PLATINUM UNDERWRITERS HOLDINGS LTD
Form S-1/A
October 23, 2002

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As filed with the Securities and Exchange Commission on October 23, 2002

Registration No. 333-86906

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 8
TO
FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

PLATINUM UNDERWRITERS HOLDINGS, LTD.

(Exact name of registrant as specified in its charter)

Bermuda	**6719**	**Not Applicable**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda
(441) 295-5950

(Address, including Zip code, and telephone number, including area code, of registrant's principal executive offices)

CT Corporation System
1633 Broadway, 30th Fl.
New York, New York 10019
(800) 624-0909

(Name, address, including Zip code, and telephone number, including area code, of agent for service)

Copies to:

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

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 of the Securities Act of 1933, check the following box. / /

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

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

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

If the delivery of the prospectus is expected to be made pursuant to Rule 434 under the Securities Act, check the following box. / /

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Proposed Maximum Offering Price per Share	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common Shares ($0.01 par value per share)	$23.00	$794,558,000	$73,099(3)

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended.

(2) A portion of the shares to be registered represents shares that are to be offered outside of the United States but that may be resold from time to time in the United States. Such shares are not being registered for the purpose of sales outside the United States.

(3) Previously paid.

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

Subject to Completion. Dated October 23, 2002.

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

30,040,000 Shares

Platinum Underwriters Holdings, Ltd.

Common Shares

This is an initial public offering of 30,040,000 Common Shares of Platinum Underwriters Holdings, Ltd. All of the Common Shares are being sold by Platinum Holdings.

Prior to this offering, there has been no public market for Platinum Holdings' Common Shares. It is currently estimated that the initial public offering price per Common Share will be between $22.00 and $23.00. The Common Shares have been approved for listing on the New York Stock Exchange under the symbol "PTP", subject to notice of issuance.

Immediately after this offering, public shareholders, The St. Paul Companies, Inc. and RenaissanceRe Holdings Ltd. will own 75.1%, 15.0% and 9.9% of the outstanding Common Shares, respectively, assuming no exercise by the underwriters, St. Paul and RenaissanceRe of their options to purchase additional Common Shares in connection with this offering.

In addition, we will, by means of a separate prospectus, concurrently offer % equity security units for an aggregate offering price of $125 million, plus up to an additional $18.75 million if the underwriters' option to purchase additional equity security units is exercised in full. Each unit will initially consist of (a) a contract to purchase Common Shares from Platinum Holdings on , 2005 and (b) an ownership interest in a % senior note, which we will guarantee, of Platinum Underwriters Finance, Inc., which will be our wholly owned subsidiary, due , 2007.

See "Risk Factors" beginning on page 22 to read about certain factors you should consider before buying Common Shares.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to Platinum Holdings	$	$

To the extent that the underwriters sell more than 30,040,000 Common Shares, the underwriters have the option to purchase up to an additional 4,506,000 Common Shares from Platinum Holdings at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the Common Shares against payment in New York, New York, on , 2002.

Goldman, Sachs & Co. Merrill Lynch & Co. Salomon Smith Barney

Banc of America Securities LLC

Credit Suisse First Boston

JPMorgan

Prospectus dated , 2002.

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PROSPECTUS SUMMARY

Platinum Underwriters Holdings, Ltd. is a newly formed company that will conduct its business through three operating subsidiaries, Platinum Underwriters Reinsurance, Inc. ("Platinum US"), Platinum Re (UK) Limited ("Platinum UK") and Platinum Underwriters Bermuda, Ltd. ("Platinum Bermuda"). Platinum UK and Platinum Bermuda are newly formed companies, while Platinum US has been in existence since 1995 and is an inactive, wholly owned subsidiary of The St. Paul Companies. Platinum UK is, and upon completion of this initial public offering, Platinum US will be, owned through Platinum Regency Holdings ("Platinum Ireland"), a newly formed and wholly owned intermediate Irish holding subsidiary of Platinum Underwriters Holdings, Ltd. Platinum US will be owned directly by Platinum Underwriters Finance, Inc. ("Platinum Finance"), a newly formed Delaware corporation, which, upon completion of this initial public offering, will be a wholly owned subsidiary of Platinum Ireland.

The "Company", "Platinum", "we", "us" and "our" refer to Platinum Underwriters Holdings, Ltd.'s consolidated operations, including Platinum US, unless the context otherwise indicates. "Platinum Holdings" refers solely to Platinum Underwriters Holdings, Ltd. Concurrent with the completion of this initial public offering, St. Paul will contribute to Platinum between $121 million and $126 million in cash, which we refer to as the "Cash Contribution." The St Paul Companies, Inc. and its subsidiaries will also contribute to Platinum substantially all of their continuing reinsurance business and related assets, including all of the outstanding capital stock of Platinum US, referred to herein as the "Transferred Business", having a net tangible book value of approximately $11 million as of June 30, 2002 (after reflecting a dividend of $15 million to be paid, prior to the completion of the Public Offering, to United States Fidelity and Guaranty Company, the current parent of Platinum US). Reinsurance is an arrangement in which a reinsurance company indemnifies an insurer or other reinsurer, which is referred to as a "ceding company" or "cedent", against all or a portion of the insurance or reinsurance risks underwritten by the ceding company under one or more policies. "St. Paul" refers to The St. Paul Companies, Inc., which is sponsoring our formation, and, unless the context otherwise requires, its subsidiaries. "St. Paul Re" refers to the reinsurance segment of St. Paul prior to this initial public offering, which includes the continuing business and related assets being transferred to Platinum upon completion of this initial public offering as well as the reinsurance business that will remain with St. Paul after this offering and not be renewed and will thereafter expire when claims are ultimately resolved, which is referred to as the "run-off".

We intend to commence our property and casualty reinsurance business operations, whereby we indemnify insurers and other reinsurers against all or a portion of their insurance or reinsurance risks for property loss and related damage and negligence resulting in bodily injury or property damage, upon completion of this initial public offering of Common Shares, which we refer to as the "Public Offering".

Concurrently with the completion of the Public Offering, St. Paul will make the Cash Contribution and contribute the Transferred Business to us in exchange for our issuance to St. Paul, on a private placement basis, of 6,000,000 Common Shares and a ten-year option, referred to as the "St. Paul Option", which will entitle St. Paul to buy from us up to 6,000,000 additional Common Shares at a price per share equal to 120% of the initial public offering price. St. Paul will own 15.0% of Platinum Holdings' outstanding Common Shares following the Public Offering, the St. Paul Investment and the RenaissanceRe Investment (each as defined below), which Common Shares will be limited to 9.9% of the voting power of the outstanding Common Shares. If the underwriters exercise their option to purchase additional Common Shares in the Public

Offering, St. Paul has the option to purchase, at a price per share equal to the initial public offering price, less the underwriting discount, as many additional Common Shares as are required in order for it to retain its 15.0% interest (a maximum of 900,000 additional Common Shares). In this prospectus, we refer to our issuance to St. Paul of the

15.0% interest in our Common Shares and the St. Paul Option in exchange for the Cash Contribution and the Transferred Business as the "St. Paul Investment".

Also concurrently with the completion of the Public Offering, RenaissanceRe Holdings Ltd. (including its subsidiaries, unless the context otherwise requires, "RenaissanceRe"), a Bermuda company that provides reinsurance and insurance coverage, will purchase from us in a private placement, at a price per share equal to the initial public offering price, less the underwriting discount, 3,960,000 Common Shares, or 9.9% of the Common Shares outstanding upon completion of the Public Offering, the St. Paul Investment and the RenaissanceRe Investment. If the underwriters exercise their option to purchase additional Common Shares in the Public Offering, RenaissanceRe has the option to purchase, at a price per share equal to the initial public offering price, less the underwriters' discount, as many additional Common Shares as are required in order for it to retain its 9.9% interest (a maximum of 594,000 Common Shares). As additional consideration, RenaissanceRe will receive a ten-year option, referred to as the "RenaissanceRe Option", to purchase up to an additional 2,500,000 Common Shares at a price per share equal to 120% of the initial public offering price. In this prospectus, we refer to this private placement as the "RenaissanceRe Investment". The closing of this private placement to RenaissanceRe is conditioned on the completion of the Public Offering, the ESU Offering and the St. Paul Investment.

In addition, we will, by means of a separate prospectus, concurrently offer % equity security units for an aggregate offering price of $125 million, plus up to an additional $18.75 million if the underwriters' option to purchase additional equity security units is exercised in full, (the "ESU Offering"). Each unit consists of (a) a contract to purchase Common Shares from Platinum Holdings on , 2005 and (b) an ownership interest in a % senior note, which we will guarantee, of Platinum Finance, due , 2007.

We will have a total capitalization of between approximately $955 million (assuming an initial public offering price of $22.00, a Cash Contribution of $121 million and no exercise of the underwriters', St. Paul's or RenaissanceRe's options to purchase additional Common Shares or the underwriters' option to purchase additional equity security units) and approximately $1,142 million (assuming an initial public offering price of $23.00, a Cash Contribution of $126 million and full exercise of the underwriters', St. Paul's and RenaissanceRe's options to purchase additional Common Shares in connection with the Public Offering and the underwriters' option to purchase additional equity security units), upon completion of the Public Offering, the ESU Offering, the St. Paul Investment and the RenaissanceRe Investment. The determination of the amount of the Cash Contribution will be made when the terms of the Public Offering are finally determined. The pro forma net tangible book value per Common Share following the Public Offering, the ESU Offering, the St. Paul Investment and the RenaissanceRe Investment will be $21.24 per share based on an assumed initial public offering price of $22.50 per Common Share (the mid-point of the range stated on the front cover page) and a Cash Contribution of $123 million (the midpoint of the $121 million to $126 million range of the Cash Contribution), assuming no exercise of the underwriters' options to purchase additional Common Shares or the underwriters' option to purchase additional equity security units.

In this prospectus, amounts are expressed in U.S. dollars and the financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), except as otherwise indicated.

The Company

General

Our objective is to provide property and casualty reinsurance coverages to a diverse clientele of insurers and select reinsurers on a worldwide basis. We will operate principally by using reinsurance brokers to market our products and principally as a lead reinsurer on treaty reinsurance

business. In treaty reinsurance, a reinsurer accepts a specified portion of a category of risks insured by a ceding insurer or reinsurer. A substantial majority of our business will be written as excess-of-loss reinsurance, which indemnifies the reinsured against all or a specified portion of loss above a specified amount. We intend to organize our worldwide reinsurance business around three operating segments:

Global Property and Marine. The Global Property and Marine operating segment will include principally property reinsurance coverages and marine reinsurance coverages. Marine reinsurance coverages include all types of marine vessels and related warehouses and liabilities. We intend to focus our underwriting activities primarily on catastrophe excess-of-loss and per risk excess-of-loss contracts. Catastrophes are events such as hurricanes and earthquakes that produce pre-tax losses before reinsurance which, in our definition, are in excess of $10 million to us or $1 billion to the insurance industry, and per risk excess-of-loss contracts cover losses in excess of a specified level on a single risk, rather than aggregate losses for all covered risks. We intend to write other types of property reinsurance as well, including selected property proportional reinsurance, where we will share a proportional part of the original premiums and losses of the reinsured. This segment generated $315 million, or 22.8%, of Platinum's 2001 pro forma net premiums written, which are gross written premiums less premiums ceded to reinsurers.

Global Casualty. The Global Casualty operating segment will include principally general and automobile liability, professional liability, workers' compensation, accident and health coverages and casualty clash (casualty clash covers losses arising from a single set of circumstances covered by more than one cedent's insurance policy or multiple claimants on one policy). We intend to focus our underwriting activities primarily on excess-of-loss reinsurance coverages. This segment generated $592 million, or 42.8%, of Platinum's 2001 pro forma net premiums written.

Finite Risk. The Finite Risk operating segment, which writes policies under which our aggregate risk and return are generally capped at a finite amount, will include principally non-traditional reinsurance treaties, including multi-year excess-of-loss (in which the cedent funds the agreed level of loss activity over a multi-year period, and the reinsurer charges an additional amount to provide a profit margin and to cover its costs and the risk that losses are worse than the agreed level), aggregate stop loss (which provides protection from losses arising from a wide range of circumstances in excess of an aggregate specified level), finite quota share (in which the reinsurer's losses and profit potential are capped at specified amounts), loss portfolio transfer (which typically transfers to the reinsurer all liabilities for incurred losses, subject to an aggregate loss limit specified in the contract), and adverse loss development contracts (which typically provide reinsurance coverage for losses in excess of the carried loss reserves of the ceding company at the transaction date). We intend to provide clients, either directly or through brokers, with customized solutions for their risk management and other financial management needs. We intend to focus our finite risk underwriting activities primarily on multi-year excess-of-loss and aggregate stop loss reinsurance treaties. Coverage classes within these products will primarily include property, casualty and marine exposures. This segment generated $475 million, or 34.4%, of Platinum's 2001 pro forma net premiums written.

In addition, we may write other property and casualty reinsurance on an opportunistic basis. For a discussion of the basis on which pro forma net premiums written were determined, see
" Selected Pro Forma Financial Information and Operating Data" below.

Background and the Transferred Business

St. Paul and its subsidiaries constitute one of the oldest insurance organizations in the United States, dating back to 1853. Through its division St. Paul Re, St. Paul has been engaged in the reinsurance business since 1983. In December of 2001, in an effort to enhance the profitability of its reinsurance business, St. Paul decided to narrow the product focus of its reinsurance operations and to exit certain lines of that business. As part of this effort, St. Paul Re reduced its anticipated 2002 exposure and expenses by exiting unprofitable lines of business and reducing the number of reinsurance branch offices outside the U.S. The narrowing of reinsurance product lines included exiting aviation, bond and credit reinsurance coverages, as well as certain financial risk and capital markets lines. International branch office closings included Munich, Brussels, Hong Kong, Sydney and Singapore. In addition to curtailing various reinsurance operations, St. Paul's management decided that its reinsurance business and its primary insurance business should ideally operate as separate entities because of their different risk profiles and business characteristics.

Accordingly, St. Paul determined to sponsor the formation of Platinum Holdings and its subsidiaries. Contingent upon the completion of the Public Offering, St. Paul will contribute to us the Cash Contribution and the Transferred Business through the arrangements described below:

Cash Contribution. At the completion of the Public Offering, St. Paul will make the Cash Contribution in the amount of between $121 million and $126 million. The determination of the amount of the Cash Contribution will be made when the terms of the Public Offering are finally determined. An assumed Cash Contribution of $123 million will result in a pro forma net tangible book value per Common Share of $21.24 following the Public Offering, the ESU Offering, the St. Paul Investment and the RenaissanceRe Investment based on an assumed initial public offering price of $22.50 per Common

Share (the midpoint of the range stated on the front cover page) and assuming no exercise of the underwriters', St. Paul's or RenaissanceRe's options to purchase additional Common Shares in connection with the Public Offering or the underwriters' option to purchase additional equity security units. Cash Contributions of $121 million and $126 million will result in net tangible book values of $20.76 and $21.71 per Common Share, respectively, assuming an initial public offering price of $22.00 and $23.00, respectively, and assuming no exercise of the underwriters' options to purchase additional Common Shares or additional equity security units.

Renewal Opportunities and Commitments. We will be acquiring from St. Paul Re its existing customer lists and the right to seek to renew substantially all of St. Paul Re's continuing reinsurance contracts. We also will assume commitments, if any, of St. Paul Re to offer reinsurance coverages in the future.

Assumed Reinsurance Contracts. Through 100% quota share retrocession agreements (the "Quota Share Retrocession Agreements"), we will reinsure substantially all of the reinsurance contracts entered into by St. Paul Re on or after January 1, 2002, which we refer to as the "Assumed Reinsurance Contracts". St. Paul Re will retain all of its reinsurance exposure not being transferred to us and will administer the associated run-off. Consequently, we will not assume any underwriting exposure with respect to reinsurance contracts entered into by St. Paul prior to January 1, 2002, except as noted below with respect to finite reinsurance. St. Paul will also retain all liabilities relating to the flooding in Europe in August 2002 and an intermediate layer of liability for named storms in existence at the time of completion of the Public Offering which cause insured damage within ten days of such time, as described herein. We will receive as consideration cash and other assets in an amount equal to the aggregate of all applicable loss reserves (excluding reserves relating to liabilities retained by St. Paul), allocated loss adjustment expense reserves (which are reserves relating to the expense incurred in settling claims), other reserves related to non-traditional reinsurance treaties, ceding commission reserves (which are reserves relating to commissions payable to

ceding insurers) and unearned premium reserves (which are reserves equal to the difference between premiums written and premiums earned) subject to agreed upon adjustments, net of ceding commissions under the Quota Share Retrocession Agreements as of the transfer date (which is 12:01 a.m., on the day immediately following the date of the completion of the Public Offering). Underwriting gain or loss with respect to the Assumed Reinsurance Contracts for the period from January 1, 2002 to the transfer date will be retained by St. Paul.

The terms of the Quota Share Retrocession Agreements provide, with limited exceptions, that retrocessional reinsurance, which is reinsurance obtained by a reinsurer to insure against all or a portion of its reinsurance written, purchased by St. Paul Re shall be for our expense and shall inure to our benefit in respect of the Assumed Reinsurance Contracts, providing us with remaining retrocessional reinsurance coverage for such contracts through 2002 or the earlier termination or expiration of the various retrocession agreements. We will bear all the risk associated with non-payment by third party retrocessionaires under such retrocessional reinsurance. All the Quota Share Retrocession Agreements will take effect as of 12:01 a.m. on the day immediately following the date of the completion of the Public Offering. Accordingly, while St. Paul will be contractually committed to effect the transfer, the effective time of the transfer of the Assumed Reinsurance Contracts will occur after the sale to investors of Common Shares in the Public Offering.

In the case of business written in the U.S. and the U.K., we will have the right to underwrite specified reinsurance business on behalf of St. Paul for a period of one year following the completion of the Public Offering in cases where we are unable to underwrite that business ourselves because, despite using our reasonable best efforts, we have not obtained the necessary regulatory license or approval to do so or we have not yet been approved as a reinsurer by the cedent, and we will reinsure such business pursuant to the Quota Share Retrocession Agreements or, following receipt by Platinum UK of a license from the Financial Services Authority (the "FSA"), may reinsure all or a part of such business pursuant to a quota share retrocession agreement to be entered into between Platinum UK and St. Paul Re UK. This will allow us to participate in reinsurance business which is bound after the completion of the Public Offering without any delay occasioned by the start-up of our operations, including the lack of required licenses, and facilitate the transition of St. Paul Re's business to us.

For a period of three years following the completion of the Public Offering, we will underwrite on behalf of St. Paul, with the consent of St. Paul, renewals of in-force contracts of finite reinsurance. St. Paul will retrocede to us 100% of the unpaid and future losses under currently in-force contracts, and we will have the option to reinsure losses under certain renewed contracts and will be required to offer to reinsure losses under other renewed contracts, for a fair market retrocession premium pursuant to the Quota Share Retrocession Agreements. Under the

Quota Share Retrocession Agreements, a portion of future premiums will be applied to settle balances related to prior year experience for the benefit of St. Paul. St. Paul will have an option to renew this arrangement with us for a subsequent period of two years. In the U.K., this arrangement will be limited to finite treaties which St. Paul Re has entered into with a small number of identified cedents and any further finite treaties which may be entered into on behalf of St. Paul Re UK prior to the first anniversary of the completion of the Public Offering.

Related Assets. We will be acquiring from St. Paul tangible and intangible assets relating to the continuing businesses being transferred to us, including furniture and equipment,

systems and software, assignments of leases, licenses and other assets, as well as all of the outstanding capital stock of Platinum US.

Employees. Upon or following the completion of the Public Offering, we expect to employ approximately 150 employees previously employed by St. Paul Re.

St. Paul has agreed with us that, subject to certain exceptions, for a period of two years following the completion of the Public Offering, it will not offer reinsurance of the type covered by the Assumed Reinsurance Contracts and for which we have acquired renewal rights or hire certain of our employees.

For discussion of the share ownership interests St. Paul will obtain for its contribution of the Transferred Business, see "St. Paul's Share Ownership" below.

Our Organization

The following chart summarizes our corporate structure upon completion of the transactions contemplated by this prospectus. Our operating business will be conducted by Platinum US, Platinum UK and Platinum Bermuda. Platinum Bermuda expects to reinsure up to approximately 70% of Platinum US's reinsurance business, excluding business subject to the Quota Share Retrocession Agreements, written after the completion of the Public Offering, and we are seeking consent from the FSA for Platinum Bermuda to reinsure up to approximately 55% of Platinum UK's reinsurance business, excluding business subject to the Quota Share Retrocession Agreements, written after the Public Offering; however, such consent may not be granted. St. Paul will continue to write reinsurance in the U.K. and reinsure it 100% to us for up to one year following the completion of the Public Offering. For a discussion of potential future limits on the portion of the reinsurance written by Platinum UK after the completion of the Public Offering which can be reinsured to Platinum Bermuda, see "Business Our Business Regulation U.K. Regulation Proposed Limits on Concentration of Reinsurance Exposures".

Management and Directors

We have assembled a senior management team of experienced insurance industry professionals, whose backgrounds include underwriting and marketing property and casualty reinsurance worldwide. Steven H. Newman, who is the Chairman of Platinum Holdings' Board of Directors, Jerome T. Fadden, who is Platinum Holdings' President and Chief Executive Officer, William A. Robbie, who is Chief Financial Officer of Platinum Holdings, Michael E. Lombardozzi, who is General Counsel of Platinum Holdings, Michael D. Price, who will be President and Chief Underwriting Officer of Platinum US, and Neal J. Schmidt, who will be Chief Actuary of Platinum US, in each case upon completion of the Public Offering, have extensive experience in the global property and casualty reinsurance industry. The new senior management team intends to initiate a number of actions to improve the underwriting performance and profitability of the Company. These actions are described more fully under "Platinum's Strategy" below.

Our Board of Directors consists of seven members: Mr. Newman; Mr. Fadden; Jay S. Fishman, Chairman of the Board of Directors and Chief Executive Officer of The St. Paul Companies, Inc.; H. Furlong Baldwin, Chairman of Mercantile Bankshares Corporation; Jonathan F. Bank, Senior Vice President of Tawa Associates Ltd.; Dan R. Carmichael, President and Chief Executive Officer of Ohio Casualty Corporation; and Peter T. Pruitt, retired Chairman of Willis Re Inc.

Our Competitive Strengths

We believe that with our experienced management team, unencumbered capital base and the long-term potential of the business and assets of St. Paul Re obtained from St. Paul, we will have the benefits of being both an established business and a new market entrant. As a well-capitalized, focused reinsurer, we believe we will be able to expand our relationships with clients of St. Paul Re as well as new clients to a greater extent than if our operations were part of a multi-line insurer such as St. Paul.

We intend to focus our initial marketing efforts on those brokers and their clients with which St. Paul Re has established business relationships. We feel that the existing portfolio of business generated by St. Paul Re represents a valuable asset given the renewal nature of the reinsurance industry and the importance of continuity of relationships. We believe that the market perceptions and reputation established by St. Paul Re with respect to service and responsiveness will benefit us in light of the transfer of personnel and underwriting activities from St. Paul Re to us.

Platinum's Strategy

Our goal is to achieve superior long-term returns for our shareholders, while establishing Platinum as a conservative risk manager and market leader in certain classes of property and casualty reinsurance.

Build our future on a strong foundation. We will commence operations with the benefit of the Transferred Business:

Renewal Rights and Assumed Reinsurance Contracts. Our initial portfolio will contain a diversity of business that would normally take many years to develop. We will be acquiring St. Paul Re's existing customer lists and the right to seek to renew its continuing in-force reinsurance contracts, which produced 2001 pro forma net premiums written of approximately $1.4 billion.

Fully operational infrastructure. We will select experienced employees from the skilled St. Paul Re employee base. These employees have broker and ceding company relationships and underwriting pricing and claims experience that will allow us to be fully staffed and operational in key underwriting and support functions.

Add new executive leadership to existing talent. In order to take full advantage of the historical strengths of St. Paul Re, we have significantly strengthened our senior management team with the addition of Mr. Newman and Mr. Fadden. Mr. Newman and Mr. Fadden have extensive experience in leading publicly traded reinsurance companies and intend to implement a number of initiatives to create a more focused and more profitable reinsurance business.

Focus on profitability, not market share. Our new management team intends to pursue a strategy that emphasizes underwriting discipline and profitability over market share. Key elements of this strategy will be prudent risk selection, appropriate pricing through strict underwriting discipline and increasing our writings of lines of business, which we believe will contribute to our long-term profitability.

Exercise disciplined underwriting and risk management. We intend to exercise risk management discipline by (i) maintaining a diverse spread of risk in our book of business across products and geographic zones, (ii) focusing on excess-of-loss contracts as opposed to proportional contracts, and (iii) reducing our aggregate catastrophe exposure.

Operate a lean and expense-focused underwriting business. We believe a lean underwriting culture will support our focus on profitability and allow us to be more responsive to changing market conditions. We intend to keep our headcount low and maintain a limited number of offices. In addition, we expect to originate most of our business from brokers, rather than directly from ceding companies or cedents, which are insurance companies seeking reinsurance coverages, which we believe will keep our expenses low.

Grow our business by leveraging our global platform. We intend to operate in all three of the world's leading reinsurance markets with offices in New York, London and Bermuda. St. Paul Re has conducted authorized reinsurance activities in the U.S. and London for many years. Our new Bermuda subsidiary will provide us with both a new market in which to write reinsurance and the flexibility to provide reinsurance products that are best facilitated by an offshore company.

Operate from a position of financial strength. As a newly formed company, our initial capital position is unencumbered by any development of loss reserves for business written prior to January 1, 2002, which are reserves established to reflect estimated cost of loss payments that ultimately will be required to be paid. Upon completion of the Public Offering, the ESU Offering, the St. Paul Investment and the RenaissanceRe Investment, we expect to have a total capitalization of between approximately $955 million (assuming an initial public offering price of $22.00, a Cash Contribution of $121 million and no exercise of the underwriters', St. Paul's or RenaissanceRe's options to purchase additional Common Shares or the underwriters' option to purchase additional equity security units) and approximately $1,142 million (assuming an initial public offering price of $23.00, a Cash Contribution of $126 million and full exercise of the underwriters', St. Paul's and RenaissanceRe's options to purchase additional Common Shares in connection with the Public Offering and the underwriters' option to purchase additional equity security units). Our investment strategy will focus on security and stability in our investment portfolio by maintaining a diversified portfolio that will consist primarily of investment grade fixed-income securities.

Recent Industry Trends

After an extended period of increased competition and eroding premiums, the reinsurance markets began experiencing improvements in rates, terms and conditions in the first quarter of 2000. These improvements continued in 2001 and were accelerated by the terrorist attack of September 11, 2001, which resulted in a range of estimated property and casualty insurance losses

to the insurance industry of between $30 billion and $35 billion, the largest estimated catastrophe losses ever experienced by the industry. We believe property and other reinsurance premiums have often risen in the aftermath of significant catastrophe losses. As claims are reserved, industry surplus is depleted and the industry's capacity to write new business diminishes. At the same time, there appears to be heightened awareness that commercial properties are exposed to a variety of risks. We believe that market trends similar to those that have occurred in past cycles are developing in the current environment. With respect to January, April and July 2002 renewals, St. Paul Re experienced substantial rate increases, generally ranging from 20% to 50% depending on the line of business. We believe that the current imbalance between the increased demand for property-related insurance and reinsurance and the reduced supply of this type of coverage will continue at least for the immediate future.

St. Paul's Share Ownership

St. Paul has determined that the efficiency, profitability and competitive position of its reinsurance operations can be maximized by separating them from St. Paul's primary insurance operations. Despite the separation of the two businesses, St. Paul will continue to participate in future financial results of the reinsurance business through its ownership of Common Shares as a result of the St. Paul Investment.

In return for the Cash Contribution and the Transferred Business, we will issue 6,000,000 Common Shares to St. Paul (so that St. Paul will own 15.0% of our outstanding Common Shares following the Public Offering, the St. Paul Investment and the RenaissanceRe Investment) and the St. Paul Option. St. Paul's Common Shares will be limited to 9.9% of the voting power of the outstanding Common Shares. If the underwriters exercise their option to purchase additional Common Shares in the Public Offering, St. Paul will have the option to purchase additional Common Shares, at a price per share equal to the initial public offering price less the underwriting discount, in order for it to retain its 15.0% interest. In addition, we will grant St. Paul the St. Paul Option, which is a ten-year option to purchase up to 6,000,000 Common Shares at 120% of the initial public offering price. Exercise of such option by St. Paul in full immediately after completion of the Public Offering, the St. Paul Investment and the RenaissanceRe Investment would increase its percentage interest in our Common Shares to approximately 26.1%, assuming no exercise of the underwriters', St. Paul's or RenaissanceRe's options to purchase additional Common Shares in connection with the Public Offering or of the RenaissanceRe Option. However, St. Paul has agreed with us that, prior to any exercise of the St. Paul Option, it will, if necessary, dispose of a sufficient number of Common Shares so that, immediately after exercise of the St. Paul Option, St. Paul would not be a "United States 25% Shareholder" as defined under "Description of Our Common Shares Restrictions on Transfers". St. Paul has informed us that it currently intends to continue its share ownership in Platinum Holdings for the foreseeable future.

RenaissanceRe's Share Ownership and Business Arrangements

In connection with the RenaissanceRe Investment, we will issue to RenaissanceRe 3,960,000 Common Shares (so that RenaissanceRe will own 9.9% of our outstanding Common Shares following the Public Offering, the St. Paul Investment and the RenaissanceRe Investment) and the RenaissanceRe Option. If the underwriters exercise their option to purchase additional Common Shares in the Public Offering, RenaissanceRe will have the option to purchase additional Common Shares, at a price per share equal to the initial public offering price less the underwriting discount, in order for it to retain its 9.9% interest. In addition, we will grant RenaissanceRe the RenaissanceRe Option, which is a ten-year option to purchase up to 2,500,000 Common Shares at 120% of the initial public offering price. Exercise of such option by RenaissanceRe in full immediately after completion of the Public Offering, the St. Paul Investment and the RenaissanceRe Investment would increase its percentage interest in our Common Shares to approximately 15.2%, assuming no

exercise of the underwriters', St. Paul's or RenaissanceRe's options to purchase additional Common Shares in connection with the Public Offering or of the St. Paul Option. RenaissanceRe has agreed with us that, prior to any exercise of the RenaissanceRe Option, it will, if necessary, dispose of a sufficient number of Common Shares so that, immediately after exercise of the RenaissanceRe Option, RenaissanceRe would not beneficially own more than 19.9% of our outstanding voting securities (or up to 24.9% with our approval). See "Description of Our Common Shares Restrictions on Transfers". RenaissanceRe has informed us that it currently intends to continue its share ownership in Platinum Holdings for the foreseeable future.

We have entered into an investment agreement with St. Paul and RenaissanceRe, which provides RenaissanceRe with, among other things, the right to nominate one director to our board and, in addition, to designate a non-voting representative to attend our board meetings, subject to certain conditions.

We also will enter into an agreement, which we refer to as the "Services and Capacity Reservation Agreement" in this prospectus, with RenaissanceRe, pursuant to which in exchange for certain payments by us to RenaissanceRe, RenaissanceRe will provide services to us in connection with the reviewing and repositioning of our property catastrophe book of business for a period of five years. These services will include assisting us in measuring risk and managing our aggregate catastrophe exposures. In addition, we expect that we and RenaissanceRe may refer business to each other, to be accepted in the discretion of the party receiving the referral, and that compensation will be paid for referral business at negotiated rates.

RenaissanceRe is a Bermuda company principally engaged, through its operating subsidiaries, in providing reinsurance and insurance coverage that is subject to the risk of natural and man-made catastrophes. For a further discussion of our relationship with RenaissanceRe, see "Certain Relationships and Related Transactions The RenaissanceRe Investment".

Principal Executive Offices

Platinum Holdings was organized on April 19, 2002 as a company limited by shares under Bermuda law. Platinum Holdings' principal executive offices are located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. Its telephone number is (441) 295-5950.

The Public Offering, the St. Paul Investment, the RenaissanceRe Investment and the ESU Offering

Common Shares Offered in the Public Offering	30,040,000 shares.
Common Shares Privately Placed to St. Paul	6,000,000 shares.
Common Shares Privately Placed to RenaissanceRe	3,960,000 shares.
Common Shares Outstanding after the Public Offering, the St. Paul Investment and the RenaissanceRe Investment	40,000,000 shares.
NYSE Symbol	PTP.
St. Paul Investment and the RenaissanceRe Investment	At the completion of the Public Offering, St. Paul will make the Cash Contribution in the amount of between $121 million and $126 million and will contribute to Platinum the Transferred Business, which had a net tangible book value of approximately $11 million as of June 30, 2002 (after reflecting a dividend of $15 million to be paid, prior to the completion of the Public Offering, to United States Fidelity and Guaranty Company, the current parent of Platinum US). St. Paul's Cash Contribution, together with the net tangible book value of Platinum US as of June 30, 2002 (consisting of approximately $5 million of cash and cash equivalents after reflecting the pre-closing dividend of $15 million referred to above) to be contributed as part of the Transferred Business, will represent an amount approximately equal to the initial public offering price less the underwriters' discount for the Common Shares privately placed to St. Paul. St. Paul will also contribute to Platinum, as part of the Transferred Business, certain tangible assets and other intangible assets with a net book value of approximately $7 million as of June 30, 2002. RenaissanceRe will pay, in return for the Common Shares privately placed to it, a per share purchase price equal to the initial public offering price less the underwriters' discount, or in aggregate between $83 million and $86 million. An assumed initial public offering price of $22.50, a Cash Contribution of $123 million and a purchase price of $84 million from RenaissanceRe, will result in a pro forma net tangible book value per Common Share of $21.24 following the Public Offering, the ESU Offering, the St. Paul Investment and the RenaissanceRe Investment, assuming no exercise of the underwriters', St. Paul's or RenaissanceRe's options to purchase additional Common Shares in connection with the Public Offering or the underwriters' option to purchase additional equity security

units. Cash Contributions of $121 million and $126 million and $83 million to $86 million from the RenaissanceRe Investment will result in net tangible book values of $20.76 and $21.71 per Common Share, respectively, assuming initial public offering prices of $22.00 and $23.00, respectively, and assuming no exercise of the underwriters', St. Paul's or RenaissanceRe's options to purchase additional Common Shares in connection with the Public Offering or the underwriters' option to purchase additional equity security units.

Use of Proceeds

Assuming no exercise of the underwriters', St. Paul's or RenaissanceRe's options to purchase additional Common Shares in connection with the Public Offering or the underwriters' option to purchase additional equity security units, we expect to receive net proceeds (after the underwriters' discount and before expenses) from the Public Offering, the Cash Contribution, the RenaissanceRe Investment and the ESU Offering as set forth in the following table:

	IPO Price of $22.00 per Share	IPO Price of $22.50 per Share	IPO Price of $23.00 per Share
		($ in millions)	
Public Offering	$ 626	$ 640	$ 655
St. Paul Cash Contribution	121	123	126
RenaissanceRe Investment	83	84	86
ESU Offering	120	120	120
Total Net Proceeds(1)	$ 949	$ 968	$ 987

(1) Components may not add to totals due to rounding.

