All data in this Sustainability Accounting Standards Board ("SASB") disclosure is as of or for the year-ended December 31, 2020 unless otherwise noted.
AXIS Capital Holdings Limited (“AXIS Capital”), a Bermuda company, provides a broad range of specialty insurance and treaty reinsurance to its clients on a worldwide basis through its operating subsidiaries and branch networks based in Bermuda, the United States, Europe, Singapore and Canada.

AXIS brings the sophistication of a top specialty insurer and global reinsurer and the agility of a firm with entrepreneurial roots. We write business from a position of leadership and relevance in our chosen markets. Our leadership is grounded in our people and in our corporate culture, which encourages collaboration, diversity and innovation. A purpose-driven organization, we strive to leave a positive imprint on the world through responsible business practices.

The following disclosure is aligned with the SASB standards for the insurance industry. For additional information about our environmental, social and governance practices, please refer to our annual report to shareholders, proxy statement and our corporate citizenship website, found at: www.axiscapital.com.

In this disclosure, references to "AXIS Capital" refer to AXIS Capital Holdings Limited and references to “AXIS” “we”, “us”, “our”, the "Group" or the "Company" refer to AXIS Capital Holdings Limited and its direct and indirect subsidiaries and branches.

I. Sustainability Disclosure Topics & Accounting Metrics

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1 This report contains information about AXIS as of or for the year ended December 31, 2020. The inclusion of information contained in this report should not be construed as a characterization regarding the materiality or financial impact of that information. For a discussion of information that may be material to AXIS Capital, please see our 2020 Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (“2020 Form 10-K”) filed with the U.S. Securities and Exchange Commission (“SEC”) on February 26, 2021 and our periodic and other filings with the SEC, which are accessible on the SEC’s website at www.sec.gov and our website at www.axiscapital.com, information which is more current than that contained in this report. This report should be read in conjunction with our filings with the SEC and the other information we publish.
II. Activity Metric

<table>
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<td>Number of policies in force, by segment</td>
<td>15</td>
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III. Discussion and Explanations of Accounting and Activity Metrics

TRANSPARENT INFORMATION & FAIR ADVICE FOR CUSTOMERS

SASB Code - FN-IN-270a.1

Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers

In accordance with SEC requirements, AXIS Capital discloses all material legal proceedings, other than ordinary routine litigation incidental to the business, in its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. In 2020, legal proceedings and/or losses, if any, associated with marketing and communication of insurance product-related information were de minimis.

SASB Code - FN-IN-270a.2

Complaints-to-claims ratio

INSURANCE

We provide a broad range of specialty lines insurance solutions to clients on a worldwide basis, through operating subsidiaries and branch networks based in Bermuda, the United States, Europe, Singapore and Canada. The lines of business in our insurance segment include property, marine, terrorism, aviation, credit and political risk, professional lines, liability and accident and health.

The SASB Insurance Standard includes “complaints-to-claims ratio” as an accounting metric. Under the standard, this metric is the ratio of the number of complaints the entity received across all insurance segments and regions during the reporting period per 1,000 claims that have been filed across all segments and regions during the same reporting year.

We do not calculate a complaints-to-claims ratio in accordance with the SASB metric because we do not believe it is a meaningful metric for assessing our claims handling process. Instead, we are providing an alternative complaint ratio metric, as described below.

We are providing an alternative complaint ratio metric. In particular, our U.S.-based insurance subsidiaries are subject to insurance regulation in the states and jurisdictions where they conduct business. Most state insurance departments provide consumer complaint data to the National Association of Insurance Commissioners (“NAIC”) Consumer Information Source (“CIS”). Based on information from the state insurance departments, the NAIC provides a summary listing of all closed complaints by line of business for each U.S. domiciled underwriting company. The NAIC also develops a “closed complaint index,” which takes into account this information as well as market share of premium by line of business. We believe this closed complaint index is a more meaningful metric because it factors in market concentration. Accordingly, we are providing a compilation of these closed complaint indices for our active U.S. insurance underwriting companies...
that report financial information to the NAIC. We have not provided closed complaint indices for our non-U.S. insurance subsidiaries, since the information needed to develop comparable indices is not available in other jurisdictions.

The NAIC defines “closed complaints” as complaints where the state has upheld the consumer’s position and calculates a “closed complaint index” by comparing a company’s share of closed complaints to the company's share of premiums in the U.S. market. The NAIC National Complaint Index is set at 1.00 to allow an individual company “complaint index” to be used to easily compare the company’s consumer complaint performance to other companies in the market. A company with a complaint index greater than 1.00 has a complaint index that is higher than expected in the market; a company with a complaint index less than 1.00 has a complaint index that is lower (better) than expected in the market. As disclosed on the NAIC website, CIS data is voluntarily supplied by state insurance departments and compiled and coded by the NAIC. Not all states provide complaint data to the CIS. In 2020, the complaint index was available for the following companies.²

- For AXIS Insurance Company, the closed complaint index reported by the NAIC for 2020 was 0.56 (based on 12 complaints).
- For AXIS Surplus Insurance Company, the closed complaint index reported by the NAIC for 2020 was -0- (based on 0 complaints).
- For AXIS Reinsurance Company,³ the closed complaint index reported by the NAIC for 2020 was -0- (based on 0 complaints).

The complaint index for all three companies was lower (better) than expected in the market. This information is also available through the Consumer page on the NAIC site at: https://www.naic.org/index_consumer.htm.

