VALIDUS HOLDINGS LTD
Form S-4/A
August 03, 2009

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As filed with the Securities and Exchange Commission on August 3, 2009

Registration Number 333-159148

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

Amendment No. 6
to
Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

VALIDUS HOLDINGS, LTD.
(Exact Name of Registrant as Specified in its Charter)

BERMUDA	**6331**	**98-0501001**
(State or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

19 Par-La-Ville Road, Hamilton, HM 11 Bermuda
(441) 278-9000
(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)
CT Corporation System
111 Eighth Avenue
New York, New York 10011
(212) 590-9200
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

John Schuster, Esq.	**Stephen F. Arcano, Esq.**	**C. Jerome Dill**	**Andrew S. Rowen, Esq.**	**IPC Holdings, Ltd.**
Helene Banks, Esq.	**Todd E. Freed, Esq.**	**General Counsel**	**Melissa Sawyer, Esq.**	

Cahill Gordon & Reindel LLP	**Skadden, Arps, Slate, Meagher & Flom LLP**	**Validus Holdings, Ltd.**	**Sullivan & Cromwell LLP**	**American International Building**
80 Pine Street	**Four Times Square**	**19 Par-La-Ville Road**	**125 Broad Street**	**29 Richmond Road**
New York, New York 10005	**New York, New York 10036**	**Hamilton, HM 11 Bermuda**	**New York, New York 10004**	**Pembroke, HM 08**
(212) 701-3000	**(212) 735-3000**	**(441) 278-9000**	**(212) 558-4000**	**Bermuda**
				(441) 298-5100

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

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box o

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer þ Accelerated filer o Non-accelerated filer o Smaller reporting company o
(Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) o

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) o

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

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PRELIMINARY COPY SUBJECT TO COMPLETION, DATED AUGUST 3, 2009

The information in this joint proxy statement/prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is declared effective. This joint proxy statement/prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities, in any jurisdiction where the offer or sale of these securities is not permitted.

AN AMALGAMATION PROPOSAL YOUR VOTE IS VERY IMPORTANT

To the shareholders of Validus Holdings, Ltd. (Validus) and the shareholders of IPC Holdings, Ltd. (IPC):

On July 9, 2009, IPC, Validus and Validus Ltd., a direct wholly owned subsidiary of Validus, entered into an Agreement and Plan of Amalgamation (the Amalgamation Agreement).

Subject to shareholder approval as described herein and satisfaction or waiver of the other conditions specified in the Amalgamation Agreement, on the date the Amalgamation is consummated (the Closing Date), IPC will amalgamate with Validus Ltd. (the Amalgamation). IPC shareholders (including the shareholders that do not vote in favor of the Amalgamation) will have the right to receive 0.9727 common shares, par value $0.175 per share, of Validus (Validus Shares), $7.50 in cash (less any applicable withholding taxes and without interest) and cash in lieu of fractional shares in exchange for each common share, par value $0.01 per share, of IPC (an IPC Share) they hold, unless they exercise appraisal rights pursuant to Bermuda law.

The Validus Special Meeting. Validus will hold a special meeting of its shareholders (the Validus special meeting), on [l], 2009, at [l], Atlantic Time, at the registered office of Validus, located at 19 Par-La-Ville Road, Hamilton, HM11, Bermuda. Validus shareholders will be asked at the Validus special meeting:

- to approve the issuance of Validus Shares pursuant to the Amalgamation Agreement (the Share Issuance);
- to approve an adjournment proposal in respect of the Validus special meeting for the solicitation of additional proxies in favor of the above proposal, if necessary; and
- to transact such other further business, if any, as may lawfully be brought before the Validus special meeting.

Validus is soliciting proxies from holders of Validus Shares at the Validus special meeting in order to be able to issue the Validus Shares to IPC shareholders in connection with the Amalgamation. The Share Issuance will become effective only if it is approved by Validus shareholders and the Amalgamation is consummated. The affirmative vote of a majority of the votes cast at the Validus special meeting at which a quorum is present in accordance with Validus bye-laws is required to approve each matter to be acted on at the Validus special meeting. Even if you previously voted on the issuance of Validus Shares at the special general meeting of Validus shareholders held on June 26, 2009, because the composition of the consideration being offered by Validus to IPC shareholders was subsequently changed, your vote is necessary at the Validus special meeting in order to approve the Share Issuance.

Shareholders of record as of the close of business on July 27, 2009 will be entitled to vote at the Validus special meeting. As of [l], 2009, there were [l] outstanding Validus Shares entitled to vote at the Validus special meeting, and [l] Validus non-voting common shares. Each Validus Share entitles the holder of record thereof to one vote at the Validus special meeting; however, if, and for so long as, the Validus Shares of a shareholder, including any votes conferred by controlled shares (as defined below), would otherwise represent more than 9.09% of the aggregate voting power of all Validus Shares entitled to vote on a matter, the votes conferred by such Validus Shares will be reduced by whatever amount is necessary such that, after giving effect to any such reduction (and any other reductions in voting power required by

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Validus bye-laws), the votes conferred by such Validus Shares represent 9.09% of the aggregate voting power of all Validus Shares entitled to vote on such matter. Controlled shares include all shares that a person is deemed to own directly, indirectly or constructively (within the meaning of Section 958 of the Internal Revenue Code of 1986 and Section 13(d)(3) of the Securities Exchange Act of 1934, as amended).

Aquiline Capital Partners LLC, Vestar Capital Partners, and New Mountain Capital, LLC, which collectively owned approximately 38% of Validus outstanding voting common shares as of July 27, 2009, have agreed to vote in favor of the Share Issuance.

Validus knows of no specific matter to be brought before the Validus special meeting that is not referred to in the notice of the Validus special meeting. If any such matter comes before the Validus special meeting, including any shareholder proposal properly made, the proxy holders will vote proxies in accordance with their judgment.

The IPC Special Meeting. IPC will hold a special general meeting of its shareholders (the IPC special meeting) on [l], 2009, at [l], Atlantic Time, at the registered office of IPC located at the American International Building, 29 Richmond Road, Pembroke HM 08, Bermuda. IPC shareholders will be asked at the IPC special meeting:

- to approve an amendment to IPC s bye-laws to reduce the shareholder vote required to approve an amalgamation with any other company from the affirmative vote of three-fourths of the votes cast thereon at a general meeting of the shareholders to a simple majority (the IPC bye-law amendment);

- to adopt the Amalgamation Agreement and approve the Amalgamation;

- to approve an adjournment proposal in respect of the IPC special meeting for the solicitation of additional proxies in favor of either of the above proposals, if necessary; and

- to transact such other further business, if any, as may lawfully be brought before the meeting.

The affirmative vote of a majority of the votes cast at the IPC special meeting, at which a quorum is present in accordance with IPC s bye-laws, is required to approve the IPC bye-law amendment, which will become immediately effective if so approved. If the IPC bye-law amendment is approved, the affirmative vote of a majority of the votes cast at the IPC special meeting will be required to adopt the Amalgamation Agreement and approve the Amalgamation. If the IPC bye-law amendment is not approved, the affirmative vote of three-fourths of the votes cast at the IPC special meeting shall be required to adopt the Amalgamation Agreement and approve the Amalgamation. The affirmative vote of a majority of the votes cast at the IPC special meeting is required to approve each other matter to be acted on, including the approval of any adjournment proposal.

Under IPC s bye-laws, with limited exceptions, any shareholder owning, directly, indirectly or, in the case of any U.S. person, constructively or by attribution, shares of IPC with 10% or more of the total combined voting power of all shares entitled to vote will have the voting rights attached to such shares reduced so that it may not exercise more than approximately 9.9% of the total voting rights. The reduction in votes is generally applied in declining order based on the number of such shares owned by each shareholder. Under these provisions of IPC s bye-laws, certain shareholders may have their voting rights limited to less than one vote per share. Moreover, these provisions could have the effect of reducing the voting power of certain shareholders who would not otherwise be subject to the limitation by virtue of their direct share ownership.

* * *

Based on Validus and IPC s respective capitalizations as of July 31, 2009 and the exchange ratio of 0.9727, Validus estimates that former IPC shareholders would own, in the aggregate, approximately 38% of the issued and outstanding Validus Shares on a fully-diluted basis following closing of the Amalgamation. Validus will issue approximately 54,959,648 Validus Shares in connection with the Amalgamation. Validus will apply to list these Validus Shares on the New York Stock Exchange (NYSE), subject to official notice of issuance.

Before the Amalgamation can close, Validus shareholders must approve the Share Issuance at the Validus special meeting (or any adjournment thereof) and IPC shareholders must adopt the Amalgamation Agreement and approve the Amalgamation at the IPC special meeting (or any adjournment thereof).

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Validus Shares are quoted on the NYSE under the symbol VR. The closing price of a Validus Share on the NYSE on July 31, 2009, the last practicable date prior to the filing of this joint proxy statement/prospectus, was $22.70. IPC Shares, which are currently quoted on the NASDAQ Global Select Market (NASDAQ) under the symbol IPCR and the Bermuda Stock Exchange under the symbol IPCR BH , would be delisted upon completion of the Amalgamation. The closing price of an IPC Share on NASDAQ on July 31, 2009, the last practicable date prior to the filing of this joint proxy statement/prospectus, was $28.94. All references to dollars and $ in this joint proxy statement/prospectus refer to U.S. dollars.

Validus board of directors has authorized and approved the Share Issuance and deems it fair, advisable and in the best interests of Validus and its shareholders to consummate the Share Issuance, the Amalgamation and the other transactions contemplated by the Amalgamation Agreement. Validus board of directors recommends that Validus shareholders vote FOR the proposals submitted to Validus shareholders on the attached Validus proxy card.

IPC s board of directors has adopted the Amalgamation Agreement and authorized and approved the Amalgamation of IPC with Validus Ltd. upon the terms and subject to the conditions set forth in the Amalgamation Agreement, authorized and approved the IPC bye-law amendment, and deems it fair, advisable and in the best interests of IPC to enter into the Amalgamation Agreement and to consummate the Amalgamation and the other transactions contemplated by the Amalgamation Agreement. IPC s board of directors recommends that IPC shareholders vote FOR each proposal submitted to IPC shareholders on the attached IPC proxy card.

This joint proxy statement/prospectus provides Validus and IPC shareholders with detailed information about the Validus special meeting, the IPC special meeting and the Amalgamation. You can also obtain information from publicly available documents filed by Validus and IPC with the SEC. **Validus and IPC encourage you to read this entire document carefully, including the section entitled *Risk Factors* beginning on page 33.**

Your vote is very important. Whether or not you plan to attend the Validus special meeting or the IPC special meeting, please take time to vote by completing and mailing your enclosed proxy card or by following the voting instructions provided to you if you own your shares through a bank, broker or other nominee. If you do not receive such instructions, you may request them from that firm.

Sincerely,

Edward J. Noonan	John R. Weale
Chairman and Chief Executive Officer	Interim President and Chief Executive Officer
Validus Holdings, Ltd.	IPC Holdings, Ltd.

Neither the Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the Share Issuance, passed upon the merits or fairness of the Share Issuance or passed upon the adequacy or accuracy of the disclosure in this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

Important notice regarding the availability of proxy materials for the Validus special meeting to be held on [l], 2009 and the IPC special meeting to be held on [l], 2009

The joint proxy statement/prospectus and the related proxy materials are available free of charge on Validus website at www.validusre.bm and on IPC s website at www.ipcre.bm.

This joint proxy statement/prospectus is dated [l], 2009
and is first being mailed to Validus and IPC shareholders on or about [l], 2009

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SOURCES OF ADDITIONAL INFORMATION

This joint proxy statement/prospectus includes information, including important business and financial information, also set forth in documents filed by Validus and IPC with the Securities and Exchange Commission (SEC), and those documents include information about Validus and IPC that is not included in or delivered with this joint proxy statement/prospectus. You can obtain any of the documents filed by Validus or IPC, as the case may be, with the SEC from the SEC or, without charge, from the SEC s website at http://www.sec.gov. Validus and IPC shareholders also may obtain documents filed with the SEC or documents incorporated by reference in this joint proxy statement/prospectus free of cost, by directing a written or oral request to the appropriate company at:

Validus Holdings, Ltd. 19 Par-La-Ville Road Hamilton HM11 Bermuda Attention: Jon Levenson (441) 278-9000	IPC Holdings, Ltd. American International Building 29 Richmond Road Pembroke HM 08 Bermuda Attention: Melanie J. Saunders (441) 298-5100

If you would like to request documents, in order to ensure timely delivery, you must do so at least ten business days before the date of the relevant meeting. This means you must request this information no later than [l], 2009. Validus or IPC, as the case may be, will mail properly requested documents to requesting shareholders by first class mail, or another equally prompt means, within one business day after receipt of such request.

See *Where You Can Find More Information* on page 154.

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19 Par-La-Ville Road
Hamilton HM11
Bermuda

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON [l], 2009

[l], 2009

NOTICE IS HEREBY GIVEN that a Special Meeting of Shareholders of Validus Holdings, Ltd. (Validus) will be held at 19 Par-La-Ville Road, Hamilton HM11, Bermuda, on [l], 2009, at [l], Atlantic Time, for the following purposes:

to approve the issuance of Validus voting common shares, par value $0.175 per share, pursuant to the Amalgamation Agreement (as defined in the joint proxy statement/prospectus on the following pages);

to approve an adjournment proposal in respect of the meeting for the solicitation of additional proxies in favor of the above proposal, if necessary; and

to transact such other further business, if any, as may be lawfully brought before the meeting.

For further information concerning matters to be acted upon at the Validus special meeting, you are urged to read the joint proxy statement/prospectus on the following pages.

If you are a Validus shareholder of record, please complete, sign, date and return the enclosed proxy in the return envelope furnished for that purpose, as promptly as possible, whether or not you plan to attend the meeting, or follow the instructions on the Validus proxy card to complete your proxy card on the Internet at the website indicated or by telephone. If you own your shares through a bank, broker, or other nominee, you will receive instructions from that institution on how to instruct them to vote your shares, including by completing a voting instruction form, or providing instructions by Internet or telephone. If you do not receive such instructions, you may contact that institution to request them. If you later desire to revoke your proxy for any reason, you may do so in the manner described in the attached joint proxy statement/prospectus. Only shareholders of record as shown on the transfer books of Validus at the close of business on July 27, 2009 will be entitled to notice of, and to vote at, the Validus special meeting or any adjournments thereof. See *The Validus Special Meeting* beginning on page 108 in the joint proxy statement/prospectus for more information.

By Order of the Board of Directors,

/s/ Lorraine Dean
Lorraine Dean
Secretary

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American International Building
29 Richmond Road
Pembroke HM 08, Bermuda

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD [l], 2009

[l], 2009

Notice is hereby given that a Special Meeting of Shareholders of IPC Holdings, Ltd. (IPC) will be held at the registered office of IPC, located at the American International Building, 29 Richmond Road, Pembroke HM 08, Bermuda, commencing at [l], Atlantic Time, on [l], 2009, for the following purposes:

to approve an amendment to IPC s bye-laws to reduce the shareholder vote required to approve an amalgamation with any other company from the affirmative vote of three-fourths of the votes cast thereon at a general meeting of the shareholders to a simple majority, pursuant to the Agreement and Plan of Amalgamation, dated as of July 9, 2009, between IPC, Validus Holdings, Ltd. (Validus) and Validus Ltd. (the Amalgamation Agreement);

to adopt the Amalgamation Agreement and approve the resulting amalgamation;

to approve an adjournment of the meeting for the solicitation of additional IPC proxies in favor of either of the above proposals, if necessary; and

to transact such other further business, if any, as may lawfully be brought before the meeting.

Information concerning the matters to be acted upon at the IPC special meeting is set forth in the accompanying joint proxy statement/prospectus.

Under the terms of the Amalgamation Agreement, each outstanding IPC common share (including any shares held by IPC shareholders that do not vote in favor of the amalgamation, but excluding any shares as to which appraisal rights have been exercised pursuant to Bermuda law), will be cancelled and converted into the right to receive 0.9727 common shares of Validus, $7.50 in cash, less any applicable withholding tax and without interest, and cash in lieu of fractional shares upon closing of the amalgamation.

Under Bermuda law, in the event of an amalgamation of a Bermuda company with another company or corporation, any shareholder of the Bermuda company is entitled to receive fair value for its shares. IPC s board of directors considers the fair value for each IPC common share to be $7.50 plus 0.9727 Validus common shares, providing IPC shareholders with a value of $29.48 for each IPC common share as based on the closing price of Validus common shares on July 8, 2009, the day immediately preceding the public announcement of the proposed amalgamation.

Any IPC shareholder that is not satisfied that it has been offered fair value for its IPC common shares and whose shares are not voted in favor of the Amalgamation Agreement and the amalgamation may exercise its appraisal rights under the Companies Act 1981 of Bermuda, as amended (the Companies Act) to have the fair value of its IPC common shares appraised by the Supreme Court of Bermuda (the Court). Any IPC shareholder intending to exercise appraisal rights MUST file its application for appraisal of the fair value of its IPC common shares with the Court within ONE MONTH after the date the notice convening the IPC special meeting is deemed to have been received.

Only shareholders of record, as shown on IPC s register of members or branch register, at the close of business on July 27, 2009, will be entitled to notice of, and to vote at, the IPC special meeting or any adjournments thereof, or to exercise the appraisal rights conferred on dissenting shareholders by Bermuda law.

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If you are an IPC shareholder of record, please sign, date and return the enclosed proxy in the return envelope furnished for that purpose, as promptly as possible, whether or not you plan to attend the IPC special meeting. If you own your shares through a bank, broker or other nominee, you will receive instructions from that institution on how to instruct them to vote your shares, including by completing a proxy card, or providing instructions by Internet or telephone. If you later desire to revoke your proxy for any reason, you may do so in the manner described in the attached joint proxy statement/prospectus. See *The IPC Special Meeting* on page 111 in the accompanying joint proxy statement/prospectus for more information.

By order of the Board of Directors,

Melanie J. Saunders
Secretary

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QUESTIONS AND ANSWERS ABOUT THE AMALGAMATION AND THE MEETINGS

The following questions and answers highlight selected information from this joint proxy statement/prospectus and may not contain all the information that is important to you. We encourage you to read this entire document carefully.

Q: When and where are the shareholder meetings?

A1: The Validus special meeting will take place at [l], Atlantic Time, on [l], 2009, at 19 Par-La-Ville Road, Hamilton, HM11, Bermuda.

A2: The IPC special meeting will take place at [l], Atlantic Time, on [l], 2009, at the American International Building, 29 Richmond Road, Pembroke HM 08, Bermuda.

Q: What is happening at the shareholder meetings?

A1: At the Validus special meeting, Validus shareholders will be asked:

to approve the issuance of Validus Shares pursuant to the Amalgamation Agreement;

to approve the adjournment of the meeting for the solicitation of additional proxies in favor of the above proposal; and

to transact such other further business, if any, as may be lawfully brought before the meeting.

Even if Validus shareholders approve the Share Issuance, the Share Issuance will take effect only if and when the Amalgamation closes.

A2: At the IPC special meeting, IPC shareholders will be asked:

to approve an amendment to IPC s bye-laws to reduce the shareholder vote required to approve an amalgamation with any other company from the affirmative vote of three-fourths of the votes cast thereon at a general meeting of the shareholders to a simple majority;

to adopt the Amalgamation Agreement and approve the Amalgamation;

to approve an adjournment proposal in respect of the IPC special meeting for the solicitation of additional proxies in favor of the foregoing proposals, if necessary; and

to transact such other further business, if any, as may lawfully be brought before the meeting.

Q: What will happen in the Amalgamation?

A: If Validus shareholders approve the Share Issuance, and if IPC shareholders adopt the Amalgamation Agreement and approve the Amalgamation, and all other conditions to the Amalgamation have been satisfied or waived, IPC will amalgamate with Validus Ltd., a direct, wholly owned subsidiary of Validus, upon the terms and subject to the conditions set forth in the Amalgamation Agreement. Upon the closing of the Amalgamation, the separate corporate existence of Validus Ltd. and IPC will cease and they will continue as a combined entity and subsidiary of Validus and the name of the combined entity shall be Validus Ltd.

Q: Why are Validus and IPC proposing the Amalgamation?

A1: Based on a number of factors described under *The Amalgamation Reasons Why Validus Board of Directors Recommends Approval of the Share Issuance*, Validus board of directors believes that the Amalgamation represents a compelling combination and excellent strategic fit that will enable Validus to capitalize on opportunities in the global reinsurance market. Successful completion of the Amalgamation would allow Validus shareholders to benefit from the superior growth potential of a combined company that would be a leading carrier in Bermuda s short-tail reinsurance and insurance markets, with a strong balance sheet and quality diversification in profitable business lines.

A2: Based on a number of factors, including those described under *The Amalgamation Reasons Why IPC s Board of Directors Recommends Approval of the Amalgamation and the IPC Bye-law Amendment*, IPC s board of directors adopted the Amalgamation Agreement and authorized and approved the IPC bye-law amendment. IPC s board of directors believes that each of the Amalgamation and the IPC bye-law amendment is in the best interests of IPC. In making this determination, IPC s board of directors considered

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factors including the amount and type of consideration pursuant to the Amalgamation, the certainty for IPC and its shareholders, the anticipated timing of signing and closing, and the other terms and conditions of Validus offer.

Q: What would IPC shareholders receive in the Amalgamation?

A: Under the terms of the Amalgamation Agreement, each outstanding IPC Share (including any shares held by IPC shareholders that do not vote in favor of the Amalgamation, but excluding any dissenting shares as to which appraisal rights have been exercised pursuant to Bermuda law and excluding any shares held by Validus, IPC or any of their respective subsidiaries) would be cancelled and converted into the right to receive (i) 0.9727 Validus Shares, (ii) $7.50 in cash, less any applicable withholding taxes and without interest, and (iii) cash in lieu of fractional shares, upon closing of the Amalgamation.

IPC shareholders would not receive any fractional Validus Shares in the Amalgamation. Instead, IPC shareholders would be paid cash in lieu of the fractional share interest to which such shareholders would otherwise be entitled.

Q: What percentage of Validus Shares will the former holders of IPC Shares own, in the aggregate, after the Amalgamation?

A: Based on Validus and IPC s respective capitalizations as of July 31, 2009, and the exchange ratio of 0.9727, Validus estimates that former IPC shareholders would own, in the aggregate, approximately 38% of the issued and outstanding Validus Shares on a fully-diluted basis following closing of the Amalgamation.

Q: Are shareholders able to exercise appraisal rights?

A1: Validus shareholders will not be entitled to exercise appraisal rights with respect to any matter to be voted upon at the Validus special meeting.

A2: IPC shareholders who do not vote in favor of the Amalgamation Agreement and the Amalgamation and who are not satisfied that they have been offered fair value for their IPC Shares may exercise, within one month after the date the notice convening the IPC special meeting is deemed to have been received, appraisal rights under Bermuda law to have the fair value of their IPC Shares appraised by the Supreme Court of Bermuda (the Court), subject to compliance with all of the required procedures, as described under *The Amalgamation Dissenters Rights of Appraisal for IPC Shareholders.*

Q: What will be the composition of the board of directors of Validus following the effectiveness of the Amalgamation?

A: Upon the effectiveness of the Amalgamation, Validus board of directors would consist of the directors serving on the board of directors of Validus before the Amalgamation.

Q: How will Validus be managed after the Amalgamation?

A: Upon closing of the Amalgamation, the officers of Validus will be the officers serving Validus before the Amalgamation.

Q: When do the parties expect to complete the Amalgamation?

A: The parties expect to complete the Amalgamation in the third quarter of 2009, although there can be no assurance that the parties will be able to do so. The closing of the Amalgamation is subject to customary closing conditions, including shareholder and bank approvals and receipt of certain other regulatory approvals. Please see *The Amalgamation Agreement Conditions to the Amalgamation* on page 102.

Q: Will I be taxed on the amalgamation consideration I receive?

