bermuda law, holders of the Series E Preferred Shares will be entitled to one vote for each Series E Preferred Share held by them, voting together with all other shares of the Company, on any proposal for the

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amalgamation or merger of the Company with another entity. Alternatively, to the extent that the relevant amalgamation agreement or merger agreement contains a provision that would constitute a variation of the rights attaching to the Series E Preferred Shares, the holders of the Series E Preferred Shares will be entitled to vote separately as a class on the proposal for the amalgamation or merger.

Whenever dividends payable on Series E Preferred Shares have not been declared by the board of directors and paid for an aggregate amount equivalent to six full dividend periods (whether or not consecutive) on all of the Series E Preferred Shares or any class or series of parity stock then outstanding, the holders of the Series E Preferred Shares, together with the holders of each such class or series of parity stock, will have the right, voting together as a single class regardless of class or series, to elect two directors of our board of directors. We will use our best efforts to effectuate the election or appointment of these two directors.

Whenever dividends on the Series E Preferred Shares and the parity stock then outstanding have been paid in full, or declared and sufficient funds have been set aside, for at least four dividend periods, the right of holders of the Series E Preferred Shares and the parity stock to be represented by directors as described in the preceding paragraph will cease (but subject always to the same provision for the vesting of such rights in the case of any future suspension of payments in an amount equivalent to dividends for six full dividend periods whether or not consecutive), and the terms of office of the additional directors elected or appointed to the board of directors will terminate.

At any time when such special voting power has vested in the holders of the Series E Preferred Shares and the parity stock as described in the preceding paragraph, such right may be exercised initially either at a special general meeting of the holders of the Series E Preferred Shares and parity stock or at any annual general meeting of shareholders, and thereafter at annual general meetings of shareholders. At any time when such special right has vested, our chairman or president will, upon the written request of the holders of record of at least 10% of the Series E Preferred Shares and the parity stock then outstanding addressed to our secretary, call a special general meeting of the holders of the Series E Preferred Shares and parity stock for the purpose of electing directors. Such meeting will be held at the earliest practicable date in such place as may be designated pursuant to our bye-laws (or if there be no designation, at our principal office in Bermuda). If such meeting is not called by our proper officers within 20 days after our secretary has been personally served with such request, or within 60 days after mailing the same by registered or certified mail addressed to our secretary at our principal office, then the holders of record of at least 10% of the Series E Preferred Shares and the parity stock then outstanding may designate in writing one of their number to call such meeting at our expense, and such meeting may be called by such person so designated upon the notice required for annual general meetings of shareholders and will be held in Bermuda, unless we otherwise designate. Any holder of the Series E Preferred Shares and the parity stock will have access to our register of members for the purpose of causing meetings of shareholders to be called pursuant to these provisions. Notwithstanding the foregoing, no such special meeting will be called during the period within 90 days immediately preceding the date fixed for the next annual general meeting of shareholders.

At any annual or special general meeting at which the holders of the Series E Preferred Shares and the parity stock have the special right to elect directors as described above, the presence, in person or by proxy, of the holders of 50% of the Series E Preferred Shares and the parity stock will be required to constitute a quorum for the election of any director by the holders of the Series E Preferred Shares and the parity stock, voting as a class. At any such meeting or adjournment thereof the absence of a quorum of the Series E Preferred Shares and the parity stock will not prevent the election of directors other than those to be elected by the Series E Preferred Shares and the parity stock, voting as a class, and the absence of a quorum for the election of such other directors will not prevent the election of the directors to be elected by the Series E Preferred Shares and the parity stock, voting as a class.

During any period in which the holders of the Series E Preferred Shares and the parity stock have the right to vote as a class for directors as described above, any vacancies in our board of directors will be filled by vote of a majority of our board of directors pursuant to our bye-laws. During such period, the directors so elected by the

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holders of the Series E Preferred Shares and the parity stock will continue in office (1) until the next succeeding annual general meeting or until their successors, if any, are elected by such holders and qualify or (2) unless required by applicable law, rule or regulation to continue in office for a longer period, until termination of the right of the holders of the Series E Preferred Shares and the parity stock to vote as a class for directors, if earlier. Immediately upon any termination of the right of the holders of the Series E Preferred Shares and the parity stock to vote as a class for directors as provided herein, the terms of office of the directors then in office so elected by the holders of the Series E Preferred Shares and the parity stock will terminate.

Except as set forth above under Substitution or Variation, without the written consent of the holders of at least 75% of the Series E Preferred Shares at the time issued and outstanding or the sanction of a resolution passed by a majority of the votes cast at a separate meeting of the holders of the Series E Preferred Shares at which a quorum (consisting of the presence, in person or by proxy, of the holders of 50% of the Series E Preferred Shares) is present, we may not take any action that would vary the rights attached to the Series E Preferred Shares or effect any amalgamation that would vary the rights of the Series E Preferred Shares. Without the written consent, or the sanction of a resolution passed at a separate meeting, of the holders of at least 67% of the Series E Preferred Shares at the time issued and outstanding, we may not authorize any creation or increase in the issued amount of, any shares of any series or any security convertible into shares of any series ranking prior to the Series E Preferred Shares with respect to payment of dividends and distribution of assets upon our liquidation, dissolution or winding-up of the Company.

We may create and issue additional series of parity stock and junior stock without the consent of any holder of the Series E Preferred Shares. Holders of the Series E Preferred Shares are not entitled to vote on any sale of all or substantially all of the assets of AXIS Capital.

On any item on which the holders of the Series E Preferred Shares are entitled to vote, such holders will be entitled to one vote for each Series E Preferred Share held.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding Series E Preferred Shares shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by us for the benefit of the holders of Series E Preferred Shares to effect such redemption.

Holders of depositary shares must act through the depositary to exercise any voting rights, as described under Description of Depositary Shares Voting the Series E Preferred Shares.

## **Conversion**

The Series E Preferred Shares are not convertible into or exchangeable for any other securities or property of AXIS Capital.

## **Limitations on Transfer and Ownership**

Holders of the Series E Preferred Shares only have the right to vote in limited circumstances, as set forth above under Voting Rights. Pursuant to a mechanism specified in our bye-laws, the voting rights exercisable by a shareholder may be limited. In any situation in which (1) the controlled shares (as defined below) of a U.S. Person (as defined below) would constitute 9.5% or more of the votes conferred by our issued shares and such U.S. Person would be generally required to recognize income with respect to us under Section 951(a)(1) of the Code, if we were a controlled foreign corporation as defined in Section 957 of the Code and if the ownership threshold under Section 951(b) of the Code were 9.5% or (2) the shares held by a Direct Foreign Shareholder Group (as defined below) would constitute 9.5% or

more of the votes conferred by our issued shares, the voting rights exercisable by a shareholder with respect to such shares will be limited so that no U.S. Person or Direct Foreign Shareholder Group is deemed to hold 9.5% or more of the voting power conferred by our shares. In addition, our board of directors may limit a shareholder's voting rights where it deems it necessary to do so to avoid adverse tax, legal or regulatory consequences to us, our subsidiaries, any shareholders or their affiliates.

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Controlled shares include, among other things, all shares that a U.S. Person owns directly, indirectly or constructively (within the meaning of Section 958 of the Code).

A Direct Foreign Shareholder Group includes a shareholder or group of commonly controlled shareholders that are not U.S. Persons.

U.S. Person means: (1) a citizen or resident of the United States, (2) a partnership or corporation, or entity treated as a corporation or partnership, created or organized in or under the laws of the United States, or any political subdivision thereof, (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source, (4) a trust if either (a) a court within the United States is able to exercise primary supervision over the administration of such trust and one or more U.S. Persons have the authority to control all substantial decisions of such trust or (b) the trust has a valid election in effect to be treated as a U.S. Person for U.S. federal income tax purposes or (5) any other person or entity that is treated for U.S. federal income tax purposes as if it were one of the foregoing.

Under these provisions, certain shareholders may have their voting rights limited to less than one vote per share. Moreover, these provisions could have the effect of reducing the votes of certain shareholders who would not otherwise be subject to the 9.5% limitation by virtue of their direct share ownership. Our bye-laws also provide that shareholders will be notified of their voting interests prior to any vote to be taken by the shareholders.

**Depository, Transfer Agent and Registrar**

The depository for the Series E Preferred Shares is Computershare Inc. and Computershare Trust Company, N.A. The transfer agent and registrar for the Series E Preferred Shares is Computershare Trust Company, N.A. The principal executive office of the depository, transfer agent and registrar is located at 480 Washington Boulevard, Jersey City, NJ 07310.

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**DESCRIPTION OF DEPOSITARY SHARES**

*The following is a brief description of the material terms of the depositary shares. The following summary does not purport to be complete in all respects, and is qualified in its entirety by reference to the pertinent sections of the Deposit Agreement (as defined below), the form of depositary receipts evidencing the depositary shares and the Certificate of Designations creating the Series E Preferred Shares, which will be included as an exhibit to a current report that we file with the SEC. As used in this section, we, us, our and AXIS Capital mean AXIS Capital Holdings Limited and do not include its subsidiaries.*

**General**

We are issuing depositary shares representing proportional fractional interests in Series E Preferred Shares. Each depositary share represents a 1/100<sup>th</sup> interest in a Series E Preferred Share, and will be evidenced by depositary receipts. We will deposit the underlying Series E Preferred Shares with a depositary pursuant to a deposit agreement among us, Computershare Inc. and Computershare Trust Company, N.A., acting as depositary, and the holders from time to time of the depositary receipts evidencing the depositary shares (the Deposit Agreement). Subject to the terms of the Deposit Agreement, each holder of a depositary share will be entitled, through the depositary, in proportion to the applicable fraction of a Series E Preferred Share represented by such depositary share, to all the rights and preferences of the Series E Preferred Shares represented thereby (including dividend, voting, redemption and liquidation rights).