REINSURANCE

Our reinsurance subsidiaries do not generally interface directly with consumers, but rather cedants. Furthermore, other than occasional claims disputes, our reinsurance subsidiaries do not receive formal complaints from their ceding company clients. As a result, we do not receive state-insurance-departments consumer complaints. Therefore, our reinsurance subsidiaries are unable to evaluate claims performance based upon complaint volume.

SASB Code - FN-IN-270a.3

Customer retention rate

INSURANCE

We regularly monitor our customer retention rates in our insurance segment for measurable lines of business, excluding business lines that by their nature are non-recurring (for example, Credit and Political Risk). We use this measure for internal management reporting, to understand changes in a business line and to analyze trends in the market.

The Company’s customer retention ratio for its insurance business varies among operational divisions. For the year ending December 31, 2020, our customer retention rate by division ranged between approximately 68% - 85%.⁴

REINSURANCE

We do not find customer retention to be a useful metric for our reinsurance business because our clients are insurance companies and our strategic focus is on adjusting capacity in different markets based on pricing.

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² AXIS Specialty Insurance Company is included in the NAIC complaint index; however, it does not have any external business and therefore it is not included in this summary.
³ AXIS Reinsurance Company is included in this report due to the small amount of direct business written by the company.
⁴ Our methodology does not adjust the calculation for involuntarily terminated customers as contemplated by the SASB standards. This customer retention rate is calculated on a premium-weighted basis, since we believe this is more informative than a policy-count weighted basis for our business. This retention ratio is based on open market business and excludes delegated authority business.
Description of approach to informing customers about products

INSURANCE

Our specialty insurance products are offered exclusively through professionally licensed brokers, both wholesale and retail, authorized managing general agents, managing general underwriters, program managers and third-party administrators (collectively, “Producers” and/or “Brokers”). As a result, the Producers/Brokers generally manage our customer relationships by engaging directly with our insureds. These Producers/Brokers work with our existing and prospective customers, providing information and advice about our insurance products’ scope of coverage and terms and conditions, and they continue to assist customers following the purchase of a policy. We encourage our customers to carefully review the wording in our policies and to ask their Producer/Broker questions as needed. Our underwriters regularly educate and inform the Producers/Brokers about our products to ensure that they have a comprehensive understanding of our products and the suitability of our products’ coverage. In particular, our underwriters regularly provide Producers/Brokers with information about the cost of our products and their limits, deductibles and exclusions.

We also provide the Producers/Brokers with services and resources pertaining to the risks our customers face, including policy information, legally required disclosures, incident response services, thought leadership on relevant topics (such as climate change), claims resources and education on risk mitigation on emerging risks (such as cyber and renewable energy risks). We provide these services and resources through a variety of channels, such as our website, social media channels, advertising, events (which include educational training events), webinars, brochures, whitepapers, newsletters, videos and email communications. The applicable underwriting business unit, marketing and communications group, and legal department are all involved in the preparation of materials provided to the Producers/Brokers.

REINSURANCE

Our reinsurance products are generally offered to ceding insurance companies through professionally licensed reinsurance intermediaries, although we do offer some direct reinsurance. Most of our reinsurance contracts require that all communications (including claims communications) with ceding companies be directed through these intermediaries. Our reinsurance products are not marketed to individuals.

CLAIMS

We aim to consistently rank among the (re)insurers most highly rated for customer satisfaction. Our claims philosophy is built on the foundation of timely decision making and a straightforward approach. Claims can be submitted a variety of ways, including through Producers/Brokers or other intermediaries, via our website and by phone, mail, or email. Our claims specialists assess each claim based on the facts of the claim, the policy/treaty terms and conditions, applicable law and the interests of the insured/reinsured.

Please refer to Item 1 of the Company’s 2020 Form 10-K for additional information regarding our lines of business and the distribution of our insurance and reinsurance products.

INCORPORATION OF ENVIRONMENTAL, SOCIAL & GOVERNANCE FACTORS IN INVESTMENT MANAGEMENT

Total invested assets, by industry and asset class

We follow a conservative investment strategy that is intended to provide adequate liquidity for the prompt payment of claims. At December 31, 2020, 85.6% of our investment portfolio was invested in fixed maturity and short-term investments. As of that date, the weighted average credit rating of our fixed maturity portfolio was AA-. Information regarding our short-term and long-term investment assets by asset class, and a breakdown of investments by industry, is set forth in Note 5, Investments to our 2020 Consolidated Financial Statements, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our 2020 Form 10-K and in the Investor Financial Supplement on our Investor Relations website at www.investor.axiscapital.com.
Description of approach to incorporation of ESG Factors in investment management processes and strategies

Insurers are subject to various regulatory requirements that restrict the types, and risk concentrations, of permitted investments. This is to ensure that insurers have sufficient liquidity to pay claims in a timely fashion. As disclosed in our annual filings with the SEC, our investment portfolio primarily consists of low-risk, liquid, fixed income investments.

AXIS largely follows an outsourced investment management model. As a result, our primary engagement with ESG factors in investment management relates to our selection and oversight of our investment managers, particularly in the fixed income space. Prior to investing in fixed income and risk assets, AXIS conducts thorough due diligence of the applicable investment manager, its integration of relevant ESG factors and its compliance with AXIS’ responsible investing principles, as discussed in the next paragraph. Once an investment manager has been mandated for a separately managed account, AXIS annually evaluates the firm’s ESG performance using a manager scorecard process. Each year, AXIS asks its fixed income investment managers to complete a due diligence questionnaire which covers ESG policy updates, ESG resources, ESG investment practices, ESG affiliations and ESG reporting. Managers receive several ESG scores based on their responses to the due diligence questionnaire. AXIS monitors the annual scores of its fixed income investment managers and takes the ESG scores into account when considering whether to redeem or sell all or a portion of the investments managed by a particular investment manager.

