Sustainability Accounting Standards Board

AXIS Capital Holdings Limited Annual Disclosure

For the year-ended December 31, 2021

SUSTAINABILITY ACCOUNTING STANDARDS BOARD DISCLOSURE

AXIS Capital Holdings Limited (“AXIS Capital”), through its operating subsidiaries, is a global specialty underwriter and provider of insurance and reinsurance solutions. AXIS has locations in Bermuda, the United States, Europe, Singapore and Canada. Our underwriting operations are organized around our global underwriting platforms, AXIS Insurance and AXIS Re. We provide our customers and distribution partners with a broad range of risk transfer products and services, and meaningful capacity, backed by excellent financial strength.

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.[1] For additional information about our environmental, social and governance (“ESG”) practices, please refer to our disclosures on 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, 2021. 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 2021 Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (“2021 Form 10-K”) filed with the U.S. Securities and Exchange Commission (“SEC”) on February 25, 2022 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. These sources may contain 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.

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II. Activity Metric

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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 2021, legal proceedings and/or losses, if any, associated with marketing and communication of (re)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 customers 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. Complaints may be received years after a claim is closed, which could overstate or understate the ratio for particular periods. In addition, we do not believe the metric to be meaningful for comparing our claims handling process to that of other companies. Companies may track open and closed claims differently, which could result in a comparison that is not meaningful. Additionally, a comparison of complaints-to-claims ratios across companies would not account for variations in an underwriting company's concentration in lines of business or market share, which further diminishes the usefulness of the metric.

Instead, 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 2021, the complaint index was available for the following companies.[2]

- For AXIS Insurance Company, the closed complaint index reported by the NAIC for 2021 was 0.32 (based on 7 complaints).
- For AXIS Surplus Insurance Company, the closed complaint index reported by the NAIC for 2021 was 0.23 (based on 4 complaints).
- For AXIS Reinsurance Company,[3] the closed complaint index reported by the NAIC for 2021 was 0 (based on 0 complaints).

The complaint index for all three companies was lower (i.e., 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 customers. 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.

[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.

SASB Code - FN-IN-270a.3

Customer retention rate

INSURANCE

We regularly monitor customer retention rates for certain lines of business in our insurance segment. Our customer retention rate calculation represents an estimated 65% of gross premiums written ("GPW") in 2021. We use this to understand changes in customer retention rates over time and to analyze trends in the global insurance market.

The insurance segment's customer retention rates vary by line of business and ranged between 71% to 91% for the year ended December 31, 2021.

The SASB Insurance Standard includes "customer retention rate" as an accounting metric. Under the standard, this metric is calculated by taking (x) the total number of customers at the close of the reporting period, *less* new customers added during the reporting period and dividing this figure by (y) the customers at the close of the previous reporting period, *less* customers involuntary terminated during the reporting period and the attrition of customers in employee-sponsored plans.

We do not calculate a customer retention rate in accordance with the SASB metric because we do not believe it is a meaningful metric for assessing our renewals business. Our methodology is different from that specified in the SASB standard, for example we do not distinguish between involuntary and voluntary renewals. In addition, the customer retention rates are calculated on a premium-weighted basis, since we believe this is more informative than a policy-count weighted basis for our business. Our calculation consists of dividing retained GPW by GPW that is available for renewal.

REINSURANCE

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

SASB Code - FN-IN-270a.4

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 the Producers/Brokers 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 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 of emerging risks (such as cyber and renewable energy risks). We provide these resources through a variety of channels, such as our website, social media platforms, advertising, events (which include educational training events), webinars, brochures, white papers, newsletters, videos and email communications. The underwriting team, 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 straight-forward 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 (re)insured.

Please refer to Item 1 of the Company's 2021 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

SASB Code - FN-IN-410a.1

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, 2021, 84.5% of our investment portfolio was invested in fixed maturities and short-term investments. As of that date, the weighted average credit rating of our fixed maturities portfolio was AA-.

Information regarding our investments, including a breakdown by asset class and by industry, is set forth in Item 8 – Note 5 *'Investments'* to our consolidated financial statements in our 2021 Form 10-K, and Item 7 – *'Management's Discussion and Analysis of Financial Condition and Results of Operations'* in our 2021 Form 10-K and in our Investor Financial Supplement on our Investor Information website at www.investor.axiscapital.com.