In this prospectus supplement, references to holders of depositary shares mean those who own depositary shares registered in their own names on the books that we or the depositary maintain for this purpose. DTC is the only registered holder of the depositary receipts representing the depositary shares. References to holders of depositary shares do not include indirect holders who own beneficial interests in depositary shares registered in street name or issued in book-entry form through DTC. Please review the special considerations that apply to indirect holders described in the section entitled Book-Entry Procedures and Settlement.

Immediately following the issuance of the Series E Preferred Shares, we will deposit the Series E Preferred Shares with the depositary, which will then issue the depositary shares to the underwriters.

**Dividends and Other Distributions**

Each dividend payable on a depositary share will be in an amount equal to 1/100<sup>th</sup> of the dividend declared and payable on the related Series E Preferred Share.

The depositary will distribute any cash dividends or other cash distributions received in respect of the deposited Series E Preferred Shares, including any additional amounts as described under Description of the Series E Preferred Shares Additional Amounts, to the record holders of depositary shares relating to the underlying Series E Preferred Shares in proportion to the number of depositary shares held by the holders. If we make a distribution other than in cash, the depositary will distribute any property received by it to the record holders of depositary shares entitled to those distributions, unless it determines that the distribution cannot be made proportionally among those holders or that it is not feasible to make a distribution. In that event, the depositary may, with our approval, sell the property and distribute the net proceeds from the sale to the holders of the depositary shares.

Record dates for the payment of dividends and other matters relating to the depositary shares will be the same as the corresponding record dates for the Series E Preferred Shares.

**Redemption of Depositary Shares**

If we redeem the Series E Preferred Shares represented by the depositary shares, the depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption of the Series E

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Preferred Shares held by the depositary. The redemption price per depositary share is expected to be equal to 1/100<sup>th</sup> of the redemption price per share payable with respect to the Series E Preferred Shares, plus any declared and unpaid dividends.

Whenever we redeem Series E Preferred Shares held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing Series E Preferred Shares so redeemed. If fewer than all of the outstanding depositary shares are redeemed, the depositary will select the depositary shares to be redeemed *pro rata* or in such other manner as we may determine to be fair and equitable. The depositary will mail notice of redemption to record holders of the depositary receipts not less than 30 and not more than 60 days prior to the date fixed for redemption of the Series E Preferred Shares and a corresponding number of depositary shares.

### **Voting the Series E Preferred Shares**

Because each depositary share represents a 1/100<sup>th</sup> interest in a Series E Preferred Share, holders of depositary receipts will be entitled to 1/100<sup>th</sup> of a vote per depositary share under those limited circumstances in which holders of the Series E Preferred Shares are entitled to a vote.

When the depositary receives notice of any meeting at which the holders of the Series E Preferred Shares are entitled to vote, the depositary will mail the information contained in the notice to the record holders of the depositary shares relating to the Series E Preferred Shares. Each record holder of the depositary shares on the record date, which will be the same date as the record date for the Series E Preferred Shares, may instruct the depositary to vote the amount of the Series E Preferred Shares represented by the holder's depositary shares. To the extent possible, the depositary will vote the amount of the Series E Preferred Shares represented by depositary shares in accordance with the instructions it receives. We will agree to take all reasonable actions that the depositary determines are necessary to enable the depositary to vote as instructed. If the depositary does not receive specific instructions from the holders of any depositary shares representing the Series E Preferred Shares, it will not vote the amount of the Series E Preferred Shares represented by such depositary shares.

### **Preemptive and Conversion Rights**

The holders of the depositary shares do not have any preemptive or conversion rights.

### **Depositary, Transfer Agent and Registrar**

Computershare, Inc. and Computershare Trust Company, N.A. will be the depositary for the depositary shares. Computershare Trust Company, N.A. will be the transfer agent and registrar for the depositary shares.

### **Form of Series E Preferred Shares and Depositary Shares**

The depositary shares shall be issued in book-entry form through DTC, as described in Book-Entry Procedures and Settlement. The Series E Preferred Shares will be issued in registered form to the depositary.

### **Listing of Depositary Shares**

We intend to apply to list the depositary shares on the NYSE under the symbol AXSprE. If the application is approved, trading in the depositary shares is expected to commence within 30 days after the initial delivery of the depositary shares.

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**The Deposit Agreement**

***Amendment and Termination of the Deposit Agreement***

We and the depositary may generally amend the form of depositary receipt evidencing the depositary shares and any provision of the Deposit Agreement at any time without the consent of the holders of depositary shares. However, any amendment that materially and adversely alters the rights of the holders will not be effective unless such amendment has been approved by holders of depositary shares representing at least a majority of the depositary shares then outstanding.

The Deposit Agreement may be terminated by us or the depositary if:

all outstanding depositary shares have been redeemed; or

there has been made a final distribution in respect of the Series E Preferred Shares in connection with our liquidation, dissolution or winding-up, and such distribution has been distributed to the holders of depositary shares.

***Fees, Charges and Expenses***

We will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements regarding any depositary shares offered by use of this prospectus supplement. We will also pay all charges of the depositary in connection with the initial deposit of the Series E Preferred Shares and the initial issuance of the depositary shares, all withdrawals and any redemption of the Series E Preferred Shares. All other transfer and other taxes and governmental charges are at the expense of holders of depositary shares.

***Resignation and Removal of Depositary***

The depositary may resign at any time by delivering a notice to us of its election to do so. We may remove the depositary at any time by providing notice. Any such resignation or removal will take effect upon the appointment of a successor depositary and its acceptance of such appointment. The successor depositary must, generally, be appointed within 60 days after delivery of the notice of resignation or removal and be a person with a principal office in the United States and having a combined capital and surplus (along with its affiliates) of at least \$50 million. If a successor is not appointed within 60 days, the outgoing depositary may petition a court to do so.

***Miscellaneous***

The depositary will not be liable for any delays or failures in performance of its obligations under the Deposit Agreement resulting from acts beyond its reasonable control. The depositary will not be obligated to appear in, prosecute or defend any legal proceeding relating to any depositary shares or Series E Preferred Shares unless satisfactory indemnity is furnished.



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**BOOK-ENTRY; DELIVERY AND FORM**

The depositary shares will be represented by one or more global securities that will be deposited with and registered in the name of DTC or its nominee. This means that we will not issue certificates to you for the depositary shares except in limited circumstances. The global securities will be issued to DTC, the depository for the depositary shares, who will keep a computerized record of its participants (for example, your broker) whose clients have purchased the depositary shares. Each participant will then keep a record of its clients. Unless exchanged in whole or in part for a certificated security, a global security may not be transferred. However, DTC, its nominees, and their successors may transfer a global security as a whole to one another. Beneficial interests in the global securities will be shown on, and transfers of the global securities will be made only through, records maintained by DTC and its participants.

DTC has advised us that it is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the United States Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered under the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the Exchange Act). DTC holds securities that its participants (direct participants) deposit with DTC. DTC also records the settlement among direct participants of securities transactions, such as transfers and pledges, in deposited securities through computerized records for direct participants' accounts. This eliminates the need to exchange certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Neither we nor the underwriters take any responsibility for these operations or procedures, and you are urged to contact DTC or its participants directly to discuss these matters.

DTC's book-entry system is also used by other organizations such as securities brokers and dealers, banks and trust companies that work through a direct participant. The rules that apply to DTC and its participants are on file with the SEC.

DTC is owned by a number of its direct participants and by the NYSE, NYSE MKT LLC and the Financial Industry Regulatory Authority, Inc.

When you purchase depositary shares through the DTC system, the purchases must be made by or through a direct participant, who will receive credit for the depositary shares on DTC's records. You are the beneficial owner and your ownership interest will be recorded only in the direct (or indirect) participants' records. DTC has no knowledge of your individual ownership of the depositary shares. DTC's records only show the identity of the direct participants and the amount of the depositary shares held by or through them. You will not receive a written confirmation of your purchase or sale or any periodic account statement directly from DTC. You will receive these from your direct (or indirect) participant. Thus, the direct (or indirect) participants are responsible for keeping accurate account of the holdings of their customers like you.

We will wire dividend payments to DTC's nominee and we will treat DTC's nominee as the owner of the global securities for all purposes. Accordingly, we will have no direct responsibility or liability to pay amounts due on the global securities to you or any other beneficial owners in the global securities.

Any redemption notices will be sent by us directly to DTC, who will in turn inform the direct participants, who will then contact you as a beneficial holder.

It is DTC's current practice, upon receipt of any payment of dividends or liquidation amounts, to credit direct participants' accounts on the payment date based on their holdings of beneficial interests in the global securities as shown on DTC's records. In addition, it is DTC's current practice to assign any consenting or voting rights to direct

participants whose accounts are credited with preferred securities on a record date, by using an omnibus proxy. Payments by participants to owners of beneficial interests in the global securities, and voting by

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participants, will be based on the customary practices between the participants and owners of beneficial interests, as is the case with the Series E Preferred Shares held for the account of customers registered in street name. However, payments will be the responsibility of the participants and not of DTC or us.