In addition to the above, AXIS adopted a thermal coal and oil sands policy, effective January 1, 2020. Pursuant to that policy, AXIS committed to not make new investments in companies that generate 30% or more of their revenues from thermal coal mining, generate 30% or more of their power from thermal coal, or hold more than 20% of their reserves in oil sands. Effective January 1, 2021, AXIS amended the policy to prohibit any direct investment in support of the exploration, production or transportation of oil and gas in the Arctic National Wildlife Refuge. In October 2021, AXIS announced revisions to the policy that lower the revenue and power generation threshold from 30% to 20%. AXIS’ policy is publicly available on its website at www.axiscapital.com.

POLICIES DESIGNED TO INCENTIVIZE RESPONSIBLE BEHAVIOR

Net premiums written related to energy efficiency and low carbon technology

Premiums related to energy efficiency and low carbon technology include premiums for policies relating to our property business and our renewable energy business. Our gross written premiums for renewable energy grew each year for the last three years.

We believe insurers have an important role to play in mitigating climate risk and transitioning to a low-carbon economy, and, as a leading global carrier in renewable energy insurance, we believe AXIS is positioned to provide value and service to this growing market. Our renewable energy team has extensive experience and in-depth understanding of the risks faced by the renewable energy industry. We provide specialized property and casualty coverage for every stage of wind, solar and energy storage projects, from development through operation, on risks ranging from stand-alone projects to utility-scale portfolios. Our clients include project developers, operators, independent power producers, EPC’s and utility companies around the globe.

Discussion of products and/or product features that incentivize health, safety and/or environmentally responsible actions and/or behaviors

AXIS believes it is important to incorporate incentives into its products that encourage smarter decisions regarding health, safety and environmental responsibility. Examples of these incentives are below.
Health and Safety

U.S. PRIMARY CASUALTY AND EXCESS CASUALTY BUSINESS

- **Commercial Construction, Manufacturing, Transportation, Hospitality and Real Estate Clients.** Through our U.S. Primary Casualty and Excess Casualty business units, we insure specialty businesses in the commercial construction, manufacturing, transportation, hospitality and real estate industries. Our policies involve individual account rating and pricing, which are adjusted annually to reflect each individual insured’s successful implementation of risk management, safety practices and loss prevention measures. Our underwriting and pricing methodologies offer insureds the ability to proactively manage and effect their premium costs, as they are largely in control of their own loss experiences.

- **Chemical, Petrochemical, Oil & Gas and Energy Clients.** Our Excess Casualty customers include businesses associated with the chemical, petrochemical, oil & gas and energy industries that require additional liability coverage. These types of insureds will typically experience significant exposures to environmental hazards and accidental chemical and petrochemical spills and releases. Our underwriting and pricing practices are designed to benefit and reward those insureds who are best able to manage their environmental and pollution exposures through sound risk management, safety practices, loss prevention and ultimately the prevention of spills and releases of pollutants.

RISK CONTROL FUNCTION

Alongside our underwriting operations, AXIS has a robust risk control function that carefully identifies exposures in all lines of business through loss-control inspections and reviews. AXIS’s efforts to identify hazards and provide solutions that mitigate or eliminate such hazards ultimately makes the policyholder’s business safer. During the course of meetings with policyholders, AXIS provides detailed guidance to help policyholders identify potential areas of loss before an event or circumstance giving rise to a loss can materialize.

- **Property Business.** In our property line of business, losses result from the release of contaminates by fires (smoke & heat), water damage, destruction of property and other environmental exposures. Our loss control function works with policyholders in this area to make recommendations that, if implemented, may greatly limit damages and the devastating exposure to property and the surrounding environment.

- **Casualty Business.** On the casualty side of the business, inspections identify injury hazards or exposures, and we recommend solutions and improvements aimed at eliminating the potential for injury to the public. These efforts all provide employees with safer workplaces and can improve the public environment.

- **Premium Credits.** AXIS may offer premium credits for behaviors such as management cooperation in matters of safeguarding and proper handling of covered property, exemplary employee selection training, supervision and experience levels and particular care being given to insured premises. AXIS may also provide premium credits to insureds with “green” buildings, or to those conducting energy-efficiency upgrades on their current buildings. In addition, in 2020, AXIS offered premium credits to landscape industry customers who have obtained nationally recognized safety designations.

ACCIDENT & HEALTH

- **Employee Assistance Program.** In connection with its Limited Benefits product offerings, AXIS makes an Employee Assistance Program (EAP) available to its customers. This program provides online counseling services to customers who have experienced personal and work-related issues that can impact their physical and emotional health. The EAP’s online platform allows customers to obtain services from the comfort and privacy of their own homes and potentially provides customers with care earlier than an in-person visit.

- **First Responder Assistant Program.** In connection with the disability, medical and accidental death insurance provided to volunteer firefighters, AXIS provides preventative services including a First Responder Assistant Program (FRAP). The FRAP is similar to an EAP, as described above, and provides mental health, marital, financial and other assistance to volunteers in need.

- **Teladoc Services.** AXIS has a partnership with Teladoc, the nation’s largest telehealth provider, which utilizes Teladoc’s HIPAA compliant system to provide virtual healthcare consultations via the phone or video conference. Teladoc’s base level services, including general medical visits, are provided at no incremental cost to the insured.
Most commonly used for minor illnesses and similar issues such as the cold, flu and infections, the consults result in a prescription in more than 70% of the visits and, similar to the EAP, expedites care by providing it immediately through the phone or online. Use of this service also preserves insurance benefits for more serious consultations.