SASB Code - FN-IN-410a.2

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.

Effective January 1, 2021, AXIS adopted an updated thermal coal and oil sands policy ("Fossil Fuel 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 Fossil Fuel 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. AXIS has also committed to fully phasing out thermal coal from its insurance and facultative reinsurance portfolios no later than 2030 in OECD countries and 2040 globally. Additionally, by the end of 2025, AXIS has committed to phase out any existing investments in companies in the thermal coal or oil sands industries that exceed its policy thresholds. AXIS' policy is publicly available on its website at www.axiscapital.com.

In addition to AXIS' Fossil Fuel Policy discussed above, which restricts AXIS' investments in carbon-intensive industries, AXIS has integrated financially-relevant ESG considerations into its due diligence process to evaluate investment managers. Prior to investing, AXIS conducts due diligence of the applicable investment manager, its integration of relevant ESG factors, including its compliance with AXIS' Fossil Fuel Policy. Once an investment manager has been mandated for a separately managed account, AXIS annually evaluates the firm's ESG performance as part of AXIS' manager scorecard process. Each year, AXIS asks its relevant investment managers to complete a due diligence questionnaire which covers, among other things, ESG policy updates, resources, investment practices, affiliations and reporting. Based on their responses to the due diligence questionnaire, managers receive a summary ESG score which is factored into the broader manager assessment score. AXIS monitors the annual scores of its 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. AXIS is also focused on sustainable investments, having recently committed $20 million to the BlackRock Climate Finance Partnership, a fund focused on climate-infrastructure investments in emerging markets.

POLICIES DESIGNED TO INCENTIVIZE RESPONSIBLE BEHAVIOR

SASB Code - FN-IN-410b.1

Net premiums written related to energy efficiency and low carbon technology

Premiums related to energy efficiency and low carbon technology include premiums relating to our renewable energy business. Our gross premiums written for renewable energy have grown each year for the last four 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 serve and provide value to this growing market. Our renewable energy team has extensive experience and an 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 battery storage projects, from development through operation, on risks ranging from stand-alone projects to utility-scale portfolios. Our customers include project developers, operators, independent power producers, EPCs (Engineering, Procurement and Construction contractors) and utility companies around the globe.

SASB Code - FN-IN-410b.2

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 offer products that incentivize 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 Customers.* Through our U.S. Primary Casualty and Excess Casualty business, 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 an 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 Customers.*** Our U.S. Excess Casualty customers include specialty businesses in the chemical, petrochemical, oil & gas and energy industries. These types of insureds typically experience significant exposures to environmental hazards and accidental chemical and petrochemical spills and releases. We provide cover for third party bodily injury and property damage arising from pollution events caused by risks and operators within these industries. We also typically provide a limited pollution coverage on an excess basis that supplements excess coverage provided for general liability, automobile liability and employers liability. 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 SERVICE

Alongside our underwriting operations, AXIS utilizes risk control services that carefully identify exposures in our property and casualty business through loss-control inspections and reviews. Identifying the hazards and providing solutions that mitigate or eliminate such hazards ultimately makes the policyholder's business safer. AXIS periodically meets with policyholders and 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 from fire (smoke & heat), water damage, destruction of property and other environmental exposures. Our risk control service works with policyholders in this area to make recommendations that, if implemented, may greatly limit the likelihood of devastating damage to property and the surrounding environment.

- ***Green Endorsements*****.** AXIS offers green endorsements or add-on components to commercial property policies. These green endorsements may include coverage for "green" construction, materials and equipment and may potentially cover the higher cost of environmentally-certified materials, equipment, design and engineering.

