

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

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO.)*

IPC HOLDINGS, INC.

(Name of Issuer)

Common Stock, without par value

(Title of Class of Securities)

G4933P 10 1

(CUSIP Number)

AMERICAN INTERNATIONAL GROUP, INC.
70 PINE STREET
New York, New York 10270
Attn: General Counsel (212) 770-5457

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

March 7, 1996

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box / /.

Check the following box if a fee is being paid with the statement / /. (A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent or less of such class.) (See Rule 13d-7.)

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(Continued on following page(s))

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

AMERICAN INTERNATIONAL GROUP, INC.
IRS I.D. NO.: 13-2592361

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) / /
(b) / /

3 SEC USE ONLY

4 SOURCE OF FUNDS*

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEMS 2(D) OR 2(E)

/ /

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware, U.S.A.

7 SOLE VOTING POWER

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH

6,100,000 shares

8 SHARED VOTING POWER

9 SOLE DISPOSITIVE POWER

6,100,000 shares

10 SHARED DISPOSITIVE POWER

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

6,100,000 shares

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES*

/ /

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

24.4%

14 TYPE OF REPORTING PERSON*

HC, CO

*SEE INSTRUCTIONS BEFORE FILLING OUT!

ITEM 1. SECURITY AND ISSUER.

This statement relates to the common shares, without par value ("Common Shares"), of IPC Holdings, Inc., a Bermuda corporation ("Company"). The principal executive offices of the Company are located at American International Building, 29 Richmond Road, Pembroke HM 08, Bermuda.

ITEM 2. IDENTITY AND BACKGROUND.

(a) through (c). This statement is filed by American International Group, Inc., a Delaware corporation ("AIG").

On March 7, 1996 ("Effective Date"), the Securities and Exchange Commission ("SEC") declared effective the Company's registration statement on Form S-1, Registration No. 333-00088 ("Registration Statement"), pursuant to which the shareholders of the Company (other than AIG and General Re Corporation) offered for sale in an initial public offering ("IPO") 13,521,739 Common Shares. The Common Shares are listed on the Nasdaq National Market under the symbol "IPCRF" and registered by the Company under Section 12(g) of the Securities Exchange Act of 1934.

AIG, which first sponsored the formation of the Company in 1993, owns 6,100,000 Common Shares ("AIG Common Shares") representing 24.4% of the share capital of the Company (none of which AIG Common Shares were offered for sale in the IPO), as well as an option ("Option") to purchase up to an additional 2,775,000 Common Shares (i.e., an additional 10% on a fully diluted basis, excluding employee stock options of the Company) at a purchase price of \$12.7746 per share.

A copy of the Option is attached hereto as Exhibit A and incorporated in its entirety by reference. The descriptions set forth in this Form 13D are qualified in their entirety by reference to the Option as attached hereto. In addition, reference is made to the Registration Statement, a copy of which is on file with the SEC.

AIG is a holding company which, through its subsidiaries, is primarily engaged in a broad range of insurance and insurance-related activities and financial services in the United States and abroad. The principal executive offices of AIG are located at 70 Pine Street, New York, New York 10270.

Starr International Company, Inc., a private holding company incorporated in Panama ("SICO"), The Starr Foundation, a New York not-for-profit corporation ("The Starr Foundation"), and C.V. Starr & Co., Inc., a private holding company incorporated in Delaware ("Starr"), have the right to vote approximately 16.0%, 3.5% and 2.4%, respectively, of the outstanding common stock of AIG. The principal offices of SICO are located at 29 Richmond Road, Pembroke, Bermuda. The principal offices of The Starr Foundation and Starr are located at 70 Pine Street, New York, New York 10270. A list of the executive directors and officers ("Covered Persons") of AIG, SICO, The Starr Foundation and Starr, their business addresses and principal occupations is attached hereto as Exhibit B. Each of the Covered Persons is a citizen of the United States, except for Messrs. Manton and Edmund Tse who are British subjects, Mr. Cohen who is a Canadian subject and Mr. Joseph Johnson who is a Bermudian subject.

(d) and (e). During the last five years, none of AIG, SICO, The Starr Foundation and Starr, or any of the Covered Persons, has (i) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to federal or state securities laws or finding any violations with respect to such laws.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

Pursuant to the terms of a Subscription Agreement dated June 29, 1993 by and among the Company the Company's Shareholders, AIG purchased the AIG Common Shares for US\$58,560,000 in cash and received the Option. At the time of the purchase, AIG used its available working capital to purchase the AIG Common Shares.

ITEM 4. PURPOSE OF TRANSACTION.

The purpose of the acquisition of the AIG Common Shares and the Option by AIG in 1993 was investment and the formation of the Company. The purpose of the IPO was to enable the Selling Shareholders of the Company to conclude their respective investments in the Company by selling their Common Shares into the public market.

A. ACQUISITION OF ADDITIONAL SECURITIES OF THE ISSUER

In addition to its current ownership of the AIG Common Shares, AIG may, after the Effective Date, purchase additional Common Shares from the Company upon exercise of the Option.

The Option entitles AIG to purchase up to 2,775,000 Common Shares at an exercise price of \$12.7746 per share. The Option is exercisable once, in whole or in part, only on or after various exercise dates. If notice of exercise of the Option is not made on or prior to June 29, 2003, the Option expires. The Option has customary antidilution provisions. AIG has agreed with the Company that it will dispose of any Common Shares obtained pursuant to exercise of the Option that results in AIG becoming the holder (a "U.S. 25% Shareholder") of 25% or more of the total combined voting power or total value of the Company's capital stock within 29 days of exercise of the Option.

In connection with the IPO, AIG also entered into a letter agreement dated March 6, 1996 ("Lock-Up Letter") with Morgan Stanley & Co. Incorporated and Merrill, Lynch, Pierce, Fenner & Smith Incorporated (acting severally on behalf of themselves and the several underwriters of the IPO), pursuant to which AIG agreed that, for a period 180 days after the Effective Date, AIG (with respect to the AIG Common Shares and Common Shares issuable upon exercise of the Option) shall not, without the prior written consent of Morgan Stanley & Co. Incorporated or Merrill, Lynch, Pierce, Fenner & Smith Incorporated:

(i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Common Shares or any securities convertible into or exercisable or exchangeable for Common Shares, or

(ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic consequences of ownership of the Common Shares.

Notwithstanding the foregoing, AIG may engage in such transaction in certain circumstances involving either (A) sales in connection with an amalgamation or merger of the Company (in which the Company is not the surviving entity) or the sale of substantially

all of the assets of the Company, or (B) sales necessary in the judgment of AIG to comply with its obligations to dispose of any Common Shares obtained pursuant to the exercise of the Option that would result in AIG becoming the holder (a "U.S. 25% Shareholder") of 25% or more of the total combined voting power or total value of the Company's capital stock.

A copy of the Lock-Up Letter is attached as Exhibit C hereto and incorporated in its entirety by reference. The descriptions set forth in this Form 13D are qualified in their entirety by reference to the Lock-Up Letter as attached hereto.

No additional plans or proposals are presently contemplated by AIG other than those described elsewhere in this Form.

B. EXTRAORDINARY CORPORATE TRANSACTION

No plans or proposals are presently contemplated by AIG with respect to any extraordinary corporate transaction involving the Company. Notwithstanding the foregoing, AIG has the right, except as described in Item 4(a) above, freely to acquire securities of the Company in any manner whatsoever and engage in any of the activities described above.

C. SALE OR TRANSFER OF A MATERIAL AMOUNT OF ASSETS OF THE ISSUER OR ANY OF ITS SUBSIDIARIES

No plans or proposals are presently contemplated by AIG with respect to any sale or transfer of a material amount of assets of the Company and/or its subsidiaries.

D. ANY CHANGE IN THE PRESENT BOARD OF DIRECTORS OR MANAGEMENT OF THE ISSUER

Prior to the IPO, the number of members of the Company's Board of Directors was increased from five to seven. Thereafter, no shareholder of the Company was contractually entitled to elect any of the Board's directors, except as part of the vote of a simple majority of Common Shareholders at a duly constituted shareholder meeting of the Company. No other plans or proposals are presently contemplated by AIG with respect to any change in the Company's present board of directors or management.

E. ANY MATERIAL CHANGE IN THE PRESENT CAPITALIZATION OR DIVIDEND POLICY OF THE ISSUER

No plans or proposals are presently contemplated by AIG with respect to any material change in the present capitalization or dividend policy of the Company.

F. ANY OTHER MATERIAL CHANGE IN THE ISSUER'S BUSINESS OR CORPORATE STRUCTURE

No plans or proposals are presently contemplated by AIG with respect to any other material change in the business or corporate structure of the Company.

G. CHANGES IN THE ISSUER'S CHARTER, BY-LAWS OR INSTRUMENTS CORRESPONDING THERETO OR OTHER ACTIONS WHICH MAY IMPEDE THE ACQUISITION OF CONTROL OF THE ISSUER BY ANY PERSON

In connection with the IPO, the Company amended its Bye-Laws to implement transfer restrictions ("Transfer Restrictions") on the capital stock of the Company designed to restrict transfers of the Common Shares that may result in the treatment of the Company as a "controlled foreign corporation" under the U.S. Internal Revenue Code of 1986 ("Code"). A copy of the Amended and Restated Bye-Laws of the Company ("Bye-Laws") is attached as Exhibit D hereto and incorporated in its entirety by reference. The descriptions set forth in this Form 13D are qualified in their entirety by reference to the Bye-Laws as attached hereto.

Transfer Restrictions on Company Securities

Under the Bye-Laws, the Company's directors are generally 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), other than AIG and its affiliates, beneficially owning, directly or indirectly, 10% or more of the Common Shares, or in AIG and its affiliates beneficially owning, directly or indirectly, more than 25% of such Common Shares. Similar restrictions apply to the Company's ability to issue or repurchase shares other than in connection with AIG's exercise of the Option. The directors (or their designee) also may, in their absolute discretion, decline to register the transfer of any Common Shares if they have reason to believe that (i) such transfer may expose the Company, any subsidiary thereof, any

shareholder or any person ceding insurance to the Company or any such subsidiary to adverse tax or regulatory treatment in any jurisdiction of, and (ii) registration of such transfer under the Securities Act or under any U.S. state securities laws or under the laws of any other jurisdiction is required and such registration has not been duly effected. A transferor of Common Shares will be deemed to own such shares for dividend, voting and reporting purposes until a transfer of such Common Shares has been registered on the Register of Members of the Company. The Company is authorized to request information from any holder or prospective acquirer of Common Shares as necessary to give effect to the transfer, issuance and repurchase restrictions referred to above, and may decline to effect any such transaction if complete and accurate information is not received as requested.

Voting Rights of the Common Shares

In addition, the Bye-Laws generally provide that any person (or any group of which such person is a member) holding, directly or by attribution, or otherwise beneficially owning Common Shares carrying 10% or more of the total voting rights attached to all of the Company's outstanding capital shares, will have the voting rights attached to its issued shares reduced so that it may not exercise more than approximately 9.9% of such total voting rights. Because of the attribution provisions of the Code and the rules of 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 the Common Shares. Further, the directors (or their designee) have the authority to request from any shareholder certain information for the purpose of determining whether such shareholder's voting rights are to be reduced. Failure to respond to such a notice, or submitting incomplete or inaccurate information, give the directors (or their designee) discretion to disregard all votes attached to such shareholder's Common Shares.

Registration Rights Agreement

As of the Effective Date, the AIG Common Shares and the Common Shares issuable upon exercise of the Option were not registered with the SEC for sale by AIG and are restricted securities. In connection with the IPO, the Company entered into a Registration Rights Agreement, pursuant to which AIG will be

entitled to certain registration rights under the Securities Act with respect to the Common Shares issuable to AIG upon exercise of the Option. A copy of the Registration Rights Agreement is attached as Exhibit E hereto. Additionally, under the Lock-Up Letter, AIG has agreed (with respect to the AIG Common Shares and Common Shares issuable upon exercise of the Option) that, for a period 180 days after the Effective Date, it shall not make any demand for or exercise any right with respect to the registration of any Common Shares or any securities convertible into or exercisable or exchangeable for Common Shares.

H. CAUSING A CLASS OF SECURITIES OF THE ISSUER TO BE DELISTED FROM A NATIONAL SECURITIES EXCHANGE OR TO CEASE TO BE AUTHORIZED TO BE QUOTED IN AN INTER-DEALER QUOTATION SYSTEM OF A REGISTERED NATIONAL SECURITIES ASSOCIATION

No plans or proposals are presently contemplated by AIG which would cause a class of securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association.

I. CAUSING A CLASS OF SECURITIES OF THE ISSUER TO BECOME ELIGIBLE FOR TERMINATION OF REGISTRATION PURSUANT TO SECTION 12(g)(4) OF THE SECURITIES EXCHANGE ACT OF 1934

No plans or proposals are presently contemplated by AIG which would cause a class of securities of the Company to become eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934.

J. ANY ACTION SIMILAR TO ANY OF THOSE ENUMERATED ABOVE

No additional plans or proposals are presently contemplated by AIG other than those described elsewhere in this Form.

ITEM 5. INTEREST IN SECURITIES OF ISSUER.

(a) and (b). The information required by these paragraphs is set forth in Items 7 through 11 and 13 of each of the cover pages of this Schedule 13D and is based upon the number of shares of Common Stock outstanding as of March 7, 1996 (25,000,000) as contained in the Registration Statement.

(c). AIG, SICO, The Starr Foundation and Starr, and, to the best of AIG's knowledge, the Covered Persons, have not engaged in any transactions in the Common Stock within the past 60 days other than in connection with a recapitalization of the capital stock of the Company prior to the IPO.

(d) and (e). Not applicable.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS & RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

Contracts, arrangements, understandings and relationships with respect to securities of the Company consist of the Option, the Lock-Up Letter, the Bye-Laws and the Registration Rights Agreement, each of which is attached as an exhibit hereto and is incorporated in its entirety by reference.

In addition, prior to February 15, 1996, the Company and its existing shareholders were parties to a Shareholders' Agreement and a Subscription Agreement, each dated June 29, 1993, which contained, among other things, provisions relating to the corporate governance of the Company. The Company and its existing shareholders entered into a Termination Agreement on February 15, 1996 whereby, subject to consummation of the Offering, the Shareholder's Agreement and the Subscription Agreement terminated upon consummation of the IPO other than with respect to certain contingent liabilities relating to pre-termination events. The Company has agreed in the Termination Agreement to indemnify the Selling Shareholders in the IPO against certain liabilities in connection with the IPO, including liabilities under the Securities Act.

In addition to the foregoing agreements, subsidiaries of AIG, in the ordinary course of their business, provide investment advisory, administrative and custodial services to the Company.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

- (A) Amended and Restated Option Agreement dated March 13, 1996 by and between IPC Holdings, Ltd. and American International Group, Inc.
- (B) List of the Directors and Officers of American International Group, Inc., Starr International Company,

Inc., The Starr Foundation and C.V. Starr & Co., Inc.,
Their Business Addresses and Principal Occupations.

- (C) Letter Agreement dated March 6, 1996 among American International Group, Inc., Morgan Stanley & Co. Incorporated and Merrill, Lynch, Pierce, Fenner & Smith Incorporated (acting on behalf of itself and the several underwriters of the IPO).
- (D) Bye-Laws of IPC Holdings, Ltd. as at March 13, 1996.
- (E) Registration Rights Agreement dated as of March 13, 1996 by and between IPC Holdings, Ltd. and the Rightsholders identified therein (including without limitation American International Group, Inc.).

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: April 9, 1996

AMERICAN INTERNATIONAL GROUP, INC.

By: /s/ Edward E. Matthews

Edward E. Matthews
Vice Chairman - Finance

EXHIBIT INDEX

Exhibit No. -----	Description -----
(A)	Amended and Restated Option Agreement dated March 13, 1996 by and between IPC Holdings, Ltd. and American International Group, Inc.
(B)	List of the Directors and Officers of American International Group, Inc., Starr International Company, Inc., The Starr Foundation and C.V. Starr & Co., Inc., Their Business Addresses and Principal Occupations.
(C)	Letter Agreement dated March 6, 1996 among American International Group, Inc., Morgan Stanley & Co. Incorporated and Merrill, Lynch, Pierce, Fenner & Smith Incorporated (acting on behalf of itself and the several underwriters of the IPO).
(D)	Bye-Laws of IPC Holdings, Ltd. as at March 13, 1996.
(E)	Registration Rights Agreement dated as of March 13, 1996 by and between IPC Holdings, Ltd. and the Rightsholders identified therein (including without limitation American International Group, Inc.).