CYBER INCIDENT RESPONSE SERVICE
AXIS cyber insurance products include both risk management and cyber incident response services. AXIS cyber risk management services are designed to help businesses prepare for and mitigate the risk of a cyber incident. This is achieved through various education methods including training events, tests and online content. The AXIS cyber incident response hotline provides clients with immediate assistance once they become aware of a cyber incident. The AXIS incident response manager will suggest actions to mitigate any immediate risk and engage appropriate experts to get to a speedy resolution and ensure the business can continue to function.

COVID-19 RESOURCE CENTER
In April 2020, AXIS launched a COVID-19 Resource Center to support our clients, partners, communities and employees as the COVID-19 situation evolves. The COVID-19 Resource Center provides important information regarding the virus, government responses, COVID-related claims information and helpful guides on how to manage businesses and mitigate cybersecurity risks in a virtual work environment.

Environment

RENEWABLE ENERGY PRACTICE
Through our proprietary property coverage practice, AXIS extends coverage to renewable energy customers active in wind, solar and battery storage technology. Our products, services and expertise can help these industries keep their employees safe and protect their physical assets, balance sheet and ultimately their long-term success. Our coverage provides insurance solutions for all aspects of a renewable energy business and the entire lifecycle of a renewable energy project, including site preparation, delivery of technology to site and decommissioning. As U.S. domestic and international renewable energy industries continue to expand, our renewable energy practice analyzes industry trends, market data and loss trends to design and develop insurance products tailored to the specific needs of renewable energy businesses.

In connection with its renewable energy products, AXIS may provide its customers with a risk mitigation assessment based on a survey of the insured risk. These risk assessments are intended to educate customers on their renewable energy project’s risk landscape and how to reduce their project’s technical, environmental and operational risk exposure. Recommendations may include improvements to the customer’s maintenance practices or investments in additional safety features.

ENVIRONMENTAL INSURANCE
Through our environmental insurance practice, we offer a range of risk protection and mitigation solutions to help our clients plan for the uncertainties that come with environmental projects. Our environmental insurance aims to offer innovative coverage against environmental risk exposures and provide versatile solutions to safeguard against pollution-related risks.

DESIGN PROFESSIONAL LIABILITY INSURANCE
We provide design professional liability insurance. Our coverage recognizes that architectural and engineering professionals face a broadening scope of contractual requirements and potential liability, including contractual requirements relating to sustainability. We encourage our clients to comply with these new requirements, and we offer risk management services to reduce the likelihood of claims.

THERMAL COAL AND OIL SANDS POLICY
AXIS implemented a thermal coal and oil sands policy, effective January 1, 2020, which limits our provision of (re)insurance to new thermal coal plants or oil sands infrastructure and our provision of (re)insurance to, and investment in, the companies that build, own or operate such enterprises. The policy aims to encourage environmentally responsible business practices among our current and prospective insureds by, among other things, encouraging them to commit to mid- to long-term transition plans away from thermal coal or oil sands business, and is part of AXIS’ broader strategy to invest in growth areas such as renewable energy insurance. Effective January 1, 2021, AXIS strengthened the policy to prohibit any insurance coverage or investment in support of the exploration, production or transportation of oil and gas in...
the Arctic National Wildlife Refuge. In October 2021, AXIS announced revisions to the policy to prohibit any insurance or facultative reinsurance coverage for existing thermal coal and oil sands projects and to prohibit any insurance or facultative reinsurance coverage and investment support for companies that generate 20% or more of their revenues or power from thermal coal, oil sands or Arctic oil and gas, as applicable.

ENCOURAGING BUILDING CODES RESILIENT TO CLIMATE-RELATED RISKS

The Company utilizes models on the property side that are sensitive to building characteristics. These models result in discounted pricing for building codes that are more resilient to climate-related risks.

ENVIRONMENTAL RISK EXPOSURE

SASB Code - FN-IN-450a.1

Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes

The table below shows our net PML to a single natural peril catastrophe event within certain defined single zones that correspond to peak industry catastrophe exposures at January 1, 2021. The return period refers to the frequency with which losses of a given amount or greater are expected to occur. A zone is a geographic area in which the insurance risks are considered to be correlated to a single catastrophic event. Estimated losses from a modeled event are grouped into a single zone, as shown below, based on where the majority of the total estimated industry loss is expected to occur.