- ***Casualty Business.*** On the casualty side of the business, inspections identify injury hazards or exposures in the commercial space, and we recommend solutions and improvements aimed at eliminating the potential for injury. These efforts provide employees with safer workplaces and in some cases may 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 and particular care being given to insured premises, to insureds with "green" buildings, or to those conducting energy efficiency upgrades on their current buildings. We offer premium credits for properties for which state-approved fortification improvements have been made and for qualifying structures built, rebuilt or retrofitted to better resist hurricanes and other catastrophic windstorm events. Premium credits are also given to customers that maintain smart devices that monitor temperature, fire and water leakage. Additionally, AXIS offers premium credits to landscape industry customers in almost all states 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 may 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 offered to volunteer firefighters, AXIS provides preventative services including a First Responder Assistant Program (FRAP). The FRAP is similar to the EAP 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, that 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 methods including training events, assessments and online content. The AXIS cyber incident response hotline provides customers with immediate assistance once they become aware of a cyber incident. A cyber 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

AXIS maintains a COVID-19 Resource Center to support its customers, partners, communities and employees as the COVID-19 situation evolves. The COVID-19 Resource Center provides important information regarding the government responses, COVID-related claims information and helpful guides on how to manage businesses in a hybrid work environment.

Environment

RENEWABLE ENERGY BUSINESS

Through our property business, AXIS extends coverage to renewable energy customers active in wind, solar and battery storage facilities. 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.

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 projects' risk landscape and how to reduce their projects' technical, environmental and operational risk exposure. Recommendations may include improvements to the customer's maintenance practices or investments in additional safety features. In connection with its risk assessments, AXIS has a dedicated Renewables Risk Engineering team which supports and advises brokers, renewables asset developers and renewables investors in their risk mitigation efforts and thus encourages and supports environmentally friendly behaviors. In addition, AXIS proactively engages with its distribution partners to help support their customers' achievement of ESG credentials and development of energy transition plans. AXIS has participated in pilot projects with several of its distribution partners to assess insureds' ESG data and incorporate such data into the overall underwriting risk assessment of that insured.

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.

CREDIT RISK INSURANCE

We provide credit risk insurance on project finance loans used to build renewable projects which are critical to the global renewable buildout. These cover wind, solar and geothermal renewable projects.

ENVIRONMENTAL INSURANCE

Our environmental insurance helps property owners, industrial and commercial facility operators and specialty and general contractors address the uncertainties that come with environmental projects. Our environmental insurance offers innovative coverage against environmental risk exposures and provides versatile solutions to safeguard against pollution-related risks. Insurance solutions include contractor pollution liability, pollution legal liability, a specialty package policy and environmental remediation management.

DESIGN PROFESSIONAL LIABILITY INSURANCE

Our design professional liability insurance 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 customers to comply with these new requirements, and we offer risk management services to reduce the likelihood of claims.

FOSSIL FUEL POLICY

The Fossil Fuel Policy 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. A component of the policy prohibits any insurance coverage or investment in support of the exploration, production or transportation of oil and gas in the Arctic National Wildlife Refuge. In addition, the policy expressly prohibits any insurance or facultative reinsurance coverage for existing thermal coal and oil sands projects and 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. AXIS has also committed to fully phasing out thermal coal from its insurance and facultative reinsurance portfolios no later than 2030 in OECD countries and 2040 globally. Additionally, by the end of 2025, AXIS has committed to phase out any existing investments in companies in the thermal coal or oil sands industries that exceed its policy thresholds.

PROPERTY INSURANCE CLIMATE-RELATED DISCOUNTS

On the property side, AXIS uses models 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

NET PROBABLE MAXIMUM LOSSES TO CERTAIN PEAK INDUSTRY CATASTROPHE EXPOSURES – AS OF JANUARY 1, 2022 AND 2021

Estimated Net Exposures (millions of U.S. dollars)

		2022			2021		
TERRITORY	PERIL	50 YEAR RETURN PERIOD	100 YEAR RETURN PERIOD	250 YEAR RETURN PERIOD	50 YEAR RETURN PERIOD	100 YEAR RETURN PERIOD	250 YEAR RETURN PERIOD
Single zone, single event							
Southeast	U.S. Hurricane	$ 131	$ 186	$ 262	$ 286	$ 408	$ 625
Northeast	U.S. Hurricane	39	115	238	42	115	262
Mid-Atlantic	U.S. Hurricane	71	193	362	90	263	520
Gulf of Mexico	U.S. Hurricane	119	164	234	175	263	431
Europe	Windstorm	90	124	165	136	182	240
Japan	Windstorm	75	144	166	113	186	220

The table above shows our net Probable Maximum Loss ("PML") to a single natural peril catastrophe event within certain defined single zones which correspond to peak industry catastrophe exposures at January 1, 2022 and 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 above, based on where the majority of the total estimated industry loss is expected to occur.