Depository shares represented by global securities will be exchangeable for certificated securities with the same terms in authorized denominations only if:

DTC is unwilling or unable to continue as depository or if DTC ceases to be a clearing agency registered under applicable law and a successor depository is not appointed by us within 90 days; or

we determine not to require all of the depository shares to be represented by global securities. If the book-entry-only system is discontinued, the transfer agent will keep the registration books for the depository shares at its corporate office.

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**Table of Contents****CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS**

*The following summary of the taxation of an investment in our depositary shares is for general information only. This summary is based upon current law. Legislative, judicial or administrative changes, interpretations, clarifications or pronouncements may be forthcoming that could affect this summary, possibly, on a retroactive basis. We cannot be certain if, when or in what form such guidance may be provided and whether such guidance will have a retroactive effect. This summary does not address the taxation of an investment in any securities other than our depositary shares. The tax treatment of a holder of our depositary shares, or of a person treated as a holder of depositary shares for U.S. federal income, state, local or non-U.S. tax purposes, may vary depending on the holder's particular situation. Prospective investors should carefully examine this prospectus supplement and the accompanying prospectus and should consult their professional advisors concerning the possible tax consequences of an investment in the depositary shares under the laws of their countries of citizenship, residence or domicile.*

The following summary sets forth certain U.S. federal income tax considerations related to the purchase, ownership and disposition of our depositary shares representing a 1/100<sup>th</sup> interest in a share of our Series E Preferred Shares. For U.S. federal income tax purposes, holders of depositary shares will generally be treated as if they own an interest in the underlying Series E Preferred Shares. Unless otherwise stated, this summary deals only with shareholders that are U.S. Persons (as defined below) who purchase depositary shares in this offering, who do not own (directly or indirectly through foreign entities or constructively) shares of AXIS Capital prior to this offering and who hold their depositary shares as capital assets within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended (the Code), and as beneficial owners. The following discussion is only a discussion of certain U.S. federal income tax matters as described herein and does not purport to address all of the U.S. federal income tax consequences that may be relevant to a particular shareholder in light of such shareholder's specific circumstances. In addition, the following summary does not address all of the U.S. federal income tax consequences that may be relevant to shareholders who may be subject to special rules, such as financial institutions, insurance companies, regulated investment companies, real estate investment trusts, dealers in securities or currencies, traders that adopt a mark-to-market method of tax accounting, tax-exempt organizations, U.S. expatriates, partnerships or other pass-through entities (and investors in such entities), persons whose functional currency is not the U.S. dollar, persons subject to the alternative minimum tax, persons who are considered with respect to any of us as 10% U.S. Shareholders (as defined below) or persons who hold our depositary shares as part of a hedging or conversion transaction or as part of a short sale or straddle. This discussion is based upon the Code, the U.S. Treasury regulations proposed and promulgated thereunder and any relevant administrative rulings and pronouncements or judicial decisions, all as in effect on the date hereof and as currently interpreted, and does not take into account possible changes in such tax laws or interpretations thereof, which may apply retroactively. This discussion does not include any description of the tax laws of any state or local governments within the United States, or any non-U.S. tax laws that may be applicable to our depositary shares or the holders of our depositary shares and does not address the 3.8% Medicare tax on net investment income or any aspect of U.S. federal taxation other than income taxation.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds our depositary shares, the tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our depositary shares, you should consult your tax advisors.

For purposes of this discussion, the term U.S. Person means (1) an individual citizen or resident of the United States, (2) a corporation or partnership, or entity treated as a corporation or partnership for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source, (4) a trust if either (a) a court within the United States is able to exercise primary supervision over the administration of such trust and one or

more U.S. Persons have the authority to control all substantial decisions of such trust or (b) the trust has a valid election in effect to be treated as a U.S. Person for U.S. federal income tax purposes or (5) any other person or entity that is treated for U.S. federal income tax purposes as if it were one of the foregoing.

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***Taxation of Distributions.*** Subject to the discussions below relating to the potential application of the controlled foreign corporation ( CFC ), related person insurance income ( RPII ) and passive foreign investment company ( PFIC ) rules, cash distributions, if any, made with respect to our Series E Preferred Shares will constitute dividends for U.S. federal income tax purposes to the extent paid out of current or accumulated earnings and profits of AXIS Capital (as computed using U.S. tax principles). With respect to non-corporate U.S. Persons, certain dividends received from a qualified foreign corporation may be treated as qualified dividend income eligible for taxation at long-term capital gain rates. A foreign corporation is treated as a qualified foreign corporation with respect to dividends paid by that corporation on shares (or depositary shares representing such shares) that are readily tradable on an established securities market in the United States. Treasury Department guidance indicates that our depositary shares, which we intend to list on the NYSE, will be readily tradable on an established securities market in the United States upon such listing. There can be no assurance that our depositary shares will be considered readily tradable on an established securities market in later years. Non-corporate shareholders that do not meet a minimum holding period requirement during which they are not protected from the risk of loss or that elect to treat the dividend income as investment income pursuant to section 163(d)(4) of the Code will not be eligible for the reduced rates of taxation regardless of our status as a qualified foreign corporation. In addition, the rate reduction will not apply to dividends if the recipient of a dividend is obligated to make related payments with respect to positions in substantially similar or related property. This disallowance applies even if the minimum holding period has been met. Dividends paid by us to corporate holders will not be eligible for the dividends received deduction. To the extent cash distributions, if any, made with respect to our Series E Preferred Shares exceed AXIS Capital's current and accumulated earnings and profits, they will be treated first as a return of the shareholder's basis in their depositary shares to the extent thereof, and then as gain from the sale of a capital asset.

Dividends that exceed certain thresholds in relation to your tax basis in the depositary shares could be characterized as an extraordinary dividend under the Code. A non-corporate shareholder of our depositary shares that receives an extraordinary dividend will be required to treat any losses on the sale of our depositary shares as long-term capital losses to the extent of the extraordinary dividends such shareholder receives that are treated as qualified dividend income.

***Classification of AXIS Capital or its Non-U.S. Subsidiaries as Controlled Foreign Corporations.*** Each 10% U.S. Shareholder (as defined below) of a foreign corporation that is a CFC for an uninterrupted period of 30 days or more during a taxable year who owns shares in the CFC, directly or indirectly through foreign entities, on the last day of the taxable year that the foreign corporation is a CFC, must include in its gross income for U.S. federal income tax purposes its pro-rata share of the CFC's subpart F income, even if the subpart F income is not distributed. Subpart F income of a foreign insurance corporation typically includes foreign personal holding company income (such as interest, dividends and other types of passive income), as well as insurance and reinsurance income (including underwriting and investment income) attributable to the insurance of risks situated outside the CFC's country of incorporation. A foreign corporation is considered a CFC if 10% U.S. Shareholders own (directly, indirectly through foreign entities or by attribution by application of the constructive ownership rules of section 958(b) of the Code (i.e., constructively)) more than 50% of the total combined voting power of all classes of voting shares of such foreign corporation, or more than 50% of the total value of all shares of such corporation. For purposes of taking into account insurance income, which is a category of subpart F income, the term CFC also includes a foreign corporation in which more than 25% of the total combined voting power of all classes of shares or more than 25% of the total value of all the shares is owned by 10% U.S. Shareholders, on any day of the taxable year of such corporation, if the gross amount of premiums or other consideration that constitutes insurance income for purposes of determining subpart F income exceeds 75% of the gross amount of all premiums or other consideration in respect of all risks. A 10% U.S. Shareholder is a U.S. Person who owns (directly, indirectly through foreign entities or constructively) at least 10% of the total combined voting power of all classes of shares entitled to vote of the foreign corporation.

We believe that because of the anticipated dispersion of our share ownership, provisions in our organizational documents that limit voting power and other factors, no U.S. Person who acquires shares of AXIS

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Capital directly or indirectly through one or more foreign entities should be treated as owning (directly, indirectly through foreign entities, or constructively), 10% or more of the total voting power of all classes of shares of AXIS Capital or any of its non-U.S. subsidiaries. It is possible, however, that the Internal Revenue Service (the IRS) could challenge the effectiveness of these provisions and that a court could sustain such a challenge.

**The RPII CFC Provisions.** The following discussion generally is applicable only if the RPII of any of AXIS Specialty Limited, AXIS Re SE, AXIS Ventures Reinsurance Limited, AXIS Corporate Capital UK Limited and AXIS Specialty Europe SE (each a Non-U.S. Insurance Subsidiary), determined on a gross basis, is 20% or more of such company's gross insurance income for the taxable year and the 20% Ownership Exception (as defined below) is not met. The following discussion generally would not apply for any fiscal year in which such company's RPII falls below the 20% threshold or the 20% Ownership Exception is met. Although we cannot be certain, AXIS Capital believes that each of the Non-U.S. Insurance Subsidiaries meets the 20% Ownership Exception or the gross RPII of such Non-U.S. Insurance Subsidiary as a percentage of its gross insurance income was in prior years of operations and will be for the foreseeable future below the 20% threshold for each tax year. Additionally, as AXIS Capital is not licensed as an insurance company, we do not anticipate that AXIS Capital will have insurance income, including RPII.