AMENDED AND RESTATED
OPTION AGREEMENT

NEITHER THIS OPTION AGREEMENT, NOR THE COMMON SHARES DELIVERABLE UPON EXERCISE HEREOF, HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT"). NEITHER THIS OPTION NOR ANY INTEREST HEREIN MAY BE ASSIGNED OR OTHERWISE TRANSFERRED, DISPOSED OF OR ENCUMBERED EXCEPT FOLLOWING RECEIPT BY IPC HOLDINGS, LTD. (THE "COMPANY") OF AN OPINION OF UNITED STATES COUNSEL TO THE COMPANY THAT SUCH TRANSFER DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR STATE SECURITIES LAWS AND UPON OBTAINMENT OF ANY REQUIRED GOVERNMENT APPROVALS. TRANSFER OF THIS OPTION OR ANY INTEREST HEREIN MAY BE DISAPPROVED BY THE BOARD OF DIRECTORS OF THE COMPANY IF, IN THEIR REASONABLE JUDGMENT, THEY HAVE REASON TO BELIEVE THAT SUCH TRANSFER MAY EXPOSE THE COMPANY, ANY SUBSIDIARY THEREOF, ANY SHAREHOLDER OR ANY PERSON CEDING INSURANCE TO THE COMPANY OR ANY SUCH SUBSIDIARY TO ADVERSE TAX OR REGULATORY TREATMENT IN ANY JURISDICTION. COMMON SHARES OBTAINED UPON EXERCISE OF THIS OPTION AGREEMENT ARE SUBJECT TO SUBSTANTIAL RESTRICTIONS ON TRANSFER AS SET FORTH IN THE TERMINATION AGREEMENT, DATED AS OF FEBRUARY 15, 1996, AMONG THE COMPANY AND THE SHAREHOLDERS IDENTIFIED THEREIN AND THE REGISTRATION RIGHTS AGREEMENT, DATED AS OF MARCH 13, 1996, AMONG THE COMPANY AND THE RIGHTHOLDERS IDENTIFIED THEREIN.

This AMENDED AND RESTATED OPTION AGREEMENT made this 13th day of March, 1996 between IPC HOLDINGS, LTD., a company incorporated under the laws of the Islands of Bermuda (hereinafter called "the Company") of the one part, and AMERICAN INTERNATIONAL GROUP, INC., a company incorporated under the laws of the State of Delaware in the United States of America (hereinafter called "AIG") of the second part.

W I T N E S S E T H:

WHEREAS, AIG purchased 60 shares of the Voting Common Stock, par value U.S. \$200 per share (the "Voting Common Stock"), and 184 shares of the Non-Voting Common Stock, par value U.S. \$200 per share (the "Non-Voting Common Stock", the Voting

and Non-Voting Common Stock being sometimes referred to collectively herein as the "Common Stock") of the Company pursuant to the Subscription Agreement, dated as of June 29, 1993, among the Company and the investors named therein (the "Subscription Agreement") and has entered into the Shareholders' Agreement, dated as of June 29, 1993, among the Company and the shareholders named therein (the "Shareholders' Agreement");

WHEREAS, in connection with the entering into by AIG of the Subscription Agreement and the Shareholders' Agreement, the Company granted AIG an option to purchase additional shares of Common Stock on the terms and conditions specified in the Option Agreement, dated June 29, 1993, between the Company and AIG (the "Original Option Agreement");

WHEREAS, in connection with a proposed Initial Public Offering (as defined in the Shareholders' Agreement), the shareholders of the Company have approved a recapitalization of the Company's capital stock, pursuant to which each share of Voting Common Stock and Non-Voting Common Stock shall be converted into 25,000 Common Shares, par value U.S. \$.01 per share (the "Common Shares");

WHEREAS, in connection with the proposed Initial Public Offering and such recapitalization, AIG and the Company, with the unanimous approval of the Company's shareholders, wish to amend certain provisions of the Original Option Agreement and restate such agreement as so amended, effective upon consummation of the Initial Public Offering;

NOW, THEREFORE, AIG and the Company agree as follows, effective upon consummation of the Initial Public Offering:

1. (a) In consideration of AIG entering into the Subscription Agreement and Shareholders' Agreement and for other value received, receipt of which is acknowledged, the Company hereby grants to AIG the option (the "Option") exercisable at the

times and subject to the conditions set forth in paragraph (d) of this Section 1, to subscribe for and be allotted up to 2,775,000 Common Shares (the "Option Shares") at the price of U.S. \$12.7746 per share. The number of Option Shares and the amount payable hereunder in respect of each such Option Share (hereinafter referred to as the "Option Price") shall be subject to adjustments from time to time in accordance with the provisions of Section 3 hereof.

(b) The Option shall be exercisable at all times to the full extent of the Option Shares granted pursuant to paragraph (a) of this Section 1, notwithstanding that the purchase by AIG of all the Option Shares may at any time cause it to be a U.S. 25% Shareholder (as defined below). In the event that AIG becomes a U.S. 25% Shareholder as a result of any exercise of the Option, AIG shall, within 29 days of the effective date of the exercise of the Option, dispose of such number of Common Shares as shall be necessary, in AIG's determination, for AIG to cease being a U.S. 25% Shareholder. As used herein, a "U.S. 25% Shareholder" means any U.S. person who is a shareholder of the Company owning, directly or by application of the attribution and constructive ownership rules of Section 958(a) and 958(b) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), more than 25% of either (i) the total combined voting rights attaching to the issued Common Shares and the issued shares of any other class of the Company or (ii) the total combined value of the issued Common Shares and any other issued shares of the Company, determined pursuant to Section 957 of the Code.

(c) The Option Shares shall upon issue rank equally in all respects with the other Common Shares of the Company, but in no case will any Option Shares carry any option or other right to subscribe for further additional shares.

(d) The Option may be exercised once in whole or in part only on the earlier of (i) on or about (as provided in the last sentence of Section 2(a) below) June 29, 2003, or any of June 29, 2001, December 29, 2001, June 29, 2002 or December 29, 2002, provided, however, that the Option is exercisable on or about any such date only if the book value per share of the Option Shares on such date, as reflected on the books of the Company (assuming exercise of only the Option Shares being exercised and reflecting such dilution by other contingently issuable Common Shares as is required under U.S. generally accepted accounting principles), is at least 175% of the Option Price in effect on such date, or (ii) (A) a registration of the Common Shares under the U.S. Securities Act of 1933 (the "Securities Act") subsequent to the Initial Public Offering in connection with either a primary or secondary distribution (or both) (unless such registration has been undertaken by the Company at the sole request of AIG) (a "Subsequent Offering") or (B) as provided in Section 1(g) below.

(e) If notice of exercise has not previously been provided pursuant to Section 2, the Option shall expire upon the earlier of (i) the close of business on June 29, 2003 or (ii) the commencement of the winding up of the Company; thereafter AIG shall cease to have any rights in respect thereof. If notice of exercise has been provided prior to expiration pursuant to the foregoing sentence, exercise of the Option in due course following June 29, 2003 shall be consummated.

(f) AIG shall not, solely by virtue hereof, be entitled to any rights of a shareholder in the Company either at law or in equity.

(g) In case of any amalgamation of the Company with or merger of the Company into another person or of any sale, transfer or lease to another person of all or substantially all the assets of the Company (other than in connection with a reincorporation),

AIG shall have the right to exercise this Option, in whole or in part, prior to consummation of such amalgamation, merger, sale, transfer or lease. In such event, upon payment of the Option Price in effect immediately prior to such exercise, AIG shall be entitled to purchase the kind and amount of shares, other securities, cash and/or other property which AIG would have owned or have been entitled to receive after the happening of such amalgamation, merger, sale, transfer or lease had the Option been exercised immediately prior to such action, reflecting exercise by AIG of any rights of election provided to the holders of Common Shares as to the kind or amount of shares, securities, cash or other property receivable upon such amalgamation, merger, sale, transfer or lease.

2. (a) To exercise the Option in accordance with Section 1(d)(i) hereof, AIG shall provide written notice to the Company of its intention to exercise all or a portion of the Option at least sixty (60) days prior to the intended date of exercise from among those permitted by Section 1(d)(i) (such notice will indicate the number of Option Shares AIG intends to purchase upon exercise of the Option and shall be in writing signed by or on behalf of AIG and delivered or sent by registered post to the Company at its registered office). Upon such notice, if and to the extent requested by AIG, the Company shall promptly commence the preparation of a registration statement in the manner provided in the Registration Rights Agreement to be entered into among the Company and Rightholders identified therein (including AIG as holder of the Option) (as it may be amended from time to time, the "Registration Rights Agreement") in order to permit AIG to resell to the public up to the full number of Option Shares to be purchased by it pursuant to the Option's exercise (including, but not limited to, in order to satisfy AIG's obligations pursuant to Section 1(b) hereof). In the event the closing of any resale by AIG of Option Shares pursuant to said registration statement is not effected precisely on the applicable date specified in Section 1(d)(i) hereof,

exercise of the Option shall be effective only immediately prior to, and contingent upon, the closing of the public offering to which the requested registration relates.

(b) In connection with exercise of the Option in accordance with Section 1(d)(ii)(A) hereof, the Company shall provide AIG written notice of the intention to effect a registration of the Common Shares under the Securities Act in connection with a Subsequent Offering, either primary or secondary or both, in the manner specified in the Registration Rights Agreement. AIG shall provide written notice to the Company of its intention to exercise all or a portion of the Option in the manner provided in the Registration Rights Agreement (including, but not limited to, in order to satisfy AIG's obligations pursuant to Section 1(b) hereof). Any such exercise shall be effective only immediately prior to, and contingent upon, the consummation of such Subsequent Offering. AIG's notice will indicate the number of Option Shares AIG intends to purchase upon exercise of the Option and shall be in writing signed by or on behalf of AIG and delivered or sent by registered post to the Company at its registered office.

(c) In connection with exercise of the Option in accordance with Section 1(d)(ii)(B) hereof, the Company shall provide AIG written notice of its intention to effect a transaction specified in Section 1(g) as soon as practicable prior to such transaction (but in no event later than approval by the Board of Directors of such transaction), and AIG shall provide written notice to the Company of its intention to exercise all or a portion of the Option as promptly as practicable thereafter. Any such exercise shall be effective only immediately prior to, and contingent upon, the consummation of such transaction. AIG's notice will indicate the number of Option Shares as to which AIG intends to exercise and shall be in writing signed by or on behalf of AIG and delivered or sent by registered post to the Company at its registered office.

(d) AIG may require the Option Shares to be allotted to any nominee of AIG.

(e) The Company shall issue and allot the Option Shares upon exercise of the Option and payment of the total price payable therefor.

3. (a) In case the Company shall at any time after the date of this Amended and Restated Agreement (i) declare or pay a dividend or make any other distribution with respect to its capital stock in Common Shares such that the number of Common Shares outstanding is increased, (ii) subdivide or split-up its outstanding Common Shares, such that the number of Common Shares outstanding is increased, (iii) combine its outstanding Common Shares into a smaller number of Common Shares or (iv) effect any reclassification of the Common Shares other than a change in par value (including any such reclassification in connection with an amalgamation or merger in which the Company is the surviving entity or a reincorporation of the Company), the number of Common Shares purchasable upon exercise of this Option shall be proportionately adjusted so that AIG shall be entitled to receive the kind and number of Common Shares or other securities of the Company which it would have owned or have been entitled to receive after the happening of any of the events described above had this Option been exercised immediately prior to the happening of such event or any record date with respect thereto. An adjustment made pursuant to this paragraph 3(a) shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event.

(b) In case the Company shall issue rights, options or warrants to all holders of its outstanding Common Shares entitling them to subscribe for or purchase Common Shares at a price per share which is lower at the record date mentioned below than the then Current Market Value (as defined in Section 3(d) below), the number of Option

Shares thereafter purchasable upon the exercise of this Option shall be determined by multiplying the number of Option Shares theretofore purchasable upon exercise of this Option by a fraction, of which the numerator shall be the sum of (A) the number of Common Shares outstanding on the record date for determining shareholders entitled to receive such rights, options or warrants plus (B) the number of additional Common Shares offered for subscription or purchase, and of which the denominator shall be the sum of (A) the number of Common Shares outstanding on the record date for determining shareholders entitled to receive such rights, options or warrants plus (B) the number of shares which the aggregate offering price of the total number of Common Shares so offered would purchase at the Current Market Value (as defined below) per share of Common Shares at such record date. Such adjustment shall be made whenever such rights, options or warrants are issued, and shall become effective immediately after the record date for the determination of shareholders entitled to receive such rights, options or warrants.

(c) In the event the Company shall distribute to all holders of its Common Shares shares of the capital stock of International Property Catastrophe Reinsurance Company, Ltd. ("IPC Re"), the Option shall upon such distribution be deemed to be an option to purchase the kind and number of shares of the capital stock of IPC Re which AIG would have owned or have been entitled to receive after such distribution had this Option been exercised immediately prior to such distribution or any record date with respect thereto. The roll-over of the Option into an option to purchase shares of capital stock of IPC Re pursuant to this paragraph 3(c) shall become effective immediately after the effective date of the distribution of shares of the capital stock of IPC Re to shareholders of the Company described above.

(d) For the purpose of any computation under paragraph (b) of this Section 3, the "Current Market Value" of such Common Shares on a specified date shall be deemed to be the average of the daily closing prices per share for the ten consecutive Trading Days (as defined below) ending on the day before the applicable record date. "Trading Day" means each Monday, Tuesday, Wednesday, Thursday and Friday, other than any day on which the Common Shares are not traded on the applicable securities exchange or on the applicable securities market. The closing price for each day shall be the reported last sale price regular way or, in case no such reported sale takes place on such day, the average of the reported closing bid and asked prices regular way, in either case on the New York Stock Exchange or, if the Common Shares are not listed or admitted to trading on such Exchange, on the principal national securities exchange on which the Common Shares are listed or admitted to trading or, if not listed or admitted to trading on any national securities exchange, on the NASDAQ National Market or, if the Common Shares are not listed or admitted to trading on any national securities exchange or quoted on the NASDAQ National Market, the average of the closing bid and asked prices in the over-the-counter market as furnished by any New York Stock Exchange member firm reasonably selected from time to time by the Board of Directors of the Company for that purpose.

(e) Whenever the number of Common Shares purchasable by AIG upon the exercise of the Option is adjusted, as herein provided, the Option Price shall be adjusted by multiplying such Option Price immediately prior to such adjustment by a fraction, of which the numerator shall be the number of Option Shares purchasable upon the exercise of the Option immediately prior to such adjustment, and of which the denominator shall be the number of Option Shares purchasable immediately thereafter.

(f) No adjustment in the number of Option Shares purchasable upon the exercise of the Option need be made under paragraphs (b) and (c) if the Company issues or distributes, pursuant to this Agreement, to AIG the shares, rights, options, warrants, securities or assets referred to in those paragraphs which AIG would have been entitled to receive had the Option been exercised prior to the happening of such event or the record date with respect thereto. No adjustment need be made for a change in the par value of the Option Shares.

(g) For the purpose of this Section 3, the term "Common Shares" shall mean (i) the class of stock consisting of the Common Shares of the Company, or (ii) any other class of stock resulting from successive changes or reclassification of such shares consisting solely of changes in par value. In the event that at any time, as a result of an adjustment made pursuant to paragraph (a) above, AIG shall become entitled to receive any securities of the Company other than Common Shares, thereafter the number of such other securities so receivable upon exercise of the Option and the Option Price of such securities shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Option Shares contained in paragraphs (a) through (f), inclusive, above; provided, however, that the Option Price shall at no time be less than the aggregate par value of the Common Shares or other securities of the Company obtainable upon exercise of the Option, provided, further, that the Company shall reduce the par value of its Common Shares or other securities from time to time as necessary so that the foregoing shall not occur.

(h) In the case of paragraph (b) of this Section 3, upon the expiration of any rights, options or warrants or if any thereof shall not have been exercised, the Option Price and the number of Common Shares purchasable upon the exercise of the Option shall,

upon such expiration, be readjusted and shall thereafter be such as it would have been had it been originally adjusted (or had the original adjustment not been required, as the case may be) as if (A) the only Common Shares so issued were the Common Shares, if any, actually issued or sold upon the exercise of such rights, options or warrants and (B) such Common Shares, if any, were issued or sold for the consideration actually received by the Company upon such exercise plus the aggregate consideration, if any, actually received by the Company for the issuance, sale or grant of all such rights, options or warrants whether or not exercised; provided, further, that no such readjustment shall have the effect of increasing the Option Price or decreasing the number of Common Shares purchasable upon the exercise of the Option by an amount in excess of the amount of the adjustment initially made in respect to the issuance, sale or grant of such rights, options or warrants.

(i) In the case of paragraph (b) of this Section 3, on any change in the number of Common Shares deliverable upon exercise of any such rights, options or warrants, other than a change resulting from the antidilution provisions hereof, the number of Option Shares thereafter purchasable upon the exercise of the Option shall forthwith be readjusted to such number as would have been obtained had the adjustment made upon the issuance of such rights, options or warrants not converted prior to such change (or rights, options or warrants related to such securities not converted prior to such change) been made upon the basis of such change.