As indicated in the table above, at January 1, 2022, our modeled single occurrence 1-in-100 year return period PML for a Southeast U.S. hurricane, net of reinsurance, is approximately $0.2 billion. According to our modeling, there is a one percent chance that, on an annual basis, losses incurred from a Southeast U.S. hurricane event will exceed $0.2 billion. Conversely, there is a 99% chance that, on an annual basis, the loss from a Southeast U.S. hurricane will fall below $0.2 billion.

PMLs are based on results of stochastic models that consider a wide range of possible events, their losses and probabilities. It is important to consider that an actual event does not necessarily resemble one of the stochastic events and the specific characteristics of an actual event can lead to substantial differences between actual and modeled loss.

We have developed our PML estimates by combining judgment and experience with the outputs from catastrophe models commercially available from Verisk. 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 set forth 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. Models are continuously validated at the line of business and group level by our catastrophe model validation team. These validation procedures include sensitivity testing to understand the models' key variables and, where possible, back-testing model outputs to actual results. Our validation procedures also take climate change into account and in some cases we adjust the model to represent current climate conditions.

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 to internal modeling, underwriting portfolios, reinsurance purchasing strategy and foreign currency exchange rates.

CLIMATE CHANGE

Through our Exposure Management Centre of Excellence ("EMCE") formerly known, as the Catastrophe Center of Excellence, AXIS has devised a set of 2°C global warming climate change scenarios based on relevant reports by the Intergovernmental Panel on Climate Change ("IPCC"), which sets out potential future climate scenarios and other scientific literature. The climate change scenarios are implemented by perturbing frequency and severity of individual events of existing results.

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 in the future.

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

In addition to the work at our EMCE, we partnered with Verisk and scholars from The Brookings Institution and the University of Illinois 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 2021 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, as well as increasing regulation in the area of 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 loss estimates as of December 31 of each year for catastrophe events occurring in that year, including the COVID-19 pandemic, as reported in our Investor Financial Supplement which is available on our Investor Information website at www.investor.axiscapital.com.

(In millions)			
Segment	**2021**	**2020**	**2019**
Insurance	175	443	84
Reinsurance	268	330	252
Total	443	774	336

We do not separately report 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 2021, we incurred pre-tax catastrophe and weather-related losses, net of reinsurance and reinstatement premiums, of $443 million or 9.5 points, primarily attributable to Hurricane Ida, U.S. Winter Storms Uri and Viola, July European Floods, and other weather-related events. Comparatively, in 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.

As of December 31, 2021, 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 Hurricane Ida, U.S. Winter Storms Uri and Viola, July European Floods in 2021, 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, the Australian Wildfires in 2019, 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.

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 December 31, 2021 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 firm levels. Global climate change has increased the frequency and severity of severe weather events, and 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 for individual contracts

At the policy level, environmental risks, along with other relevant perils, are taken into account in pricing, coverage limit and policy terms. Our catastrophe models inform our underwriting decisions, pricing and policy terms and reinsurance purchasing 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 and any other 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 risk-adjusted capital is a key metric incorporated into our underwriting decisions. Policies with more risk require a higher return on risk-adjusted capital, along with higher premium levels.

In addition, our Fossil Fuel Policy limits thermal coal and oil sands underwriting and investment and, effective January 1, 2022, our Fossil Fuel Policy prohibits any insurance and facultative reinsurance coverage for new and existing thermal coal plants or mines or their dedicated infrastructure and any new 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 energy exploration, production or transportation activities conducted within the Arctic National Wildlife Refuge, as applicable. AXIS has also committed to fully phasing out thermal coal from its insurance and facultative reinsurance portfolios no later than 2030 in OECD countries and 2040 globally. Additionally, by the end of 2025, AXIS has committed to phase out any existing investments in companies in the thermal coal or oil sands industries that exceed its policy thresholds.