<table>
<thead>
<tr>
<th>TERRITORY</th>
<th>PERIL</th>
<th>50 YEAR RETURN PERIOD</th>
<th>% OF COMMON SHAREHOLDERS' EQUITY</th>
<th>100 YEAR RETURN PERIOD</th>
<th>% OF COMMON SHAREHOLDERS' EQUITY</th>
<th>250 YEAR RETURN PERIOD</th>
<th>% OF COMMON SHAREHOLDERS' EQUITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single zone, single event</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southeast</td>
<td>U.S. Hurricane</td>
<td>$ 286</td>
<td>6.0%</td>
<td>$ 408</td>
<td>8.6%</td>
<td>$ 625</td>
<td>13.2%</td>
</tr>
<tr>
<td>Northeast</td>
<td>U.S. Hurricane</td>
<td>42</td>
<td>0.9%</td>
<td>115</td>
<td>2.4%</td>
<td>262</td>
<td>5.5%</td>
</tr>
<tr>
<td>Mid-Atlantic</td>
<td>U.S. Hurricane</td>
<td>90</td>
<td>1.9%</td>
<td>263</td>
<td>5.5%</td>
<td>520</td>
<td>11.0%</td>
</tr>
<tr>
<td>Gulf of Mexico</td>
<td>U.S. Hurricane</td>
<td>175</td>
<td>3.7%</td>
<td>263</td>
<td>5.5%</td>
<td>431</td>
<td>9.1%</td>
</tr>
<tr>
<td>California</td>
<td>Earthquake</td>
<td>193</td>
<td>4.1%</td>
<td>396</td>
<td>8.3%</td>
<td>504</td>
<td>10.6%</td>
</tr>
<tr>
<td>Europe</td>
<td>Windstorm</td>
<td>136</td>
<td>2.9%</td>
<td>182</td>
<td>3.8%</td>
<td>240</td>
<td>5.1%</td>
</tr>
<tr>
<td>Japan</td>
<td>Earthquake</td>
<td>103</td>
<td>2.2%</td>
<td>179</td>
<td>3.8%</td>
<td>336</td>
<td>7.1%</td>
</tr>
<tr>
<td>Japan</td>
<td>Windstorm</td>
<td>113</td>
<td>2.4%</td>
<td>186</td>
<td>3.9%</td>
<td>220</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

As indicated in the table above, our modeled single occurrence 1-in-100 year return period PML for a Southeast hurricane, net of reinsurance, is approximately $0.4 billion. According to our modeling, there is a one percent chance that, on an annual basis, our losses incurred from a Southeast hurricane event could be in excess of $0.4 billion. Conversely, there is a 99% chance that, on an annual basis, the loss from a Southeast hurricane will fall below $0.4 billion.

We have developed our PML estimates by combining judgment and experience with outputs from catastrophe models. Additionally, we have included our estimate of non-modeled perils and other factors, which we believe provides us with a more complete view of catastrophe risk.

Our PML estimates are based on assumptions that are inherently subject to significant uncertainties and contingencies. These uncertainties and contingencies can affect actual losses and could cause actual losses to differ materially from those expressed above. We aim to reduce the potential for model error in a number of ways, the most important of which
is by ensuring that management’s judgment supplements the model outputs. We also perform ongoing model validation at
the line of business level and at the group level, including through our catastrophe model validation unit. These validation
procedures include sensitivity testing of models to understand their key variables and, where possible, back-testing the
model outputs to actual results.

Estimated net losses from peak zone catastrophes may change from period to period as a result of several factors, which
include, but are not limited to, updates to vendor catastrophe models, changes in our internal modeling, changes in our
underwriting portfolios, changes to our reinsurance purchasing strategy and changes in foreign exchange rates.

CLIMATE CHANGE

Through our NatCat Centre of Excellence, AXIS has devised a set of end-of-century climate change scenarios (for
example, 2080-2100) based on relevant reports by the Intergovernmental Panel on Climate Change (IPCC), which set out
potential future climate scenarios, and other scientific literature. The outputs from climate scenario testing are used by
AXIS to understand and assess our climate risk exposure, recognizing that climate risk quantification techniques are still
at an early stage of development and results are highly uncertain. These climate scenarios are based on our current
expectations regarding reasonable emission scenarios and do not consider any mitigation measures to address
catastrophes that might take place at the end of the century.

Scenarios were devised for U.S. Hurricane, E.U. Windstorm, U.S Wildfire and Japan Typhoon. These scenarios were
implemented in the cat modeling by modifying the event sets. The results illustrate that, across all return periods, climate
change is modelled to increase losses at varying degrees, depending on the return period and peril region.

In addition to our work at our NatCat Centre of Excellence, we partnered with AIR Worldwide and scholars from The
Brookings Institution to publish climate change research that has informed our climate scenario testing. This partnership
resulted in the 2021 publication of two research studies that respectively address how climate change may affect U.S.
corn yields and hurricane risk in the United States by 2050, specifically related to residential and commercial properties.
The research papers also included information from University of Illinois research fellows funded by AXIS.

For more information about our exposure to catastrophe losses, see our 2020 Form 10-K under “Item 1A – Risk Factors –
Insurance Risk – Results of operations, financial condition, or liquidity could be adversely affected by the occurrence of
natural and man-made disasters, as well as outbreaks of pandemic or contagious diseases” and “Item 1A – Risk Factors –
Insurance Risk – Global climate change may have an adverse effect on our results of operations, financial condition, or
liquidity.”

SASB Code - FN-IN-450a.2

Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2)
non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)

Estimated pre-tax catastrophe and weather-related losses, net of reinsurance and reinstatement premiums, for our
Insurance and Reinsurance segments for the last three years are set forth in the table below. These are estimates as of
December 31 of each year for events occurring in that year, as reported in our Investor Financial Supplement, which is
available on our Investor Relations website at www.investor.axiscapital.com.

<table>
<thead>
<tr>
<th>(In millions)</th>
<th>Accident Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>Segment</td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>443</td>
</tr>
<tr>
<td>Reinsurance</td>
<td>330</td>
</tr>
<tr>
<td>Total</td>
<td>773</td>
</tr>
</tbody>
</table>
We do not separately identify our losses by modeled and non-modeled catastrophes as we do not believe this categorization is meaningful to our business. See Items 450a.1 and 450a.3 for a discussion of our use and enhancement of catastrophe models.