RPII is any insurance income (as defined below) attributable to policies of insurance or reinsurance with respect to which the person (directly or indirectly) insured is a RPII shareholder (as defined below) or a related person (as defined below) to such RPII shareholder. In general, and subject to certain limitations, insurance income is income (including premium and investment income) attributable to the issuing of any insurance or reinsurance contract that would be taxed under the portions of the Code relating to insurance companies if the income were the income of a domestic insurance company. For purposes of inclusion of the RPII of a Non-U.S. Insurance Subsidiary in the income of RPII shareholders, unless an exception applies, the term RPII shareholder means any U.S. Person who owns (directly or indirectly through foreign entities) any amount of AXIS Capital's shares. Generally, the term related person for this purpose means someone who controls or is controlled by the RPII shareholder or someone who is controlled by the same person or persons that control the RPII shareholder. Control is measured by either more than 50% in value or more than 50% in voting power of shares applying certain constructive ownership principles. A corporation's pension plan is ordinarily not a related person with respect to the corporation unless the pension plan owns, directly or indirectly through the application of certain constructive ownership rules, more than 50% measured by vote or value, of the shares of the corporation. Each Non-U.S. Insurance Subsidiary will be treated as a CFC under the RPII provisions if RPII shareholders are treated as owning (directly, indirectly through foreign entities or constructively) 25% or more of the shares of AXIS Capital by vote or value.

Where none of the exceptions below applies to a Non-U.S. Insurance Subsidiary, each U.S. Person directly or indirectly through foreign entities owning any shares in AXIS Capital (and therefore, indirectly, in each Non-U.S. Insurance Subsidiary) on the last day of AXIS Capital's taxable year will be required to include in its gross income for U.S. federal income tax purposes its share of the RPII of the company or companies, as the case may be, that failed to qualify for the exception for the portion of the taxable year during which the Non-U.S. Insurance Subsidiary was a CFC under the RPII provisions, determined as if all such RPII were distributed proportionately only to such U.S. Persons at that date, but limited by each such U.S. Person's share of such Non-U.S. Insurance Subsidiary's current-year earnings and profits as reduced by the U.S. Person's share, if any, of certain prior-year deficits in earnings and profits. Such inclusion should be further limited to the amount such U.S. Person would be required to include in its gross income under section 951(a)(2) of the Code if all of the taxable income of such Non-U.S. Insurance Subsidiary for the taxable year were subpart F income. The amount of RPII includible in the income of a RPII shareholder is based upon the net RPII income for the year after deducting related expenses such as losses, loss reserves and operating expenses.

**RPII Exceptions.** The special RPII rules do not apply to a Non-U.S. Insurance Subsidiary if (1) direct and indirect insureds and persons related to such insureds, whether or not U.S. Persons, are treated as owning (directly or



indirectly through entities) less than 20% of the voting power and less than 20% of the value of the

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shares of AXIS Capital (the 20% Ownership Exception ), (2) RPII, determined on a gross basis, is less than 20% of gross insurance income of the Non-U.S. Insurance Subsidiary for the taxable year (the 20% Gross Income Exception ), (3) the Non-U.S. Insurance Subsidiary elects to be taxed on its RPII as if the RPII were effectively connected with the conduct of a U.S. trade or business, and to waive all treaty benefits with respect to RPII, and meets certain other requirements or (4) the Non-U.S. Insurance Subsidiary elects to be treated as a U.S. corporation and waives all treaty benefits and meets certain other requirements. Although the Non-U.S. Insurance Subsidiaries expect to operate in a manner that is intended to ensure that each qualifies for the 20% Gross Income Exception or 20% Ownership Exception, we cannot be certain that we will achieve this result.

**Computation of RPII.** To determine how much RPII a Non-U.S. Insurance Subsidiary has earned in each taxable year, the Non-U.S. Insurance Subsidiaries may obtain and rely upon information from their insureds and reinsureds to determine whether any of the insureds, reinsureds or persons related thereto own (directly or indirectly through foreign entities) shares of AXIS Capital and are U.S. Persons. AXIS Capital may not be able to determine whether any of the underlying direct or indirect insureds to which the Non-U.S. Insurance Subsidiaries provide insurance or reinsurance are shareholders or related persons to such shareholders. Consequently, AXIS Capital may not be able to determine accurately the gross amount of RPII earned by each Non-U.S. Insurance Subsidiary in a given taxable year. For any year in which the 20% Gross Income Exception and the 20% Ownership Exception do not apply, AXIS Capital may also seek information from its shareholders as to whether beneficial owners of shares at the end of the year are U.S. Persons so that the RPII may be determined and apportioned among such persons. To the extent AXIS Capital is unable to determine whether a beneficial owner of shares is a U.S. Person, AXIS Capital may assume that such owner is not a U.S. Person, thereby increasing the per share RPII amount for all known RPII shareholders.

If, as expected, the 20% Gross Income Exception or 20% Ownership Exception is met for each taxable year, RPII shareholders will not be required to include RPII in their taxable income.

**Apportionment of RPII to U.S. Holders.** Every RPII shareholder who owns depositary shares on the last day of any taxable year of AXIS Capital in which the 20% Ownership Exception and 20% Gross Income Exception do not apply should expect that for such year the RPII shareholder will be required to include in gross income its share of such company's RPII for the portion of the taxable year during which such company was a CFC under the RPII provisions, whether or not distributed, even though it may not have owned the shares throughout such period. A RPII shareholder who owns our depositary shares during such taxable year but not on the last day of the taxable year is not required to include in gross income any part of a Non-U.S. Insurance Subsidiary's RPII.

**Basis Adjustments.** A RPII shareholder's tax basis in its depositary shares will be increased by the amount of any RPII that the shareholder includes in income. The RPII shareholder may exclude from income the amount of any distributions by AXIS Capital out of previously taxed RPII income. The RPII shareholder's tax basis in its depositary shares will be reduced by the amount of such distributions that are excluded from income.

**Uncertainty as to Application of RPII.** The RPII provisions have never been interpreted by the courts or the Treasury Department in final regulations, and regulations interpreting the RPII provisions of the Code exist only in proposed form. It is not certain whether these regulations will be adopted in their proposed form or what changes or clarifications might ultimately be made thereto or whether any such changes, as well as any interpretation or application of RPII by the IRS, the courts or otherwise, might have retroactive effect. These provisions include the grant of authority to the Treasury Department to prescribe such regulations as may be necessary to carry out the purposes of this subsection, including... regulations preventing the avoidance of this subsection through cross insurance arrangements or otherwise. Accordingly, the meaning of the RPII provisions and the application thereof to the Non-U.S. Insurance Subsidiaries is uncertain. In addition, we cannot be certain that the amount of RPII or the amounts of the RPII inclusions for any particular RPII shareholder, if any, will not be subject to adjustment based

upon subsequent IRS examination. Any prospective investor considering an investment in our depositary shares should consult his tax advisor as to the effects of these uncertainties.

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**Information Reporting.** Under certain circumstances, U.S. Persons owning shares in a foreign corporation are required to file IRS Form 5471 with their U.S. federal income tax returns. Generally, information reporting on IRS Form 5471 is required by (1) a person who is treated as a RPII shareholder, (2) a 10% U.S. Shareholder of a foreign corporation that is a CFC for an uninterrupted period of 30 days or more during any tax year of the foreign corporation, and who owned the shares on the last day of that year and (3) under certain circumstances, a U.S. Person who acquires shares in a foreign corporation and as a result thereof owns 10% or more of the voting power or value of such foreign corporation, whether or not such foreign corporation is a CFC. For any taxable year in which AXIS Capital determines that the 20% Ownership Exception and 20% Gross Income Exception do not apply to one or more of its Non-U.S. Insurance Subsidiaries, and such subsidiaries have not elected to be taxed on their RPII as described above under clause (3) of RPII Exceptions, then AXIS Capital will, upon request, provide to all U.S. Persons that own depositary shares a completed IRS Form 5471 or the relevant information necessary to complete the form. Failure to file IRS Form 5471 may result in penalties.

**Tax-Exempt Shareholders.** Tax-exempt entities will be required to treat certain subpart F insurance income, including RPII, that is includible in income by the tax-exempt entity as unrelated business taxable income. Prospective investors that are tax-exempt entities are urged to consult their tax advisors as to the potential impact of the unrelated business taxable income provisions of the Code. A tax-exempt organization that is treated as a 10% U.S. Shareholder or a RPII shareholder also must file IRS Form 5471 in the circumstances described above.

**Dispositions of Our Shares.** Subject to the discussions below relating to redemptions and the potential application of the Code section 1248 and PFIC rules, U.S. Persons that hold our depositary shares generally should recognize capital gain or loss for U.S. federal income tax purposes on the sale, exchange or other disposition of our depositary shares in the same manner as on the sale, exchange or other disposition of any other shares held as capital assets. The amount of gain or loss recognized generally will equal the amount realized upon the disposition of the depositary shares (although any amount attributable to declared and unpaid dividends may be taxable as described above under Taxation of Distributions to holders of record who have not previously included such dividends in income) less such shareholder's adjusted tax basis in such depositary shares. If the holding period for our depositary shares exceeds one year, any gain or loss will be long-term capital gain or loss. Long-term capital gains of individuals and certain other non-corporate shareholders are currently eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Moreover, gain, if any, generally will be U.S. source gain and generally will constitute passive category income for foreign tax credit limitation purposes.