Environmental Risks – Management of Firm-Level Risks and Capital Adequacy

ERM FRAMEWORK

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

We take a holistic approach to managing climate-related risks and opportunities and have incorporated these into our broader ERM framework. As part of our consideration of environmental risks, we seek to identify and assess climate-related risks relating to our underwriting portfolios by geography and line of business. 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, we conduct climate change stress testing to assess the impact of long-term climate trends on the company's portfolio. Climate change scenarios have been incorporated into our Own Risk and Solvency Assessment process, which feeds into longer term impact assessments on capital and solvency. We also continued to monitor environmental risks through metrics such as probable maximum loss (PML) relating to weather-related natural catastrophes for key climate change impacted perils and regions and the total amount of monetary losses each year attributable to insurance payouts from natural catastrophes. These results are analysed to support our annual business plans.

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. Our Board and Risk Committee receive periodic reports relating to climate change as part of their standing agendas.

CATASTROPHE 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 specific catastrophe events in certain 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, which has created new natural catastrophe risk conceptualization models that leverage data analytics and computer programming.

In addition, our EMCE'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 flood or 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 of benchmarking events to reflect an increased frequency of catastrophe events.

Our partnership with Verisk and scholars from The Brookings Institution and the University of Illinois 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.

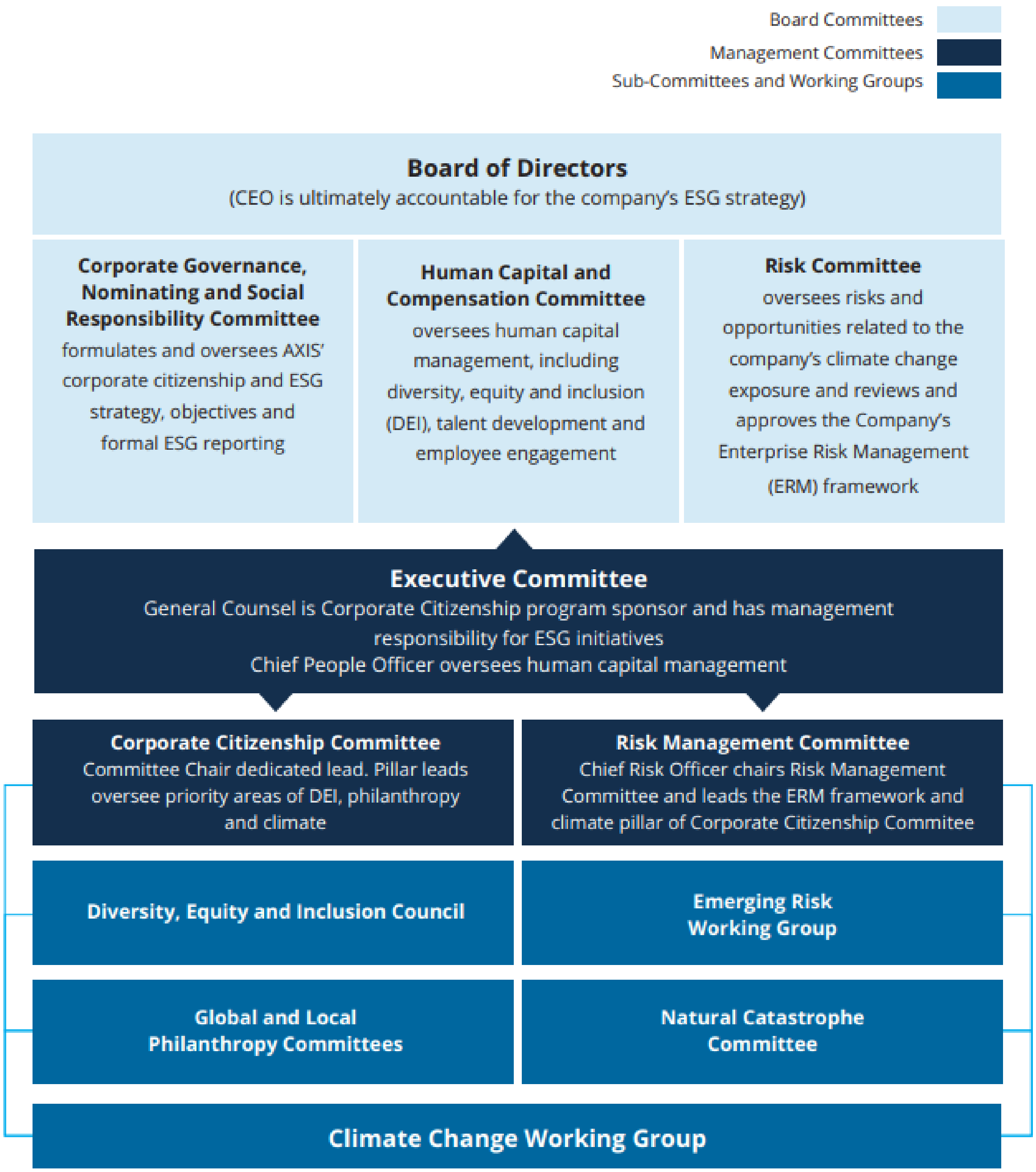
Our catastrophe models are also taken into account in setting our long-term financial strategies and business objectives, including new product development. For example, AXIS is investing in growth areas such as renewable energy insurance, an area in which we have maintained our position as a top global 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") required by the Prudential Regulatory Authority, and the Group Solvency Self-Assessment ("GSSA") required by the Bermuda Monetary Authority, an assessment of the Company's risk profile and capital adequacy that is provided to our Board and regulators.