Assuming full exercise (which is in their sole discretion) by the underwriters, St. Paul and RenaissanceRe of their options to purchase additional Common Shares in connection with the Public Offering and the underwriters' option to purchase additional equity security units, we expect to receive net proceeds (after the underwriters' discount and before expenses) from the Public Offering, the Cash Contribution, the RenaissanceRe Investment and the ESU Offering as set forth in the following table:

	IPO Price of $22.00 per Share	IPO Price of $22.50 per Share	IPO Price of $23.00 per Share
		($ in millions)	
Public Offering	$ 720	$ 736	$ 753
St. Paul Cash Contribution	139	143	146
RenaissanceRe Investment	95	97	99
ESU Offering	138	138	138
Total Net Proceeds	$ 1,092	$ 1,114	$ 1,136

A portion of the net proceeds of the Public Offering, the Cash Contribution and the RenaissanceRe Investment, currently estimated at approximately $10 million, will be retained by Platinum Holdings and the balance will be contributed to the capital of Platinum US (in an amount not less than $250 million, which includes net proceeds from the ESU Offering as discussed below), Platinum UK (in an amount not less than $150 million, upon its being licensed in the United Kingdom), Platinum Ireland (in an amount not less than $100 million, substantially all of which will be used to purchase a surplus note issued by Platinum US) and Platinum Bermuda (in an amount not less than $375 million). To the extent we receive net proceeds from the Public Offering, the Cash Contribution and the RenaissanceRe Investment in excess of the minimum amounts stated above, we expect to contribute substantially all such proceeds to the capital of Platinum Bermuda. All but approximately $20 million of the net proceeds from the ESU Offering (or approximately $23 million if the underwriters exercise in full their option to purchase additional equity security units) will be contributed to

	Platinum US. The remaining net proceeds from the ESU Offering will be retained by Platinum Finance.
	See "Use of Proceeds."
Dividend Policy	We intend to recommend that our Board of Directors authorize the payment of a dividend of $0.32 for 2003. It is intended that dividends will be recommended to the Board for approval and payment on a quarterly basis. The declaration and payment of dividends to holders of Common Shares will be at the discretion of the Board of Directors but will be prohibited if certain contract adjustment payments in respect of the equity security units are deferred. See "Dividend Policy".
ESU Offering	Concurrently with the Public Offering, we will offer, by means of a separate prospectus, % equity security units for an aggregate offering price of $125 million, plus an additional $18.75 million if the underwriters' option to purchase additional equity security units is exercised in full. Each unit will initially consist of (a) a contract to purchase Common Shares from Platinum Holdings and (b) a $^1/_{40}$, or 2.5%, ownership interest in a % senior note of Platinum Finance, due , 2007, with a principal amount of $1,000.
	The purchase contract underlying an equity security unit will obligate holders to purchase, and us to sell, for $25, on , 2005, a number of newly issued Common Shares equal to a settlement rate based on the average trading price of our Common Shares at that time. We will make quarterly contract adjustment payments on the purchase contracts at the annual rate of % of the stated amount of $25 per purchase contract, subject to our rights to defer these payments.

	The senior notes of Platinum Finance will be unsecured and senior obligations of Platinum Finance, guaranteed as to principal and interest by Platinum Holdings on a senior and unsecured basis. The notes will mature on , 2007. Each note will initially bear interest at the rate of % per year, payable quarterly. The applicable interest rate on the notes will be reset, and the notes remarketed, as described under "Description of the Equity Security Units".
	During any period in which we defer contract adjustment payments, in general we cannot declare or pay any dividend or distribution on our Common Shares or take specified other actions. We do not expect to defer the contract adjustment payments.
	The completion of the ESU Offering and the completion of the Public Offering are conditioned on each other.
Underwriters' Options to Purchase Additional Securities	If the underwriters exercise their option to purchase additional Common Shares in whole or in part, St. Paul has the option to purchase (at a price per share equal to the initial public offering price less the underwriting discount) in the aggregate up to an additional 900,000 Common Shares, in order to maintain its proportionate initial share ownership in Platinum Holdings at 15.0%, and RenaissanceRe has the option to purchase (at a price per share equal to the initial public offering price less the underwriting discount) in the aggregate up to an additional 594,000 Common Shares, in order to maintain its proportionate initial share ownership in Platinum Holdings at 9.9%. As a result, if the underwriters', St. Paul's and RenaissanceRe's options to purchase additional Common Shares in connection with the Public Offering are exercised in full, there would be 46,000,000 Common Shares outstanding upon completion of the Public Offering, the St. Paul Investment and the RenaissanceRe Investment, and, if the underwriters' option to purchase additional equity security units is exercised in full, $143.75 million of equity security units outstanding upon completion of the ESU Offering.

St. Paul Option	We will grant St. Paul a ten-year option, exercisable in whole or in part, to purchase up to 6,000,000 Common Shares at 120% of the initial public offering price. Exercise of such option by St. Paul in full immediately after completion of the Public Offering, the St. Paul Investment and the RenaissanceRe Investment would increase its percentage interest in our Common Shares to approximately 26.1%, assuming no exercise of the underwriters', St. Paul's or RenaissanceRe's options to purchase additional Common Shares in connection with the Public Offering or of the RenaissanceRe Option. The

	option has antidilution provisions as described in this prospectus. St. Paul has agreed with us that, prior to any exercise of the St. Paul Option, it will, if necessary, dispose of a sufficient number of Common Shares so that, immediately after exercise of the St. Paul Option, St. Paul will not be a "United States 25% Shareholder" as defined under "Description of Our Common Shares Restrictions on Transfer."
RenaissanceRe Option	We will grant RenaissanceRe a ten-year option, exercisable in whole or in part, to purchase up to 2,500,000 Common Shares at 120% of the initial public offering price. Exercise of such option by RenaissanceRe in full immediately after completion of the Public Offering, the St. Paul Investment and the RenaissanceRe Investment would increase its percentage interest in our Common Shares to approximately 15.2%, assuming no exercise of the underwriters' option to purchase additional Common Shares in connection with the Public Offering or of the St. Paul Option. The option has antidilution provisions as described in this prospectus. RenaissanceRe has agreed with us that, prior to any exercise of the RenaissanceRe Option, it will, if necessary, dispose of a sufficient number of Common Shares so that, immediately after exercise of the RenaissanceRe Option, RenaissanceRe will not beneficially own more than 19.9% of our outstanding voting securities (or up to 24.9% with our approval). See "Description of Our Common Shares Restrictions on Transfer."

Selected Pro Forma Financial Information and Operating Data

Financial information in this prospectus is presented in U.S. dollars and on the basis of U.S. GAAP unless otherwise indicated.

In this prospectus, we are presenting unaudited pro forma financial information of Platinum Holdings with respect to the Transferred Business, contingent upon the completion of this Public Offering. This pro forma financial information is based on the terms of the agreements between Platinum and St. Paul effecting the transfer of the Transferred Business, the material terms of which are described under "Certain Relationships and Related Transactions", which we refer to herein as the "Inception Agreements".

We caution that the Platinum pro forma consolidated balance sheet and pro forma combined underwriting results presented herein are not indicative of the actual results that we expect to achieve once we commence operations. Many factors may cause our actual results to differ materially from the pro forma consolidated balance sheet and underwriting results including, but not limited to, the following:

- Platinum's pro forma combined statement of underwriting results includes premium and loss development on business entered into prior to January 1, 2002. Under the Quota Share Retrocession Agreements, we are assuming no premium or loss development on business entered into prior to January 1, 2002. Therefore, our reported premiums written and earned and reported losses and loss adjustment expenses, which are the expenses of settling claims, in our initial years of operation could be substantially lower than as presented in Platinum's pro forma combined statement of underwriting results. As such, our reported results in our initial years of operation will not be subject to prior year development for periods prior to January 1, 2002.

- Following the Public Offering, we will report underwriting results under the Quota Share Retrocession Agreements for the period through the date of completion of the Public Offering based on the application of retroactive reinsurance accounting, resulting in the premiums earned and losses incurred by St. Paul during such period being excluded from our statement of underwriting results. Due to this exclusion, following the Public Offering, our reported 2002 premiums written and earned and our net underwriting results in 2002 could be substantially different than as presented in Platinum's pro forma combined statement of underwriting results.

- Platinum's pro forma consolidated balance sheet reflects the inception of the Quota Share Retrocession Agreements assuming transferred balances as of June 30, 2002. Platinum's actual consolidated balance sheet will report transferred amounts determined as of 12:01 a.m. on the day immediately following the date of completion of the Public Offering. Accordingly, underwriting gain or loss with respect to the Assumed Reinsurance Contracts for the period from January 1, 2002 through such date will be retained by St. Paul.

Although we expect to continue to be afforded the benefits of most of St. Paul Re's retrocessional reinsurance program through their expiration during 2002, we may enter into retrocessional reinsurance contracts with significantly different terms and conditions from those that have been made available to us from St. Paul Re and which form the basis of our initial operations.

The additional and reinstatement premiums, which are premiums charged for the restoration of the limit of a catastrophe contract to its full amount after payment of losses, recorded in 2001 by St. Paul Re's Finite Risk operating segment were primarily caused by losses relating

to the September 11, 2001 terrorist attack. These additional and reinstatement premiums were unusually high and not necessarily indicative of the recurring premium volume we expect to write in that business segment.

Platinum's pro forma financial statements continue to reflect the discounting of the liability for certain Assumed Reinsurance Contracts based on our current intention to make arrangements to permit such discounting. If we do not put such arrangements in place, reinsurance contracts of a similar type entered into in the future would be reported on an undiscounted basis.

Pro Forma Consolidated Balance Sheet Data

We have prepared our unaudited pro forma consolidated balance sheet as of June 30, 2002 to reflect our initial capitalization in the amount of $120,000 and adjusted to reflect, among other things,

amounts reflecting (a) the receipt of approximately $725 million, representing the estimated net proceeds from the Public Offering and the RenaissanceRe Investment based on an assumed initial public offering price of $22.50 per Common Share (the midpoint of the range stated on the front cover page), without giving effect to any exercise of the underwriters', St. Paul's or RenaissanceRe's options to purchase additional Common Shares in connection with the Public Offering, (b) the redemption of the Common Shares that were issued at inception and capital contributed prior to the Public Offering, (c) the payment of certain formation and organization expenses, as discussed in Notes 2 and 12 to our consolidated balance sheet, on pages F-5 and F-12 of this prospectus, which total $5.1 million, of which $2.1 million has been expensed as of June 30, 2002, and (d) our entering into, and accruing for, the Services and Capacity Reservation Agreement as of June 30, 2002. Additional formation and organization expenses will be incurred prior to closing. It is further assumed that the net proceeds from the Public Offering will be invested in long-term, taxable fixed income securities;

amounts representing the receipt of St. Paul's Cash Contribution of $123 million (the midpoint of the $121 million to $126 million range for the Cash Contribution) and the contribution of the Transferred Business at historical cost in exchange for the issuance of Common Shares and the St. Paul Option. Amounts related to net tangible assets contributed to Platinum by St. Paul are recorded at St. Paul's book value as of June 30, 2002. Assets as of June 30, 2002 include approximately $5 million of net assets of Platinum US consisting of cash and cash equivalents (which reflect a dividend of $15 million to be paid, prior to the completion of the Public Offering, to United States Fidelity and Guaranty Company, the current parent of Platinum US) as well as approximately $7 million of tangible assets and other intangible assets such as broker and customer lists and contract renewal rights and licenses;

amounts reflecting the receipt of approximately $120 million, representing the estimated net proceeds from the ESU Offering and recognition of the present value of future contract adjustment payments payable on the purchase contracts contained within the equity security units, without giving effect to any exercise of the underwriters' option to purchase additional equity security units. It is further assumed that the net proceeds from the ESU Offering will be invested in long-term, taxable fixed income securities; and amounts reflecting Platinum entering into the Quota Share Retrocession Agreements with St. Paul Re reinsuring the Assumed Reinsurance Contracts as of June 30, 2002.

	At June 30, 2002 ($ in millions, except per share amount)
Cash and invested assets	$ 1,168
Deferred acquisition costs	25
Funds held by reinsured	40
Other assets(1)	19
Total assets	$ 1,252
Unpaid losses and loss adjustment expense reserves	$ 109
Unearned premium reserves	140
Debt obligations(2)	125
Financial reinsurance liabilities	17
Other liabilities(1)(3)	12
Total shareholders' equity(3)	849
Total liabilities and shareholders' equity(3)	$ 1,252
Book value per Common Share(1)(3)(4)	$ 21.24

(1) Reflects Platinum entering into, and accruing for, the Services and Capacity Reservation Agreement as of June 30, 2002.

(2) Reflects senior notes issued in connection with the ESU Offering.

(3) Reflects the present value of the contract adjustment payments in connection with the ESU Offering.

(4) Reflects the issuance of 40,000,000 Common Shares in the Public Offering, the St. Paul Investment and the RenaissanceRe Investment.

Pro Forma Combined Underwriting Results

We have prepared our unaudited pro forma combined statements of underwriting results to represent our reinsurance business as if we had commenced our operations and the Public Offering, the ESU Offering, the St. Paul Investment and the RenaissanceRe Investment had been completed as of January 1, 2001. Our presentation of our pro forma underwriting results assumes that all of the Inception Agreements were entered into as of January 1, 2001. We have based our presentation on St. Paul Re's actual underwriting results for the periods presented. We have then adjusted these historical results to remove any of St. Paul Re's reinsurance businesses that will not be part of Platinum following the completion of the Public Offering, including amounts related to St. Paul Re's reinsurance business representing lines of business that will not be transferred to Platinum, including aviation and bond and credit reinsurance, certain financial risk and capital markets reinsurance products, and certain North American business previously underwritten in London. Platinum will not obtain the renewal rights to these lines of business and will not assume liabilities related to these lines of business, and Platinum's management does not intend to write these lines of business in the future, and

amounts related to St. Paul Re's allocations from the St. Paul corporate aggregate excess-of-loss reinsurance programs that will not be available to Platinum.

Except as noted above, the pro forma combined underwriting results assume that all other retrocessional reinsurance with respect to the Assumed Reinsurance Contracts entered into in 2002 and prior years will remain available to Platinum.

Also, as noted above, we have based our pro forma underwriting results on the assumption that all of the Inception Agreements were entered into on January 1, 2001, including the Services and Capacity Reservation Agreement.

Our future results will depend in part on the amount of our investment income, which cannot be predicted and which will fluctuate depending upon the types of investments we select, our underwriting results and market factors. Actual tax expense in future periods will be based on underwriting results plus investment income and other income and expense items not reflected in the pro forma combined underwriting results. Our effective tax rate will reflect the proportion of income recognized by our operating subsidiaries, with Platinum US taxed at the U.S. corporate income tax rate (35%), Platinum UK taxed at the U.K. corporate tax rate (generally 30%), Platinum Ireland taxed at the Irish corporate tax rate (25% on non-trading income and 16% on trading income, the latter rate to be reduced to 12.5% as of January 1, 2003), and Platinum Bermuda taxed at a zero corporate tax rate. In 2002, we expect to have a greater portion of our income subject to U.S. taxation and U.K. taxation than we expect to have in the future because our Bermuda operations are entirely new but can be expected to grow as a proportion of our business. As a result of changes in the geographic distribution of taxable income as well as changes in the amount of our non-taxable income and expense, the relationship between our reported income before tax and our income tax expense may change significantly from one period to the next.

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	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001	Year Ended December 31, 2001
	($ in millions)		
Net premiums earned			
Net premiums written	$ 602	$ 576	$ 1,382
Change in unearned premiums, net	(29)	(88)	(80)
Net premiums earned	573	488	1,302
Losses and Underwriting Expenses			
Losses and loss adjustment expenses	350	344	1,440
Policy acquisition expenses	144	149	237
Other underwriting expenses	34	37	69
Total underwriting losses and expenses	$ 528	$ 530	1,746
Underwriting gain (loss)	$ 45	$ (42)	$ (444)
Selected Ratios - U.S. GAAP			
Loss and loss adjustment expense ratio	61.2%	70.6%	110.6%
Underwriting expense ratio	31.1%	38.1%	23.5%

	Six Months Ended June 30,		
Combined ratio	92.3%	108.7%	134.1%
Selected Ratios - Statutory			
Loss and loss adjustment expense ratio	61.2%	70.6%	110.6%
Underwriting expense ratio	29.6%	32.3%	22.1%
Combined ratio	90.8%	102.9%	132.7%
Impact of catastrophes on combined ratio (1)	(3.0)%	3.7%	40.9%

(1) Excludes ceded losses under St. Paul Re's aggregate excess-of-loss treaties, because such treaties extend to non-catastrophic as well as catastrophic losses as described below. The 3% benefit from catastrophes on the June 30, 2002 combined ratio is driven by a lack of catastrophes in the first six months of 2002 and favorable loss development in 2002 on catastrophe losses incurred in prior years.

Included in the 2001 pro forma combined underwriting results are pre-tax losses related to the September 11, 2001 terrorist attack totaling $468 million. This amount includes gross losses and loss adjustment expenses of $819 million, $123 million of ceded reinsurance, $137 million of additional and reinstatement premiums and $91 million of reduced contingent commission expenses. The determination of the impact of catastrophes on the combined ratio (which is a combination of the expense ratio and the loss ratio) excludes the ceded losses under St. Paul Re's aggregate excess-of-loss treaties; these treaties provide coverage for excess losses arising from catastrophic and non-catastrophic events. The benefits of St. Paul Re's aggregate excess-of-loss treaty for 2002 will remain available to Platinum for the balance of 2002 unless earlier terminated pursuant to its terms.

Pro Forma Underwriting Results by Operating Segment

The following provides a summary of the pro forma underwriting results for our three operating segments. To provide a more meaningful indication of the underlying performance of our business segments, the results exclude the impact of St. Paul Re's aggregate excess-of-loss treaties and the impact of the September 11, 2001 terrorist attack.

	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001	Year Ended December 31, 2001
	($ in millions)		
Net premiums written			
Global Property and Marine	$ 215	$ 196	$ 356
Global Casualty	248	288	611
Finite Risk	146	129	365
Total	$ 609	$ 613	$ 1,332
Underwriting gain (loss)			
Global Property and Marine	$ 64	$ 11	$ 62

	Six Months Ended June 30,		
Global Casualty	(29)	(89)	(119)
Finite Risk	30	(6)	(26)
Total	$ 65	$ (84)	$ (83)
Combined ratio			
Global Property and Marine	65.8%	93.1%	82.4%
Global Casualty	112.3%	138.1%	122.1%
Finite Risk	78.9%	104.8%	107.1%
Total	88.7%	116.0%	106.6%

Recent Developments

See "Recent Developments" and "The Predecessor Business Recent Developments" in this prospectus.

RISK FACTORS

Before investing in our Common Shares, you must carefully consider the following risk factors. These risks could materially affect our business, results of operations or financial condition and cause the trading price of the Common Shares to decline. You could lose part or all of your investment.

Risks Related to Our Business

If we are unable to implement our business strategy or operate our business as we currently expect, our results may be adversely affected.

Platinum Holdings, Platinum UK, Platinum Bermuda, Platinum Ireland and Platinum Finance were recently formed. Platinum US, a wholly owned subsidiary of St. Paul, has been in existence since 1995 as an inactive insurance company. None of these companies has any operating history. Businesses, such as ours, which are starting up or in their initial stages of development present substantial business and financial risks and may suffer significant losses. We must develop business relations, establish operating procedures, hire staff, obtain facilities, implement new systems, obtain licenses and complete other tasks appropriate for the conduct of our intended business activities. If we are unable to implement these actions to operate our business as we currently expect, our results may be adversely affected. As a result of industry factors or factors specific to Platinum, we may have to alter our anticipated methods of conducting our business, such as the nature, amount and types of risks we assume.

We may not be able to successfully continue the business being contributed by St. Paul Re because we do not have St. Paul's established name recognition and capital base.

Although we anticipate commencing our operations with an existing reinsurance business, including renewal opportunities, broker and cedent relationships, a workforce and other tangible and intangible assets that are being contributed by St. Paul Re, we may not be able to successfully continue this business. We will not have any of the benefits which may have flowed to the business from being affiliated with St. Paul, including its name recognition, its reputation in the industry and its strong capital base. In addition, we will not have certain offices that produced 2002 business but that were closed in late 2001 and early 2002. It is possible that clients of St. Paul Re will choose not to renew expiring contracts with us and will choose to reinsure with our competitors. It is possible that cedents will choose to not do business with us because we will have a smaller capital base or lower ratings than St. Paul has or because the cedents' credit approval committees will not approve doing business with us. It is possible that clients that do renew expiring contracts with us may demand policy terms that are less favorable to us or may renew only with reduced coverage limits. In addition, certain of the Assumed Reinsurance Contracts afford the reinsured party a right to cancel coverage upon transfer of the Transferred Business to us. While we expect that few, if any, cancellations will occur, substantial cancellations would adversely affect our future results of operations, particularly in the near-term. We may not be able to maintain the broker relationships established by St. Paul Re, or retain those employees of St. Paul Re who are expected to join us upon completion of the Public Offering. We may not be able to build upon this base of business or operate our business as successfully as St. Paul Re. It is also possible that the restructuring of St. Paul Re that St. Paul initiated in December 2001 and the Public Offering may adversely affect our ability to maintain the St. Paul Re business that is being transferred to us.

Neither our pro forma financial information nor the historical combined financial information of St. Paul Re in this prospectus is an indicator of our future actual results.

As a newly formed company, we have no actual results of operations. We are, therefore, presenting in this prospectus our pro forma financial information with respect to the reinsurance business which St. Paul will be transferring to us, as if the Public Offering, the ESU Offering, the St. Paul Investment and the RenaissanceRe Investment had been completed and we had commenced our operations as of January 1, 2001. We are also presenting historical combined financial information of St. Paul Re to illustrate the underwriting results of our actual historical reinsurance business.

We caution that our pro forma financial information and the historical combined financial information of St. Paul Re presented in this prospectus are not necessarily comparable with or indicative of the actual results that we expect to achieve once we commence operations for the reasons set forth below:

Platinum's pro forma combined statement of underwriting results includes premium and loss development on business entered into prior to January 1, 2002. Under the Quota Share Retrocession Agreements, we are assuming no premium or loss development on business entered into prior to January 1, 2002. Therefore, our reported premiums written and earned and reported losses and loss adjustment expenses in our initial years of operation could be substantially lower than as presented in Platinum's pro forma combined statement of underwriting results. As such, our reported results in our initial years of operation will not be subject to prior year development for periods prior to January 1, 2002.

Following the Public Offering, we will report underwriting results under the Quota Share Retrocession Agreements for the period through the date of completion of the Public Offering based on the application of retroactive reinsurance accounting, resulting in the premiums earned and losses incurred by St. Paul during such period being excluded from our statement of underwriting results. Due to this exclusion, following the Public Offering, our reported 2002 premiums written and earned and our net underwriting results in 2002 could be substantially different than as presented in Platinum's pro forma combined statement of underwriting results.

Platinum's pro forma consolidated balance sheet reflects the inception of the Quota Share Retrocession Agreements assuming transferred balances as of June 30, 2002. Platinum's actual consolidated balance sheet will report transferred amounts determined as of 12:01 a.m. on the day immediately following the date of completion of the Public Offering. Accordingly, underwriting gain or loss with respect to the Assumed Reinsurance Contracts for the period from January 1, 2002 through such date will be retained by St. Paul.

Although we expect to continue to be afforded the benefits of most of St. Paul Re's retrocessional reinsurance program through their expiration during 2002, we may enter into retrocessional reinsurance contracts with significantly different terms and conditions from those that have been made available to us from St. Paul Re and which form the basis of our initial operations.

The additional and reinstatement premiums recorded in 2001 by St. Paul Re's Finite Risk operating segment were primarily caused by losses relating to the September 11, 2001 terrorist attack. These additional and reinstatement premiums were unusually high and not necessarily indicative of the recurring premium volume we expect to write in that business segment.

Platinum's pro forma financial statements continue to reflect the discounting of the liability for certain Assumed Reinsurance Contracts based on our current intention to make arrangements to permit such discounting. If we do not put such arrangements in place, reinsurance contracts of a similar type entered into in the future would be reported on an un-discounted basis.

Our future consolidated financial results will also depend on the amount of our investment income, which cannot be predicted and which will fluctuate depending upon the types of investments we select, our underwriting results and market factors, such as the level of interest rates, as well as our consolidated effective tax rate.

Intense competition could adversely affect our profitability.

The property and casualty reinsurance industry is highly competitive and, except for regulatory considerations, there are relatively few barriers to entry. We will compete with major U.S. and non-U.S. reinsurers, including several Bermuda-based reinsurers that write property and casualty reinsurance and that target the same market as we do and utilize similar business strategies.

In addition to reinsurance company competitors, other financial institutions are now able to offer services similar to those that we expect to offer. Financial institutions have also created alternative capital market products that compete with reinsurance products, such as reinsurance securitization. Such alternative products may be perceived to be more beneficial for ceding companies than reinsurance offered by reinsurance companies and may result in lower demand for certain of our products.

Since we have no operating history, many of our competitors have greater name and brand recognition than we currently do. Many of them also have more (in some cases substantially more) capital and greater marketing and management resources than we expect to have, and may offer a broader range of products and more competitive pricing than we expect to or will be able to offer.

Our competitive position will be based on many factors, including our perceived overall financial strength, ratings assigned by independent rating agencies, geographic scope of business, client relationships, premiums charged, contract terms and conditions, products and services offered (including the ability to design customized programs), speed of claims payment, reputation, experience and qualifications of employees and local presence. Since we have not yet commenced operations, we may not be able to compete successfully on any of these bases. If competition limits our ability to write new business at adequate rates, our return on capital may be adversely affected.

The September 11, 2001 terrorist attack has generated substantial new capital inflows into the reinsurance industry, increasing competition which could adversely affect our profitability.

Following the terrorist attack of September 11, 2001, a number of new reinsurers and other entities have been formed and a number of existing market participants have raised new capital in an effort to participate in an improving marketplace. These new and better financed companies are expected to increase the level of competition in the industry, which may affect our competitive position. While we believe that we and our competitors will be able to raise premium rates in the near and intermediate term, the additional competition following the September 11, 2001 terrorist attack may limit such increases or result in decreases in premium rates.

We are not yet rated by A.M. Best and this could affect our competitive position with customers.

Competition in the types of reinsurance business that we intend to underwrite is based on many factors, including the perceived financial strength of the reinsurer and ratings assigned by independent rating agencies. A.M. Best Company, Inc. ("Best's") is generally considered to be a significant rating agency with respect to the evaluation of insurance and reinsurance companies. Best's ratings are based on a quantitative evaluation of performance with respect to profitability, leverage and liquidity and a qualitative evaluation of spread of risk, reinsurance program, investments, reserves and management. Insurance ratings are used by insurers and reinsurance intermediaries as an important means of assessing the financial strength and quality of reinsurers. In addition, a ceding company's own rating may be adversely affected by the lack of a rating of its reinsurer. Therefore, the lack of a rating may dissuade a ceding company from reinsuring with us and may influence a ceding company to reinsure with a competitor of ours that has an insurance rating.

Our management has met with Best's, which has advised us that it expects to assign an initial financial strength rating of "A" (Excellent) to our operating subsidiaries upon the completion of the Public Offering and the receipt of the offering proceeds in line with certain representations we made to Best's. In addition, the rating assignment is contingent upon the funding of our operating subsidiaries to the levels indicated by our management as well as the execution of all pertinent transactions as detailed by this prospectus. The rating assignment further contemplates the initiation of certain capital support agreements between Platinum Holdings and its operating subsidiaries.

However, we may not obtain the "A" rating if we do not receive a sufficient amount of proceeds from the Public Offering in order to capitalize our operating subsidiaries at the levels we indicated to Best's, execute the transactions described in this prospectus or otherwise satisfy the conditions set by Best's for the assignment to us of such a rating.

Consolidation in the insurance industry could lead to lower margins for us and less demand for our reinsurance products and services.

The insurance industry is undergoing a process of consolidation as industry participants seek to enhance their product and geographic reach, client base, operating efficiency and general market power through merger and acquisition activities. These larger entities may seek to use the benefits of consolidation to, among other things, implement price reductions for their products and services. If competitive pressures compel us to reduce our prices, our operating margins would decrease.

As the insurance industry consolidates, competition for customers may become more intense and the importance of acquiring and properly servicing each customer will become greater. We could incur greater expenses relating to customer acquisition and retention, which could reduce our operating margins. In addition, insurance companies that merge may be able to enhance their negotiating position when buying reinsurance and may be able to spread their risks across a consolidated, larger capital base so that they require less reinsurance.

We are dependent on key executives.

Our success will depend in substantial part upon the continued service of Steven H. Newman as our Chairman of the Board of Directors and Jerome T. Fadden as our President and Chief Executive Officer. Mr. Fadden's employment contract will expire on March 4, 2007 unless extended. Mr. Newman will serve as a consultant to Platinum US through March 1, 2005 unless his consulting contract is extended. Our success will also depend on our ability to attract and retain additional

executives and underwriting personnel. We believe that there are only a limited number of available, qualified executives in the reinsurance industry, and our inability to hire additional senior executives or the loss of the services of any of our senior executives could delay or prevent us from fully implementing our business strategy and could significantly and negatively affect our business.

Under Bermuda law, non-Bermudians (other than spouses of Bermudians) may not engage in any gainful occupation in Bermuda without a work permit. None of our executive officers is a Bermudian, and all such officers will be working in Bermuda under work permits. Mr. Fadden has obtained a temporary work permit, and we are seeking longer-term work permits from the Bermuda authorities for him as well as for Michael E. Lombardozzi, William A. Robbie and any other persons who will be employees of Platinum Holdings or Platinum Bermuda who are not Bermuda citizens. The Bermuda government recently announced a new policy that places a six-year term limit on individuals with work permits, subject to certain exemptions for key employees. It is possible that we could lose the services of one or more of these people if we are unable to obtain or renew their work permits, which could significantly and adversely affect our business.

The occurrence of severe catastrophic events may have a material adverse effect on our financial results and financial condition.

Because we intend to underwrite property and casualty reinsurance and will have large aggregate exposures to natural and man-made disasters, we expect that our loss experience generally will include infrequent events of great severity. The frequency and severity of catastrophe losses are inherently unpredictable. Consequently, the occurrence of losses from catastrophic events is likely to cause a material adverse effect on our results of operations and financial condition. For example, St. Paul Re recorded pre-tax catastrophe losses of $135 million in 2000 and $143 million in 1999, materially impacting its results of operations during those years. In addition, catastrophes are an inherent risk of our business and a catastrophe or series of catastrophes can be expected to have a material adverse effect on our ability to write new business, and our financial condition and results of operations, possibly to the extent of eliminating our shareholders' equity and statutory surplus (which is the amount remaining after all liabilities, including loss reserves, are subtracted from all admitted assets, as determined under statutory accounting principles, which are the principles prescribed or permitted by U.S. insurance regulatory authorities). Increases in the values and geographic concentrations of insured property and the effects of inflation have historically resulted in increased severity of industry losses in recent years and we expect that those factors will increase the severity of catastrophe losses in the future.

Under the Quota Share Retrocession Agreements, St. Paul retains recorded underwriting gain or loss with respect to the Assumed Reinsurance Contracts for the period from January 1, 2002 to the transfer date, which is 12:01 a.m. on the day immediately following the date of completion of the Public Offering. In addition, St. Paul will retain all liabilities relating to the flooding in Europe in August 2002, which included $30 million in losses for the nine months ended September 30, 2002. With respect to "named storms" (which are any Tropical Prediction Center-designated named storms), in existence at the time of the completion of the Public Offering which cause insured damage within ten days subsequent to such time, we will bear losses of up to $25 million in the aggregate, net of recoveries from the retrocessional reinsurance purchased by St. Paul that inures to our benefit. St. Paul will bear losses in respect of such storms that are, in the aggregate, and net of recoveries, subject to specified exceptions, from such retrocessional reinsurance, in excess of $25 million up to $50 million. We also will bear all losses, in the aggregate and net of recoveries from such retrocessional reinsurance, in excess of $50 million in respect of such storms. We have purchased third party retrocessional coverage in an amount up to $100 million for losses in excess of $50 million, in the aggregate, net of inuring retrocessions, with respect to damage that occurs during the 15-day period beginning at 12:01 a.m. on the day of pricing of the Public Offering, as a

result of named storms in existence at that time but not yet in existence as of October 10, 2002. We will bear $2.5 million of the cost of this coverage, with St. Paul bearing the remainder of its cost.

Accordingly, St. Paul retains underwriting losses, if any, with respect to catastrophes arising before the transfer date to the extent reserves are established therefor as of such date (as determined 90 days after such date). Platinum bears all underwriting loss from catastrophes occurring on or after the transfer date (other than the intermediate $25 million layer of coverage borne by St. Paul with respect to specified named storms, on the terms described above), and any underwriting loss or gain resulting from reestimation of catastrophe losses established by St. Paul as of the transfer date (other than with respect to the August 2002 European floods and the intermediate $25 million layer of coverage borne by St. Paul with respect to specified named storms, on the terms described above). Under the Quota Share Retrocession Agreements, premiums attributable to policy periods prior to the transfer date and future premiums with respect to flooding in Europe in August 2002 are retained by St. Paul, and premiums attributable to periods on or following the transfer date are for Platinum's benefit. Consistent with St. Paul's accounting practices, St. Paul and Platinum intend to allocate 2002 premiums attributable to catastrophe coverage before and after the transfer date between themselves on a pro rata basis over the applicable policy period, without adjustment for seasonality that exists for certain catastrophe losses. Certain catastrophic events, such as hurricane and windstorm exposure in North America, tend to occur more frequently in the latter half of the calendar year. Accordingly, Platinum's premium income attributable to certain catastrophe coverages and earned in the period following the time of effectiveness of the Quota Share Retrocession Agreements may not, due to seasonality among other factors, sufficiently match Platinum's exposure to losses from certain catastrophic events which may occur in the remaining part of 2002. As of the day prior to the date of this preliminary prospectus, there was one "named storm", which could cause us to be liable for substantial catastrophic losses immediately following the completion of the Public Offering despite the sharing arrangement with St. Paul, and such number of "named storms" could increase or decrease prior to the date of the final prospectus for this Public Offering or the completion of the Public Offering itself.

The September 11, 2001 terrorist attack may result in government intervention impacting the insurance and reinsurance markets.

In response to the tightening of supply in certain insurance markets resulting from, among other things, the terrorist attack of September 11, 2001, the U.S. government and other governments may intervene in the insurance and reinsurance markets. Following the September 11, 2001 terrorist attack, various proposed legislation that is designed to ensure the availability of insurance coverage for terrorist acts has been introduced in the U.S. Congress. Legislation has been adopted in the U.S. House of Representatives designed, among other things, to provide federal government loans over a short-term period to commercial insurers and reinsurers for funding losses arising from terrorist acts against U.S. properties, which loans would be repaid through industry assessments and, if losses exceed a threshold, policyholder assessments. Similar, alternative legislation has been adopted in the U.S. Senate; the Senate legislation provides for direct government assistance to commercial insurers and reinsurers for covered losses that exceed a per-company "deductible." We cannot predict whether any such legislation will be enacted or what form it may take. You should note that governmental intervention could significantly and adversely affect us by, among other things:

- providing competing insurance and reinsurance capacity in the markets and to the customers we expect to target;

- regulating the terms of insurance and reinsurance capacity and reinsurance policies in a manner that could significantly and adversely affect us, directly or indirectly, by requiring

  coverage for terrorist acts to be offered by insurers and reinsurers, benefiting our competitors, reducing the demand for our products or benefiting insurers as compared to reinsurers such as ourselves;

providing sources of liquidity to U.S. companies that may not be available to our non-U.S. subsidiaries; or

otherwise disproportionally benefiting U.S. or other foreign countries' companies over Bermuda-based companies such as Platinum Holdings and its Bermuda subsidiary.