A: IPC and Validus intend for the Amalgamation to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code), and completion of the Amalgamation is conditioned on Validus and IPC receiving tax opinions to this effect from Cahill Gordon & Reindel llp and Sullivan & Cromwell LLP, respectively. Assuming the Amalgamation so qualifies, a U.S. holder of IPC Shares that exchanges IPC Shares for Validus Shares and cash in the Amalgamation will generally recognize gain (but not loss) in an amount equal to the lesser of (i) the amount of cash received by such U.S. holder in the Amalgamation (excluding any cash received in lieu of a fractional

Validus Share) and (ii) the excess, if any, of (a) the sum of the cash and the fair market value of the Validus Shares received by such U.S. holder (including the fair market value of any fractional Validus Share deemed received), over (b) the U.S. holder s tax basis in the IPC Shares exchanged pursuant to the Amalgamation. Subject to the passive foreign investment company rules or the potential application of Section 1248 of the Code, any gain recognized upon the exchange generally will be capital gain, unless the receipt of cash by a U.S. holder has the effect of the distribution of a dividend for U.S. federal income tax purposes. For more information, please see the section of this joint proxy statement/prospectus under the caption *Material U.S. Federal Income Tax Consequences*.

Tax matters are complicated and the tax consequences of the Amalgamation to you will depend upon the facts of your particular circumstances. Because individual circumstances may differ, Validus urges you to consult with your own tax advisor as to the specific tax consequences of the Amalgamation to you, including the applicability of U.S. federal, state, local, non-U.S. and other tax laws.

Q: What shareholder vote is required to approve the proposals at the Validus special meeting and the IPC special meeting and how many votes must be present to hold the meetings?

A1: The affirmative vote of a majority of the votes cast at the Validus special meeting, at which a quorum is present in accordance with Validus bye-laws, is required to approve the Share Issuance. The quorum required at the Validus special meeting is two or more shareholders present in person and representing in person or by proxy in excess of 50% of the total issued Validus Shares throughout the meeting. The Share Issuance will become effective only if it is duly approved by Validus shareholders and all of the other conditions to the Amalgamation are satisfied or waived and the Amalgamation closes. The affirmative vote of a majority of the votes cast at the Validus special meeting is required to approve each other matter to be acted on, including any adjournment proposal. Aquiline Capital Partners LLC, Vestar Capital Partners, and New Mountain Capital, LLC, which collectively owned approximately 38% of Validus outstanding voting common shares as of July 27, 2009, have agreed to vote in favor of the issuance of Validus shares in connection with the transaction.

Even if you previously voted on the issuance of Validus Shares at the special general meeting of Validus shareholders held on June 26, 2009, because the composition of the consideration being offered by Validus to IPC shareholders was subsequently changed, your vote is necessary at the Validus special meeting in order to approve the Share Issuance.

A2: With respect to the IPC special meeting, the affirmative vote of a majority of the votes cast at the IPC special meeting, at which a quorum is present in accordance with IPC s bye-laws, is required to approve the IPC bye-law amendment, which will become immediately effective if so approved. The quorum required at the IPC special meeting is two or more shareholders present in person and representing in person or by proxy more than 50% of the issued and outstanding IPC Shares throughout the meeting. If the IPC bye-law amendment is approved, the affirmative vote of a majority of the votes cast at the IPC special meeting is required to adopt the Amalgamation Agreement and approve the Amalgamation. If the IPC bye-law amendment is not approved, the affirmative vote of three-fourths of the votes cast at the IPC special meeting will be required to adopt the Amalgamation Agreement and approve the Amalgamation. The affirmative vote of a majority of the votes cast at the IPC special meeting is required to approve each other matter to be acted on, including any adjournment proposal.

Q: Do the boards of directors recommend approval of the proposals?

A1: Yes. Validus board of directors, taking into consideration the reasons discussed under *The Amalgamation Reasons Why Validus Board of Directors Recommends Approval of the Share Issuance*, adopted the Amalgamation Agreement and authorized and approved the Share Issuance. Validus board of directors deems it fair, advisable and in the best interests of Validus to enter into the Amalgamation Agreement and to acquire all of the outstanding IPC Shares and to consummate the Share Issuance. **Validus board of directors recommends that Validus shareholders vote FOR each matter submitted on the Validus proxy card.**

A2: Yes. IPC s board of directors, taking into consideration the reasons discussed under *The Amalgamation Reasons Why IPC s Board of Directors Recommends Approval of the Amalgamation and the IPC bye-law*

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amendment, adopted the Amalgamation Agreement and authorized and approved the amalgamation of IPC with Validus Ltd. upon the terms and subject to the conditions set forth in the Amalgamation Agreement, authorized and approved the IPC bye-law amendment, and deems it fair, advisable and in the best interests of IPC to enter into the Amalgamation Agreement and to consummate the Amalgamation and the other transactions contemplated thereby. **IPC s board of directors recommends that you vote FOR each matter submitted on the IPC proxy card.**

Q: What is the record date for each special meeting?

A1: The record date for the Validus special meeting is July 27, 2009 (the Validus record date). Only Validus shareholders at the close of business on the Validus record date will be entitled to notice of, and to vote at, the Validus special meeting or any adjournment or postponement thereof.

A2: The record date for the IPC special meeting is July 27, 2009 (the IPC record date). Only IPC shareholders at the close of business on the IPC record date will be entitled to notice of, and to vote at, the IPC special meeting or any adjournment or postponement thereof.

Q: What do I need to do now?

A: The parties urge you to read carefully this joint proxy statement/prospectus, including its annexes and the documents incorporated by reference herein. You also may want to review the documents referenced under *Where You Can Find More Information* and consult with your accounting, legal and tax advisors. Once you have considered all relevant information, the parties encourage you to fill in and return the relevant proxy card (if you are a shareholder of record) or voting instruction form you receive from your bank, broker or other nominee (if you hold your shares through a bank, broker or other nominee (in *street name*)).

Q: How can I vote my shares in person at the Validus special meeting or the IPC special meeting?

A: If your Validus Shares or IPC Shares are registered directly in your name as of the record date with the relevant transfer agent, you are considered the shareholder of record with respect to those shares, and the proxy materials and proxy card are being sent directly to you. As the shareholder of record, you have the right to vote in person at the Validus special meeting or the IPC special meeting. If you choose to do so, you can bring the enclosed proxy card to the relevant special meeting and vote in person. Most shareholders of Validus and IPC hold their shares in street name rather than directly in their own name. If you hold your shares in street name, you are a beneficial holder, and the proxy materials are being forwarded to you by your bank, broker or other nominee together with a voting instruction form. Because a beneficial holder is not the shareholder of record, you may not vote these shares in person at the meeting unless you have either arranged for the shares beneficially owned by you to be transferred of record into your name by the record date for the special meeting or secured a valid proxy or power of attorney from the bank, broker or other nominee that holds your shares as of the record date for the relevant special meeting (and who has received a valid proxy or power of attorney from the shareholder of record pursuant to a legal proxy with a power of subdelegation from the shareholder of record as of the record date) and present that proxy at the relevant special meeting. Even if you plan to attend the Validus special meeting or IPC special meeting, we recommend that you vote your shares in advance as described below so that your vote will be counted if you later decide not to attend the relevant special meeting.

Q: How can I vote my shares without attending the Validus special meeting or the IPC special meeting?

A: If you are the shareholder of record, you may direct your vote without attending the Validus special meeting or the IPC special meeting by completing and mailing your proxy card in the enclosed pre-paid envelope. If you hold your shares in street name you should complete and return the voting instruction form you receive from your bank, broker or other nominee in accordance with the instructions you receive from your bank, broker or other nominee. Your voting instruction form may contain instructions from your bank, broker or other nominee that allow you to vote your shares using the Internet or by telephone. Please consult with your bank, broker or other nominee if you have any questions regarding the voting of shares held in street name.

In addition, if you are a Validus shareholder of record, you may grant a proxy to vote your shares at the Validus special meeting by telephone by calling **866-367-5524** and following the simple recorded instructions, twenty-four hours a day, seven days a week, at any time prior to 11:59 p.m., Eastern Time, on the day prior to the Validus special meeting. Alternatively, as a Validus shareholder of record, you may vote via the Internet at any time prior to 11:59 p.m., Eastern Time, on the day prior to the Validus special meeting by going to http://proxy.georgeson.com, entering the company number and control number on your proxy card and following the instructions to submit an electronic proxy. If you vote by telephone or the Internet, you will be required to provide the control number contained on your proxy card.

Q: What do I need for admission to the Validus special meeting or the IPC special meeting?

A: You are entitled to attend the Validus special meeting or IPC special meeting only if you are (i) a shareholder of record or (ii) a beneficial owner or other person holding a valid proxy from the bank, broker or other nominee that holds your shares (and who has received a legal proxy, with a power of subdelegation, from the shareholder of record as of the record date). If you are the shareholder of record, your name will be verified against the list of shareholders of record prior to your admittance to the Validus special meeting or IPC special meeting. You should be prepared to present photo identification for admission. If you hold your shares in street name and would like to be admitted to the meeting, you will need to provide a valid proxy or power of attorney from the bank, broker or other nominee that holds your shares (and who has received a legal proxy, with a power of subdelegation, from the shareholder of record as of the record date) and proof of beneficial ownership on the relevant record date, such as a brokerage account statement showing that you owned Validus Shares or IPC Shares as of the relevant record date, a copy of the voting instruction form provided by your bank, broker or other nominee, or other similar evidence of ownership as of the record date, as well as your photo identification. If you do not comply with the procedures outlined above, you may not be admitted to the Validus special meeting or IPC special meeting.

Q: If my shares are held in a brokerage account or in street name, will my broker vote my shares for me?

A: If you own your shares through a bank, broker or other nominee, you will receive instructions from that institution on how to instruct them to vote your shares, including by completing a voting instruction form, or providing instructions by Internet or telephone. If you do not receive such instructions, you may contact that institution to request them. In accordance with NYSE rules, banks, brokers and other nominees who hold shares in street-name for customers may not exercise their voting discretion with respect to the proposals. Accordingly, if you do not provide your bank, broker or other nominee with instructions on how to vote your street name shares, your bank, broker or other nominee will not be permitted to vote them at the Validus special meeting or IPC special meeting, possibly resulting in a broker non-vote.

A broker non-vote with respect to the Validus special meeting or IPC special meeting will not be considered as a vote cast with respect to any matter presented at the Validus special meeting or IPC special meeting, but will be counted for purposes of establishing a quorum, *provided* that your bank, broker or other nominee is in attendance in person or by proxy.

Because your bank, broker or other nominee will not have discretionary authority to vote your shares, you must provide your bank, broker or other nominee with instructions on how to vote your shares or arrange to attend the Validus special meeting or IPC special meeting and vote your shares in person if you want your shares to be voted and to avoid a broker non-vote.

Q: What effect do abstentions and broker non-votes have on the proposals?

A: Abstentions and broker non-votes will be counted toward the presence of a quorum at, but will not be considered votes cast on any proposal brought before, the Validus special meeting or IPC special meeting. Because the vote required to approve the proposals is the affirmative vote of the required percentage of the votes cast assuming a quorum is present, a broker non-vote with respect to any proposal to be voted on at the Validus or IPC special meeting will not have the effect of a vote for or against the relevant proposal, but will reduce the number of votes cast and therefore increase the relative influence of those shareholders voting. See also *The Validus Special Meeting Record Date and Shares Entitled to Vote* and *The IPC Special Meeting Record Date and Shares Entitled to Vote*.

Q: How will my shares be voted if I sign and return a proxy card or voting instruction form without specifying how to vote my shares?

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A: If you sign and return a proxy card or voting instruction form without giving specific voting instructions, your shares will be voted FOR the proposals on the proxy card and as the persons named as proxies may determine in their discretion with respect to any other matters properly presented for a vote before the Validus special meeting or IPC special meeting.

Q: What do I do if I want to change my vote or revoke my proxy?

A: You may change your vote or revoke your proxy at any time before your proxy is voted at the Validus special meeting or the IPC special meeting. If you are a shareholder of record, you may change your vote or revoke your proxy by: (1) delivering to Validus or IPC, a written notice of revocation of your proxy; (2) delivering to Validus or IPC an authorized proxy bearing a later date (including, for Validus shareholders, a proxy by telephone or over the Internet); or (3) attending the Validus special meeting or IPC special meeting and voting in person as described above under the question entitled *How can I vote my shares in person at the Validus special meeting or IPC special meeting?* Attendance at the Validus special meeting or IPC special meeting in and of itself, without voting in person at the Validus special meeting or IPC special meeting, will not cause your previously granted proxy to be revoked. For shares you hold in street name, you should follow the instructions of your bank, broker or other nominee or, if you have obtained a valid proxy or power of attorney from the bank, broker or other nominee that holds your shares (and who has received a legal proxy, with a power of subdelegation, from the shareholder of record as of the record date) giving you the right to vote your shares at the Validus special meeting or IPC special meeting, by attending the Validus special meeting or IPC special meeting and voting in person.

Q: Who can I contact with any additional questions?

A1: Validus shareholders:

If you have additional questions about the Amalgamation, if you would like additional copies of this joint proxy statement/prospectus, or if you need assistance voting your Validus Shares, you should contact Georgeson Inc. (Georgeson) at:

Georgeson Inc.
199 Water Street,
26th Floor
New York, New York 10038
Banks and Brokerage Firms Please Call: (212) 440-9800
All Others Please Call Toll Free: (888) 274-5146
E-mail inquiries: validus@georgeson.com

A2: IPC shareholders:

If you have additional questions about the Amalgamation, if you would like additional copies of this joint proxy statement/prospectus, or if you need assistance voting your IPC Shares, you should contact Innisfree M&A Incorporated (Innisfree) at:

Innisfree M&A Incorporated
501 Madison Avenue
20th Floor
New York, NY 10022

Toll-Free for Shareholders: (877) 825-8621
Banks and Brokers Call Collect: (212) 750-5834

Q: Where can I find more information about the companies?

A: You can find more information about Validus and IPC in the documents described under *Where You Can Find More Information*.

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SUMMARY

This summary highlights the material information in this joint proxy statement/prospectus. To fully understand the proposals, and for a more complete description of the terms of the Amalgamation, you should read carefully this entire document, including the exhibits, and documents incorporated by reference herein, and the other documents referred to herein. For information on how to obtain the documents that are on file with the SEC, please see the section of this joint proxy statement/prospectus entitled Where You Can Find More Information.

The Companies (page 32)

Validus

Validus is a Bermuda exempted company with its principal executive offices located at 19 Par-La-Ville Road, Hamilton HM11, Bermuda. The telephone number of Validus is (441) 278-9000. Validus is a provider of reinsurance and insurance, conducting its operations worldwide through two wholly owned subsidiaries, Validus Re and Talbot. Validus Re is a Bermuda-based reinsurer focused on short-tail lines of reinsurance. Talbot is the Bermuda parent of the specialty insurance group primarily operating within the Lloyd s insurance market through Syndicate 1183. As of March 31, 2009, Validus had total shareholders equity of $2.023 billion and total assets of $4.763 billion. Validus Shares are traded on the NYSE under the symbol VR and, as of July 31, 2009, the last practicable date prior to the filing of this joint proxy statement/prospectus, Validus had a market capitalization of approximately $1.729 billion. Validus has approximately 280 employees.

As of the date of the filing of this joint proxy statement/prospectus with the SEC, Validus was the registered holder of 100 IPC Shares, or less than 1% of the outstanding IPC Shares.

IPC

IPC, a Bermuda exempted company, provides property catastrophe reinsurance and, to a limited extent, property-per-risk excess, aviation (including satellite) and other short-tail reinsurance on a worldwide basis. During 2008, approximately 93% of its gross premiums written, excluding reinstatement premiums, covered property catastrophe reinsurance risks. Property catastrophe reinsurance covers against unpredictable events such as hurricanes, windstorms, hailstorms, earthquakes, volcanic eruptions, fires, industrial explosions, freezes, riots, floods and other man-made or natural disasters. The substantial majority of the reinsurance written by IPCRe Limited (IPCRe), IPC s Bermuda-based property catastrophe reinsurance subsidiary, has been, and continues to be, written on an excess of loss basis for primary insurers rather than reinsurers, and is subject to aggregate limits on exposure to losses. During 2008, IPC had approximately 258 clients from whom it received either annual/deposit or adjustment premiums, including many of the leading insurance companies around the world. In 2008, approximately 36% of those clients were based in the United States, and approximately 53% of gross premiums written, excluding reinstatement premiums, related primarily to U.S. risks. IPC s non-U.S. clients and its non-U.S. covered risks are located principally in Europe, Japan, Australia and New Zealand. During 2008, no single ceding insurer accounted for more than 3.7% of IPC s gross premiums written, excluding reinstatement premiums. As of March 31, 2009, IPC had total shareholders equity of $1.849 billion and total assets of $2.453 billion.

IPC Shares are quoted on the NASDAQ Global Select Market under the ticker symbol IPCR and the Bermuda Stock Exchange under the symbol IPCR BH. IPC s principal executive offices are located at American International Building, 29 Richmond Road, Pembroke HM 08, Bermuda and its telephone number is (441) 298-5100.

The Validus Special Meeting (page 108)

The Validus special meeting will be held on [l], at [l], Atlantic Time, at the registered office of Validus, located at 19 Par-La-Ville Road, Hamilton HM11, Bermuda. Validus shareholders will be asked at the Validus special meeting:

to approve the Share Issuance;

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to approve the adjournment of the Validus special meeting for the solicitation of additional proxies in favor of the above proposal, if necessary; and

to transact such other further business, if any, as may lawfully be brought before the Validus special meeting.

You can vote at the Validus special meeting only if you are a shareholder of record, as shown by the transfer books of Validus, at the close of business on July 27, 2009, which is the record date for the Validus special meeting.

The IPC Special Meeting (page 111)

The IPC special meeting will be held on [l], 2009, at [l], Atlantic Time, at the registered office of IPC, located at the American International Building, 29 Richmond Road, Pembroke, HM 08, Bermuda. IPC shareholders will be asked at the IPC special meeting:

to approve the IPC bye-law amendment;

to adopt the Amalgamation Agreement and approve the Amalgamation;

to approve an adjournment of the meeting for the solicitation of additional proxies in favor of either of the above proposals, if necessary; and

to transact such other further business, if any, as may lawfully be brought before the meeting.

You can vote at the IPC special meeting only if you are a shareholder of record, as shown on IPC s register of members or branch register at the close of business on July 27, 2009, which is the record date for the IPC special meeting.

The Amalgamation (page 37)

General Description (page 37)

On July 9, 2009, IPC, Validus and Validus Ltd., a wholly owned subsidiary of Validus, entered into an Agreement and Plan of Amalgamation (the Amalgamation Agreement). Validus board of directors unanimously adopted the Amalgamation Agreement on that date and deemed it fair, advisable and in the best interests of Validus to enter into the Amalgamation Agreement and to consummate the Share Issuance and the other transactions contemplated thereby. IPC s board of directors unanimously adopted the Amalgamation Agreement on that date and authorized and approved the amalgamation of IPC with Validus Ltd. upon the terms and subject to the conditions set forth in the Amalgamation Agreement and deemed it fair to, advisable to and in the best interests of IPC to enter into the Amalgamation Agreement and to consummate the Amalgamation and the other transactions contemplated thereby.

Subject to shareholder approval as described in this joint proxy statement/prospectus and the satisfaction or waiver of the other conditions specified in the Amalgamation Agreement, on the Closing Date of the Amalgamation, IPC will amalgamate with Validus Ltd. Pursuant to the Amalgamation Agreement, after the effective time of the Amalgamation, IPC shareholders (other than shareholders that exercise appraisal rights pursuant to Bermuda law, and other than Validus and its subsidiaries) will have the right to receive 0.9727 Validus Shares, $7.50 in cash, less any applicable withholding tax and without interest, and cash in lieu of fractional shares (the amalgamation consideration) in exchange for each IPC Share they hold.

Further details relating to the structure of the Amalgamation and the amalgamation consideration are described in *The Amalgamation Agreement Structure of the Amalgamation* and *The Amalgamation Agreement Amalgamation Consideration*.

Recommendation of Validus Board of Directors (page 114)

Validus board of directors has adopted the Amalgamation Agreement and authorized and approved the Share Issuance, and deems it fair, advisable and in the best interests of Validus to consummate the Share Issuance, the

Amalgamation and the other transactions contemplated thereby. Validus board of directors recommends that Validus shareholders vote FOR the proposals submitted to Validus shareholders on the attached Validus proxy card.

Recommendation of IPC s Board of Directors (page 115)

IPC s board of directors has adopted the Amalgamation Agreement and authorized and approved the Amalgamation upon the terms and subject to the conditions set forth in the Amalgamation Agreement, authorized and approved the IPC bye-law amendment, and deems it fair, advisable and in the best interests of IPC to enter into the Amalgamation Agreement and to consummate the Amalgamation and the other transactions contemplated by the Amalgamation Agreement. IPC s board of directors recommends that IPC shareholders vote FOR each proposal submitted to IPC shareholders on the attached IPC proxy card.

Reasons Why Validus Board of Directors Recommends Approval of the Share Issuance (page 58)

Validus board of directors recommends approval of the Share Issuance in order to issue shares that are necessary to effect the Amalgamation. Validus board of directors believes that the Amalgamation represents a compelling combination and excellent strategic fit that will enable Validus to capitalize on opportunities in the global reinsurance market. Successful completion of the Amalgamation would allow Validus shareholders to benefit from the superior growth potential of a combined company that would be a leading carrier in Bermuda s short-tail reinsurance and insurance markets, with a strong balance sheet and quality diversification in profitable business lines.

In reaching these conclusions and in determining that the Share Issuance is fair, advisable and in the best interests of Validus, and in recommending the approval of the Share Issuance, Validus board of directors consulted with Validus management as well as legal and financial advisors and considered a number of factors. Those factors included, but were not limited to, those set forth under *The Amalgamation Reasons Why Validus Board of Directors Recommends Approval of the Share Issuance.*

Reasons Why IPC s Board of Directors Recommends Approval of the Amalgamation and the IPC Bye-Law Amendment (page 60)

IPC s board of directors recommends approval of the Amalgamation and the IPC bye-law amendment based on a number of factors including those described under *The Amalgamation Reasons Why IPC s Board of Directors Recommends Approval of the Amalgamation and the IPC Bye-law Amendment*. IPC s board of directors believes that each of the Amalgamation and the IPC bye-law amendment is in the best interests of IPC. In making this determination, IPC s board of directors considered factors including the amount and type of consideration pursuant to the Amalgamation, the certainty for IPC and its shareholders, the anticipated timing of signing and closing, and the other terms and conditions of Validus offer.

In the course of making the above determinations and recommendations, IPC s board of directors considered a number of potential benefits of the Amalgamation, which in the aggregate IPC s board of directors believes supported its decision, including those set forth under *The Amalgamation Reasons Why IPC s Board of Directors Recommends Approval of the Amalgamation and the IPC Bye-law Amendment*.

Opinion of Greenhill & Co., LLC, Financial Advisor to Validus Board (page 65)

Validus board of directors received an oral opinion, subsequently confirmed in writing, from Greenhill & Co., LLC (Greenhill) that, based upon and subject to the various limitations and assumptions described in the written opinion, as of July 8, 2009, the consideration pursuant to the proposed Amalgamation was fair, from a financial point of view, to Validus.

The full text of the written opinion of Greenhill, dated July 8, 2009, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limits on the opinion and the review undertaken in connection with rendering the opinion, is attached as Annex C to this joint proxy statement/prospectus and is incorporated herein by reference. Validus shareholders are urged to read the opinion in its entirety, but should note that it is not a recommendation as to how Validus shareholders should vote with respect to the issuance of Validus Shares pursuant to the Amalgamation Agreement or any other matter.

Opinion of J.P. Morgan Securities Inc., Financial Advisor to IPC s Board (page 72)

At the meeting of IPC s board of directors on July 8, 2009, J.P. Morgan Securities Inc. (JPMorgan) rendered its oral opinion, subsequently confirmed in writing, to IPC s board of directors that, as of such date and based upon and subject to the factors and assumptions set forth in its opinion, the amalgamation consideration to be paid to the holders of IPC Shares in the proposed Amalgamation was fair, from a financial point of view, to such holders (other than Validus and its affiliates).