GOVERNANCE

We consider material ESG factors in our strategic planning and risk oversight process. Our governance includes Board of Director oversight, Executive Committee oversight, and staff-driven committees. A summary of our governance structure is shown below and more detailed information follows.



BOARD OVERSIGHT

At AXIS, the Board of Directors has ultimate responsibility for sustainability matters, including climate change strategy and climate-related risks and opportunities, and receives an annual update on such matters as part of its standing agenda. Two of the Board's committees (the Corporate Governance, Nominating and Social Responsibility Committee and the Risk Committee) assist the Board by overseeing AXIS' response to climate change.

Our Corporate Governance, Nominating and Social Responsibility Committee reviews AXIS' sustainability strategy and objectives, including those relating to the potential impact of climate change. In particular, the Committee oversees:

- Overall ESG strategy;
- Company programs;
- Formal reporting on ESG and sustainability matters; and
- Policies in specific areas such as environmental management.

The Committee receives periodic updates from the Company's management responsible for ESG and sustainability matters and provides recommendations on ESG and sustainability strategy to the Board.

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 its standing agenda. The Risk Committee also reviews and approves the Company's Enterprise Risk Management ("ERM") framework, including policies and limits to address risks – such as climate risk – facing the Company.

EXECUTIVE COMMITTEE & STAFF OVERSIGHT

The Executive Committee, which is comprised of our CEO and other senior executives, is responsible for ensuring that our climate and other ESG and sustainability activities – including management of climate-related risks and opportunities – are consistent with our culture, values and business objectives.

- Our General Counsel serves as the Executive Committee sponsor of our Corporate Citizenship program and is responsible for implementation of the program and ESG activities. Our General Counsel is responsible for monitoring progress with respect to ESG priorities and targets and reporting to the Company's Corporate Governance, Nominating & Social Responsibility Committee, the CEO and the Executive Committee.

- Our Chief People Officer oversees our human capital management efforts.

The Executive Committee discusses and reviews our corporate citizenship initiative, which includes our environmental and sustainability efforts, on a periodic basis.

The Executive Committee is supported by the following management working groups and committees that are actively involved in identifying and assessing climate-related risks relating to our insurance and reinsurance portfolios:

- Corporate Citizenship Committee: Day-to-day management of our Corporate Citizenship program is handled by our Corporate Citizenship Committee, a cross-functional and global committee tasked with overall strategy, policies and governance. Dedicated committee pillar leads for climate, DEI and philanthropy oversee staff working groups, including those climate-relevant groups listed below.