The September 11, 2001 terrorist attack has caused uncertainty as to future insurance and reinsurance coverage for terrorist acts, and we may in the future have substantial exposure to such acts.

Following the terrorist attack of September 11, 2001, there is uncertainty in the insurance and reinsurance markets about the extent to which future coverages will extend to terrorist acts. There is also uncertainty about the definition of terrorist acts. We believe that coverage of claims that are the result of terrorist acts (as they are ultimately defined by industry and government standards) will generally be excluded from property catastrophe reinsurance contracts covering large commercial risks above specified property values, but generally will not be excluded for smaller commercial coverages, personal lines written for individuals or families or other coverages. Accordingly, we presently continue to incur exposure to terrorist acts. The extent to which coverage for terrorist acts will be offered by the insurance and reinsurance markets in the future is uncertain. Coverage for losses resulting from terrorist acts may be offered separately in the reinsurance market, and we may or may not offer such coverage in the future. If our and the insurance industry's attempts to exclude terrorist acts from contracts covering large commercial risks that exceed specified values were to fail, we could incur large unexpected losses if further terrorist attacks occur.

The failure to be effective of any of the loss limitation methods we employ could have a material adverse effect on our financial condition or our results of operations.

Our property and casualty reinsurance contracts cover unpredictable events such as hurricanes, windstorms, hailstorms, earthquakes, volcanic eruptions, fires, industrial explosions, freezes, riots, floods and other natural or man-made disasters. We intend to seek to limit our loss exposure by writing the majority of our products on an excess-of-loss basis. We also intend to limit the aggregate amount of all treaties for each client and to execute prudent underwriting of each program written. In the case of treaties where we reinsure a proportionate part of premiums and losses, which are referred to as pro rata or proportional treaties, we intend to seek per occurrence limitations or caps on the ratio of losses to premiums, which are referred to as loss cap ratios, to limit the impact of losses from any one event. A limited number of the Assumed Reinsurance Contracts do not contain these limits, which means that there is no contractual limit to the losses that we may be required to pay pursuant to such Assumed Reinsurance Contracts. In addition, we intend to seek to limit our loss exposure by geographic diversification. Geographic zone limitations involve significant underwriting judgments, including the specification of the areas constituting the zones and the inclusion of a particular policy within a particular zone's limits. Various provisions of our policies, such as limitations or exclusions from coverage or choice of forum, may not be enforceable in the manner we intend, due to, among other things, disputes relating to coverage and choice of legal forum. Underwriting is a matter of judgment, involving important assumptions about matters that are inherently unpredictable and beyond our control, and for which historical experience and probability analysis may not provide sufficient guidance. One or more catastrophic or other events could result in claims that substantially exceed our expectations, which could have a material adverse effect on our financial condition or our results of operations, possibly to the extent of eliminating our shareholders' equity and statutory surplus. St. Paul Re recorded net pretax

losses of $556 million as a result of the September 11, 2001 terrorist attack, the most significant catastrophe to date for the property-casualty insurance industry. Contributing to the significance of these losses were certain contracts having occurrence limits that excluded natural perils but not man-made disasters. Had these occurrence limits excluded man-made disasters, St. Paul Re's losses would have been approximately $25 million lower.

We intend to purchase retrocessional reinsurance, which will subject us to credit risk and may become unavailable on acceptable terms.

In order to limit the effect on our financial condition of large and multiple losses, we intend to buy retrocessional reinsurance, which is reinsurance for our own account. From time to time, market conditions have limited, and in some cases have prevented, insurers and reinsurers from obtaining the types and amounts of reinsurance which they consider adequate for their business needs. As a result of the September 11, 2001 terrorist attack, both pricing and terms have become more severe in the retrocessional reinsurance market, which may limit our ability to obtain desired amounts of retrocessional reinsurance at acceptable pricing. If we are unable to obtain retrocessional reinsurance, our financial position and results of operations may be materially adversely affected. Moreover, the September 11, 2001 terrorist attack, threats of further terrorist attacks and the military initiatives and political unrest in Afghanistan, the Middle East and the surrounding regions have adversely affected general economic, market and political conditions, increasing many of the risks of our business. Over time, the rating agencies could re-examine the ratings affecting our industry. We may not be able to obtain our desired amounts of retrocessional reinsurance on acceptable terms. St. Paul Re had retrocessional arrangements through St. Paul, and we may not be able to obtain replacement agreements. Even if we are able to obtain such retrocessional reinsurance, we may not be able to negotiate terms as favorable to us as the terms that St. Paul Re was able to obtain through St. Paul in prior years. Loss of all or portions of our retrocessional coverage could subject us to increased exposure, which could be material.

A retrocessionaire's insolvency or its inability or unwillingness to make payments under the terms of its reinsurance treaty with us could have a material adverse effect on us. Therefore, our retrocessions subject us to credit risk because the ceding of risk to retrocessionaires does not relieve a reinsurer of its liability to the ceding companies.

If we are required to increase our loss reserves, our operating results will be adversely affected.

At any time, our loss reserves may prove to be inadequate to cover our actual losses and benefits experience. To the extent loss reserves may be insufficient to cover actual losses or loss adjustment expenses, we will have to add to these loss reserves and incur a charge to our earnings, which could have a material adverse effect on our financial condition, results of underwriting and cash flows. St. Paul Re has experienced such instances where a re-estimation of loss reserves has proved to be material and, in 2001, recorded a net additional provision of $95 million related to losses incurred in prior years. This provision reflected worse than expected loss emergence in St. Paul Re's North American Property segment, largely driven by certain property business underwritten through its London office, and in the surplus lines business. We could experience adverse development on our loss reserves, including those initially established by St. Paul Re and transferred to us pursuant to the Quota Share Retrocession Agreements.

Our loss reserves will not represent an exact calculation of liability, but rather will be estimates of the expected cost of the ultimate settlement of losses. We expect that all of our loss reserve estimates will be based on actuarial and statistical projections at a given time, of facts and circumstances known at that time and estimates of trends in loss severity and other variable factors,

including new concepts of liability and general economic conditions. Changes in these trends or other variable factors could result in claims in excess of our loss reserves.

Unforeseen losses, the type or magnitude of which we cannot predict, may emerge in the future. These additional losses could arise from changes in the legal environment, catastrophic events, extraordinary events affecting our clients such as reorganizations and liquidations or changes in general economic conditions.

In addition, because we, like other reinsurers, will not separately evaluate each of the individual risks assumed under reinsurance treaties, we will be largely dependent on the original underwriting decisions made by ceding companies. We will be subject to the risk that our ceding companies may not have adequately evaluated the risks to be reinsured and that the premiums ceded to us may not adequately compensate us for the risks we assume.

Under U.S. GAAP, Platinum US, Platinum UK and Platinum Bermuda will not be permitted to establish loss reserves until an event occurs which may give rise to a loss. Once such an event occurs, reserves will be established based upon estimates of the total losses incurred by the ceding insurers and an estimate of the portion of such loss our three operating subsidiaries have reinsured. As a result, only loss reserves applicable to losses incurred up to the reporting date may be set aside, with no allowance for the provision of a contingency reserve to account for expected future losses. Losses arising from future events will be estimated and recognized at the time the loss is incurred and could be substantial.

The property and casualty reinsurance business is historically cyclical, and we expect to experience periods with excess underwriting capacity and unfavorable pricing.

Historically, property and casualty reinsurers have experienced significant fluctuations in operating results. Demand for reinsurance is influenced significantly by underwriting results of primary insurers and prevailing general economic and market conditions, all of which affect cedents' decisions as to the amount or portion of risk that they retain for their own accounts and consequently reinsurance premium rates. The supply of reinsurance is related to prevailing prices, the levels of insured losses and levels of industry surplus which, in turn, may fluctuate in response to changes in rates of return on investments being earned in the reinsurance industry. As a result, the property and casualty reinsurance business historically has been a cyclical industry characterized by periods of intense price competition due to excessive underwriting capacity as well as periods when shortages of capacity permitted favorable premium levels. We can expect to experience the effects of such cyclicality.

The cyclical trends in the industry and the industry's profitability can also be affected significantly by volatile and unpredictable developments, including what management believes to be a trend of courts to grant increasingly larger awards for certain damages, natural disasters (such as catastrophic hurricanes, windstorms, tornadoes, earthquakes and floods), fluctuations in interest rates, changes in the investment environment that affect market prices of and income and returns on investments and inflationary pressures that may tend to affect the size of losses experienced by primary insurance companies. Although market conditions have improved recently with respect to some lines of property and casualty reinsurance, we cannot predict whether market conditions will continue to improve, remain constant or deteriorate. A return to negative market conditions may affect our ability to write reinsurance at rates that we consider appropriate relative to the risk assumed. If we cannot write property and casualty reinsurance at appropriate rates, our ability to transact reinsurance business would be significantly and adversely affected.

A significant amount of our invested assets will be subject to market volatility.

Our investment portfolio will consist initially of fixed income securities and, in the future, may include marketable equity securities. The fair market value of these assets and the investment income from these assets will fluctuate depending on general economic and market conditions. Fixed income and equity markets have become increasingly volatile in the last year and particularly since the events of September 11, 2001. Because substantially all of our invested assets will be classified as available for sale, changes in the market value of our securities will be reflected in our consolidated balance sheet. In addition, market fluctuations and market volatility will affect the value of our investment portfolio and could adversely affect our liquidity.

Increases in interest rates or fluctuations in currency exchange rates may cause us to experience losses.

Because of the unpredictable nature of losses that may arise under reinsurance policies, our liquidity needs can be expected to be substantial and to arise at any time. The market value of our fixed income investments will be subject to fluctuation depending on changes in various factors, including prevailing interest rates. We expect to hedge our investment portfolio against interest rate risk. Nevertheless, increases in interest rates during periods when we sell fixed income securities to satisfy liquidity needs may result in losses.

Our functional currency will be the U.S. dollar. Our operating currency generally will also be the U.S. dollar. However, the premiums receivable and losses payable in respect of a portion of our business will be denominated in currencies of other countries, principally the industrialized countries. Consequently, we may, from time to time, experience exchange gains and losses that could affect our financial position and results of operations. We do not expect to and as a practical matter will not be able to hedge our foreign currency exposure with respect to potential losses until a loss payable in a foreign currency occurs (after which we may match such liability with assets denominated in the same currency or enter into forward purchase contracts for specific currencies). This type of exposure could be substantial. We also do not intend to hedge our non-U.S. dollar currency exposure with respect to premiums receivable, which will be generally collected over the relevant contract term. We expect to exchange non-U.S. dollar denominated premiums upon receipt. We may make foreign currency denominated investments, generally for the purpose of improving overall portfolio yield.

Platinum UK will not be licensed in the United Kingdom at the time of completion of the Public Offering, and any license, if obtained, may be subject to limitations on Platinum UK's operations.

Platinum UK has applied to the FSA to write the business conducted by St. Paul Re in the United Kingdom. Platinum UK will not be licensed by the FSA at the time of the completion of the Public Offering. The issuance of the license is at the discretion of the FSA and we may not be able to obtain such a license. St. Paul Re has agreed that it will continue to write reinsurance in the United Kingdom, at the direction of Platinum UK, in cases where we are unable to underwrite that business ourselves because, despite using our reasonable best efforts, we have not obtained the necessary regulatory license or approval to do so or we have not yet been approved as a reinsurer by the cedent. We will reinsure all such business, together with certain other business written by St. Paul Re UK since January 1, 2002. If Platinum UK does not obtain a license by the first anniversary of the completion of the Public Offering, or if the license it obtains contains material limitations, or if we determine to terminate or significantly reduce our operations in the U.K., our results of operations could be materially adversely affected, and we may not be able to conduct our UK operations in the manner described in this prospectus.

We may not be able to satisfy the conditions to borrowing under our committed credit facility, and failure to do so would limit our liquidity.

We have entered into a 364 day committed credit facility with a group of banks that will permit us to make borrowings of up to $100 million in the aggregate from time to time. The credit facility contains various covenants and agreements, including a requirement that we satisfy specified tangible net worth and leverage ratios. It is a condition to our ability to borrow under the credit facility that we have received not less than $825 million of aggregate proceeds (net of the underwriters' discount) from the sale of our Common Shares in the Public Offering, the RenaissanceRe Investment and the Cash Contribution. Assuming an initial public offering price of $22.00 per Common Share (the low end of the range stated on the front cover page), a Cash Contribution of $121 million and proceeds of $83 million from the RenaissanceRe Investment, and assuming no exercise of the underwriters', St. Paul's or RenaissanceRe's options to purchase additional Common Shares in connection with the Public Offering, we expect to receive aggregate net proceeds of approximately $829 million from the Public Offering, the Cash Contribution and the RenaissanceRe Investment. We may not raise net proceeds in such amount, and if we fail to do so we will be unable to borrow under the facility. In addition, we may not be able to extend or replace this credit facility on satisfactory terms when it terminates on June 20, 2003. Failure to satisfy the conditions to borrowing under our credit facility, or to extend or replace it when it expires, would limit Platinum Holdings' liquidity to the net proceeds of the Public Offering, the RenaissanceRe Investment and the Cash Contribution retained by it and dividends, if any, received from Platinum US, Platinum UK and Platinum Bermuda unless we arrange for other sources of liquidity.

We do not yet have in place a letter of credit facility, and failure to arrange for such a facility could affect our ability to compete for certain business.

We do not yet have in place a letter of credit facility. Many U.S. jurisdictions do not permit insurance companies to take credit for reinsurance obtained from unlicensed or non-admitted insurers on their U.S. statutory financial statements without appropriate security, which can include a letter of credit. Platinum UK and Platinum Bermuda will not be licensed in any U.S. jurisdiction, and Platinum US will not be licensed in certain U.S. jurisdictions. If we fail to obtain a letter of credit, and are unable to otherwise provide the necessary security, insurance companies may be less willing to purchase our reinsurance products than if we had a letter of credit. If this is the case, there may be a material adverse effect on our results of operations. If and when we seek to obtain a letter of credit, we may not be able to obtain one upon terms acceptable to us.

Platinum Holdings is a holding company and, consequently, it is dependent on the payment of cash dividends or the extension of loans by Platinum US, Platinum UK and Platinum Bermuda.

Platinum Holdings is a holding company that will conduct no reinsurance operations of its own. All operations will be conducted by its wholly-owned operating subsidiaries, Platinum US, Platinum UK and Platinum Bermuda. As a holding company, Platinum Holdings' cash flow will consist primarily of dividends, interest and other permissable payments from its subsidiaries. Platinum Holdings will depend on such payments to receive funds for general corporate purposes and to meet its obligations, including the payment of any dividends to its shareholders. Additionally, under the Bermuda Companies Act 1981, Platinum Holdings may declare or pay a dividend only if, among other things, it has reasonable grounds for believing that it is, or would after the payment be, able to pay its liabilities as they become due. For a discussion of the legal limitations on our subsidiaries' ability to pay dividends to Platinum Holdings, see "Management's Discussion and Analysis of Pro Forma Financial Condition and Underwriting Results Liquidity and Capital Resources Restrictions on Dividend Payments from Our Operating Subsidiaries" and "Business Regulation".

The regulatory system under which we operate, and potential changes thereto, could significantly and adversely affect our business.

Platinum Holdings. As the indirect parent of Platinum US, Platinum Holdings will be subject to the insurance holding company laws of Maryland, where Platinum US is organized and domiciled. This law generally requires the insurance holding company and each insurance company directly or indirectly owned by the holding company to register with the Maryland Insurance Commissioner and to furnish annually financial and other information. Generally, all transactions affecting the insurers in the holding company system must be fair and, if material, require prior notice and approval or non-disapproval by the Maryland Insurance Commissioner.

Platinum US. Platinum US is organized and domiciled in Maryland and licensed, authorized or accredited to write reinsurance in 24 states of the United States and is seeking licenses in eight additional states. State insurance laws regulate many aspects of its reinsurance business and state insurance departments in the licensure states will supervise its reinsurance operations. Its principal insurance regulatory authority will be the Maryland Insurance Commissioner. The purpose of the state insurance regulatory statutes is to protect insureds and ceding insurance companies, not our shareholders. Among other things, Maryland regulation requires Platinum US to maintain minimum levels of capital, surplus and liquidity, and imposes restrictions on payment of dividends and distributions. These statutes and regulations may, in effect, restrict the ability of Platinum US to write new business or, as indicated above, distribute funds to Platinum Holdings. In recent years, the state insurance regulatory framework has come under increased federal scrutiny, and some state legislators have considered or enacted laws that may alter or increase state authority to regulate insurance companies and insurance holding companies. Moreover, the National Association of Insurance Commissioners (NAIC), which is an association of the senior insurance regulatory officials of all 50 states and the District of Columbia, and state insurance regulators regularly reexamine existing laws and regulations, interpretations of existing laws and the development of new laws, which may be more restrictive or may result in higher costs to us than current statutory requirements.

Platinum UK. As described above, upon completion of the Public Offering, Platinum UK will not be authorized by the FSA to conduct insurance business in the U.K. However, if and when Platinum UK becomes an authorized person, its insurance business will be subject to close supervision by the FSA.

We expect the FSA will take a rigorous and proactive approach to its supervisory duties. Among other things, the FSA is seeking to strengthen its requirements for senior management arrangements, systems and controls by requiring insurance companies to maintain risk management teams, to determine and document policies for dealing with risks and to demonstrate how combinations of risks have been aggregated and mitigated. In addition, as part of an initiative to integrate regulation throughout the financial services sector, the FSA intends to place an increased emphasis on risk identification and management in relation to the prudential regulation of insurance businesses in the U.K.

Further, in July 2002 the FSA issued proposals aimed at ensuring adequate diversification of an insurer's or reinsurer's exposures to reinsurers (whether intra- or extra-group). The proposals are currently in draft form. If adopted in their current form, the proposals would limit the extent to which Platinum UK could reinsure business to Platinum Bermuda, and this could adversely affect our earnings. Final rules and guidance based on these proposals are expected to be implemented in 2004. However, substantial compliance with CP143 in its draft form is likely to be an effective condition for receiving FSA authorization. We are seeking consent from the FSA for Platinum Bermuda to reinsure up to approximately 55% of Platinum UK's reinsurance business, excluding business subject to the Quota Share Retrocession Agreements, written after the Public Offering;

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however, such consent may not be granted. See "Business Our Business Regulation U.K. Regulation Proposed Limits on Concentration of Reinsurance Exposures".

In addition, given that the framework for supervision of insurance companies in the U.K. is largely formed by European Union ("EU") directives (which are implemented by member states through national legislation), changes at the EU level may affect the regulatory scheme under which Platinum UK operates. A general review of EU insurance directives is currently in progress and may lead to changes such as increased minimum capital requirements.

Platinum Bermuda. Platinum Bermuda is a registered Bermuda insurance company and is subject to regulation and supervision in Bermuda. The applicable Bermuda statutes and regulations generally are designed to protect insureds and ceding insurance companies, not our shareholders. Platinum Bermuda is not registered or licensed as an insurance company in any jurisdiction outside Bermuda. Platinum Bermuda will conduct its business through its offices in Bermuda and will not maintain an office, and its personnel will not conduct any insurance activities in the U.S. or elsewhere. Although Platinum Bermuda does not believe it will be in violation of insurance laws of any jurisdiction outside Bermuda, inquiries or challenges to Platinum Bermuda's insurance activities may still be raised in the future.

Platinum Bermuda may be at a competitive disadvantage in jurisdictions where it is not licensed, authorized or accredited or does not enjoy an exemption from licensing. Platinum Bermuda may not be able to obtain any additional licenses, authorizations or accreditations or may be able to do so only at great cost. Many U.S. jurisdictions do not permit insurance companies to take credit for reinsurance obtained from unlicensed or non-admitted insurers on their U.S. statutory financial statements without appropriate security. We expect that Platinum Bermuda's reinsurance clients will typically require it to post a letter of credit or enter into other security arrangements, which will increase its costs of operations relative to reinsurers not required to do so. If Platinum Bermuda is unable to obtain a letter of credit facility on commercially acceptable terms or is unable to arrange for other types of security, its ability to operate its business may be severely limited.

The offshore insurance and reinsurance regulatory framework recently has become subject to increased scrutiny in many jurisdictions, including in the United States and in various states within the United States. In the past, there have been congressional and other proposals in the United States regarding increased supervision and regulation of the insurance industry, including proposals to supervise and regulate reinsurers domiciled outside the United States. If Platinum Bermuda were to become subject to any insurance laws and regulations of the United States or any U.S. state, which are generally more restrictive than those applicable to it in Bermuda, at any time in the future, it might be required to post deposits or maintain minimum surplus levels and might be prohibited from engaging in lines of business or from writing specified types of policies or contracts. Complying with those laws could have a material adverse effect on our ability to conduct business or our results of operations.

We will be dependent on the business provided to us by reinsurance brokers and we may be exposed to liability for brokers' failure to make payments to clients for their claims.

We intend to market most of our reinsurance products through reinsurance brokers. The reinsurance brokerage industry generally, and our sources of business specifically, are concentrated. On a pro forma basis, based on net premiums written during the six months ended June 30, 2002, the five brokers from which St. Paul Re derived the largest portions of its business (with the approximate percentage of our business derived from such brokers and their affiliates) are Aon Corporation (25.5%), Marsh & McLennan Companies (20.9%), Benfield Blanch Inc. (19.6%), Willis Group Holdings (9.4%) and Towers Perrin (3.0%). Loss of all or a substantial portion of the business provided by such intermediaries could have a material adverse effect on us. In addition, at least two of these brokers have announced their intention to form new Bermuda reinsurance

companies that may compete with us, and these brokers may favor their own reinsurers over other companies, including us.

In accordance with industry practice, we expect to frequently pay amounts owing in respect of claims under our policies to reinsurance brokers, for payment over to the ceding insurers. In the event that a broker fails to make such a payment, depending on the jurisdiction, we may remain liable to the ceding insurer for the deficiency. Conversely, in certain jurisdictions, when premiums for such policies are paid to reinsurance brokers for payment over to us, such premiums will be deemed to have been paid and the ceding insurer will no longer be liable to us for those amounts whether or not actually received by us. Consequently, we will assume a degree of credit risk associated with our brokers during the payment process.

Because we are dependent on certain contractual relationships with St. Paul, our principal shareholder, we may experience conflicts of interest with St. Paul that may be detrimental to our business.

Concurrently with the Public Offering, in return for the Cash Contribution and the contribution of the Transferred Business, we have agreed to issue 6,000,000 Common Shares to St. Paul and to grant to St. Paul the St. Paul Option, as described in more detail under "St. Paul Investment, RenaissanceRe Investment and Principal Shareholders". Following the Public Offering and the St. Paul Investment, St. Paul will own 15.0% of our Common Shares (which shares will be limited to 9.9% of the voting power of the outstanding Common Shares), and will be able, through exercise in full of the St. Paul Option, to increase its ownership to approximately 26.1% of our Common Shares, assuming no exercise of the underwriters', St. Paul's or RenaissanceRe's options to purchase additional Common Shares or of the RenaissanceRe Option. St. Paul has agreed with us that, prior to any exercise of the St. Paul Option, it will, if necessary, dispose of a sufficient number of Common Shares so that, immediately after exercise of the St. Paul Option, St. Paul will not be a "United States 25% Shareholder" as defined under "Description of Our Common Shares Restrictions on Transfer." St. Paul's interest in owning Common Shares may be different from that of other shareholders.

In connection with our formation, we have agreed with St. Paul and certain of its affiliates to enter into, among other things, a Formation and Separation Agreement, Master Services Agreements, Quota Share Retrocession Agreements, Run-off Services Agreements and Underwriting Management Agreements. These agreements, which we refer to as the "Inception Agreements", will become effective upon the completion of the Public Offering (except the Quota Share Retrocession Agreements which will take effect at 12:01 a.m. on the day immediately following the date of completion of the Public Offering) and will govern our relationship with St. Paul with respect to various intercompany services, which we and St. Paul will provide one another following the completion of the Public Offering. The terms of the Inception Agreements have been negotiated between Platinum and St. Paul but do not necessarily reflect terms that Platinum or St. Paul would agree to with an independent third party. Notwithstanding these contractual relationships, St. Paul (other than as restricted by the non-competition provisions of the Formation and Separation Agreement and of the UK Business Transfer Agreement), and its subsidiaries and affiliates, may from time to time compete with us, including by assisting or investing in the formation of other entities engaged in the insurance and reinsurance businesses. Conflicts of interest could also arise with respect to business opportunities that could be advantageous to St. Paul and any of its subsidiaries or affiliates, on the one hand, and us, on the other hand. Other than as specified in the Inception Agreements, St. Paul is under no obligation to deal with us on any basis other than arm's length or to treat us as a "preferred provider" or grant us any other preferential treatment. St. Paul or its subsidiaries or affiliates have entered, and may enter, into agreements and maintain relationships with numerous companies that may directly compete with us.

Risks Related to Our Common Shares

There is no prior public market for the Common Shares.

Prior to the Public Offering, there has been no public trading market for the Common Shares. If an active trading market does not develop and continue upon completion of the Public Offering, your investment may become less liquid and the market price of the Common Shares may decline, even below the initial public offering price. The initial public offering price per Common Share in the Public Offering will be determined by agreement among the Company, St. Paul and the representatives of the underwriters and may not be indicative of the market price of the Common Shares after the Public Offering. The Common Shares have been approved for listing on the New York Stock Exchange (the

"NYSE") under the symbol "PTP" subject to notice of issuance.

It may be difficult to enforce service of process and enforcement of judgments against us and our officers and directors.

We are a Bermuda company and certain of our officers and directors will be residents of various jurisdictions outside the U.S. A substantial portion of our assets and our officers and directors, at any one time, are or may be located in jurisdictions outside the U.S. Although we have irrevocably appointed CT Corporation System as an agent in New York, New York to receive service of process with respect to actions against us arising out of violations of the U.S. federal securities laws in any federal or state court in the U.S. relating to the transactions covered by this prospectus, it may be difficult for investors to effect service of process within the U.S. on our directors and officers who reside outside the U.S. or to enforce against us or our directors and officers judgments of U.S. courts predicated upon civil liability provisions of the U.S. federal securities laws.

Future sales of Common Shares may affect their market price.

Sales of substantial amounts of the Common Shares in the public market following the Public Offering, the St. Paul Investment and the RenaissanceRe Investment, or the perception that such sales could occur, could adversely affect the market price of the Common Shares and may make it more difficult for us to sell our equity securities in the future, or for shareholders to sell their Common Shares, at a time and price which they deem appropriate. Upon completion of the Public Offering, the St. Paul Investment and the RenaissanceRe Investment, there will be 40,000,000 Common Shares outstanding. In the event the underwriters' option to purchase an additional 4,506,000 Common Shares is exercised, St. Paul has the option to purchase (at a price per share equal to the initial public offering price less the underwriting discount) in the aggregate up to an additional 900,000 Common Shares in order to maintain the proportionate initial share ownership in the Company it obtained prior to the underwriters exercising their option to purchase additional Common Shares, and RenaissanceRe has the option to purchase (at a price per share equal to the initial public offering price less the underwriting discount) in the aggregate up to an additional 594,000 Common Shares in order to maintain the proportionate initial share ownership in the Company it obtained prior to the underwriters exercising their option to purchase additional Common Shares. As a result, if the underwriters' option to purchase additional Common Shares is exercised in full and these additional shares are purchased by St. Paul and RenaissanceRe, there would be 46,000,000 Common Shares outstanding upon completion of the Public Offering, the St. Paul Investment and the RenaissanceRe Investment. Furthermore, upon the settlement of the purchase contracts forming part of the equity security units on 2005, an additional number of Common Shares, to be determined based upon a settlement rate, will be sold to the holders of the equity security units. In that event, St. Paul and RenaissanceRe may exercise their pre-emptive rights to purchase a corresponding number of Common Shares to maintain their respective proportionate ownership interests in Platinum Holdings.

The Common Shares sold in the Public Offering and issuable to the holders of equity security units on , 2005 will be freely tradeable without restriction or future registration under the Securities Act of 1933, as amended (the "1933 Act"), by persons other than "affiliates" of the Company. The Common Shares issued in the St. Paul Investment and the RenaissanceRe Investment, the Common Shares issuable pursuant to the St. Paul Option and the RenaissanceRe Option, and the Common Shares St. Paul and RenaissanceRe may purchase pursuant to their pre-emptive rights upon the settlement of the purchase contracts forming part of the equity security units will be "restricted securities" within the meaning of the 1933 Act and may not be sold in the absence of registration under the 1933 Act or an exemption therefrom. St. Paul and RenaissanceRe have been granted rights to require the Company to register Common Shares they own. Platinum Holdings, its officers and directors, St. Paul and RenaissanceRe have agreed with the underwriters not to offer, sell, contract to sell, pledge, grant any option to purchase, hedge, make any short sale or otherwise dispose of any Common Shares or equity security units (including the related purchase contracts and senior notes), or any securities of the Company that are substantially similar to Common Shares or equity security units (including the related purchase contracts and senior notes), or any securities of Platinum Finance that are substantially similar to the senior notes, or any options or warrants to purchase any Common Shares or equity security units (including the related purchase contracts and senior notes), or any securities convertible into, exchangeable for or that represent the right to receive Common Shares or equity security units (including the related purchase contracts and senior notes) (and, with respect to the Company, other than the initial issuance of the equity security units to be offered and sold concurrently with this offering and the securities to be offered and sold in the St. Paul Investment and the RenaissanceRe Investment) during the period from the date of this Prospectus continuing to and including the date 180 days after the date of this prospectus, except with the prior written consent of Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Salomon Smith Barney Inc. and subject to other specified exceptions. See "Shares Eligible for Future Sale" for a discussion of certain transfer restrictions. RenaissanceRe has agreed with us that for a period of one year from the closing date of the Public Offering it will not sell, offer to sell, contract to sell or otherwise dispose of any Common Shares or any other securities convertible into or exercisable or exchangeable for any Common Shares or grant options to purchase any Common Shares, subject to certain limited exceptions. For a description of the St. Paul Investment and the RenaissanceRe Investment, see "St. Paul Investment, RenaissanceRe Investment and Principal Shareholders". For a description of St. Paul's pre-emptive rights, see "Certain Relationships and Related Transactions The St. Paul Investment Formation and Separation Agreement Pre-emptive Rights". For a description of RenaissanceRe's pre-emptive rights, see "Certain Relationships and Related Transactions The RenaissanceRe Investment Transfer Restrictions, Registration Rights and Standstill Agreement Pre-emptive Rights".

Our issuance of equity security units may have an adverse effect on the market for our Common Shares.

Concurrently with the Public Offering, we are offering $125 million of equity security units, plus up to an additional $18.75 million of equity security units if the underwriters' option to purchase additional equity security units is exercised in full. Any market that develops for our equity security units is likely to influence and be influenced by the market for our Common Shares. Investors in our equity security units may engage in transactions in our Common Shares in ways that adversely affect the price of our Common Shares, including the following:

- sales of our Common Shares by investors who prefer to invest in us by investing in our equity security units; and
- hedging an investment in our equity security units by selling our Common Shares.

Public investors will suffer immediate dilution.

In the St. Paul Investment, we will issue to St. Paul, as the consideration for the Cash Contribution and the Transferred Business, 6,000,000 Common Shares and the St. Paul Option. If the underwriters exercise their option to purchase additional Common Shares in full, St. Paul has the option to purchase up to 900,000 additional Common Shares at a price per share equal to the initial public offering price less the underwriting discount. We will record the assets contributed to us in the Transferred Business at their net book value. In the RenaissanceRe Investment, we will issue 3,960,000 Common Shares to RenaissanceRe at a price per share equal to the initial public offering price less the underwriting discount. As additional consideration, RenaissanceRe will receive the RenaissanceRe Option. If the underwriters and St. Paul exercise in full their options to purchase additional Common Shares in connection with the Public Offering, RenaissanceRe will have the option to purchase, at a price per share equal to the initial public offering price less the underwriting discount, up to 594,000 additional Common Shares at a price per share equal to the initial public offering price less the underwriting discount. As a result, the initial public offering price per Common Share will be higher than our net tangible book value per share. Accordingly, if you purchase Common Shares in the Public Offering, you will suffer immediate dilution of your investment. Based upon the issuance and sale of 30,040,000 Common Shares at an assumed initial public offering price of $22.50 (the midpoint of the range stated on the front cover page) an assumed Cash Contribution in the amount of $123 million (the midpoint of the $121 million to $126 million range for the Cash Contribution) and assumed proceeds from the RenaissanceRe investment of $84 million (the midpoint of the $83 million to $86 million range of those proceeds), you will incur immediate dilution of approximately $1.26 in the net tangible book value per Common Share (or $1.25 if the underwriters, St. Paul and RenaissanceRe exercise their options to purchase additional Common Shares in connection with the Public Offering in full).

There are limitations on the ownership, transfers and voting rights of our Common Shares.

Under our bye-laws, our directors are required to decline to register any transfer of Common Shares that would result in a person (or any group of which such person is a member), beneficially owning, directly or indirectly, 10% or more of the voting shares, or in the case of St. Paul and its subsidiaries, or RenaissanceRe and its subsidiaries, beneficially owning, directly or indirectly, 25% or more of such shares or of the total combined value of our issued shares. Similar restrictions apply to our ability to issue or repurchase shares. These restrictions on the transfer, issuance or repurchase of shares do not apply to any issuance of shares to a person (other than St. Paul and its subsidiaries and RenaissanceRe and its subsidiaries) pursuant to a contract to purchase Common Shares from Platinum Holdings included in the equity security units. The directors also may, in their discretion, decline to register the transfer of any shares if they have reason to believe (1) that the transfer may lead to adverse tax or regulatory consequences in any jurisdiction or (2) that the transfer would violate the registration requirements of the U.S. federal securities laws or of any other jurisdiction. These restrictions would apply to a transfer of shares even if the transfer has been executed on the NYSE. A transferor of Common Shares will be deemed to own those shares for dividend, voting and reporting purposes until a transfer of those Common Shares has been registered on our register of shareholders. We are authorized to request information from any holder or prospective acquiror of Common Shares as necessary to give effect to the transfer, issuance and repurchase restrictions referred to above, and may decline to effect any transaction if complete and accurate information is not received as requested.

In addition, our bye-laws generally provide that any person (or any group of which such person is a member) beneficially owning, directly or indirectly, shares carrying 10% or more of the total voting rights attached to all of our outstanding voting shares, will have the voting rights attached to its issued shares reduced so that it may not exercise 10% or more of such total voting rights. Because of the attribution provisions of the U.S. Internal Revenue Code of 1986, as amended (the

"Code"), and the rules of the Securities and Exchange Commission (the "SEC") regarding determination of beneficial ownership, this requirement may have the effect of reducing the voting rights of a shareholder whether or not such shareholder directly holds 10% or more of our Common Shares. Further, the directors have the authority to require from any shareholder certain information for the purpose of determining whether that shareholder's voting rights are to be reduced. Failure to respond to such a notice, or submitting incomplete or inaccurate information, gives the directors (or their designee) discretion to disregard all votes attached to that shareholder's Common Shares. See "Description of Our Common Shares".