(j) The Company may at its option, at any time during the term of the Option, reduce the then current Option Price to any amount and for any period of time deemed appropriate by the Board of Directors of the Company, including such reductions in the exercise price as the Company considers to be advisable in order that any event treated for

Federal income tax purposes as a dividend of stock or stock rights shall not be taxable to the recipients.

4. The Company undertakes to increase its authorized share capital prior to the date upon which the Option shall become exercisable to a level sufficient to satisfy any exercise of the Option.

5. (a) This Option may not be assigned or otherwise transferred, disposed of or encumbered by AIG (or any subsequent transferee) in whole or in part except as provided in this Section 5.

(b) In the event of an amalgamation of the Company with or merger of the Company into another person, or a sale, transfer or lease to another person (each such person, a "Successor Person") of all or substantially all the assets of the Company, this Option may be transferred to a person which is a shareholder, partner or other affiliated person (directly or indirectly) of such Successor Person.

(c) On and after the date which is the second anniversary of the closing date of the Initial Public Offering, AIG may transfer this Option, in whole or in part, in one or more private transaction(s) to up to three institutional investors; provided, however, that any proposed transfer shall be conditioned upon (i) receipt by the Company of an opinion of United States counsel to the Company that such transfer would not require registration under the Securities Act or state securities laws and upon the obtainment of any required government approvals (which approvals the Company agrees to use its reasonable efforts to assist in obtaining); and (ii) the proposed transferee executing and delivering instruments reasonably acceptable to the Company acknowledging (a) that the transferee shall become a Section 3 Shareholder pursuant to the Termination Agreement, dated February 15, 1996, among the Company and the Shareholders named in Schedule 1 thereto, with the attendant

rights and obligations specified in Sections 3, 3.1, 3.2 and 3.3 thereof and (b) that the transferee shall become a party to the Registration Rights Agreement, dated March __, 1996, among the Company and the Rightholders named therein, with the attendant rights and obligations thereunder; provided, further, that any proposed transfer may be disapproved by the Board of Directors of the Company if, in their reasonable judgment, they have reason to believe that such transfer may expose the Company, any subsidiary thereof, any shareholder or any person ceding insurance to the Company or any such subsidiary to adverse tax or regulatory treatment in any jurisdiction.

(d) In connection with any transfer of all or a portion of this Option pursuant to Section 5(c) hereof, the Company shall prepare an Option Agreement (or, in the case of a partial transfer, Option Agreements) issuable to the transferee (and transferor, in the case of partial transfer) upon surrender to the Company of the existing Option Agreement upon consummation of the transfer. Upon said consummation, the transferee shall have such rights and obligations with respect to the number of Option Shares covered by the portion of this Option transferred to such transferee as the rights and obligations of AIG hereunder; provided, that with respect to any such transferee all references in Section 1(b) hereof to "United States 25% Shareholder" shall be replaced by references to "10% Shareholder" (as defined below). As used herein, "10% Shareholder" means a person who owns, in aggregate, (i) directly, (ii) with respect to persons who are United States persons, by application of the attribution and constructive ownership rules of Sections 958(a) and 958(b) of the Code or (iii) beneficially, directly or indirectly, within the meaning of Section 13(d)(3) of the United States Securities Exchange Act of 1934, issued shares of the Company carrying 10% or more of the total combined voting rights attaching to all issued shares.

(e) Any transferee of all or part of this Option pursuant to Section 5(c) hereof (or any subsequent transferee who holds any portion of this Option as a result of a transfer pursuant to this Section 5(e)) may transfer, in whole but not in part, its portion of this Option to a subsequent transferee; provided that any such transfer shall be subject to the terms and conditions set forth in Section 5(c) and 5(d) hereof.

6. The issuance of share certificates upon the exercise of the Option shall be without charge to AIG. The Company shall pay, and indemnify AIG from and against, any issuance, stamp, documentary or other taxes (other than transfer taxes and income taxes), or charges imposed by any governmental body, agency or official by reason of the exercise of the Option or the resulting issuance of Common Shares.

7. This Agreement shall be governed by and construed in accordance with the laws of Bermuda, without regard to principles regarding conflicts of laws.

IN WITNESS WHEREOF the COMMON SEAL

of the parties hereto was hereunto

affixed on the date first above mentioned.

IPC HOLDINGS, LTD.

By: /s/ John P. Dowling

Title: President and Chief Executive Officer

AMERICAN INTERNATIONAL GROUP, INC.

By: /s/ Edward E. Matthews

Title: Vice Chairman - Finance

By: /s/ Kathleen E. Shannon

Title: Vice President, Secretary
and Associate General Counsel

AMERICAN INTERNATIONAL GROUP, INC.

DIRECTORS

M. Bernard Aidinoff	Sullivan & Cromwell 125 Broad Street New York, New York 10004
Lloyd M. Bentsen	2600 Texas Commerce Tower 600 Travis Street Houston, Texas 77002
Marshall A. Cohen	The Molson Companies Limited 40 King Street West Toronto, Ontario M5H 3Z5
Barber B. Conable, Jr.	P.O. Box 218 Alexander, New York 14005
Martin Feldstein	National Bureau of Economic Research, Inc. 1050 Massachusetts Avenue Cambridge, Massachusetts 02138
Houghton Freeman	American International Group, Inc. 70 Pine Street New York, New York 10270
Leslie L. Gonda	International Lease Finance Corporation 1999 Avenue of the Stars Los Angeles, California 90067
M. R. Greenberg	American International Group, Inc. 70 Pine Street New York, New York 10270
Carla A. Hills	Hills & Company 1200 19th Street, N.W. - 5th Fl. Washington, DC 20036
Frank Hoenmeyer	7 Harwood Drive Madison, New Jersey 07940

AMERICAN INTERNATIONAL GROUP, INC.

DIRECTORS

John I. Howell	Indian Rock Corporation P.O. Box 2606 Greenwich, Connecticut
Edward E. Matthews	American International Group, Inc. 70 Pine Street New York, New York 10270
Dean P. Phypers	220 Rosebrook Road New Canaan, Connecticut 06840
John J. Roberts	American International Group, Inc. 70 Pine Street New York, New York 10270
Ernest E. Stempel	American International Group, Inc. 70 Pine Street New York, New York 12070
Thomas R. Tizzio	American International Group, Inc. 70 Pine Street New York, New York 10270
Honorary Directors	
Marion E. Fajen	5608 North Waterbury Road Des Moines, Iowa 50312
The Honorable Douglas MacArthur, II	2101 Connecticut Ave., N.W. Washington, DC 20008 Apartment #4
Edwin A.G. Manton	American International Group, Inc. 70 Pine Street New York, New York 10270
K.K. Tse	American International Group, Inc. 70 Pine Street New York, New York 10270

AMERICAN INTERNATIONAL GROUP, INC.

EXECUTIVE OFFICERS, NAME, TITLE AND BUSINESS ADDRESS

M.R. Greenberg 70 Pine Street New York, New York 10270	Chairman & Chief Executive Officer
Edward E. Matthews 70 Pine Street New York, New York 10270	Vice Chairman - Finance
John J. Roberts 70 Pine Street New York, New York 10270	Vice Chairman - External Affairs
Ernest E. Stempel 70 Pine Street New York, New York 10270	Vice Chairman - Life Insurance
Thomas R. Tizzio 70 Pine Street New York, New York 10270	President
Edwin A.G. Manton 70 Pine Street New York, New York 12070	Senior Advisor
Evan G. Greenberg 70 Pine Street New York, New York 10270	Executive Vice President - Foreign General Insurance
Robert Sandler 70 Pine Street New York, New York 12070	Executive Vice President, Senior Casualty Actuary & Senior Claims Officer
Howard Smith 70 Pine Street New York, New York 12070	Executive Vice President & Comptroller
Edmund S.W. Tse 1 Stubbs Road Hong Kong	Executive Vice President - Life Insurance

AMERICAN INTERNATIONAL GROUP, INC.

EXECUTIVE OFFICERS, NAME, TITLE AND BUSINESS ADDRESS

Lawrence W. English 70 Pine Street New York, New York 10270	Senior Vice President - Administration
Axel I. Freudmann 72 Wall Street New York, New York 10270	Senior Vice President - Human Resources
Win J. Neuger 70 Pine Street New York, New York 12070	Senior Vice President & Chief Investment Officer
Petros K. Sabatacakis 70 Pine Street New York, New York 12070	Senior Vice President - Financial Services
William D. Smith 70 Pine Street New York, New York 10270	Senior Vice President - Domestic General Insurance
Florence A. Davis 70 Pine Street New York, New York 10270	Vice President & General Counsel
Robert E. Lewis 70 Pine Street New York, New York 10270	Vice President & Chief Credit Officer
Frank Petralito II 70 Pine Street New York, New York 10270	Vice President & Director of Taxes
Kathleen E. Shannon 70 Pine Street New York, New York 10270	Vice President, Secretary & Associate General Counsel
John T. Wooster, Jr. 72 Wall Street New York, New York 10270	Vice President - Communications

AMERICAN INTERNATIONAL GROUP, INC.

EXECUTIVE OFFICERS, NAME, TITLE AND BUSINESS ADDRESS

William N. Dooley	Treasurer
70 Pine Street	
New York, New York 10270	

STARR INTERNATIONAL COMPANY, INC.

EXECUTIVE OFFICERS & DIRECTORS

Houghton Freeman Director	70 Pine Street New York, New York 10270
Maurice R. Greenberg Director & Chairman of the Board	70 Pine Street New York, New York 10270
Joseph C.H. Johnson Executive Vice President & Treasurer	American International Building Richmond Road Pembroke 543 Bermuda
Edwin A.G. Manton Director	70 Pine Street New York, New York 10270
Edward E. Matthews Director	70 Pine Street New York, New York 10270
L. Michael Murphy Director & Secretary	American International Building Richmond Road Pembroke 543d Bermuda
John J. Roberts Director	70 Pine Street New York, New York 12070
Robert M. Sandler Director	70 Pine Street New York, New York 10270
Ernest E. Stempel Director & President	70 Pine Street New York, New York 10270
Thomas R. Tizzio Director	70 Pine Street New York, New York 10270
Edmund Tse Director	1 Stubbs Road Hong Kong

THE STARR FOUNDATION

EXECUTIVE OFFICERS & DIRECTORS

M.R. Greenberg Director and Chairman	70 Pine Street New York, New York 10270
T.C. Hsu Director and President	70 Pine Street New York, New York 10270
Marion Breen Director and Vice President	70 Pine Street New York, New York 10270
John J. Roberts Director	70 Pine Street New York, New York 10270
Ernest E. Stempel Director	70 Pine Street New York, New York 10270
Houghton Freeman Director	70 Pine Street New York, New York 10270
Edwin A.G. Manton Director	70 Pine Street New York, New York 10270
Gladys Thomas Vice President	70 Pine Street New York, New York 10270
Frank Tengi Treasurer	70 Pine Street New York, New York 10270
Ida Galler Secretary	70 Pine Street New York, New York 10270

C.V. STARR & CO., INC.

EXECUTIVE OFFICERS & DIRECTORS

Houghton Freeman Director & Senior Vice President	70 Pine Street New York, New York 10270
Evan G. Greenberg Director & Vice President	70 Pine Street New York, New York 10270
Maurice R. Greenberg Director, President & Chief Executive Officer	70 Pine Street New York, New York 10270
Edwin A.G. Manton Director	70 Pine Street New York, New York 10270
Edward E. Matthews Director, Senior Vice President & Secretary	70 Pine Street New York, New York 10270
John J. Roberts Director & Senior Vice President	70 Pine Street New York, New York 10270
Robert M. Sandler Director & Vice President	70 Pine Street New York, New York 10270
Howard I. Smith Director & Vice President	70 Pine Street New York, New York 10270
Ernest E. Stempel Director & Senior Vice President	70 Pine Street New York, New York 10270
Thomas R. Tizzio Director & Vice President	70 Pine Street New York, New York 10270
Edmund S.W. Tse Director & Vice President	1 Stubbs Road Hong Kong
Stephen Y.N. Tse Director & Vice President	70 Pine Street New York, New York 10270

C.V. STARR & CO., INC.

EXECUTIVE OFFICERS & DIRECTORS

Gary Nitzsche
Treasurer

70 Pine Street
New York, New York 10270

American International Group, Inc.
70 Pine Street
New York, New York 102570

March 6, 1996

Morgan Stanley & Co. Incorporated
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
c/o Morgan Stanley & Co. Incorporated
1585 Broadway
New York, New York 10036

Dear Sirs and Mesdames:

The undersigned understands that you, as U.S. Representative of the several Underwriters, propose to enter into an Underwriting Agreement with IPC Holdings, Ltd., a Bermuda company (the "Company") and the Selling Shareholders (as defined therein), providing for the public offering (the "Public Offering") by the several Underwriters, including yourselves, of 13,521,739 shares (the "Shares") of the Common Shares, \$.01 par value per share, of the Company (the "Common Shares").

In consideration of the several Underwriters' agreement to purchase and make the Public Offering of the Shares, and for other good and valuable consideration receipt of which is hereby acknowledged, the undersigned hereby agrees that, without the prior written consent of the U.S. Representatives on behalf of the Underwriters, the undersigned will not, during the period commencing on the date of the prospectus relating to the Public Offering of the Shares (the "Prospectus") and ending 180 days thereafter, (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Common Shares or any securities convertible into or exercisable or exchangeable for Common Shares, or (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Common Shares, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Shares or such other securities, in

cash or otherwise. The foregoing sentence shall not apply to (A) the Shares to be sold pursuant to the Public Offering or (B) Common Shares issuable to American International Group, Inc. ("AIG") upon exercise of the AIG Option (as defined in the Prospectus) in certain limited circumstances, involving either (i) sales in connection with an amalgamation or merger of the Company (in which the Company is not the surviving entity) or the sale of substantially all of the assets of the Company or (ii) sales necessary in the judgment of AIG to comply with its obligation to dispose of any Common Shares obtained pursuant to the exercise of the AIG Option that would result in AIG becoming a "United States 25% Shareholder" (as defined in the Prospectus). In addition, the undersigned agrees that, without the prior written consent of the U.S. Representatives on behalf of the Underwriters, it will not, during the period ending 180 days after the date of the Prospectus, make any demand for or exercise any right with respect to, the registration of any Common Shares or any security convertible into or exercisable or exchangeable for Common Shares.

American International Group, Inc.

By: /s/ Edward E. Matthews

Accepted as of the date
first set forth above:

Morgan Stanley & Co. Incorporated
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
Acting severally on behalf
of themselves and the several
Underwriters

By Morgan Stanley & Co. Incorporated

By: /s/ Stephanie B. Kaplan

B Y E - L A W S
of
IPC HOLDINGS, LTD.

I, Vernelle Flood, Assistant Secretary of IPC HOLDINGS, LTD., DO HEREBY CERTIFY, that the attached is a true and correct copy of the Bye-laws of the said Company, which were adopted by the Shareholders on February 15, 1996 and effective March 13, 1996, in place of the Bye-laws adopted on July 24, 1995.

[SEAL]

/s/ Vernelle Flood

Vernelle Flood, Assistant Secretary

RESTATED BYE-LAWS
OF

IPC HOLDINGS, LTD.

(As amended and restated by resolution of the Members adopted
on February 15, 1996 and effective March 13, 1996)

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(iii)

B Y E - L A W S
of
IPC HOLDINGS, LTD.