- Risk Management Committee: The Executive Committee has delegated some authority to the executive level Risk Management Committee ("RMC"), which consists of the Chief Executive Officer, Chief Financial Officer, Chief Underwriting Officer, Chief Executive Officer of our (re)insurance business, Chief Risk Officer, Group Chief Actuary and General Counsel. The RMC convenes quarterly and oversees the integrity and effectiveness of the firm's ERM framework and ensures that the firm's risk assumption and risk mitigation activities are consistent with that framework.

- Emerging Risk Working Group: This group is responsible for the oversight of the ERM framework and acts as a focal point for tracking emerging risks according to potential impact and time horizon and coordinating our response to emerging risks and opportunities, including those related to climate change. The Emerging Risk Working Group is comprised of senior representatives across the business, including representatives from the Chief Investment Officer, Head of Digital, Group Chief Underwriting Officer, Chief Claims Officer, Group Chief Actuary, General Counsel and Chief Risk Officer.

- Climate Change Working Group: This group, chaired by our climate pillar lead and Chief Risk Officer, oversees and coordinates the implementation of our climate change risk management framework. The Climate Change Working Group shares information with other internal committees and working groups concerning climate-related risks and opportunities, for example, the Emerging Risk Working Group. It is comprised of senior representatives across the business, including representatives from Finance, Risk, Insurance, Reinsurance, Legal and Communications. In addition, among other things, this group:
    - Assesses climate-related risks and opportunities, including consideration of emerging risks associated with climate change;
    - Promotes knowledge-sharing across the business on the topic of climate change;
    - Leads research on climate change and provides information to senior decision makers involved with catastrophe risk management and underwriting decisions; and
    - Informs the Emerging Risk Working Group of climate-related risks and considerations.

- Natural Catastrophe Committee: The Natural Catastrophe Committee is a subcommittee of the RMC that oversees the firm's natural catastrophe risk management framework, including the validation of modeling and accumulation practices. The Natural Catastrophe Committee consists of the Head of Natural Catastrophe Exposure Management, Head of EMCE, Chief Underwriting Officers and Chief Actuaries.

Our Chief Risk Officer has management oversight for our ERM framework. The ERM framework manages environmental risks at the firm level over short-, medium- and long-term horizons and provides the Risk Management Committee and the Risk Committee with a consolidated view of AXIS' key risks. For more information on our ERM program, please refer to the Risk Management section below.

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 for the AXIS group as we believe this information is more helpful to investors. For 2021, there was no exposure to derivatives by the U.S.-based insurance subsidiaries required to submit a Schedule DB to the NAIC.

At December 31, 2021, the fair value of the Company's investments was $15.1 billion and the Company held cash and investments of $16.5 billion.

Our investment guidelines and procedures stress diversification of risk, conservation of principal and liquidity. As of December 31, 2021, our investment portfolio consists primarily of high-quality fixed maturities, representing 84% of our total investments and 78% of total cash and investments. As of December 31, 2021, fixed maturities had a weighted average credit rating of AA- and an average duration of 3.0 years. At December 31, 2021, fixed maturities together with short-term investments and cash and cash equivalents (i.e., total investments 2021: $14.1 billion), had a weighted average credit rating of AA- and an average duration of 2.8 years. Additional information about the Company's investment portfolio can be found in Item 8 – Note 5 *'Investments'* to our consolidated financial statements in our 2021 Form 10-K and Item 7 – *'Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash and Investments'* in our 2021 Form 10-K and.

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, 2021 are summarized below:

	At December 31, 2021 (in thousands)		
	Derivative notional amount	Derivative asset fair value(1)	Derivative liability fair value(1)
Relating to investment portfolio:			
Foreign exchange forward contracts	$ 184,187	$ 13	$ 1,463
Relating to underwriting portfolio:			
Foreign exchange forward contracts	1,258,836	3,103	13,524
Other underwriting-related contracts	50,000	—	5,630
Total derivatives		$ 3,116	$ 20,617

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

Please refer to Item 8 – Note 7 *'Derivative Instruments'* to our consolidated financial statements in our 2021 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, 2021, 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 markets activities that result in maturity or liquidity transformation, leverage or imperfect transfer of credit risk, such as repurchase agreements 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, assessed, managed, mitigated and monitored 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, 2021. 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, customer initiatives 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.