A redemption of depositary shares for cash generally would be a taxable event. A U.S. Person would be treated as if such shareholder had sold our depositary shares if the redemption:

results in a complete termination of such shareholder's stock interest in us;

is substantially disproportionate with respect to such shareholder; or

is not essentially equivalent to a dividend with respect to such shareholder.

In determining whether any of these tests has been met, shares of stock considered to be owned by such shareholder by reason of certain constructive ownership rules set forth in section 318 of the Code, as well as shares actually owned, must be taken into account.

If a U.S. Person's depository shares are redeemed in a redemption that meets one of the tests described above, such U.S. Person generally would recognize capital gain or loss equal to the sum of the amount of cash and fair market value of property (other than stock of us or a successor to us) received (although any amount attributable to declared and unpaid dividends may be taxable as described above under "Taxation of Distributions" to holders of record who have not previously included such dividends in income) less such shareholder's adjusted tax basis in the depository shares redeemed. This gain or loss would be long-term capital gain or capital loss if the shareholder has held the depository shares for more than one year. Moreover, gain, if any, generally will be U.S. source gain and generally will constitute "passive category income" for foreign tax credit limitation purposes.

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If a redemption does not meet any of the tests described above, a U.S. Person generally would be taxed on the cash and fair market value of the property such shareholder receives as a dividend to the extent paid out of our current and accumulated earnings and profits. Any amount in excess of our current or accumulated earnings and profits would first reduce such shareholder's adjusted tax basis in the depositary shares and thereafter would be treated as capital gain. If a redemption of the depositary shares is treated as a distribution that is taxable as a dividend, a U.S. Person should consult with such shareholder's own tax advisor regarding the allocation of such shareholder's basis between the redeemed depositary shares and any remaining depositary shares.

Code section 1248 provides that if a U.S. Person sells or exchanges shares in a foreign corporation and such person owned, directly, indirectly through certain foreign entities or constructively, 10% or more of the voting power of the corporation at any time during the five-year period ending on the date of disposition when the corporation was a CFC, any gain from the sale or exchange of the shares will be treated as a dividend to the extent of the CFC's earnings and profits (determined under U.S. federal income tax principles) during the period that the shareholder held the shares and while the corporation was a CFC (with certain adjustments). Code section 1248 also applies to the sale or exchange by a U.S. Person of shares in a foreign corporation if the foreign corporation would be treated as a CFC for RPII purposes regardless of whether the U.S. shareholder is a 10% U.S. Shareholder or whether the 20% Gross Income Exception or the 20% Ownership Exception applies. Existing proposed regulations do not address whether Code section 1248 would apply if a foreign corporation is not a CFC but the foreign corporation has a subsidiary that is a CFC and that would be taxed as an insurance company if it were a domestic corporation. We believe, however, that this application of Code section 1248 under the RPII rules should not apply to dispositions of our depositary shares because AXIS Capital will not be directly engaged in the insurance business. We cannot be certain, however, that the IRS will not interpret the proposed regulations in a contrary manner or that the Treasury Department will not amend the proposed regulations to provide that these rules will apply to dispositions of our depositary shares. Prospective investors should consult their tax advisors regarding the effects of these rules on a disposition of our depositary shares.

***Passive Foreign Investment Companies.*** In general, a foreign corporation will be a PFIC during a given year if (1) 75% or more of its gross income constitutes passive income (the 75% test) or (2) 50% or more of its assets, determined on the basis of a quarterly average of the aggregate value of its assets, produce (or are held for the production of) passive income (the 50% test). If AXIS Capital were characterized as a PFIC during a given year, U.S. Persons holding our depositary shares would be subject to a penalty tax at the time of the sale at a gain of, or receipt of an excess distribution with respect to, their depositary shares, unless such persons made a qualified electing fund election or mark-to-market election. It is uncertain that AXIS Capital would be able to provide its shareholders with the information necessary for a U.S. Person to make a qualified electing fund election. In general, a shareholder receives an excess distribution if the amount of the distribution is more than 125% of the average distribution with respect to the depositary shares during the three preceding taxable years (or shorter period during which the taxpayer held the shares). In general, the penalty tax is equivalent to an interest charge on taxes that are deemed due during the prior periods in which the shareholder owned the depositary shares (the Relevant PFIC Period), computed by assuming that the excess distribution or gain (in the case of a sale) with respect to the shares was taken into income ratably for each day during the Relevant PFIC Period at the highest applicable tax rate on ordinary income on each such day. The interest charge is equal to the applicable rate imposed on underpayments of U.S. federal income tax for such period. In addition, a distribution paid by AXIS Capital to U.S. shareholders that is characterized as a dividend and is not characterized as an excess distribution would not be eligible for treatment as qualified dividend income if AXIS Capital were considered a PFIC in the taxable year in which such dividend is paid or in the preceding taxable year. A U.S. Person that is a shareholder in a PFIC may be subject to certain additional information reporting requirements, including the filing of an IRS Form 8621. U.S. Persons are urged to consult their own tax advisors regarding these requirements.

For the above purposes, passive income generally includes interest, dividends, annuities and other investment income. The PFIC rules provide that income derived in the active conduct of an insurance business by a corporation which is predominantly engaged in an insurance business is not treated as passive income. The

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PFIC provisions also contain a look-through rule under which a foreign corporation shall be treated, for purposes of determining whether it is a PFIC, as if it received directly its proportionate share of the income and as if it held its proportionate share of the assets of any other corporation in which it owns at least 25% of the value of the shares.

The insurance income exception is intended to ensure that income derived by a bona fide insurance company is not treated as passive income, except to the extent such income is attributable to financial reserves in excess of the reasonable needs of the insurance business. We expect for purposes of the PFIC rules, that each of the Non-U.S. Insurance Subsidiaries will be predominantly engaged in an insurance business and is unlikely to have financial reserves in excess of the reasonable needs of its insurance business in each year of operations. Accordingly, none of the income or assets of the Insurance Subsidiaries should be treated as passive. Further, we expect that the passive income and assets (other than the shares of any indirect AXIS Capital subsidiary) of any other AXIS Capital subsidiary will be de minimis in each year of operations with respect to the overall income and assets of AXIS Capital. Under the look-through rule AXIS Capital should be deemed to own its proportionate share of the assets and to have received its proportionate share of the income of its direct and indirect subsidiaries for purposes of the 75% test and the 50% test. Accordingly, we believe that AXIS Capital has not been and should not be treated as a PFIC. We cannot be certain, however, that the IRS will not challenge this position and that a court will not sustain such challenge, as there is little guidance regarding the application of the PFIC provisions to an insurance company (although there are recent proposed regulations, the application of which is not entirely clear). Prospective investors should consult their tax advisor as to the effects of the PFIC rules.

**Foreign Tax Credit.** Because it is anticipated that U.S. Persons will own a majority of our shares, only a portion of the current income inclusions, if any, under the CFC, RPII and PFIC rules and of dividends paid by us (including any gain from the sale of our depositary shares that is treated as a dividend under section 1248 of the Code) will be treated as foreign source income for purposes of computing a shareholder's U.S. foreign tax credit limitations. We will consider providing shareholders with information regarding the portion of such amounts constituting foreign source income to the extent such information is reasonably available. It is also likely that substantially all of the subpart F income, RPII and dividends that are foreign source income will constitute passive category income for foreign tax credit limitation purposes. Thus, it may not be possible for most shareholders to utilize excess foreign tax credits to reduce U.S. tax on such income.

**Backup Withholding and Information Reporting.** Information returns may be filed with the IRS in connection with distributions on our depositary shares and the proceeds from a sale or other disposition of our depositary shares unless the holder of the shares establishes an exemption from the information reporting rules. A holder of depositary shares that does not establish such an exemption may be subject to U.S. backup withholding tax on these payments if the holder is not a corporation or other exempt recipient and/or fails to provide its taxpayer identification number or otherwise comply with the backup withholding rules. The amount of any backup withholding from a payment to a U.S. Person will be allowed as a credit against the U.S. Person's U.S. federal income tax liability and may entitle the U.S. Person to a refund, provided that the required information is furnished to the IRS.

Certain U.S. Persons are required to report information relating to our depositary shares, subject to certain exceptions (including an exception for depositary shares held in accounts maintained by certain financial institutions), by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold the depositary shares. U.S. Persons are urged to consult their own tax advisors regarding information reporting requirements relating to their ownership of the depositary shares.

**Proposed U.S. Tax Legislation.** It is possible that legislation could be introduced and enacted by the current Congress or future Congresses that could have an adverse impact on our shareholders.



Additionally, the U.S. federal income tax laws and interpretations regarding whether a company is a PFIC, or whether U.S. Persons would be required to include in their gross income the subpart F income or RPII of a

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CFC are subject to change, possibly on a retroactive basis. New regulations or pronouncements interpreting or clarifying such rules may be forthcoming. We cannot be certain if, when or in what form such regulations or pronouncements may be provided and whether such guidance will have a retroactive effect.