The insurance law of Maryland prevents any person from acquiring control of us or of Platinum US unless that person has filed a notification with specified information with the Maryland Insurance Commissioner and has obtained his prior approval. Under the Maryland statute, acquiring 10% or more of the voting stock of an insurance company or its parent company is presumptively considered a change of control, although such presumption may be rebutted. Accordingly, any person who acquires, directly or indirectly, 10% or more of the voting securities of Platinum Holdings without the prior approval of the Maryland Insurance Commissioner will be in violation of this law and may be subject to injunctive action requiring the disposition or seizure of those securities by the Maryland Insurance Commissioner or prohibiting the voting of those securities and to other actions determined by the Maryland Insurance Commissioner. In addition, many U.S. state insurance laws require prior notification of state insurance departments of a change in control of a non-domiciliary insurance company doing business in that state. While these pre-notification statutes do not authorize the state insurance departments to disapprove the change in control, they authorize regulatory action in the affected state if particular conditions exist such as undue market concentration. Any future transactions that would constitute a change in control of Platinum Holdings may require prior notification in those states that have adopted preacquisition notification laws.

Common Shares may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act 1998 of Bermuda. In addition, sales of Common Shares to persons resident in Bermuda for Bermuda exchange control purposes may require the prior approval of the Bermuda Monetary Authority. Consent under the Exchange Act of 1972 (and regulations thereunder) has been obtained from the Bermuda Monetary Authority for the issue and transfer of the Common Shares being offered pursuant to this offering and between non-residents of Bermuda for exchange control purposes, provided our Common Shares remain listed on an appointed stock exchange, which includes the NYSE. This prospectus will be filed with the Registrar of Companies in Bermuda in accordance with Bermuda law. In giving such consent, and in accepting this prospectus for filing, neither the Bermuda Monetary Authority nor the Registrar of Companies accepts any responsibility for the financial soundness of any proposal or for the correctness of any of the statements made or opinions expressed herein.

The Financial Services and Markets Act 2000 ("FSMA") regulates the acquisition of "control" of any U.K. insurance company authorized under FSMA. Any company or individual that (together with its or his associates) directly or indirectly acquires 10% or more of the shares in the parent company of a U.K. authorized insurance company, or is entitled to exercise or control the exercise of 10% or more of the voting power in such a parent company, would be considered to have acquired "control" for the purposes of the relevant legislation, as would a person who had significant influence over the management of such parent company by virtue of his shareholding in it. A purchaser of more than 10% of the Common Shares would therefore be considered to have acquired "control" of Platinum UK.

Under FSMA, any person proposing to acquire "control" over a U.K. authorized insurance company must give prior notification to the FSA of his intention to do so. The FSA would then have three months to consider that person's application to acquire "control". In considering whether to

approve such application, the FSA must be satisfied both that the acquirer is a fit and proper person to have such "control" and that the interests of consumers would not be threatened by such acquisition of "control". Failure to make the relevant prior application would constitute a criminal offense.

The foregoing provisions of our bye-laws and legal restrictions will have the effect of rendering more difficult or discouraging unsolicited takeover bids from third parties or the removal of incumbent management.

Your investment could be materially adversely affected if we are deemed to be engaged in business in the U.S.

Platinum Holdings and Platinum Bermuda are Bermuda companies, Platinum UK is a U.K. company, and Platinum Ireland is an Irish company. We believe that Platinum Holdings, Platinum UK, Platinum Bermuda and Platinum Ireland will each operate in such a manner that none of these companies will be subject to U.S. tax (other than U.S. excise tax on reinsurance premiums and withholding tax on certain investment income from U.S. sources) because they will not be engaged in a trade or business in the U.S. Nevertheless, because definitive identification of activities which constitute being engaged in a trade or business in the U.S. is not provided by the Code or regulations or court decisions, the U.S. Internal Revenue Service (the "IRS") might contend that any of Platinum Holdings, Platinum UK, Platinum Bermuda or Platinum Ireland are/is engaged in a trade or business in the U.S. If Platinum Holdings, Platinum UK, Platinum Bermuda or Platinum Ireland were engaged in a trade or business in the U.S., and if Platinum UK, Platinum Bermuda or Platinum Ireland were to qualify for benefits under the applicable income tax treaty with the United States, but such trade or business were attributable to a "permanent establishment" in the U.S. (or in the case of Platinum Bermuda, with respect to investment income, arguably even if such income were not attributable to a "permanent establishment"), Platinum Holdings, Platinum UK, Platinum Bermuda and/or Platinum Ireland would be subject to U.S. tax at regular corporate rates on the income that is effectively connected with the U.S. trade or business, plus an additional 30% "branch profits" tax on such income remaining after the regular tax in certain circumstances, in which case our earnings and your investment could be materially adversely affected.

If you acquire 10% or more of the Common Shares, CFC rules may apply to you.

Under the Code, each "United States shareholder" of a foreign corporation that is a "controlled foreign corporation" ("CFC") for an uninterrupted period of 30 days or more during a taxable year, and who owns shares in the CFC on the last day of the CFC's taxable year 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. For these purposes, any U.S. person who owns, directly or indirectly through a foreign entity or through the constructive ownership rules of the Code, 10% or more of the total combined voting power of all classes of stock of a foreign corporation will be considered to be a "United States shareholder". In general, a foreign insurance company such as Platinum UK or Platinum Bermuda is treated as a CFC only if such "United States shareholders" collectively own more than 25% of the total combined voting power or total value of our stock. St. Paul will actually own approximately 15% (and will, after applying the constructive ownership rules of the Code, own no more than 24.9%) of the Common Shares upon completion of this offering, assuming no exercise of the underwriters' option to purchase additional Common Shares, although, pursuant to our bye-laws, the combined voting power of these shares is limited to approximately 9.9% of the combined voting power of all Common Shares. We expect that, because of the limitations on concentration of voting power of our Common Shares, the dispersion of our share ownership among holders other than St. Paul, the provisions for directed voting on matters requiring action by the shareholders of Platinum Bermuda, Platinum Ireland and Platinum UK (including the election of the members of their boards of directors) and the restrictions on

transfer, issuance or repurchase of the Common Shares, you will not be subject to treatment as a "United States shareholder" of a CFC. In addition, because under our bye-laws no single shareholder (including St. Paul) is permitted to exercise, after taking into account Common Shares constructively owned or held indirectly through a foreign entity, as much as 10% of the total combined voting power of the Company, you should not be viewed as a "United States shareholder" of a CFC for purposes of these rules. However, these rules could apply to you. Accordingly, U.S. persons who might, directly, or indirectly through a foreign entity or through the constructive ownership rules of the Code, acquire or be deemed to acquire 10% or more of our Common Shares should consider the possible application of the CFC rules.

Under certain circumstances, you may be required to pay taxes on your pro rata share of Platinum Bermuda's and Platinum UK's related person insurance income.

If Platinum UK's or Platinum Bermuda's related person insurance income ("RPII") were to equal or exceed 20% of Platinum UK's or Platinum Bermuda's gross insurance income in any taxable year and direct or indirect insureds (and persons related to such insureds) own (or are treated as owning directly or indirectly) 20% or more of the voting power or value of the shares of Platinum UK or Platinum Bermuda, a U.S. person who owns the Common Shares of Platinum Holdings directly or indirectly on the last day of the taxable year would be required to include in its income for U.S. federal income tax purposes the shareholder's pro rata share of Platinum UK's or Platinum Bermuda's RPII for the entire taxable year, determined as if such RPII were distributed proportionately to such United States shareholders at that date regardless of whether such income is distributed. In addition, U.S. tax-exempt organizations would be required to treat RPII as unrelated business taxable income if Platinum UK's or Platinum Bermuda's RPII equaled or exceeded 20% of Platinum UK's or Platinum Bermuda's gross insurance income in any taxable year. The amount of RPII earned by Platinum UK or Platinum Bermuda (generally, premium and related investment income from the direct or indirect insurance or reinsurance of any direct or indirect U.S. shareholder of Platinum UK or Platinum Bermuda or any person related to such shareholder, including St. Paul) will depend on a number of factors, including the geographic distribution of Platinum UK's or Platinum Bermuda's business and the identity of persons directly or indirectly insured or reinsured by Platinum UK or Platinum Bermuda. Some of the factors which determine the extent of RPII in any period may be beyond Platinum UK's or Platinum Bermuda's control. Consequently, Platinum UK's or Platinum Bermuda's RPII could equal or exceed 20% of its gross insurance income in any taxable year and ownership of its shares by direct or indirect insureds and related persons could equal or exceed the 20% threshold described above.

The RPII rules provide that if a shareholder who is a U.S. person disposes of shares in a foreign insurance corporation that has RPII (even if the amount of RPII is less than 20% of the corporation's gross insurance income) and in which U.S. persons own 25% or more of the shares, any gain from the disposition will generally be treated as ordinary income to the extent of the shareholder's share of the corporation's undistributed earnings and profits that were accumulated during the period that the shareholder owned the shares (whether or not such earnings and profits are attributable to RPII). In addition, such a shareholder will be required to comply with certain reporting requirements, regardless of the amount of shares owned by the shareholder. These rules should not apply to dispositions of Common Shares because Platinum Holdings will not itself be directly engaged in the insurance business and because proposed U.S. Treasury regulations appear to apply only in the case of shares of corporations that are directly engaged in the insurance business. However, the IRS might interpret the proposed regulations in a different manner and the applicable proposed regulations may be promulgated in final form in a manner that would cause these rules to apply to dispositions of our Common Shares.

Changes in U.S. federal income tax law could materially adversely affect shareholders' investment.

Recently proposed U.S. legislation targeting so-called "inversion transactions" would under certain circumstances treat a foreign corporation as a U.S. corporation for U.S. federal income tax purposes and under other circumstances would require obtaining IRS approval of the terms of related-party transactions. In addition, interest deductions on debt borrowed from or guaranteed by a related non-U.S. party would be more severely limited than under existing so-called "earnings stripping" provisions.

The Company and its subsidiaries would appear generally not to be subject to the proposed legislation directed at inversion transactions as currently drafted. However, the proposed changes to the earnings stripping provisions could impose significant restrictions on the amount of interest deductible by the Company's U.S. subsidiaries on certain debt owed to or guaranteed by related non-U.S. parties (including the surplus note to be issued by Platinum US to Platinum Ireland and the senior notes to be issued by Platinum Finance and guaranteed by the Company). We cannot predict whether the proposed legislation (or any similar legislation) will be enacted or, if enacted, what the specific provisions or the effective date of any such legislation would be, or whether it would have any effect on the Company or its subsidiaries.

If the inversion legislation were enacted and made applicable to the Company and its subsidiaries, we could be treated as a U.S. corporation. If we were treated as a U.S. corporation, we would be subject to taxation in the U.S. at regular corporate rates, in which case our earnings and shareholders' investments would be materially adversely affected. In addition, the U.S. tax consequences to our shareholders would be significantly different from those described below in "Certain Tax Considerations Taxation of Shareholders United States Taxation of U.S. and Non-U.S. Shareholders". If the inversion legislation were to so apply, however, the earnings stripping provisions would, if also enacted, be inapplicable to the extent the non-U.S. related-party lender or guarantor was treated as a U.S. corporation under the inversion legislation. Prospective investors should consult their tax advisors regarding the U.S. tax consequences to them, in their particular circumstances, if we were treated as a U.S. corporation.

In addition, a bill has been introduced in the House of Representatives that would effectively deny by deferring for an extended period a U.S.-based insurer or reinsurer that reinsures or retrocedes a portion of its risk with or to a related foreign-based reinsurer or retrocedent in a low tax rate jurisdiction (such as Bermuda) a deduction for the portion of the insurance or reinsurance premium ceded to the related foreign-based party, thereby effectively subjecting all of the premium income to U.S. tax. Moreover, a senior official of the U.S. Treasury Department has also identified related party reinsurance arrangements as an area that requires study because it may result in an inappropriate shift of income from a U.S. corporate group to its foreign affiliates, implying that, were that to be the conclusion of such a study, legislation, possibly in the form of legislation imposing a premium-based tax, might be needed. Enactment of legislation of either type could materially adversely affect our earnings and shareholders' investments.

We may become subject to taxes in Bermuda after 2016.

We have received a standard assurance from the Bermuda Minister of Finance, under Bermuda's Exempted Undertakings Tax Protection Act 1966, 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 us or to any of our operations or our shares, debentures or other obligations until March 28, 2016. Consequently, if our Bermuda tax exemption is not extended past March 28, 2016, we may be subject to any Bermuda tax after that date. For more information

on Bermuda taxation of Platinum Holdings and Platinum Bermuda, see "Certain Tax Considerations".

Bermuda could be subject to sanctions by a number of multinational organizations which could adversely affect Bermuda companies.

A number of multinational organizations, including the EU, the Organization for Economic Cooperation and Development ("OECD"), including its Financial Action Task Force, and the Financial Stability Forum have all recently identified certain countries as blocking information exchange, engaging in harmful tax competition or not maintaining adequate controls to prevent corruption, such as money laundering activities. Recommendations to limit such harmful practices are under consideration by these organizations, and a recent report published on November 27, 2001 by the OECD contains an extensive discussion of specific recommendations. The OECD has threatened non-member jurisdictions that do not agree to cooperate with the OECD with punitive sanctions by OECD member countries. It is unclear what these sanctions will be and if they will be imposed. Bermuda has committed to a course of action to enable compliance with the requirements of these multinational organizations. However, the action taken by Bermuda may not be sufficient to preclude all effects of the measures or sanctions described above, which if ultimately adopted could adversely affect Bermuda companies such as Platinum Holdings and Platinum Bermuda.

Some of the statements contained in this prospectus, including those using words such as "believes", "expects", "intends", "estimates", "projects", "predicts", "assumes", "anticipates", "plans" and "seeks", and variations thereof, are forward-looking statements. Forward-looking statements are statements other than of historical fact. Since Platinum has no history of operations, most of the statements relating to Platinum and its business, including statements relating to its competitive strengths and business strategies, are forward-looking statements. These forward-looking statements are subject to risks and uncertainties and are not a guarantee of future performance. In light of these risks and uncertainties, actual results may differ materially from those suggested by the forward-looking statements for various reasons, including those discussed in this section. We may not be able to conduct our business successfully, execute our strategies effectively or achieve our financial and other objectives.

As with any common stock investment, the price of our Common Shares may fluctuate widely depending on many factors, including:

- *the perceived prospects of our business in particular and the insurance, asset management, securities and financial services industries generally;*
- *differences between our actual financial and operating results and those expected by investors and analysts;*
- *changes in analysts' recommendations or projections;*
- *changes in general economic, market and political conditions; and*
- *broad market and interest rate fluctuations.*

DILUTION

Net tangible book value per Common Share represents the amount of tangible assets less total liabilities, divided by the number of Common Shares outstanding. Dilution in net tangible book value per Common Share represents the difference between the amount per Common Share paid by purchasers of our Common Shares in the Public Offering and the net tangible book value per Common Share, immediately after the Public Offering. Because St. Paul will make the Cash Contribution and contribute the Transferred Business, having a net tangible book value of approximately $11 million as of June 30, 2002, in return for its Common Shares and the St. Paul Option, because we will record the assets so contributed at their net book value, and because RenaissanceRe will pay a purchase price per share equal to the initial public offering price less the underwriting discount in the RenaissanceRe Investment, the initial public offering price per Common Share will be higher than our net tangible book value per share. Accordingly, if you purchase Common Shares in the Public Offering, you will suffer immediate dilution of your investment. After giving effect to (1) St. Paul's Cash Contribution ranging from $121 million to $126 million and its contribution of the Transferred Business in return for 6,000,000 Common Shares and the St. Paul Option, (2) our sale of 30,040,000 Common Shares in the Public Offering at an assumed initial public offering price of $22.00, $22.50 and $23.00, respectively, per Common Share, (3) proceeds from the RenaissanceRe Investment ranging from $83 million to $86 million and (4) our sale of $125 million in equity security units in the ESU Offering, after deduction of underwriting discounts and commissions and estimated formation, organization and offering expenses payable by us, resulting in net proceeds to us of approximately $949 million to $987 million, the range of our pro forma net tangible book value as of June 30, 2002 would have been approximately $830 million to $868 million, or $20.76 to $21.71 per Common Share. This represents an immediate dilution in pro forma net tangible book value of approximately $1.24 to $1.29 per Common Share to purchasers in this offering.

	IPO Price of $22.00 per Share	**IPO Price of $22.50 per Share**	**IPO Price of $23.00 per Share**
St. Paul Cash Contribution (in millions)	$ 121	$ 123	$ 126
RenaissanceRe Investment (in millions)	83	84	86
Assumed initial public offering price per Common Share	22.00	22.50	23.00
Net tangible book value per Common Share after the offering	20.76	21.24	21.71

	IPO Price of $22.00 per Share	IPO Price of $22.50 per Share	IPO Price of $23.00 per Share
Net tangible book value dilution per Common Share to investors	$ 1.24	$ 1.26	$ 1.29

As we are newly formed, our net tangible book value before the Public Offering, the ESU Offering, the St. Paul Investment and the RenaissanceRe Investment was $120,000 as of June 30, 2002.

The following table sets forth, on a pro forma basis as of June 30, 2002, and assuming an initial public offering price of $22.50 per share (the midpoint of the range stated on the front cover page), for St. Paul, RenaissanceRe and the investors in the Public Offering:

the number of Common Shares purchased from us;

the total consideration paid (including cash, and in the case of St. Paul, the outstanding capital stock of Platinum US, which includes net assets of approximately $5 million in cash and cash equivalents after reflecting a dividend of $15 million to be paid, prior to the completion of the Public Offering, to United States Fidelity and Guaranty Company, the current parent of Platinum US);

the average price per Common Share paid by St. Paul and RenaissanceRe, which represents an amount approximately equal to the initial public offering price less the underwriters' discount; and

the average price per Common Share paid by investors in the Public Offering before deducting underwriting discounts and commissions and estimated offering expenses.

	Common Shares Purchased		Pro Forma Total Consideration		Average Price Per Common Share
	Number	Percent	Amount	Percent	
St. Paul	6,000,000	15.0%	$ 127,912,500	14.4%	$ 21.32
RenaissanceRe	3,960,000	9.9	84,422,250	9.5	21.32
Investors	30,040,000	75.1	675,900,000	76.1	22.50
Total	40,000,000	100.0%	$ 888,234,750	100.0%	$ 22.21

The above table does not include St. Paul's contribution to Platinum of tangible assets and certain intangible assets having a net book value of approximately $7 million as of June 30, 2002. The above table also does not include Common Shares issuable upon (1) exercise of the underwriters' option to purchase additional Common Shares in the Public Offering and the concurrent optional purchase by St. Paul or RenaissanceRe of additional Common Shares to maintain their respective proportionate share ownership immediately following the Public Offering, (2) exercise of the St. Paul Option, (3) exercise of the RenaissanceRe Option, (4) exercise of options to be issued to our management and other employees pursuant to our employee compensation plans or (5) settlement of the purchase contracts contained in the equity security units. Assuming an initial public offering price of from $22.00 to $23.00, respectively, St. Paul's total contribution would be for an average price of from $21.98 to $22.93 per share, and RenaissanceRe's contribution would be for an average price of from $20.85 to $21.79 per share.

Any exercise of the St. Paul Option or RenaissanceRe Option would not be dilutive to investors in the Public Offering because the exercise price for each of the options is 120% of the initial public offering price. We have estimated the fair value of the St. Paul Option (to St. Paul) to be between approximately $42 million and $66 million, and of the RenaissanceRe Option (to RenaissanceRe) to be between approximately $18 million and $28 million, or between approximately $7.00 and $11.00 per underlying Common Share for each of St. Paul and RenaissanceRe, as of the date of this preliminary prospectus, assuming the initial public offering price is $22.50 per Common Share. Such estimates were determined using the Black-Scholes model for valuing options, and incorporated the following assumptions: ten year holding period; stock volatility between 30% and 45%; ten-year discount and loan rate of approximately 4.4%; and a dividend rate of $0.32 per year.

USE OF PROCEEDS

Assuming no exercise of the underwriters', St. Paul's or RenaissanceRe's options to purchase additional Common Shares in connection with the Public Offering or the underwriters' option to purchase additional equity security units, we expect to receive net proceeds (after the underwriters' discount and before expenses) from the Public Offering, the Cash Contribution, the RenaissanceRe Investment and the ESU Offering as set forth in the following table:

	IPO Price of $22.00 per Share	IPO Price of $22.50 per Share	IPO Price of $23.00 per Share
		($ in millions)	
Public Offering	$ 626	$ 640	$ 655
St. Paul Cash Contribution	121	123	126
RenaissanceRe Investment	83	84	86
ESU Offering	120	120	120
Total Net Proceeds(1)	$ 949	$ 968	$ 987

(1) Components may not add to totals due to rounding.

Assuming full exercise (which is in their sole discretion) by the underwriters, St. Paul and RenaissanceRe of their options to purchase additional Common Shares in connection with the Public Offering and the underwriters' option to purchase additional equity security units, we expect to receive net proceeds (after the underwriters' discount and before expenses) from the Public Offering, the Cash Contribution, the RenaissanceRe Investment and the ESU Offering as set forth in the following table:

	IPO Price of $22.00 per Share	IPO Price of $22.50 per Share	IPO Price of $23.00 per Share
		($ in millions)	
Public Offering	$ 720	$ 736	$ 753
St. Paul Cash Contribution	139	143	146
RenaissanceRe Investment	95	97	99
ESU Offering	138	138	138
Total Net Proceeds	$ 1,092	$ 1,114	$ 1,136

A portion of the net proceeds of the Public Offering, the Cash Contribution and the RenaissanceRe Investment, currently estimated at approximately $10 million, will be retained by Platinum Holdings and the balance will be contributed to the capital of Platinum US (in an amount not less than $250 million, which includes net proceeds from the ESU Offering as discussed below), Platinum UK (in an amount not less than $150 million, upon its being licensed in the United Kingdom), Platinum Ireland (in an amount not less than $100 million, substantially all of which will be used to purchase a surplus note issued by Platinum US) and Platinum Bermuda (in an amount not less than $375 million). To the extent we receive net proceeds from the Public Offering, the Cash Contribution and the RenaissanceRe Investment in excess of the minimum amounts stated above, we expect to contribute substantially all such proceeds to the capital of Platinum Bermuda. All but approximately $20 million of the net proceeds from the ESU Offering (or approximately $23 million if the underwriters exercise in full their option to purchase additional equity security units) will be contributed to Platinum US. The remaining net proceeds from the ESU Offering will be retained by Platinum Finance.

The allocation of net proceeds among our three operating subsidiaries (Platinum US, Platinum UK and Platinum Bermuda) and Platinum Ireland has been determined based on: our assessment of the level of capital that is prudent to support their expected levels of reinsurance business; applicable regulatory requirements; discussions with insurance regulatory authorities and rating agencies; and capital efficiency considerations. The amount of net proceeds to be retained by Platinum Finance will be sufficient for it to pay three years of interest on the senior notes that it will issue in the ESU Offering while the net proceeds to be retained by Platinum Holdings is the amount that we believe to be appropriate given its expected initial cash needs.

The following table shows the application of the minimum and maximum aggregate estimated net proceeds of the Public Offering, the Cash Contribution, the RenaissanceRe Investment and the ESU Offering. The minimum net proceeds assume an initial public offering price of $22.00 per share and no exercise of the underwriters', St. Paul's or RenaissanceRe's options to purchase additional Common Shares in connection with the Public Offering or the underwriters' option to purchase additional equity security units (i.e., aggregate net proceeds of $949 million) and the maximum net proceeds assume an initial public offering price of $23.00 per share and full exercise of the underwriters', St. Paul's and RenaissanceRe's options to purchase additional Common Shares in connection with the Public Offering and the underwriters' option to purchase additional equity security units (i.e., aggregate net proceeds of $1,136 million):

	Minimum Net Proceeds	Maximum Net Proceeds
	($ in millions)	
Platinum Holdings	$ 10	$ 10
Platinum Ireland	100	100
Platinum Finance	20	23
Platinum US	250	265
Platinum UK	150	150
Platinum Bermuda	419	588
Total	$ 949	$ 1,136

DIVIDEND POLICY

We intend to recommend that our Board of Directors authorize the payment of a dividend of $0.32 for 2003. It is intended that dividends will be recommended to the Board for approval and payment on a quarterly basis. The declaration and payment of dividends will be at the discretion of the Board of Directors of the Company but will be prohibited if certain contract adjustment payments in respect of the equity security units are deferred, and will depend upon our results of operations and cash flows, the financial position and capital requirements of Platinum US, Platinum UK and Platinum Bermuda, general business conditions, legal, tax and regulatory restrictions on the payment of dividends and other factors the Board of Directors of the Company deems relevant. While the Company is not itself subject to any significant legal prohibitions on the payment of dividends, Platinum US will be subject to regulatory constraints imposed by Maryland insurance law, Platinum UK will be subject to regulatory constraints imposed by U.K. insurance law, Platinum Ireland will be subject to constraints imposed by Irish law, and Platinum Bermuda will be subject to regulatory constraints imposed by Bermuda insurance law, which affect their ability to pay dividends to the Company. See "Business Regulation". Accordingly, there is no requirement or assurance that dividends will be declared or paid in the future. In addition, we do not expect that our rate of dividend increase, if any, will be more than 10% per year, and we have agreed to adjust the exercise price in the St. Paul Option and the RenaissanceRe Option to the extent dividend increases exceed such rate. See "Certain Relationships and Related Transactions The St. Paul Investment St. Paul Option Agreement" and " The RenaissanceRe Investment The RenaissanceRe Option Agreement".

CAPITALIZATION

The following table sets forth the capitalization of the Company as of June 30, 2002 and as adjusted to give effect to the Public Offering and the RenaissanceRe Investment based on an assumed initial public offering price in the Public Offering of $22.50 per Common Share (the midpoint of the range stated on the front cover page) and a Cash Contribution of $123 million (the midpoint of the $121 million to $126 million range for the Cash Contribution), as well as the ESU Offering. This table assumes no exercise by the underwriters, St. Paul or RenaissanceRe of their options to purchase up to, in aggregate, 6,000,000 additional Common Shares in connection with the Public Offering or the underwriters' option to purchase up to $18.75 million of additional equity security units in the ESU Offering.

	Actual	Adjustment for Public Offering, Cash Contribution and RenaissanceRe Investment	Adjustment for ESU Offering	Adjustment for Public Offering, Cash Contribution, RenaissanceRe Investment and ESU Offering
Debt obligations	$	$	$ 125,000,000	$ 125,000,000
Shareholders' equity				
Preferred Shares, par value $0.01 per share (25,000,000 shares authorized, as adjusted; none outstanding)				
Common Shares, par value $0.01 per share (135,000,000 shares authorized; 200,000,000 shares authorized, as adjusted; 1,200,000 shares outstanding; 40,000,000 shares outstanding, as adjusted)	12,000	388,000		400,000
Additional paid-in capital	108,000	859,041,000	(8,000,000)[(1)]	851,149,000
Retained earnings		(2,138,000)[(2)]		(2,138,000)
Total shareholders' equity	120,000	857,291,000	(8,000,000)	849,411,000
Total capitalization	$ 120,000	$ 857,291,000	$ 117,000,000	$ 974,411,000

(1) Reflects an adjustment representing the present value of the contract adjustment payments payable in connection with the purchase contracts contained in the equity security units.

(2) Reflects certain formation and organization expenses as discussed in Notes 2 and 12 to our consolidated balance sheet on pages F-5 and F-12 of this prospectus.

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PRO FORMA FINANCIAL INFORMATION

We caution that the Platinum pro forma consolidated balance sheet and pro forma combined underwriting results presented herein are not indicative of the actual results that we expect to achieve once we commence operations. Many factors may cause our actual results to differ materially from the pro forma consolidated balance sheet and underwriting results including, but not limited to, the following:

Platinum's pro forma combined statement of underwriting results includes premium and loss development on business entered into prior to January 1, 2002. Under the Quota Share Retrocession Agreements, we are assuming no premium or loss development on business entered into prior to January 1, 2002. Therefore, our reported premiums written and earned and reported losses and loss adjustment expenses in our initial years of operation could be substantially lower than as presented in Platinum's pro forma combined statement of underwriting results. As such, our reported results in our initial years of operation will not be subject to prior year development for periods prior to January 1, 2002.

Following the Public Offering, we will report underwriting results under the Quota Share Retrocession Agreements for the period through the date of completion of the Public Offering based on the application of retroactive reinsurance accounting, resulting in the premiums earned and losses incurred by St. Paul during such period being excluded from our statement of underwriting results. Due to this exclusion, following the Public Offering, our reported 2002 premiums written and earned and our net underwriting results in 2002 could be substantially different than as presented in Platinum's pro forma combined statement of underwriting results.

Platinum's pro forma consolidated balance sheet reflects the inception of the Quota Share Retrocession Agreements assuming transferred balances as of June 30, 2002. Platinum's actual consolidated balance sheet will report transferred amounts determined as of 12:01 a.m., on the day immediately following the date of completion of the Public Offering. Accordingly, underwriting gain or loss with respect to the Assumed Reinsurance Contracts for the period from January 1, 2002 through such date will be retained by St. Paul.

Although we expect to continue to be afforded the benefits of most of St. Paul Re's retrocessional reinsurance program through their expiration during 2002, we may enter into retrocessional reinsurance contracts with significantly different terms and conditions from those that have been made available to us from St. Paul Re and which form the basis of our initial operations.

The additional and reinstatement premiums recorded in 2001 by St. Paul Re's Finite Risk operating segment were primarily caused by losses relating to the September 11, 2001 terrorist attack. These additional and reinstatement premiums were unusually high and not necessarily indicative of the recurring premium volume we expect to write in that business segment.

Platinum's pro forma financial statements continue to reflect the discounting of the liability for certain Assumed Reinsurance Contracts based on our current intention to make arrangements to permit such discounting. If we do not put such arrangements in place, reinsurance contracts of a similar type entered into in the future would be reported on an undiscounted basis.

Pro Forma Consolidated Balance Sheet

We have prepared our unaudited pro forma consolidated balance sheet as of June 30, 2002 to reflect our initial capitalization in the amount of $120,000 and adjusted to reflect, among other things,

amounts reflecting (a) the receipt of approximately $725 million, representing the estimated net proceeds from the Public Offering and the RenaissanceRe Investment based on an assumed initial public offering price of $22.50 per Common Share (the midpoint of the range stated on the front cover page), without giving effect to any exercise of the underwriters', St. Paul's or RenaissanceRe's options to purchase additional Common Shares, (b) the redemption of the Common Shares that were issued at inception and capital contributed prior to the Public Offering, (c) the payment of certain formation and organization expenses, as discussed in Notes 2 and 12 to our consolidated balance sheet, on pages F-5 and F-12 of this prospectus, which total $5.1 million, of which $2.1 million has been expensed as of June 30, 2002, and (d) our entering into, and accruing for, the Services and Capacity Reservation Agreement as of June 30, 2002. Additional formation and organization expenses will be incurred prior to closing. It is further assumed that the net proceeds from the Public Offering will be invested in long-term, taxable fixed income securities;

amounts representing the receipt of St. Paul's Cash Contribution of $123 million (the midpoint of the $121 million to $126 million range for the Cash Contribution) and the contribution of the Transferred Business at historical cost in exchange for the issuance of Common Shares and the St. Paul Option. Amounts related to net tangible assets contributed to Platinum by St. Paul are recorded at St. Paul's book value as of June 30, 2002. Assets as of June 30, 2002 include approximately $5 million of net assets of Platinum US consisting of cash and cash equivalents (which reflect a dividend of $15 million to be paid, prior to the completion of the Public Offering, to United States Fidelity and Guaranty Company, the current parent of Platinum US) as well as approximately $7 million of tangible assets and other intangible assets such as broker and customer lists and contract renewal rights and licenses;

amounts reflecting the receipt of approximately $120 million, representing the estimated net proceeds from the ESU Offering and recognition of the present value of future contract adjustment payments payable on the purchase contracts contained within the equity security units, without giving effect to any exercise of the underwriters' option to purchase additional equity security units. It is further assumed that the net proceeds from the ESU Offering will be invested in long-term, taxable fixed income securities; and

amounts reflecting Platinum entering into the Quota Share Retrocession Agreements with St. Paul Re reinsuring the Assumed Reinsurance Contracts as of June 30, 2002.

		June 30, 2002 Adjustments				
	Historical	(1)	(2)	(3)	(4)	Pro Forma Platinum
		($ in thousands)				
Assets:						
Investments	$	$ 724,837	$ 123,375	$ 120,000	$	$ 968,212
Cash	130	(5,230)	4,538		200,186	199,624
Deferred acquisition costs					24,839	24,839
Funds held by reinsured					40,739	40,739
Other assets		6,962	6,799	5,000		18,761
Total assets	$ 130	$ 726,569	$ 134,712	$ 125,000	$ 265,764	$ 1,252,175
Liabilities:						
Unpaid losses and loss adjustment expense reserves	$	$	$	$	$ 108,957	$ 108,957
Unearned premium reserves					140,155	140,155
Debt obligations				125,000		125,000
Financial reinsurance liabilities					16,652	16,652
Other liabilities	10	3,990		8,000		12,000
Total liabilities	$ 10	$ 3,990	$	$ 133,000	$ 265,764	$ 402,764
Shareholders' equity:						
Common shares	$ 12	$ 328	$ 60	$	$	$ 400
Additional paid-in capital	108	724,389	134,652	(8,000)		851,149
Retained earnings		(2,138)				(2,138)
Total shareholders' equity	$ 120	$ 722,579	$ 134,712	$ (8,000)	$	$ 849,411
Total liabilities and shareholders' equity	$ 130	$ 726,569	$ 134,712	$ 125,000	$ 265,764	$ 1,252,175

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Notes to Pro Forma Consolidated Balance Sheet

The following describe amounts included in the "Adjustments" columns above:

1. Amounts reflecting (a) the receipt of approximately $725 million, representing the estimated net proceeds from the Public Offering and the RenaissanceRe Investment based on an assumed initial public offering price of $22.50 per Common Share (the midpoint of the range stated on the front cover page), without giving effect to any exercise of the underwriters', St. Paul's or RenaissanceRe's options to purchase additional Common Shares, (b) the redemption of the Common Shares that were issued at inception and capital contributed prior to the Public Offering, (c) the payment of certain formation and organization expenses, as discussed in Notes 2 and 12 to our consolidated balance sheet, on pages F-5 and F-12 of this prospectus, which total $5.1 million, of which $2.1 million has been expensed as of June 30, 2002, and (d) our entering into, and accruing for, the Services and Capacity Reservation Agreement as of June 30, 2002. Additional formation and organization expenses will be incurred prior to closing. It is further assumed that the net proceeds from the Public Offering will be invested in long-term, taxable fixed income securities.

2. Amounts representing the receipt of St. Paul's Cash Contribution of $123 million (the midpoint of the $121 million to $126 million range for the Cash Contribution) and the contribution of the Transferred Business at historical cost in exchange for the issuance of Common Shares and the St. Paul Option. Amounts related to net tangible assets contributed to Platinum by St. Paul are recorded at St. Paul's book value as of June 30, 2002. Assets as of June 30, 2002 include approximately $5 million of net assets of Platinum US consisting of cash and cash equivalents (which reflect a dividend of $15 million to be paid, prior to the completion of the Public Offering, to United States Fidelity and Guaranty Company, the current parent of Platinum US) as well as approximately $7 million of tangible assets and other intangible assets such as broker and customer lists and contract renewal rights and licenses.