The full text of the written opinion of JPMorgan, dated July 8, 2009, which sets forth the assumptions made, matters considered and limits on the review undertaken, is attached as Annex D to this joint proxy statement/prospectus and is incorporated herein by reference. IPC s shareholders are urged to read the opinion in its entirety. JPMorgan s written opinion is addressed to IPC s board of directors, addresses only the fairness, from a financial point of view, to the holders of IPC Shares (other than Validus and its affiliates) of the amalgamation consideration to be paid to such holders of IPC Shares in the proposed Amalgamation and does not constitute a recommendation to any shareholder of IPC as to how such shareholder should vote at the IPC special meeting.

Interests of IPC Directors and Executive Officers in the Amalgamation (page 84)

In considering the recommendations of IPC s board of directors that IPC shareholders vote FOR the IPC bye-law amendment, and the approval and adoption of the Amalgamation Agreement, IPC shareholders should be aware that John R. Weale, Peter J. A. Cozens, and Stephen F. Fallon, individually, and all the members of IPC s board of directors as a group, have interests in the Amalgamation that are different from, and/or in addition to, the interests of IPC shareholders generally. As described under *The Amalgamation Interests of IPC Directors and Executive Officers in the Amalgamation,* Messrs. Weale, Cozens and Fallon have each entered into an employment agreement with IPC under which they would receive cash severance benefits in the respective amounts of $1,798,500, $1,476,000 and $1,466,750 upon experiencing a termination without Cause (as such term is defined in the employment agreements), assuming a termination date of October 1, 2009 following the Amalgamation. Additionally, assuming a termination date of October 1, 2009 following the Amalgamation, the employment agreements provide that Messrs. Weale, Cozens and Fallon would be paid retention bonuses in the amounts of $646,250, $432,000 and $429,000, respectively. Messrs. Weale, Cozens and Fallon and each of IPC s other officers and directors have rights to indemnification by virtue of their positions as officers and/or directors of IPC. IPC s board of directors was aware of and considered these differing interests and potential conflicts, among other matters, in evaluating and negotiating the Amalgamation Agreement with Validus and in recommending that the IPC shareholders approve the proposals to be voted upon at the IPC special meeting.

The rights of IPC s executive officers under the applicable employment agreements, and the rights of IPC s directors and officers to indemnification and the maintenance of directors and officers liability insurance are described under *The Amalgamation Interests of IPC Directors and Executive Officers in the Amalgamation.*

Dividends and Distributions (page 86)

Each of Validus and IPC regularly pays a quarterly cash dividend, *i.e.*, $0.20 per common share in Validus case and $0.22 per common share in IPC s case. Validus expects to continue to pay its regular quarterly dividends consistent with past practice. Under the terms of the Amalgamation Agreement, before the Amalgamation closes, Validus and IPC would both be permitted to declare and pay ordinary course quarterly dividends on their common shares with record and payment dates consistent with past practice; *provided* that any such dividend is at a rate no greater than the rate it paid during the fiscal quarter immediately preceding the date of the Amalgamation Agreement, *i.e.*, $0.20 per common share in Validus case and $0.22 per common share in IPC s case.

Anticipated Accounting Treatment (page 86)

The Amalgamation will be accounted for under the purchase method of accounting, with Validus treated as the accounting acquirer, in accordance with Statement of Financial Accounting Standards (FAS)

No. 141(R), Business Combinations (FAS 141(R)), under which the total consideration paid in the Amalgamation will be allocated among acquired tangible and intangible assets and assumed liabilities based on the fair values of the tangible and intangible assets acquired and liabilities assumed. In the event there is an excess of the total consideration paid in the Amalgamation over the fair values, the excess will be accounted for as goodwill. Intangible assets with definite lives will be amortized over their estimated useful lives. Goodwill resulting from the Amalgamation will not be amortized but instead will be tested for impairment at least annually (more frequently if certain indicators are present). In the event that the management of Validus determines that the value of goodwill has become impaired, an accounting charge will be taken in the fiscal quarter in which such determination is made. In the event there is an excess of the fair values of the acquired assets and liabilities assumed over the total consideration paid in the Amalgamation, the excess will be accounted for as a gain to be recognized through the income statement at the consummation of the Amalgamation in accordance with FAS 141(R). Validus anticipates the Amalgamation will result in an excess of the fair values of the acquired assets and liabilities assumed over the total consideration paid in the Amalgamation.

Material U.S. Federal Income Tax Consequences (page 126)

IPC and Validus intend for the Amalgamation to qualify as a reorganization within the meaning of Section 368(a) of the Code, and completion of the Amalgamation is conditioned on Validus and IPC receiving tax opinions to this effect from Cahill Gordon & Reindel llp and Sullivan & Cromwell LLP, respectively. Assuming the Amalgamation so qualifies, a U.S. holder of IPC Shares that exchanges IPC Shares for Validus Shares and cash in the Amalgamation will generally recognize gain (but not loss) in an amount equal to the lesser of (i) the amount of cash received by such U.S. holder in the Amalgamation (excluding any cash received in lieu of a fractional Validus Share) and (ii) the excess, if any, of (a) the sum of the cash and the fair market value of the Validus Shares received by such U.S. holder (including the fair market value of any fractional Validus Share deemed received), over (b) the U.S. holder s tax basis in the IPC Shares exchanged pursuant to the Amalgamation. Subject to the passive foreign investment company rules or the potential application of Section 1248 of the Code, any gain recognized upon the exchange generally will be capital gain, unless the receipt of cash by a U.S. holder has the effect of the distribution of a dividend for U.S. federal income tax purposes. For more information, please see the section of this joint proxy statement/prospectus under the caption Material U.S. Federal Income Tax Consequences.

Tax matters are complicated and the tax consequences of the Amalgamation to you will depend upon the facts of your particular circumstances. Because individual circumstances may differ, Validus urges you to consult with your own tax advisor as to the specific tax consequences of the Amalgamation to you, including the applicability of U.S. federal, state, local, non-U.S. and other tax laws.

The Amalgamation Agreement (page 90)

The Amalgamation Agreement is attached as Annex A. You should read the Amalgamation Agreement in its entirety because it, and not this joint proxy statement/prospectus, is the legal document that governs the Amalgamation.

Amalgamation Consideration (page 90)

Under the Amalgamation Agreement, each outstanding IPC Share (including any shares held by IPC shareholders that do not vote in favor of the Amalgamation, but excluding any dissenting shares as to which appraisal rights have been exercised pursuant to Bermuda law, and excluding any shares held by Validus, IPC or any of their respective subsidiaries) will be cancelled and converted into the right to receive (i) 0.9727 Validus Shares, (ii) $7.50 in cash, less any applicable withholding taxes and without interest, and (iii) cash in lieu of fractional shares.

Validus will not issue any fractional Validus Shares in connection with the Amalgamation. Instead, any IPC shareholder who would otherwise have been entitled to a fraction of a Validus Share in connection with the Amalgamation will be paid an amount in cash determined by multiplying such fraction by the average price of

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Validus Shares (such average price is determined by valuing Validus Shares based on the volume weighted average price per Validus Share on the NYSE for the five consecutive trading days immediately preceding the second trading day prior to the closing of the Amalgamation).

Restrictions on Change in Recommendation by the Boards of Directors of IPC or Validus (page 98)

Pursuant to the Amalgamation Agreement, the boards of directors of IPC or Validus may not withdraw or modify, in any manner adverse to the other party, its recommendations in connection with the Amalgamation except if such board has concluded in good faith, after consultation with its outside counsel and financial advisors, that such action is reasonably likely to be required in order for the directors to comply with their fiduciary duties under applicable law, and such party has not materially breached its obligations with respect to changing its recommendation. Before a party can change its recommendation with respect to the Amalgamation, it must provide advance written notice of such change to the other party and give the other party five business days to agree to alter the terms and conditions of the Amalgamation Agreement in a manner that removes the need for the applicable board of directors to change its recommendation in order to prevent a breach of its fiduciary duties. Additionally, IPC must comply with certain additional procedures in order for the board of directors of IPC to change its recommendation as a result of receiving an Acquisition Proposal (as defined in the Amalgamation Agreement) from any third party. Even if IPC or Validus has had a change in recommendation, each will still be required to submit such matters to its respective shareholders meeting. See *The Amalgamation Agreement Restrictions on Change in Recommendation by the Boards of Directors of IPC or Validus* and *Restrictions on Solicitation of Acquisition Proposals by IPC*.

Restrictions on Solicitation of Acquisition Proposals by IPC (page 98)

The Amalgamation Agreement precludes IPC and its subsidiaries and advisors from, directly or indirectly, initiating, soliciting, encouraging or facilitating (including by providing information) any effort or attempt to make or implement any proposal or offer with respect to an amalgamation, reorganization, consolidation, business combination or similar transaction involving it or any of its subsidiaries or any purchase or sale involving 10% or more of its consolidated assets (including shares of its subsidiaries), or 10% or more of its total voting power or the voting power of any of its subsidiaries. IPC may withdraw or modify its recommendation as described under *The Amalgamation Agreement Restrictions on Change in Recommendation by the Boards of Directors of IPC or Validus*. See *The Amalgamation Agreement Restrictions on Solicitation of Acquisition Proposals by IPC*.

Conditions to the Amalgamation (page 102)

Validus and IPC s respective obligations to complete the Amalgamation are subject to the fulfillment or waiver (by both Validus and IPC) of certain conditions, including:

- receipt of the required Validus shareholder approval of the Share Issuance and the required IPC vote to adopt the Amalgamation Agreement and approve the Amalgamation;
- authorization for listing on the NYSE of the Validus Shares to be issued or reserved for issuance in connection with the Amalgamation, subject to official notice of issuance;
- certain regulatory filings, approvals or exemptions will have been made or obtained, or will have occurred;
- a registration statement registering the Validus Shares to be issued in the Amalgamation will have become effective under the Securities Act of 1933, and will not be the subject of any stop order or proceedings seeking a stop order;

no injunction or other legal restraints or prohibitions preventing the consummation of the Amalgamation will be in effect;

subject to the materiality standards provided in the Amalgamation Agreement, the representations and warranties of each other party in the Amalgamation Agreement will be true and correct, and each party will have performed its obligations under the Amalgamation Agreement (and each party will have received a certificate from the other party to such effect);

no governmental entity will have imposed any law, or any other action, any term, condition, obligation or restriction that would, individually or in the aggregate, reasonably be expected to have a material adverse effect on Validus and its subsidiaries (including the combined entity) after the effective time of the Amalgamation;

each of IPC and Validus will have received a tax opinion with respect to certain U.S. federal income tax consequences of the Amalgamation; and

all amendments or waivers under Validus credit facilities, as reasonably determined by each of IPC and Validus to be necessary to consummate the Amalgamation and the other transactions contemplated thereby, shall be in full force and effect or new credit facilities and/or amendments or waivers under any of the parties existing credit facilities (*Replacement Financing*) shall be in full force and effect.

At any time prior to the effective time of the Amalgamation, the parties may, to the extent legally permissible, waive compliance with any of the conditions contained in the Amalgamation Agreement, as described under *The Amalgamation Agreement Amendments and Waivers Under the Amalgamation Agreement.*

Termination of the Amalgamation Agreement (page 103)

The Amalgamation Agreement may be terminated, at any time prior to the effective time of the Amalgamation, by mutual written consent of IPC and Validus, and, subject to certain limitations described in the Amalgamation Agreement, by either IPC or Validus, if any of the following occurs:

a regulatory approval required by the Amalgamation Agreement to be obtained has been denied or any governmental authority has taken any action permanently restraining or prohibiting the Amalgamation, and such denial or action has become final and nonappealable (unless the failure to complete the Amalgamation by that date is due to a breach by the party seeking to terminate the Amalgamation Agreement);

the Amalgamation has not been consummated on or prior to January 31, 2010 (unless the failure to complete the Amalgamation by that date is due to a breach by the party seeking to terminate the Amalgamation Agreement);

the other party s board of directors has (1) changed its recommendation to its shareholders, (2) failed to include such recommendation in this joint proxy statement/prospectus, or (3) materially breached certain of the non-solicitation obligations applicable to it under the Amalgamation Agreement;

the other party has breached a covenant, agreement, representation or warranty that would preclude the satisfaction of certain closing conditions and such breach is not remedied in the 45 days following written notice to the breaching party or is not capable of being so remedied; or

the Validus shareholders have not approved the Share Issuance at the Validus special meeting or the IPC shareholders have not approved and adopted the Amalgamation Agreement and approved the amalgamation at the IPC special meeting.

Effects of Termination, Remedies (page 104)

If either Validus or IPC terminates the Amalgamation Agreement, a party may be required to pay the other party a termination fee of $16 million in certain circumstances, and IPC will be required to pay Validus an amount equal to $50 million in respect of the termination fee (the Max Termination Fee) payable under the Agreement and Plan of Amalgamation among Max Capital Group Ltd. (Max), IPC and IPC Limited (the Max Amalgamation Agreement), which amount was advanced by Validus on July 9, 2009, in certain circumstances, as described under *The Amalgamation Agreement Termination of the Amalgamation Agreement Effects of*

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Termination; Remedies and *The Amalgamation Agreement Repayment or Retention of the Reimbursement Amount*.

Voting Agreements (page 86)

In connection with the Amalgamation Agreement, affiliates of Aquiline Capital Partners LLC, Vestar Capital Partners, and New Mountain Capital, LLC, which collectively owned approximately 38% of Validus Shares as of July 27, 2009, have agreed to vote in favor of the issuance of Validus Shares in connection with the Amalgamation. Each of the voting agreements will terminate upon the earlier of: (i) the mutual consent of IPC and a shareholder; (ii) the holding of a duly called meeting of the shareholders of Validus (or an adjournment or postponement thereof) relating to the approval of the issuance of Validus Shares in connection with the Amalgamation at which a shareholder is present and votes its Validus Shares in favor of such issuance; and (iii) the date of termination of the Amalgamation Agreement in accordance with its terms.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF VALIDUS

Set forth below is certain selected historical consolidated financial data relating to Validus. The financial data has been derived from Validus Quarterly Report on Form 10-Q for the three months ended March 31, 2009, which is incorporated by reference into this joint proxy statement/prospectus (the Validus 10-Q) and Validus Annual Report on Form 10-K for the year ended December 31, 2008, which is incorporated by reference into this joint proxy statement/prospectus (the Validus 10-K). You should not take historical results as necessarily indicative of the results that may be expected for any future period. This financial data should be read in conjunction with the financial statements and the related notes and other financial information contained in the Validus 10-Q and the Validus 10-K. More comprehensive financial information, including Management s Discussion and Analysis of Financial Condition and Results of Operations, is contained in the Validus 10-Q and Validus 10-K, and the following summary is qualified in its entirety by reference to the Validus 10-Q and Validus 10-K and all of the financial information and notes contained therein. Please see the section of this joint proxy statement/prospectus entitled *Where You Can Find More Information*.

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006	Period Ended December 31, 2005
	(Dollars in thousands, except share and per share amounts)					
Revenues						
Gross premiums written	$ 609,892	$ 521,594	$ 1,362,484	$ 988,637	$ 540,789	$
Reinsurance premiums ceded	(72,512)	(84,900)	(124,160)	(70,210)	(63,696)	
Net premiums written	537,380	436,694	1,238,324	918,427	477,093	
Change in unearned premiums	(218,621)	(144,830)	18,194	(60,348)	(170,579)	
Net premiums earned	318,759	291,864	1,256,518	858,079	306,514	
Net investment income	26,772	36,043	139,528	112,324	58,021	2,032
Realized gain on repurchase of debentures			8,752			
Net realized gains (losses) on investments	(23,421)	7,744	(1,591)	1,608	(1,102)	39
Net unrealized gains on investments(2)	22,153	(14,977)	(79,707)	12,364		

Other income	757	935	5,264	3,301		
Foreign exchange gains (losses)	(4,200)	8,179	(49,397)	6,696	2,157	
Total revenues	340,820	329,788	1,279,367	994,372	365,590	2,071
Expenses						
Losses and loss expenses	131,834	140,024	772,154	283,993	91,323	
Policy acquisition costs	61,449	56,701	234,951	134,277	36,072	
General and administrative expenses(1)	38,079	37,107	123,948	100,765	38,354	2,367
Share compensation expenses	7,354	6,535	27,097	16,189	7,878	290
Finance expenses	7,723	21,517	57,318	51,754	8,789	
Fair value of warrants issued				2,893	77	49,122
Total expenses	246,439	261,884	1,215,468	589,871	182,493	51,779
Net income before taxes	94,381	67,904	63,899	404,501	183,097	(49,708)
Taxes	526	(1,429)	(10,788)	(1,505)		
Net income (loss)	94,907	66,475	53,111	402,996	183,097	(49,708)
Comprehensive income (loss)						
Unrealized gains arising during the period(2)					(332)	144
Foreign currency translation adjustments	(196)	67	(7,809)	(49)		
Adjustment for reclassification of losses realized in income					1,102	(39)
Comprehensive income (loss)	$ 94,711	$ 66,542	$ 45,302	$ 402,947	$ 183,867	$ (49,603)
Earnings per share(3)						
Weighted average number of common shares and common share equivalents						

outstanding						
Basic	75,744,577	74,209,371	74,677,903	65,068,093	58,477,130	58,423,174
Diluted	79,102,643	78,329,727	75,819,413	67,786,673	58,874,567	58,423,174
Basic earnings per share	$ 1.23	$ 0.87	$ 0.62	$ 6.19	$ 3.13	$ (0.85)
Diluted earnings per share	$ 1.20	$ 0.85	$ 0.61	$ 5.95	$ 3.11	$ (0.85)
Cash dividends per share	$ 0.20	$ 0.20	$ 0.80	$	$	$
Selected financial ratios						
Losses and loss expenses ratio(4)	41.4%	48.0%	61.5%	33.1%	29.8%	
Policy acquisition cost ratio(5)	19.3%	19.4%	18.7%	15.6%	11.8%	
General and administrative expense ratio(6)	14.3%	15.0%	12.0%	13.3%	15.1%	
Expense ratio(7)	33.6%	34.4%	30.7%	28.9%	26.9%	
Combined ratio(8)	75.0%	82.4%	92.2%	62.0%	56.7%	
Annualized return on average equity(9)	19.2%	13.5%	2.7%	26.9%	17.0%	NM

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The following table sets forth summarized balance sheet data as of March 31, 2009 and 2008, and as of December 31, 2008, 2007 and 2006:

	As of March 31, 2009	As of March 31, 2008	As of December 31, 2008	As of December 31, 2007	As of December 31, 2006
	(Dollars in thousands, except share and per share amounts)				
Summary Balance Sheet Data:					
Investments at fair value	$ 2,926,859	$ 2,893,595	$ 2,831,537	$ 2,662,021	$ 1,376,387
Cash and cash equivalents	535,798	347,347	449,848	444,698	63,643
Total assets	4,762,798	4,535,638	4,322,480	4,144,224	1,646,423
Reserve for losses and loss expenses	1,318,732	977,236	1,305,303	926,117	77,363
Unearned premiums	795,233	750,257	539,450	557,344	178,824
Junior subordinated deferrable debentures	304,300	350,000	304,300	350,000	150,000
Total liabilities	2,739,812	2,544,980	2,383,746	2,209,424	453,900
Total shareholders equity	2,022,986	1,990,658	1,938,734	1,934,800	1,192,523
Book value per common share(10)	26.68	26.82	25.64	26.08	20.39
Diluted book value per common share(11)	24.65	24.43	23.78	24.00	19.73

NM Not meaningful

(1) General and administrative expenses for the years ended December 31, 2007 and 2006 include $4,000,000 and $1,000,000 respectively, related to Validus advisory agreement with Aquiline Capital Partners, LLC, which, together with its related companies, we refer to as Aquiline. Validus advisory agreement with Aquiline terminated upon completion of Validus initial public offering, in connection with which Validus recorded general and administrative expense of $3,000,000 in the year ended December 31, 2007.

(2) Validus adopted FAS 157 and FAS 159 as of January 1, 2007 and elected the fair value option on all securities previously accounted for as available-for-sale. Unrealized gains and losses on available-for-sale investments at December 31, 2006 of $875,000, previously included in accumulated other comprehensive income, were treated as a cumulative-effect adjustment as of January 1, 2007. The cumulative-effect adjustment transferred the balance of unrealized gains and losses from accumulated other comprehensive income to retained earnings and had no impact on the results of operations for the annual or interim periods beginning January 1, 2007. Validus investments were accounted for as trading for the annual or interim periods beginning January 1, 2007 and as such all unrealized gains and losses are included in net income.

(3) FAS 123(R) requires that any unrecognized stock-based compensation expense that will be recorded in future periods be included as proceeds for purposes of treasury stock repurchases, which is applied against the unvested restricted shares balance. On March 1, 2007 we effected a 1.75 for 1 reverse stock split of Validus outstanding common shares. The stock split does not affect Validus financial statements other than to the extent it decreases the number of outstanding shares and correspondingly increases per share information for all periods presented.

The share consolidation has been reflected retroactively in these financial statements.

(4) The losses and loss expense ratio is calculated by dividing losses and loss expenses by net premiums earned.

(5) The policy acquisition cost ratio is calculated by dividing policy acquisition costs by net premiums earned.

(6) The general and administrative expense ratio is calculated by dividing the sum of general and administrative expenses and share compensation expenses by net premiums earned. The general and administrative expense ratio for the year ended December 31, 2007 is calculated by dividing the total of general and

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administrative expenses plus share compensation expenses less the $3,000,000 termination fee payable to Aquiline by net premiums earned.

(7) The expense ratio is calculated by combining the policy acquisition cost ratio and the general and administrative expense ratio.

(8) The combined ratio is calculated by combining the losses and loss expense ratio, the policy acquisition cost ratio and the general and administrative expense ratio.

(9) Annualized return on average equity is calculated by dividing the net income for the period by the average shareholders equity during the period. Annual average shareholders equity is the average of the beginning, ending and intervening quarter-end shareholders equity balances.

(10) Book value per common share is defined as total shareholders equity divided by the number of common shares outstanding as at the end of the period, giving no effect to dilutive securities.

(11) Diluted book value per common share is calculated based on total shareholders equity plus the assumed proceeds from the exercise of outstanding options and warrants, divided by the sum of common shares, unvested restricted shares, options and warrants outstanding (assuming their exercise). Diluted book value per common share is a Non-GAAP financial measure as described under Item 7, Management s Discussion and Analysis of Financial condition and Results of Operations Financial Measures, in the Validus 10-K.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF IPC

Set forth below is certain selected historical consolidated financial data relating to IPC. The financial data has been derived from IPC s Quarterly Report on Form 10-Q for the three months ended March 31, 2009 which is incorporated by reference into this joint proxy statement/prospectus (the IPC 10-Q), and IPC s Annual Report on Form 10-K for the year ended December 31, 2008, which is incorporated by reference into this joint proxy statement/prospectus (the IPC 10-K). You should not take historical results as necessarily indicative of the results that may be expected for any future period. This financial data should be read in conjunction with the financial statements and the related notes and other financial information contained in the IPC 10-Q and the IPC 10-K. More comprehensive financial information, including Management s Discussion and Analysis of Financial Condition and Results of Operations, is contained in the IPC 10-K and the IPC 10-Q, and the following summary is qualified in its entirety by reference to such other documents and all of the financial information and notes contained in those documents. Please see the section of this joint proxy statement/prospectus entitled *Where You Can Find More Information*.