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**Table of Contents****CERTAIN ERISA CONSIDERATIONS**

The following is a summary of certain considerations associated with the purchase of the depositary shares by employee benefit plans (as defined in Section 3(3)) of the Employee Retirement Income Security Act of 1974, as amended (ERISA) whether or not subject to Title I of ERISA, or any other plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the Code) or provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, Similar Laws), and entities whose underlying assets are considered to include plan assets of any such plan, account or arrangement (each, a Plan).

***General Fiduciary Matters***

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an ERISA Plan) and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation to such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the depositary shares of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the indicia of ownership, prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

***Prohibited Transaction Issues***

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are parties in interest, within the meaning of ERISA, or disqualified persons, within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engaged in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engaged in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code.

The acquisition of the depositary shares by an ERISA Plan with respect to which we are or the underwriter is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labor has issued prohibited transaction class exemptions, or PTCEs, that may apply to the acquisition and holding of the depositary shares. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide relief from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions, provided that neither the issuer of the securities nor any of its affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any ERISA Plan involved in the transaction and provided further that the ERISA Plan pays no more than adequate consideration in connection with the

transaction. There can be no assurance that all of the conditions of any such exemptions will be satisfied.

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Because of the foregoing, the depositary shares should not be purchased by any person investing plan assets of any Plan, unless such purchase will not constitute a non-exempt prohibited transaction under ERISA and the Code or a similar violation of any applicable Similar Laws.

***Representation***

Accordingly, by acceptance of the depositary shares, each purchaser and subsequent transferee of the depositary shares will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to purchase the depositary shares constitutes assets of any Plan or (ii) the purchase of the depositary shares by such purchaser or transferee will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Laws.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the depositary shares on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the purchase of the depositary shares.

**Table of Contents****UNDERWRITING**

AXIS Capital has entered into an underwriting agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC, UBS Securities LLC and Wells Fargo Securities, LLC as representatives of the underwriters (the Representatives), pursuant to which, and subject to its terms and conditions, AXIS Capital has agreed to sell to the underwriters, and the underwriters have agreed, severally and not jointly, to purchase from AXIS Capital the respective number of depositary shares set forth opposite their names in the following table.

<b>Underwriters</b>	<b>Number of Depositary Shares</b>
Merrill Lynch, Pierce, Fenner & Smith Incorporated	4,455,000
Morgan Stanley & Co. LLC	4,455,000
UBS Securities LLC	4,455,000
Wells Fargo Securities, LLC	4,455,000
Barclays Capital Inc.	660,000
BNY Mellon Capital Markets, LLC	660,000
Citigroup Global Markets Inc.	660,000
J.P. Morgan Securities LLC	660,000
BMO Capital Markets Corp.	385,000
HSBC Securities (USA) Inc.	385,000
ING Financial Markets LLC	385,000
Lloyds Securities Inc.	385,000
<b>Total</b>	<b>22,000,000</b>

The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the depositary shares are conditioned upon the delivery of legal opinions by their counsel and other conditions. The underwriters are obligated to purchase all the depositary shares, if any depositary shares are purchased, other than shares subject to the underwriters' over-allotment option.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to an aggregate of 2,000,000 additional depositary shares at the public offering price listed on the cover of this prospectus supplement, less the applicable underwriting discount. The underwriters may exercise this option solely to cover any over-allotments, if any. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase approximately the same percentage of the additional depositary shares as the number listed next to the underwriter's name in the preceding table bears to the total number of depositary shares listed next to the names of all underwriters in the preceding table.

The underwriters have advised us that they intend to offer the depositary shares initially at the public offering price shown on the cover page of this prospectus supplement and may offer the depositary shares to certain dealers at the public offering price less a selling concession not to exceed \$0.50 per share sold to retail accounts and \$0.30 per share sold to institutional accounts. The underwriters may allow, and dealers may reallow, a concession on sales to other dealers not to exceed \$0.45 per share. After the initial offering of the depositary shares, the underwriters may change the public offering price and the concession and the reallowance to selected dealers.

We expect to deliver the depositary shares against payment for the depositary shares on or about the date specified in the last paragraph of the cover page of this prospectus supplement, which will be the fifth business day following the date of the pricing of the depositary shares ( T + 5 ). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to a trade expressly agree otherwise. Accordingly, purchasers who wish to trade the depositary shares on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the depositary shares initially will settle in T + 5, to specify alternative settlement arrangements to prevent a failed settlement.

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AXIS Capital has agreed that for a period of 30 days from the date of this prospectus supplement, AXIS Capital will not, without the prior written consent of the Representatives, dispose of or hedge any of its preferred shares or any securities convertible into or exchangeable for its preferred shares. The Representatives, in their sole discretion, may release any of the securities subject to this lock-up agreement at any time without notice.

We estimate that the expenses of this offering that are payable by AXIS Capital, including printing fees and legal and accounting expenses, but excluding the underwriting discount, will be approximately \$1.4 million.

The following table shows the underwriting discount that AXIS Capital is to pay to the underwriters in connection with this offering. The underwriting discount will be \$0.50 per depositary share with respect to 2,225,000 depositary shares sold to certain institutions. Therefore, to the extent of such sales, the actual total underwriting discount will be less than the amounts shown in the table below and the actual total net proceeds to us will be greater than the amounts described in this prospectus supplement.

	<b>No Exercise</b>	<b>Full Exercise(1)</b>
Per share	\$ 0.7875	\$ 0.7875
Total	\$ 17,325,000	\$ 18,900,000

- (1) Reflects full exercise of the underwriters' option to purchase 2,000,000 additional depositary shares and assumes the sale of all over-allotment shares to retail investors for which the underwriters would receive an underwriting discount of \$0.7875 per depositary share.

**New Issue of Shares**

The depositary shares are a new issue of securities with no established trading market. We have applied to have the depositary shares listed on the NYSE under the symbol AXSprE. We expect that, if the application is approved, trading of the depositary shares on the NYSE will commence within a 30-day period after initial delivery of the depositary shares. The underwriters have advised us that they presently intend to make a market in the depositary shares as permitted by applicable laws and regulations. The underwriters are not obligated, however, to make a market in the depositary shares, and they may discontinue this market-making at any time in their sole discretion. Accordingly, we cannot assure investors that there will be adequate liquidity or an adequate trading market for the depositary shares.

**Price Stabilization and Short Positions**

The underwriters may engage in over-allotment and stabilizing transactions or purchases and passive market-making for the purpose of pegging, fixing or maintaining the price of the depositary shares in accordance with Regulation M under the Exchange Act:

Over-allotment involves sales by the underwriters of depositary shares in excess of the number of depositary shares the underwriters are obligated to purchase, which creates a short position. A covered short position is a short position that is not greater than the amount of additional shares for which the underwriters' option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining



the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. Naked short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. A naked short position can only be closed out by buying depositary shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the depositary shares in the open market after pricing that could adversely affect investors who purchase in the offering;

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Stabilizing transactions permit bids to purchase the depositary shares so long as the stabilizing bids do not exceed a specified maximum. These stabilizing transactions may have the effect of raising or maintaining the market price of the depositary shares or preventing or retarding a decline in the market price of the depositary shares. As a result, the price of the depositary shares may be higher than the price that might otherwise exist in the open market. These transactions, if commenced, may be discontinued at any time.

Neither we nor the underwriters make any representations or predictions as to the direction or magnitude of any effect that the transactions described above may have on the price of the depositary shares. In addition, neither we nor the underwriters make representations that the underwriters will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

## **Indemnification**

AXIS Capital has agreed to indemnify the underwriters against liabilities relating to the offering, including liabilities under the Securities Act of 1933, as amended, and to contribute to payments that the underwriters may be required to make for these liabilities.

## **Other Relationships**

From time to time, the underwriters and their respective affiliates have directly or indirectly provided investment and/or commercial banking services to us for which they have received customary compensation and expense reimbursement. The underwriters and their respective affiliates may in the future provide similar services to us.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and instruments of ours or our affiliates. To the extent any of the underwriters or their respective affiliates hold Series C Preferred Shares, such underwriter or affiliate would receive a portion of the proceeds from this offering if we use the net proceeds from this offering to redeem all of our outstanding Series C Preferred Shares, as intended. Certain of the other underwriters and their affiliates may have a lending relationship with us. Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, acts a lender under our Credit Agreement and Wells Fargo Bank, National Association, an affiliate of Wells Fargo Securities, LLC, acts as administrative agent, fronting bank, L/C administrator and lender under our Credit Agreement. Underwriters that have a lending relationship with us may routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the depositary shares offered hereby. Any such short positions could adversely affect future trading prices of the depositary shares offered hereby. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or financial instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

## **Notice to Prospective Investors in Canada**

The depositary shares may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the depositary shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable

securities laws.

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Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement and the accompanying prospectus contain a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

### **Notice to Prospective Investors in the European Economic Area**

In relation to each member state of the European Economic Area, no offer of depositary shares which are the subject of this offering has been, or will be made to the public in that member state, other than under the following exemptions under the Prospectus Directive (as defined below):

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the underwriters for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, *provided* that no such offer of depositary shares referred to in (a) to (c) above shall result in a requirement for us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person located in a member state to whom any offer of depositary shares is made or who receives any communication in respect of an offer of depositary shares, or who initially acquires any depositary shares will be deemed to have represented, warranted, acknowledged and agreed to and with each underwriter and us that (1) it is a qualified investor within the meaning of the law in that member state implementing Article 2(1)(e) of the Prospectus Directive; and (2) in the case of any depositary shares acquired by it as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, the depositary shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any member state other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the underwriters has been given to the offer or resale; or where depositary shares have been acquired by it on behalf of persons in any member state other than qualified investors, the offer of those depositary shares to it is not treated under the Prospectus Directive as having been made to such persons.