INTERPRETATION

1. Interpretation

(1) In these Bye-laws the following words and expressions shall, where not inconsistent with the context, have the following meanings respectively:-

- (a) "Act" means the Companies Act 1981 as amended from time to time;
- (b) "Affiliate" has the meaning ascribed thereto in Rule 144 promulgated under the Securities Act;
- (c) "Alternate Director" means an alternate Director;
- (d) "AIG Option" means the option to purchase Common Shares granted to American International Group, Inc., a Delaware Corporation, by the Company pursuant to the Amended and Restated Option Agreement, dated the effective date hereof, between the Company and American International Group, Inc.;
- (e) "AIG Person" means any of American International Group, Inc., a Delaware corporation (and its successors) and its Affiliates;
- (f) "Auditor" includes any individual or partnership;
- (g) "Board" means the Board of Directors appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Act and these Bye-laws or the Directors present at a meeting of Directors at which there is a quorum;
- (h) "Business Day" means any day, other than a Saturday, a Sunday or any day on which banks in Hamilton, Bermuda or The City of New York, United States are authorized or obligated by law or executive order to close;

- (i) "Code" means the United States Internal Revenue Code of 1986, as amended from time to time, or any federal statute from time to time in effect that has replaced such statute, and any reference in these Bye-laws to a provision of the Code or a rule or regulation promulgated thereunder means such provision, rule or regulation as amended from time to time or any provision of a federal law, or any federal rule or regulation, from time to time in effect that has replaced such provision, rule or regulation;
- (j) "Common Shares" means the common shares, par value U.S.\$0.01 per share, or the Company and includes a fraction of a Common Share;
- (k) "Company" means the company for which these Bye-laws are approved and confirmed;
- (l) "Controlled Shares" of any Person means all Common Shares owned by such Person, whether:
 - (i) directly;
 - (ii) with respect to Persons who are U.S. Persons, by application of the attribution and constructive ownership rules of Sections 958(a) and 958(b) of the Code; or,
 - (iii) beneficially owned directly or indirectly within the meaning of Section 13(d)(3) of the Exchange Act and the rules and regulations thereunder;
- (m) "debenture" means debenture stock, mortgages, bonds and any other such debt securities of the Company whether constituting a charge on the assets of the Company or not;
- (n) "Director" means a director of the Company and shall include an Alternate Director;
- (o) "dividend" includes a bonus or capitalization issue of shares;

- (p) "Exchange Act" means the United States Securities Exchange Act of 1934 as amended from time to time or any federal statute from time to time in effect that has replaced such statute, and any reference in these Bye-laws to a provision of the Exchange Act or a rule or regulation promulgated thereunder means such provision, rule or regulation as amended from time to time or any provision of a federal law, or any federal rule or regulation, from time to time in effect that has replaced such provision, rule or regulation;
- (r) "Fair Market Value" means, with respect to a repurchase of any shares of the Company in accordance with these Bye-laws, (i) if such shares are listed on a securities exchange (or quoted in a securities quotation system), the average closing sale price of such shares on such exchange (or in such quotation system), or, if such shares are listed on (or quoted in) more than one exchange (or quotation system), the average closing sale price of the shares on the principal securities exchange (or quotation system) on which such shares are then traded, or, if such shares are not then listed on a securities exchange (or quotation system) but are traded in the over-the-counter market, the average of the latest bid and asked quotations for such shares in such market, in each case for the last five trading days immediately preceding the day on which notice of the repurchase of such shares is sent pursuant to these Bye-laws or (ii) if no such closing sales prices or quotations are available because such shares are not publicly traded or otherwise, the fair value of such shares as determined by one independent nationally recognized investment banking firm chosen by the Company and reasonably satisfactory to the Member whose shares are to be so repurchased by the Company, provided that the calculation of the Fair Market Value of the shares made by such appointed investment banking firm (i) shall not include any discount relating to the absence of a public trading market for, or any transfer restrictions on, such shares, and (ii) such calculation shall be final and the fees and expenses stemming from such calculation shall be borne by the Company or its assignee, as the case may be;

- (s) "Formula" has the meaning ascribed thereto in Bye-law 52";
- (t) "Member" means the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons as the context so requires;
- (u) "notice" means written notice as further defined in these Bye-laws unless otherwise specifically stated;
- (v) "Officer" means any person appointed by the Board to hold an office in the Company;
- (w) "Person" means any individual, company, corporation, firm, partnership, trust or any other business, entity or person, whether or not recognized as constituting a separate legal entity;
- (x) "Preferred Shares" means the preferred shares, par value U.S.\$0.01 per share, of the Company and includes a fraction of a Preferred Share;
- (y) "Register of Directors and Officers" means the Register of Directors and Officers referred to in Bye-law 29;
- (z) "Register of Members" means the Register of Members referred to in Bye-law 59;
- (aa) "Secretary" means the person appointed to perform any or all the duties of secretary of the Company and includes any deputy or assistant secretary;
- (bb) "Securities Act" means the United States Securities Act of 1933 as amended from time to time or any federal statute from time to time in effect which has replaced such statute, and any reference in these Bye-laws to a provision of the Securities Act or a rule or regulation promulgated thereunder means

such provision, rule or regulation as amended from time to time or any provision of a federal law, or any federal rule or regulation, from time to time in effect that has replaced such provision, rule or regulation;

- (cc) "share" means a share of any class of shares in the capital of the Company (including, where the context so admits, Common Shares) and includes a fraction of a share;
- (dd) "subsidiary", with respect to any Person, means a company more than fifty percent (50%) (or, in the case of a wholly owned subsidiary, one hundred percent (100%)) of the outstanding Voting Shares of which is owned, directly or indirectly, by such Person or by one or more other subsidiaries, or any such Person and one or more other subsidiaries;
- (ee) "10% Shareholder" means a Person who owns, in the aggregate, (i) directly, (ii) with respect to Persons who are U.S. Persons, by application of the attribution and constructive ownership rules of Sections 958(a) and 958(b) of the Code or (iii) beneficially, directly or indirectly within the meaning of Section 13(d)(3) of the Exchange Act, issued shares of the Company representing ten percent (10%) or more of the total combined voting rights attaching to the issued Common Shares and the issued shares of any other class or classes of shares of the Company;
- (ff) "Unadjusted Basis", when used with respect to the aggregate voting rights held by any Member, refers to the determination of such rights without reference to the provisions relating to the adjustment of voting rights contained in Bye-law 52;
- (gg) "United States" means the United States of America and dependent territories or any part thereof;
- (hh) "United States 25% Shareholder" means a U.S. Person who owns, directly or by application of the

constructive ownership rules of Sections 958(a) and 958(b) of the Code, issued shares representing either (i) more than twenty-five percent (25%) of the total combined voting rights attaching to the issued Common Shares and the issued shares of any other class or classes of shares of the Company or (ii) more than twenty-five percent (25%) of the total combined value of the Common Shares and any other shares of the Company, in each case determined pursuant to Section 957 of the Code;

- (ii) "U.S. Person" means (i) an individual who is a citizen or resident of the United States, (ii) a corporation or partnership that is, as to the United States, a domestic corporation or partnership and (iii) an estate or trust that is subject to United States Federal income tax on its income regardless of its source; and
- (jj) "Voting Share" of any Person means any share in such Person conferring voting rights on the holder thereof (other than such voting rights as would exist solely in relation to a proposal to alter or vary the rights attaching to such shares solely upon the future occurrence of a contingency or voting rights attaching solely by virtue of the provisions of the Act).

(2) In these By-laws, where not inconsistent with the context:

- (a) words denoting the plural number include the singular number and vice versa;
- (b) words denoting the masculine gender include the feminine gender;
- (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
- (d) the word:
 - (i) "may" shall be construed as permissive;

(ii) "shall" shall be construed as imperative; and

(e) unless otherwise provided herein words or expressions defined in the Act shall bear the same meaning in these Bye-laws.

(3) Expressions referring to writing or written shall, unless the contrary intention appears, include facsimile, printing, lithography, photography and other modes of representing words in a visible form.

(4) Headings used in these Bye-laws are for convenience only and are not to be used or relied upon in the construction hereof.

BOARD OF DIRECTORS

2. Board of Directors

The business of the Company shall be managed and conducted by the Board.

3. Management of the Company

(1) In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by statute or by these Bye-laws, required to be exercised by the Company in general meeting subject, nevertheless, to these Bye-laws, the provisions of any statute, and to such regulations as may be prescribed by the Company in general meeting.

(2) No regulation or alteration to these Bye-laws made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

(3) The Board may procure that the Company pays to Members or third parties all expenses incurred in promoting and incorporating the Company.

4. Power to appoint chief executive officer

The Board may from time to time appoint one or more Persons to the office of chief executive officer of the Company who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company.

5. Power to appoint manager

The Board may appoint a Person to act as manager of the Company's day to day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business.

6. Power to authorise specific actions

The Board may from time to time and at any time authorise any Director, Officer or other Person or body of Persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any agreement, document or instrument on behalf of the Company.

7. Power to appoint attorney

The Board may from time to time and at any time by power of attorney appoint any company, firm, Person or body of Persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as they may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney. Such attorney may, if so authorised under the seal of the Company, execute any deed or instrument under their personal seal with the same effect as the affixation of the seal of the Company.

8. Power to appoint and dismiss employees

The Board may appoint, suspend or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties.

9. Power to borrow and charge property

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property

and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party.

10. Power to purchase shares of the Company

(1) Exercise of Power to Repurchase Shares of the Company

The Board may exercise all the powers of the Company to purchase all or any part of its own shares pursuant to Sections 42 and 42A of the Act or to discontinue the Company to a named country or jurisdiction outside Bermuda pursuant to Section 132G of the Act.

(2) Unilateral Repurchase Right

Subject to Section 42A of the Act, if the Board in its absolute and unfettered discretion, on behalf of the Company, determines that share ownership by any Member may result in adverse tax, regulatory or legal consequences to the Company, any of its subsidiaries or any of the Members, the Company will have the option, but not the obligation, to repurchase all or part of the shares held by such Member (to the extent the Board, in the reasonable exercise of its discretion, determines it is necessary to avoid or cure such adverse consequences) for immediately available funds in an amount equal to the Fair Market Value of such shares on the date the Company sends the Repurchase Notice referred to below (the "Repurchase Price"); provided, that the Board will use its best efforts to exercise this option equally among similarly situated Members (to the extent possible under the

circumstances). In that event, the Company will also be entitled to assign its repurchase right to a third party or parties including the other Members, with the consent of such assignee. Each Member shall be bound by the determination by the Company to repurchase or assign its right to repurchase such Member's shares and, if so required by the Company, shall sell the number of shares that the Company requires it to sell.

In the event that the Company or its assignee(s) determines to repurchase any such shares, the Company shall provide each Member concerned with written notice of such determination (a "Repurchase Notice") at least seven (7) calendar days prior to such repurchase or such shorter period as each such Member may authorize, specifying the date on which any such shares are to be repurchased and the Repurchase Price. The Company may revoke the Repurchase Notice at any time before it (or its assignee(s)) pays for the shares. Neither the Company nor its assignee(s) shall be obliged to give general notice to the Members of any intention to purchase or the conclusion of any purchase of shares. Payment of the Repurchase Price by the Company or its assignee(s) shall be by wire transfer and made at a closing to be held no less than seven (7) calendar days after receipt of the Repurchase Notice by the Member.

3. Restrictions on repurchases

If the Company redeems or purchases shares pursuant to this Bye-law 10, it shall do only in a manner it believes would not result, upon consummation of such redemption or purchase, in (i)

the number of total Controlled Shares of any Person other than an AIG Person, as a percentage of the shares of the Company, increasing to ten percent (10%) or any higher percentage or (ii) an AIG Person becoming or continuing to be a United States 25% Shareholder, in each case (i) and (ii) on an Unadjusted Basis.

11. Election of Directors

(1) Number and term of office

The Board shall consist of seven (7) Directors, each having one vote, who shall be elected, except in the case of casual vacancy, by the Members in the manner set forth in paragraph (2) of this Bye-law 11 at the annual general meeting or any special general meeting called for the purpose and who shall hold office until the next succeeding annual general meeting or until their successors are elected or appointed or their office is otherwise vacated. Candidates for election at each annual general meeting or special general meeting called for the purpose shall be nominated by the Board.

(2) Election by cumulative voting

Notwithstanding any other provisions of these Bye-laws, the principle of cumulative voting shall apply in any election of Directors pursuant to paragraph (1) of this Bye-law 11. Each Member entitled to vote in such election (including any Member owning Controlled Shares) shall have a number of votes equal to the product of (x) the number of votes conferred by such Member's Common Shares (as adjusted pursuant to Bye-law 52, if applicable)

and (y) seven (7). Each Member may divide and distribute such Member's votes, as so calculated, among any one or more candidates for the directorships to be filled, or such Member may cast such Member's votes for a single candidate. At such election, the candidates receiving the highest number of votes, up to the number of directors to be chosen, shall stand elected, and an absolute majority of the votes cast is not a prerequisite to the election of any candidate to the Board.

12. Defects in appointment of Directors

All acts done bona fide by any meeting of the Board or by a committee of the Board or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every person had been duly appointed and was qualified to be a Director.

13. Alternate Directors

(1) Each Director may appoint an Alternate Director and such appointment shall become effective upon the Secretary receiving written notice of such appointment. Any person so appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternate, provided that such person shall not be counted more than once in determining whether or not a quorum is present.

(2) An Alternate Director shall be entitled to receive notice of all meetings of the Board and to attend and vote at any such meeting at which a Director for whom such Alternate Director was appointed in the alternative is not personally present and generally to perform at such meeting all the functions of such Director for whom such Alternate Director was appointed.

(3) An Alternate Director shall cease to be such if the Director for whom such Alternate Director was appointed ceases for any reason to be a Director but may be re-appointed by the Board as alternate to the person appointed to fill the vacancy in accordance with these Bye-laws.

14. Removal of Directors

(1) Subject to any provision to the contrary in these Bye-laws, the Members may, at any special general meeting convened for that purpose and held in accordance with these Bye-laws, remove any Director provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director not less than 14 days before the meeting and at such meeting such Director shall be entitled to be heard on the motion for such Director's removal.

(2) A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (1) of this Bye-law may be filled by the Members at the meeting at which such Director is removed. A Director so appointed shall hold office until the next annual general meeting or until such Director's successor is

elected or appointed or such Director's office is otherwise vacated and, in the absence of such election or appointment, the Board may fill any such vacancy in accordance with Bye-law 15.

15. Vacancies on the Board

(1) The Board shall have the power from time to time and at any time to appoint any person as a Director to fill a vacancy on the Board occurring as the result of the death, disability, disqualification or resignation of any Director or if such Director's office is otherwise vacated. A Director so appointed by the Board shall hold office until the next succeeding annual general meeting or until such Director's successor is elected or appointed or such Director's office is otherwise vacated.

(2) The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by these Bye-laws, or such greater number as may have been determined by the Members, as the quorum necessary for the transaction of business at meetings of the Board, the continuing Directors or Director may act only for the purpose of (i) summoning a general meeting of the Company or (ii) preserving the assets of the Company.

(3) The office of Director shall be vacated if the Director:

- (a) is removed from office pursuant to these Bye-laws or is prohibited from being a Director by law;

- (b) is or becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (c) is or becomes of unsound mind or dies;
- (d) resigns his or her office by notice in writing to the Company.

16. Notice of meetings of the Board

(1) The Chairman or Deputy Chairman, or any two (2) Directors may, and the Secretary on the requisition of the Chairman or Deputy Chairman, or any two (2) Directors shall, at any time summon a meeting of the Board by at least three (3) Business Days' notice to each Director and Alternate Director, unless such Director or Alternate Director consents to shorter notice.

(2) Notice of a meeting of the Board shall specify the general nature of the business to be considered at such meeting and shall be deemed to be duly given to a Director if it is given to such Director in person or otherwise communicated or sent to such Director by registered mail, courier service, cable, telex, telecopier, facsimile or other mode of representing words in a legible and non-transitory form at such Director's last known address or any other address given by such Director to the Company for this purpose. If such notice is sent by next-day courier, cable, telex, telecopier or facsimile, it shall be deemed to have been given the Business Day following the sending thereof and, if by registered mail, five (5) Business Days following the sending thereof.

(3) Meetings of the Directors may be held within or outside of Bermuda.

17. Quorum at meetings of the Board

The quorum necessary for the transaction of business at a meeting of the Board shall be a majority of the Directors then in office, present in person or represented or such greater number as the Members shall determine.

18. Meetings of the Board

(1) The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit.

(2) Directors may participate in any meeting of the Board by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

(3) A resolution put to the vote at a duly constituted meeting of the Board at which a quorum is present and acting throughout shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes, the resolution shall fail.

19. Unanimous written resolutions

A resolution in writing signed by all the Directors which may be in counterparts, shall be as valid as if it had been passed at a meeting of the Board duly called and constituted, such resolution to be effective on the date on which the last Director signs the resolution. For the purposes of this Bye-law only, "Director" shall not include an Alternate Director.

20. Contracts and disclosure of Directors' interests

(1) Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in a professional capacity for the Company and such Director or such Director's firm, partner or such company shall be entitled to remuneration for professional services as if such Director were not a Director, provided that nothing herein contained shall authorise a Director or Director's firm, partner or such company to act as Auditor of the Company.

(2) A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Act.

(3) Following a declaration being made pursuant to this Bye-law, and unless disqualified by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or proposed contract or arrangement in which such Director is interested and may be counted in the quorum at such meeting.

21. Remuneration of Directors

(1) The remuneration, (if any) of the Directors shall be determined by the Company in general meeting and shall be deemed to accrue from day to day. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally.

(2) A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.

22. Other interests of Directors

A Director may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as member or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as the Board thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other

company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

COMMITTEES

23. Power to delegate to a committee

The Board may appoint one or more Board committees and may delegate any of its powers to any such committee. Without limiting the generality of the foregoing, such committees may include:

- (a) an Executive Committee, which shall have the power of the Board between meetings of the Board;
- (b) an Audit Committee, which shall, among other things, advise the Board with respect to the Company's financial reporting responsibilities and related matters;
- (c) a Stock Option and Stock Purchase Committee, which shall, among other things, advise the Board with respect to the Company's employee stock option and stock purchase plans, and approve and administer such plans in accordance with Rule 16b-3 under the Exchange Act; and
- (d) a Compensation Committee, which shall, among other things, advise the Board with respect to compensation of Officers.