3. Amounts reflecting the receipt of approximately $120 million, representing the estimated net proceeds from the ESU Offering and recognition of the present value of future contract adjustment payments payable on the purchase contracts contained within the equity security units, without giving effect to any exercise of the underwriters' option to purchase additional equity security units. It is further assumed that the net proceeds from the ESU Offering will be invested in long-term, taxable fixed income securities.

4. Amounts reflecting Platinum entering into the Quota Share Retrocession Agreements with St. Paul Re reinsuring the Assumed Reinsurance Contracts as of June 30, 2002.

Pro Forma Combined Statements of Underwriting Results for the Six Months Ended June 30, 2002 and 2001, and the Year Ended December 31, 2001

We have prepared our unaudited pro forma combined statements of underwriting results to represent our reinsurance business, as if we had commenced our operations and the Public Offering, the ESU Offering, the St. Paul Investment and the RenaissanceRe Investment had been completed as of January 1, 2001. Our presentation of our pro forma underwriting results assumes that all of the Inception Agreements were entered into as of January 1, 2001. We have based our presentation on St. Paul Re's actual underwriting results for the periods presented. We have then adjusted these historical results to remove any of St. Paul Re's reinsurance businesses that will not be part of Platinum following the completion of this Public Offering, including

- amounts related to St. Paul Re's reinsurance business representing lines of business that will not be transferred to Platinum, including aviation and bond and credit reinsurance, certain financial risk and capital markets reinsurance products, and certain North American business

previously underwritten in London. Platinum will not obtain the renewal rights to these lines of business and will not assume liabilities related to these lines of business, and Platinum's management does not intend to write these lines of business in the future, and

- amounts related to St. Paul Re's allocations from the St. Paul corporate aggregate excess-of-loss reinsurance program that will not be available to Platinum.

Except as noted above, the pro forma combined underwriting results assume that all other retrocessional reinsurance with respect to the Assumed Reinsurance Contracts entered into in 2002 will remain available to Platinum.

Also, as noted above, we have based our pro forma underwriting results on the assumption that all of the Inception Agreements were entered into on January 1, 2001, including the Services and Capacity Reservation Agreement.

Our future results will depend in part on the amount of our investment income, which cannot be predicted and which will fluctuate depending upon the types of investments we select, our underwriting results and market factors. Actual tax expense in future periods will be based on underwriting results plus investment income and other income and expense items not reflected in the pro forma combined statements of underwriting results. Our effective tax rate will reflect the proportion of income recognized by our operating subsidiaries, with Platinum US taxed at the U.S. corporate income tax rate (35%), Platinum UK taxed at the U.K. corporate tax rate (generally 30%), Platinum Ireland taxed at a 25% corporate tax rate on non-trading income and a 16% corporate tax rate on trading income (the latter rate to be reduced to 12.5% as of January 1, 2003), and Platinum Bermuda taxed at a zero corporate tax rate. In 2002, we expect to have a greater portion of our income subject to U.S. taxation and U.K. taxation than we expect to have in the future because our Bermuda operations are entirely new but can be expected to grow as a proportion of our business. As a result of changes in our geographic distribution of taxable income as well as changes in the amount of our non-taxable income and expense, the relationship between our reported income before tax and our income tax expense may change significantly from one period to the next.

	Six Months Ended June 30, 2002					**Six Months Ended June 30, 2001**				
		Adjustments					**Adjustments**			
	Historical St. Paul Re	**(1)**	**(2)**	**(3)**	**Pro Forma Platinum**	**Historical St. Paul Re**	**(1)**	**(2)**	**(3)**	**Pro Forma Platinum**
Net premiums earned										
Net premiums written	$ 663	$ (61)			$ 602	$ 701	$ (127)	2		$ 576
Change in unearned premiums, net	19	(48)			(29)	(101)	14	(1)		(88)
Net premiums earned	682	(109)			573	600	(113)	1		488
Losses and underwriting expenses										
Losses and loss adjustment expenses	460	(110)			350	426	(82)			344
Policy acquisition expenses	178	(34)			144	188	(39)			149
Other underwriting expenses	35	(5)		4	34	42	(9)		4	37
Total losses and underwriting expenses	$ 673	$ (149)	$	$ 4	$ 528	$ 656	$ (130)	$	$ 4	$ 530
Underwriting gain (loss)	$ 9	$ 40	$	$ (4)	$ 45	$ (56)	$ 17	$ 1	$ (4)	$ (42)

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Year Ended December 31, 2001

	Historical St. Paul Re	**Adjustments (1)**	**(2)**	**(3)**	**Pro Forma Platinum**

		Adjustments			
		($ in millions)			
Net premiums earned					
Net premiums written	$ 1,677	$ (228)	$ (67)	$	$ 1,382
Change in unearned premiums, net	(84)	4			(80)
Net premiums earned	1,593	(224)	(67)		1,302
Losses and underwriting expenses					
Losses and loss adjustment expenses	1,922	(356)	(126)		1,440
Policy acquisition expenses	315	(78)			237
Other underwriting expenses	82	(19)		6	69
Total losses and underwriting expenses	$ 2,319	$ (453)	$ (126)	$ 6	$ 1,746
Underwriting gain (loss)	$ (726)	$ 229	$ 59	$ (6)	$ (444)

Notes to Pro Forma Combined Statements of Underwriting Results

The following describe amounts deducted in the "Adjustments" columns above:

1. Amounts related to St. Paul Re's reinsurance business representing lines of business that will not be transferred to Platinum, including aviation and bond and credit reinsurance, certain financial risk and capital markets reinsurance products, and certain North American business previously underwritten in London. Platinum will not obtain the renewal rights to these lines of business and will not assume liabilities related to these lines of business, and Platinum's management does not intend to write these lines of business in the future,

2. Amounts related to St. Paul Re's allocations from St. Paul's corporate aggregate excess-of-loss reinsurance program, and

3. Amounts related to the Services and Capacity Reservation Agreement.

Included in the 2001 pro forma combined underwriting results are pre-tax losses related to the September 11, 2001 terrorist attack totaling $468 million. This amount includes gross losses and loss adjustment expenses of $819 million, $123 million of ceded reinsurance, $137 million of additional and reinstatement premiums and $91 million of reduced contingent commission expenses.

The St. Paul Option will be granted as part of the aggregate consideration for St. Paul's Cash Contribution and its contribution of the Transferred Business and its sponsorship of the Company, and is not being granted in compensation for services. Similarly, the RenaissanceRe Option will be granted to RenaissanceRe in its role as a strategic investor through the RenaissanceRe Investment, and is not being granted in compensation for services. Accordingly, no compensation expense related to these options is recognized in Platinum's pro forma combined statements of underwriting results, nor will compensation expense related to these options be recognized in Platinum's consolidated financial statements following the completion of the Public Offering. Following the completion of the Public Offering, Platinum will report earnings per share on a basic and diluted basis. The diluted earnings per share will reflect the dilutive effect of all dilutive instruments, including all outstanding options to purchase Common Shares of the Company.

The following presents a reconciliation of the amounts in Adjustment column 1 to amounts in the Notes to Combined Statements of The St. Paul Companies, Inc. Reinsurance Segment (Predecessor) (on page F-35 for the six months ended June 30, 2002 and 2001, and on page F-25 for the year ended December 31, 2001).

Reconciliation of amounts for the six months ended June 30, 2002 and June 30, 2001:

	June 30, 2002		June 30, 2001	
	Net Premiums Earned	Underwriting Result	Net Premiums Earned	Underwriting Result
	($ in millions)			
Activity related to lines of business identified by St. Paul to be exited including certain foreign offices, plus allocation of St. Paul corporate aggregate excess-of-loss reinsurance program (per page F-35)	$ 167	$ (44)	$ 177	$ (6)
Lines of business written in St. Paul's closed foreign offices which St. Paul has exited but which are being transferred to Platinum as continuing business	(58)	4	(64)	(11)
Pro forma adjustment related to lines of business written by St. Paul Re that will not be transferred to Platinum (per page 53)	$ 109	$ (40)	$ 113	$ (17)

Reconciliation of amounts for the year ended December 31, 2001:

	Net Premiums Earned	Underwriting Result
	($ in millions)	
Activity related to lines of business identified by St. Paul to be exited including certain foreign offices, plus allocation of St. Paul corporate aggregate excess-of-loss reinsurance program (per page F-25)	$ 362	$ (318)
Portion of St. Paul corporate aggregate excess-of-loss reinsurance program allocated to lines of business to be exited	(24)	20
Lines of business written in St. Paul's closed foreign offices which St. Paul has exited but which are being transferred to Platinum as continuing business	(114)	69
Pro forma adjustment related to lines of business written by St. Paul Re that will not be transferred to Platinum (per page 54)	$ 224	$ (229)

RECENT DEVELOPMENTS

The following table summarizes the Company's pro forma combined underwriting results for the nine months ended September 30, 2002 and 2001. These results were prepared on the same basis as that set forth above under "Pro Forma Financial Information", to which reference is hereby made.

	Nine Months Ended September 30,	
	2002	2001

	Nine Months Ended September 30,	
	($ in millions)	
Net premiums earned		
Net premiums written	$ 811	$ 1,049
Change in unearned premiums, net	16	(137)
Net premiums earned	827	912
Losses and underwriting expenses		
Losses and loss adjustment expenses	575	1,151
Policy acquisition expenses	186	157
Other underwriting expenses	52	57
Total losses and underwriting expenses	813	1,365
Underwriting gain (loss)	$ 14	$ (453)
Selected Ratios U.S. GAAP		
Loss and loss adjustment expense ratio	69.6%	126.2%
Underwriting expense ratio	28.8%	23.5%
Combined ratio	98.4%	149.7%
Selected Ratios Statutory		
Loss and loss adjustment expense ratio	69.6%	126.2%
Underwriting expense ratio	27.5%	24.2%
Combined ratio	97.1%	150.4%
Impact of catastrophes on combined ratio(1)	4.9%	52.5%

(1) Excludes ceded losses under St. Paul Re's aggregate excess-of-loss treaties, because such treaties extend to non-catastrophic as well as catastrophic losses.

Included in the 2001 pro forma combined underwriting results are pre-tax losses related to the September 11, 2001 terrorist attack totaling $402 million. This amount includes gross losses and loss adjustment expenses of $725 million, $144 million of ceded reinsurance, $89 million of additional and reinstatement premiums and $90 million of reduced contingent commission expenses. The determination of the impact of catastrophes on the combined ratio (which is a combination of the expense ratio and the loss ratio) excludes the ceded losses under St. Paul Re's aggregate excess-of-loss treaties; these treaties provide coverage for excess losses arising from catastrophic and non-catastrophic events. The benefits of St. Paul Re's aggregate excess-of-loss treaty for 2002 will remain available to Platinum for the balance of 2002 unless earlier terminated pursuant to its terms.

The 22.7% decrease in net premiums written for the nine-month period ended September 30, 2002 compared to the nine-month period ended September 30, 2001 was primarily due to the non-renewal of certain contracts that did not meet our underwriting standards and the rescission of a large quota share contract in the second quarter of 2002. These declines were partly offset by significant rate increases achieved on the 2002 renewals. The decline in net premiums written led to a corresponding decline in net premiums earned. The premium for the nine-month period ended September 30, 2001 also includes $89 million in additional and reinstatement premiums related to the September 11, 2001 terrorist attack.

The 50.0% decrease in losses and loss adjustment expenses incurred in the nine-month period ended September 30, 2002 compared to the nine-month period ended September 30, 2001 is attributable to a reduction in earned premium and a significant decline in catastrophe losses. Catastrophe losses totaled $37 million for the nine months ended September 30, 2002, including $30 million in losses from the flooding in Europe in August 2002, compared to $640 million for the nine months ended September 30, 2001, driven by $581 million of losses resulting from the September 11, 2001 terrorist attack and $50 million in losses resulting from a chemical plant explosion in Toulouse, France.

The increase in policy acquisition expenses in the nine months ended September 30, 2002, compared to the nine months ended September 30, 2001, resulted primarily from a reversal of contingent commissions of $90 million in 2001 as a result of the losses caused by the September 11, 2001 terrorist attack. The decrease in other underwriting expenses for the nine months ended September 30, 2002 compared to the nine months ended September 30, 2001, is primarily due to a decrease in compensation expenses driven by a reduction in the number of employees and closure of offices.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF PRO FORMA FINANCIAL CONDITION AND UNDERWRITING RESULTS

You should read the following pro forma discussion and analysis in conjunction with our audited consolidated balance sheet and the related notes included on pages F-3 through F-12 of this prospectus, as well as our unaudited pro forma financial information and the related notes set forth under "Pro Forma Financial Information". Our audited consolidated balance sheet and our unaudited pro forma financial information have been prepared in accordance with U.S. GAAP. The following pro forma discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from the results described or implied by the pro forma discussion and analysis and these forward-looking statements. You should read the information under "Risk Factors" beginning on page 22 of this prospectus for information about material risks and uncertainties that affect our business.

Overview

Our objective is to provide property and casualty reinsurance coverages to a diverse clientele of insurers and select reinsurers on a worldwide basis. We will operate principally by using reinsurance brokers to market our products and principally as a lead reinsurer on treaty reinsurance business. A substantial majority of our business will be written as excess-of-loss reinsurance. We intend to organize our worldwide reinsurance business around three operating segments:

Global Property and Marine. The Global Property and Marine operating segment will include principally property and marine reinsurance coverages. We intend to focus our underwriting activities primarily on catastrophe excess-of-loss and per risk excess-of-loss contracts. We intend to write other types of property reinsurance as well, including selected property pro rata reinsurance. This segment generated $315 million, or 22.8%, of Platinum's 2001 pro forma net premiums written. Following the completion of the Public Offering, we expect the proportion of our net premiums written generated by the Global Property and Marine segment to increase relative to 2001 levels.

Global Casualty. The Global Casualty operating segment will include principally general and automobile liability, professional liability, workers' compensation, accident and health coverages and casualty clash. We intend to focus our underwriting activities primarily on excess-of-loss reinsurance coverages. This segment generated $592 million, or 42.8%, of Platinum's 2001 pro forma net premiums written. Following the completion of the Public Offering, we expect the proportion of our net premiums written generated by the Global Casualty segment to decrease relative to 2001 levels.

Finite Risk. The Finite Risk operating segment will include principally non-traditional reinsurance treaties, including multi-year excess-of-loss, aggregate stop loss, finite quota share, loss portfolio transfer, and adverse loss development contracts. We intend to provide clients, either directly or through brokers, with customized solutions for their risk management and other financial management needs. We intend to focus our finite risk underwriting activities primarily on multi-year excess-of-loss and aggregate stop loss reinsurance treaties. Coverage classes within these products will primarily include property, casualty and marine exposures. This segment generated $475 million, or 34.4%, of Platinum's 2001 pro forma net premiums written.

In addition, we may write other property and casualty reinsurance on an opportunistic basis. For a discussion of the basis on which pro forma net premiums written were determined, see "Pro Forma Financial Information" above.

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Background and the Transferred Business

St. Paul and its subsidiaries constitute one of the oldest insurance organizations in the United States, dating back to 1853. Through its division St. Paul Re, St. Paul has been engaged in the reinsurance business since 1983. In December of 2001, in an effort to enhance the profitability of its reinsurance business, St. Paul decided to narrow the product focus of its reinsurance operations and exit certain lines of that business. As part of this effort, St. Paul Re reduced its anticipated 2002 exposure and expenses by exiting unprofitable lines of business and reducing the number of reinsurance branch offices outside the U.S. The narrowing of reinsurance product lines included exiting aviation, bond and credit reinsurance coverages, as well as certain financial risk and capital markets lines. International branch office closings included Munich, Brussels, Hong Kong, Sydney and Singapore. In addition to curtailing various reinsurance operations, St. Paul's management decided that its reinsurance business and its primary insurance business should ideally operate as separate entities because of their different risk profiles and business characteristics. As a result, contingent upon the completion of the Public Offering, St. Paul will make the Cash Contribution and contribute the Transferred Business through the arrangements described below:

Cash Contribution. At the completion of the Public Offering, St. Paul will make the Cash Contribution in the amount of between $121 million and $126 million. The determination of the amount of the Cash Contribution will be made when the terms of the Public Offering are finally determined. An assumed Cash Contribution of $123 million will result in a pro forma net tangible book value per Common Share of $21.24 following the Public Offering, the ESU Offering, the St. Paul Investment and the RenaissanceRe Investment based on an assumed initial public offering price of $22.50 per Common Share (the midpoint of the range stated on the front cover page) and assuming no exercise of the underwriters, St. Paul's or RenaissanceRe's options to purchase additional Common Shares in connection with the Public Offering or the underwriters' option to purchase additional equity security units. Cash Contributions of $121 million and $126 million will result in net tangible book values of $20.76 and $21.71 per Common Share, respectively, assuming initial public offering prices of $22.00 and $23.00, respectively, and assuming no exercise of the underwriters' options to purchase additional Common Shares or the underwriters' option to purchase additional equity security units.

Renewal Opportunities and Commitments. We will be acquiring from St. Paul Re its existing customer lists and the right to seek to renew substantially all of St. Paul Re's continuing reinsurance contracts. We will also assume commitments, if any, of St. Paul Re to offer reinsurance coverages in the future.

Assumed Reinsurance Contracts. Through 100% quota share retrocession agreements (the "Quota Share Retrocession Agreements"), we will reinsure substantially all of the reinsurance contracts St. Paul Re entered into on or after January 1, 2002, which we refer to as the "Assumed Reinsurance Contracts". St. Paul Re will retain all of its reinsurance exposure not being transferred to us and will administer the associated run-off. Consequently, we will not assume any underwriting exposure with respect to reinsurance contracts entered into by St. Paul prior to January 1, 2002, except as noted below with respect to finite reinsurance. St. Paul will also retain all liabilities relating to the flooding in Europe in August 2002 and an intermediate layer of liability for "named storms" in existence at the time of completion of the Public Offering which cause insured damage within ten days of such time, as described herein. We will receive as consideration cash and other assets in an amount equal to the aggregate of all loss reserves (excluding reserves relating to liabilities retained by St. Paul), allocated loss adjustment expense reserves, other reserves related to non-traditional reinsurance treaties, ceding commission reserves and unearned premium reserves, subject to agreed upon adjustments, and net of ceding commissions under the Quota Share Retrocession Agreements as of the transfer date. Underwriting gain or loss with respect to the Assumed Reinsurance Contracts for the period from January 1, 2002 to the transfer date will be retained by St. Paul.

The terms of the Quota Share Retrocession Agreements provide, with limited exceptions, that retrocessional reinsurance purchased by St. Paul Re shall be for our expense and shall inure to our benefit in respect of the Assumed Reinsurance Contracts, providing us with retrocessional reinsurance coverage for such contracts through 2002 or the earlier termination or expiration of the various retrocession agreements. We will bear all the risk associated with non-payment by third party retrocessionaires under such retrocessional reinsurance. All the Quota Share Retrocession Agreements will take effect as of 12:01 a.m. on the day immediately following the date of the completion of the Public Offering. Accordingly, while St. Paul will be contractually committed to effect the transfer, the effective time of the transfer of the Assumed Reinsurance Contracts will occur after the sale to investors of Common Shares in the Public Offering.

In the case of business written in the U.S. and the U.K., we will have the right to underwrite specified reinsurance business on behalf of St. Paul for a period of one year following the completion of the Public Offering in cases where we are unable to underwrite that business ourselves because, despite using our reasonable best efforts, we have not obtained the necessary regulatory license or approval to do so or we have not yet been approved as a reinsurer by the cedent, and we will reinsure such business pursuant to the Quota Share Retrocession Agreements or, following receipt by Platinum UK of a license from the FSA, may reinsure all or a part of such business pursuant to a quota share retrocession agreement to be entered into between Platinum UK and St. Paul Re UK. This will allow us to continue to participate in reinsurance business which is bound after the completion of the Public Offering without any delay occasioned by the start-up of our operations, including the lack of required licenses, and facilitate the transition of St. Paul Re's business to us.

For a period of three years following the completion of the Public Offering, we will underwrite on behalf of St. Paul, with the consent of St. Paul, renewals of in-force contracts of finite reinsurance. St. Paul will retrocede to us 100% of the unpaid and future losses under currently in-force contracts and we will have the option to reinsure losses under certain renewed contracts and will be required to offer to reinsure losses under other renewed contracts for a fair market retrocession premium pursuant to the Quota Share Retrocession Agreements. Under the Quota Share Retrocession Agreements, a portion of future premiums will be applied to settle balances related to prior year experience for the benefit of St. Paul. St. Paul will have an option to renew this arrangement with us for a subsequent period of two years. In the U.K., this arrangement will be limited to finite treaties which St. Paul Re has entered into with a small number of identified cedents and any further finite treaties which may be entered into on behalf of St. Paul Re UK prior to the first anniversary of the completion of the Public Offering.

Related Assets. We will be acquiring from St. Paul tangible and intangible assets relating to the continuing businesses being transferred to us, including furniture and equipment, systems and software, assignments of leases, licenses and other assets as well as all of the outstanding capital stock of Platinum US.

Employees. Upon or following the completion of the Public Offering, we expect to employ approximately 150 employees previously employed by St. Paul Re.

The Public Offering and the transactions contemplated thereby were first announced to the public on April 25, 2002. Platinum believes St. Paul Re's withdrawal from certain business may have adversely affected premiums written during 2002 prior to the public announcement of the Public

Offering. Management is unable to predict how the Public Offering's announcement will affect premiums written in the future. See "Risk Factors".

Our Drivers of Profitability

Revenues

We expect to derive our revenues from two principal sources, premiums from our reinsurance business and income from our investment portfolio. Reinsurance premiums are a function of the amount and type of contracts we write as well as prevailing market prices. There are many types of reinsurance contracts with unique pricing, terms and conditions and expected profit margins. Therefore, changes in the amount of premiums we will write may not be an accurate indicator of our anticipated profitability.

We expect our investment income to be a function of the average assets in our portfolio and the average yield that we earn on those assets. The investment yield will be a function of market interest rates as well as the credit quality and maturity or our invested assets. In addition, we could realize capital gains or losses on our investment portfolio as a result of changing market conditions, including, but not limited to, changes in market interest rates and changes in the market's perception of the credit quality of our invested assets. We intend to earn investment income primarily on the assets invested in our portfolio, but we may also earn revenue from investment income on premium and loss deposits withheld by our clients.

Expenses

We expect that our expenses will consist primarily of two types of expenses, loss and loss adjustment expenses, or "LAE", and operating and administrative costs. Loss and loss adjustment expenses will be a function of the amount and type of reinsurance contracts we will write. We will initially record loss and loss adjustment expenses based on an actuarial analysis of the estimated losses we expect to incur on each contract written. The ultimate loss and loss adjustment expenses will depend on the actual costs to settle these claims. We intend to increase or decrease our initial loss estimates as actual losses occur. Our ability to estimate loss and loss adjustment expenses accurately at the time of pricing our contracts will be a critical factor in determining our profitability.

Operating and administrative costs are expected to consist primarily of acquisition expenses, which are commission and brokerage fees paid to intermediaries for the production of premiums written, excise taxes and other underwriting expenses, overhead costs, interest expense and income taxes. We expect our acquisition expenses to consist principally of ceding commissions paid to cedents and brokerage commissions that represent a percentage of the premiums on reinsurance contracts written. We expect that acquisition expenses will be a function of the amount and types of contracts written. Overhead costs are expected to consist primarily of salaries and related costs. These costs will be primarily fixed in nature and will not vary with the amount of premiums written. Interest expense (including payments on the senior notes forming part of the equity security units) will be a function of outstanding borrowing or funding commitments (such as letter of credit agreements) and the contractual interest rate related to these commitments. Income taxes will be a function of our profitability and the tax rate in the various jurisdictions in which we do business.

Critical Accounting Policies

Our significant accounting policies are described in the notes to Platinum Holdings' audited consolidated balance sheet. The following is a summary of the critical accounting policies that will affect our future financial performance: premiums, reserves, reinsurance and investments.

Premiums

Premiums will be recorded at the inception of each policy, based upon information received from ceding companies and their brokers. For excess-of-loss contracts, the amount of premium is usually contractually documented at inception, and no management judgment is necessary in accounting for this. Premiums are earned on a pro rata basis over the coverage period. For proportional treaties, the amount of premium is normally estimated at inception by the ceding company. We will account for such premium using the initial estimates, and then adjust them once a sufficient period for actual premium reporting has elapsed. For the year ended December 31, 2001, the pro forma premiums written resulting from estimate accruals were less than 25% of total premiums written. We will also accrue for reinstatement and additional premiums resulting from losses. Such accruals will be based upon actual contractual terms, and the only element of management judgment involved is with respect to the amount of loss reserves, as described below.

Reinstatement and additional premiums are written at the time a loss event occurs where coverage limits for the remaining life of the contract are reinstated under pre-defined contract terms. Reinstatement premiums are the premiums charged for the restoration of the reinsurance limit of a catastrophe contract to its full amount after payment by the reinsurer of losses as a result of an occurrence. These premiums relate to the future coverage obtained during the remainder of the initial policy term, and are earned over the remaining policy term. Additional premiums are premiums charged after coverage has expired, related to experience during the policy term, which are earned immediately.

Reserves

Under U.S. GAAP, we will not be permitted to establish loss reserves until the occurrence of an event which may give rise to a loss. Once such an event occurs, we will establish reserves based upon estimates of total losses incurred by the ceding insurers as a result of the event and our estimate of the portion of such loss we have reinsured. As a result, only loss reserves applicable to losses incurred up to the reporting date may be set aside, with no allowance for the provision of a contingency reserve to account for expected future losses. Losses arising from future events will be estimated and recognized at the time the loss is incurred and could be substantial.

Setting appropriate reserves for loss and loss adjustment expenses is an inherently uncertain process. Loss reserves will represent our estimates, at a given point in time, of ultimate settlement and adjustment costs of losses incurred (including incurred but not reported, or IBNR, losses, which are losses that have been sustained but not yet reported to the insurer). We will regularly review and update these estimates, using the most current information available to us. Consequently, the ultimate liability for a loss is likely to differ from the original estimate. Whenever we determine that any existing loss reserves are inadequate, we are required to record such change in estimate, increasing the loss reserves with a corresponding reduction, which could be material, in our operating results in the period in which the deficiency is identified. Adjustments resulting from changes in our estimates will be reflected in current income. The establishment of new reserves, or the adjustment of reserves for reported claims, could result in significant upward or downward changes to our financial condition or results of underwriting in any particular period.

The reserve for losses and loss adjustment expenses will be based upon reports, individual case estimates received from ceding companies and management's estimates. Management's estimates are used mostly to estimate IBNR loss amounts. For certain catastrophic events, there is considerable uncertainty underlying the assumptions and associated estimated reserves for losses and loss adjustment expenses. Reserves will be reviewed regularly and, as experience develops and additional information becomes known, the reserves will be adjusted as necessary. Such changes in estimate, if necessary, will be reflected in results of operations in the current period. We currently intend to make arrangements to permit us to discount the liability for certain assumed

reinsurance contracts using rates based on our return on invested assets or, in many cases, on yields contractually guaranteed to us on funds held by the ceding company.

Generally, reserves are established without regard to whether we may subsequently contest the loss. We expect our policy to be to establish reserves for reported losses based upon reports received from ceding companies, supplemented by our reserve estimates.

Reinsurance

Written premiums (which are total premiums for a given period), earned premiums (which are the portion of written premiums which applies to the expired portion of the policy period), incurred losses (which are total losses, whether paid or unpaid) and LAE reflect the net effects of assumed and ceded reinsurance transactions. Reinsurance accounting is followed for assumed and ceded transactions when risk transfer requirements have been met. These requirements involve significant assumptions being made relating to the amount and timing of expected cash flows, as well as the interpretation of underlying contract terms. Reinsurance contracts that do not transfer significant insurance risk are required to be accounted for as deposits. These deposits are accounted for as financing transactions, with interest expense credited to the contract deposit. Premiums received on retroactive reinsurance contracts are not reflected in the statement of operations, but rather are recorded in the consolidated balance sheet as an increase to loss and loss adjustment expense reserves for the liabilities assumed and as assets based on the consideration received. A deferred charge or credit is recorded for any difference between liabilities assumed and consideration received.

Investments

In accordance with our investment guidelines, our investments will initially consist of high-grade marketable fixed income securities. We may, in the future, elect to invest a portion of our funds in marketable equity securities. Investments will be carried at estimated fair value as determined by the most recently traded price of each security as of the balance sheet date. Unrealized gains and losses on our investments will be included as a separate component of shareholders' equity. Realized gains and losses on sales of investments will be determined on a specific identification basis. In addition, unrealized depreciation in the value of individual securities considered by management to be other than temporary will be charged to income in the period it is determined. Investment income will be recorded when earned and will include the amortization of premiums and discounts on investments. For a more detailed discussion, see "Business Our Business Investments".

Formation of Platinum Holdings and Presentation of Pro Forma Financial Information and Historical St. Paul Re Combined Financial Information

Formation of Platinum Holdings

In connection with our formation, we have agreed with St. Paul and certain of its affiliates to enter into the Inception Agreements. They will become effective contingent upon the completion of the Public Offering (except the Quota Share Retrocession Agreements which will take effect at 12:01 A.M. on the day immmediately following the date of the completion of the Public Offering) and will govern our relationship with St. Paul thereafter with respect to various intercompany arrangements and services. The principal terms of these agreements are summarized under "Certain Relationships and Related Transactions" in this prospectus.

Presentation of Pro Forma Financial Information and St. Paul Re Combined Financial Information

As a newly formed company, we have no actual results of operations. In this prospectus, we are therefore presenting pro forma financial information of Platinum Holdings with respect to the reinsurance business which St. Paul will be transferring to us under the terms of the Inception Agreements, contingent upon the completion of the Public Offering. This pro forma financial information is intended, under the various assumptions discussed in more detail under "Pro Forma Financial Information", to illustrate the performance of our business as if the Public Offering, the ESU Offering, the St. Paul Investment and the RenaissanceRe Investment had been completed and we had commenced our operations as of January 1, 2001.

We are also presenting the historical combined financial information of St. Paul Re. For a detailed discussion of the historical underwriting results of St. Paul Re, see "The Predecessor Business".

Our future results will depend in part on the amount of our investment income, which cannot be predicted and which will fluctuate depending upon the types of investments we select, our underwriting results and market factors. Actual tax expense in future periods will be based on underwriting results plus investment income and other income and expense items not reflected in the pro forma consolidated statements of underwriting results. For discussion of our effective tax rate, see " Income Tax" below.

We caution that the Platinum pro forma consolidated balance sheet and pro forma combined underwriting results presented herein are not indicative of the actual results that we may achieve once we commence operations. Many factors may cause our actual results to differ materially from these pro forma consolidated balance sheet and results including, but not limited to, the following:

Platinum's pro forma combined statement of underwriting results includes premium and loss development on business entered into prior to January 1, 2002. Under the Quota Share Retrocession Agreements, we are assuming no premium or loss development on business entered into prior to January 1, 2002. Therefore, our reported premiums written and earned and reported losses and loss adjustment expenses in our initial years of operation could be substantially lower than as presented in Platinum's pro forma combined statement of underwriting results. As such, our reported results in our initial years of operation will not be subject to prior year development for periods prior to January 1, 2002.

Following the Public Offering, we will report underwriting results under the Quota Share Retrocession Agreements for the period through the date of completion of the Public Offering based on the application of retroactive reinsurance accounting, resulting in the premiums earned and losses incurred by St. Paul during such period being excluded from our statement of underwriting results. Due to this exclusion, following the Public Offering, our reported 2002 premiums written and earned and our net underwriting results in 2002 could be substantially different than as presented in Platinum's pro forma combined statement of underwriting results.

Platinum's pro forma consolidated balance sheet reflects the inception of the Quota Share Retrocession Agreements assuming transferred balances as of June 30, 2002. Platinum's actual consolidated balance sheet will report transferred amounts determined as of 12:01 a.m. on the day immediately following the date of completion of the Public Offering. Accordingly, underwriting gain or loss with respect to the Assumed Reinsurance Contracts for the period from January 1, 2002 through such date will be retained by St. Paul.

Although we expect to continue to be afforded the benefits of most of St. Paul Re's retrocessional reinsurance program through their expiration in 2002, we may enter into retrocessional reinsurance contracts with significantly different terms and conditions from

those that have been made available to us from St. Paul Re and which form the basis of our initial operations.

The additional and reinstatement premiums recorded in 2001 by St. Paul Re's Finite Risk operating segment were primarily caused by losses relating to the September 11, 2001 terrorist attack. These additional and reinstatement premiums were unusually high and not necessarily indicative of the recurring premium volume we expect to write in that business segment.

Platinum's pro forma financial statements continue to reflect the discounting of the liability for certain Assumed Reinsurance Contracts based on our current intention to make arrangements to permit such discounting. If we do not put such arrangements in place, reinsurance contracts of a similar type entered into in the future would be reported on an undiscounted basis.

Exposure to Catastrophes

As with other reinsurers, our operating results and financial condition can be adversely affected by volatile and unpredictable natural and man-made disasters, such as hurricanes, windstorms, earthquakes, floods, fires, riots and explosions. Although we will attempt to limit our exposure to acceptable levels, it is possible that an actual catastrophic event or multiple catastrophic events could have a material adverse effect on our financial condition, results of operations and cash flows. As noted above under " Critical Accounting Policies", under U.S. GAAP, we are not permitted to establish loss reserves until the occurrence of an event which may give rise to a claim. Once such an event occurs, we will establish reserves based upon estimates of total losses incurred by the ceding insurers as a result of the event and our estimate of the portion of such loss we have insured. As a result, only loss reserves applicable to losses incurred up to the reporting date may be set aside, with no allowance for the provision of a contingency reserve to account for expected future losses. Losses arising from future events will be estimated and recognized at the time the loss is incurred and could be substantial.

Income Tax

Except in Bermuda, we will be subject to local income tax requirements in the jurisdictions in which we operate. The income tax expense reflected in our pro forma financial statements therefore reflects a number of different local tax rates, and as a result may change from one period to the next depending on both the amount and the geographic distribution of our taxable income. Actual tax expense in future periods will be based on underwriting results plus investment income and other income and expense items not reflected in the Pro Forma Consolidated Statements of Underwriting Results. Our effective tax rate will reflect the proportion of income recognized by our operating subsidiaries with Platinum US taxed at the U.S. corporate income rate (35%), Platinum UK taxed at the U.K. corporate tax rate (generally 30%), Platinum Ireland taxed at the Irish corporate tax rate (25% on non-trading income and 16% on trading income, the latter rate to be reduced to 12.5% as of January 1, 2003), and Platinum Bermuda taxed at a zero corporate tax rate. In 2002, we expect to have a greater portion of our income subject to U.S. taxation and U.K. taxation than we expect to have in the future because our Bermuda operations are entirely new but can be expected to grow as a proportion of our business over time. As a result of changes in our geographic contribution of taxable income as well as changes in the amount of our non-taxable income and expense, the relationship between our reported income before tax and our income tax expense may change significantly from one period to the next.

Pro Forma Combined Underwriting Results of Platinum Holdings

The following table summarizes our pro forma combined underwriting results for the six months ended June 30, 2002 and 2001, and for the year ended December 31, 2001, as if the Public Offering, the ESU Offering, the St. Paul Investment and the RenaissanceRe Investment had been completed on January 1, 2001. For a discussion of the historical results of underwriting of St. Paul Re, see "The Predecessor Business".