We, the underwriters and our and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgments and agreements.

This prospectus supplement and the accompanying prospectus have been prepared on the basis that any offer of depositary shares in any member state will be made pursuant to an exemption under the Prospectus Directive from the

requirement to publish a prospectus for offers of depositary shares. Accordingly any person making or intending to make an offer in that member state of depositary shares which are the subject of the offering contemplated in this prospectus supplement and the accompanying prospectus may only do so in circumstances in which no obligation arises for us or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the underwriters have authorized, nor authorize, the making of any offer of depositary shares in circumstances in which an obligation arises for us or the underwriters to publish a prospectus for such offer.

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For the purposes of this provision, the expression an offer of depositary shares to the public in relation to any depositary shares in any member state means the communication in any form and by any means of sufficient information on the terms of the offer and the depositary shares to be offered so as to enable an investor to decide to purchase or subscribe the depositary shares, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state, the expression Prospectus Directive means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in each member state.

The above selling restriction is in addition to any other selling restrictions set out below.

**Notice to Prospective Investors in the United Kingdom**

In addition, in the United Kingdom, this prospectus supplement and the accompanying prospectus are being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are qualified investors (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order ) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons ). This prospectus supplement and the accompanying prospectus must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

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**LEGAL MATTERS**

Simpson Thacher & Bartlett LLP, New York, New York will represent us in connection with this offering. Conyers Dill & Pearman Limited, Hamilton, Bermuda has advised us on all matters of Bermuda law in connection with this offering. The underwriters have been represented in connection with this offering by Cravath, Swaine & Moore LLP, New York, New York.

**EXPERTS**

The financial statements and the related financial statement schedules incorporated into this prospectus supplement by reference from the Company's Annual Report on Form 10-K for the year ended December 31, 2015 and the effectiveness of AXIS Capital Holdings Limited's internal control over financial reporting have been audited by Deloitte Ltd., an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements and financial statement schedules have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and special reports, proxy statements and other information with the SEC under the Exchange Act. You may read and copy any of this information at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet world wide web site that contains reports, proxy statements and other information about issuers who file electronically with the SEC. The address of that site is <http://www.sec.gov>. General information about us, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as any amendments and exhibits to those reports, are available free of charge through our website at [www.axiscapital.com](http://www.axiscapital.com) as soon as reasonably practicable after we file them with, or furnish them to, the SEC. Information on our website is not incorporated into this prospectus supplement or the accompanying prospectus or our other securities filings and is not a part of these filings.

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**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

We incorporate by reference into this prospectus supplement information we file with the SEC, which means that we can disclose important information to you by referring you to those documents.

The information incorporated by reference is deemed to be part of this prospectus supplement and later information that we file with the SEC will automatically update and supersede that information. This prospectus supplement incorporates by reference the documents set forth below that we have previously filed with the SEC. These documents contain important information about us and our financial condition.

The following documents listed below are incorporated by reference (other than information that is deemed, under SEC rules, not to have been filed):

our Annual Report on Form 10-K for the fiscal year ended December 31, 2015;

our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2016, June 30, 2016 and September 30, 2016;

our Current Reports on Form 8-K filed on January 25, 2016, February 26, 2016, May 9, 2016, July 19, 2016 and September 27, 2016; and

the information in our definitive proxy statement filed on March 24, 2016 that is incorporated by reference in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

All documents filed by us under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this prospectus supplement and prior to the termination of this offering (other than information that is deemed, under SEC rules, not to have been filed) shall also be deemed to be incorporated into this prospectus supplement by reference.

You may request a copy of these filings, at no cost, by writing or telephoning us at the following address or telephone number:

AXIS Capital Holdings Limited

Attention: Corporate Secretary

92 Pitts Bay Road

Pembroke HM 08, Bermuda

(441) 405-2600

Exhibits to the filings will not be sent, unless those exhibits have been specifically incorporated by reference into this prospectus supplement.



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**PROSPECTUS**

**AXIS Capital Holdings Limited**

**Common Shares, Preference Shares, Depositary Shares, Debt Securities, Warrants, Purchase Contracts and Purchase Units**

**AXIS Specialty Finance LLC and**

**AXIS Specialty Finance PLC**

**Debt Securities Fully and Unconditionally Guaranteed by AXIS Capital Holdings Limited**

We may offer, from time to time, common shares, preference shares, depositary shares, debt securities, warrants, contracts to purchase shares of our common shares or purchase units consisting of (1) a purchase contract; (2) warrants and/or (3) debt securities or debt obligations of third parties (including U.S. treasury securities, other purchase contracts or common shares) that would secure the holders' obligations to purchase or to sell, as the case may be, purchase contract property under the purchase contract.

AXIS Specialty Finance LLC is a Delaware limited liability company. AXIS Specialty Finance LLC may offer, from time to time, debt securities. AXIS Specialty Finance PLC is an English public company limited by shares. AXIS Specialty Finance PLC may offer, from time to time, debt securities. We will fully and unconditionally guarantee all payment obligations due on the debt securities issued by AXIS Specialty Finance LLC and AXIS Specialty Finance PLC, as described in this prospectus and in an applicable prospectus supplement.

Specific terms of these securities will be provided in one or more supplements to this prospectus. You should read this prospectus and any applicable prospectus supplement carefully before you invest.

**Investing in these securities involves risks. See Risk Factors beginning on page 1 of this prospectus and Risk Factors in our Annual Report on Form 10-K and/or our Quarterly Reports on Form 10-Q, if any.**

Our common shares are listed on the New York Stock Exchange, Inc. ( NYSE ) under the trading symbol AXS.

**Neither the Securities and Exchange Commission, any state securities commission, the Registrar of Companies in Bermuda, the Bermuda Monetary Authority nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus or any prospectus supplement. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is January 16, 2014.**

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**PROSPECTUS SUMMARY**

This prospectus is part of a joint registration statement filed by AXIS Capital Holdings Limited, AXIS Specialty Finance LLC and AXIS Specialty Finance PLC with the Securities and Exchange Commission (the SEC) using a shelf registration process. Under this shelf process, we may sell any combination of the securities described in this prospectus in one or more offerings.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. If there is any inconsistency between the information in this prospectus and any applicable prospectus supplement, you should rely on the information in the applicable prospectus supplement. You should read both this prospectus and any applicable prospectus supplement together with additional information described under the heading **Where You Can Find More Information**.

You should rely only on the information contained in this prospectus and the information to which we have referred you. We have not authorized any other person to provide you with information that is different. This prospectus may only be used where it is legal to sell these securities. The information in this prospectus may only be accurate on the date of this document.

The permission of the Bermuda Monetary Authority is required, pursuant to the provisions of the Exchange Control Act 1972 and related regulations, for all issuances and transfers of shares of Bermuda companies to or from a non-resident of Bermuda for exchange control purposes, other than in cases where the Bermuda Monetary Authority has granted a general permission. The Bermuda Monetary Authority, in its notice to the public dated June 1, 2005, has granted a general permission for the issue and subsequent transfer of any securities of a Bermuda company from and/or to a non-resident of Bermuda for exchange control purposes for so long as the Equity Securities of the company (which includes our common shares) are listed on an Appointed Stock Exchange (which would include the NYSE). The Bermuda Monetary Authority and the Registrar of Companies in Bermuda accept no responsibility for the financial soundness of any proposal or for the correctness of any of the statements made or opinions expressed in this prospectus or in any prospectus supplement.

As used in this prospectus, references to the Company, AXIS Capital, we, us or our refer to the consolidated operations of AXIS Capital Holdings Limited and its direct and indirect subsidiaries and branches unless the context suggests otherwise. As used in this prospectus, references to AXIS Finance refer to AXIS Specialty Finance LLC and references to AXIS Finance PLC refer to AXIS Specialty Finance PLC.

References in this prospectus to dollars or \$ are to the lawful currency of the United States of America, unless otherwise indicated or the context suggests otherwise.

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**RISK FACTORS**

Investing in our securities involves risks. In addition to the risks discussed in the applicable prospectus supplement, you should carefully review the risks discussed under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2012, which is incorporated by reference in this prospectus, and under the caption "Risk Factors" or any similar caption in the documents that we subsequently file with the SEC that are deemed to be incorporated by reference in this prospectus and in any applicable prospectus supplement or free writing prospectus that we provide you in connection with an offering of securities pursuant to this prospectus. You should also carefully review the other risks and uncertainties discussed in the documents incorporated and deemed to be incorporated by reference in this prospectus and in any such prospectus supplement and free writing prospectus. The risks and uncertainties discussed in the documents referred to above and other matters discussed in those documents could materially and adversely affect our business, financial condition, liquidity and results of operations and the market price of our shares and any other securities we may issue.

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus contains forward-looking statements within the meaning of the U.S. federal securities laws. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the federal securities laws. In some cases, these statements can be identified by the use of forward-looking words such as "may," "should," "could," "anticipate," "estimate," "expect," "plan," "believe," "predict," "potential," "outlook," "intend." Forward-looking statements only reflect our expectations and are not guarantees of performance. These statements involve risks, uncertainties and assumptions. Actual events or results may differ materially from our expectations. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. We believe these factors include but are not limited to those described under the caption "Risk Factors." These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this prospectus.