	Three months ended March 31,		Year Ended December 31,				
	2009	2008	2008	2007	2006	2005	200
	(Dollars in thousands, except share and per share amounts)						
nt of (Loss)							
emiums	$ 234,610	$ 197,875	$ 403,395	$ 404,096	$ 429,851	$ 472,387	$ 37
niums	98,708	89,697	387,367	391,385	397,132	452,522	35
stment	21,866	23,874	94,105	121,842	109,659	71,757	5
ses) gains on ents	(35,572)	(6,020)	(168,208)	67,555	12,085	(10,556)	
come	7	26	65	1,086	3,557	5,234	
and loss ent expenses	39,109	5,324	155,632	124,923	58,505	1,072,662	21
uisition costs	9,838	8,674	36,429	39,856	37,542	39,249	3
and rative s	24,281	7,079	26,314	30,510	34,436	27,466	2
xpense	383		2,659				
ign e loss (gain)	3,146	(303)	1,848	1,167	(2,635)	2,979	
me (loss)	$ 8,252	$ 86,803	$ 90,447	$ 385,412	$ 394,585	$ (623,399)	$ 13
d dividend		4,234	14,939	17,128	17,176	2,664	
me (loss), e to common ders	$ 8,252	$ 82,569	$ 75,508	$ 368,284	$ 377,409	$ (626,063)	$ 13

me (loss) mon share(1)	$ 0.15	$ 1.31	$ 1.45	$ 5.53	$ 5.54	$ (12.30)	$
d average ing(1)	55,916,256	66,182,883	59,301,939	69,728,229	71,212,287	50,901,296	48,37
idend per share	$ 0.22	$ 0.22	$ 0.88	$ 0.80	$ 0.64	$ 0.88	$
ata:							
l loss ent expense	39.6%	5.9%	40.2%	31.9%	14.7%	237.0%	
ratio(2)	34.6%	17.6%	16.2%	18.0%	18.1%	14.8%	
ed ratio(2)	74.2%	23.5%	56.4%	49.9%	32.8%	251.8%	
n average)	1.8%	15.5%	4.2%	20.1%	24.0%	(38.0)%	
Sheet Data of period):							
sh and ents	$ 2,189,966	$ 2,475,860	$ 2,235,187	$ 2,473,244	$ 2,485,525	$ 2,560,146	$ 1,90
nce s receivable	199,241	161,474	108,033	91,393	113,811	180,798	8
sets	2,453,085	2,712,037	2,388,688	2,627,691	2,645,429	2,778,281	2,02
for losses adjustment s	354,467	355,276	355,893	395,245	548,627	1,072,056	27
d premiums	219,641	181,889	85,473	75,980	80,043	66,311	6
bilities	603,611	563,904	537,741	501,946	654,474	1,161,881	35
areholders	$ 1,849,474	$ 2,148,133	$ 1,850,947	$ 2,125,745	$ 1,990,955	$ 1,616,400	$ 1,66
ook value mon share(4)	$ 33.05	$ 33.26	$ 32.85	$ 32.42	$ 27.94	$ 22.26	$

(1) Net income per common share is calculated upon the weighted average number of common shares outstanding during the relevant year. The weighted average number of shares includes common shares and the dilutive effect of employee stock options and stock grants, using the treasury stock method and convertible preferred shares. The net loss per common share for the year ended December 31, 2005 is calculated on the weighted average number of shares outstanding during the year, excluding the anti-dilutive

effect of employee stock options, stock grants and convertible preferred shares. The net income per common share for the year ended December 31, 2008 is calculated on the weighted average number of shares outstanding during the year, excluding the anti-dilutive effect of stock-based compensation and convertible preferred shares.

(2) The loss and loss adjustment expense ratio is calculated by dividing the net losses and loss expenses incurred by the net premiums earned. The expense ratio is calculated by dividing the sum of acquisition costs and general and administrative expenses by net premiums earned. The combined ratio is the sum of the loss and loss expense ratio and the expense ratio.

(3) Return on average equity is calculated as the annual net income (loss), available to common shareholders divided by the average of the common shareholders equity, which is total shareholders equity, excluding convertible preferred shares, on the first and last day of the respective year.

(4) Diluted book value per common share is calculated as shareholders equity divided by the number of common shares outstanding on the balance sheet date, after considering the dilutive effects of stock-based compensation, calculated using the treasury stock method. At December 31, 2008 the average weighted number of shares outstanding, including the dilutive effect of employee stock-based compensation and convertible preferred shares (which were converted on November 15, 2008) using the treasury stock method was 59,301,939.

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UNAUDITED CONDENSED CONSOLIDATED PRO FORMA FINANCIAL INFORMATION

The following unaudited condensed consolidated pro forma financial statements are based on the historical financial statements of Validus and IPC and are intended to provide you with information about how the Amalgamation might have affected the historical financial statements of Validus if it had been consummated at an earlier time. The following unaudited condensed consolidated pro forma financial information does not necessarily reflect the financial position or results of operations that would have actually resulted had the Amalgamation occurred as of the dates indicated, nor should they be taken as necessarily indicative of the future financial position or results of operations of Validus.

The unaudited condensed consolidated pro forma financial information should be read in conjunction with the Validus 10-Q, the Validus 10-K, the IPC 10-Q and the IPC 10-K, each as filed with the SEC. The unaudited condensed consolidated pro forma financial information gives effect to the Amalgamation as if it had occurred at March 31, 2009 for the purposes of the unaudited consolidated pro forma balance sheet and at January 1, 2008 for the purposes of the unaudited condensed consolidated pro forma statements of operations for the year ended December 31, 2008 and the three months ended March 31, 2009. For a summary of the proposed business combination contemplated by the Amalgamation, see the section of this joint proxy statement/prospectus set forth under *The Amalgamation*.

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The following table presents unaudited condensed consolidated pro forma balance sheet data at March 31, 2009 (expressed in thousands of U.S. dollars, except share and per share data) giving effect to the Amalgamation as if it had occurred at March 31, 2009.

	Historical Validus Holdings, Ltd.	Historical IPC Holdings, Ltd.	Pro Forma Purchase adjustments	Notes	Pro Forma Consolidated
Assets					
Fixed maturities, at fair value	$ 2,644,496	$ 1,772,805	$		$ 4,417,301
Short-term investments, at fair value	282,363				282,363
Equity investments, at fair value		295,091			295,091
Cash and cash equivalents	535,798	122,070	(527,109)	3(a) 3(b), 4	130,759
Total investments and cash	3,462,657	2,189,966	(527,109)		5,125,514
Premiums receivable	600,943	199,241	(160)	3(e)	800,024
Deferred acquisition costs	143,510	23,302			166,812
Prepaid reinsurance premiums	59,510	3,585	(199)	3(e)	62,896
Securities lending collateral	99,727				99,727
Loss reserves recoverable	204,197	4,274			208,471
Paid losses recoverable	4,438				4,438
Accrued investment income	20,511	27,907			48,418
Current taxes recoverable	1,244				1,244
Intangible assets	126,177				126,177
Goodwill	20,393				20,393
Other assets	19,491	4,810			24,301
Total assets	$ 4,762,798	$ 2,453,085	$ (527,468)		$ 6,688,415
Liabilities					
Unearned premiums	$ 795,233	$ 219,641	$ (199)	3(e)	$ 1,014,675
Reserve for losses and loss expense	1,318,732	354,467			1,673,199
Reinsurance balances payable	66,180	4,483	(160)	3(e)	70,503
Deferred taxation	20,914				20,914
Securities lending payable	105,369				105,369
Net payable for investments purchased	57,434				57,434
Accounts payable and accrued expenses	71,650	25,020			96,670
Debentures payable	304,300				304,300
Total liabilities	2,739,812	603,611	(359)		3,343,064
Shareholders equity					

Ordinary shares		13,271		561		9,057	3(a) 3(c) 3(d)		22,889
Additional paid-in capital		1,419,602		1,091,491		87,119	3(a) 3(c) 3(d)		2,598,212
Accumulated other comprehensive loss		(8,054)		(876)		876	3(d)		(8,054)
Retained earnings		598,167		758,298		(624,161)	3(b) 3(d) 3(f)		732,304
Total shareholders equity		2,022,986		1,849,474		(527,109)			3,345,351
Total liabilities and shareholders equity	$	4,762,798	$	2,453,085	$	(527,468)		$	6,688,415
Common shares outstanding		75,828,922		55,948,821		54,425,368			130,254,290
Common shares and common share equivalents outstanding		90,317,793		57,008,096		55,455,724			145,773,517
Book value per share	$	26.68	$	33.06			8	$	25.68
Diluted book value per share	$	24.65	$	32.75			8	$	24.47
Diluted tangible book value per share	$	23.03	$	32.75				$	23.46

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The following table sets forth unaudited condensed consolidated pro forma results of operations for the year ended December 31, 2008 (expressed in thousands of U.S. dollars, except share and per share data) giving effect to the Amalgamation as if it had occurred at January 1, 2008:

	Historical Validus Holdings, Ltd.	Historical IPC Holdings, Ltd.	Pro Forma Purchase adjustments	Notes	Pro Forma Consolidated
Revenues					
Gross premiums written	$ 1,362,484	$ 403,395	$ (251)	3(e), 5	$ 1,765,628
Reinsurance premiums ceded	(124,160)	(6,122)	251	3(e)	(130,031)
Net premiums written	1,238,324	397,273			1,635,597
Change in unearned premiums	18,194	(9,906)			8,288
Net premiums earned	1,256,518	387,367			1,643,885
Net investment income	139,528	94,105	(20,203)	3(b)	213,430
Realized gain on repurchase of debentures	8,752				8,752
Net realized (losses) gains on investments	(1,591)	49,290			47,699
Net unrealized (losses) gains on investments	(79,707)	(217,498)			(297,205)
Other income	5,264	65			5,329
Foreign exchange gains (losses)	(49,397)	(1,848)			(51,245)
Total revenues	1,279,367	311,481	(20,203)		1,570,645
Expenses					
Losses and loss expense	772,154	155,632		6	927,786
Policy acquisition costs	234,951	36,429			271,380
General and administrative expenses	123,948	20,689			144,637
Share compensation expense	27,097	5,625			32,722
Finance expenses	57,318	2,659			59,977
Total expenses	1,215,468	221,034			1,436,502
Income before taxes	63,899	90,447	(20,203)		134,143
Income tax expense	(10,788)				(10,788)
Net income	**$ 53,111**	**$ 90,447**	**$ (20,203)**		**$ 123,355**
Preferred dividend and warrant dividend	6,947	14,939	(14,939)	3(g)	6,947
Net income available to common shareholders	**$ 46,164**	**$ 75,508**	**$ (5,264)**		**$ 116,408**

Earnings per share							
Weighted average number of common shares and common share equivalents outstanding							
Basic		74,677,903		52,124,034	54,426,286			129,104,189
Diluted		75,819,413		59,301,939	54,960,566			130,779,979
Basic earnings per share	$	0.62	$	1.45		7	$	0.90
Diluted earnings per share	$	0.61	$	1.45		7	$	0.89

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The following table sets forth unaudited condensed consolidated pro forma results of operations for the three months ended March 31, 2009 (expressed in thousands of U.S. dollars, except share and per share data) giving effect to the Amalgamation as if it had occurred at January 1, 2008:

	Historical Validus Holdings, Ltd.	Historical IPC Holdings, Ltd.	Pro Forma Purchase adjustments	Notes	Pro Forma Consolidated
Revenues					
Gross premiums written	$ 609,892	$ 234,610	$ (265)	3(e), 5	$ 844,237
Reinsurance premiums ceded	(72,512)	(3,154)	265	3(e)	(75,401)
Net premiums written	537,380	231,456			768,836
Change in unearned premiums	(218,621)	(132,748)			(351,369)
Net premiums earned	318,759	98,708			417,467
Net investment income	26,772	21,866	(4,191)	3(b)	44,447
Net realized (losses) gains on investments	(23,421)	(35,572)			(58,993)
Net unrealized (losses) gains on investments	22,153				22,153
Other income	757	7			764
Foreign exchange gains (losses)	(4,200)	(3,146)			(7,346)
Total revenues	340,820	81,863	(4,191)		418,492
Expenses					
Losses and loss expense	131,834	39,109		6	170,943
Policy acquisition costs	61,449	9,838			71,287
General and administrative expenses	38,079	21,792	(11,638)	3(b)	48,233
Share compensation expense	7,354	2,489			9,843
Finance expenses	7,723	383			8,106
Total expenses	246,439	73,611	(11,638)		308,412
Income before taxes	94,381	8,252	7,447		110,080
Income tax credit	526				526
Income after taxes	**$ 94,907**	**$ 8,252**	**$ 7,447**		**$ 110,606**
Preferred dividend and warrant dividend	1,736				1,736
Net income available to common shareholders	**$ 93,171**	**$ 8,252**	**$ 7,447**		**$ 108,870**

Earnings per share								
Weighted average number of common shares and common share equivalents outstanding								
Basic		75,744,577		55,903,740	54,425,368			130,169,945
Diluted		79,102,643		55,916,256	54,959,648			134,062,290
Basic earnings per share	$	1.23	$	0.15		7	$	0.84
Diluted earnings per share	$	1.20	$	0.15		7	$	0.83

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Validus Holdings, Ltd.

Notes To Unaudited Condensed Consolidated Pro Forma Financial Statements (unaudited)
(Expressed in thousands of U.S. dollars, except share and per share data)

1. Basis of Presentation

The unaudited condensed consolidated pro forma financial information gives effect to the Amalgamation as if it had occurred at March 31, 2009 for the purposes of the unaudited condensed consolidated pro forma balance sheet and at January 1, 2008 for the purposes of the unaudited condensed consolidated pro forma statements of operations for the year ended December 31, 2008 and three months ended March 31, 2009. The unaudited condensed consolidated pro forma financial information has been prepared by Validus management, after discussion with IPC s management, and is based on Validus historical consolidated financial statements and IPC s historical consolidated financial statements. Certain amounts from IPC s historical consolidated financial statements have been reclassified to conform to the Validus presentation.

This unaudited condensed consolidated pro forma financial information is prepared in conformity with US GAAP. The unaudited condensed consolidated pro forma balance sheet as of March 31, 2009 and the unaudited condensed consolidated pro forma statements of operations for the year ended December 31, 2008 and the three months ended March 31, 2009 have been prepared using the following information:

(a) Audited historical consolidated financial statements of Validus as of December 31, 2008 and for the year ended December 31, 2008;

(b) Audited historical consolidated financial statements of IPC as of December 31, 2008 and for the year ended December 31, 2008;

(c) Unaudited historical consolidated financial statements of Validus as of March 31, 2009 and for the three months ended March 31, 2009;

(d) Unaudited historical consolidated financial statements of IPC as of March 31, 2009 and for the three months ended March 31, 2009; and

(e) Such other known supplementary information as considered necessary to reflect the Amalgamation in the unaudited condensed consolidated pro forma financial information.

The pro forma adjustments reflecting the Amalgamation under the purchase method of accounting are based on certain estimates and assumptions. The unaudited condensed consolidated pro forma adjustments may be revised as additional information becomes available. The actual adjustments upon consummation of the Amalgamation and the allocation of the final purchase price of IPC will depend on a number of factors, including additional financial information available at such time, changes in values and changes in IPC s operating results between the date of preparation of this unaudited condensed consolidated pro forma financial information and the effective date of the Amalgamation. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments and it is possible the differences may be material. Validus management believes that its assumptions provide a reasonable basis for presenting all of the significant effects of the transactions contemplated based on information available to Validus at the time and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited condensed consolidated pro forma financial information.

The unaudited condensed consolidated pro forma financial information does not include any financial benefits, revenue enhancements or operating expense efficiencies arising from the Amalgamation. In addition, the unaudited condensed consolidated pro forma financial information does not include any additional expenses that may result from the Amalgamation. Estimated costs of the transaction as well as the benefit of the negative goodwill have been reflected in the unaudited condensed consolidated pro forma balance sheets, but have not been included on the pro forma income statement due to their non-recurring nature.

The unaudited condensed consolidated pro forma financial information is not intended to reflect the results of operations or the financial position that would have resulted had the Amalgamation been effected on

Validus Holdings, Ltd.

Notes To Unaudited Condensed Consolidated Pro Forma Financial Statements (unaudited) (Continued)
(Expressed in thousands of U.S. dollars, except share and per share data)

the dates indicated and if the companies had been managed as one entity. The unaudited condensed consolidated pro forma financial information should be read in conjunction with the Validus 10-Q, the Validus 10-K, the IPC 10-Q and the IPC 10-K, as filed with the SEC. See *Where You Can Find More Information*.

2. Recent Accounting Pronouncements

In December 2007, the FASB issued Statement No. 141(R), Business Combinations (FAS 141(R)) and No. 160, Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51 (FAS 160) which are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. On April 1, 2009 the FASB finalized and issued FSP FAS 141(R)-1 which amended and clarified FAS 141 (R) and is effective for business combinations whose acquisition date is on or after January 1, 2009.

FSP FAS 141(R)-1 has amended FAS 141(R) s guidance on the initial recognition and measurement, subsequent measurement and accounting, and disclosure of assets acquired and liabilities assumed in a business combination that arise from contingencies.

Significant changes arising from FAS 141 (R) and FSP FAS 141(R)-1 which will impact any future acquisitions include the determination of the purchase price and treatment of transaction expenses, restructuring charges and negative goodwill as follows:

Purchase Price Under FAS 141(R), the purchase price is determined as of the acquisition date, which is the date that the acquirer obtains control. Previously, the date the business combination was announced was used as the effective date in determining the purchase price;

Transactions Expenses Under FAS 141(R), all costs associated with purchase transactions must be expensed as incurred. Previously, all such costs could be capitalized and included as part of transaction purchase price, adding to the amount of goodwill recognized;

Restructuring Costs Under FAS 141(R), expected restructuring costs are not recorded at the closing date, but rather after the transaction. The only costs to be included as a liability at the closing date are those for which an acquirer is obligated at the time of the closing. Previously, restructuring costs that were planned to occur after the closing of the transaction were recognized and recorded at the closing date as a liability;

Negative Goodwill/Bargain Purchases Under FAS 141(R), where total fair value of net assets acquired exceeds consideration paid (creating negative goodwill), the acquirer will record a gain as a result of the bargain purchase, to be recognized through the income statement at the close of the transaction. Previously, negative goodwill was recognized as a pro rata reduction of the assets assumed to allow the net assets acquired to equal the consideration paid; and

Noncontrolling Interests Under FAS 141(R), in a partial or step acquisition where control is obtained, 100% of goodwill and identifiable net assets are recognized at fair value and the noncontrolling (sometimes called minority interest) interest is also recorded at fair value. Previously, in a partial acquisition only the controlling interest s share of goodwill was recognized, the controlling interest s share of identifiable net assets was recognized at fair value and the noncontrolling interest s share of identifiable net assets was recognized at carrying value. Under FAS 160, a noncontrolling interest is now recognized in the equity section, presented separately from the controlling interest s equity. Previously, noncontrolling interest in general was recorded in the mezzanine section.

Validus Holdings, Ltd.

Notes To Unaudited Condensed Consolidated Pro Forma Financial Statements (unaudited) (Continued)
(Expressed in thousands of U.S. dollars, except share and per share data)

3. Purchase Adjustments

On July 9, 2009, Validus and IPC signed an agreement providing for the amalgamation of Validus and IPC. Pursuant to the amalgamation, IPC shareholders will receive $7.50 in cash and 0.9727 Validus Shares for each IPC Share.

In connection with the Amalgamation, transaction costs currently estimated at $64,981 will be incurred and expensed. Of this amount, $24,830 relates to Validus expenses and $40,151 relates to IPC expenses as set forth in *The Amalgamation Sources of Funds, Fees and Expenses*. In addition, in connection with the Amalgamation, the Max Termination Fee has been incurred and expensed. Approximately $11,638 of the estimated $64,981 total transaction costs have been incurred and expensed by IPC in the three months ended March 31, 2009.

As discussed above, these pro forma purchase adjustments are based on certain estimates and assumptions made as of the date of the unaudited condensed consolidated pro forma financial information. The actual adjustments will depend on a number of factors, including changes in the estimated fair value of net balance sheet assets and operating results of IPC between March 31, 2009 and the effective date of the Amalgamation. Validus expects to make such adjustments at the effective date of the Amalgamation. These adjustments are likely to be different from the adjustments made to prepare the unaudited condensed consolidated pro forma financial information and such differences may be material.

The share prices for both Validus and IPC used in determining the preliminary estimated purchase price are based on the closing share prices on July 14, 2009. The preliminary total purchase price is calculated as follows:

Calculation of Total Purchase Price		
IPC Shares outstanding as of May 8, 2009		55,948,821
IPC Shares issued pursuant to option exercises		4,061
IPC Shares issued following vesting of restricted shares, RSUs and PSUs		549,275
Total IPC Shares and share equivalents prior to transaction		56,502,157
Exchange ratio		0.9727
Total Validus Shares to be issued		54,959,648
Validus closing share price on July 14, 2009	$	21.62
Total value of Validus Shares to be issued	$	1,188,228
Total cash consideration paid at $7.50 per IPC share	$	423,766
Total purchase price	$	1,611,994

The allocation of the purchase price is as follows:

Allocation of Purchase Price	
IPC shareholders equity(b)	$ 1,849,474
Total purchase price(a)	$ 1,611,994
Negative goodwill (a – b)	$ 237,480

(a) In connection with the Amalgamation, 54,959,648 shares are expected to be issued in exchange for all of IPC s common shares, common shares issued pursuant to option exercises, and common shares issued following vesting of restricted shares, restricted share units and performance share units resulting in additional share capital of $9,618 and Additional Paid-In Capital of $1,178,610. In addition, cash consideration of $7.50 per IPC share, or $423,766 in total, is expected to be paid to IPC shareholders.

Validus Holdings, Ltd.

Notes To Unaudited Condensed Consolidated Pro Forma Financial Statements (unaudited) (Continued)
(Expressed in thousands of U.S. dollars, except share and per share data)

(b) It is expected that total transaction costs currently estimated at $64,981 and the Max Termination Fee of $50,000 will be incurred and expensed by the consolidated entity. Based on an expected investment return of 3.75% per annum, investment income of $20,203 would have been foregone during the year end December 31, 2008 had these payments of $538,754 been made.

Approximately $11,638 of the estimated $64,981 total transaction costs have been incurred and expensed by IPC in the three months ended March 31, 2009. These expenses have been eliminated from the unaudited condensed consolidated pro forma results of operations for the three months ended March 31, 2009. In addition, an adjustment of $103,343 was recorded to cash and to retained earnings as at March 31, 2009 to reflect the remaining transaction costs and Max Termination Fee. Based on an expected investment return of 3.18% per annum, investment income of $4,191 would have been foregone during the three months ended March 31, 2009 had these remaining payments of $527,109 been made.

(c) Employees of IPC hold 522,000 options to purchase IPC Shares. These options would vest upon a change in control, and would be exercisable. The exercise price range of these options is from $13 to $49, with a weighted average of $34.40. It is expected that 4,061 net shares would be issued upon exercise of these options.

(d) Elimination of IPC s Ordinary Shares of $561, Additional Paid in Capital of $1,091,491, Accumulated Other Comprehensive Loss of $876 and Retained Earnings of $758,298.

(e) A related party balance of $265 for the three months ended March 31, 2009 and $251 for the year ended December 31, 2008 representing reinsurance ceded to IPC by Validus was eliminated from gross premiums written and reinsurance ceded. Corresponding prepaid reinsurance premiums and unearned premiums of $199 and premiums receivable and reinsurance balances payable of $160 have been eliminated from the pro forma balance sheet.

(f) The carrying value of assets and liabilities in IPC s financial statements are considered to be a proxy for fair value of those assets and liabilities, with the difference between the net assets and the total purchase price considered to be negative goodwill. In December 2007, the Financial Accounting Standards Board (FASB) issued Statement No. 141(R), Business Combinations (FAS 141(R)) This Statement defines a bargain purchase as a business combination in which the total acquisition-date fair value of the identifiable net assets acquired exceeds the fair value of the consideration transferred plus any noncontrolling interest in the acquiree, and it requires the acquirer to recognize that excess in earnings as a gain attributable to the acquirer. Negative goodwill of $237,480 has been recorded as a credit to retained earnings as upon completion of the Amalgamation negative goodwill will be treated as a gain in the consolidated statement of operations.

(g) On November 15, 2008, IPC s 9,000,000 Series A Mandatory Convertible preferred shares automatically converted pursuant to their terms into 9,129,600 common shares. Therefore, dividends of $14,939 on these preferred shares of IPC have been eliminated from the unaudited pro forma results of operations for the year ended December 31, 2008.