	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001	Year Ended December 31, 2001
	($ in millions)		
Net premiums earned			
Net premiums written	$ 602	$ 576	$ 1,382
Change in unearned premiums, net	(29)	(88)	(80)
Net premiums earned	573	488	1,302
Losses and Underwriting expenses			
Losses and loss adjustment expenses	350	344	1,440
Policy acquisition expenses	144	149	237
Other underwriting expenses	34	37	69
Total losses and underwriting expenses	$ 528	$ 530	1,746
Underwriting gain (loss)	$ 45	$ (42)	$ (444)
Selected Ratios - U.S. GAAP			
Loss and loss adjustment expense ratio	61.2%	70.6%	110.6%
Underwriting expense ratio	31.1%	38.1%	23.5%
Combined ratio	92.3%	108.7%	134.1%
Selected Ratios - Statutory			
Loss and loss adjustment expense ratio	61.2%	70.6%	110.6%
Underwriting expense ratio	29.6%	32.3%	22.1%
Combined ratio	90.8%	102.9%	132.7%
Impact of catastrophes on combined ratio (1)	(3.0)%	3.7%	40.9%

(1) Excludes ceded losses under St. Paul Re's aggregate excess-of-loss treaties, because such treaties extend to non-catastrophic as well as catastrophic losses as described below. The 3% benefit from catastrophes on the June 30, 2002 combined ratio is driven by a lack of catastrophes in the first six months of 2002 and favorable loss development in 2002 on catastrophe losses incurred in prior years.

Included in the 2001 pro forma combined underwriting results are pre-tax losses related to the September 11, 2001 terrorist attack totaling $468 million. This amount includes gross losses and loss adjustment expenses of $819 million, $123 million of ceded reinsurance, $137 million of additional and reinstatement premiums and $91 million of reduced contingent commission expenses. The determination of the impact of catastrophes on the combined ratio excludes the ceded losses under St. Paul Re's aggregate excess-of-loss treaties; these treaties provide coverage for excess losses arising from catastrophic and non-catastrophic events. The benefits of St. Paul Re's aggregate excess-of-loss treaty for 2002 will remain available to Platinum for the balance of 2002 unless earlier terminated pursuant to its terms.

Retrocessional Reinsurance

Our pro forma combined underwriting results for the six months ended June 30, 2002 and 2001, and for the year ended December 31, 2001 reflect the benefits of most of St. Paul Re's retrocessional reinsurance program as it relates to Platinum. The pro forma results do not reflect the effects of the St. Paul corporate aggregate excess-of-loss reinsurance program, which will not be available to Platinum in 2002 or thereafter. St. Paul Re has utilized retrocession agreements principally to increase aggregate premium capacity and to reduce the risk of loss on reinsurance underwritten. In addition, through St. Paul Re's aggregate excess-of-loss treaties, St. Paul Re has maintained catastrophe reinsurance programs for the purpose of limiting its exposure with respect

to multiple claims arising from a single occurrence or event. St. Paul Re's retrocession agreements provide for recovery of a portion of claims and claims expense from retrocessionnaires. Under these programs, on a pro forma basis, St. Paul Re ceded the following amounts to retrocessionaires:

	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001	Year Ended December 31, 2001
	($ in millions)		
Ceded premiums written	$ 42	$ 70	$ 167
Ceded premiums earned	25	65	165
Ceded losses and loss adjustment expenses	(27)	105	368
Ceded underwriting expenses	4	3	8
Net underwriting benefit (detriment)	$ (48)	$ 43	$ 211

The amounts in the pro forma underwriting results on pages 66 and 71 of this prospectus include the retrocession amounts reflected above.

The amounts included in the pro forma underwriting results on page 72 of this prospectus as well as the individual segment discussions on pages 73 to 78 of this prospectus, include the retrocession amounts reflected above, less the following impacts of St. Paul Re's aggregate excess-of-loss treaties as they relate to Platinum:

	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001	Year Ended December 31, 2001
	($ in millions)		
Ceded premiums written	$ 7	$ 37	$ 87
Ceded premiums earned	(1)	36	87
Ceded losses and loss adjustment expenses	(21)	78	194
Net underwriting benefit (detriment)	$ (20)	$ 42	$ 107

	Six Months Ended June 30,		

Under the terms of St. Paul Re's aggregate excess-of-loss treaties, St. Paul Re remits an initial margin premium in quarterly installments to its counterparty, regardless of whether losses are ceded under the treaty. If losses are ceded under these treaties, St. Paul Re remits additional premiums ceded, plus accrued interest, to its counterparty when the related losses and loss adjustment expenses are settled. For the six months ended June 30, 2002, no losses were ceded under the 2002 treaty. Net underwriting detriment in the 2002 six-month period is driven by commutations in such period requested by one retrocessionnaire of its ten percent portion of the 1999 and 2001 St. Paul Re aggregate excess-of-loss treaties. In the six month period ending June 30, 2002 these commutations resulted in a reduction in ceded written and earned premiums of $11 million and a reduction in ceded losses and loss adjustment expenses incurred of $25 million, resulting in a net underwriting detriment of $14 million. These commutations were done in conjunction with the commutation of a reinsurance treaty underwritten by St. Paul Re for the same party which resulted in a net underwriting benefit of $10 million. The combined effect of these commutations resulted in a net underwriting detriment of $4 million. The impact of these commutations is not expected to be material to future operations or financial position. The additional net underwriting detriment is due to $6 million of ceded premium pursuant to the St. Paul Re aggregate excess of loss treaty with respect to the 2002 accident year.

Pro Forma Combined Underwriting Results

Six Months Ended June 30, 2002 Compared to Six Months Ended June 30, 2001

Net premiums

Net premiums written for the six-month period ended June 30, 2002 increased 4.5% to $602 million from $576 million for the six-month period ended June 30, 2001, including $242 million, or 40.2%, from the Global Casualty segment, $212 million, or 35.2%, from the Global Property and Marine segment and $148 million, or 24.6%, from the Finite Risk segment. The increase in premium is due to rate increases averaging 29% across all lines of business partly offset by the non-renewal of certain contracts that did not meet our underwriting standards. In addition, a large quota share contract was rescinded at a cost to us of $56 million, adversely affecting net written premiums. The large quota share contract was a three year quota share reinsurance contract incepting in 1999. The coverage for 2001 was rescinded by mutual agreement with the ceding company.

Net premiums earned for the six months ended June 30, 2002 increased 17.4% to $573 million from $488 million for the six months ended June 30, 2001, reflecting the impact of price increases partly offset by the decrease in exposure.

Losses and loss adjustment expenses

Losses and loss adjustment expenses incurred were $350 million in the six months ended June 30, 2002 compared to $344 million in the six months ended June 30, 2001. The small increase as compared to the increase in earned premium is attributable to favorable development in prior underwriting years as well as increased rates impacting the current underwriting year. Favorable catastrophe development resulted in a benefit of $17 million in the six months ended June 30, 2002 and catastrophe losses resulted in an expense of an $18 million detriment in the six months ended June 30, 2001 due to the Midwest storms and Hurricane Allison. The loss and loss adjustment expense ratio, also referred to as loss ratio (which is the ratio of losses and loss adjustment expenses incurred, including estimates for claims incurred but not reported, to premiums earned) was 61.2% and 70.6% for the six months ended June 30, 2002 and 2001, respectively. Catastrophe loss development had a favorable impact on loss ratios for the six months ended June 30, 2002 of 3.0% and catastrophe losses had an unfavorable impact of 3.7% for the six months ended June 30, 2001.

Acquisition expenses

Acquisition expenses were $144 million for the six month period ended June 30, 2002 compared to $149 million for the six month period ended June 30, 2001. The resulting acquisition expense ratio was 25.1% for the six months ended June 30, 2002 compared to 30.4% for the six months ended June 30, 2001. The reduction in the expense ratio of 5.3% was attributable to lower commission and brokerage costs across the portfolio primarily due to an increase in writings in our Global Property segment, which carries lower commission and brokerage costs.

Other underwriting expenses

Other underwriting expenses consisted of the cost of operations associated with underwriting activities. These expenses include compensation, rent and all other general expenses associated with our underwriting activity and exclude any investment or claim related expense. Other underwriting expenses were $34 million for the six month period ended June 30, 2002 and $37 million for the six month period ended June 30, 2001. The other underwriting expense ratio for the six months ended June 30, 2002 was 6.0% compared to 7.7% for the six month period ended June 30, 2001. The decrease was attributable to the growth in premiums earned together with a

decrease in underwriting expenses, principally compensation related due to a reduction of employees.

Year Ended December 31, 2001

Net premiums

Net premiums written for the year ended December 31, 2001 totaled $1,382 million, including $592 million, or 42.8%, from the Global Casualty segment, $315 million, or 22.8%, from the Global Property and Marine segment and $475 million, or 34.4%, from the Finite Risk segment. Included in net premiums written for the period were $137 million in additional and reinstatement premiums, principally as a result of losses under finite reinsurance treaties, primarily related to the September 11, 2001 terrorist attack. Net premiums earned for the full year 2001 were $1,302 million.

Losses and loss adjustment expenses

Losses and loss adjustment expenses incurred totaled $1,440 million for the year ended December 31, 2001, which included loss and loss adjustment expense payments of $652 million and a net increase in reserves for unpaid losses and loss adjustment expenses of $788 million.

For the year ended December 31, 2001, pre-tax catastrophe losses net of reinsurance totaled $744 million, of which $696 million resulted from the September 11, 2001 terrorist attack. The majority of the remaining $48 million of catastrophe losses in 2001 was the result of a variety of storms throughout the year in the U.S., and the explosion of a chemical manufacturing plant in Toulouse, France.

The reported loss ratio of 110.6% for the year ended December 31, 2001 included a 46.7 percentage point detriment from losses incurred in the terrorist attack (not including the effects of St. Paul Re's aggregate excess-of-loss treaties). The reported loss ratio for the year ended December 31, 2001 also included a benefit from St. Paul Re's aggregate excess-of-loss treaties.

St. Paul Re's actual estimated losses for the September 11, 2001 terrorist attack were based on a variety of actuarial techniques, coverage interpretations and claims estimation methods. They included an estimate of losses incurred but not reported, and an estimate of costs related to the settlement of claims. The estimate of St. Paul Re's losses is also based on its belief that property-casualty insurance losses from the terrorist attack will total between $30 billion and $35 billion for the insurance industry. While the estimate of industry losses is subject to significant uncertainties and may change over time as additional information becomes available, Platinum will not be subject to the impact of any loss development associated with the terrorist attack in that reinsurance contracts which gave rise to the terrorist attack losses are not included in the Assumed Reinsurance Contracts and Platinum is not assuming any liability for prior period losses.

The estimated net pre-tax operating loss as a result of the terrorist attack totaled $468 million, consisting of the following components:

	Year Ended December 31, 2001	
	($ in millions)	
Gross losses and loss adjustment expenses	$	819
Reinsurance recoverables		(123)
Additional and reinstatement premiums		(137)
Reduction in reinsurance contingent commission expense		(91)
Total estimated pre-tax operating loss	$	468

The estimated net pre-tax operating loss of $468 million related to the terrorist attack would have been distributed among Platinum's intended business segments as follows:

	Year Ended December 31, 2001
	($ in millions)
Global Property & Marine	$ 307
Global Casualty	32
Finite Risk	129
Total	$ 468

Acquisition expenses

Acquisition expenses were $237 million for the year ended December 31, 2001. The acquisition expenses were reduced by $91 million related to contingent commissions that are no longer payable as a result of the losses caused by the terrorist attack of September 11, 2001. This resulted in a 10.0 percentage point benefit resulting from the contingent commission adjustment described above. The resulting acquisition expense ratio, that is, acquisition expenses expressed as a percentage of earned premium, was 18.2% for the year ended December 31, 2001.

Other underwriting expenses

Other underwriting expenses were $69 million for the year ended December 31, 2001. This resulted in an other underwriting expense ratio of 5.3% for the year ended December 31, 2001.

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Pro Forma Underwriting Results By Operating Segment

The following table summarizes pro forma underwriting results and combined ratios for each of our three operating segments for the six months ended June 30, 2002 and 2001, and the year ended December 31, 2001.

	Six Months Ended June 30,		Year Ended December 31,
	2002	2001	2001
	($ in millions)		
Global Property & Marine			
Net premiums written	$ 212	$ 168	$ 315
Net premiums earned	187	132	311
Losses and loss adjustment expenses	78	43	399
Underwriting expenses	52	48	96
Underwriting gain (loss)	$ 57	$ 41	$ (184)
Combined ratio	69.5%	68.9%	159.2%

	Six Months Ended June 30,		
Global Casualty			
Net premiums written	$ 242	$ 284	$ 592
Net premiums earned	239	230	521
Losses and loss adjustment expenses	198	226	460
Underwriting expenses	75	84	191
Underwriting gain (loss)	$ (34)	$ (80)	$ (130)
Combined ratio	114.3%	134.6%	125.0%
Finite Risk			
Net premiums written	$ 148	$ 124	$ 475
Net premiums earned	147	126	470
Losses and loss adjustment expenses	74	75	581
Underwriting expenses	51	54	19
Underwriting gain (loss)	$ 22	$ (3)	$ (130)
Combined ratio	85.4%	102.2%	127.5%
Total			
Net premiums written	$ 602	$ 576	$ 1,382
Net premiums earned	573	488	1,302
Losses and loss adjustment expenses	350	344	1,440
Underwriting expenses	178	186	306
Underwriting gain (loss)	$ 45	$ (42)	$ (444)
Loss and loss adjustment expense ratio	61.2%	70.6%	110.6%
Underwriting expense ratio	31.1%	38.1%	23.5%
Combined ratio	92.3%	108.7%	134.1%

The following table summarizes pro forma underwriting results and combined ratios, excluding the impact of St. Paul Re's aggregate excess-of-loss treaties and the impact of the September 11,

2001 terrorist attack, for each of our three operating segments for the six months ended June 30, 2002 and 2001, and the year ended December 31, 2001:

Six Months Ended June 30,		Year Ended December 31, 2001
2002	2001	

	Six Months Ended June 30,	($ in millions)	
Global Property & Marine			
Net premiums written	$ 215	$ 196	$ 356
Net premiums earned	187	159	352
Losses and loss adjustment expenses	71	100	194
Underwriting expenses	52	48	96
Underwriting gain (loss)	$ 64	$ 11	$ 62
Combined ratio	65.8%	93.1%	82.4%
Global Casualty			
Net premiums written	$ 248	$ 288	$ 611
Net premiums earned	241	234	540
Losses and loss adjustment expenses	196	240	468
Underwriting expenses	74	83	191
Underwriting gain (loss)	$ (29)	$ (89)	$ (119)
Combined ratio	112.3%	138.1%	122.1%
Finite Risk			
Net premiums written	$ 146	$ 129	$ 365
Net premiums earned	144	131	360
Losses and loss adjustment expenses	62	83	276
Underwriting expenses	52	54	110
Underwriting gain (loss)	$ 30	$ (6)	$ (26)
Combined ratio	78.9%	104.8%	107.1%
Total			
Net premiums written	$ 609	$ 613	$ 1,332
Net premiums earned	572	524	1,252
Losses and loss adjustment expenses	329	423	938
Underwriting expenses	178	185	397
Underwriting gain (loss)	$ 65	$ (84)	$ (83)
Loss and loss adjustment expense ratio	57.6%	80.7%	74.9%
Underwriting expense ratio	31.1%	35.3%	31.7%
Combined ratio	88.7%	116.0%	106.6%

The following provides a more detailed discussion of the pro forma underwriting results for our three operating segments. To provide a more meaningful analysis of the underlying performance of our business segments, the discussion of segment results excludes the impact of

St. Paul Re's aggregate excess-of-loss treaties and the impact of the September 11, 2001 terrorist attack.

Global Property and Marine

The Global Property and Marine operating segment will include principally property and marine reinsurance coverages. We intend to focus our underwriting activities primarily on catastrophe and excess-of-loss per risk contracts. We intend to write other types of property reinsurance as well, including selected property pro rata insurance. The following table summarizes the pro forma underwriting results of Platinum's Global Property and Marine segment for the six months ended June 30, 2002 and 2001, and the year ended December 31, 2001. The underwriting results exclude the impact of St. Paul Re's aggregate excess-of-loss treaties and the impact of the September 11, 2001 terrorist attack.

	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001	Year Ended December 31, 2001
	($ in millions)		
Net premiums written	$ 215	$ 196	$ 356
Net premiums earned	187	159	352
Losses and loss adjustment expenses	71	100	194
Underwriting expenses	52	48	96
Underwriting gain (loss)	$ 64	$ 11	$ 62
Loss and loss adjustment expense ratio	37.9%	62.7%	55.1%
Underwriting expense ratio	27.9%	30.4%	27.3%
Combined ratio	65.8%	93.1%	82.4%

Six Months Ended June 30, 2002 Compared to Six Months Ended June 30, 2001

Net premiums

Net premiums written in the Global Property and Marine segment for the six month period ended June 30, 2002 increased 9.7% to $215 million from $196 million for the six month period ended June 30, 2001. This increase was the result of significant price increases averaging 36%, offset by decreased exposures through re-underwriting efforts across all lines of business.

Net premiums written in the Global Property and Marine segment included $164 million in excess-of-loss reinsurance contracts and $51 million in proportional contracts.

Net premiums written in the Global Property and Marine segment grew 7.6% in the U.S. to $113 million for the six months ended June 30, 2002 compared to $105 million in the U.S. for the six months ended June 30, 2001. Net premiums written in the Global Property and Marine segment increased 12.1% outside the U.S. to $102 million for the six months ended June 30, 2002 compared to $91 million outside the U.S. in the six months ended June 30, 2001. These increases reflected the impact of price increases offset by the decrease in exposure.

Net premiums earned for the six months ended June 30, 2002 were impacted by the same factors as written premiums and increased by 17.6% to $187 million from $159 million for the six month period ended June 30, 2001.

Losses and loss adjustment expenses

Losses and loss adjustment expenses incurred by Global Property and Marine segment were $71 million in the six months ended June 30, 2002 compared to $100 million in the six months ended June 30, 2001. The decrease in the six months ended June 30, 2002 was principally attributable to the absence of catastrophe losses and the favorable development of prior year catastrophes. The Global Property and Marine segment's loss ratio was 37.9% and 62.7% for the six month periods ending June 30, 2002 and 2001, respectively. The absence of catastrophe losses in 2002, as well as favorable loss development from prior period catastrophes, resulted in a benefit of $14 million for the six months

ended June 30, 2002. For the six months ended June 30, 2001 catastrophe losses totaled $18 million mainly due to Hurricane Allison and the Midwest storms in 2001.

Underwriting expenses

Acquisition costs associated with the Global Property and Marine segment were $37 million for the six month period ended June 30, 2002 compared to $31 million for the six month period ended June 30, 2001. After deferring those costs related to the unearned portions of net premiums written, the resulting acquisition expense ratio was 20.0% for the six months ended June 30, 2002 compared to 19.4% for the six months ended June 30, 2001. The increase in the expense ratio of 0.6% was attributable to higher commission and brokerage costs reflecting an increase in proportional business, which carries a higher commission and brokerage ratio. Other underwriting expenses of the Global Property and Marine segment, including direct and allocated underwriting expenses were $15 million for the six month period ended June 30, 2002 and $17 million for the six month period ended June 30, 2001. The other underwriting expense ratio for the Global Property and Marine segment for the six months ended June 30, 2002 was 7.9% compared with 11.0% for the six month period ended June 30, 2001. The decrease in the other underwriting expense ratio was attributable to the increase in written premiums and a decrease in other underwriting expenses, mainly compensation related due to a reduction of employees.

Year Ended December 31, 2001

Net premiums

Net premiums written in the Global Property and Marine segment for the year ended December 31, 2001 totaled $356 million. Net premium volume in 2001 reflected the benefit of strong rate increases throughout the segment. Price increases accelerated as the year progressed, particularly in the aftermath of the September 11, 2001 terrorist attack.

Net premiums written in the Global Property and Marine segment in the U.S. totaled $196 million in 2001. Net premiums written in the Global Property and Marine segment for ceding companies outside the U.S. totaled $160 million in 2001.

Losses and loss adjustment expenses

Losses and loss adjustment expenses incurred for the Global Property and Marine segment totaled $194 million for the year ended December 31, 2001. Losses and loss adjustment expenses incurred for the year ended December 31, 2001 included loss and loss adjustment expense payments of $190 million and a net increase in reserves for unpaid losses and loss adjustment expenses of $4 million.

Underwriting expenses

Acquisition costs for the Global Property and Marine segment were $66 million for the year ended December 31, 2001, after deferring those costs related to the unearned portion of premiums written. The resulting acquisition expense ratio was 18.7% for the year ended December 31, 2001. Other underwriting expenses of the Global Property and Marine segment, including direct and allocated underwriting expenses during 2001, totaled $30 million, resulting in an other underwriting expense ratio of 8.6%.

Global Casualty

The Global Casualty operating segment will include principally general and automobile liability, professional liability, workers' compensation, accident and health coverages and casualty clash. We intend to focus our underwriting activities primarily on excess-of-loss reinsurance coverages. The following table summarizes the pro forma underwriting results of Platinum's Global Casualty segment for the periods covered by this discussion. As with the discussion of the Global Property and Marine segment, the underwriting results below for the six months ended June 30, 2002 and 2001, and for the year ended December 31, 2001 exclude the impact of St. Paul Re's aggregate excess-of-loss treaties and the impact of the September 11, 2001 terrorist attack.

	Six Months Ended June 30,		Year Ended December 31,
	2002	2001	2001
		($ in millions)	
Net premiums written	$ 248	$ 288	$ 611
Net premiums earned	241	234	540
Losses and loss adjustment expenses	196	240	468
Underwriting expenses	74	83	191
Underwriting gain (loss)	$ (29)	$ (89)	$ (119)
Loss and loss adjustment expense ratio	81.4%	102.5%	86.7%
Underwriting expense ratio	30.9%	35.6%	35.4%
Combined ratio	112.3%	138.1%	122.1%

Six Months Ended June 30, 2002 Compared to Six Months Ended June 30, 2001

Net premiums

Net premiums written in the Global Casualty segment for the six month period ended June 30, 2002 decreased 13.9% to $248 million from $288 million for the six month period ended June 30, 2001. The decrease in net premiums written was primarily due to the re-underwriting of the portfolio including the rescission of a large quota share contract and a decrease in proportional reinsurance. The large quota share contract was a three year quota share reinsurance contract incepting in 1999. As a result of the strategic initiative to improve profitability and focus on core lines of business, the coverage for 2001 was rescinded by mutual agreement with the ceding company. These decreases to the portfolio were offset by significant rate increases on renewal business averaging 30% across the portfolio.

Net premiums written in the Global Casualty segment included $202 million in excess-of-loss reinsurance contracts and $46 million in proportional contracts.

Net premiums written in the Global Casualty segment declined 10.7% in the U.S. to $208 million for the six months ended June 30, 2002 compared to $233 million in the U.S. in the six months ended June 30, 2001. Net premiums written in the Global Casualty segment declined 27.3% outside the U.S. to $40 million for the six months ended June 30, 2002 compared to $55 million outside the U.S. in the six months ended June 30, 2001. The decreases reflect the rescission of the large quota share contract offset by rate increases achieved on renewal business.

Net premiums earned for the six months ended June 30, 2002 were impacted by the same factors as net premiums written and increased by 3.0% to $241 million from $234 million for the six month period ended June 30, 2001.

Losses and loss adjustment expenses

Losses and loss adjustment expenses incurred in the Global Casualty segment were $196 million in the six months ended June 30, 2002 compared to $240 million in the six months ended June 30, 2001. The decrease is attributable to favorable development in prior underwriting years as well as increased rates impacting the current underwriting year. The Global Casualty segment's loss ratio was 81.4% and 102.5% for the six month periods ended June 30, 2002 and 2001, respectively.

Underwriting expenses

Acquisition costs associated with the Global Casualty segment were $61 million for the six month period ended June 30, 2002 compared to $69 million for the six month period ended June 30, 2001, after deferring those costs related to the unearned portion of premiums written. The resulting acquisition expense ratio was 25.5% for the six months ended June 30, 2002 compared to 29.8% for the six months ended June 30, 2001. The reduction in the acquisition expense ratio of 4.3% was attributable to better terms and conditions negotiated with our ceding companies. Other underwriting expenses of the Global Casualty segment, including direct and allocated underwriting expenses, were $13 million for the six month period ended June 30, 2002 and $14 million for the six month period ended June 30, 2001. The other underwriting expense ratio for the six months ended June 30, 2002 was 5.4% compared to 5.8% for the six month period ended June 30, 2001. The decrease in the other underwriting expense ratio was attributable to a decrease in expenses, principally compensation related due to a reduction of employees.

Year Ended December 31, 2001

Net premiums

Net premiums written in the Global Casualty segment for 2001 included $454 million in excess-of-loss reinsurance contracts and $157 million in proportional contracts. Net premium volume reflected the benefit of significant price increases for substantially all coverages in the segment.

Net premiums written in the Global Casualty segment for ceding companies in the U.S. totaled $501 million in 2001. Net premiums written in the Global Casualty segment for ceding companies outside the U.S. were $110 million in 2001.

Losses and loss adjustment expenses

Losses and loss adjustment expenses incurred for the Global Casualty segment totaled $468 million for the year ended December 31, 2001. Loss and loss adjustment expenses incurred for the year ended December 31, 2001 included loss and loss expense payments of $310 million and a net increase in reserves for unpaid losses and loss adjustment expenses of $158 million.

Underwriting expenses

Acquisition costs for the Global Casualty segment were $163 million for the year ended December 31, 2001. After deferring those costs related to the unearned portion of net premiums written, the resulting acquisition expense ratio was 30.2% for the year ended December 31, 2001. Other underwriting expenses of the Global Casualty segment, including direct and allocated underwriting expenses during 2001, totaled $28 million, resulting in an other underwriting expense ratio of 5.2%.

Finite Risk

The Finite Risk operating segment will include principally non-traditional reinsurance treaties, including multi-year excess-of-loss, aggregate stop loss, finite quota share, loss portfolio transfer, and adverse loss development contracts. We intend to provide clients, either directly or through brokers, with customized solutions for their risk management and other financial management needs. We intend to focus our finite risk underwriting activities primarily on multi-year excess-of-loss and aggregate stop loss reinsurance treaties. Coverage classes within these products will primarily include property, casualty, marine and/or whole account property and casualty exposures. The following table summarizes results for the Finite Risk segment for the periods covered by this discussion. As with the discussion of our other operating segments, the pro forma underwriting results below for the six months ended June 30, 2002 and 2001, and for the year ended

December 31, 2001 exclude the impact of St. Paul Re's aggregate excess-of-loss treaties and the impact of the September 11, 2001 terrorist attack.

	Six Months Ended June 30,		Year Ended December 31,
	2002	2001	2001
	($ in millions)		
Net premiums written	$ 146	$ 129	$ 365
Net premiums earned	144	131	360
Losses and loss adjustment expenses	62	83	276

	Six Months Ended June 30,		Year Ended December 31,
Underwriting expenses	52	54	110
Underwriting gain (loss)	$ 30	$ (6)	$ (26)
Loss and loss adjustment expense ratio	43.4%	63.5%	76.6%
Underwriting expense ratio	35.5%	41.3%	30.5%
Combined ratio	78.9%	104.8%	107.1%

Six Months Ended June 30, 2002 Compared to Six Months Ended June 30, 2001

Net premiums

Net premiums written in the Finite Risk segment for the six month period ended June 30, 2002 increased 13.2% to $146 million from $129 million for the six month period ended June 30, 2001. The increase in premiums written in the six months ended June 30, 2002 compared with the six months ended June 30, 2001 was due to one large finite quota share contract written in the fourth quarter of 2001 that has significant premium in calendar year 2002.

Net premiums written in the Finite Risk segment grew 27.5% in the U.S. to $88 million for the six months ended June 30, 2002 compared to $69 million in the U.S. in the six months ended June 30, 2001. Net premiums written in the Finite Risk segment decreased 3.3% outside the U.S. to $58 million for the six months ended June 30, 2002 compared to $60 million outside the U.S. for the six months ended June 30, 2001. The increase in U.S. business is due to the rate increases achieved on renewal business after the September 11, 2001 terrorist attack on the United States.

Net premiums earned for the six months ended June 30, 2002 were impacted by the same factors as net premiums written and increased by 9.9% to $144 million from $131 million for the six month period ended June 30, 2001.

Losses and loss adjustment expenses

Losses and loss adjustment expenses incurred in the Finite Risk segment were $62 million for the six months ended June 30, 2002 compared to $83 million in the six months ended June 30, 2001. The decrease from the six months ended June 30, 2001 was principally attributable to the commutation of an assumed aggregate stop loss treaty and the absence of large losses. The commutation of this treaty resulted in a net gain of $10 million. In the six months ended June 30, 2001, the Petrobras oil platform collapse impacted losses by $11 million. The Finite Risk segment's loss ratio was 43.4% and 63.5% for the six month periods ended June 30, 2002 and 2001, respectively.

Underwriting expenses

Acquisition costs associated with the Finite Risk segment were $46 million for the six month period ended June 30, 2002 compared to $48 million for the six month period ended June 30, 2001. After deferring those costs related to the unearned portion of net premiums written, the

resulting acquisition expense ratio was 31.5% for the six months ended June 30, 2002 compared to 36.8% for the six months ended June 30, 2001. The reduction in the expense ratio of 5.3 percentage points was attributable to lower commission and brokerage costs across the portfolio. Other underwriting expenses of the Finite Risk segment, including direct and allocated underwriting expenses, were $6 million for the six month period ended June 30, 2002 and $6 million for the six month period ended June 30, 2001. The other underwriting expense ratio for the six months ended June 30, 2002 was 4.0% compared to 4.5% for the six month period ended June 30, 2001. The decrease in the other underwriting expense ratio was attributable to the increase in net premiums written.

Year Ended December 31, 2001

Net Premiums

Net premiums written in the Finite Risk segment for ceding companies in the U.S. totaled $204 million in 2001. Net premiums written in the Finite Risk segment for ceding companies outside the U.S. totaled $161 million in 2001.

Losses and loss adjustment expenses

Losses and loss adjustment expenses incurred for the Finite Risk segment totaled $276 million for the year ended December 31, 2001. Loss and loss adjustment expenses incurred for the year ended December 31, 2001 included loss and loss expense payments of $153 million and a net increase in reserves for unpaid losses and loss adjustment expenses of $123 million.

Underwriting expenses

Acquisition costs for the Finite Risk segment were $99 million for the year ended December 31, 2001. After deferring those costs related to the unearned portion of net premiums written, the resulting acquisition expense ratio was 27.6% for the year ended December 31, 2001.

Other underwriting expenses of the Finite Risk segment, including direct and allocated underwriting expenses during 2001, totaled $11 million, resulting in an other underwriting expense ratio of 2.9%.

Liquidity and Capital Resources

Platinum Holdings is a holding company that will conduct no reinsurance operations of its own. All its reinsurance operations will be conducted through its wholly owned operating subsidiaries Platinum US (which it will own through Platinum Ireland and Platinum Finance), Platinum UK (which it will own through Platinum Ireland) and Platinum Bermuda. As a holding company, Platinum Holdings' cash flow will consist primarily of dividends, interest and other permissible payments from its subsidiaries. Platinum Holdings will depend on such payments to receive funds for general corporate purposes and to meet its obligations, including the payment of any dividends to its shareholders.

Our Liquidity Requirements

Our principal consolidated cash requirements are expected to be the payment of dividends to Platinum Holdings' shareholders, the servicing of debt (including interest payments on the senior notes and contract adjustment payments on the purchase contracts included in the equity security units issued in the concurrent ESU Offering), the acquisition of and investment in businesses, capital expenditures, premiums retroceded and payment of losses and loss adjustment expenses, policy benefits, brokerage commissions, excise taxes and operating expenses.

We intend to recommend that our Board of Directors authorize the payment of a dividend of $0.32 for 2003. It is intended that dividends will be recommended to the Board for approval and payment on a quarterly basis. Our dividends, if any, will be paid by us in U.S. dollars. Our dividend policy in future periods will depend on a number of factors including our results of operations, our financial condition, our capital and cash requirements, general business conditions, legal, contractual and regulatory restrictions regarding the payment of dividends by us and other factors. See "Dividend Policy".

We will operate a treasury function responsible for managing our future banking relationships, capital raising activities including equity and debt issues, our overall cash, cash pooling and liquidity positions and the payment of internal and external dividends. Our subsidiaries will be responsible for managing local cash and liquidity positions.

Our Sources of Cash

Our sources of funds are expected to consist of premiums written, losses recovered from retrocedents, investment income and proceeds from sales and redemptions of investments.

In addition, we have entered into a 364 day committed credit facility with a group of banks that will permit us to make borrowings of up to $100 million in the aggregate from time to time. The credit facility contains various covenants and agreements, including a requirement that we satisfy specified tangible net worth and leverage ratios. It is a condition to our ability to borrow under the credit facility that we have received not less than $825 million of aggregate proceeds (net of the underwriters' discount) from the sale of our Common Shares in the Public Offering, the RenaissanceRe Investment and the Cash Contribution. Assuming an initial public offering price of $22.00 per Common Share (the low end of the range stated on the front cover page), a Cash Contribution of $121 million and proceeds of $83 million from the RenaissanceRe Investment, and assuming no exercise of the underwriters', St. Paul's or RenaissanceRe's options to purchase additional Common Shares in connection with the Public Offering, we expect to receive aggregate net proceeds of approximately $829 million from the Public Offering, the Cash Contribution and the RenaissanceRe Investment. We may not raise net proceeds in such amount, and if we fail to do so we will be unable to borrow under the facility. In addition, we may not be able to extend or replace this credit facility upon satisfactory terms when it terminates on June 20, 2003. Failure to satisfy the conditions to borrowing under our credit facility, or to extend or replace it when it expires, would limit Platinum Holdings' liquidity to the net proceeds of the Public Offering, the RenaissanceRe Investment and the Cash Contribution retained by it and dividends, if any, received from Platinum US, Platinum UK and Platinum Bermuda unless we arrange for other sources of liquidity.

Restrictions on Dividend Payments from our Operating Subsidiaries

Bermuda. Bermuda legislation imposes limitations on the dividends that Platinum Bermuda may pay. Under the Bermuda Insurance Act, Platinum Bermuda will be required to maintain a specified solvency margin and a minimum liquidity ratio and will be prohibited from declaring or paying any dividends if doing so would cause Platinum Bermuda to fail to meet its solvency margin and its minimum liquidity ratio. Under the Bermuda Insurance Act, Platinum Bermuda will be prohibited from paying dividends of more than 25% of its total statutory capital and surplus at the end of the previous fiscal year unless it files an affidavit stating that the declaration of such dividends has not caused it to fail to meet its solvency margin and minimum liquidity ratio. The Bermuda Insurance Act will also prohibit Platinum Bermuda from declaring or paying dividends without the approval of the Supervisor of Insurance of Bermuda if Platinum Bermuda failed to meet its solvency margin and minimum liquidity ratio on the last day of the previous fiscal year. Additionally, under the Companies Act, Platinum Bermuda may declare or pay a dividend only if it has no reasonable grounds for believing that it is, or would after the payment, be unable to pay its liabilities as they become due, or that the realizable value of its assets would thereby be less than

the aggregate of its liabilities and its issued share capital and share premium accounts. See "Business Regulation Bermuda".