During 2020, we incurred pre-tax catastrophe and weather-related losses, net of reinsurance and reinstatement premiums, of $773 million or 17.7 points, primarily attributable to the COVID-19 pandemic, Hurricanes Laura, Sally, Zeta and Delta, the Midwest derecho, wildfires across the West Coast of the United States, and other weather-related events. Comparatively, in 2019, we incurred pre-tax catastrophe and weather-related losses, net of reinsurance and reinstatement premiums, of $336 million or 7.5 points, primarily attributable to Japanese Typhoons Hagibis, Faxai and Tapah, Hurricane Dorian, Australia Wildfires and other weather-related events.

At December 31, 2020, net reserves for losses and loss expenses included estimated amounts for numerous catastrophe events. The magnitude and complexity of losses arising from certain of these events inherently increase the level of uncertainty and, therefore, the level of management judgment involved in arriving at estimated net reserves for losses and loss expenses. These events include the COVID-19 pandemic, Hurricanes Laura, Sally, Zeta and Delta, the Midwest derecho, wildfires across the West Coast of the United States in 2020, Japanese Typhoons Hagibis, Faxai and Tapah, Hurricane Dorian, and the Australia Wildfires in 2019 and Hurricanes Michael and Florence, California Wildfires and Typhoon Jebi in 2018. As a result, actual losses for these events may ultimately differ materially from current estimates.

The estimate of net reserves for losses and loss expenses related to the COVID-19 pandemic is subject to significant uncertainty. This uncertainty is driven by the inherent difficulty in making assumptions around the impact of the COVID-19 pandemic due to the lack of comparable events, the ongoing nature of the event, and its far-reaching impacts on world-wide economies and the health of the population. These assumptions include:

- the nature and the duration of the pandemic;
- the effects on health, the economy and our customers;
- the response of government bodies including legislative, regulatory or judicial actions and social influences that could alter the interpretation of our contracts;
- the coverage provided under our contracts;
- the coverage provided by our ceded reinsurance; and
- the evaluation of the loss and impact of loss mitigation actions.

While we believe our estimate of net reserves for losses and loss expenses is adequate for losses and loss expenses that have been incurred at the balance sheet date based on current facts and circumstances, we continue to monitor the appropriateness of these assumptions as new information comes to light, and adjustments are made to our estimate of ultimate losses related to the COVID-19 pandemic if there are developments that are different from previous expectations. Adjustments are recorded in the period in which they are identified. Actual losses for this event may ultimately differ materially from current estimates.

Net reserves for losses and loss expenses related to catastrophes other than the COVID-19 pandemic represent our best estimate of losses and loss expenses that have been incurred at the balance sheet date. The determination of these net reserves for losses and loss expenses is based on a ground-up assessment of coverage from individual contracts and treaties across all lines of business, and includes a review of modeling analyses and market information, where appropriate. In addition, we consider information received from clients, brokers and loss adjusters, together with global situational in-place orders and the outcomes of recent court judgments, including the UK Supreme Court ruling regarding business interruption insurance coverage.

Net reserves for losses and loss expenses related to catastrophes other than the COVID-19 pandemic represent our best estimate of losses and loss expenses that have been incurred at the balance sheet date. The determination of these net reserves for losses and loss expenses reserves is estimated by management after a catastrophe occurs by completing an in-depth analysis of individual contracts which may potentially have been impacted by the catastrophic event. This in-depth analysis may rely on several sources of information including:

- estimates of the size of insured industry losses from the catastrophic event and our corresponding market share;
- a review of our portfolio of contracts to identify those contracts which may be exposed to the catastrophic event;
- a review of modeled loss estimates based on information previously reported by customers and brokers, including exposure data obtained during the underwriting process;
- discussions of the impact of the event with our customers and brokers; and
- catastrophe bulletins published by various independent statistical reporting agencies.

We generally use a blend of these information sources to arrive at aggregate estimates of the ultimate losses arising from the catastrophic event.

There are additional risks that affect our ability to accurately estimate ultimate losses for catastrophic events. For example, the estimates of loss reserves related to hurricanes and earthquakes can be affected by factors including, but not limited to, the inability to access portions of impacted areas, infrastructure disruptions, the complexity of factors contributing to losses, legal and regulatory uncertainties, complexities involved in estimating business interruption losses and additional living expenses, the impact of demand surge, fraud and the limited nature of information available. For hurricanes, additional complex coverage factors may include determining whether damage was caused by flooding or wind, evaluating general liability and pollution exposures, and mold damage. The timing of a catastrophe, for example, near the end of a reporting period, can also affect the level of information available to us to estimate loss reserves for that reporting period.
While we believe our estimate of net reserves for losses and loss expenses is adequate for losses and loss expenses that have been incurred at the balance sheet date based on current facts and circumstances, we monitor changes in paid and incurred losses in relation to each significant catastrophe in subsequent reporting periods, and adjustments are made to estimates of ultimate losses for each event if there are developments that are different from previous expectations. Adjustments are recorded in the period in which they are identified. Actual losses for these events may ultimately differ materially from current estimates.

SASB Code - FN-IN-450a.3

Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy

Since its inception, AXIS has been offering protection against weather-related risks such as hurricanes, storms, wildfires and floods, helping businesses and individuals proactively manage their exposure to such risks, and, when the need arises, recover from their aftermath. We therefore have a long history of considering environmental risks at both the policy and enterprise levels. We take short-, medium- and long-term horizons into account when assessing environmental risks at both the policy (underwriting) and firm level (management of firm-level risks and capital adequacy).

Environmental Risks - Underwriting Process

At the policy level, environmental risks, along with other relevant perils, are taken into account in pricing, coverage limitations and policy duration. Our catastrophe models inform our underwriting decisions, pricing and policy terms and reinsurance decisions.