(h)

The share prices of both Validus and IPC used in preparing these unaudited condensed consolidated pro forma financial statements are based on the closing share prices on July 14, 2009, and were $21.62 and $27.49, respectively. As of July 31, 2009, the share prices were $22.70 and $28.94, respectively. The effect of using the July 31, 2009 closing share price in preparation of these unaudited condensed consolidated pro forma financial statements would have resulted in entries to additional paid in capital of $59,515 and to cash of $54 reflecting additional purchase price, and an offsetting entry to retained earnings of $59,569 reflecting reduced negative goodwill. Using July 31, 2009 share prices would have had no material effect on calculation of book value per share, diluted book value per share, basic earnings per share and diluted earnings per share.

Validus Holdings, Ltd.

Notes To Unaudited Condensed Consolidated Pro Forma Financial Statements (unaudited) (Continued)
(Expressed in thousands of U.S. dollars, except share and per share data)

4. Adjustments to cash and cash equivalents

The Amalgamation will result in the payment of cash and cash equivalents by IPC of $78,513 and by Validus of $448,596.

The unaudited condensed consolidated pro forma statements of operations reflect the impact of these reductions in cash and cash equivalents. Actual transaction costs may vary from such estimates which are based on the best information available at the time the unaudited condensed consolidated pro forma financial information was prepared.

For purposes of presentation in the unaudited condensed consolidated pro forma financial information, the sources and uses of funds of the Amalgamation are as follows:

Sources of funds	
IPC cash and cash equivalents	$ 78,513
Validus cash and cash equivalents	448,596
Total	$ 527,109

Uses of funds	
Cash consideration for IPC shares	$ 423,766
IPC transaction costs	28,513
Validus transaction costs	24,830
Max Termination Fee	50,000
Total	$ 527,109

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Validus Holdings, Ltd.

Notes To Unaudited Condensed Consolidated Pro Forma Financial Statements (unaudited) (Continued)
(Expressed in thousands of U.S. dollars, except share and per share data)

5. Gross Premiums Written

The following table sets forth the gross premiums written for the year ended December 31, 2008 by Validus, IPC and pro forma combined:

	Validus	IPC(a)	Purchase Adjustments	Combined
Validus Re				
Property Cat XOL(b)	$ 328,216	$ 333,749	$	$ 661,965
Property Per Risk XOL	54,056	10,666		64,722
Property Proportional(c)	110,695			110,695
Marine	117,744			117,744
Aerospace	39,323	18,125	(151)	57,297
Life and A&H	1,009			1,009
Financial Institutions	4,125			4,125
Other		8,318	(100)	8,218
Terrorism	25,502			25,502
Workers Comp	7,101			7,101
Total Validus Re Segment	687,771	370,858	(251)	1,058,378
Talbot				
Property	152,143			152,143
Marine	287,694			287,694
Aviation & Other	40,028			40,028
Accident & Health	18,314			18,314
Financial Institutions	42,263			42,263
War	128,693			128,693
Contingency	22,924			22,924
Bloodstock	16,937			16,937
Total Talbot Segment	708,996			708,996
Intersegment revenue				
Property	(21,724)			(21,724)
Marine	(8,543)			(8,543)
Specialty	(4,016)			(4,016)

Total Intersegment Revenue Eliminated	(34,283)			(34,283)
Adjustments for reinstatement premium		32,537		32,537
Total	$ 1,362,484	$ 403,395	$ (251)	$ 1,765,628

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Validus Holdings, Ltd.

Notes To Unaudited Condensed Consolidated Pro Forma Financial Statements (unaudited) (Continued)
(Expressed in thousands of U.S. dollars, except share and per share data)

The following table sets forth the gross premiums written for the three months ended March 31, 2009 by Validus, IPC and pro forma combined:

	Validus	IPC(a)	Purchase Adjustments	Combined
Validus Re				
Property Cat XOL(b)	$ 185,922	$ 198,948	$	$ 384,870
Property Per Risk XOL	15,698	8,150		23,848
Property Proportional(c)	43,751	12,350		56,101
Marine	121,548			121,548
Aerospace	14,033	9,351	(156)	23,228
Life and A&H	2,028			2,028
Financial Institutions	138			138
Other		2,244	(109)	2,135
Terrorism	21,974			21,974
Workers Comp	5,034			5,034
Total Validus Re Segment	410,126	231,043	(265)	640,904
Talbot				
Property	60,726			60,726
Marine	92,410			92,410
Aviation & Other	12,933			12,933
Accident & Health	4,974			4,974
Financial Institutions	9,098			9,098
War	38,778			38,778
Contingency	5,915			5,915
Bloodstock	3,086			3,086
Total Talbot Segment	227,920			227,920
Intersegment revenue				
Property	(13,108)			(13,108)
Marine	(7,858)			(7,858)
Specialty	(7,188)			(7,188)
Total Intersegment Revenue Eliminated	(28,154)			(28,154)

Adjustments for reinstatement premium		3,567		3,567
Total	$ 609,892	$ 234,610	$ (265)	$ 844,237

(a) For IPC, this includes annual (deposit) and adjustment premiums. Excludes reinstatement premiums of $32,537 for the year ended December 31, 2008 and $3,567 for the three months ended March 31, 2009 which are not classified by class of business by IPC.

Validus Holdings, Ltd.

Notes To Unaudited Condensed Consolidated Pro Forma Financial Statements (unaudited) (Continued)
(Expressed in thousands of U.S. dollars, except share and per share data)

(b) For Validus, Cat XOL is comprised of Catastrophe XOL, Aggregate XOL, RPP, Per Event XOL, Second Event and Third Event covers. For IPC, this includes Catastrophe XOL and Retrocessional.

(c) Proportional is comprised of Quota Share and Surplus Share.

6. Selected Ratios

Selected ratios of Validus, IPC and pro forma combined are as follows:

	Year Ended December 31, 2008			Three Months Ended March 31, 2009		
	Validus	IPC	Pro forma combined	Validus	IPC	Pro forma combined
Losses and loss expense ratios	61.5%	40.2%	56.4%	41.4%	39.6%	40.9%
Policy acquisition costs ratios	18.7	9.4	16.5	19.3	10.0	17.1
General and administrative cost ratios	12.0	6.8	10.8	14.3	24.6	13.9
Combined ratio	92.2%	56.4%	83.7%	75.0%	74.2%	71.9%

(a) Factors affecting the losses and loss expense ratio for the year ended December 31, 2008

Validus losses and loss expense ratio, which is defined as losses and loss expenses divided by net premiums earned, for the year ended December 31, 2008 was 61.5%. During the year ended December 31, 2008, the frequency and severity of worldwide losses that materially affected Validus losses and loss expense ratio increased. During the year ended December 31, 2008, Validus incurred $260,567 and $22,141 of loss expense attributable to Hurricanes Ike and Gustav, which represent 20.7 and 1.8 percentage points of the losses and loss expense ratio, respectively. Other notable loss events added $45,895 of 2008 loss expense or 3.7 percentage points of the losses and loss expense ratio bringing the total effect of aforementioned events on the 2008 losses and loss expense ratio to 26.2 percentage points. Favorable loss development on prior years totaled $69,702. Favorable loss reserve development benefited Validus losses and loss expense ratio for the year ended December 31, 2008 by 5.5 percentage points.

IPC s losses and loss expense ratio, which is defined as losses and loss expenses divided by net premiums earned, for the year ended December 31, 2008 was 40.2%. IPC incurred net losses and loss adjustment expenses of $155,632 for the year ended December 31, 2008. Total net losses for the year ended December 31, 2008 relating to the current year were $206,578, while reductions to estimates of ultimate net loss for prior year events were $50,946. During 2008, IPC s incurred losses included: $23,012 from the Alon Refinery explosion in Texas, a storm that affected Queensland, Australia, and Windstorm Emma that affected parts of Europe, which all occurred in the first quarter of 2008; $10,500 from the flooding in Iowa in June and tornadoes that affected the mid-west United States in May 2008; together with $160,000 from Hurricane Ike and $7,600 from Hurricane Gustav, which both occurred in September 2008. The impact on IPC s 2008 losses and loss expense ratio from these events was 51.9 percentage points. The losses from these events were partly offset by reductions to IPC s estimates of ultimate loss for a number of prior year events, including $11,000 for Hurricane Katrina, $18,609 for the storm and flooding that affected New South Wales, Australia in 2007 and $22,871 for the floods that affected parts of the U.K. in June and July 2007. The cumulative $52,480 of favorable loss reserve development benefited the IPC s losses and loss expense ratio for the year ended December 31, 2008 by 13.5 percentage points.

(b) Factors affecting the losses and loss expense ratio for the three months ended March 31, 2009

Validus losses and loss expense ratio, which is defined as losses and loss expenses divided by net premiums earned, for the three months ended March 31, 2009, was 41.4%. During the three months ended March 31, 2009, Validus incurred $6,889 and $6,625 of loss expense attributable to Windstorm Klaus and

Validus Holdings, Ltd.

Notes To Unaudited Condensed Consolidated Pro Forma Financial Statements (unaudited) (Continued)
(Expressed in thousands of U.S. dollars, except share and per share data)

Australian wildfires, respectively, which represent 2.2 and 2.1 percentage points of the losses and loss expense ratio, respectively. Favorable loss development on prior years totaled $8,079. Favorable loss reserve development benefited Validus losses and loss expense ratio for the months ended March 31, 2009 by 2.5 percentage points.

IPC s losses and loss expense ratio, which is defined as losses and loss expenses divided by net premiums earned, for the three months ended March 31, 2009, was 39.6%. In the quarter ended March 31, 2009, IPC incurred net losses and loss adjustment expenses of $39,109, compared to $5,324 in the first quarter of 2008. Net losses incurred in the first quarter of 2009 included $15,000 from Winter Storm Klaus that affected southern France and $13,326 from the bushfires in south eastern Australia, as well as net adverse development to their estimates of ultimate losses for several prior year events. The impact on IPC s losses and loss expense ratio from these events was 28.7 percentage points.

7. Earnings per Common Share

(a) Pro forma earnings per common share for the year ended December 31, 2008 and the three months ended March 31, 2009 have been calculated based on the estimated weighted average number of common shares outstanding on a pro forma basis, as described in 7(b) below. The historical weighted average number of common shares outstanding of Validus was 74,677,903 and 75,819,413 basic and diluted, respectively, for the year ended December 31, 2008 and 75,744,577 and 79,102,643 basic and diluted, respectively, for the three months ended March 31, 2009.

(b) The pro forma weighted average number of common shares outstanding for the year ended December 31, 2008 and three months ended March 31, 2009, after giving effect to the exchange of shares as if the shares issued pursuant to the Amalgamation had been issued and outstanding for the whole year, is 129,104,189 and 130,779,979, basic and diluted, and 130,169,945 and 134,062,290, basic and diluted, respectively.

(c) In the basic earnings per share calculation, dividends and distributions declared on warrants are deducted from net income. In calculating diluted earnings per share, we consider the application of the treasury stock method and the two-class method and which ever is more dilutive is included into the calculation of diluted earnings per share.

The following table sets forth the computation of basic and diluted earnings per share for the three months ended March 31, 2009:

	Historical Validus Holdings	Pro Forma Consolidated
Net income	$ 94,907	$ 110,606
Weighted average shares basic ordinary shares outstanding	75,744,577	130,169,945
Share Equivalents		
Warrants	2,307,094	2,307,094

Restricted Shares	683,468	1,217,747
Options	367,504	367,504
Weighted average shares diluted	79,102,643	134,062,290
Basic earnings per share	$ 1.23	$ 0.84
Diluted earnings per share	$ 1.20	$ 0.83

Validus Holdings, Ltd.

Notes To Unaudited Condensed Consolidated Pro Forma Financial Statements (unaudited) (Continued)
(Expressed in thousands of U.S. dollars, except share and per share data)

The following table sets forth the computation of basic and diluted earnings per share for the year ended December 31, 2008:

	Historical Validus Holdings	Pro Forma Consolidated
Net income available to common shareholders	$ 46,164	$ 116,408
Weighted average shares basic ordinary shares outstanding	74,677,903	129,104,189
Share equivalents		
Warrants		
Restricted Shares	1,004,809	1,539,089
Options	136,701	136,701
Weighted average shares diluted	75,819,413	130,779,979
Basic earnings per share	$ 0.62	$ 0.90
Diluted earnings per share	$ 0.61	$ 0.89

8. Book Value per Share

Validus calculates diluted book value per share using the as-if-converted method, where all proceeds received upon exercise of warrants and stock options would be retained by Validus and the resulting common shares from exercise remain outstanding. In its public records, IPC calculates diluted book value per share using the treasury stock method, where proceeds received upon exercise of warrants and stock options would be used by IPC to repurchase shares from the market, with the net common shares from exercise remaining outstanding. Accordingly, for the purposes of the Pro Forma Condensed Consolidated Financial Statements and notes thereto, IPC s diluted book value per share has been recalculated based on the as-if-converted method to be consistent with Validus calculation.

Validus Holdings, Ltd.

Notes To Unaudited Condensed Consolidated Pro Forma Financial Statements (unaudited) (Continued)
(Expressed in thousands of U.S. dollars, except share and per share data)

The following table sets forth the computation of book value and diluted book value per share adjusted for the Amalgamation as of March 31, 2009:

	Historical Validus Holdings	Pro Forma Consolidated
Book value per common share calculation		
Total shareholders equity	$ 2,022,986	$ 3,345,351
Shares	75,828,922	130,254,290
Book value per common share	$ 26.68	$ 25.68
Diluted book value per common share calculation		
Total Shareholders equity	$ 2,022,986	$ 3,345,351
Proceeds of assumed exercise of outstanding warrants	$ 152,316	$ 152,316
Proceeds of assumed exercise of outstanding stock options	$ 50,969	$ 68,709
Unvested restricted shares		
	$ 2,226,271	$ 3,566,376
Shares	75,828,922	130,254,290
Warrants	8,680,149	8,680,149
Options	2,795,868	3,291,945
Unvested restricted shares	3,012,854	3,547,133
	90,317,793	145,773,517
Diluted book value per common share	$ 24.65	$ 24.47

9. Capitalization

The following table sets forth the computation of debt to total capitalization and debt (excluding debentures payable) to total capitalization at March 31, 2009, adjusted for the Amalgamation:

	Historical Validus Holdings	Pro Forma Consolidated
Total debt		
Borrowings drawn under credit facility	$	$
Debentures payable	304,300	304,300

Total debt	$	304,300	$	304,300
Total capitalization				
Total shareholders equity	$	2,022,986	$	3,345,351
Borrowings drawn under credit facility				
Debentures payable		304,300		304,300
Total capitalization	$	2,327,286	$	3,649,651
Total debt to total capitalization		13.1%		8.3%
Debt (excluding debentures payable) to total capitalization		0.0%		0.0%

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COMPARATIVE PER SHARE DATA

The pro forma combined data is taken from the *Unaudited Condensed Consolidated Pro Forma Financial Information* above.

The historical earnings per share, dividends, and book value of Validus and IPC shown in the table below are derived from their respective audited consolidated financial statements as of and for the year ended December 31, 2008 and the unaudited consolidated financial statements as of and for the three months ended March 31, 2009. The unaudited pro forma comparative basic and diluted earnings per share data give effect to the Amalgamation using the purchase method of accounting as if the Amalgamation had been completed on January 1, 2008. The unaudited pro forma book value and diluted book value per share information was computed as if the Amalgamation had been completed on December 31, 2008 and March 31, 2009. You should read this information in conjunction with the historical financial information of Validus and of IPC included or incorporated elsewhere in this joint proxy statement/prospectus, including Validus and IPC s financial statements and related notes. The unaudited pro forma data is not necessarily indicative of actual results had the Amalgamation occurred during the periods indicated. The unaudited pro forma data is not necessarily indicative of future operations of Validus.

This pro forma information is subject to risks and uncertainties, including those discussed in *Risk Factors*.

	Per share data at or for the year ended December 31, 2008			
	Historical Validus	Historical IPC	Validus Pro Forma combined	Equivalent Per IPC Share(1)
Basic earnings per common share	$ 0.62	$ 1.45	$ 0.90	$ 0.88
Diluted earnings per common share	$ 0.61	$ 1.45	$ 0.89	$ 0.87
Cash dividends declared per common share	$ 0.80	$ 0.88	$ 0.80	$ 0.78
Book value per common share	$ 25.64	$ 33.00	$ 25.00	$ 24.32(2)

	Per share data at or for the three months ended March 31, 2009			
	Historical Validus	Historical IPC	Validus Pro Forma combined	Equivalent Per IPC Share(1)
Basic earnings per common share	$ 1.23	$ 0.15	$ 0.84	$ 0.82
Diluted earnings per common share	$ 1.20	$ 0.15	$ 0.83	$ 0.81
Cash dividends declared per common share	$ 0.20	$ 0.22	$ 0.20	$ 0.19
Book value per common share (at period end)	$ 26.68	$ 33.06	$ 25.68	$ 24.98(2)

(1) Equivalent per share amounts are calculated by multiplying Validus pro forma per share amounts by the Amalgamation exchange ratio of 0.9727.

(2) For purposes of calculating equivalent per IPC Share values for book value per common share, the equivalent per share amounts do not include the $7.50 per IPC Share cash consideration.

COMPARATIVE MARKET PRICE AND DIVIDEND INFORMATION

Validus Shares and IPC Shares are quoted on the NYSE and NASDAQ, respectively, under the ticker symbols VR and IPCR, respectively. The following table sets forth the high and low closing prices per share of Validus Shares and IPC Shares for the periods indicated (commencing, in the case of Validus, from Validus initial public offering on July 25, 2007) as reported on the consolidated tape of the NYSE or NASDAQ Global Select Market, as applicable, as well as cash dividends per common share, as reported in the Validus 10-K and the IPC 10-K, respectively, with respect to the years 2007 and 2008, and thereafter as reported in publicly available sources.

	Validus			IPC		
	High	**Low**	**Dividend**	**High**	**Low**	**Dividend**
Year ended December 31, 2009						
First Quarter	$ 26.30	$ 21.25	$ 0.20	$ 30.25	$ 20.89	$ 0.22
Second Quarter	$ 24.55	$ 20.93	$ 0.20	$ 28.14	$ 24.55	$ 0.22
Third Quarter (through July 31, 2009)	$ 23.22	$ 21.17	$ 0.20(1)	$ 29.26	$ 27.03	$ 0.22(1)
December 31, 2008						
First Quarter	$ 26.22	$ 23.00	$ 0.20	$ 28.25	$ 24.82	$ 0.22
Second Quarter	$ 23.72	$ 20.11	$ 0.20	$ 30.38	$ 26.55	$ 0.22
Third Quarter	$ 24.70	$ 20.00	$ 0.20	$ 33.00	$ 26.58	$ 0.22
Fourth Quarter	$ 26.16	$ 14.84	$ 0.20	$ 29.90	$ 19.52	$ 0.22
Year ended December 31, 2007						
First Quarter	N/A	N/A	N/A	$ 31.53	$ 27.82	$ 0.20
Second Quarter	N/A	N/A	N/A	$ 32.53	$ 28.57	$ 0.20
Third Quarter	$ 25.28	$ 21.11	N/A	$ 33.01	$ 24.01	$ 0.20
Fourth Quarter	$ 26.59	$ 24.73	N/A	$ 30.13	$ 26.87	$ 0.20

(1) On July 28, 2009, Validus board of directors declared a quarterly dividend of $0.20 per Validus Share and $0.20 per common share equivalent for which each outstanding warrant is then exercisable. The dividend is payable on September 30, 2009 to shareholders and warrant holders of record on August 20, 2009. On July 23, 2009, IPC s board of directors declared a quarterly dividend of $0.22 per IPC share, payable on September 2, 2009 to shareholders of record on August 20, 2009.

The following table sets out the trading information for Validus Shares and IPC Shares on March 30, 2009, the last full trading day before Validus public announcement of delivery of its initial offer to the board of directors of IPC, and July 31, 2009, the last practicable trading day prior to the filing of this joint proxy statement/prospectus.

	Validus Common Share Close	IPC Common Share Close	Equivalent Validus Per-Share Amount
March 30, 2009	$ 24.91	$ 25.41	$ 24.23

July 8, 2009	$	22.60	$	27.61	$	21.98
July 31, 2009	$	22.70	$	28.94	$	22.08

Equivalent per-share amounts are calculated by multiplying Validus per-share amounts by the Amalgamation exchange ratio of 0.9727, but do not include the $7.50 per IPC Share cash consideration.

The value of the Amalgamation will change as the market prices of Validus Shares and IPC Shares fluctuate prior to the consummation of the Amalgamation, and may therefore be different from the prices set forth above and at the time you receive the amalgamation consideration. See *Risk Factors*. IPC shareholders are encouraged to obtain current market quotations for Validus Shares and IPC Shares.

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Please also see *The Amalgamation NYSE Listing and NASDAQ; Reservation for Issuance* for a discussion regarding the delisting of IPC Shares from the NASDAQ Global Select Market and the Bermuda Stock Exchange after the effective time of the Amalgamation.

As of July 27, 2009, directors and executive officers of Validus (exclusive of those shareholders who Validus deems to be qualified sponsors (as defined in this joint proxy statement/prospectus)) held and were entitled to vote approximately 1.92% of the outstanding Validus Shares. As of July 27, 2009, directors and executive officers of IPC held and were entitled to vote approximately 0.8% of the outstanding IPC Shares.

RATIO OF EARNINGS TO FIXED CHARGES

The ratio of earnings to fixed charges and ratio of earnings to fixed charges excluding Funds at Lloyd s costs (FAL Costs) are measures of Validus ability to cover fixed costs with current period earnings. For purposes of computing the following ratios, earnings consist of net income before income tax expense plus fixed charges to the extent that such charges are included in the determination of earnings. Fixed charges consist of interest, amortization of debt issuance costs and credit facility fees and an imputed interest portion on operating leases. The following table is derived from unaudited results for the three months ended March 31, 2009 and audited results for the years ended December 31, 2008, 2007, 2006 and the period from October 19, 2005, the date of Validus incorporation, to December 31, 2005. In addition, the table presents the pro forma combined ratio of earnings to fixed charges for the three months ended March 31, 2009 and year ended December 31, 2008.

	Pro Forma Combined(1)		Validus				
	Three Months Ended March 31, 2009	Year Ended December 31, 2008	Three Months Ended March 31, 2009	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006	Period Ended December 31, 2005(2)
Ratio of Earnings to Fixed Charges	14.3	3.2	13.0	2.1	8.7	21.7	NM
Ratio of Earnings to Fixed Charges Excluding FAL Costs(3)	14.9	5.0	13.6	3.1	15.7	21.7	NM

(1) The Pro Forma Combined reflects the Amalgamation and related adjustments using the pro forma financial information presented pursuant to Article 11 of Regulation S-X. For a discussion of the assumptions and adjustments made in preparation of the pro forma financial information presented in this joint proxy statement/prospectus, see *Unaudited Condensed Consolidated Pro Forma Financial Information*.

(2) Validus commenced underwriting activities on January 1, 2006. There were no earnings from underwriting activities during the period ended December 31, 2005.

(3) FAL Costs represent both fixed and variable costs paid for financing Validus operations at Lloyd s. The ratio of earnings to fixed charges excluding FAL Costs demonstrates the degree to which the ratio changes if FAL Costs are treated as variable rather than fixed costs.

NM: Not meaningful

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RECENT DEVELOPMENTS

Validus Unaudited Second Quarter Earnings

On July 29, 2009, Validus announced its financial results for the fiscal quarter ended June 30, 2009. Net income for the three months ended June 30, 2009 was $137.6 million compared to net income of $75.9 million for the three months ended June 30, 2008, an increase of $61.6 million or 81.2%. The primary factors driving the increase in net income were:

- Increase in net unrealized gains on investments of $80.2 million; and
- Increased foreign exchange gains of $7.5 million due to strengthening of British pounds sterling in comparison to the U.S. dollar;

The items above were partially offset by the following factors:

- Transaction expenses of $15.9 million in relation to the acquisition and Amalgamation Agreement;
- Decrease in net investment income of $9.5 million due to increased balances of cash and cash equivalents and lower returns on cash and fixed income investments; and
- Gain on repurchase of debentures of $8.8 million realized during the three months ended June 30, 2008. No such gain was realized during the three months ended June 30, 2009.