All Board committees shall conform to such directions as the Board shall impose on them, provided that each member shall have one (1) vote, and each committee shall have the right as it deems appropriate to retain outside experts. Each committee may adopt rules for the conduct of its affairs, including rules governing the adoption of resolutions by unanimous written consent, and the place, time, and notice of meetings, as such committee shall consider advisable and as shall not be inconsistent with these Bye-laws or with any applicable resolution adopted by the Board. Each committee shall cause minutes to be made of all meetings of such committee and of the attendance thereat and shall cause such minutes and copies of resolutions adopted by unanimous consent to be promptly inscribed or incorporated by the Secretary in the Company's minute book.

OFFICERS

24. Officers of the Company

The Officers of the Company shall consist of a Chief Executive Officer, a Chairman, a Deputy Chairman, a Secretary and such additional Officers as the Board may from time to time determine all of whom shall be deemed to be Officers for the purposes of these Bye-laws.

25. Appointment of Officers

(1) The Board shall, as soon as possible after each annual general meeting elect one of its number to be Chairman of the Company and another of its number to be Deputy Chairman.

(2) The Secretary, the Chief Executive Officer and any additional Officers shall be appointed by the Board from time to time.

26. Remuneration of Officers

The Officers shall receive such remuneration as the Board may from time to time determine.

27. Duties of Officers

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

28. Chairman of meetings

The Chairman shall act as chairman at all meetings of the Members and of the Board at which such person is present. In his absence the Deputy Chairman, if present, shall act as chairman and in the absence of both of them a chairman shall be appointed or elected by those present at the meeting and entitled to vote.

29. Register of Directors and Officers

(1) The Board shall cause to be kept in one or more books at its registered office a Register of Directors and Officers and shall enter therein the following particulars with respect to each Director and the Chairman, Deputy Chairman, provided each such person is a Director, and the Chief Executive Officer and

Secretary, that is to say:

- (a) first name and surname; and
- (b) address.

(2) The Board shall, within the period of fourteen days from the occurrence of -

- (a) any change among its Directors and in the Chairman, Deputy Chairman, Chief Executive Officer or Secretary; or
- (b) any change in the particulars contained in the Register of Directors and Officers,

cause to be entered on the Register of Directors and Officers the particulars of such change and the date on which such change occurred.

(3) The Register of Directors and Officers shall be open to inspection at the office of the Company on every Business Day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each Business Day be allowed for such inspection.

MINUTES

30. Obligations of Board to keep minutes

The Board shall cause minutes to be duly entered in books provided for the purpose:-

- (a) of all elections and appointments of Officers;
- (b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and
- (c) of all resolutions and proceedings of general meetings of the Members, meetings of the Board, meetings of managers and meetings of committees appointed by the Board.

INDEMNITY

31. Indemnification of Directors and Officers of the Company

(a) The Directors, Secretary and other Officers for the time being of the Company and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them, and their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for the acts of or the solvency or honesty of any bankers or other

persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any wilful negligence, wilful default, fraud or dishonesty which may attach to any of said persons.

(b) Every Director and Officer of the company shall be indemnified out of the funds of the Company against all liabilities incurred by him as such Director or Officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application under the Companies Acts in which relief from liability is granted to him by the court. Such funds shall be advanced to such Director or Officer on his incurring liability prior to judgment provided that should he be found guilty of a criminal or other offence for which he cannot by law be indemnified he shall reimburse the Company the funds advanced.

32. Waiver of claim by Member

Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his

duties with or for the Company, PROVIDED THAT such waiver shall not extend to any matter in respect of any wilful negligence, wilful default, fraud or dishonesty which may attach to such Director or Officer.

MEETINGS

33. Notice of annual general meeting

The annual general meeting of the Company shall be held in each year at such time and place as the Chairman or any two Directors or any Director and the Secretary or the Board shall appoint. At least ten days' written notice of such meeting shall be given to each Member stating the date, place and time at which the meeting is to be held, that the election of Directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting.

34. Notice of special general meeting

The Chairman or any two Directors or any Director and the Secretary or the Board may convene a special general meeting of the Company whenever in their judgment such a meeting is necessary, upon not less than ten days' written notice which shall state the time, place and the general nature of the business to be considered at the meeting.

35. Accidental omission of notice of general meeting

The accidental omission to give notice of a general meeting to, or the non-receipt of notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

36. Meeting called on requisition of Members

Notwithstanding anything herein, the Board shall, on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at general meetings of the Company, forthwith proceed to convene a special general meeting of the Company and the provisions of section 74 of the Act shall apply.

37. Short notice

A general meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in these Bye-laws, be deemed to have been properly called if it is so agreed by (i) all the Members entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving a right to attend and vote thereat in the case of a special general meeting.

38. Postponement of Meetings

The Board may postpone any general meeting called in accordance with the provisions of these Bye-laws (other than a meeting requisitioned under Bye-law 36) provided that notice of postponement is given to each Member before the time for such meeting. Fresh notice of the date, time and place for the postponed meeting shall be given to each Member in accordance with the provisions of these Bye-laws.

39. Quorum For General Meeting

At any general meeting of the Company two or more persons present in person and representing in person or by proxy in excess of 50% (on an Unadjusted Basis) of the total issued and outstanding Common Shares throughout the meeting shall form a quorum for the transaction of business; provided, that if the Company shall at any time have only one Member, one Member present in person or by proxy shall constitute a quorum. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day two (2) weeks later, at the same time and place or to such other day, time or place as the Chairman (if there be one) or failing him the Deputy Chairman or any Director in attendance may determine. Unless the meeting is adjourned to a specific date and time, fresh notice of the date, time and place for the adjourned meeting shall be given to each Member in accordance with the provisions of these Bye-laws.

40. Adjournment of meetings

The chairman of a general meeting may, with the consent of the Members at any general meeting at which a quorum is present (and shall if so directed), adjourn the meeting. Unless the meeting is adjourned to a specific date and time, fresh notice of the date, time and place for the resumption of the adjourned meeting shall be given to each Member in accordance with the provisions of these Bye-laws.

41. Attendance at meetings

Members may participate in any general meeting by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

42. Written resolutions

(1) Subject to subparagraph (6), anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Members of the Company, may, without a meeting and without any previous notice being required, be done by resolution in writing signed by, or, in the case of a Member that is a corporation whether or not a company within the meaning of the Act, on behalf of, all the Members who at the date of the resolution would be entitled to attend the meeting and vote on the resolution.

(2) A resolution in writing may be signed by, or, in the case of a Member that is a corporation whether or not a company within the meaning of the Act, on behalf of, all the Members, or any class thereof, in as many counterparts as may be necessary.

(3) For the purposes of this Bye-law, the date of the resolution is the date when the resolution is signed by, or, in the case of a Member that is a corporation whether or not a company within the meaning of the Act, on behalf of, the last Member to sign and any reference in any Bye-law to the date of passing of a resolution is, in relation to a resolution made in accordance with this Bye-law, a reference to such date.

(4) A resolution in writing made in accordance with this Bye-law is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of Members, as the case may be, and any reference in any Bye-law to a meeting at which a resolution is passed or to Members voting in favour of a resolution shall be construed accordingly.

(5) A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of sections 81 and 82 of the Act.

(6) This Bye-law shall not apply to:-

- (a) a resolution passed pursuant to section 89(5) of the Act; or

- (b) a resolution passed for the purpose of removing a Director before the expiration of his term of office under these Bye-laws.

43. Attendance of Directors

The Directors of the Company shall be entitled to receive notice of and to attend and be heard at any general meeting.

44. Voting at meetings

Subject to the provisions of the Act and these Bye-laws, any question proposed for the consideration of the Members at any general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with the provisions of these Bye-laws and in the case of an equality of votes the resolution shall fail.

45. Voting on show of hands

At any general meeting a resolution put to the vote of the meeting shall, in the first instance, be voted upon by a show of hands and, subject to any rights or restrictions for the time being lawfully attached to any class of shares and subject to the provisions of these Bye-laws, every Member present in person and every person holding a valid proxy at such meeting shall be entitled to one vote and shall cast such vote by raising his or her hand.

46. Decision of chairman

At any general meeting a declaration by the chairman of the meeting that a question proposed for consideration has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, or an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to the provisions of these Bye-laws, be conclusive evidence of that fact.

47. Demand for a poll

(1) Notwithstanding the provisions of the immediately preceding two Bye-laws, at any general meeting of the Company, in respect of any question proposed for the consideration of the Members (whether before or on the declaration of the result of a show of hands as provided for in these Bye-laws), a poll may be demanded by any of the following persons: -

- (a) the chairman of such meeting; or
- (b) at least two Members present in person or represented by proxy; or
- (c) any Member or Members present in person or represented by proxy and holding between them not less than one-tenth of the total voting rights of all the Members having the right to vote at such meeting; or
- (d) any Member or Members present in person or represented by proxy holding Common Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Common Shares.

(2) Where, in accordance with the provisions of paragraph (1) of this Bye-law, a poll is demanded, subject to any rights or restrictions for the time being lawfully attached to any class of shares, including any limitation on the voting power of any Controlled Shares pursuant to Bye-law 52, every Person present at such meeting shall have one vote for each share of which such Person is the holder or for which such person holds a proxy and such vote shall be counted in the manner set out in paragraph (4) of this Bye-law or in the case of a general meeting at which one or more Members are present by telephone in such manner as the chairman of the meeting may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands.

(3) A poll demanded in accordance with the provisions of paragraph (1) of this Bye-law, for the purpose of electing a chairman or on a question of adjournment, shall be taken forthwith and a poll demanded on any other question shall be taken in such manner and at such time and place as the chairman may direct and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

(4) Where a vote is taken by poll each person present and entitled to vote shall be furnished with a ballot paper on which such person shall record his or her vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken, and each ballot paper shall be signed or initialled or otherwise marked so as to identify the

voter and the registered holder in the case of a proxy. At the conclusion of the poll the ballot papers shall be examined and counted by a committee of not less than two Members or proxy holders appointed by the chairman for the purpose and the result of the poll shall be declared by the chairman.

48. Seniority of joint holders voting

In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

49. Instrument of proxy

The instrument appointing a proxy shall be in writing in the form, or as near thereto as circumstances admit, a Form "A" in the Schedule hereto, under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal, or under the hand of a duly authorised officer or attorney. The decision of the chairman of any general meeting as to the validity of any instrument of proxy shall be final.

50. Representation of corporations at meetings

A corporation which is a Member may be written instrument authorise such person as it thinks fit to act as its representative

at any meeting of the Members and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member. Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he or she thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

SHARE CAPITAL AND SHARES

51. Rights of shares

(1) The share capital of the Company shall initially be divided into two classes of shares consisting of (i) 75,000,000 Common Shares and (ii) 25,000,000 Preferred Shares.

(2) The holders of Common Shares shall, subject to the provisions of these Bye-laws:

- (a) be entitled to one vote per Common Share or, in the case of Controlled Shares, if applicable, a fraction of a vote per Controlled Share as determined pursuant to Bye-law 52;
- (b) be entitled to such dividends as the Board may from time to time declare;
- (c) in the event of a liquidation, winding-up or dissolution of the Company, whether voluntary or

involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to share equally and ratably in the assets of the Company, if any, remaining after the payment of all debts and liabilities of the Company and the liquidation preference of any outstanding Preferred Shares; and

- (d) generally be entitled to enjoy all of the rights attaching to shares.

(3) The Board is authorised, subject to limitations prescribed by law, to issue the Preferred Shares in series, to establish from time to time the number of Preferred Shares to be included in each such series, and to fix the designation, powers, preferences and rights to the Preferred Shares of each such series and the qualifications, limitations or restrictions thereof. The terms of any series of Preferred Shares shall be set forth in a Certificate of Designation in the minutes of the Board.

The authority of the Board with respect to each series of Preferred Shares shall include, but not be limited to, determination of the following:

- (a) the number of Preferred Shares constituting that series and the distinctive designation of that series;

- (b) the rate of dividend, and whether (and if so, on what terms and conditions) dividends shall be cumulative (and if so, whether unpaid dividends shall compound or accrue interest) or shall be payable in preference or in any other relation to the dividends payable on any other class or classes of shares or any other series of the Preferred Shares;
- (c) whether that series shall have voting rights in addition to the voting rights provided by law and, if so, the terms and extent of such voting rights;
- (d) whether the Preferred Shares may be redeemed and, if so, the terms and conditions on which they may be redeemed (including, without limitation, the dates upon or after which they may be redeemed and the price or prices at which they may be redeemed, which price or prices may be different in different circumstances or at different redemption dates);
- (e) whether the Preferred Shares shall be issued with the privilege of conversion or exchange and, if so, the terms and conditions of such conversion or exchange (including, without limitation the price or prices or the rate or rates of conversion or exchange or any terms for adjustment thereof);

- (f) the amounts, if any, payable upon the Preferred Shares in the event of voluntary liquidation, dissolution or winding up of the Company in preference of shares of any other class or series and whether the Preferred Shares shall be entitled to participate generally in distributions on the Common Shares under such circumstances;
- (g) the amounts, if any, payable upon the Preferred Shares in the event of involuntary liquidation, dissolution or winding up of the Company in preference of shares of any other class or series and whether the Preferred Shares shall be entitled to participate generally in distributions on the Common Shares under such circumstances;
- (h) sinking fund provisions, if any, for the redemption or purchase of the Preferred Shares (the term "sinking fund" being understood to include any similar fund, however designated); and
- (i) any other relative rights, preferences, limitations and powers of that series.

52. Limitation on voting rights of Controlled Shares

- (1) Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a poll at a general meeting every Member of record present in person or by

proxy shall have one vote for each Common Share registered in his name in the register; PROVIDED, however, that, subject to the following provisions of this Bye-law 52, if and for so long as the number of issued Controlled Shares of any Person would constitute ten percent (10%) or more of the total combined voting rights attaching to the issued Common Shares of the Company (calculated after giving effect to any prior reduction in voting rights attaching to Common Shares of other Persons as provided in this Bye-law 52), each such issued Controlled Share, regardless of the identity of the registered holder thereof, shall confer only a fraction of a vote as determined by the following formula (the "Formula"):

$(T - C) \text{ Divided By } (9.1 \times C)$

Where: "T" is the aggregate number of votes conferred by all the issued Common Shares immediately prior to that application of the Formula with respect to such issued Controlled Shares, adjusted to take into account each reduction in such aggregate number of votes that results from a prior reduction in the exercisable votes conferred by any issued Controlled Shares pursuant to Bye-law 52(4) as at the same date;

"C" is the number of issued Controlled Shares attributable to such Person.

(2) The Directors may, by notice in writing, require any Member to provide within not less than ten (10) Business Days, complete and accurate information to the registered office or such other place as the Directors may designate in respect of any or all of the following matters:

- (a) the number of Common Shares in which such Member is legally or beneficially interested;
- (b) the Persons who are beneficially interested in Common Shares in respect of which such Member is the registered holder;
- (c) the relationship, association or affiliation of such Member with any other Member or Person whether by means of common control or ownership or otherwise; or
- (d) any other facts or matters which the Directors may consider relevant to the determination of the number of Controlled Shares attributable to any Person.

(3) If any Member does not respond to any notice given pursuant to Bye-law 52(2) above within the time specified therein or the Directors shall have reason to believe that any information provided in relation thereto is incomplete or inaccurate, the Directors may determine that the votes attaching to any Common Shares registered in the name of such Member shall be disregarded

for all purposes until such time as a response (or additional response) to such notice reasonably satisfactory to the Directors has been received as specified therein.

(4) The Formula shall be applied successively as many times as may be necessary to ensure that no Person shall be a 10% Shareholder at any time. For the purposes of determining the votes exercisable by Members as at any date, the Formula shall be applied to the shares of each Member in declining order based on the respective numbers of total Controlled Shares attributable to each Member. Thus, the Formula will be applied first to the votes of shares held by the Member to whom the largest number of total Controlled Shares is attributable and thereafter sequentially with respect to the Member with the next largest number of total Controlled Shares. In each case, calculations are made on the basis of the aggregate number of votes conferred by the issued Common Shares as of such date, as reduced by the application of the Formula to any issued Common Shares of any Member with a larger number of total Controlled Shares as of such date.

(5) Notwithstanding the provisions of paragraphs (1) and (2) of this Bye-law 52 above, having applied the provisions thereof as best as they consider reasonably practicable, the Directors may make such final adjustments to the aggregate number of votes attaching to the Common Shares of any Member that they consider fair and reasonable in all the circumstances to ensure that no Person shall be a 10% Shareholder at any time.