United States. Platinum US is subject to regulation by the State of Maryland. Under Maryland insurance law, Platinum US may pay dividends out of surplus, provided it must give the Maryland Insurance Commissioner at least thirty days' prior notice before paying an "extraordinary dividend" or making an "extraordinary distribution". Extraordinary dividends and extraordinary distributions are dividends or distributions which, together with any other dividends and distributions paid during the immediately preceding twelve-month period, would exceed the lesser of

(1) ten percent of Platinum US's statutory policyholders' surplus (as determined under statutory accounting principles) as of December 31 of the prior year and

(2) Platinum US's net investment income excluding realized capital gains (as determined under statutory accounting principles) for the twelve-month period ending on December 31 of the prior year, plus any amounts of net investment income (excluding realized capital gains) in the three preceding years which have not been distributed.

These statutory limitations are subject to change. Platinum US may not pay extraordinary dividends or make extraordinary distributions until either the thirty-day notice period has expired (without the Maryland Insurance Commissioner disapproving such payment) or the Maryland Insurance Commissioner has approved the payment within that period. Extraordinary dividends and extraordinary distributions may only be paid out of earned surplus.

In addition, Platinum US must give ten days' prior notice to the Maryland Insurance Commissioner of its intention to pay any dividend or make any distribution other than an extraordinary dividend or extraordinary distribution. The Maryland Insurance Commissioner has the right to prevent payment of such a dividend or such a distribution if he determines, in his discretion, that after the payment thereof Platinum US's policyholders' surplus would be inadequate or could cause Platinum US to be in a hazardous financial condition.

As it is not engaged in the insurance business, Platinum Finance is not subject to the restrictions on dividend payments or distributions set forth above.

United Kingdom. U.K. law prohibits Platinum UK from declaring a dividend to its stockholders unless it has "profits available for distribution". The determination of whether a company has profits available for distribution is based on its accumulated realized profits less its accumulated realized losses. While the United Kingdom insurance regulatory laws impose no statutory restrictions on a general insurer's ability to declare a dividend, the insurance regulator in the United Kingdom strictly controls the maintenance of each insurance company's solvency margin within its jurisdiction and may restrict Platinum UK from declaring a dividend at a level which the regulator determines would adversely affect Platinum UK's solvency requirements. It is common practice in the United Kingdom to notify the regulator in advance of any significant dividend payment.

Ireland. Platinum Ireland is currently a holding company incorporated under the laws of Ireland. Irish law prohibits Platinum Ireland from declaring a dividend to its stockholders unless it has "profits available for distribution" as determined under Irish law. As Platinum Ireland is not currently a regulated entity, there are no insurance or other regulatory laws applicable to the payment of dividends by Platinum Ireland.

Establishment of Loss Reserves by Our Insurance Subsidiaries

Under U.S. GAAP, we will not be permitted to establish loss reserves until the occurrence of an event which may give rise to a loss. Once such an event occurs, we will establish reserves based upon estimates of total losses incurred by the ceding insurers as a result of the event and our estimate of the portion of such loss we have reinsured. As a result, only loss reserves applicable to losses incurred up to the reporting date may be set aside, with no allowance for the provision of a

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contingency reserve to account for expected future losses. Losses arising from future events will be estimated and recognized at the time the loss is incurred and could be substantial.

Setting appropriate reserves for loss and loss adjustment expenses is an inherently uncertain process. Loss reserves will represent our estimates, at a given point in time, of ultimate settlement and adjustment costs of losses incurred (including incurred but not reported, or IBNR, losses). We will regularly review and update these estimates, using the most current information available to us. Consequently, the ultimate liability for a loss will likely differ from the original estimate. Whenever we determine that any existing loss reserves are inadequate, we are required to increase the loss reserves with a corresponding reduction, which could be material, in our operating results in the period in which the deficiency is identified. The establishment of new reserves, or the adjustment of reserves for reported claims, could result in significant upward or downward changes to our financial condition or results of operations in any particular period.

Functional Currency

Our functional currency will be the U.S. dollar. Our operating currency will generally also be the U.S. dollar. However, premiums receivable and losses payable in respect of a portion of our business will be denominated in currencies of other countries, principally the industrialized countries. Consequently, we may, from time to time, experience currency exchange gains and losses that could affect our financial position and results of operations. We do not expect to and as a practical matter will not be able to hedge our non-U.S. dollar currency exposure with respect to potential loss until a loss payable in a non-U.S. dollar currency occurs, after which we may match such liability with assets denominated in the same currency or enter into forward purchase contracts for specific currencies. This type of exposure could be substantial. We also do not intend to hedge our non-U.S. dollar currency exposure with respect to premiums receivable, which will be generally collected over the relevant contract term. We expect to exchange non-U.S. dollar denominated premiums upon receipt. We may make foreign currency investments, generally for the purpose of improving overall portfolio yield.

Investment of Funds

With the exception of cash holdings, our funds will be primarily invested initially in fixed income securities, the market value of which is subject to fluctuation depending on changes in prevailing interest rates. We may in the future elect to also invest a portion of our funds in marketable equity securities. We expect to hedge our investment portfolio against interest rate risk. Nevertheless, an increase in interest rates may result in losses, both realized and unrealized, on our investments.

We do not expect our investment portfolio to include options, warrants, swaps, collars or similar derivative instruments. Our investment policy guidelines will provide that financial futures and options and foreign exchange contracts may not be used in a speculative manner, but may be used, subject to certain numerical limits, only as part of a defensive strategy to protect the market value of the portfolio. Also, we do not expect our portfolio to contain any investments in real estate or mortgage loans.

Posting of Security by Our Non-U.S. Operating Subsidiaries

Platinum UK and Platinum Bermuda are not licensed, approved or accredited as reinsurers anywhere in the United States and therefore, under the terms of most of their contracts in the United States, they will have to provide security to reinsureds to cover unpaid liabilities in a form acceptable to state insurance commissioners. Typically, this type of security will take the form of a letter of credit issued by an acceptable bank, the establishment of a trust, or a cash advance. Platinum UK and Platinum Bermuda are expected to obtain letters of credit through commercial banks. In turn, Platinum UK and Platinum Bermuda will provide the banks security by giving the banks liens over certain of Platinum UK's and Platinum Bermuda's investments.

Capital Expenditures; Inflation

None of Platinum Holdings, Platinum US, Platinum UK and Platinum Bermuda will have any material commitments for capital expenditures upon the completion of the Public Offering.

Platinum US, Platinum UK and Platinum Bermuda will estimate the effect of inflation on their business and reflect these estimates in the pricing of their reinsurance contracts when estimating reserves. The actual effects of inflation on the results of the operating subsidiaries cannot be accurately known until claims are ultimately settled. Levels of inflation also affect investment returns.

Exposures to Market Risk

Market risk can be described as the risk of change in fair value of a financial instrument due to changes in interest rates, equity prices, creditworthiness, foreign exchange rates or other factors. We seek to mitigate that risk by a number of actions, as described below.

Interest Rate Risk

Our exposure to market risk for changes in interest rates will be concentrated in our investment portfolio once we commence operations. Changes in investment values attributable to interest rate changes will be mitigated, however, by corresponding and partially offsetting changes in the economic value of our insurance reserves. This exposure will be monitored through periodic reviews of our consolidated asset and liability positions. Estimates of cash flows, as well as the impact of interest rate fluctuations relating to the investment portfolio and insurance reserves, will be modeled and reviewed periodically.

Credit Risk

Our investment portfolio is expected to include initially fixed maturities and short-term investments, which will be subject to credit risk. This risk is defined as the potential loss in market value resulting from adverse changes in the borrower's ability to repay the debt. Our investment objective will be to earn competitive relative returns by investing in a diversified portfolio of securities. Credit risk will be actively managed through stringent review and analysis of the creditworthiness of all potential investments.

We will also have other receivable amounts subject to credit risk. The most significant of these are reinsurance recoverables. To mitigate the risk of these counterparties' nonpayment of amounts due, we will establish business and financial standards for reinsurer approval, incorporating ratings by major rating agencies and considering then-current market information.

Equity Price Risk

Our investment portfolio may in the future include marketable equity securities, which will be carried on our consolidated balance sheet at market value. These securities have exposure to price risk, which is defined as the potential loss in market value resulting from an adverse change in prices. If we invest in equity securities, our objective with respect to such investments will be to earn competitive relative returns by investing in a diverse portfolio of high-quality, liquid securities. Portfolio characteristics are expected to be analyzed regularly and market risk will be actively managed through a variety of modeling techniques. If we invest in equity securities, our holdings are expected to be diversified across industries, and concentrations in any one company or industry will be limited by parameters established by senior management, as well as by statutory requirements.

Foreign Currency Exposure

Our exposure to market risk for changes in foreign exchange rates will be concentrated in our insurance reserves denominated in foreign currencies. In addition, there may be foreign currency exposure in our investment portfolio related to those investments that are denominated in foreign currencies. Cash flows from foreign operations are expected to be the primary source of funds for purchases of investments denominated in foreign currencies. Those investments will be purchased primarily to hedge insurance reserves and other liabilities denominated in the same currency, effectively reducing foreign currency exchange rate exposure at the Platinum consolidated level.

BUSINESS

Industry Overview

General

Reinsurance is an arrangement in which an insurance company, referred to as the reinsurer, agrees to assume from another insurance company, referred to as the ceding company, all or a portion of the insurance risks that the ceding company has underwritten under one or more insurance contracts. In return, the reinsurer receives a premium for the insured risks that it assumes from the ceding company. Reinsurance, however, does not discharge the ceding company from its liabilities to policyholders. Reinsurance provides ceding insurers with three principal benefits: a reduction in net liability on individual risks, catastrophe protection from large or multiple losses and assistance in maintaining acceptable financial ratios. Reinsurance also provides a ceding company with additional underwriting capacity by permitting it to accept larger risks and write more business than would be possible without an accompanying increase in capital and surplus.

During the period between the time premiums are received by the reinsurer and the time that the reinsurer must pay losses and loss adjustment expenses, the reinsurer has an opportunity to invest the funds received as premiums, less expenses. This investment activity can make a significant contribution to a reinsurer's profitability.

Types of Reinsurance

Property and Casualty Reinsurance

Reinsurance is typically classified into two categories, property and casualty, or non-life, reinsurance and life reinsurance. We intend to write property and casualty reinsurance. We do not currently intend to write any life reinsurance.

Property insurance protects an insured against financial loss arising out of the loss of property caused by an insured peril. Examples of property reinsurance are property catastrophe and property per-risk coverages. Property catastrophe insurance protects an insured against losses arising out of multiple claims for a single event while property per-risk insurance protects an insured against loss arising out of a single claim for a single event.

Casualty insurance protects an insured against financial loss arising out of loss or damage to persons other than the insured or property belonging to a third party. Examples of casualty insurance are general and automobile liability, professional liability, workers' compensation, and accident and health.

Although property reinsurance involves a high degree of volatility, property reinsurance claims are generally reported soon after the event giving rise to the claim and tend to be assessed and paid relatively expeditiously. In comparison, there tends to be a greater time lag between the occurrence, reporting and payment of casualty reinsurance claims. Additionally, as compared with property reinsurance, casualty reinsurance tends to involve greater diversity of exposures and variation in contract terms and pose greater challenges in capturing underwriting information, and casualty reinsurance results are also more likely to be affected by the claims handling process.

Excess-of-loss and Proportional Reinsurance

Reinsurance can be written on either an excess-of-loss basis or a pro rata, or proportional, basis. We expect that a substantial majority of the reinsurance we will underwrite will be excess-of-loss reinsurance.

In the case of excess-of-loss reinsurance, the reinsurer, in return for a negotiated premium, assumes all or a specified portion of the ceding company's risks in excess of a specified amount, which amount is referred to as the ceding company's retention or the reinsurer's attachment point,

subject to a negotiated reinsurance contract limit. For example, property catastrophe excess-of-loss reinsurance provides coverage to a primary insurer when aggregate losses and loss adjustment expenses from a single occurrence of a peril covered under a portfolio of primary insurance contracts written by the primary insurer exceed the attachment point specified in the reinsurance contract with the primary insurer. Property per-risk excess-of-loss-reinsurance provides coverage to a primary insurer in excess of its retention level on a single risk. A risk in this context might mean the insurance coverage on a single property location. Because a reinsurer providing excess-of-loss reinsurance does not assume a direct proportion of the ceding company's risk, the premiums that the ceding company pays to the reinsurer are not directly proportional to the premiums that the ceding company receives. Instead, excess-of-loss reinsurance contracts provide a reinsurer flexibility in determining premiums at specific retention levels, independent of the premiums charged by primary insurers, and based upon its own underwriting assumptions.

Excess-of-loss property and casualty reinsurance is often written in layers. One or a group of reinsurers accepts the risk just above the ceding company's retention up to a specified amount, at which point another reinsurer or a group of reinsurers accepts the excess liability up to an additional specified limit or the excess liability reverts to the ceding company. The reinsurer taking on the risk just above the ceding company's retention is typically said to write lower layer excess reinsurance. Lower layers are also referred to as working layers. A claim that reaches just beyond the ceding company's retention will create a claims payment for the lower layer reinsurer, but not for the reinsurers of any higher layers. In a limited number of cases, reinsurance is also written on an aggregate stop-loss basis to protect the ceding company's total portfolio from extraordinary losses resulting from the aggregation of individual risks.

In the case of proportional reinsurance, the reinsurer assumes a predetermined portion of the ceding company's risks under the covered insurance contract or contracts. The frequency of claims under a proportional reinsurance contract is usually greater than under an excess-of-loss contract. Premiums that the ceding company pays to a reinsurer for proportional reinsurance are a predetermined portion of the premiums that the ceding company receives from its insured, consistent with the proportional sharing of risk. In addition, in proportional reinsurance, the reinsurer generally pays the ceding company a ceding commission. The ceding commission is usually based on the ceding company's cost of generating the business being reinsured, which includes commissions, premium taxes and assessments of the ceding company's own operating expenses. A profit commission or increased ceding commission may be included and paid to the ceding company if the loss experience is profitable. The ceding commission may also be affected by competitive factors.

Treaty and Facultative Reinsurance

Reinsurance can be written either through treaty or facultative reinsurance arrangements. In treaty reinsurance, the ceding company cedes, and the reinsurer assumes, a specified portion of a type or category of risks insured by the ceding company. In facultative reinsurance, the ceding company cedes, and the reinsurer assumes, all or part of a specific risk or risks. We plan to underwrite substantially all treaty reinsurance, and we do not expect to underwrite facultative reinsurance except in very limited and opportunistic circumstances.

Generally in the industry, treaty reinsurers do not separately evaluate each of the individual risks assumed under their treaties and are largely dependent on the original risk underwriting decisions made by the ceding company's underwriters. Accordingly, reinsurers will carefully evaluate the ceding company's risk management and underwriting practices, as well as claims settlement practices and procedures, in deciding whether to provide treaty reinsurance and in appropriately pricing the treaty.

Generally, reinsurers who provide facultative reinsurance do so separately from their treaty operations. Facultative reinsurance normally is purchased by ceding companies for risks not covered by their reinsurance treaties, for amounts in excess of the monetary limits of their reinsurance treaties and for unusual and complex risks. In addition, facultative risks often provide coverages for relatively severe exposures which results in greater volatility. Reinsurers who provide facultative coverage solely, or through distinct operations, experience relatively high underwriting expenses and, in particular, personnel costs, because each risk is individually underwritten and administered. The ability to evaluate separately each risk reinsured, however, increases the probability that the reinsurance underwriter can price the contract to reflect more accurately the risks involved. Because of the transactional nature of the business and the greater risks generally involved, margins on facultative business are usually higher than on treaty business.

Non-traditional/Finite Reinsurance

Non-traditional/finite reinsurance involves structured reinsurance solutions tailored to meet an individual cedent's strategic and financial objectives. Property and casualty risks can be reinsured on a non-traditional/finite basis. Often these reinsurance solutions provide reinsurance protection across a company's entire insurance portfolio. For instance, a whole account aggregate stop loss, whether single year or multi-year in design, provides protection for a company from deterioration in its accident year results. Another common solution is a loss portfolio transfer, which can take many forms, and which is frequently used to assist companies in efficiently and effectively exiting lines of business or facilitating insurance entity sales transactions. With increasing frequency, non-traditional/finite reinsurance has been utilized in various ways to assist companies in managing property catastrophe exposures and other loss exposures from single or multiple events which, in the aggregate, could be significant. Because of the constantly changing industry and regulatory framework, as well as the changing market demands facing insurance companies, the approaches utilized in non-traditional/finite programs are constantly evolving and will continue to do so. We expect to be active participants in the non-traditional/finite reinsurance business.

In particular, non-traditional/finite reinsurance products are utilized by customers whose needs may not be met efficiently through traditional reinsurance products, specifically, customers who seek to dampen volatility associated with the insurance or reinsurance pricing cycle, adjust their exposure to specific geographic areas or lines of business, increase their level of retention over a period of time, minimize existing and potential liabilities in connection with extraordinary corporate events, such as a merger or acquisition, and manage their capital during periods of rapid growth. These customers use non-traditional/finite products principally to mitigate volatility in earnings and capital as well as to transfer insurance risks. The structure of the product will depend on whether the concern about volatility relates primarily to statutory capital and loss ratios, or to reported earnings under the customer's accounting basis for investors, e.g., International Accounting Standards, U.S. GAAP or other sovereign GAAP. Income tax treatment will also affect the products' structure. The more widely used finite products have similar features but differing terms and limits, depending on the customer's requirements.

Broker and Direct Reinsurance

Reinsurance can be written through reinsurance brokers or directly with ceding companies. We believe that a ceding company's decision to select either the broker market or the direct market is influenced by various factors including, among others, market capacity, market competition, the value of the broker's advocacy on the ceding company's behalf, the spread of risk, flexibility in the terms and conditions, an ability to efficiently compare the analysis and quotes of several reinsurers, the speed of a reinsurance placement, the historical relationship with the reinsurer and the efficiency of claims settlement with respect to a coverage. Through the use of reinsurance brokers, a reinsurer may be able to avoid the need to develop a large staff dedicated to particular

reinsurance markets and to maintain the flexibility to move into other reinsurance markets when it perceives opportunities. We believe that the use of reinsurance brokers will allow us to avoid the significant fixed cost of maintaining a sales force. We believe that brokers are particularly useful in assisting clients in arranging excess-of-loss reinsurance programs. We expect to underwrite a substantial majority of our reinsurance through brokers and, to a much more limited extent, may also contract directly with ceding companies.

Retrocession

Reinsurers typically purchase reinsurance to cover their own risk exposure or to increase their capacity. Reinsurance of a reinsurer's business is called retrocession. Reinsurance companies cede risks under retrocessional agreements to other reinsurers, known as retrocessionaires, for reasons similar to those that cause primary insurers to purchase reinsurance. These reasons include reducing liability on individual risks, protecting against catastrophic losses, stabilizing financial ratios and obtaining additional underwriting capacity. We plan to purchase and issue retrocessional policies.

Reinsurance Industry Conditions and Trends

The reinsurance industry historically has been cyclical, characterized by periods of price competition due to excessive underwriting capacity as well as periods when shortages of underwriting capacity have permitted favorable pricing.

Cyclical trends in the industry and the industry's profitability can also be affected significantly by volatile and unpredictable developments, including natural and other disasters, such as hurricanes, windstorms, earthquakes, floods, fires, explosions and other catastrophic events, including terrorist attacks, the frequency and severity of which are inherently unpredictable. We believe that property and casualty reinsurance rates often rise in the aftermath of significant catastrophe losses. As claims are reserved, the industry's capacity to write new business diminishes. The industry is also affected by changes in the propensity of courts to expand insurance coverage and grant large damage awards, as well as fluctuations in interest rates and other changes in the economic environment that affect market prices of investments.

As a result of favorable loss levels and strong investment returns beginning in 1995, the reinsurance industry entered a cycle of increased competition and industry capacity, which pushed property and casualty premium rates down. However, in 1999, there were several significant worldwide catastrophic events, which resulted in insured losses of approximately $31 billion. These losses, and the subsequent contraction of capacity in the market, fueled improvements in rates, terms and conditions beginning with January 2000 renewals. These improvements continued in 2001 with a number of catastrophic events in the first half of the year, and were accelerated by the terrorist attack of September 11, 2001. With insured losses estimated to be in the range of $30 billion to $35 billion, the terrorist attack resulted in the largest insured losses ever experienced by the industry. By comparison, the largest insured catastrophic event prior to the attack was Hurricane Andrew in 1992 with $20 billion in estimated losses.

We believe that the insured losses of 2001 have reduced the industry's capacity to write new business. At the same time, it appears that the heightened awareness that commercial properties are exposed to a variety of risks, and the perception that certain regions of the world may be underinsured, have increased the demand for property-related insurance and reinsurance. As a result, with respect to January, April and July 2002 renewals, St. Paul Re experienced substantial rate increases, generally ranging from 20% to 50% depending on the line of business. We expect that the current imbalance between the increased demand for property-related insurance and reinsurance and the reduced supply of this type of coverage will continue to fuel improved rates, terms and conditions for at least the immediate future.

Following the terrorist attack of September 11, 2001, there is uncertainty in the insurance and reinsurance markets about the extent to which future coverages will extend to terrorist acts. There is also uncertainty about the definition of terrorist acts. We believe that coverage of claims that are the result of terrorist acts (as they are ultimately defined by industry and government standards) will generally be excluded from property catastrophe reinsurance contracts covering large commercial risks, above specified property values, but generally will not be excluded for smaller commercial coverages, personal lines or other coverages. Accordingly, we expect that we will incur exposure to terrorist acts. The effect of potential U.S. and other governmental intervention on the insurance and reinsurance markets we serve, including on the extent to which coverage for terrorist acts will be offered by the insurance and reinsurance markets in the future, is uncertain. Coverage for losses resulting from terrorist acts may be offered separately in the reinsurance market, and we may or may not offer such coverage in the future. If our and the insurance industry's attempts to exclude coverage for terrorist acts were to fail, we could incur large unexpected losses if further terrorist attacks occur.

Our Business

General

Platinum Holdings is a newly formed Bermuda insurance holding company. Our objective is to provide on a worldwide basis, through our licensed operating subsidiaries Platinum US, Platinum UK and Platinum Bermuda, property, casualty, marine, accident and health and finite reinsurance coverages to a diverse clientele of insurers and select reinsurers. Platinum UK and Platinum Bermuda are newly formed companies and, as such, have no prior operating history or loss reserve run-off. Platinum US was formed in 1995 and is a licensed insurance company and wholly owned subsidiary of St. Paul incorporated and domiciled in the state of Maryland. Platinum US has been an inactive company with no prior operating history and no exposure to adverse loss development. Upon completion of the Public Offering, we will own Platinum US and Platinum UK through Platinum Ireland, our newly formed and wholly owned intermediate Irish holding subsidiary. We expect that Platinum Ireland will conduct no business operations of its own other than owning Platinum US (through Platinum Finance, which will conduct no business operations of its own other than to raise funds for Platinum US through the issuance of senior notes constituting part of the equity security units offered concurrently with the Public Offering) and Platinum UK. However, we intend to explore the possibility of using Platinum Ireland as a platform for the development of a reinsurance business concentrating on continental Europe. The following chart summarizes our corporate structure upon completion of the transactions contemplated by this prospectus.

We intend to organize our worldwide reinsurance business around the following three operating segments: Global Property and Marine, Global Casualty and Finite Risk. In each of our operating segments, we intend to offer our reinsurance solutions to providers of commercial and personal lines of property insurance as well as casualty insurance. We expect to underwrite most of our reinsurance through brokers but we may also contract directly with ceding companies, which will give us the flexibility to pursue business in accordance with our ceding companies' preferred reinsurance purchasing channels. We intend to write substantially all of our reinsurance business through treaties rather than on a facultative basis, and a substantial majority on an excess-of-loss basis rather than on a proportional basis.

We expect to operate principally as a lead or quoting reinsurer on the treaties in which we participate. Generally, the lead or quoting reinsurer negotiates with the ceding company and the broker to establish the proposed terms of coverage, including the premium rate and retention level for excess-of-loss contracts. When not acting as the leading or quoting reinsurer on a particular treaty, we may seek to actively negotiate additional terms or conditions. We believe that, consistent with our underwriting strategy, operating as a lead or quoting reinsurer will allow us to establish walk-away prices and focus on profitability rather than market share. In addition to the benefit of leading negotiations of contract terms and prices, we believe that operating as a lead or quoting reinsurer will aid us in the development of close and continuing relationships with brokers and ceding companies. We also believe that operating as a lead or quoting reinsurer will result in our receiving solicitations from brokers for a broader range of business and provide us with greater access to preferred risks.

Competitive Strengths

We believe that we will have the benefits of being both an established business and a new market entrant because of our management's reputation and St. Paul Re's experience and contacts in the reinsurance market, our unencumbered capital base and our expectation that the Assumed Reinsurance Contracts and our right to seek to renew St. Paul Re's other contracts will be a long-term source of business to us. As a well-capitalized company with reinsurance as our single focus, we believe we will be able to expand our relationships with existing clients and establish relationships with new clients.

We expect our initial portfolio to contain a variety of businesses which we believe would normally take a significant time to develop. Upon completion of the Public Offering, we expect to be diversified across several types of coverage with approximately two-thirds of our premiums coming from traditional property and casualty reinsurance and one-third from finite reinsurance. We believe that the existing portfolio of business generated by St. Paul Re represents a valuable asset given the renewal nature of the reinsurance industry and the importance of continuity of relationships and information.

We believe that the market perceptions and reputation established by St. Paul Re with respect to service and responsiveness will benefit us in light of the transfer of personnel and underwriting activities from St. Paul Re to us. We also believe that we will enjoy a reputation with our brokers and clients for promptly responding to underwriting submissions and consistent underwriting standards that emphasize long term profitability over premium growth or market share.

We believe that the use of reinsurance brokers as our principal source of business provides us with an advantage over direct writers in adjusting treaty participations upward or downward to reflect changing market conditions, as well as discontinuing any participation in treaties if rates and terms are no longer attractive. In addition, we believe that the use of reinsurance brokers will allow us to avoid the significant fixed cost of maintaining a sales force. Furthermore, we believe that access to new opportunities on new treaties for existing clients or new clients are facilitated by using the broker distribution channel, due to the syndicated placement of the business.

Platinum's Strategy

Our goal is to achieve superior long-term returns for our shareholders, while establishing Platinum as a conservative risk manager and market leader in certain classes of property and casualty reinsurance.

Build our future on a strong foundation. We will commence operations with the benefit of the Transferred Business:

Renewal Rights and Assumed Reinsurance Contracts. Our initial portfolio will contain a diversity of business that would normally take many years to develop. We will be acquiring St. Paul Re's existing customer lists and the right to seek to renew its continuing in-force reinsurance contracts, which produced 2001 pro forma net premiums written of approximately $1.4 billion. Our business is expected to be diversified between property contracts, which tend to be short-tail in nature (where ultimate losses are known relatively quickly), and casualty contracts, which tend to be long-tail in nature (where ultimate losses may not be known for many years). Property catastrophe reinsurance will be a principal focus and will initially constitute a diversified global book of business in excess of $100 million in annual net premiums written.

Fully operational infrastructure. We will select experienced employees from the skilled St. Paul Re employee base. These employees have broker and ceding company relationships and underwriting pricing and claims experience that will allow us to be fully staffed and operational in key underwriting and support functions. We believe that this strong foundation will allow us to offer clients and brokers a full range of products, support and service immediately following the completion of the Public Offering.

Add new executive leadership to existing talent. In order to take full advantage of the historical strengths of St. Paul Re, we have significantly strengthened our senior management team with the addition of Mr. Newman and Mr. Fadden. Mr. Newman and Mr. Fadden have extensive experience in leading publicly traded reinsurance companies and intend to implement a number of initiatives to capitalize on the strengths of St. Paul Re to create a more focused and more profitable reinsurance business. We expect these initiatives to include implementing a new underwriting strategy, improving risk management and reducing operating expenses.

Focus on profitability, not market share. Our new management team intends to pursue a strategy that emphasizes underwriting discipline and profitability over market share. Key elements of this strategy will be prudent risk selection, appropriate pricing through strict underwriting discipline and adjusting our business mix to respond to changing market conditions. We intend to increase our writing of lines of business, such as property catastrophe excess-of-loss and property risk excess- of-loss, which we believe will contribute to our long-term profitability.

Exercise disciplined underwriting and risk management. We intend to exercise risk management discipline by (i) maintaining a diverse spread of risk in our book of business across products and geographic zones, (ii) focusing on excess-of-loss contracts as opposed to proportional contracts, and (iii) reducing our aggregate catastrophe exposure relative to historical levels through more sophisticated management of property catastrophe aggregate exposures.

Operate a lean and expense-focused underwriting business. We believe a lean underwriting culture will support our focus on profitability and allow us to be more responsive to changing market conditions. We intend to keep our headcount low and maintain a limited number of offices. We expect to have approximately 150 employees at the completion of the Public Offering. The number of underwriting offices was reduced by St. Paul Re from ten at January 1, 2001 to five as of June 30, 2002. In addition, we

expect to originate most of our business from brokers, rather than directly from ceding companies, which we believe will keep our expenses low.

Grow our business by leveraging our global platform. We intend to operate in all three of the world's leading reinsurance markets with offices in New York, London and Bermuda. St. Paul Re has conducted authorized reinsurance activities in the U.S. and London for many years, and has been well established as a lead underwriter in excess casualty, property catastrophe and certain other classes of reinsurance. Our new Bermuda subsidiary will provide us with both a new market in which to write reinsurance and the flexibility to provide reinsurance products that are best facilitated by an offshore company.

Operate from a position of financial strength. As a newly formed company, our initial capital position is unencumbered by any development of loss reserves for business written prior to January 1, 2002. We intend to operate the Company with a target capitalization consistent with our ratings objectives. Upon completion of the Public Offering, the ESU Offering, the St. Paul Investment and the RenaissanceRe Investment, we expect to have a total capitalization of between approximately $955 million (assuming an initial public offering price of $22.00, a Cash Contribution of $121 million and no exercise of the underwriters', St. Paul's or RenaissanceRe's options to purchase additional Common Shares or the underwriters' option to purchase additional equity security units) and approximately $1,142 million (assuming an initial public offering price of $23.00, a Cash Contribution of $126 million and full exercise of the underwriters', St. Paul's and RenaissanceRe's options to purchase additional Common Shares in connection with the Public Offering and the underwriters' option to purchase additional equity security units). Our investment strategy will focus on security and stability in our investment portfolio by maintaining a diversified portfolio that will consist primarily of investment grade fixed-income securities. We believe these factors, combined with our strict underwriting discipline, will allow us to maintain our strong financial position and to be opportunistic when market conditions are most attractive.

Our Lines of Business

We intend to organize our worldwide reinsurance business around the following three operating segments: Global Property and Marine, Global Casualty and Finite Risk. On the pro forma basis described under "Pro Forma Financial Information", we had net premiums written of $1,382 million for the year ended December 31, 2001, $602 million for the six months ended June 30, 2002, and $576 million for the six months ended June 30, 2001. We expect that our global reinsurance business will be comprised primarily of the types of reinsurance set forth below, which we have grouped in accordance with our three operating segments. The following table sets forth, on a pro forma basis, the distribution by operating segment and by type of reinsurance, of our net premiums written for the year ended December 31, 2001, and the six month periods ended June 30, 2002 and 2001. For a more detailed discussion of the pro forma combined results of underwriting, see "Management's Discussion and Analysis of Pro Forma Financial Condition and Underwriting Results".

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	Six Months Ended June 30,				Year Ended December 31, 2001	
	2002		2001			
	$	% Total	$	% Total	$	% Total
	($ in millions)					
Global Property and Marine						
Excess-of-loss	$ 162	27%	$ 132	23%	$ 249	18%
Proportional	50	8%	36	6%	66	5
Total Global Property and Marine	212	35%	168	29%	315	23
Global Casualty						
Excess-of-loss	197	33%	208	36%	440	32
Proportional	45	7%	76	13%	152	11
Total Global Casualty	242	40%	284	49%	592	43
Finite Risk	148	25%	124	22%	475	34
Total	$ 602	100%	$ 576	100%	$ 1,382	100%

The following table sets forth, on a pro forma basis, the distribution by operating segment and by location of the cedent of our net premiums written for the year ended December 31, 2001, and the six months ended June 30, 2002 and 2001.

	Six Months Ended June 30,				Year Ended December 31, 2001	
	2002		2001			
	$	% Total	$	% Total	$	% Total
	($ in millions)					
Global Property and Marine						
United States	$ 112	18%	$ 91	16%	$ 173	13%
International	100	17%	77	13%	142	10
Total Global Property and Marine	212	35%	168	29%	315	23

	Six Months Ended June 30,					
Global Casualty						
United States	203	34%	230	40%	485	35
International	39	6%	54	9%	107	8
Total Global Casualty	242	40%	284	49%	592	43
Finite Risk						
United States	89	15%	67	12%	266	19
International	59	10%	57	10%	209	15
Total Finite Risk	148	25%	124	22%	475	34
Total	$ 602	100%	$ 576	100%	$ 1,382	100%

Global Property and Marine

The Global Property and Marine operating segment will include principally property and marine reinsurance coverages that will be written both in the United States and international markets. We expect that the majority of the property business will consist of catastrophe excess-of-loss reinsurance treaties. We expect that this global operating segment will also include property per risk excess-of-loss treaties and property pro rata treaties. We expect that marine reinsurance will include coverage for hull and cargo as well as third party marine coverages for "protection and indemnity" and excess liabilities, primarily under excess-of-loss treaties. We may write a limited amount of other types of reinsurance on an opportunistic basis. Following the completion of the Public Offering we expect the proportion of our net premiums written generated by the Global Property and Marine segment to increase relative to 2001 levels.

Property. We expect that our property reinsurance activities will emphasize catastrophe excess-of-loss reinsurance. Such contracts will provide a defined limit of liability, permitting us to quantify our aggregate maximum loss exposure. By contrast, maximum liability under pro rata contracts is more difficult to quantify precisely within the occurrence limits that are normally part of the contracts. Quantification of loss exposure will be fundamental to our ability to manage our loss exposure through geographical zone limits and program limits.

In addition, when our pricing standards are met, we may, to a limited extent, write other property coverages, including per risk excess-of-loss or pro rata treaties. In writing per risk excess-of-loss business we intend to avoid lower layers in favor of higher layers. These lines will diversify risk (although they involve some catastrophe exposure) and thus reduce the volatility in results of operations caused by catastrophes. We will enter into a Services and Capacity Reservation Agreement with RenaissanceRe which provides for a periodic review and assistance in measuring risk and managing aggregate catastrophe exposures. For a discussion of our Services and Capacity Reservation Agreement with RenaissanceRe, see "Certain Relationships and Related Transactions The RenaissanceRe Investment Business Arrangements Services and Capacity Reservation Agreement".

Excess-of-loss contracts will also help us to control our underwriting results by increasing our flexibility to determine premiums for reinsurance at specific retention levels, independent of the premiums charged by primary insurers, and based upon our own underwriting assumptions. Also, because primary insurers typically retain a larger loss exposure under excess-of-loss contracts, we believe that they have a greater incentive to underwrite risks and adjust losses in a prudent manner.

Marine. We intend to provide reinsurance coverage of marine and offshore energy insurance programs. We expect that coverages reinsured will include hull damage, protection and indemnity, cargo damage and general marine liability. We expect that such reinsurance treaties will include excess-of-loss as well as proportional treaties. We will emphasize excess-of-loss treaties that provide for an evaluation using experience and exposure pricing models.