On July 28, 2009, Validus board of directors declared a quarterly dividend of $0.20 per Validus Share and $0.20 per common share equivalent for which each outstanding warrant is then exercisable. The dividend is payable on September 30, 2009 to shareholders and warrant holders of record on August 20, 2009.

IPC Unaudited Second Quarter Earnings

On July 23, 2009, IPC announced net income for the quarter ended June 30, 2009, of $173.9 million, or $3.11 per diluted IPC Share, compared to $47.4 million, or $0.78 per diluted IPC Share, for the second quarter of 2008. For the six months ended June 30, 2009, IPC reported net income of $182.1 million, or $3.25 per diluted IPC Share, compared to $134.3 million, or $2.12 per diluted IPC Share, for the first six months of 2008. IPC s first half earnings were impacted by, among other things, improvements in pricing, a general absence of significant catastrophe events, and an improvement in the equity and debt markets.

On July 23, 2009, IPC s board of directors declared a quarterly dividend of $0.22 per IPC share, payable on September 2, 2009 to shareholders of record on August 20, 2009.

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THE COMPANIES

Validus

Validus is a Bermuda exempted company, with its principal executive offices located at 19 Par-La-Ville Road, Hamilton HM11, Bermuda. The telephone number of Validus is (441) 278-9000. Validus is a provider of reinsurance and insurance, conducting its operations worldwide through two wholly owned subsidiaries, Validus Re and Talbot. Validus Re is a Bermuda-based reinsurer focused on short-tail lines of reinsurance. Talbot is the Bermuda parent of the specialty insurance group primarily operating within the Lloyd s insurance market through Syndicate 1183. At March 31, 2009, Validus had total shareholders equity of $2.023 billion and total assets of $4.763 billion. Validus Shares are traded on the NYSE under the symbol VR and, as of July 31, 2009, the last practicable date prior to the filing of this joint proxy statement/prospectus, Validus had a market capitalization of approximately $1.729 billion. Validus has approximately 280 employees.

As of the date of the filing of this joint proxy statement/prospectus with the SEC, Validus was the registered holder of 100 IPC Shares, or less than 1% of the outstanding IPC Shares.

IPC

IPC provides property catastrophe reinsurance and, to a limited extent, property-per-risk excess, aviation (including satellite) and other short-tail reinsurance on a worldwide basis. During 2008, approximately 93% of its gross premiums written, excluding reinstatement premiums, covered property catastrophe reinsurance risks. Property catastrophe reinsurance covers against unpredictable events such as hurricanes, windstorms, hailstorms, earthquakes, volcanic eruptions, fires, industrial explosions, freezes, riots, floods and other man-made or natural disasters. The substantial majority of the reinsurance written by IPCRe, IPC s Bermuda-based catastrophe reinsurance subsidiary, has been, and continues to be, written on an excess of loss basis for primary insurers rather than reinsurers, and is subject to aggregate limits on exposure to losses. During 2008, IPC had approximately 258 clients from whom it received either annual/deposit or adjustment premiums, including many of the leading insurance companies around the world. In 2008, approximately 36% of those clients were based in the United States, and approximately 53% of gross premiums written, excluding reinstatement premiums, related primarily to U.S. risks. IPC s non-U.S. clients and its non-U.S. covered risks are located principally in Europe, Japan, Australia and New Zealand. During 2008, no single ceding insurer accounted for more than 3.7% of its gross premiums written, excluding reinstatement premiums. At March 31, 2009, IPC had total shareholders equity of $1.849 billion and total assets of $2.453 billion.

In response to a severe imbalance between the global supply of and demand for property catastrophe reinsurance that developed during the period from 1989 through 1993, IPC and IPCRe were formed as Bermuda companies and commenced operations in June 1993 through the sponsorship of American International Group, Inc. (AIG). On August 15, 2006, AIG sold its entire shareholding in an underwritten public offering. As from August 15, 2006, to IPC s knowledge, AIG no longer has any direct ownership interest in IPC.

IPC Shares are quoted on the NASDAQ Global Select Market under the ticker symbol IPCR and the Bermuda Stock Exchange under the symbol IPCR BH. IPCRe Europe Limited, a subsidiary of IPCRe incorporated in Ireland, underwrites select reinsurance business. Currently, IPCRe Europe Limited retrocedes 90% of the business it underwrites to IPCRe.

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RISK FACTORS

In addition to the risk factors set forth below, you should read and consider other risk factors specific to each of the Validus and IPC businesses that will also affect Validus after consummation of the Amalgamation, described in Part I, Item 1A of each company s annual report on Form 10-K for the year ended December 31, 2008 and other documents that have been filed with the SEC and all of which are incorporated by reference into this joint proxy statement/prospectus. If any of the risks described below or in the reports incorporated by reference into this joint proxy statement/prospectus actually occurs, the respective businesses, financial results, financial conditions, operating results or share prices of Validus or IPC could be materially adversely affected.

Risk Factors Relating to the Amalgamation

The value of the Validus Shares that the IPC shareholders receive in the Amalgamation will vary as a result of the fixed exchange ratio and possible fluctuations in the price of Validus Shares.

Upon consummation of the Amalgamation each IPC Share (other than IPC Shares held by dissenting IPC shareholders or by Validus and its subsidiaries) will be exchanged into 0.9727 Validus Shares, $7.50 in cash (less any applicable withholding taxes and without interest) and cash in lieu of fractional shares. Because the exchange ratio is fixed at 0.9727 Validus Shares for each IPC Share, the market value of the Validus Shares issued in exchange for IPC Shares will depend upon the market price of a Validus Share at the date the Amalgamation is consummated. If the price of Validus Shares declines, IPC shareholders could receive less value for their shares upon the consummation of the Amalgamation than the value calculated pursuant to the exchange ratio on the date the Amalgamation was announced or as of the date of the filing of this joint proxy statement/prospectus. Share price changes may result from a variety of factors that are beyond the companies control, including general market conditions, changes in business prospects, catastrophic events, both natural and man-made, and regulatory considerations.

In connection with the Amalgamation, Validus estimates that it will need to issue approximately 54,959,648 Validus Shares. The increase in the number of outstanding Validus Shares may lead to sales of such shares or the perception that such sales may occur, either of which may adversely affect the market for, and the market price of, Validus Shares.

The Amalgamation remains subject to conditions and failure to complete the Amalgamation could negatively impact Validus and IPC.

The Amalgamation Agreement contains a number of conditions precedent that must be satisfied or waived prior to the consummation of the Amalgamation. In addition, the Amalgamation Agreement may be terminated under certain circumstances. See *The Amalgamation Agreement Termination of the Amalgamation Agreement* for a description of the circumstances under which the Amalgamation Agreement can be terminated.

If the Amalgamation is not completed, the ongoing business of Validus and IPC may be adversely affected as follows:

- the attention of management of Validus and IPC will have been diverted to the Amalgamation instead of being directed solely to each company s own operations and pursuit of other opportunities that could have been beneficial to such company;

- either Validus or IPC will have to pay certain costs relating to the Amalgamation, including certain legal, accounting and financial advisory fees;

either Validus or IPC may be required, in certain circumstances, to pay a termination fee of $16 million to the other party; and

in the case of Validus, Validus may not have a right to be reimbursed the $50 million it advanced to IPC in respect of the Max Termination Fee upon the execution of the Amalgamation Agreement.

Validus and/or IPC may waive one or more of the conditions to the Amalgamation without resoliciting or seeking additional shareholder approval.

Each of the conditions to Validus and IPC s obligations to complete the Amalgamation, may be waived, to the extent legally permissible, in whole or in part by the other party. The board of directors of Validus and IPC will evaluate the materiality of any such waiver to determine whether resolicitation of proxies is necessary or, if shareholder approval has been received, whether further shareholder approval is necessary. In the event that any such waiver is not determined to be significant enough to require resolicitation or additional approval of shareholders, the Amalgamation may be consummated without seeking any further shareholder approval.

Failure to obtain effective consents of IPC s reinsurance counterparties or Validus lenders to the Amalgamation could materially adversely affect the Amalgamation or the business of IPC or Validus.

With regards to IPC s reinsurance arrangements, many in-force reinsurance contracts contain change of control provisions. In addition, many of these reinsurance contracts are annually renewable and whether or not they may be terminated in a change of control, reinsurance cedants may choose not to renew these contracts with the combined entity. Termination and failure to renew reinsurance agreements by contractual counterparties could result in a material adverse effect on the combined entity s business, financial condition and operating results, as well as on the market value of the combined entity s common shares. In addition, if Validus is unable to obtain the consent of the lenders under its credit facilities to the Amalgamation, Validus may be required to pay down the outstanding obligations. Currently, one requirement to the effectiveness of the amendments to Validus credit facilities is that the financial strength rating assigned to Validus Re and IPCRe by A.M. Best is no lower than A− . This ratings requirement is not a condition to the consummation of the Amalgamation under the terms of the Amalgamation Agreement. If the conditions to the effectiveness of the lenders consents, such as the ratings requirement, are not met, or Validus is required to pay down any obligations, Validus may be forced to find alternative sources for secured letters of credit, which may not be available, or if available, may be on unfavorable terms.

Potential payments made to dissenting IPC shareholders in respect of their rights to appraisal of their shares could exceed the amount of consideration otherwise due to them under the terms of the Amalgamation Agreement.

Any IPC shareholder may apply, within one month after the date of notice convening the IPC special meeting, for an appraisal of the fair value of its IPC Shares. See *The Amalgamation Dissenters Rights of Appraisal for IPC Shareholders*. Validus may be required to pay the fair value appraised by the court to such dissenting shareholder which could be less than, equal to or more than the amalgamation consideration. Any such payments may have a material adverse effect on Validus business, financial condition and operating results, as well as the market price of the Validus Shares.

The financial analyses and forecasts considered by Validus and IPC and their respective financial advisors may not be realized, which may adversely affect the market price of the Validus Shares following the Amalgamation.

In performing their financial analyses and rendering their opinions regarding the fairness from a financial perspective of the consideration in the Amalgamation, each of the respective financial advisors to Validus and IPC independently reviewed and relied on, among other things, internal stand-alone and *pro forma* financial analyses and forecasts as separately provided to each respective financial advisor by Validus or IPC. See *The Amalgamation Projected Financial Information*. These analyses and forecasts were prepared by, or as directed by, the managements of Validus and IPC and were also considered by Validus and IPC s boards of directors. None of these analyses or forecasts was prepared with a view towards public disclosure or compliance with the published guidelines of the SEC or the American Institute of Certified Public Accountants regarding projections and forecasts. These projections are inherently based on various estimates and assumptions that are subject to the judgment of those preparing them. These projections are also subject to significant economic, competitive, industry and other uncertainties and contingencies, all of which are difficult or impossible to predict and many of which are beyond the control of Validus and IPC. Accordingly, there can be

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no assurance that Validus or IPC s financial condition or results of operations will not be significantly worse than those set forth in such analyses and forecasts. Significantly worse financial results could have a material adverse effect on the market price of the Validus Shares following the Amalgamation.

Certain directors and executive officers of IPC have interests in the Amalgamation that are different from, or in addition to, the interests of IPC shareholders generally.

In considering the recommendation of the IPC board of directors with respect to the Amalgamation, IPC shareholders should be aware that, as discussed below under *The Amalgamation Interests of IPC Directors and Executive Officers in the Amalgamation*, certain of IPC s directors and executive officers have financial interests in the Amalgamation that are different from, or in addition to, the interests of IPC shareholders generally.

The Amalgamation Agreement contains provisions that restrict IPC from pursuing alternative transactions or engaging in discussions with third parties as to alternative transactions.

The Amalgamation Agreement contains detailed provisions that restrict IPC s and each of its subsidiaries ability to initiate, solicit, encourage (including by providing information) or facilitate proposals regarding any amalgamation or similar transaction with another party or participate or otherwise engage in any discussions or negotiations relating to such an alternative transaction, unless such action is reasonably likely to be required in order for the directors to comply with their fiduciary duties under applicable law and certain other conditions are satisfied. Although IPC s board of directors is permitted to change its recommendation in response to a bona fide unsolicited superior acquisition proposal, such a change in its recommendation gives Validus the right to terminate the Amalgamation Agreement, receive a termination fee and receive reimbursement for the $50 million advanced in respect of the Max Termination Fee. For more information please see *The Amalgamation Agreement Restrictions on Change in Recommendation by the Boards of Directors of IPC or Validus* and *Restrictions on Solicitation of Acquisition Proposals by IPC* and *The Amalgamation Agreement Termination of Amalgamation Agreement Effects of Termination; Remedies*.

The Validus Shares to be received by IPC shareholders as a result of the Amalgamation will have different rights from IPC Shares.

Following completion of the Amalgamation, IPC shareholders will no longer be shareholders of IPC, but will instead be shareholders of Validus. There will be important differences between your current rights as an IPC shareholder and the rights to which you will be entitled as a shareholder of Validus. See *Comparison of Shareholders Rights* for a discussion of the different rights associated with Validus Shares.

Risk Factors Relating to IPC s Businesses

You should read and consider other risk factors specific to IPC s businesses that will also affect Validus after the Amalgamation, described in Part I, Item 1A of the IPC 10-K and other documents that have been filed by IPC with the SEC and which are incorporated by reference into this joint proxy statement/prospectus.

Risk Factors Relating to Validus Businesses

You should read and consider other risk factors specific to Validus businesses that will also affect Validus after the Amalgamation, described in Part I, Item 1A of the Validus 10-K and other documents that have been filed by Validus with the SEC and which are incorporated by reference into this joint proxy statement/prospectus.

Risk Factors Relating to Validus Following the Amalgamation

Validus may experience difficulties integrating IPC s businesses, which could cause Validus to fail to realize the anticipated benefits of the Amalgamation.

If the Amalgamation is consummated, achieving the anticipated benefits of the Amalgamation will depend in part upon whether the two companies integrate their businesses in an effective and efficient manner. Validus may not be able to accomplish this integration process smoothly or successfully. The integration of

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certain operations following the Amalgamation will take time and will require the dedication of significant management resources, which may temporarily distract management s attention from the routine business of the combined entity.

Any delay or inability of management to successfully integrate the operations of the two companies could compromise the combined entity s potential to achieve the anticipated long-term strategic benefits of the Amalgamation and could have a material adverse effect on the business, financial condition, operating results and market value of Validus Shares after the Amalgamation.

The Amalgamation may result in ratings downgrades of one or more of Validus insurance or reinsurance subsidiaries (including the newly acquired IPC insurance and reinsurance operating companies) which may adversely affect Validus business, financial condition and operating results, as well as the market price of Validus Shares.

Ratings with respect to claims paying ability and financial strength are important factors in maintaining customer confidence in Validus and its ability to market insurance and reinsurance products and compete with other insurance and reinsurance companies. Rating organizations regularly analyze the financial performance and condition of insurers and reinsurers and will likely reevaluate the ratings of Validus and its reinsurance subsidiaries following the consummation of the Amalgamation, if applicable. Following the announcement of the Amalgamation Agreement, Standard & Poor s revised its outlook on Validus to positive from stable, and affirmed its BBB– counterparty credit rating on Validus and A.M. Best changed the outlook to negative with respect to the A– financial strength rating and a- issuer credit rating of Validus reinsurance subsidiary, Validus Reinsurance Ltd. (Validus Re), and the bbb– issuer credit rating of Validus. In addition, Moody s affirmed its outlook of negative with respect to the A3 insurance financial strength rating of Validus Re and the Baa2 long-term issuer rating of Validus. Additionally, following the announcement of the Amalgamation Agreement, A.M. Best downgraded the financial strength ratings to A– (Excellent) from A (Excellent) and issuer credit ratings to a– from a for the reinsurance subsidiaries of IPC (including IPCRe and IPCRe Europe Limited) and also downgraded the issuer credit rating to bbb– from bbb for IPC and indicated that these ratings continue to be under review with negative implications. Following the Amalgamation, any ratings downgrades, or the potential for ratings downgrades, of Validus or its subsidiaries (including the newly acquired IPC operating companies) could adversely affect Validus ability to market and distribute products and services and successfully compete in the marketplace, which could have a material adverse effect on its business, financial condition and operating results, as well as the market price for Validus Shares.

The occurrence of severe catastrophic events after the completion of the Amalgamation could cause Validus net income to be more volatile than if the Amalgamation did not take place.

For the year ended December 31, 2008, Validus gross premiums (excluding reinstatement premiums) written on property catastrophe business were $328.2 million or 24.1% of total gross premiums written. For the year ended December 31, 2008, 93% of IPC s gross premiums written covered property catastrophe reinsurance risks. For the year ended December 31, 2008, after giving effect to the Amalgamation as if it had been consummated on December 31, 2008, gross premiums written on property catastrophe business would have been $661.9 million or 37.5% of total gross premiums of Validus on a pro forma basis. Because Validus after the Amalgamation will, among other things, have larger aggregate exposures to natural and man-made disasters than it does today, Validus aggregate loss experience could have a significant influence on Validus net income. Please see *Unaudited Condensed Consolidated Pro Forma Financial Information.*

THE AMALGAMATION

General Description

On July 9, 2009, IPC, Validus and Validus Ltd. entered into the Amalgamation Agreement. Validus board of directors unanimously adopted the Amalgamation Agreement on that date and deemed it fair, advisable and in the best interests of Validus to enter into the Amalgamation Agreement and to consummate the transactions contemplated thereby. IPC s board of directors unanimously adopted the Amalgamation Agreement on that date and authorized and approved the Amalgamation upon the terms and subject to the conditions set forth in the Amalgamation Agreement and deemed it fair to, advisable to and in the best interests of IPC and its shareholders to enter into the Amalgamation Agreement and to consummate the Amalgamation and the other transactions contemplated thereby.

Subject to shareholder approval as described in this joint proxy statement/prospectus and the satisfaction or waiver of the other conditions specified in the Amalgamation Agreement, on the Closing Date of the Amalgamation, IPC will amalgamate with Validus Ltd. Pursuant to the Amalgamation Agreement, after the effective time of the Amalgamation, IPC shareholders (other than shareholders that exercise appraisal rights pursuant to Bermuda law, and other than Validus and its subsidiaries) will have the right to receive 0.9727 Validus Shares, $7.50 in cash (less any applicable withholding tax and without interest) and cash in lieu of fractional shares in exchange for each IPC Share they hold.

Further details relating to the structure of the Amalgamation and the amalgamation consideration are described in *The Amalgamation Agreement Structure of the Amalgamation* and *The Amalgamation Agreement Amalgamation Consideration*.

Background

Since its inception in 1993, IPC has successfully operated as a monoline company focused on property catastrophe reinsurance. IPC has periodically reviewed ways to enhance its performance and prospects in light of conditions in the reinsurance and insurance markets, economic conditions, regulatory developments and competitive and other factors. Following the losses from the 2005 Atlantic hurricanes, the rating agencies increased the capital requirements for monoline property catastrophe reinsurers. By October 2007, it was evident to IPC s management and IPC s board of directors that if IPC continued to follow the monoline property catastrophe model IPC had previously pursued, it might be more challenging to optimize shareholder value in the future as compared to following a more diversified business model. IPC s board of directors, with input from IPC s management, decided that strategic options should be developed and evaluated. To drive this process forward, on October 23, 2007 IPC s board of directors established IPC s business development committee to assist IPC s management in developing such options for review by IPC s board of directors.

In the first quarter of 2008, IPC engaged JPMorgan to assist IPC with a strategic review process. As part of that strategic review process, IPC s board of directors and IPC s management confirmed their preliminary conclusion that it would be in IPC s interest to diversify beyond its monoline property catastrophe business model. IPC s board of directors and IPC s management determined to consider achieving these objectives by investigating the opportunities to do so through internal growth or a business combination with a company with diversified business lines and platforms with a market capitalization of a similar size to IPC s market capitalization.

In March of 2008, IPC s business development committee asked IPC s management to develop two business plans in order to assist IPC s directors in their strategic review: a monoline plan that assumed IPC would continue as a monoline property catastrophe reinsurer, and an organic growth plan, consisting of an organic diversification of business lines and platforms over time leveraging existing resources of the company. During the summer of 2008, IPC s management, after discussion with IPC s board of directors, also began consideration of a run-off scenario which assumed that IPC would cease to write new business and return capital to its shareholders over time as reserves were paid out.

From July through early November 2008, IPC s business development committee began considering early versions of the organic growth case developed by IPC s management for diversifying IPC s business lines. In addition, IPC, with JPMorgan s assistance, started to identify and evaluate potential counterparties, including Validus and Max, that were of a similar size to IPC, and with whom a combination potentially could diversify IPC s business lines and platforms for the purpose of reducing the volatility inherent in focusing on catastrophe reinsurance and spreading IPC s risk base across less correlated risks. IPC s business development committee, with assistance from JPMorgan, designed a process to narrow the field of potential counterparties to a select list and to meet with, exchange information with and select potential counterparties to continue in IPC s strategic process. In early October, after discussions among IPC management, IPC s board of directors and JPMorgan, IPC s board of directors authorized JPMorgan to contact a select list of third parties from among the potential counterparties and peer companies that IPC initially considered. The parties on the select list were those that IPC determined were most likely to satisfy its strategic objectives that IPC s board of directors had developed at that time, and it excluded parties that IPC believed were not appropriate potential counterparties for a business combination. For example, although IPC had previously identified Validus as a potential counterparty because of its similar size to IPC, after careful consideration IPC did not include Validus in its select list of potential counterparties for JPMorgan to contact because IPC determined that a business combination with Validus was not likely to satisfy IPC s strategic objectives.

During the second half of October 2008 and first half of November, IPC entered into confidentiality and standstill agreements with eight of these potential counterparties: Party A, Party B, Party C, Party D, Party E, Party F, Party G and Max.

Subsequently, JPMorgan and IPC management received an unsolicited oral indication of interest from a party (*Party H*) that IPC s board of directors and management had previously decided not to consider inviting into IPC s strategic process after determining that a transaction with Party H would not meet IPC s strategic objectives. IPC management also received an informal indication of interest from Flagstone Reinsurance Holdings Limited (*Flagstone*), a smaller Bermuda based insurance and reinsurance company than IPC as measured by market capitalization, discussions with which IPC determined not to be in the best interest of IPC to pursue further.

The initial contact between IPC and Max was made on October 14, 2008. Representatives from JPMorgan placed a call to Max s chief executive officer, W. Marston Becker, and informed him that they had been engaged to assist with a strategic review of IPC and that Max had been identified as a potential counterparty for a business combination transaction.

On October 26, 2008, Max and IPC entered into the confidentiality and standstill agreement mentioned above in order for the parties to continue discussions and exchange information.

On October 27, 2008, JPMorgan and Merrill Lynch, which was acting as Max s financial advisor with respect to a potential business combination with IPC, had a conference call to discuss the next steps in the process of a potential transaction between IPC and Max.

During this time, JPMorgan also had preliminary discussions with each of Party A, Party B, Party C, Party D, Party E and Party G to assess their interest in a combination with IPC and their fit with the strategic goals of IPC s board of directors. In the course of these discussions, Party A indicated that it was not interested in engaging in discussions regarding any transaction until after January 1, 2009, when the period in which most reinsurance contracts are renewed had ended. Party F failed to schedule any meetings with IPC or its advisors and showed little interest in further pursuing a transaction with IPC. IPC ceased discussions with Party F shortly thereafter.

On November 3, 2008, IPC received an unsolicited letter from a large, publicly traded insurance company (*Party J*) proposing that IPC and Party J enter into an exclusivity agreement to discuss an acquisition of IPC by Party J in a stock-for-stock transaction.

IPC s business development committee met on November 6, 2008 with JPMorgan and IPC s outside legal counsel to consider the terms contained in Party J s letter. IPC s business development committee determined, because Party J s proposal was based on an unsatisfactory valuation of IPC s book value and was subject to detailed due diligence, that it was not in IPC s best interest to enter into an exclusivity agreement with Party J and authorized IPC s management to respond to Party J s letter by declining to enter into an exclusivity agreement but offering to allow Party J to otherwise participate in IPC s on-going strategic process. On November 7, 2008, IPC responded to Party J s offer by sending it a letter proposing that IPC and Party J enter into a confidentiality and standstill agreement and that Party J participate in IPC s on-going strategic process on the same basis as the other parties already in discussions with IPC. Party J responded in a letter on November 10, 2008 withdrawing its original offer and declining to participate in IPC s strategic process.