53. Power to issue shares

(1) Subject to the provisions of these Bye-laws and to any rights attaching to issued shares of the Company, the unissued shares of the Company (whether forming part of the original share capital or any increased share capital) shall be at the disposal of the Board, which may issue, offer, allot, exchange or otherwise dispose of shares or options, warrants or other rights to purchase shares or securities convertible into or exchangeable for shares (including any employee benefit plan providing for the issuance of shares or options or rights in respect thereof), at such times, for such consideration and on such terms and conditions as it may determine (including, without limitation, such preferred or other special rights or restrictions with respect to dividend, voting, liquidation or other rights of the shares as may be determined by the Board).

(2) Notwithstanding the foregoing provisions of this Bye-law, the Company shall not issue any shares in a manner that the Board believes would cause, by reason of such issuance, (i) the total Controlled Shares of any Person other than an AIG Person to equal or exceed ten percent (10%) of the shares of the Company or (ii) an AIG Person to become or continue to be a United States 25% Shareholder, in each case (i) and (ii) on an Unadjusted Basis; PROVIDED, however, that, paragraph (ii) of this Bye-law 53(2) notwithstanding, the Company may issue shares in a manner and amount that would cause an AIG Person to become or continue to be a United States 25% Shareholder upon the exercise of the AIG Option, in part or in full, in accordance with its terms.

Notwithstanding the foregoing provisions of this Bye-law, the restrictions of this Bye-law 53(2) shall not apply to any issuance of shares to a person acting as an underwriter in the ordinary course of its business, purchasing such shares pursuant to a purchase agreement to which the Company is a party, for resale.

(3) The Board shall, in connection with the issue of any share, have the power to pay such commission and brokerage as may be permitted by law.

(4) The Company shall not give, whether directly or indirectly, whether by means of loan, guarantee, provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company, but nothing in this Bye-law shall prohibit transactions permitted pursuant to Sections 39A, 39B, and 39C of the Act.

54. Variation of rights and alteration of share capital

(1) While the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of the class in accordance with Section 47(7) of the Act. The rights conferred upon the

holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

(2) The Company may from time to time by resolution of the Members change the currency denomination of, increase, alter or reduce its share capital in accordance with the provisions of Sections 45 and 46 of the Act. Where, on any alteration of share capital, fractions of shares or some other difficulty would arise, the Board may deal with or resolve the same in such manner as it thinks fit including, without limiting the generality of the foregoing, the issue to Members, as appropriate, of fractions of shares and/or arranging for the sale or transfer of the fractions of shares of Members.

55. Registered holder of shares

(1) The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person.

(2) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members or, in the case of joint holders, to such address of the holder first named in the Register of Members, or to such person and to such address as the holder or joint holders may

in writing direct. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.

56. Death of a joint holder

Where two or more persons are registered as joint holders of a share or shares then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to the said share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

57. Share certificates

(1) Every Member shall be entitled to a certificate under the seal of the Company (or a facsimile thereof) specifying the number and, where appropriate, the class of shares held by such Member and whether the same are fully paid up and, if not, how much has been paid thereon. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.

(2) The Company shall be under no obligation to complete and deliver a share certificate unless specifically called upon to do so by the person to whom such shares have been allotted.

(3) If any such certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if they see fit.

58. Calls on shares

The Board may from time to time make such calls as it thinks fit upon the Members in respect of any monies unpaid on the shares allotted to or held by such Members.

REGISTER OF MEMBERS

59. Contents of Register of Members

The Board shall cause to be kept in one or more books a Register of Members and shall enter therein the following particulars:-

- (a) the name and address of each Member, the number and, where appropriate, the class of shares held by such Member and the amount paid or agreed to be considered as paid on such shares;
- (b) the date on which each person was entered in the Register of Members;
- (c) the date on which any person ceased to be a Member for one year after such person so ceased; and

- (d) the country where such Member is resident.

60. Inspection of Register of Members

The Register of Members shall be open to inspection at the registered office of the Company on every Business Day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each business day be allowed for inspection. The Register of Members may, after notice has been given by advertisement in an appointed newspaper to that effect, be closed for any time or times not exceeding in the whole thirty days in each year.

61. Determination of record dates

Notwithstanding any other provision of these Bye-laws, the Board may fix any date as the record date for:

- (a) determining the Members entitled to receive any dividend; and
- (b) determining the Members entitled to receive notice of and to vote at any general meeting of the Company.

62. Instrument of transfer

(1) An instrument of transfer shall be in the form or as near thereto as circumstances admit of Form "B" in the Schedule hereto or in such other common form as the Board may accept. Such instrument of transfer shall be signed by or on behalf of the transferor and transferee provided that, in the case of a fully paid share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain the holder of such share until the same has been transferred to the transferee in the Register of Members.

(2) The Board may refuse to recognise any instrument of transfer unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

63. Restriction on transfer

(1) Subject to the Act, this Bye-law 63 and such other of the restrictions contained in these Bye-laws and elsewhere as may be applicable, and except, in the case of any shares other than the Common Shares, as may otherwise be provided by the terms of issuance thereof, any Member may sell, assign, transfer or otherwise dispose of shares of the Company at the time owned by it

and, upon receipt of a duly executed form of transfer in writing, the Directors shall procure the timely registration of the same. If the Directors refuse to register a transfer for any reason they shall notify the proposed transferor and transferee within thirty days of such refusal.

(2) The Directors shall decline to register a transfer of shares if the Directors have reason to believe that the effect of such transfer would be (i) to increase the number of total Controlled Shares of any Person other than an AIG Person to ten percent (10%) or any higher percentage of the shares of the Company or (ii) that an AIG Person would become or continue to be a United States 25% Shareholder, in each case (i) and (ii) on an Unadjusted Basis.

(3) The Directors may, in their absolute and unfettered discretion, decline to register the transfer of any shares if the Directors have reason to believe (i) that such transfer may expose the Company, any subsidiary thereof, any Member or any Person ceding insurance to the Company or any such subsidiary to adverse tax or regulatory treatment in any jurisdiction or (ii) that registration of such transfer under the Securities Act or under any blue sky or other U.S. state securities laws or under the laws of any other jurisdiction is required and such registration has not been duly effected (PROVIDED, however, that in this case (ii) the Directors shall be entitled to request and rely on an opinion of counsel to the transferor or the transferee, in form and substance satisfactory to the Directors, that no such approval or consent is required and no such violation would occur, and the Directors shall

not be obligated to register any transfer absent the receipt of such an opinion).

(4) Without limiting the foregoing, the Board shall decline to approve or register a transfer of shares unless all applicable consents, authorisations, permissions or approvals of any governmental body or agency in Bermuda, the United States or any other applicable jurisdiction required to be obtained prior to such transfer shall have been obtained.

(5) The registration of transfers may be suspended at such time and for such periods as the Directors may from time to time determine; PROVIDED that such registration shall not be suspended for more than forty-five days in any period of three hundred and sixty five (365) consecutive days.

(6) The Directors may require any Member, or any Person proposing to acquire shares of the Company, to certify or otherwise provide information in writing as to such matters as the Directors may request for the purpose of giving effect to Bye-laws 10(2), 10(4), 53(2), 63(2) and 63(3), including as to such Person's status as a U.S. Person, its Controlled Shares and other matters of the kind contemplated by Bye-law 52(2). Such request shall be made by written notice and the certification or other information requested shall be provided to such place and within such period (not less than ten (10) Business Days after such notice is given unless the Directors and such Member or proposed acquiror otherwise agree) as the Directors may designate in such request. If any Member or proposed acquiror does not respond to any such request by the

Directors as requested, or if the Directors have reason to believe that any certification or other information provided pursuant to any such request is inaccurate or incomplete, the Directors may decline to register any transfer or to effect any issuance or purchase of shares to which such request relates.

64. Transfers by joint holders

The joint holders of any share or shares may transfer such share or shares to one or more of such joint holders, and the surviving holder or holders of any share or shares previously held by them jointly with a deceased Member may transfer any such share or shares to the executors or administrators of such deceased Member.

65. Lien on Shares

(1) The Company shall have a first and paramount lien and charge on all shares (whether fully paid-up or not) registered in the name of a Member (whether solely or jointly with others) for all debts, liabilities or engagements to or with the Company (whether presently payable or not) by such Member or his estate, either alone or jointly with any other Person, whether a Member or not, but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Bye-law. The registration of a transfer of any such share shall operate as a waiver of the Company's lien (if any) thereon. The Company's lien (if any) on a share shall extend to all dividends or other monies payable in respect thereof.

(2) The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is then presently payable, nor until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the relevant Member, or the Person, of which the Company has notice, entitled thereto by reason of such Member's death or bankruptcy. Effective upon such sale, any certificate representing such shares prior to such sale shall become null and void, whether or not it was actually delivered to the Company.

(3) To give effect to any such sale the Directors may authorize some Person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

(4) The proceeds of such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.

TRANSMISSION OF SHARES

66. Registration on bankruptcy

Any person becoming entitled to a share in consequence of the bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled shall execute in favour of such nominee an instrument of transfer in the form, or as near thereto as circumstances admit, of Form "B" in the Schedule hereto. On the presentation thereof to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member but the Board shall, in either case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the share by that Member before such Member's bankruptcy.

DIVIDENDS AND OTHER DISTRIBUTIONS

67. Declaration of dividends by the Board

Subject to any rights or restrictions at the time lawfully attached to any class of shares and subject to these Bye-laws, the Board may, in accordance with Section 54 of the Act, declare a dividend to be paid to the Members, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets.

68. Other distributions

The Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company.

69. Reserve fund

The Board may from time to time before declaring a dividend set aside, out of the surplus or profits of the Company, such sum as it thinks proper as a reserve fund to be used to meet contingencies or for equalising dividends or for any other special purpose.

70. Deduction of amounts due to the Company

The Board may deduct from the dividends or distributions payable to any Member all monies due from such Member to the Company on account of calls or otherwise.

71. Unclaimed dividends

Any dividend unclaimed for a period of six (6) years from the date of declaration of such dividend shall be forfeited and shall revert to the Company and the payment by the Board of any unclaimed dividend, interest or other sum payable on or in respect of the share into a separate account shall not constitute the Company a trustee in respect thereof.

72. Interest on dividend

No dividend or distribution shall bear interest against the Company.

73. Issue of bonus shares

Subject to Bye-law 53(2), the Board may resolve to capitalise any part of the amount for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

ACCOUNTS AND FINANCIAL STATEMENTS

74. Records of account

The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:-

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
- (b) all sales and purchases of goods by the Company; and

(c) the assets and liabilities of the Company.

Such records of account shall be kept at the registered office of the Company or, subject to Section 83 (2) of the Act, at such other place as the Board thinks fit and shall be available for inspection by the Directors during normal business hours.

75. Financial year end

The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be 31st December in each year.

76. Financial statements

Subject to any rights to waive laying of accounts pursuant to Section 88 of the Act, financial statements as required by the Act shall be laid before the Members in general meeting.

AUDIT

77. Appointment of Auditor

Subject to Section 88 of the Act, at the annual general meeting or at a subsequent special general meeting in each year, an independent representative of the Members shall be appointed by them as Auditor of the accounts of the Company. Such Auditor may be a Member but no Director, Officer or employee of the Company shall, during his or her continuance in office, be eligible to act as an Auditor of the Company.

78. Remuneration of Auditor

The remuneration of the Auditor shall be fixed by the Company in general meeting or in such manner as the Members may determine.

79. Vacation of office of Auditor

If the office of Auditor becomes vacant by the resignation or death of the Auditor, or by the Auditor becoming incapable of acting by reason of illness or other disability at a time when the Auditor's services are required, the Board shall, as soon as practicable, convene a special general meeting to fill the vacancy thereby created.

80. Access to books of the Company

The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers of the Company for any information in their possession relating to the books or affairs of the Company.

81. Report of the Auditor

(1) Subject to any rights to waive laying of accounts or appointment of an Auditor pursuant to Section 88 of the Act, the accounts of the Company shall be audited at least once in every year.

(2) The financial statements provided for by these Bye-laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the Auditor shall be submitted to the Members in general meeting.

(3) The generally accepted auditing standards referred to in paragraph (2) of this Bye-law shall be those of the United States of America and the financial statements and the report of the Auditor shall disclose this fact.

NOTICES

82. Notices to Members of the Company

A notice may be given by the Company to any member either by delivering it to such Member in person or by sending it to such Member's address in the Register of Members or to such other address given for the purpose. For the purposes of this Bye-law, a notice may be sent by mail, courier service, cable, telex, telecopier, facsimile or other mode of representing words in a legible and non-transitory form.

83. Notices to joint Members

Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of

Members and notice so given shall be sufficient notice to all the holders of such shares.

84. Service and delivery of notice

Any notice shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in proving such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier or to the cable company or transmitted by telex, facsimile or other method as the case may be.

SEAL OF THE COMPANY

85. The Seal

The seal of the Company shall be in such form as the Board may from time to time determine. The Board may adopt one or more duplicate seals for use outside Bermuda.

86. Manner in which seal is to be affixed

The seal of the Company shall not be affixed to any instrument except attested by the signature of a Director and the Secretary or any two Directors, or some other person appointed by the Board for the purpose, provided that any Director, or Officer, may affix the seal of the Company attested by such Director or Officer's signature only to any authenticated copies of these

Bye-laws, the incorporating documents of the Company, the minutes of any meetings or any other documents required to be authenticated by such Director or Officer.

87. Determination to wind up Company

The Company may be wound up voluntarily by resolution of the Members.

WINDING-UP

88. Winding-up/distribution by liquidator

If the Company shall be wound up the liquidator may, with the sanction of a resolution of the Members, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he or she deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

89. Alteration of Bye-laws

No Bye-law shall be rescinded, altered or amended and no new Bye-law shall be made until the same has been approved by a resolution of the Board and by a resolution of the Members.

*

SCHEDULE - FORM A (Bye-law 49)

IPC HOLDINGS, LTD.

P R O X Y

I
of
the holder of _____ share(s) in the above-named Company
hereby appoint
or failing him/her
or failing him/her
as my proxy to vote on my behalf at the General Meeting of the Company to be
held on the _____ day of _____, 19____, and at any
adjournment thereof.

Dated this _____ day of _____, 19____

*GIVEN under the seal of the company

*Signed by the above-named

.....
.....

Witness

*Delete as applicable.

SCHEDULE - FORM B (Bye-law 62)

TRANSFER OF A SHARE OR SHARES

FOR VALUE RECEIVED

[amount]

.....

[transferor]

hereby sell assign and transfer unto

.....

[transferee]

of

[address]

.....

[number of shares]

shares of IPC HOLDINGS, LTD.

Dated

.....
(Transferor)

In the presence of:

.....
(Witness)

.....
(Transferee)

In the presence of:

.....
(Witness)

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT, (this " Agreement"), dated as of March 13, 1996, among the Rightholders (as such term and certain other capitalized terms not otherwise defined herein are defined in Article II hereof) and IPC HOLDINGS, LTD., a company incorporated under the laws of Bermuda (the "Company").

W I T N E S S E T H

WHEREAS, each of the Rightholders are parties to the Shareholders' Agreement, dated as of June 29, 1993 (the "Shareholders' Agreement"), among the Company and its shareholders specified therein, relating to the Voting Common Stock, par value U.S.\$200 per share, and the Non-Voting Common Stock, par value U.S.\$200 per share, of the Company (together "Common Stock");

WHEREAS, pursuant to a recapitalization of the Company, each outstanding share of Common Stock shall be converted into 25,000 Common Shares, par value U.S.\$0.01 per share, of the Company ("Common Shares");

WHEREAS, the Company will permit its shareholders so electing to effect an initial public offering of certain Common Shares pursuant to a Registration Statement on Form S-1 (File No. 333-00088) (the "IPO");

WHEREAS, the Company has agreed to provide certain registration rights to the Rightholders following the IPO and the Company and the Rightholders are entering into this Agreement to set forth the terms and conditions applicable to the grant and exercise of such registration rights;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged by the parties hereto, the Company and the Rightholders hereby agree as follows:

ARTICLE I

REGISTRATION RIGHTS

1.1. DEMAND RIGHTS. (a) At any time on and after the 180th day following the date of the prospectus relating to the IPO (the "IPO Lock-Up Date") (unless the Company consents to an earlier date), each Rightholder shall have the right on one occasion or, in the case of AIG, on two occasions, to require the Company to file a registration statement on Form S-1, S-2 or S-3 (or Form F-1, F-2 or F-3) under the Securities Act for a public offering of all or any number of the Registrable Shares held by its Rightholder Group or, in the case of AIG, for any number of Registrable Option Shares, by delivering to the Company written notice stating that such right is being exercised, naming the members of its Rightholder Group whose Registrable Shares are to be included in such registration (collectively, the "Demanding Shareholders"), specifying the number of each such Demanding Shareholder's Registrable Shares or Registrable Option Shares to be included in such registration and describing the intended method of distribution thereof (a "Demand Request"); provided, however, in the event the AIG Option becomes exercisable prior to the IPO Lock-Up Date, AIG may of right demand one registration

at such time for any number of Registrable Option Shares either (i) in connection with the merger or consolidation of the Company out of existence or the sale or lease of substantially all of the assets of the Company or (ii) if necessary, in the judgment of AIG, to comply with its obligation to dispose of any shares obtained pursuant to exercise of the AIG Option that would result in AIG becoming a "United States 25% Shareholder" as defined in the AIG Option (an "Inter Lock-Up AIG Request"). Two or more Rightholders may join together in making a joint Demand Request. The Company shall give prompt written notice of a Demand Request (a "Notice of Demand Request") to each Rightholder that is not making the Demand Request. Other than with respect to an Inter Lock-Up AIG Request, each such other Rightholder shall have the right to require that all or any number of the Registrable Shares or Registrable Option Shares held by its Rightholder Group be included in such registration, by delivering to the Company a written notice stating that such right is being exercised, naming the members of its Rightholder Group whose Registrable Shares or Registrable Option Shares are to be included in such registration (collectively, the "Joining Shareholders") and specifying the number of each such Joining Shareholder's Registrable Shares or Registrable Option Shares to be included in such Registration Statement (a "Joining Request"). To be effective, a Joining Request must be given on or before the fifteenth (15th) day after the Notice of Demand Request is given by the Company. In the event that AIG delivers a Demand Request or a Joining Request with respect to Registrable Option Shares, such Demand Request or Joining Request shall, in addition to the matters set forth above, indicate AIG's intention to exercise the AIG Option and the number of Registrable Option Shares to be purchased upon such exercise and to be included in the registration to which such request relates; provided, however, that the exercise of the AIG Option shall be effective only immediately prior to, and contingent upon, the closing of the public offering to which the requested registration relates. Upon receipt of a Demand Request, the Company shall use its reasonable efforts to effect the registration under the Securities Act of the Registrable Shares or Registrable Option Shares included in the Demand Request and the Registrable Shares or Registrable Option Shares included in any Joining Request, all to the extent necessary to permit the Demanding Shareholders and the Joining Shareholders (collectively, the "Sellers") to sell or otherwise dispose of their respective Registrable Shares or Registrable Option Shares included in the registration in accordance with the intended method of distribution. The rights and obligations of the parties listed under this Section 1.1(a) are subject to the other provisions of this Agreement.