Any forward-looking statements made by or on behalf of us in this prospectus, any applicable prospectus supplement or in a document incorporated by reference into this prospectus speak only as of the date of this prospectus, that prospectus supplement or such document incorporated by reference, as the case may be. We undertake no obligation to update or revise publicly any forward-looking statements whether as a result of new information, future events or otherwise.

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**AXIS CAPITAL HOLDINGS LIMITED**

AXIS Capital is the Bermuda-based holding company for the AXIS group of companies and was incorporated on December 9, 2002. AXIS Specialty Limited commenced operations on November 20, 2001. AXIS Specialty Limited and its subsidiaries became wholly owned subsidiaries of AXIS Capital pursuant to an exchange offer consummated on December 31, 2002. AXIS Capital is a global provider of specialty lines insurance and treaty reinsurance, through operating subsidiaries and branch networks based in Bermuda, the United States, Europe, Singapore, Canada, Australia and Latin America. We also maintain marketing offices in Brazil, France and Spain. Our business consists of two distinct global underwriting platforms, AXIS Insurance and AXIS Reinsurance.

Our principal executive offices are located at 92 Pitts Bay Road, Pembroke HM 08, Bermuda, and our telephone number is (441) 496-2600.

**AXIS FINANCE**

AXIS Finance was formed in Delaware on March 12, 2010 as a limited liability company and is a direct wholly owned subsidiary of AXIS Specialty U.S. Holdings, Inc. and an indirect 100% owned subsidiary of AXIS Capital. AXIS Finance is a finance subsidiary without other material business activities. The principal executive office of AXIS Finance is 11680 Great Oaks Way, Suite 500, Alpharetta, GA 30022 and its telephone number is (678) 746-9000.

Copies of the certificate of formation and the limited liability company agreement will be included as exhibits to the registration statement of which this prospectus is a part.

**AXIS FINANCE PLC**

AXIS Finance PLC was incorporated and registered in England and Wales on January 3, 2014 as a public company limited by shares and is a direct wholly owned subsidiary of AXIS Specialty Holdings Bermuda Limited and an indirect 100% owned subsidiary of AXIS Capital. AXIS Finance PLC is a finance subsidiary without other material business activities. The principal executive office is 4<sup>th</sup> Floor, Plantation Place South, 60 Great Tower Street, London, EC3R 5AZ, United Kingdom, and its telephone number is 44 207 877 3800.

Copies of the certificate of incorporation, the memorandum of association and the articles of association will be included as exhibits to the registration statement of which this prospectus is a part.

**Table of Contents****USE OF PROCEEDS**

Unless otherwise indicated in an applicable prospectus supplement, the net proceeds from the sale of the securities offered by us, AXIS Finance and AXIS Finance PLC will be used for general corporate purposes. We may provide additional information on the use of the net proceeds from the sale of the offered securities in an applicable prospectus supplement relating to the offered securities.

**RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED DIVIDENDS**

For purposes of computing the following ratios, earnings consist of income before income taxes plus fixed charges to the extent that such charges are included in the determination of earnings. Fixed charges consist of interest, amortization of debt issuance costs and credit facility fees and the interest portion on rent expense (for this calculation, 33.3% represents a reasonable approximation of the interest factor).

	<b>Years Ended December 31,</b>					
	<b>Nine</b>					
	<b>Months</b>					
	<b>Ended</b>					
	<b>September 30,</b>					
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Ratio of Earnings to Fixed Charges	11.6	9.1	1.9	16.4	16.8	13.1
Ratio of Earnings to Fixed Charges and Preferred Share Dividends <sup>(1)</sup>	7.3	5.8	1.2	10.0	8.1	6.2

(1) Dividends have been tax effected at a 0% rate because it is presumed they will be funded from a Bermuda entity.



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**DESCRIPTION OF OUR SHARE CAPITAL**

*The following is a summary of the material provisions of our memorandum of association and bye-laws and the shareholders agreement among substantially all of our founding shareholders. The summary is not complete. Accordingly, we strongly encourage you to refer to these documents for a complete understanding of them, copies of which are or will be included or incorporated by reference in the registration statement of which this prospectus forms a part. In this section, we, us and our refer to AXIS Capital and not any of our subsidiaries.*

**General**

We are authorized to issue up to an aggregate of 800,000,000 shares, par value U.S. \$0.0125 per share. As of October 23, 2013, there were (1) 114,311,535 common shares issued and outstanding, (2) 28,430 Series B preferred shares, par value \$0.0125 per share and liquidation preference of \$100.00 per share issued and outstanding, (3) 16,000,000 Series C preferred shares issued and outstanding and (4) 9,000,000 Series D preferred shares, par value \$0.0125 per share and liquidation preference of \$25.00 per share, issued and outstanding.

**Common Shares**

Except as described below, our common shares have no pre-emptive rights or other rights to subscribe for additional common shares, no rights of redemption, conversion or exchange and no sinking fund rights.

***Dividends***

Holders of our common shares are entitled to receive dividends as may be lawfully declared from time to time by our board of directors.

***Winding-Up or Distribution***

In the event of winding-up or distribution, the holders of our common shares are entitled to receive at least the pro-rata portion of any cash distributed, if any remain after the payment of all our debts and liabilities and the liquidation preference of any outstanding preference shares.

***Voting Rights***

In general, and except as provided below, shareholders have one vote for each share held by them and are entitled to vote, on a non-cumulative basis, at all meetings of shareholders.

However, pursuant to a mechanism specified in our bye-laws, the voting rights exercisable by a shareholder may be limited. In any situation in which the controlled shares (as defined below) of a United States person (as defined in the Internal Revenue Code of 1986, as amended, hereinafter referred to as the Code) would constitute 9.5% or more of the votes conferred by the issued shares and such United States person would generally be required to recognize income with respect to AXIS Capital under Section 951(a)(1) of the Code, if AXIS Capital were a controlled foreign corporation as defined in Section 957 of the Code and if the ownership threshold under Section 951(b) of the Code were 9.5%, the voting rights exercisable by a shareholder with respect to such shares shall be reduced so that no United States person is deemed to hold 9.5% or more of the voting power conferred by our shares. In addition, the voting power for a Direct Foreign Shareholder Group (as defined below) shall be reduced so that no Direct Foreign Shareholder Group is deemed to hold 9.5% or more of the voting power conferred by our shares. Our board of directors may also limit a shareholder's voting rights where it deems it necessary to do so to avoid adverse tax, legal or

regulatory consequences. Controlled shares includes, among other things, all shares that a United States person owns directly, indirectly or constructively

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(within the meaning of Section 958 of the Code). A Direct Foreign Shareholder Group includes a shareholder or group of commonly controlled shareholders that are not United States persons. This provision will not apply if a shareholder owns greater than 75% of our issued and outstanding shares.

We also have the authority under our bye-laws to request information from any shareholder for the purpose of determining whether a shareholder's voting rights are to be limited pursuant to the bye-laws. If a shareholder fails to respond to our request for information or submits incomplete or inaccurate information in response to a request by us, we may, in our sole discretion, eliminate the shareholder's voting rights.

## **Preference Shares**

From time to time, pursuant to the authority granted by our bye-laws to issue shares up to the amount of our authorized share capital, our board of directors may create and issue one or more series of preference shares having such preferred, deferred or other special rights or such restrictions, whether in regard to dividends, voting, return of capital or otherwise, as we may by resolution of the shareholders determine. Such preference shares, upon issuance against full consideration (not less than the par value of such shares), will be fully paid and nonassessable.

The particular rights and preferences of any preference shares will be described in a prospectus supplement. The applicable prospectus supplement will also state whether any of the general provisions summarized below do not apply to the preference shares being offered. We strongly encourage you to refer to our memorandum of association and bye-laws and any applicable certificate of designations for a complete understanding of the terms and conditions applicable to the preference shares.

A prospectus supplement will describe the terms of each class or series of preference shares we offer, including, to the extent applicable:

the number of shares to be issued and sold and the distinctive designation thereof;

the dividend rights of the preference shares, whether dividends will be cumulative and, if so, from which date or dates and the relative rights or priority, if any, of payment of dividends on preference shares and any limitations, restrictions or conditions on the payment of such dividends;

the voting powers, if any, of the preference shares, equal to or greater than one vote per share, which may include the right to vote, as a class or with other classes of capital shares, to elect one or more of our directors;

the terms and conditions (including the price or prices, which may vary under different conditions and at different redemption dates), if any, upon which all or any part of the preference shares may be redeemed, at whose option such a redemption may occur, and any limitations, restrictions or conditions on such redemption;

the terms, if any, upon which the preference shares will be convertible into or exchangeable for our shares of any other class, classes or series;

the relative amounts, and the relative rights or priority, if any, of payment in respect of preference shares, which the holders of the preference shares will be entitled to receive upon our liquidation, dissolution, winding up, amalgamation, merger or sale of assets;

the terms, if any, of any purchase, retirement or sinking fund to be provided for the preference shares;

the restrictions, limitations and conditions, if any, upon the issuance of our indebtedness so long as any preference shares are outstanding;

any other relative rights, preferences, limitations and powers not inconsistent with applicable law, our memorandum of association and bye-laws; and