At the same meeting on November 6, 2008, IPC s business development committee also determined that it was not in IPC s best interest to delay further discussions of a business combination until after January 1, 2009 and decided to continue moving ahead in the strategic process without Party A.

From the beginning of November through December 10, 2008, IPC management engaged in discussions regarding potential business combinations of IPC with Party B, Party C, Party D, Party E and Party G. On November 10, 2008, certain officers and representatives of Max met with IPC s directors, Mark R. Bridges and Peter S. Christie and with James P. Bryce, IPC s chief executive officer at that time, John R. Weale, IPC s chief financial officer at that time, and JPMorgan to discuss the process and to present Max s preliminary views regarding a potential business combination. Max and IPC each provided updates on their respective business and operations, including an assessment of the then-current business climate. On November 26, 2008, members of Max s management met with Kenneth L. Hammond, the Chairman of IPC s board of directors, and Mr. Bridges to further discuss the potential business combination between IPC and Max. Max was invited to submit a proposal for a business combination with IPC by December 8, 2008. In connection therewith, JPMorgan and Merrill Lynch held various calls to discuss the potential amalgamation.

On December 5, 2008, after consulting with Merrill Lynch, Max developed and submitted a preliminary proposal for a business combination transaction between IPC and Max structured as a stock-for-stock transaction with an exchange ratio based on the relative book values of the two companies. Max also provided information regarding its intentions with respect to the combined business, the board of directors, and the roles of management.

During this time period, IPC s officers and directors met several times among themselves and with IPC s outside advisors to discuss the status of negotiations with each party and worked to develop the specific terms upon which IPC would be willing to enter into a business combination. IPC also asked Party B, Party C, Party D, Party E and Party G to submit formal business combination proposals before December 8, 2008.

At a meeting on December 10, 2008, IPC s directors and management reconfirmed their view that Party H did not meet IPC s strategic objectives and determined not to pursue further discussions with Party H.

Also during the meeting on December 10, 2008, IPC s directors and management reviewed the business combination proposals that had been received from other potential counterparties. In addition to Max, IPC had received formal written proposals from Party B, Party C and Party D. Party E submitted an oral proposal. After a discussion among IPC s directors and management, with input from JPMorgan and IPC s outside counsel, IPC determined not to pursue further discussions with Party E because the oral proposal did not satisfy the criteria IPC had established. Party G had communicated that a business combination with IPC did not fit within Party G s strategic plan at that time and that Party G no longer wished to continue to be considered a potential counterparty to a business combination. IPC determined to cease further negotiations with Party G.

Between December 10 and December 17, 2008, IPC s management and JPMorgan continued discussions with Party B, Party C and Party D and worked to further develop proposals from these parties.

On December 16, 2008, Merrill Lynch and JPMorgan had a conference call to review Max s proposal and provide IPC additional information regarding Max and its proposal.

On December 17, 2008, IPC s business development committee met to discuss the proposals received from Max as well as from Party B, Party C and Party D. IPC s business development committee found the proposals from Party C, Party D and Max to be in line with the rationale and goals IPC had set for entering into a business combination. The proposal received from Party B, despite repeated negotiations with IPC s management and JPMorgan, failed to satisfy many of IPC s desired characteristics, and included terms in which IPC s shareholders would receive non-U.S. listed stock as consideration along with a complex debt security. Accordingly, IPC determined to cease pursuing a potential transaction with Party B as that proposal was not deemed to be in the best interests of IPC.

Also on December 17, 2008, members of IPC s business development committee met with a group of individuals (*Party K*) who had expressed an interest in a transaction with IPC to pursue a strategy of transformational organic growth by diversifying IPC s business lines under a new senior management team.

On December 19, 2008, IPC s board of directors met and discussed the proposals from Party C, Party D and Max with IPC s management and IPC s advisors in conjunction with discussing IPC s monoline and organic growth business plans. IPC s board of directors approved IPC continuing discussions regarding a business combination with Party C, Party D and Max. IPC s board of directors also instructed IPC s management to finalize a formal presentation regarding the monoline plan, the organic growth plan and the run-off scenario. IPC s board of directors also asked IPC s management to benchmark projected growth under the monoline plan, the organic growth plan and potential business combinations against the growth achieved by selected Bermuda reinsurance companies that had pursued a transformational organic growth strategy in the past. During this meeting, one of IPC s directors, Peter Christie, confirmed a prior informal disclosure to IPC s other directors that he owned 10,667 Max common shares.

On December 22, 2008, Merrill Lynch and JPMorgan had a conference call in which JPMorgan relayed concerns from IPC s board of directors relating to the preliminary proposal submitted by Max, including the fact that Max s proposed exchange ratio did not account for the market prices of the companies at that time.

Between December 19, 2008 and January 6, 2009, IPC s management and JPMorgan engaged in several meetings and other discussions with Party C, Party D and Max to further explore issues surrounding a business combination with each party. IPC and its advisors also engaged in an assessment of the members of senior management of Party C, Party D and Max, evaluating the capabilities and qualifications of such management to manage a combined company.

On January 6, 2009, IPC s board of directors met to discuss IPC s business development committee s meeting with Party K. IPC management and JPMorgan also discussed the results of further discussions with Party C, Party D and Max, including that Max and IPC continued to be engaged in negotiations regarding the valuation methodology to be used for valuing the respective companies in a business combination transaction.

During this time, Max and its advisors conducted business and financial due diligence on IPC. On January 6, 2009, after consultation and discussions with Merrill Lynch, Max submitted a revised proposal to IPC. The revised proposal continued to be based on a stock-for-stock transaction, but the exchange ratio was amended to consider both the relative book values and the relative market values of the companies by basing the exchange ratio on the average of the two companies market value per share and book value per share. On the following day, Merrill Lynch had a conference call with JPMorgan to review and answer clarifying questions on Max s revised proposal.

On January 8, 2009, Max, IPC, Merrill Lynch and JPMorgan had a meeting to review and discuss IPC s financial information. Following this meeting, Max had a meeting with IPC on January 12, 2008 to review its financial information.

On January 11, 2009, IPC received a formal, written proposal from Party K.

On January 13, 2009, IPC s business development committee met to discuss setting timelines for completing the process of evaluating potential transactions with Party C, Party D, Party K and Max and developed formal counterproposals with regard to Party C, Party D and Max.

On January 15, 2009, Merrill Lynch and JPMorgan had calls during which JPMorgan provided an update on the process and reviewed next steps.

IPC s board of directors met on January 16, 2009 and reviewed the revised proposal received from Max and revised proposals IPC had received from Party C and Party D. IPC s board of directors, in conjunction with IPC s management, developed counterproposals for Party C, Party D and Max and authorized JPMorgan to communicate the respective counterproposals to each party. IPC s board of directors also discussed the written proposal that had been received from Party K, determined that it was not in IPC s best interest to pursue a transaction with Party K at that time and authorized IPC s business development committee to communicate that determination to Party K.

From January 16 until January 29, 2009, IPC and its outside advisors (including an independent consulting firm, an independent investment advisory firm, an independent accounting firm and IPC s legal advisors) engaged in due diligence on Max and Party C. IPC s management met separately several times with the management teams of Max and Party C, along with their respective advisors, and worked together with Max and Party C to develop views on preliminary business plans for potential combined companies and conduct preliminary due diligence on key threshold items. IPC also continued negotiating the terms of a business combination with Max and Party C during this time and prepared and negotiated term sheets with each of Max and Party C. During the course of those negotiations IPC and Party D, a non-publicly traded company, could not come to an agreement over the proper method for valuing Party D. As a result, IPC and Party D determined not to engage in further discussions regarding a business combination.

IPC provided a term sheet to Max on January 17, 2009 and had organizational due diligence calls with Max and Merrill Lynch on January 19, 2009 and in-person due diligence meetings with Max and Merrill Lynch on January 21, 2009.

On January 23, 2009, Max and Merrill Lynch provided comments to IPC s draft non-binding term sheet to JPMorgan and Merrill Lynch had conference calls with JPMorgan to discuss the comments.

On January 27, 2009, certain officers of Max met with Messrs. Hammond and Bridges to review each company s financial information as well as preliminary views as to how the businesses could be combined.

On January 29, 2009, IPC s board of directors met to discuss the ongoing strategic review process. IPC s management presented its formal monoline and organic growth plans to IPC s board of directors. IPC s board of directors, with input from management and IPC s outside advisors, then discussed the results of the due diligence investigations into Party C and Max and the status of ongoing negotiations with each party. IPC s board of directors also discussed its views of Party C s and Max s respective management teams. At the conclusion of the meeting, IPC s board of directors concluded that while no decision had been made to enter into a definitive transaction agreement with any party, pursuing such a transaction with Max (including performing additional due diligence and negotiating a definitive transaction agreement) would be more in IPC s interest than pursuing such a transaction with Party C. IPC s board of directors authorized IPC management to finalize a non-binding term sheet with Max, including the valuation methodology upon which the definitive transaction agreement would be entered into, and also to enter into an exclusivity agreement with Max. On January 30, 2009, Mr. Hammond informed representatives of Max about IPC s proposal to enter into an exclusivity agreement with Max.

IPC s and Max s management, along with their respective advisors, negotiated the exclusivity agreement and the non-binding term sheet between January 30 and February 2, 2009. On February 2, 2009, Max and IPC finalized the non-binding term sheet and entered into a 28-day exclusivity agreement. The non-binding term sheet provided, among other things, for the basic framework for the transaction structure, governance for the combined company and a methodology to arrive at an exchange ratio for the transaction, based on an average of the two companies market value per share and book value per share.

On January 31, 2009, while IPC and Max were in discussions regarding the exclusivity agreement and the non-binding term sheet, Party C notified IPC that it no longer wished to engage in discussions regarding a business combination with IPC.

In the period from February 2 to February 20, 2009, representatives of management of IPC and its advisors and independent consultants, and representatives of management of Max and its financial and legal advisors, worked to continue IPC s due diligence investigation into Max and Max s due diligence investigation into IPC. IPC s outside legal advisor provided to Max and Max s outside legal advisor, a form of amalgamation agreement, and worked with Max s outside legal advisor to negotiate definitive transaction documentation.

On February 11, 2009, Max announced its financial results for the fiscal quarter and year ended December 31, 2008 and Max s management held a conference call with analysts and other interested parties to discuss such results.

On February 11 and February 12, 2009, IPC and Max made joint presentations to A.M. Best Company, Standard & Poor s Financial Services LLC, and Moody s Investors Service regarding IPC s and Max s managements views of the potential financial strength of a potential combined company.

IPC contacted Wachovia Bank, National Association (Wachovia) on February 13, 2009, to begin discussions regarding amending IPC s credit facility to permit IPC to enter into and consummate an amalgamation agreement with Max without potentially causing any default under the credit facility. During this same period, Max engaged in discussions with its lender syndicate regarding a potential amendment to its credit facility. After discussions with IPC s and Max s management and their advisors, Wachovia and several other banks who were members of IPC s and Max s respective loan syndicates signed confidentiality agreements with IPC and Max during the week of February 16, 2009. Between February 16 and March 1, 2009, IPC, Max and their advisors negotiated the terms of the amendments to both Max s and IPC s respective credit facilities.

On February 17, 2009, IPC announced its financial results for the fiscal quarter and year ended December 31, 2008 and IPC s management held a conference call on the morning of February 18, 2009 with analysts and other interested parties to discuss such results.

On February 18, 2009, directors from IPC met with Max s directors and certain of Max s officers. Max s chief executive officer made a presentation to the members of both boards of directors regarding the potential benefits of a combination of IPC and Max and described Max s management s vision for the combined company and the role that a combined Max-IPC management team would have in achieving that vision.

On February 20, 2009, IPC s board of directors met, along with JPMorgan and other of IPC s advisors, and discussed with Mr. Roberts, Max s chief financial officer, and Max s and IPC s independent accounting firm to discuss potential purchase accounting adjustments that could result from a combination of IPC and Max. Following this discussion, Mr. Roberts and Max s independent accounting firm left the meeting. Representatives of IPC s outside legal counsel discussed with IPC s directors each director s legal duties in connection with considering a transaction with Max. IPC management presented a run-off scenario to IPC s directors, as well as the results of a benchmarking of the book value growth achieved by selected Bermuda reinsurance companies that had implemented a transformational organic growth strategy between 2002 and the first half of 2005. The benchmarking analysis compared these book value growth rates to projected book value growth under the monoline case, the organic growth case and a potential combination with Max. IPC management also presented a business plan for the combined company that had been developed together with Max. IPC s directors also received due diligence reports from IPC s advisors, including an independent consulting firm, an independent investment advisory firm, an independent accounting firm and IPC s legal advisors, and discussed the results of such advisors due diligence.

Between February 20 and February 27, 2008, IPC s and Max s officers and advisors continued to engage in negotiations and due diligence on the other company, including negotiations regarding transaction protection provisions to be contained in any definitive amalgamation agreement.

On February 25, 2009, IPC s board of directors convened by telephone along with IPC s advisors to discuss the results of further negotiations with Max. IPC s board of directors discussed a number of transaction terms that were still being negotiated, including extensive discussions regarding the transaction protections, closing conditions and termination rights to be included in the definitive amalgamation agreement.

On February 27, 2009, a meeting of IPC s board of directors was held. JPMorgan made a presentation to IPC s board of directors regarding its financial analysis. IPC s management, JPMorgan and Sullivan &

Cromwell LLP provided an overview of events since IPC s board of directors telephonic meeting on February 25, 2009. IPC s management and outside advisors, including an independent consulting firm, an independent investment advisory firm, an independent accounting firm and IPC s legal advisors, reported the final results of their in-depth due diligence review of Max and its business. IPC s board of directors discussed prevailing market conditions and IPC s strategic alternatives. Representatives of IPC s outside legal counsel discussed with IPC s board of directors their legal duties in connection with any consideration of a possible strategic transaction. Sullivan & Cromwell LLP also presented a summary of the legal terms of the most recent draft of the Max Amalgamation Agreement, including the shareholder and regulatory approvals that would be required to complete the transaction and the possible timeframe for obtaining such approvals. During the remainder of February 27, February 28 and the morning of March 1, 2009, IPC s business development committee and representatives of IPC s and Max s management and their respective legal and financial advisors worked to finalize the Max Amalgamation Agreement and related definitive documentation.

On March 1, 2009, IPC and Max reached an agreement, subject to their respective board of directors approval, on an exchange ratio by which the holders of Max common shares would receive 0.6429 IPC Shares in exchange for each Max common share held by Max shareholders.

IPC s board of directors met again on March 1, 2009. JPMorgan presented an analysis of the financial terms of the Max proposal. IPC s management also updated IPC s directors on the results of negotiations with the banks in IPC s credit facility and described the terms of the amendment that would need to be entered into if IPC intended to execute an amalgamation agreement with Max.

JPMorgan then delivered to IPC s board of directors its oral opinion, subsequently confirmed in writing on the same day, that based upon and subject to the factors and assumptions stated in that opinion, as of March 1, 2009, the exchange ratio of 0.6429 IPC Shares to be exchanged in respect of each Max common share in the transaction was fair, from a financial point of view, to IPC.

Following these discussions, and extensive review and discussion among IPC s directors, IPC s board of directors unanimously approved the Max Amalgamation Agreement and the transactions contemplated thereby and declared the amalgamation and other transactions contemplated in the Max Amalgamation Agreement, including the amendments proposed to IPC s credit facilities, to be advisable and in the best interests of IPC. IPC s board of directors resolved that a meeting of the IPC shareholders be convened to approve the bye-law amendments, approve the name change, approve the issuance of IPC Shares to Max shareholders as contemplated by the Max Amalgamation Agreement, and elect the directors named therein. IPC s board of directors then directed that management sign the definitive Max Amalgamation Agreement as soon as reasonably practicable.

In the afternoon of March 1, 2009, the parties executed the Max Amalgamation Agreement. Prior to the opening of the financial markets in New York City on March 2, 2009, IPC and Max announced that they had entered into a transaction contemplating the amalgamation of Max and IPC (the Proposed Max Amalgamation).

On March 18, 2009, Validus engaged Greenhill to assist Validus with reviewing a possible offer to acquire IPC.

Validus board of directors met on March 25, 2009 to consider the terms of an offer to acquire each outstanding IPC Share in exchange for a number of Validus Shares based on a fixed exchange ratio, subject to the termination of the Max Amalgamation Agreement. Following discussions among Validus directors, Validus board of directors authorized and directed Validus management to make an offer to IPC to exchange each outstanding IPC Share for a number of Validus Shares based on a fixed exchange ratio, subject to the termination of the Max Amalgamation Agreement.

On March 27, 2009, IPC filed a Registration Statement on Form S-4 with the SEC in connection with the Proposed Max Amalgamation (as amended from time to time, the IPC/Max S-4).

During this period, Validus management and its financial advisors analyzed the pro forma effect of the proposed offer to acquire IPC on Validus financial position, earnings, book value and rating agency capital position and discussed the impact on Validus with its directors and its rating agencies.

On March 29, 2009, following discussions among Validus directors, Validus board of directors unanimously approved the initial Validus offer to acquire IPC (the Initial Validus Offer), pursuant to which each IPC Share would be exchanged for 1.2037 Validus Shares, and the transactions contemplated thereby and declared the Initial Validus Offer and other transactions contemplated thereby to be fair to, advisable and in the best interests of Validus, subject to receipt from Greenhill of its opinion to the board of directors of Validus that the exchange ratio of 1.2037 Validus Shares for each IPC Share was fair, from a financial point of view, to Validus.

On March 30, 2009, Greenhill, financial advisor to Validus, delivered its oral opinion to the board of directors of Validus, subsequently confirmed in writing, that, based upon and subject to the various limitations and assumptions described in the written opinion, as of March 31, 2009, the consideration pursuant to the Initial Validus Offer, pursuant to which each IPC Share would be exchanged for 1.2037 Validus Shares, was fair, from a financial point of view, to Validus.

On the morning of March 31, 2009, Edward J. Noonan, the Chief Executive Officer and Chairman of the board of directors of Validus, placed a telephone call to James P. Bryce, who was at that time the Chief Executive Officer and President of IPC. Mr. Noonan spoke with Mr. Bryce and explained that Validus intended to make an offer to exchange each outstanding IPC Share for 1.2037 Validus Shares, subject to the termination of the Max Amalgamation Agreement.

Following this telephone call, in the morning of March 31, 2009, Validus delivered a proposal letter containing the Initial Validus Offer to IPC s board of directors in care of Mr. Bryce and issued a press release announcing the Initial Validus Offer. The Initial Validus Offer contemplated an acquisition of IPC by Validus pursuant to a share-for-share exchange in which each IPC Share would be exchanged for 1.2037 Validus Shares. The closing price of a Validus Share on the NYSE on March 30, 2009, the day prior to the announcement of the Initial Validus Offer, was $24.91, resulting in an implied premium for Validus offer to IPC s market price of 18.0% (calculated based on the closing price of Validus Shares times the number of Validus Shares to be exchanged for each IPC Share). The Initial Validus Offer was based on the Max Amalgamation Agreement, but with certain differences, including:

Pursuant to the Initial Validus Offer, Validus would issue Validus Shares in exchange for IPC Shares, whereas in the Proposed Max Amalgamation IPC would issue IPC Shares in exchange for the common shares of Max.

Validus obligation to close the proposed acquisition would be conditioned on obtaining all waivers or amendments that Validus, in its sole discretion, deemed to be necessary under any of IPC s or Validus credit facilities. The Max Amalgamation Agreement did not include such a closing condition and IPC and Max had previously obtained all requisite amendments required under their respective credit facilities.

The Initial Validus Offer was not subject to U.S. insurance regulatory approvals.

Validus proposed that IPC, but not Validus, would be bound by certain deal protection and non-solicitation provisions. Under the Max Amalgamation Agreement, IPC and Max were reciprocally bound under similar provisions.

The Initial Validus Offer did not contemplate that any of IPC s directors would serve on the board of directors of Validus or any of its subsidiaries after the consummation of the acquisition, nor did it provide for IPC s management to have any role in the management of Validus or its subsidiaries after the consummation of the acquisition. By contrast, under the Max Amalgamation Agreement, IPC and Max agreed to provide for representation from both companies independent directors on the combined entity s board of directors (including IPC s chairman as chairman of the combined entity) and for IPC s management to have senior positions in the management of the combined entity. Validus stated in a press release dated April 2, 2009, that it would be willing to discuss continued board representation in the potential Validus-IPC combined entity for members of IPC s board of directors.

On that same day, IPC issued a press release announcing that IPC s board of directors would review the terms of the Initial Validus Offer in a manner consistent with its obligations under the Max Amalgamation Agreement and applicable law.

Also in the afternoon on March 31, 2009, Max issued a press release announcing that it had received from IPC a copy of the letter from Validus outlining the Initial Validus Offer and stating, in part, that it believed that Max s track record of building a diversified platform should lead to better long-term growth prospects and value creation following completion of the Proposed Max Amalgamation.

On April 1, 2009, IPC s board of directors met to discuss the Initial Validus Offer. At that meeting, IPC s outside legal advisors reviewed with IPC s board of directors the directors fiduciary duties under Bermuda law and related legal considerations applicable to IPC s board of directors review of the Initial Validus Offer, including an analysis of the applicable requirements of the Max Amalgamation Agreement. IPC s board of directors considered certain information regarding Validus and certain financial aspects of the Initial Validus Offer including the following (which to the extent relating to Validus, was based on publicly available information, including information contained in Validus SEC filings): an overview of Validus current and historical share price and trading multiples; IPC s trading multiples implied by the Initial Validus Offer; implied premiums and discounts to IPC s common share price represented by the Initial Validus Offer over different time periods; Validus historical financial performance; rating agency reviews; and commentary of sell-side analysts regarding Validus.

On April 2, 2009, Max delivered a letter to IPC s board of directors describing several reasons Max did not believe the Initial Validus Offer to be a superior proposal within the meaning of the Max Amalgamation Agreement. Later that same day, IPC s board of directors received a letter from Validus disputing the statements made in Max s letter.

Between April 1, 2009 and April 6, 2009, members of the business development committee of IPC s board of directors met several times, either telephonically or in person, with IPC management and IPC s advisors to discuss the Initial Validus Offer.

On April 6, 2009, IPC s board of directors met again to further review the Initial Validus Offer. IPC s outside legal advisors reviewed with IPC s board of directors their fiduciary duties under Bermuda law, the related legal considerations resulting from the Max Amalgamation Agreement, Validus reservation of rights to withdraw the Initial Validus Offer and certain other legal, regulatory and timing aspects of the Initial Validus Offer. IPC s board of directors considered certain information regarding Validus and certain financial aspects of the Initial Validus Offer, including the following (which, to the extent relating to Validus, was based on publicly available information, including information contained in Validus SEC filings): business mix; historical operating performance and benchmarking against peers; review of losses from hurricanes Ike and Gustav; estimates of risk exposure to certain catastrophe events; current balance sheet; investment portfolio and historical investment returns; rating agency and equity analyst information; an overview of Validus current and historical share price, trading multiples, trading volume and float; IPC s trading multiples implied by the Initial Validus Offer over different time periods; implied premiums and discounts to the price of IPC s common shares represented by the Initial Validus Offer; implied premiums and discounts represented by the exchange ratio in the Initial Validus Offer over the exchange ratio implied by market prices, exchange ratio implied by book value and exchange ratio implied by tangible book value; an illustration of potential value creation that could result from an acquisition of IPC by Validus at various price to book value trading multiples; and a preliminary analysis of the accretion (or dilution) that would result from an acquisition of IPC by Validus. In certain instances, the information presented was on a comparative basis to Max and IPC or to the Proposed Max Amalgamation. IPC s board of directors did not request, and JPMorgan did not provide, an opinion as to the fairness or inadequacy of the Initial Validus Offer. IPC s board of directors determined not to request an updated fairness opinion from JPMorgan regarding the Proposed Max Amalgamation or an opinion as to the fairness or inadequacy of the Initial Validus Offer after consideration of (1) the fact that IPC was already bound by the terms of the Max Amalgamation Agreement, (2) IPC s rights and obligations under the

Max Amalgamation Agreement and Bermuda law to perform under the Max Amalgamation Agreement and/or change its recommendation to IPC s shareholders regarding the Proposed Max Amalgamation and (3) the proposed terms of the Initial Validus Offer. IPC s board of directors also took into consideration its determination that an acquisition of IPC by Validus would not satisfy the strategic objective IPC had identified at that time of diversifying its risk base and would involve other significant risks inherent in the Validus Shares and the Initial Validus Offer.