(b) The Company's obligations pursuant to Section 1.1(a) above are subject to the following limitations and conditions:

(i) the Company shall not be obligated to fulfill a Demand Request unless the aggregate number of Registrable Shares and Registrable Option Shares to be included in such registration pursuant to any Demand Request equals or exceeds 2,500,000 Common Shares; provided, however, the Company shall be obligated to fulfill, in aggregate, one Demand Request submitted by one or more Over-allotment Remaining Shareholders provided the number of Registrable Shares to be included in such registration pursuant to such Demand Request equals or exceeds 500,000 Common Shares;

(ii) the Company will, if requested, use reasonable efforts to participate in and assist with a "road show" and other customary marketing efforts in connection with the sale of Registrable Shares or Registrable Option Shares pursuant to such registration, at such times and in such manner as the Company and the Rightholders making such Demand Request and any related Joining Request mutually may determine (and as do not unreasonably interfere with the Company's operations);

(iii) the Company shall not be obligated to fulfill a Demand Request made by a Rightholder (other than AIG) if such Rightholder has made a prior Demand Request and either (A) the Company has filed a Securities Act registration covering Registrable Shares or Registrable Option Shares pursuant to such Demand Request, such registration was declared or ordered effective, such effectiveness was not suspended or stopped by any governmental or judicial authority and such Demand Request was not withdrawn pursuant to Section 1.1(d) below; or (B) such Demand Request was withdrawn other than pursuant to Section 1.1(d); the Company shall not be obligated to fulfill a Demand Request made by AIG if AIG has made two prior Demand Requests to which either clause (A) or (B) above is applicable;

(iv) the Common Shares to be offered in a public offering pursuant to any Demand Request and related Joining Request shall not exceed the number which the managing underwriter for the offering (or, if there is none, a nationally recognized investment banking firm acting as financial advisor to the Company) determines in good faith to be appropriate based on market conditions and other relevant factors, including pricing (the "Maximum Number"), and Common Shares shall be allocated to give effect to this clause (iv) as provided in Section 1.3.

(v) the Company shall not be obligated to fulfill the requirements herein with regard to any registration relating to a Demand Request (A) during any period of time (not to exceed ninety (90) days in the aggregate during any period of twelve (12) consecutive months) after the Company has determined to proceed with a Securities Act registration of any of its securities and is diligently proceeding to complete such registration or any offering of securities pursuant thereto (whether for its own account or that of any shareholder but excluding any registration on Form S-8 under the Securities Act or any similar or successor form) if, in the judgment of a nationally recognized investment banking firm (which may be acting as managing underwriter for any such offering or as financial advisor to the Company), the fulfillment of such requirements or such filing would have an adverse effect on the offering, (B) during any period of time (not to exceed ninety (90) days during any period of twelve (12) consecutive months) when the Company is in possession of material, non-public information that the Company would not be required to disclose publicly in the absence of any Securities Act registration of its securities, (C) during any period of time (not to exceed ninety (90) days during any period of twelve (12) consecutive months) when the Company is engaged in, or has determined to engage in and is proceeding diligently with, any program for the purchase of, or any tender offer or exchange offer for, its Capital Securities, and determines, on advice of independent U.S. counsel, that such program or offer and the requested registration may not proceed concurrently without violating Rule 10b-6 under the Exchange Act or (D) during the 180-day period following (1) the effectiveness of any Securities Act registration covering Capital Securities (but excluding any registration on Form S-8 under the Securities Act or any similar or successor form) or (2) the termination of the Company's efforts to effect a Securities Act registration pursuant to a prior Demand Request, if such termination was not due to any fault of the Company;

(vi) the Company shall not be required to maintain the effectiveness of a registration statement filed pursuant to Section 1.1(a) for a period in excess of 90 consecutive days and shall not be required to file or maintain any registration statement that permits a delayed or continuous offering to be made for more than 30 consecutive days after such registration statement becomes effective;

(vii) the managing underwriter of any public offering effected pursuant to this Article I shall agree to use its best efforts to avoid selling Registrable Shares or Registrable Option Shares to any one person or group of related persons (other than another dealer acting as an underwriter or member of any selling group in connection with such public offering) if, as a result of such sale, any such person would become a United States 10% Shareholder or any such person would become a United States 25% Shareholder; and

(viii) the Rightholder(s) making the Demand Request and any Joining Shareholders, following agreement amongst themselves, shall be entitled to designate any one lawful method of distribution permitted pursuant to the registration statement (including a firm commitment underwriting) to be the method of distribution for the registration pursuant to this Section 1.1, and all Sellers will sell their Registrable Shares or Registrable Option Shares included in the registration in the designated method (and, in the case of any underwriting, on the same terms and conditions); the intended method of distribution shall be indicated in the Demand Request and, following agreement amongst the Rightholder(s) making the Demand Request and any Joining Shareholders, shall be finally determined prior to filing the registration statement; the method of distribution and the terms and conditions thereof shall be subject to the Company's prior approval, which will not be unreasonably withheld, and in any distribution involving an underwriter, the Rightholder(s) making the Demand Request and any Joining Shareholders, following agreement amongst themselves, shall be entitled (after consulting with the Company and with the Company's approval, which will not be unreasonably withheld) to select any nationally recognized investment banking firm to act as underwriter.

(c) Subject to Section 1.3, the Company may elect to include in any registration statement filed pursuant to this Section 1.1 any Common Shares to be issued by it or held by any of its subsidiaries or by any other shareholders only to the extent such shares are offered and sold pursuant to, and on the terms and subject to the conditions of, any underwriting agreement or distribution arrangements entered into or effected by the Demanding Shareholders.

(d) A Rightholder may withdraw a Demand Request if (i) the Company is in material breach of its obligation hereunder and has not cured such breach after having received notice thereof and a reasonable opportunity to do so or (ii) the withdrawal occurs during a period specified in Section 1.1(b)(v). A Demand Request withdrawn pursuant to this Section 1.1(d) shall be deemed not to have been made for purposes of Section 1.1 and, together with any related Joining Request, shall be of no further effect.

1.2. "PIGGY-BACK" RIGHTS. If at any time the Company proposes to register, for its own account or for the account of any shareholder, any Common Shares on a registration statement on Form S-1, S-2 or S-3 (or Form F-1, F-2 or F-3) under the Securities Act for purposes of a public offering of such Common Shares, other than pursuant to a Demand Request, each Rightholder shall have the right on one occasion to include Registrable Shares held by it or, in the case of AIG, any Registrable Option Shares in such registration. The Company shall give prompt written notice of any such proposal, including the intended method of distribution of such Common Shares, to each Rightholder that has not previously exercised its rights under this Section 1.2. Subject to Section 1.3, upon the written request (a "Piggy-Back Request") of any such Rightholder, given within fifteen (15) calendar days after the transmittal of any such written notice, the Company will use its reasonable efforts to include in such public offering any or all of the Registrable Shares or Registrable Option Shares then held by the Rightholder Group of which such Rightholder is a member to the extent necessary to permit the sale of such Registrable Shares

pursuant to the intended method of distribution; provided that any participation in such public offering by a Rightholder shall be on substantially the same terms as the Company's and each other shareholder's participation therein; and provided further, that the total number of Common Shares to be included in any such public offering shall not exceed the Maximum Number, and Common Shares shall be allocated to give effect to this proviso as provided in Section 1.3. To the extent the number of Registrable Shares of a Rightholder to be included in a public offering shall be reduced as set forth in the second proviso of the prior sentence, such Rightholder shall retain a piggy-back right with respect to the number of Registrable Shares included in its Piggy-Back Request but not publicly offered. Any Rightholder shall have the right to withdraw a Piggy-Back Request by giving written notice to the Company of its election to withdraw such request at least five (5) days prior to the proposed filing date of such registration statement and such a withdrawn Piggy-Back Request shall not be counted as the exercise of such Rightholder's one piggy-back right hereunder. Each Piggy-Back Request by a Rightholder shall specify the members of its Rightholder Group whose Registrable Shares or Registrable Option Shares are to be included in the registration and the number of such shares for each such member. The Company shall be entitled to select any underwriter in a registration pursuant to this Section 1.2.

1.3. ALLOCATION OF SECURITIES INCLUDED IN A PUBLIC OFFERING. If the managing underwriter or placement agent for any public offering effected pursuant to Section 1.1 or Section 1.2 (or, if there is none, a nationally recognized investment banking firm acting as financial advisor to the Company) shall advise the Company and the Sellers in writing that the number of Common Shares sought to be included in such public offering (including those sought to be offered by the Company and those sought to be offered by the Sellers) exceeds the Maximum Number, the Company shall allocate Common Shares to be included in such public offering up to the Maximum Number as follows:

(a) in the case of any registration pursuant to Section 1.1, first to the Demanding Shareholders, subject to allocation below the Maximum Number in such manner as they may agree among themselves; then to the Joining Shareholders, subject to allocation below the Maximum Number pro rata according to the number of Registrable Shares or Registrable Option Shares held by the Rightholder Group of which such Joining Shareholder is a member; then, as to any excess, to the Company; and

(b) in the case of any registration pursuant to Section 1.2, first to the Company for its own account; then to each Rightholder making a Piggy-Back Request and each other shareholder designated by the Company, subject to allocation below the Maximum Number pro rata according to the number of Registrable Shares or Registrable Option Shares held by the Rightholder Group of which such Rightholder is a member or by such other shareholder, as the case may be.

Each Rightholder may allocate any allocation made to it pursuant to this Section 1.3 among the members of its Rightholder Group as it wishes. The Company may allocate any allocation made to it pursuant to Section 1.3(a) among itself, its subsidiaries and its shareholders as it wishes, and may allocate any allocation made to it for its own account pursuant to Section 1.3(b) among itself and its subsidiaries as it wishes.

1.4. INDEMNIFICATION. (a) The Company shall indemnify, to the extent permitted by law, and hold harmless each Selling Shareholder against any losses, claims, damages or liabilities, joint or several, or actions in respect thereof ("Claims"), to which such indemnified party may become subject, under the Securities Act of 1933 ("Securities Act") or otherwise, insofar as such Claims arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the registration

statement, in any prospectus or preliminary prospectus included in such registration statement or in any amendment or supplement thereto filed with the United States Securities and Exchange Commission ("SEC") (collectively, "Registration Documents") or insofar as such Claims arise out of or are based upon the omission or alleged omission to state in any Registration Document a material fact required to be stated therein or necessary to make the statements made therein not misleading, and will reimburse any such indemnified party for any legal or other expenses reasonably incurred by such indemnified party in investigating or defending any such Claim as such expenses are incurred; provided that the Company shall not be liable in any such case to the extent that any such Claim arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Registration Document in reliance upon and in conformity with written information furnished to the Company by or on behalf of such indemnified party or an underwriter specifically for use in the preparation of such Registration Document; and provided further, that the Company shall not be liable to any underwriter for such indemnification with respect to any preliminary prospectus to the extent that any such Claim results from the fact that such underwriter sold securities to a person as to whom it shall be established that there was not sent or given, at or prior to the written confirmation of such sale, a copy of the prospectus and any amendment or supplement thereto in any case where such delivery is required by the Securities Act if the Company has previously furnished copies thereof in sufficient quantity to such underwriter and the Claim to which such underwriter is subject results from an untrue statement or omission of a material fact contained in the preliminary prospectus that was identified in writing at such time to such underwriter and corrected in such prospectus or such amendment or supplement thereto.

(b) In connection with any registration in which any Seller is participating, each Seller, severally and not jointly, shall indemnify, to the extent permitted by law, and hold harmless the Company and each other Seller and each underwriter against any Claims to which each such indemnified party may become subject under the Securities Act or otherwise, insofar as such Claims arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any Registration Document, or insofar as any claims arise out of or are based upon the omission or alleged omission to state in any Registration Document a material fact required to be stated therein or necessary to make the statements made therein not misleading; provided, however, that such indemnification shall be payable only if, and to the extent that, any such Claim arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Registration Document in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Seller specifically for use in the preparation thereof.

(c) Any person entitled to indemnification under Section 1.4(a) or (b) above shall notify promptly the indemnifying party in writing of the commencement of any Claim if a claim for indemnification in respect thereof is to be made against an indemnifying party under this Section 1.4, but the omission of such notice shall not relieve the indemnifying party from any liability which it may have to any indemnified party otherwise than under Section 1.4(a) or (b). In case any action is brought against an indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate in, and, to the extent that it chooses, to assume the defense thereof with counsel satisfactory to the indemnified party, who may be counsel for the indemnifying party unless the indemnified party reasonably concludes such counsel would have a conflict of interest in representing both indemnified and indemnifying parties (provided that the Company shall not be responsible for the fees and expenses of more than one counsel for all indemnified parties with respect to any Claim or group of Claims alleged to have arisen from similar facts); and, after notice from the indemnifying party to the indemnified party that it so chooses, the indemnifying party shall not be liable for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than

reasonable costs of investigation. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(d) If for any reason the foregoing indemnity is unavailable to, or is insufficient to hold harmless, an indemnified party in respect of any Claim, (i) if the indemnified party is an underwriter, then each indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of any Claim in such proportion as is appropriate to reflect the relative benefits received by the Sellers and the Company, on the one hand, and the indemnified party, on the other, from the offering of securities to which such Registration Documents relate, (ii) as between the Company and each Seller, the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of any Claim in such proportion as is appropriate to reflect the relative fault of the indemnifying party, on the one hand, and the indemnified party, on the other, in connection with the statements or omissions that resulted in such Claims, as well as any other relevant equitable considerations. If, however, the allocation provided in clause (i) of the immediately preceding sentence is not permitted by applicable law, or if the indemnified party failed to give the notice required by clause (c) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party in such proportion as is appropriate to reflect both the relative benefits and the relative fault of the indemnifying party and the indemnified party in connection with the statements or omissions that resulted in such Claims as well as any other relevant equitable considerations. The relative benefits received by the Sellers and the Company, on the one hand, and by the underwriters, on the other, shall be deemed to be in the same proportion as the total net proceeds from the offering of the securities (before deducting expenses) received by the Sellers and the Company, on the one hand, bear to the total underwriting discounts and commissions received by the underwriters, on the other hand, in connection with such offering. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable in respect of any Claim shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such Claim. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) As a condition to their obligations under this Section 1.4, each of the Company and the Sellers shall have received from each underwriter of Registrable Shares included in a registration statement filed under the Securities Act pursuant to Section 1.1 or 1.2 an undertaking to indemnify, to the extent permitted by law, and hold harmless the Company and the Sellers against (or if such indemnity is unavailable or is insufficient to hold harmless an indemnified party, to provide contribution, on substantially the same basis provided to such underwriter in accordance with Section 1.4(d), in respect of) any Claims to which each such indemnified party may become subject under the Securities Act or otherwise, insofar as such Claims arise out of or are based upon any untrue statement or alleged untrue

statement of any material fact contained in any Registration Document, or insofar as any claims arise out of or are based upon the omission or alleged omission to state in any Registration Document a material fact required to be stated therein or necessary to make the statements made therein not misleading; provided, however, that such indemnification (or contribution, as the case may be) shall be payable only if, and to the extent that, any such Claim arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Registration Document in reliance upon and in conformity with written information furnished to the Company by or on behalf of such underwriter specifically for use in the preparation thereof. Notwithstanding the foregoing, no underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such underwriter otherwise has been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. The obligation of any underwriters to provide indemnification (or contribution, as the case may be) pursuant to this paragraph (e) shall be several in proportion to their respective underwriting commitments and not joint.