The underwriting process, along with the environmental risk assessment, is specific to the risks to be insured. Our underwriting process factors in natural catastrophe exposure, along with any relevant risks. If the drivers of a risk change, we may update pricing, add contract endorsements or include exclusions to reflect the updated risk. Return on capital is a key metric incorporated into our underwriting decisions. Policies with more risk require a higher return on capital, along with higher premium levels.

In addition, our policy to limit thermal coal and oil sands underwriting and investment went into effect on January 1, 2020 and, by year end, we committed to not underwrite new insurance or facultative reinsurance contracts, or provide investment support, for projects covering the exploration, production or transportation of oil and gas in the Arctic National Wildlife Refuge. In October 2021, we announced revisions to the policy to prohibit any insurance and facultative reinsurance coverage for existing thermal coal and oil sands projects and to prohibit any insurance and facultative reinsurance coverage and investment support for companies that generate 20% or more of their revenues or power from thermal coal, oil sands or Arctic oil and gas, as applicable.

Environmental Risks – Firm Level Risks and Capital Adequacy

ERM FRAMEWORK

At the enterprise level, environmental risks determine business lines and products, capital needs and reinsurance decisions, and are taken into account over short-, medium- and long-term horizons as part of our enterprise risk management (“ERM”) framework.

As part of our overall ERM framework, we also have put in place a distinct climate change risk management framework to create a holistic approach for managing climate-related risks. As part of our consideration of environmental risks, we specifically seek to identify and assess climate-related risks relating to insurance and reinsurance portfolios by geography, business unit and product line. These risks include physical, transition and liability risks. We seek to identify and assess climate-related risks through proprietary and third-party modeling, which is further described below. In addition, climate change scenarios are being incorporated into AXIS’ own risk and solvency assessment process, which feeds into longer term impact assessments on capital and solvency.

Our Board of Directors (“Board”), along with our Risk Committee, oversees the risks and opportunities related to the Company’s climate change exposure and initiatives and receives periodic reports relating to climate change as part of their standing agendas.
CATASTROPHIC MODELS

Catastrophe models assist in managing our aggregate exposure to natural catastrophes and climate risk. These models assist us in monitoring our portfolio’s exposure to risks for specific catastrophic events in geographic peril regions.

Our catastrophe models are informed by our climate change research efforts, including our partnership with leading researchers and students at the University of Illinois’ Office of Risk Management and Insurance Research that creates new natural catastrophe risk conceptualization models that leverage data analytics and computer programming.

In addition, our NatCat Centre of Excellence’s continuous monitoring of climate change and climate trends further informs our models. This team also reviews our modeling approach and identifies and conducts reviews of peril regions most likely to be affected by climate change (such as regions subject to wildfires). If a peril region is affected by climate trends, we check if the model has been calibrated to a shorter period and if the model losses are in line with our recent loss experience. If this is not the case, we may adjust our view of risk by applying additional loadings or by adjusting return periods to reflect an increased frequency of catastrophe events.

Finally, our partnership with AIR Worldwide and scholars from The Brookings Institution to publish climate change research has also assisted in our climate scenario and catastrophe risk analysis. This partnership resulted in the 2021 publication of two research studies that respectively address how climate change may affect U.S. corn yields and hurricane risk in the United States by 2050, specifically related to residential and commercial properties. The research papers also included information from University of Illinois research fellows funded by AXIS.

Our catastrophe models also are taken into account in setting our long-term financial strategies and business objectives, including new product development. For example, AXIS is investing in growth areas such as renewable energy insurance, an area in which we have maintained our position as a top global insurer, particularly for wind, solar and battery storage facilities.

CAPITAL ADEQUACY

We regularly monitor our capital adequacy against our required capital, and the results are reported to the Risk Committee of the Board on a quarterly basis. We also annually complete our Own Risk and Solvency Assessment (“ORSA”) or Group Solvency Self-Assessment (“GSSA”), an assessment of the Company’s risk profile and capital adequacy provided to our Board and regulators.

CLIMATE CHANGE WORKING GROUP

We also have internal committees and working groups, which ultimately report up to members of our Executive Committee, that are actively involved in identifying and assessing climate-related risks relating to insurance and reinsurance portfolios. A climate change working group has been established to focus specifically on climate-related risks. This group oversees and coordinates implementation of our climate change risk management framework. In addition, among other things, this group: (1) assesses climate-related risks; (2) promotes knowledge sharing across key groups on the topic of climate change; (3) leads research into climate change and provides information to enterprise management and other senior decision makers involved with CAT and underwriting decisions; (4) considers emerging risks associated with climate change and liaises with other internal working groups and committees for their consideration of these risks in, among other areas, product development and risk management; and (5) recommends model evaluations motivated by possible climate change impacts.

The climate change working group coordinates with other internal working groups concerning climate-related risks. These include, for example, (1) the environmental group which focuses on environmental policy and (2) our emerging risk working group, which facilitates and coordinates the identification and management of emerging risks.

In 2020, the climate change working group completed an assessment of climate risks across our product lines. We are continuing to enhance our climate risk assessment framework, including our identification and analysis of our transition exposure and liability risks.
SYSTEMIC RISK MANAGEMENT

SASB Code - FN-IN-550a.1

Exposure to derivative instruments by category: (1) total potential exposure to non-centrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse and (3) total potential exposure to centrally cleared derivatives

The following is a discussion of our primary exposures to derivative instruments. This information is being presented on a Company-wide basis for the AXIS Group as we believe this information is more helpful to investors. For 2020, there was no exposure to derivatives at the U.S.-based insurance subsidiaries required to submit a Schedule DB to the NAIC.