Global Casualty

The Global Casualty segment will include principally general and automobile liability, professional liability, workers' compensation, accident and health and casualty clash coverages. We also expect to include accident and health reinsurance treaties in the form of self-insured aggregate medical stop loss coverages, which go into effect when a self-insuring employer's total group health insurance claims attain a certain level, as well as other types of coverages as opportunities develop. We intend to generally write reinsurance coverage in this segment through excess-of-loss treaties, including umbrella coverages, which protect against losses in excess of amounts covered by other policies, although we expect to reinsure selected classes of casualty business on a pro rata basis, including accident and health business. Following the completion of the Public Offering, we expect the proportion of our net premiums written generated by the Global Casualty segment to decrease relative to 2001 levels.

General and Automobile Liability. We intend to reinsure accident and casualty risks and collision damage of motor vehicles. Automobile insurance can include coverage in three major areas casualty, accident benefits and physical damage. Casualty insurance provides coverage payment for injuries and for property damage to third parties. Accident benefits insurance provides coverage for loss of income and medical and rehabilitation expenses for insured persons who are injured in an automobile accident, regardless of fault. Physical damage insurance provides for payment of damages to an insured automobile arising from a collision with another object or from other risks such as fire or theft.

In addition, we expect to provide a broad range of coverage for reinsurance of industrial, manufacturer, operational, environmental, product and general third party liability. We expect that our general and automobile liability reinsurance products will generally be written on an excess-of-loss basis. We may, however, consider selected accounts to be written on a proportional or pro rata basis to the extent that such business satisfies our profitability standards.

Professional Liability. We intend to write reinsurance treaties for professional liability programs, including directors and officers liability insurance and errors and omissions liability insurance. We expect that, in most circumstances, the underlying insurance products will be written on a claims-made form, which requires claims related to the liabilities insured under the policy to be submitted to the insurer while the policy is in force. We intend to employ underwriters and pricing actuaries who specialize in professional liability and we expect to seek to reinsure professional liability programs and lines of casualty business where and to the extent we believe past experience permits a reasonably accurate estimation of premium adequacy. We intend, however, to underwrite new exposures after a comprehensive evaluation of the capability of the ceding company, a clear understanding of the type of product, and establishment of underwriting and operating procedures.

Workers' Compensation. We intend that our workers' compensation coverages will provide flexible solutions that can help our clients manage their global workers' compensation risks. We expect to reinsure workers' compensation on a per-claimant basis as well as on a catastrophe occurrence basis. We expect that our workers' compensation reinsurance offerings will range from complete coverage of a full workers' compensation program to specific carve-out coverages that address a client's targeted concerns.

Accident and Health. We intend to provide accident and health reinsurance, typically in the form of self-insured aggregate medical stop-loss coverages, referred to as "employers stop loss covers". On a less frequent basis, we also expect to write medical providers stop-loss, first dollar health insurance and other reinsurance of health providers. We expect to rely principally on managing general underwriters as intermediaries in connection with this line of business.

Casualty Clash. We expect that our casualty clash coverages will cover losses arising from a single set of circumstances (an occurrence) covered by more than one cedent's insurance policy or multiple claimants on one policy. We expect to limit our exposure to a proportion of the cedent's loss in excess of a specified per occurrence retention up to a specified limit.

Finite Risk

The Finite Risk operating segment will include principally finite reinsurance solutions to cedents whose needs may not be met efficiently through traditional reinsurance products. We intend to focus on providing such clients with customized solutions for their risk management and other financial management needs. Whether working directly with the client or through a broker, we will seek to develop client-specific solutions after spending time with the client to understand its business needs. We intend to take a uniform risk assessment approach throughout our worldwide operations as the classes of risks underwritten through finite products will generally be consistent with the classes covered using traditional products. See " Underwriting and Risk Management". The four main categories of finite products that we intend to sell are described below:

Multi-year excess of loss. These reinsurance contracts often complement cedents' traditional excess-of-loss reinsurance programs. They may involve any type of risk, but most often they cover property and marine. In general, these contracts are designed so that the cedent funds the normal level of loss activity over a multi-year period. The reinsurer charges an additional margin to provide a profit margin and to cover its costs and the risk that losses are worse than normal. This type of product will often carry an up-front premium plus

additional premiums which are dependent on the magnitude of losses claimed by the ceding company under the contract. The ceding company generally also participates in a profit sharing arrangement under this type of reinsurance contract if the business covered does not generate excessive losses.

Aggregate stop loss. Aggregate stop loss reinsurance contracts provide broad protection against a wide range of contingencies that are difficult to address with traditional reinsurance. They can be offered on a single or multi-year basis, and provide either catastrophic or attritional loss protection.

Finite quota share. Finite quota share reinsurance contracts limit the reinsurer's underwriting exposure while allowing the cedent surplus and expense ratio relief.

Loss portfolio transfer and adverse loss development. These types of reinsurance contracts are considered retroactive reinsurance as they cover past periods for which the loss events have already occurred, but where all claims have not yet been made or paid. Retroactive finite reinsurance products remain an attractive solution for certain clients, who may, for example, wish to exit a particular line of business, facilitate a business acquisition (where the reinsurance contract effectively replaces the seller's requirement to provide a loss reserve guarantee to the purchaser), or stabilize statutory capital. Typically, a loss portfolio transfer will transfer to the reinsurer all risks underwritten, subject to an aggregate loss limit established in the contract. Adverse loss development products provide reinsurance coverage for losses in excess of the carried loss reserves of the ceding company at the transaction date, or in some cases at a mutually agreed attachment point, in excess of existing loss reserves.

Marketing

We intend to market our reinsurance products worldwide through our underwriting offices and non-exclusive relationships with more than 50 of the leading reinsurance brokers active in the U.S. and non-U.S. markets for property catastrophe reinsurance and other categories of reinsurance in which we will be active.

On a pro forma basis, based on net premiums written during the three months ended June 30, 2002, the five brokers from which St. Paul Re derived the largest portions of its business (with the approximate percentage of St. Paul Re's business derived from such brokers and their affiliates) are Aon Corporation (25.5%), Marsh & McLennan Companies (20.9%), Benfield Blanch Inc. (19.6%), Willis Group Holdings (9.4%) and Towers Perrin (3.0%). The loss of any of these top five brokers could have a material adverse effect on the amount of reinsurance business that we obtain and consequently the reinsurance premiums that we receive. On a pro forma basis, during the year ended December 31, 2001, St. Paul Re had in force reinsurance contracts with 146 ceding companies that were not derived from a reinsurance broker; otherwise, products are marketed exclusively through brokers. All brokerage transactions are entered into on an arm's-length basis. During 2001, on a pro forma basis, one ceding insurer accounted for more than 6% of St. Paul Re's premiums written and no other single ceding insurer accounted for more than 3%. Based on the Company's strategy, which includes our intention to employ key St. Paul Re personnel and to maintain our presence in our lines of business, management expects to maintain strong relationships with these brokers.

We expect that brokers will perform data collection, contract preparation and other administrative tasks, enabling us to market our reinsurance products cost effectively by maintaining a small staff. We intend to rely largely on reinsurance brokers to market our products. We believe that by relying largely on reinsurance brokers, we will be able to avoid the expense and regulatory complications of worldwide offices, thereby minimizing fixed costs associated with marketing activities. We believe that by maintaining close relationships with brokers, we will be able to obtain access to a broad range of potential reinsureds.

The following table sets forth, on a pro forma basis, net premiums written and the percentage of St. Paul Re's premiums allocated to the geographic location of the ceding company for St. Paul Re's aggregate operations. For a more detailed discussion of the pro forma results of underwriting, see "Management's Discussion and Analysis of Pro Forma Financial Condition and Underwriting Results".

	Six Months Ended June 30,				Year Ended December 31, 2001	
	2002		2001			
	$	%	$	%	$	%
	($ in millions)					
North America (ex Caribbean)	$ 422	70%	$ 397	69%	$ 968	70%
Caribbean	36	6	29	5	83	6
Latin America	6	1	6	1	14	1
Far East	18	3	29	5	55	4
Continental Europe	36	6	52	9	110	8
United Kingdom	78	13	57	10	138	10
Other	6	1%	6	1%	14	1%
	$ 602	100%	$ 576	100%	$ 1,382	100%

Underwriting and Risk Management

We intend to have a disciplined approach to underwriting and risk management that emphasizes a profit orientation rather than a premium volume or market-share oriented approach. In addition to geographic zones, we intend to seek to limit our overall exposure to risk by limiting the amount of reinsurance we will supply in accordance with a particular program or contract, so as to achieve diversification within and across geographic zones.

We expect our risk management to use a variety of means, including the use of contract terms, diversification criteria and probability analysis and the analysis of comparable historical loss experience. We will monitor concentrations of casualty risk by industry and classes of risk. We intend to estimate the impact of certain catastrophic events using catastrophe modeling software and contract information to evaluate our exposure to losses from individual contracts and in the aggregate. For example, we expect that the majority of the natural catastrophe reinsurance we will write will relate to exposures within the United States, Europe and Japan. Accordingly, we will monitor our exposure to natural catastrophic events that affect these regions, such as U.S. hurricane, California earthquake, European windstorm and Japanese typhoon or earthquake events.

We will seek to limit our potential loss, pre tax, but after reinstatement and other premiums received due to the loss, from a single one-in-250-year catastrophe on a probable maximum loss basis, after giving effect to our retrocessional programs, to no more than 30% of our shareholders' equity. There can be no assurance that our underwriting risk management procedures and our retrocessional programs will successfully limit actual losses to such amount and losses from a single catastrophe may materially exceed such amount. The intended limitation in probable maximum loss exposure will rely significantly on our retrocessional programs and the availability of retrocessional coverage in the future. There have been, and in the future may be, periods when retrocessional coverage is not available at all or at rates and levels which would be acceptable. Loss of all or portions of our retrocessional coverage could subject us to increased exposure, which could be material. A limited number of the Assumed Reinsurance Contracts do not contain loss cap ratios, which means that there is no contractual limit to the losses that we may be required to pay pursuant to such Assumed Reinsurance Contracts.

Substantially all property reinsurance business with natural peril catastrophe exposure will have occurrence limits. Substantially all high layer property, casualty and marine excess-of-loss business will also contain aggregate limits in the contracts, with limited reinstatements of an occurrence limit, which restore the original limit under the contract after the limit has been depleted by losses incurred on that treaty. We intend to use our proprietary models to assess the pricing adequacy, underwriting profitability and investment returns to be expected from our reinsurance underwriting. We expect that our actuarial and underwriting departments will work together to establish an accurate pricing model for these purposes.

In addition, we will have available for our use the historical loss experience of St. Paul Re to assist us in pricing individual treaties and overall lines of business. We believe that this information provides us with a significant benefit in the underwriting of future contracts and in the renewal thereof. We expect to maintain the normal maximum program limits described under " Geographic Diversification" below. We will also attempt to distribute our exposure across a range of attachment points, or the amount of claims that have to be borne by the ceding insurer before our reinsurance coverage applies. Attachment points will vary and will be based upon an assessment of the ceding insurer's market share of property perils in any given geographic zone to which the contract relates, as well as the capital needs of the ceding insurer.

Before we review any program proposal, we intend to consider the appropriateness of the cedent, including the quality of its management and its capital and risk management strategy. In addition, we intend to require that each proposed reinsurance program include information on the nature of the perils to be included and detailed aggregate information as to the location or locations of the risks covered under the catastrophe contract. We would also expect to request information on the cedent's loss history for the perils being reinsured, together with relevant underwriting considerations, which would impact exposures to catastrophe reinsurers. We expect to first evaluate exposures on new programs in light of the overall zone limits in any given catastrophe zone, together with program limits and contract limits, to ensure a balanced and disciplined underwriting approach. If the program meets all these initial underwriting criteria, we expect to then evaluate the proposal in terms of its risk/reward profile to assess the adequacy of the proposed pricing and its potential impact on our overall return on capital.

We plan to extensively use sophisticated modeling and other technology in our underwriting process. We expect that each submission received will be registered on the reinsurance data system that we will use for both underwriting and aggregate control purposes. This system will enable both management and underwriters to have on-line information regarding both individual exposures and zonal aggregate concentrations. We expect that submissions will be recorded to determine and monitor their status as being pending, authorized, or bound.

In addition to the reinsurance data system, we expect to use computer modeling to measure and estimate loss exposure under both simulated and actual loss scenarios and in comparing exposure portfolios to both single and multiple events. We expect to contract with Applied Insurance Research for the use of Cattrader and EQE for the use of Equecat, and we also plan to use RMS models as part of our modeling approach. We expect to take an active role in the evaluation of these commercial catastrophe pricing models, providing feedback to the modeling companies to improve the efficiencies of these models. These computer-based loss modeling systems utilize Best's data and direct exposure information obtained from our clients to assess each client's catastrophe management approach and adequacy of their program's protection. We believe that modeling is a very important part of the underwriting criteria for catastrophe exposure pricing. We expect to apply proprietary analysis of the catastrophe exposure to supplement the model output in certain territories. The majority of our expected client base also use one or more of the various modeling consulting firms in their exposure management analysis. In addition, we

intend to sometimes perform or contract for additional modeling analysis when reviewing our global commitments. We expect that the combination of reinsurance system information, together with the various commercial models we expect to employ, will enable us to monitor and control our acceptance of exposure on a global basis. We also intend to use proprietary risk modeling systems to measure expected losses for perils other than hurricane and earthquake and that include allowances for expenses and profit in pricing.

We expect to seek to limit our overall exposure to risk by pursuing a disciplined underwriting strategy which will limit the amount of reinsurance we will supply in accordance with a particular program or contract so as to achieve diversification within and across geographical zones. Commencing January 2002, St. Paul Re has maintained normal maximum program limits of $5 million on risk programs, $6 million on casualty clash programs and $20 million on property catastrophe programs. In a small number of instances, we may exceed these limits. A limited number of the Assumed Reinsurance Contracts do not contain loss cap ratios, which means that there is no contractual limit to the losses that we may be required to pay pursuant to such Assumed Reinsurance Contracts.

We intend to establish a procedure for underwriting control to ensure that all acceptances are made in accordance with our underwriting policy and aggregate control. We expect that each underwriting individual will be given an underwriting authority limit, and that underwriting amounts above those limits will have to be submitted for approval to the chief underwriting officer.

Generally, about 50% of premiums we write each year are expected to be for contracts which have effective dates in January, about 20% in April, about 20% in July and the remainder at other times throughout the year. Premiums are generally due in installments over the contract term, with each installment generally received within 30 days after the due date.

Geographic Diversification

We intend to seek, based on the location of the risk, to diversify our exposure across geographic zones around the world in order to obtain a favorable spread of risk. We intend to limit the coverage we provide for risks located in particular zones, so as to maintain our aggregate loss exposure from all contracts covering risks believed to be located in that zone, to a predetermined level. We intend to monitor concentrations of risk in any particular geographic area, and to seek to avoid accumulations of property risks located in areas considered to have a higher probability of natural catastrophes, such as the West Coast states, the Gulf Coast and Southeastern United States, as well as the Caribbean, Japan, Northern Europe and other exposed international territories.

We expect to establish the predetermined levels referred to in the prior paragraph annually on the basis of, and as a proportion of, shareholders' equity. If a proposed reinsurance program would cause the limit then in effect to be exceeded, we would expect to decline the program, regardless of its desirability, unless we utilize retrocessional coverage, thereby reducing the net aggregate exposure to the maximum limit permitted, or less. If we were to suffer a net financial loss in any fiscal year, thus reducing shareholders' equity, we would attempt to reduce the limits per zone in the following year, with the possible effect that we would thereafter reduce existing business in a zone exceeding such limit.

We intend to track our catastrophe exposures in all significant countries around the world. We intend to maintain a database of our exposures in each country and to conservatively estimate our probable maximum loss in each country for the perils to which that country is subject (e.g., earthquakes, hurricanes, and floods.) We expect to base our estimates on catastrophe models and underwriting assessments. In addition, we expect to use catastrophe modeling to review exposures

on events that cross country borders such as wind events that may affect the Caribbean and Florida or the U.K. and Continental Europe. The largest exposures are expected to be in the U.S. for earthquake and hurricane, in the U.K. for flood and wind, and in Japan for earthquake and wind.

We recognize that events may affect more than one zone, and to the extent we intend to reinsure a ceding insurer with a loss exposure in more than one zone, we intend to consider such potential loss in testing its limits in all such affected zones. For example, a program with worldwide exposure may be subject to limits in the North America zones as well as other zones around the world, as applicable. This results in very substantial "double-counting" of exposures in determining utilization of an aggregate within a given zone. Consequently, the total sum insured may be less than the sums of utilized aggregates for all of the zones.

Retrocessional Reinsurance

We expect to obtain retrocessional reinsurance to, among other things, reduce volatility in general, and to increase our capacity offered on individual reinsurance programs.

The major types of retrocessional coverage we expect to purchase will include the following:

- specific coverage for certain property, marine and casualty exposures,
- catastrophe coverage for property business, and
- corporate level coverage for the potential accumulation or aggregation of exposures across some or all of our operations.

We may purchase further retrocessional coverage on an opportunistic basis. For a discussion of our Investment Agreement with St. Paul and RenaissanceRe, see "Certain Relationships and Related Transactions The RenaissanceRe Investment".

We expect that our decisions with respect to purchasing retrocessional coverage will consider both the potential coverage and market conditions with respect to the pricing, terms, conditions and availability of such coverage, with the aim of securing cost-effective protection. We expect that the level of retrocessional coverage will vary over time, reflecting the underwriter's and/or our view of the changing dynamics of both the underlying exposure and the reinsurance markets.

We expect that, prior to entering into a retrocessional agreement, we will analyze the financial strength and rating of each retrocessionaire. We expect that retrocessional coverage will generally be derived from companies rated "A" or better by Best's. Afterwards, the financial performance and rating status of all material retrocessionaires will be monitored. Retrocession agreements do not relieve us from our obligations to the insurers and reinsurers from whom we assume business. The failure of retrocessionaires to honor their obligations could result in losses to us.

For 2002, St. Paul Re purchased an accident year aggregate excess-of-loss retrocession agreement which provides up to $200 million of coverage if the accident year loss ratio exceeds a specified loss ratio attachment point for the 2002 accident year. This retrocessional agreement will cover risks retained by St. Paul Re and risks underwritten by Platinum with respect to the 2002 accident year. The attachment point is net of inuring retrocessions and includes adjustable premium provisions that effectively cause the Company to pay to the retrocessionaire, on a pre-tax income basis, up to 50% of such ceded losses, through additional premiums.

Platinum Bermuda expects to reinsure up to approximately 70% of Platinum US's reinsurance business, excluding business subject to the Quota Share Retrocession Agreements, written after the Public Offering, and we are seeking consent from the FSA for Platinum Bemuda to reinsure up to

approximately 55% of Platinum UK's reinsurance business, excluding business subject to the Quota Share Retrocession Agreements, written after the Public Offering; however, such consent may not be granted. St. Paul will write reinsurance in the U.K. and reinsure it 100% to us for up to one year following the completion of the Public Offering. For a discussion of potential future limits on the portion of the reinsurance written by Platinum UK after the Public Offering which can be reinsured to Platinum Bermuda, see "Business Our Business Regulation U.K. Regulation Proposed Limits on Concentration of Reinsurance Exposures".

Claims Administration

With respect to the Assumed Reinsurance Contracts, claims will be managed by St. Paul's claims department, with our supervision and management, pursuant to the Quota Share Retrocession Agreements described below under "Certain Relationships and Related Transactions The St. Paul Investment Quota Share Retrocession Agreements". We will reimburse St. Paul for costs of managing these claims. Platinum may, at its discretion and expense, take over administration of any specific claims. Our own claims department will administer claims arising under our contracts other than the Assumed Reinsurance Contracts.

The responsibilities of the claims department will include reviewing initial loss reports, monitoring claims handling activities of clients, requesting additional information where appropriate, establishing initial case reserves and approving payment of individual claims. We expect that authority for payment and establishing reserves will always be established in levels, depending upon rank and experience.

In addition to managing reported claims and conferring with ceding companies on claims matters, we expect that the claims department will conduct periodic audits of specific claims and the overall claims procedures of our clients at the offices of ceding companies. We expect to rely on the ability to monitor effectively the claims handling and claims reserving practices of ceding companies in order to establish the proper reinsurance premium for reinsurance agreements and to establish proper loss reserves. Moreover, prior to accepting certain risks, we expect that our underwriters will often request that the claims department conduct pre-underwriting claims audits of prospective ceding companies. Through these audits, we intend to attempt to evaluate the ceding company's claims-handling practices, including the organization of their claims department, their fact-finding and investigation techniques, their loss notifications, the adequacy of their reserves, their negotiation and settlement practices and their adherence to claims-handling guidelines. Following these audits, we expect that the claims department will provide feedback to the ceding company, including an assessment of the claims operation and, if appropriate, recommendations regarding procedures, processing and personnel.

Reserves

We are required by applicable insurance laws and regulations and U.S. GAAP to establish reserves for payment of losses and loss adjustment expenses that will arise from our products. These reserves will be balance sheet liabilities representing estimates of future amounts required to pay losses and loss adjustment expenses for insured claims which have occurred at or before the balance sheet date, whether already known to us or not yet reported. Significant periods of time can elapse between the occurrence of an insured claim, its reporting by the insured to the primary insurance company and from the insurance company to its reinsurance company. Loss reserves fall into two categories: reserves for reported losses and loss adjustment expenses and reserves for incurred but not reported, or IBNR, losses and loss adjustment expenses.

Upon receipt of a notice of claim from a ceding company, we will establish a case reserve for the estimated amount of the ultimate settlement. Case reserves are usually based upon the amount of reserves reported by the primary insurance company and may subsequently be supplemented or reduced as deemed necessary by our claims department. We will also establish reserves for loss amounts incurred but not yet reported, including expected development of reported claims. These IBNR reserves will include estimated legal and other loss adjustment expenses. We will calculate IBNR reserves by using generally accepted actuarial techniques. We will utilize actuarial tools that rely on historical and pricing information and statistical models as well as our pricing analyses. We will revise these reserves for losses and loss adjustment expenses as additional information becomes available and as claims are reported and paid.

Loss reserves will represent our estimates, at a given point in time, of the ultimate settlement and administration costs of claims incurred, and it is possible that the ultimate liability may exceed or be less than such estimates. Such estimates will not be precise because, among other things, they are based on predictions of future developments and estimates of future trends in claim severity and frequency and other variable factors such as inflation and currency exchange rates. During the claim settlement period, it will often become necessary to refine and adjust the estimates of liability on a claim either upward or downward, and any such adjustment would affect our results of operations in the period when the adjustment is determined. Even after such adjustments, ultimate liability may materially exceed or be less than the revised estimates. In contrast to casualty losses, which frequently can be determined only through lengthy, unpredictable litigation, property losses tend to be reported promptly and settled within a shorter period of time.

Our estimates of reserves from reported and unreported losses and related reinsurance recoverable assets will be reviewed and updated. Adjustments resulting from changes in our estimates will be reflected in current income. The analysis relies upon the basic assumption that past experience, adjusted for the effect of current developments and likely trends, is an appropriate basis to estimate our current loss and loss adjustment expense liabilities. Because estimation of loss reserves is an inherently uncertain process, quantitative techniques frequently have to be supplemented by professional and managerial judgment. In addition, trends that have affected development of reserves in the past may not necessarily occur or affect reserve development to the same degree in the future.

The uncertainty inherent in loss estimation is particularly pronounced for long-tail lines such as umbrella, general and professional liability and automobile liability, where information, such as required medical treatment and costs for bodily injury claims, will only emerge over time. In the overall reserve setting process, provisions for economic inflation and changes in the social and legal environment are considered. The uncertainty inherent in the reserving process for primary insurance companies is even greater for the reinsurer. This is because of, but not limited to, the time lag inherent in reporting information from the insurer to the reinsurer and differing reserving practices among ceding companies. As a result, actual losses and loss adjustment expenses may deviate, perhaps materially, from expected ultimate costs reflected in our current reserves.

In setting reserves, we expect to utilize the same integrated, multi-disciplinary approach that we expect to use to establish our reinsurance prices. We expect that, after an initial analysis by members of our actuarial staff, preliminary results will be shared with appropriate underwriters, pricing actuaries, claims and finance professionals and, as appropriate, senior management. Final actuarial recommendations will incorporate feedback from these professionals. To the extent reserves prove to be insufficient to cover actual losses and loss adjustment expenses after taking into account available retrocessional coverage, we would have to augment such reserves and incur a charge to earnings in the period during which such reserves are augmented that could be material.

Under U.S. GAAP, we will not be permitted to establish loss reserves until the occurrence of an event which may give rise to a loss. Once such an event occurs, we will establish reserves based upon estimates of total losses incurred by the ceding insurers as a result of the event and our estimate of the portion of such loss we have reinsured. As a result, only loss reserves applicable to losses incurred up to the reporting date may be set aside, with no allowance for the provision of a contingency reserve to account for expected future losses. Losses arising from future events will be estimated and recognized at the time the loss is incurred and could be substantial.

Generally, reserves are established without regard to whether we may subsequently contest the loss. We expect our policy to be to establish reserves for reported losses based upon reports received from ceding companies, supplemented by our reserve estimates.

Investments

General Guidelines. We intend to develop investment guidelines for the management of our investment portfolio by third party investment managers. Although these guidelines are expected to stress diversification of risk, preservation of capital and market liquidity, investments will be subject to market-wide risks and fluctuations, as well as risks inherent in particular securities. The primary objective of the portfolio, to be set forth in the guidelines, will be to maximize investment returns consistent with appropriate safety, diversification, tax and regulatory considerations and to provide sufficient liquidity to enable us to meet our obligations on a timely basis. These guidelines will be subject to oversight and change at the discretion of our Board of Directors.

Our investment strategy will take into consideration the risks inherent in property catastrophe and other reinsurance. For this reason management expects that our investment policy will be conservative with a strong emphasis on high quality, fixed maturity investments. We expect that the guidelines will include limitations with respect to the maximum effective maturity. The duration of the portfolio will vary according to decisions taken by the investment advisors on the outlook for interest rate movements, subject to limitations set forth in the guidelines. The duration limitations set forth in the guidelines are expected to take into consideration the estimated duration of the reinsurance liabilities in the business.

Initially, we expect to invest only in investment grade securities. We do not currently intend to invest any of our portfolio in equity securities, although we may do so in the future. We do not intend to invest in real estate or other classes of alternative investments. We expect that our investment guidelines will contain restrictions and limitations designed to provide diversification across our portfolio, including limitations on the portion of the portfolio that may be invested in the securities of any single issue or issuer, with the exception of sovereign governments or agencies, including supernational agencies, with prescribed minimum ratings. Our investment managers may be instructed to invest some of the investment portfolio in currencies other than U.S. dollars based upon the business we anticipate writing, the exposures and loss reserves on our books, or regulatory requirements. We expect that our investment guidelines will provide that financial futures and options and foreign exchange contracts may not be used in a speculative manner but may be used, subject to certain numerical restrictions set by the Board of Directors, only as part of a defensive strategy to protect the market value of investments.

Insurance company investments must comply with applicable laws and regulations which prescribe the kind, quality and concentration of investments. In general, these laws and regulations permit investments, within specified limits and subject to some qualifications, in federal, state and municipal obligations, corporate bonds, preferred and common equity securities, mortgage loans, real estate and some other investments.

Investment Management Agreement. We expect to enter into an investment management agreement, effective upon completion of the Public Offering, with Alliance Capital Management L.P., which will provide investment advisory services to us.

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Valuation. We expect to classify our entire investment portfolio as available-for-sale. All of our fixed income securities will be carried at their estimated fair value, with the difference between amortized cost and the fair value, net of any deferred taxes, to be charged or credited directly to our shareholders' equity. We will calculate the fair value based on quoted market prices, as reported by reputable market data providers such as Bloomberg, Reuters or Telerate. If quoted market prices are not available, fair values will be estimated either based on values obtained from independent pricing services or on a cash flow estimate. Cash equivalents and short-term investments will be carried at cost, which we expect will approximate fair value. Realized gains and losses on disposal of investments will be determined based upon specific identification of the cost of investments sold and will be recorded in our statements of operations. We will monitor the unrealized difference between the cost and the estimated fair value of the securities in our portfolio. If the value of any of our investments declines in a manner that we believe is other than temporary, we will write down that investment and will record a realized loss on our statement of operations.

Competition

The property and casualty reinsurance industry is highly competitive and, except for regulatory considerations, there are relatively few barriers to entry. We will compete with insurers and reinsurers worldwide, many of which have greater financial, marketing and management resources than ours. Some of our competitors are large financial institutions who have reinsurance divisions, while others are specialty reinsurance companies. Financial institutions have also created alternative capital market products that compete with reinsurance products, such as reinsurance securitization. Our principal competitors vary by type of business. Bermuda-based reinsurers are significant competitors on property catastrophe business. Lloyd's of London syndicates are significant competitors on marine business. On international business, the large European reinsurers are significant competitors. Large U.S. direct reinsurers, as well as lead U.S.-based broker market reinsurers, are significant competitors on U.S. casualty business. On an overall basis, we expect that our most significant competitors will include General Re, Munich Re, Swiss Re, Employers Re, Lloyd's of London, XL Capital, ACE, Converium Holding, Everest Re, and PartnerRe.

Recently, several individuals and companies in the reinsurance industry have established new, well-capitalized Bermuda-based reinsurers to benefit from improved market conditions following the September 11, 2001 terrorist attack, and several existing competitors have raised additional capital or have announced plans to do so. Many of the reinsurers who have entered the reinsurance markets have or could have more capital than we will have. In addition, there may be established companies or new companies of which we are not aware that may be planning to commit capital to this market. Competition in the types of reinsurance business that we underwrite is based on many factors, including premium charges and other terms and conditions offered, services provided, ratings assigned by independent rating agencies, speed of claims payment, claims experience, perceived financial strength and experience and reputation of the reinsurer in the line of reinsurance to be written. The full effect of this additional capital on the reinsurance market and on the terms and conditions of the reinsurance contracts of the types we expect to write may not be known for some time.

The reinsurance industry is highly concentrated. We estimate that, based on 2000 net premiums written, the four largest reinsurers currently have a market share of approximately 49%, and the next ten largest property and casualty reinsurers currently have a market share of approximately 30%. Reinsurance companies have sought in recent years to expand their existing markets, obtain critical mass in new markets, including life reinsurance, and further diversify risk. At the same time, consolidation in the worldwide insurance industry has created a smaller group of large ceding companies that are retaining an increasing proportion of their business.

We are aware of a number of initiatives by traditional as well as new capital market participants to produce alternative products (such as reinsurance securitizations, catastrophe bonds and various

derivatives such as swaps) that may compete with certain types of reinsurance, such as property catastrophe. Over time, these numerous initiatives could significantly affect supply, pricing and competition in our industry.

Ratings

Best's is generally considered to be a significant rating agency with respect to the evaluation of insurance and reinsurance companies. Best's ratings are based on a quantitative evaluation of performance with respect to profitability, leverage and liquidity and a qualitative evaluation of spread of risk, reinsurance program, investments, reserves and management. Insurance ratings are used by insurers and reinsurance intermediaries as an important means of assessing the financial strength and quality of reinsurers. In addition, a ceding company's own rating may be adversely affected by the lack of a rating of its reinsurer. Therefore, the lack of a rating may dissuade a ceding company from reinsuring with us and may influence a ceding company to reinsure with a competitor of ours that has an insurance rating.

Our management has met with Best's, which has advised us that it expects to assign an initial financial strength rating of "A" (Excellent) to our operating subsidiaries upon the completion of the Public Offering and the receipt of the offering proceeds in line with certain representations we made to Best's. In addition, the rating assignment is contingent upon the funding of our operating subsidiaries to the levels indicated by our management as well as the execution of all pertinent transactions as detailed by this prospectus. The rating assignment further contemplates the initiation of certain capital support agreements between Platinum Holdings and its operating subsidiaries.

Employees

Currently, we employ Jerome T. Fadden, our President and Chief Executive Officer, William A. Robbie, our Executive Vice President and Chief Financial Officer, and Michael E. Lombardozzi, our Executive Vice President and General Counsel. We expect to employ approximately 150 employees of St. Paul Re. None of our employees is expected to be subject to collective bargaining agreements.

Mr. Fadden has obtained a temporary work permit, and we are seeking longer-term work permits from the Bermuda authorities for him as well as for William A. Robbie, Michael E. Lombardozzi and any other employees of Platinum Holdings or Platinum Bermuda who are not Bermuda citizens. Permits obtained will expire at various times over the next several years. We have no reason to believe that these permits would not be extended upon request at their respective expirations. However, the Bermuda government recently announced a new policy that places a six-year term limit on individuals with work permits, subject to certain exceptions for key employees.

Subsidiaries

Platinum UK and Platinum Bermuda are wholly owned operating subsidiaries of Platinum Holdings. Platinum UK was formed as a U.K. company on April 10, 2002, and Platinum Bermuda was formed as a Bermuda company on May 8, 2002. Platinum US was formed as a Maryland company in 1995 and is a wholly owned subsidiary of St. Paul. We own Platinum UK through Platinum Ireland and, upon completion of the Public Offering, will own Platinum US through Platinum Finance, which will be a wholly owned subsidiary of Platinum Ireland, our wholly owned intermediate holding subsidiary. Platinum Finance was formed as a Delaware corporation on May 10, 2002. Platinum Ireland was formed as an Irish company on May 3, 2002. Platinum Holdings will enter into a capital support agreement for the benefit of one or more of our operating company subsidiaries, the effect of which is to assure that, at all times, those subsidiaries will have adequate capital and surplus.

Our Facilities

Platinum Holdings' registered office is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. We expect to enter into a lease agreement in Bermuda for approximately 5,000 to 10,000 square feet of office space. We will sublet a portion of the office space at that location to Platinum Bermuda for use as its principal offices.

The principal offices of Platinum US will be located at 195 Broadway, New York, New York, where Platinum US will sub-lease from St. Paul approximately 50,000 square feet of office space. The term of the lease ends August 31, 2003. We are currently exploring the possibility of leasing space at 195 Broadway after August 31, 2003 and are also considering options to replace the office space at 195 Broadway with a new facility.

We expect that the principal offices of Platinum UK will be located at 52 Lime Street, London, where (subject to landlord's consent) St. Paul will sub-let to Platinum UK approximately 7,600 square feet of office space. The term of the sub-lease is expected to end in 2003.

Platinum US will enter into sub-lease agreements or assignments of leases with St. Paul with respect to approximately 4,000 square feet of office space in Chicago, 6,300 square feet of office space in Miami and expects to enter into a sub-lease or assignment of lease of approximately 600 square feet of office space in Tokyo. The terms of these leases will end in 2005, 2006 and 2003 respectively.

Legal Proceedings

In the normal course of business, we may become involved in various claims and legal proceedings. We are not currently aware of any pending or threatened material litigation.

Regulation

General

The business of reinsurance is regulated in most countries, although the degree and type of regulation varies significantly from one jurisdiction to another. Reinsurers are generally subject to less direct regulation than primary insurers. In Bermuda, we operate under relatively less intensive regulatory regimes. However, in the United States and in the United Kingdom licensed reinsurers must comply with financial supervision standards comparable to those governing primary insurers. Accordingly, Platinum US and Platinum UK are subject to extensive regulation under applicable statutes. In the United States, those statutes delegate regulatory, supervisory and administrative powers to state insurance commissioners.

Potential Legislative and Industry Changes

We are aware of a number of new, proposed or potential legislative or industry changes that may impact upon the worldwide demand for reinsurance.