(f) The maximum liability of any Selling Shareholder to indemnify or contribute payments pursuant to this Section 1.4 shall not exceed the aggregate net proceeds from the sale of Common Shares (including the sale of Common Shares, if any, pursuant to the exercise of an overallotment option) by such Selling Shareholder in such registration.

(g) The obligations of the Company pursuant to this Section 1.4 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each officer, director and general partner of any underwriter or Seller and to each person, if any, who controls any underwriter or Seller within the meaning of the Securities Act. The obligations of each Seller pursuant to this Section 1.4 shall be in addition to any liability which such Seller may otherwise have and shall extend, upon the same terms and conditions, to each officer, director and general partner of the Company, any underwriter or any other Seller and to each person, if any, who controls the Company, any underwriter or any other Seller within the meaning of the Securities Act. The obligations of any underwriter pursuant to this Section 1.4 shall be in addition to any liability which such underwriter may otherwise have and shall extend, upon the same terms and conditions, to each officer, director and general partner of the Company or any Seller and to each person, if any, who controls the Company or any Seller within the meaning of the Securities Act.

1.5. REQUIREMENTS WITH RESPECT TO REGISTRATION. If and whenever the Company is required by the provisions hereof to use its reasonable efforts to register any Registrable Shares or Registrable Option Shares under the Securities Act, the Company shall, as promptly as practicable:

(a) Prepare and file with the SEC a registration statement with respect to such Registrable Shares or Registrable Option Shares and use its reasonable efforts to cause such registration statement to become and remain effective.

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement current and to comply with the provisions of the Securities Act and any regulations promulgated thereunder with respect to the sale or other disposition of such Registrable Shares or Registrable Option Shares, for as long as a prospectus relating to any such Registrable Shares or Registrable Option Shares is required to be delivered under the Securities Act, subject to the limitation in Section 1.1(b)(vi).

(c) Furnish to the Sellers participating in the offering copies (in reasonable quantities) of summary, preliminary, final, amended or supplemented prospectuses, in conformity with the requirements of the Securities Act and any regulations promulgated thereunder, and other documents as reasonably may be required in order to facilitate the disposition of such Registrable Shares or Registrable Option Shares, but only while the Company is required under the provisions hereof to keep the registration statement current.

(d) Use its reasonable efforts to register or qualify the Registrable Shares or Registrable Option Shares covered by such registration statement under such other securities or blue sky laws of such jurisdictions in the United States as the managing underwriter or placement agent (or, if none, the Rightholders participating in the offering) shall reasonably request, and do any and all other acts and things which may be reasonably necessary to enable each participating Seller or underwriter to consummate the disposition of the Registrable Shares or Registrable Option Shares in such jurisdictions; provided, however, that in no event shall the Company be required to qualify to do business as a foreign corporation in any jurisdiction where it is not so qualified; to execute or file any general consent to service of process under the laws of any jurisdiction; to take any action that would subject it to service of process in suits other than those arising out of the offer and sale of the securities covered by the registration statement; or to subject itself to taxation in any jurisdiction where it has not theretofore done so unless the Company shall have received a reasonably satisfactory indemnity in respect thereto; or to subject itself to any insurance regulation in any jurisdiction in which it has not theretofore been so subject.

(e) Notify each Seller selling Registrable Shares or Registrable Option Shares, at any time when a prospectus relating to any such Registrable Shares or Registrable Option Shares covered by such registration statement is required to be delivered under the Securities Act, of the Company's becoming aware that the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and, subject to the limitation in Section 1.1(b)(vi), promptly prepare and furnish to each such Seller selling Registrable Shares or Registrable Option Shares and each underwriter a reasonable number of copies of a prospectus supplemented or amended so that, as thereafter delivered to the purchasers of such Registrable Shares or Registrable Option Shares, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

(f) As soon as practicable after the effective date of such registration statement, and in any event within eighteen (18) months thereafter, make generally available to Sellers participating in the offering an earnings statement (which need not be audited) covering a period of at least twelve (12) consecutive months beginning after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act, including at the Company's option, Rule 158 thereunder.

(g) Deliver promptly to each Rightholder that is, or any of whose Affiliates is, a Seller participating in the offering, upon such Rightholder's written request, copies of all correspondence between the SEC and the Company, its counsel or auditors and all memoranda relating to discussions with the SEC or its staff with respect to the registration statement and permit each such Rightholder to do such investigation, upon reasonable advance notice, with

respect to information contained in or omitted from the registration statement as it deems reasonably necessary. Each such Rightholder agrees that it will use its best efforts not to interfere unreasonably with the Company's business when conducting any such investigation.

(h) Obtain "cold comfort" letters from the Company's independent public accountants (including one letter when such registration statement goes effective and one at the closing) in customary form and covering such matters of the type customarily covered by such "cold comfort" letters.

1.6. EXPENSES. The Company shall be obligated to pay Registration Expenses incurred in connection with any Demand Request, other than a Demand Request that is withdrawn by the Rightholder other than pursuant to Section 1.1(d), in which case such Registration Expenses shall be paid by the proposed Sellers on a joint and several basis or pursuant to such other arrangements as the Company and the Sellers may agree. The Company shall also be obligated to pay Registration Expenses in connection with any Piggy-Back Request, except that those expenses set forth in clauses (a), (b) and (c) of the definition of Registration Expenses shall be borne by the Company and each Seller (other than an Over-allotment Remaining Shareholder) pro rata on the basis of the number of shares being offered on behalf of the Company and each Seller (other than an Over-allotment Remaining Shareholder).

1.7. CERTAIN SELLERS' OBLIGATIONS. Each Seller shall provide such information to the Company as the Company may reasonably request in connection with any registration hereunder of Registrable Shares or Registrable Option Shares for such Seller's account and shall dispose of any such Registrable Shares or Registrable Option Shares pursuant to any registration hereunder in the manner contemplated thereby. Each Rightholder shall cause the members of its Rightholder Group to perform their respective obligations under this Agreement.

1.8. TRANSFER OF AIG OPTION. In the event AIG transfers the AIG Option to one or more transferees pursuant to Section 5(c) thereof, following execution by any such transferee and delivery to the Company of an instrument reasonably acceptable to the Company acknowledging that such transferee has become a party to this Agreement and assumed its rights and obligations hereunder, all references herein to AIG with respect to Registrable Option Shares shall be deemed to apply (i) in the case of a transfer of the AIG Option in whole, solely to the transferee of the AIG Option and (ii) in the case of a transfer of the AIG Option in part, collectively either to the transferees of the AIG Option or, if AIG has retained a portion of the AIG Option, to AIG and such transferee(s). The Company shall be entitled to rely solely upon the instructions of AIG or the transferee of the AIG Option designated in writing by AIG with respect to any rights granted hereunder to the holders of Registrable Option Shares. The number of demand and piggy back registration rights afforded AIG hereunder shall apply in aggregate to AIG and any and all said transferees, without any increase in the number of said demand and piggy back registration rights. There are no registration rights with respect to the AIG Option itself.

ARTICLE II

DEFINITIONS

2.1. DEFINED TERMS. As used in this Agreement, the following capitalized terms have the respective meanings set forth below:

"Affiliate" shall mean, with respect to any person, any other person that directly or indirectly through one or more intermediaries controls or is controlled by or is under common control with such person and with respect to Quantum Industrial Partners LDC shall include, without limitation, one or more of George Soros, Paul Soros or Soros Fund Management or affiliates thereof, and any person or entity for which any such person or entity acts as investment adviser or investment manager.

"AIG" shall mean American International Group, Inc., a Delaware corporation.

"AIG Option" shall mean the Amended and Restated Option Agreement, dated March __, 1996, between the Company and AIG, as the same may be further amended from time to time.

"Bye-laws" shall mean the Amended and Restated Bye-laws of the Company, as the same may be further amended from time to time.

"Capital Securities" shall mean all shares of each class in the capital stock of the Company and all securities convertible into or exchangeable or exercisable for any such shares.

"Closing" shall mean the closing of the IPO pursuant to an effective registration statement under the Securities Act, and the day on which the Closing occurs shall be the day confirmed as such by a director or officer of the Company in the records maintained by the Company.

"Exchange Act" shall mean the U.S. Securities Exchange Act of 1934.

"person" shall mean any individual, corporation, company, partnership, joint venture, trust, association, government or governmental body or other entity.

"Registrable Option Shares" shall mean the Common Shares obtained or obtainable on exercise of the AIG Option.

"Registrable Shares" shall mean, at any time, all Common Shares then outstanding, other than shares that have ceased to be Registrable Shares. Common Shares shall cease to be Registrable Shares (a) when a registration statement with respect to the disposition of such shares shall have become effective under the Securities Act (including the registration statement with respect to the IPO) and such shares shall have been disposed of pursuant to such registration statement (including in the IPO), or (b) when such shares shall have been sold pursuant to Rule 144 under the Securities Act.

"Registration Expenses" shall mean any and all expenses incident to performance of or compliance with the demand rights set forth in Section 1.1 and piggy-back rights set forth in Section 1.2, including, without limitation, (a) all SEC and stock exchange or National Association of Securities Dealers, Inc. registration and filing fees, (b) all fees and expenses of complying with state securities or blue sky laws (including reasonable fees and disbursements of counsel for the underwriters in connection with blue sky qualifications of the Registrable Shares or Registrable Option Shares), (c) the cost of printing or preparing any registration statement, prospectus, offering circular, agreement among underwriters, underwriting agreement, blue sky memorandum, share certificates and any other documents in connection with the offering, purchase, sale and delivery of the Registrable Shares or Registrable Option Shares, (d) the costs and charges of any transfer agent and registrar and any custodian or attorney-in-fact appointed to act on behalf of the Sellers, (e) all messenger and delivery expenses, (f) the fees and expenses of any qualified independent underwriter and (g) the reasonable fees and disbursements of

counsel for the Company and the Company's independent public accountants, including the expenses of any special audits and/or "cold comfort" letters required by or incident to such performance and compliance; provided that each Seller shall pay the fees and disbursements of its own counsel, if any, and all underwriting discounts, commissions and transfer taxes, if any, relating to the sale or disposition of such Sellers' Registrable Shares or Registrable Option Shares.

"Rightholders" shall mean, (i) American International Group, Inc., a Delaware corporation, (ii) General Re Corporation, a Delaware corporation, (iii) Quantum Industrial Partners LDC, (iv) Tivadar Charitable Lead Trust and (v) any other shareholder of the Company immediately prior to the Closing who retains any ownership of Common Shares owned by it at the time of the Closing following the Closing solely by virtue of non- or incomplete exercise of the underwriters over-allotment option with respect to the IPO (these latter shareholders being referred to as the "Over-allotment Remaining Shareholders").

"Rightholder Group" means, as to any Rightholder at any time, such Rightholder and its Affiliates (other than the Company) at such time.

"Rule 144" shall mean Rule 144 under the Securities Act.

"Securities Act" shall mean the U.S. Securities Act of 1933, as amended.

"SEC" shall mean the U.S. Securities and Exchange Commission or any other U.S. federal agency at the time administering the Securities Act or the Exchange Act.

"shareholder" shall mean, with respect to any Common Shares, the person in whose name such shares are registered in the register of members maintained by the Company in accordance with applicable law and the Bye-laws, and the terms "hold," "held" and "holding" shall have meanings correlative to the foregoing.

"10% Shareholder" shall have the meaning set forth in the Bye-laws.

"United States 25% Shareholder" shall have the meaning set forth in the Bye-laws.

2.2. GENERAL. Unless the context otherwise requires, references in this Agreement to any "section" or "article" shall mean a section or article of this Agreement, as the case may be, and the terms "hereof," "hereunder," "hereto" and words of similar meaning shall mean this Agreement in its entirety and not any particular provisions of this Agreement. Unless the context otherwise requires, the terms defined herein include the singular as well as the plural.

Unless the context otherwise requires, each reference herein to the Securities Act, the Exchange Act or Rule 144 (or any other rule, regulation or form promulgated under either such statute) shall be deemed to mean, as of any time, such statute, rule, regulation or form as then in effect, after all amendments thereto, or, if not then in effect, any successor statute, rule, regulation or form as then in effect, after all amendments thereto.

ARTICLE III

RULE 144

3.1. AVAILABILITY OF RULE 144. The Company shall use its best efforts to ensure that the information requirement set forth in paragraph (c) of Rule 144 is satisfied so that the safe harbor provided by Rule 144 is available to the Rightholders for all transfers of Registrable Shares or Registrable Option Shares made after the 90th day after the Company becomes subject to the reporting requirements of Section 13 of the Exchange Act. Upon request made by any Rightholder at any time during such period, the Company will provide such Rightholder with a written statement confirming that the Company has been subject to and has complied with the reporting requirements as provided in said paragraph (c), unless the Company shall have included such a statement in its then-latest annual or quarterly report filed with the U.S. Securities and Exchange Commission.

ARTICLE IV

MISCELLANEOUS

4.1. TERMINATION OF CERTAIN RIGHTS. The rights of any Rightholder to make a Demand Request or a Joining Request pursuant to Section 1.1 or a Piggy-Back Request pursuant to Section 1.2 shall terminate on June 29, 2003; provided that, as to any Registrable Shares or Registrable Option Shares that are subject to a Demand Request, Joining Request or Piggy-Back Request duly delivered on or prior to such date, such termination shall be delayed until such shares have been disposed of pursuant to such registration statement or such offering has been completed or abandoned.

4.2. AMENDMENT. This Agreement may not be amended except in a written instrument signed by the Company and each Rightholder whose rights hereunder would be adversely affected thereby.

4.3. NOTICES. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed, unless otherwise specified herein, to have been duly given if delivered or mailed, first class postage prepaid, or transmitted by telex or facsimile, (a) if to any Rightholder, at its address or telex or facsimile number appearing in the register of members of the Company and (b) if to the Company, at its principal executive office.

4.4. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral and written, between the parties hereto with respect to the subject matter hereof.

4.5. BINDING EFFECT; BENEFIT. This Agreement shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties hereto, and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

4.6. ASSIGNABILITY. This Agreement shall not be assignable by any party hereto.

4.7. HEADINGS. The headings contained in this Agreement are for convenience only and shall not affect the meaning or interpretation of this Agreement.

4.8. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

4.9. APPLICABLE LAW. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York (without regard to principles of conflict of laws).

4.10. EFFECTIVENESS. This Agreement shall become effective upon the Closing automatically and with no action on the part of any person. If the IPO shall be abandoned in the manner and as evidenced as set forth in Section 1.1 of the Termination Agreement, dated as of the date hereof, among the Company and the Shareholders specified in Schedule 1 thereto, this Agreement shall be abandoned and of no force or effect.

IN WITNESS WHEREOF, the parties named below have hereto set their hands as of the day and year first above written.

IPC HOLDINGS, LTD.

By /s/ John P. Dowling

Title: President and Chief
Executive Officer

SHAREHOLDERS

AMERICAN INTERNATIONAL GROUP, INC.

By /s/ Edward E. Matthews

Title: Vice Chairman - Finance

GENERAL RE CORPORATION

By /s/ Ronald G. Anderson

Title: Vice President,
Corporate Development

QUANTUM INDUSTRIAL PARTNERS LDC

By /s/ Michael C. Neus

Title: Attorney-in-Fact

TIVADAR CHARITABLE LEAD TRUST
dated September 30, 1982

By /s/ Michael C. Neus

Title: Sole Trustee

THE LIFE INSURANCE COMPANY OF
VIRGINIA

By /s/ Ivan P. Berk

Title: Executive Director,
Aon Advisers, Inc.

EMPLOYERS REINSURANCE CORP.

By /s/ John M. Connelly

Title: Senior Vice President,
General Counsel and Secretary

FORD GENERAL RETIREMENT PLAN

By Alliance Capital Management, L.P.
Its Investment Adviser

By Alliance Capital Management Corp.
Its General Partner

By /s/ Mark R. Manley

Title: Assistant Secretary

CFG UK INTERNATIONAL CORP.

By /s/ Jerome C. Marcus

Title: Vice President

RIVERBEACH INVESTMENTS LIMITED

By /s/ John T. Schmidt

Title: Attorney-in-Fact

NASSAU CAPITAL PARTNERS, L.P.

By /s/ Jonathan A. Sweemer

Title: Member