At December 31, 2020, the fair value of the Company’s investments was $14.3 billion and the Company held cash and investments of $15.8 billion.

Our investment guidelines and procedures stress diversification of risk, conservation of principal and liquidity. At December 31, 2020, our investment portfolio consists primarily of high-quality fixed maturities, representing 84% of our total investments and 76% of total cash and investments. At December 31, 2020, fixed maturities had a weighted average credit rating of AA- and an average duration of 3.3 years. At December 31, 2020, fixed maturities together with short-term investments and cash and cash equivalents (i.e., total investments 2020: $13.7 billion), had a weighted average credit rating of AA- and an average duration of 3.0 years. Additional information about the Company’s investment portfolio can be found in “Item 7 – Management’s Discussion and Analysis of Financial Condition and Results of Operations – Cash and Investments” in our 2020 Form 10-K and note 5 – “Investments” to our consolidated financial statements in Item 8 in our 2020 Form 10-K.

The Company’s investment strategy permits the use of derivative instruments, which are measured at fair value and recorded on our consolidated balance sheets. In particular, the Company may enter into derivative instruments such as futures, options, interest rate swaps and foreign currency forward contracts as part of its overall foreign currency risk management strategy, to obtain exposure to a particular financial market or for yield enhancement. From time to time, the Company may also enter into insurance and reinsurance contracts that meet the Financial Accounting Standards Board’s definition of a derivative contract.

The estimated notional and fair values of the Company’s derivative instruments at December 31, 2020 are summarized below:

<table>
<thead>
<tr>
<th>Derivative instrument</th>
<th>At December 31, 2020 (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Derivative notional amount</td>
</tr>
<tr>
<td>Relating to investment portfolio:</td>
<td></td>
</tr>
<tr>
<td>Foreign exchange forward contracts</td>
<td>$105,781</td>
</tr>
<tr>
<td>Relating to underwriting portfolio:</td>
<td></td>
</tr>
<tr>
<td>Foreign exchange forward contracts</td>
<td>1,197,012</td>
</tr>
<tr>
<td>Other underwriting-related contracts</td>
<td>75,000</td>
</tr>
<tr>
<td>Total derivatives</td>
<td>$18,875</td>
</tr>
</tbody>
</table>

(1) Asset and liability derivatives are classified within other assets and other liabilities in the consolidated balance sheets.

Please refer to note 7 - ‘Derivative Instruments’ to our consolidated financial statements in Item 8 in our 2020 Form 10-K for additional disclosures concerning derivatives.


SASB Code - FN-IN-550a.2

Total fair value of securities lending collateral assets

During the year ended December 31, 2020, we did not have securities lending collateral assets.

SASB Code - FN-IN-550a.3

Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities

The AXIS corporate structure contains a number of non-insurance company entities including (a) the ultimate parent holding company and the intermediate holding companies, (b) the servicing companies for the group’s operational activities, (c) providers of insurance related services and (d) investment holding companies. These entities perform various functions and services primarily in support of our underwriting activities. None of the AXIS non-insurance entities engage in any systemic non-insurance activities, including investment and funding or other capital market activities that result in maturity or liquidity transformation, leverage or imperfect transfer of credit risk, such as repo and securities lending or the writing of derivatives contracts that are not used to hedge risk or do not closely match the underlying exposure.

AXIS has an established ERM framework encompassing all entities within the Group. The ERM framework provides a structured and consistent approach to ensuring that risks arising from all activities are appropriately identified, measured, monitored and controlled with clear ownership and appropriate levels of oversight. We articulate roles and responsibilities for risk management throughout the organization, from our Board and Chief Executive Officer to our business and corporate functions, thus embedding risk management in our corporate structure. An important aspect of our ERM framework is our internal capital model, which provides us with a holistic view of our at-risk capital and serves as a business management, capital allocation and portfolio management tool. Other key aspects of our ERM framework include our risk appetite as authorized by our Board, our documented risk policies and procedures, and our risk diversification efforts.

SASB Code - FN-IN-000.A

Number of policies in force by segment: (1) property and casualty, (2) life and (3) assumed reinsurance

The number of policies in force is not an activity metric we use for the insurance or reinsurance coverages we sell to businesses as this measure is not a meaningful metric for coverages that are sold and managed on an account or customer basis.
Important Legal Information

This report contains information about AXIS as of December 31, 2020. The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact of that information. Please refer to our periodic and other filings with the SEC, which are accessible on the SEC’s website at www.sec.gov and our website at www.axiscapital.com, for additional information concerning AXIS Capital, including information which is more current than that contained in this report. This report should be read in conjunction with our filings with the SEC and the other information we publish.

In addition, this report contains forward-looking statements within the meaning of section 27A of the Securities Act of 1933 and section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts included in this report, including statements regarding our estimates, beliefs, expectations, intentions, strategies or projections are forward-looking statements. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the United States federal securities laws. In some cases, these statements can be identified by the use of forward-looking words such as "may", "should", "could", "anticipate", "estimate", "expect", "plan", "believe", "predict", "potential", "intend" or similar expressions. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections, and various assumptions, many of which, by their nature, are inherently uncertain and beyond management’s control. These statements include, among other things, statements about our product offerings, catastrophe losses and modeling. Results may differ materially from those expressed or implied by forward-looking statements. Factors that can cause results to differ materially include those described under “Forward Looking Statements” in AXIS Capital’s most recent Form 10-K and Form 10-Qs filed with the SEC and available on our website. AXIS Capital undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.