IPC s board of directors met again on the morning of April 7, 2009. After thoroughly reviewing the Initial Validus Offer and after consulting with management and its outside legal and financial advisors and upon consideration of a variety of factors, IPC s board of directors unanimously determined that the Initial Validus Offer did not constitute a superior proposal as defined in the Max Amalgamation Agreement and reaffirmed its recommendation of the Proposed Max Amalgamation.

On April 7, 2009, following IPC s board of directors meeting, IPC advised Max of the determination of IPC s board of directors that the Initial Validus Offer did not represent a superior proposal under the terms of the Max Amalgamation Agreement.

Also on April 7, 2009, IPC issued a press release announcing that IPC s board of directors, after thorough consideration and consultation with management and its legal and financial advisors, determined that the Initial Validus Offer did not constitute a superior proposal under the terms of the Max Amalgamation Agreement, and reaffirming its recommendation that IPC shareholders approve the Proposed Max Amalgamation. IPC s board of directors also sent a letter to Validus setting forth several of the reasons why IPC s board of directors did not determine the Initial Validus Offer to be a superior proposal.

On April 8, 2009, Validus sent a letter to IPC s board of directors regarding the IPC press release and letter and issued a press release announcing the letter, which stated that Validus intended to file proxy solicitation materials opposing the Proposed Max Amalgamation and that it was commencing litigation to seek to have reduced the $50 million termination fee payable in certain circumstances under the Max Amalgamation Agreement.

On April 9, 2009, Validus filed a preliminary proxy statement with the SEC which, in its definitive form, was used to solicit votes from IPC shareholders against the Proposed Max Amalgamation.

On April 13, 2009, IPC filed an amendment to the IPC/Max S-4.

On April 16, 2009, Validus filed a preliminary proxy statement with the SEC with respect to soliciting votes from Validus shareholders to approve the issuance of Validus Shares in connection with the Initial Validus Offer.

On April 21, 2009, Validus filed with the SEC an amendment to the preliminary proxy statement with respect to soliciting votes from IPC shareholders against the Proposed Max Amalgamation.

On April 28, 2009, Validus filed a claim in the Supreme Court of Bermuda against IPC, IPC Limited and Max (the Bermuda Claim), challenging the validity of the termination fee under the Max Amalgamation Agreement and provisions which restricted the ability of IPC to discuss competing proposals with third parties (no-talk provisions) in the Max Amalgamation Agreement.

Also on April 28, 2009, IPC filed a second amendment to the IPC/Max S-4 with the SEC.

On April 30, 2009, Validus issued a press release outlining its three-part plan to expedite the acquisition of IPC. *First*, Validus would solicit proxies from IPC shareholders to vote against the Proposed Max Amalgamation. *Second*, Validus would commence an exchange offer (the Exchange Offer) for all of the outstanding IPC Shares, subject to the terms and conditions described in the prospectus/offer to exchange included in the Registration Statement on Form S-4 filed by Validus with the SEC on May 12, 2009, as amended, including the receipt of at least 90% of the IPC Shares, termination of the Max Amalgamation Agreement and other conditions consistent with the Initial Validus Offer. Under Bermuda law, if Validus acquired at least 90% of the IPC Shares which it sought to acquire in the Exchange Offer, Validus believes it would have the right to acquire the remaining IPC Shares on the same terms in a second-step acquisition.

Third, Validus would pursue a scheme of arrangement (the *Scheme of Arrangement*) under Part VII of The Companies Act 1981 of Bermuda, as amended. In order to implement the Scheme of Arrangement, IPC shareholders would have to approve the Scheme of Arrangement at a court-ordered IPC meeting, IPC would have to separately approve the Scheme of Arrangement, the IPC shareholders would have to approve certain Validus proposals and the Scheme of Arrangement would have to be sanctioned by the Supreme Court of Bermuda.

Also on April 30, 2009, IPC s board of directors met to discuss Validus announcement. At that meeting, IPC s board of directors unanimously reaffirmed its belief that the Initial Validus Offer did not represent a superior proposal and that IPC s board of directors continued to recommend IPC shareholders vote in favor of the Proposed Max Amalgamation.

On May 1, 2009, Validus filed with the SEC an amendment to its preliminary proxy statement with respect to soliciting votes from IPC shareholders against the Proposed Max Amalgamation.

Also on May 1, 2009, Validus filed an application to expedite the trial of the Bermuda Claim.

On May 4, 2009, IPC filed a third amendment to the IPC/Max S-4 with the SEC.

On May 7, 2009, Validus filed an amendment to its preliminary proxy statement with the SEC with respect to soliciting votes from IPC shareholders against the Proposed Max Amalgamation.

Also on May 7, 2009, IPC (1) filed with the SEC a joint proxy statement/prospectus on Form 424B4 for the Proposed Max Amalgamation, (2) filed with the SEC a letter to IPC shareholders soliciting proxies in support of the Proposed Max Amalgamation and (3) commenced mailing both documents to its shareholders.

On May 8, 2009, Validus filed the definitive proxy statement with the SEC and commenced mailing definitive proxy materials and proxy cards to IPC shareholders seeking proxies from IPC shareholders to vote against the Proposed Max Amalgamation.

On May 11, 2009, Validus filed with the SEC two amendments to its preliminary proxy statement with respect to soliciting votes from Validus shareholders to approve the issuance of Validus Shares in connection with the acquisition of IPC.

On May 11 and 12, 2009, Validus application to expedite the trial of the Bermuda Claim was heard by the Supreme Court of Bermuda.

Also on May 12, 2009, in addition to filing the preliminary copy of its proxy statement to solicit proxies for the proposed court-ordered IPC meeting, Validus filed two preliminary proxy statements with the SEC which, when filed in their definitive forms, Validus intended to use to, respectively, (1) solicit written requisitions from IPC shareholders to compel the board of directors of IPC to call a special general meeting of IPC shareholders and (2) solicit votes from IPC shareholders to approve certain Validus proposals at that IPC special general meeting.

Also on May 12, 2009, Validus filed a tender offer statement on Schedule TO relating to the Exchange Offer, in connection with which Validus also filed a preliminary prospectus/offer to exchange on Form S-4, and Validus commenced the Exchange Offer.

On May 13, 2009, the Supreme Court of Bermuda declined to grant Validus request for an expedited trial on Validus lawsuit against IPC, IPC Limited and Max related to certain provisions of the Max Amalgamation Agreement.

On that same date, IPC s board of directors met to consider Validus Exchange Offer. After careful consideration, including a review of the terms and conditions of the Exchange Offer in consultation with IPC s management and its financial and legal advisors, and consistent with its fiduciary duties under applicable law, IPC s board of directors unanimously concluded that the Exchange Offer did not constitute a superior proposal as defined in the Max Amalgamation Agreement and reaffirmed its approval of the Proposed Max Amalgamation.

On that same date, IPC and Max announced that IPC and Max had satisfied all of the regulatory filing, notification and approval conditions required to complete the Proposed Max Amalgamation.

On May 14, 2009, IPC filed with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 stating IPC s board of directors recommendation that IPC s shareholders reject the Exchange Offer and not tender their IPC Shares to Validus pursuant to the Exchange Offer.

Also on May 14, 2009, Validus filed with the SEC an amendment to its Registration Statement on Form S-4 in connection with the Exchange Offer.

Also on May 14, 2009, Validus filed an application to the Supreme Court of Bermuda to convene a court-ordered IPC meeting to approve the Scheme of Arrangement.

During this period, Validus management and its financial advisors analyzed the pro forma effect of a revised offer to acquire IPC on Validus financial position, earnings, book value and rating agency capital position and discussed the impact on Validus with its directors and its rating agencies.

Validus board of directors met on May 17, 2009 to consider an amendment to the terms of the Initial Validus Offer reflecting improved economic terms and containing an amendment to the proposed Validus amalgamation agreement. Following discussions among Validus directors, Validus board of directors authorized and directed management to make a revised offer to IPC with improved economic terms and with an amendment to the proposed Validus amalgamation agreement.

On May 18, 2009, Validus delivered an offer letter to IPC advising IPC of an amendment to the terms of the Initial Validus Offer and containing an amendment to the proposed Validus amalgamation agreement. Under its revised offer (the Revised Validus Offer), Validus offered to deliver 1.1234 Validus Shares and $3.00 in cash, less any applicable withholding tax and without interest, for each IPC Share. The Revised Validus Offer represented a total value per IPC Share of $30.14 based on closing prices as of May 15, 2009, the last trading day prior to delivery of the letter containing the Revised Validus Offer. The amendment to the proposed Validus amalgamation agreement revised the terms of the Initial Validus Offer (1) to permit IPC to declare and pay a one-time dividend to the holders of IPC Shares in an aggregate amount not to exceed any reduction in the termination fee under the Max Amalgamation Agreement and (2) to add a proviso to the restrictions on the solicitation of acquisition proposals by IPC to provide that IPC could, if the board of directors of IPC concluded in good faith that such action was required in order for IPC s directors to comply with their fiduciary duties under applicable law and if IPC complied with certain notification and confidentiality requirements, engage in discussions with a third party relating to an acquisition proposal for IPC.

Also on May 18, 2009, Validus amended the terms of the Exchange Offer to reflect the economic terms of the Revised Validus Offer.

Later on May 18, 2009, IPC issued a press release announcing that its board of directors, along with its legal and financial advisors, would carefully review the terms of the Revised Validus Offer consistent with its fiduciary duties and make a formal recommendation to IPC shareholders in accordance therewith.

On May 19, 2009, IPC filed an amendment to its Solicitation/Recommendation Statement on Schedule 14D-9 to provide updated information with respect to the Revised Validus Offer.

Also on May 19, 2009, Validus filed an amendment to its preliminary proxy statement with respect to soliciting votes from Validus shareholders to approve the issuance of the Validus Shares in connection with the Revised Validus Offer.

On that same date and then again on May 20, 2009, IPC s board of directors met to consider Validus revised Exchange Offer (including the Revised Validus Offer). On May 20, 2009, after careful consideration, including a review of the terms and conditions of Validus revised Exchange Offer in consultation with IPC s management and its financial and legal advisors, and consistent with its fiduciary duties under applicable law, IPC s board of directors unanimously concluded that Validus revised Exchange Offer did not constitute a superior proposal as defined in the Max Amalgamation Agreement and was not in the best interests of IPC and its shareholders, taken as a whole, and recommended that IPC shareholders reject Validus revised

Exchange Offer and not tender their IPC Shares pursuant to the revised Exchange Offer. Following IPC s board of directors meeting, IPC advised Max of the determination of IPC s board of directors that Validus revised Exchange Offer did not constitute a superior proposal as defined in the Max Amalgamation Agreement.

On May 21, 2009, IPC filed an amendment to its Solicitation/Recommendation Statement on Schedule 14D-9 stating IPC s board of directors recommendation that IPC shareholders reject Validus revised Exchange Offer and not tender their IPC Shares to Validus pursuant to the revised Exchange Offer. On that same date, IPC sent a letter to Validus detailing IPC s belief that Validus faced substantial obstacles to completing its revised Exchange Offer.

Also on May 21, 2009, Validus filed with the SEC an amendment to its Registration Statement on Form S-4 for the Exchange Offer, among other things, to include additional disclosure regarding the revised economic terms of the Exchange Offer.

On May 26, 2009, Validus filed the definitive proxy statement with the SEC seeking proxies from Validus shareholders to approve the issuance of Validus Shares in connection with the Revised Validus Offer. Validus commenced mailing definitive proxy materials and proxy cards to Validus shareholders on or about May 27, 2009.

Also on May 26, 2009, Validus filed with the SEC an amendment to its proxy statement to solicit proxies for the proposed court-ordered IPC meeting.

IPC s board of directors met on May 26, May 31 and June 4, 2009 to discuss, among other things, the status of IPC s proxy solicitation process and Validus offer and related litigation and public relations activities.

On May 29, 2009, the Supreme Court of Bermuda determined not to exercise its discretion to order a court-ordered IPC meeting to approve the Scheme of Arrangement in advance of the vote on the Proposed Max Amalgamation and until such time as it was presented with evidence of IPC shareholder support for the Scheme of Arrangement and dismissed Validus application filed with the Court on May 14, 2009.

On June 1, 2009, Validus filed with the SEC an amendment to its Registration Statement on Form S-4 for the Exchange Offer.

Also on June 1, 2009, Glass Lewis & Co. and Proxy Governance Inc. announced their recommendations that IPC s shareholders vote for the Proposed Max Amalgamation.

On June 2, 2009, RiskMetrics Group announced that it recommended that IPC shareholders vote against the Proposed Max Amalgamation.

On June 4, 2009, Validus filed with the SEC an amendment to its proxy statement to solicit proxies for the proposed court-ordered meeting of IPC shareholders.

Also on June 4, 2009, Max proposed entering into a waiver letter, subject to the approval of Max s and IPC s boards of directors, providing for certain additional special dividends to be declared and paid by IPC in connection with the Proposed Max Amalgamation.

IPC s board of directors met on June 4, 2009 to consider the waiver letter. IPC s financial advisor presented an analysis of the financial terms of the waiver letter. IPC s directors then engaged in extensive review and discussion. Following these discussions, IPC s board of directors by unanimous vote of directors in attendance approved the waiver letter and deemed the waiver letter and the transactions contemplated thereby to be fair, advisable and in the best interests of IPC and its shareholders as a whole. IPC s board of directors also (1) declared a special, one-time cash dividend of

$1.50 per IPC Share outstanding, with a record date of June 15, 2009 and a payment date to occur one business day after the effective time of the Proposed Max Amalgamation, conditional on the occurrence of the effective time of the Proposed Max Amalgamation and subject to applicable law and (2) announced it would declare a special, one-time cash dividend of $1.00 per combined entity common share outstanding, with a record date of the twenty-first day after the date on which the effective time of the Proposed Max Amalgamation would occur (or the first business day thereafter, if such twenty-first day was not a business day) and a payment date one business day after the record date, the payment of which would be conditioned on the occurrence of the effective time of the Proposed Max Amalgamation and subject to applicable law.

Later on June 4, 2009, Max, IPC and IPC Limited executed the waiver letter, and Max and IPC each issued a press release announcing the execution of the waiver letter and the declaration of the $1.50 and $1.00 special dividends described above. On the same date, IPC and Max also filed a supplement to their joint proxy statement/prospectus and mailed the revised joint proxy statement/prospectus to the IPC and Max shareholders.

Validus board of directors met with Validus management and financial and legal advisors on June 7, 2009 to consider an amendment (the Further Revised Validus Offer) to the terms of the Revised Validus Offer reflecting further improved economic terms and containing an amendment to the proposed Validus amalgamation agreement. Pursuant to the Further Revised Validus Offer, IPC shareholders would receive 1.1234 Validus Shares and $3.75 in cash for each IPC Share. At this meeting, Greenhill delivered its oral opinion to the board of directors of Validus, subsequently confirmed in writing, that, based upon and subject to the various limitations and assumptions described in the written opinion, as of June 7, 2009, the consideration pursuant to the Further Revised Validus Offer was fair, from a financial point of view, to Validus. Following discussions among Validus directors, Validus board of directors authorized and directed management to make a further revised offer to IPC with improved economic terms and with an amendment to the proposed Validus amalgamation agreement.

During this period, Validus management and its financial advisors analyzed the pro forma effect of the Further Revised Validus Offer to acquire IPC on Validus financial position, earnings, book value and rating agency capital position and discussed the impact on Validus with its directors and its rating agencies.

On June 8, 2009, Validus delivered an offer letter to IPC advising IPC of the increased economic terms of the Validus offer under the Further Revised Validus Offer and containing an amendment to the proposed Validus amalgamation agreement. The Further Revised Validus Offer represented a total value per IPC Share of $30.67 based on closing prices as of June 5, 2009, the last trading day prior to delivery of the letter containing the Further Revised Validus Offer. Also on June 8, 2009, Validus amended the terms of the Exchange Offer to reflect the economic terms of the Further Revised Validus Offer.

On June 9, 2009, the IPC board of directors met to review and discuss the Further Revised Validus Offer.

Also on June 9, 2009, IPC filed an amendment to its Solicitation/Recommendation Statement on Schedule 14D-9 stating that IPC s board of directors recommended that IPC shareholders reject the revised terms of the Exchange Offer and not tender their IPC Shares to Validus pursuant to the Exchange Offer.

Also on June 9, 2009, RiskMetrics Group reaffirmed its previous recommendation that IPC shareholders vote against the Proposed Max Amalgamation.

On June 10, 2009, Validus filed a supplement to its definitive proxy statement with the SEC seeking proxies from IPC shareholders to vote against the Proposed Max Amalgamation.

Also on June 10, 2009, Glass Lewis & Co. stated that its original recommendation that IPC shareholders vote for the Proposed Max Amalgamation remained unchanged.

On June 11, 2009, IPC s board of directors met to discuss the status of IPC s proxy solicitation process and related litigation and public relations activities.

On June 12, 2009, Validus amended its Registration Statement on Form S-4 for the Exchange Offer and commenced mailing an amended prospectus/offer to exchange that, among other things, reflected the revised economic terms of the Exchange Offer.

Also on June 12, 2009, Validus filed a supplement to its definitive proxy statement with the SEC seeking proxies from Validus shareholders to approve the issuance of Validus Shares in connection with the Further Revised Validus Offer.

Also on June 12, 2009, IPC held its annual general meeting of shareholders. Representatives of Validus were in attendance at the meeting. IPC s shareholders did not vote in favor of certain matters, including the issuance of new IPC common shares, required to consummate the Proposed Max Amalgamation. However, each of the directors on the current IPC board of directors was re-elected. Following the meeting, Max delivered a letter to IPC terminating the Max Amalgamation Agreement in accordance with its terms.

Following the termination of the Max Amalgamation Agreement on June 12, 2009, IPC s board of directors met to discuss the IPC shareholder vote, the Further Revised Validus Offer and the next steps for IPC. IPC s board of directors determined that IPC should consider its strategic alternatives, including a sale of IPC to Validus or another third party. At this meeting, IPC s board of directors determined to enter into discussions with Validus regarding the Further Revised Validus Offer and instructed JPMorgan to contact third parties who might be interested in acquiring IPC.

Following the IPC annual general meeting, representatives of Validus also requested a meeting with representatives of IPC and the board of directors of IPC, including Mr. Hammond. During the evening of June 12, 2009, Mr. Noonan, Joseph E. (Jeff) Consolino, Validus Executive Vice President and Chief Financial Officer, Mr. Weale, IPC s business development committee and representatives of Greenhill and JPMorgan had a telephonic meeting during which they discussed a potential framework for conducting mutual due diligence and discussing the parties respective views regarding a transaction between Validus and IPC.

On June 13, 2009, Greenhill delivered a draft of a confidentiality agreement to JPMorgan as directed by Validus management.

Also on June 13, 2009 and continuing on June 14, 2009, Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to Validus (Skadden, Arps), negotiated and finalized the terms of the confidentiality agreement with Sullivan & Cromwell LLP. Also on June 13, 2009 and continuing on June 14, 2009, Validus and IPC s respective financial advisors continued to discuss the framework for considering a transaction between Validus and IPC.

On June 14, 2009, IPC s board of directors met to discuss the potential transaction with Validus and other potential parties. Following this IPC board of directors meeting, JPMorgan, on behalf of IPC, contacted approximately 20 parties regarding their interest in a potential transaction with IPC. During the weekend of June 13, 2009, IPC retained due diligence advisors to assist it in its due diligence of Validus, and IPC and Validus and their respective advisors provided each other with initial due diligence requests and undertook consensual mutual due diligence. This due diligence process continued through the evening of July 8, 2009.

On June 15, 2009, IPC sent a letter to Validus, stating that IPC s unaudited diluted book value per share as of May 31, 2009 was approximately $35 and describing the factors considered most important to IPC s board of directors in any negotiated transaction with Validus. The factors described in this letter to Validus included the following: the value offered by Validus to IPC shareholders, including appropriate protections of that value at the closing of a transaction; certainty of closing a transaction and the absence of any conditions in an amalgamation agreement relating to the absence of catastrophe losses or other material adverse changes that may occur on or after the signing of a definitive amalgamation agreement or June 26, 2009 (the latter date being the date on which the Exchange Offer was originally scheduled to expire); satisfactory results from due diligence on Validus; the expedited timing of a transaction; Validus making appropriate provision to pay the termination fee under the Max Amalgamation Agreement upon its becoming due; and IPC having the flexibility to perform a market check between the signing of an amalgamation agreement and the closing of the transaction. On that same day, IPC issued a press release including the text of the letter.

Also on June 15, 2009, Validus issued a press release stating that Validus would seek to replace IPC s board of directors if Validus was unable to reach a negotiated agreement with IPC s board of directors in a timely fashion.

Validus also announced in the press release that it would continue to pursue the Exchange Offer and the Scheme of Arrangement even as Validus sought to reach a consensual amalgamation agreement with IPC s board of directors.

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Further on June 15, 2009, Validus filed an amendment to its preliminary proxy statement with the SEC to solicit requisitions from IPC shareholders to compel the board of directors of IPC to call a special general meeting of IPC s shareholders.

On June 16, 2009, Validus filed the definitive proxy statement with the SEC to solicit requisitions from IPC shareholders to compel the board of directors of IPC to call an IPC special general meeting. Validus commenced mailing the definitive proxy statement and proxy cards to IPC shareholders on or about June 17, 2009.

On June 17, 2009, Sullivan & Cromwell LLP delivered to Skadden, Arps IPC s comments on the proposed Validus amalgamation agreement. The comments reflected, among other things, the issues that IPC had raised in its letter to Validus dated June 15, 2009.

On June 18, 2009, IPC received a written offer from Flagstone to acquire IPC.

Also on June 18, 2009, representatives of IPC s and Validus respective legal and financial advisors met to discuss the issues raised by IPC s comments on the proposed Validus amalgamation agreement. At this meeting, representatives of Validus indicated that Validus was unwilling to increase its offer consideration, pay the termination fee under the Max Amalgamation Agreement or provide IPC with additional termination rights.

On June 19, 2009, Greenhill contacted JPMorgan to report that Validus was willing to eliminate the proposed termination right related to a decline in IPC s book value. Greenhill reiterated Validus position that it was unwilling to increase its offer consideration or to agree to a floating exchange ratio or collar with respect to the share portion of its offer consideration. Later that day, Skadden, Arps delivered a revised proposed Validus amalgamation agreement to Sullivan & Cromwell LLP reflecting, among other matters, the terms that Greenhill had discussed with JPMorgan.

Between June 19 and July 8, 2009, Validus and IPC s respective financial and legal advisors continued to engage in discussions regarding the issues that had been identified by Validus and IPC. During this time, Validus management provided frequent updates to members of Validus board of directors regarding the status of negotiations with IPC.

Between June 20 and July 8, 2009, the business development committee of IPC s board of directors met several times to discuss the offers presented by each of these counterparties, and IPC engaged in negotiations regarding the terms of amalgamation agreements with several of such parties.

On June 20, 2009, IPC entered into a confidentiality agreement with, and began mutual due diligence on, Flagstone. Also on this same date, IPC received an offer from an additional party (Party M) to acquire IPC. Party M is a global insurance and reinsurance company.

On June 21, IPC s board of directors met to discuss the status of IPC s negotiations with Validus and the other interested parties. At this meeting, JPMorgan provided IPC s board of directors with a financial overview of the offers from, and a business overview of, Validus and the other interested parties.

On June 22, 2009, Validus issued a press release stating that it had delivered a revised proposed Validus amalgamation agreement to IPC that addressed certain concerns articulated by IPC in its June 15, 2009 letter to Validus regarding a possible negotiated transaction with Validus. The press release further stated that Validus would not be revising the economic terms of its offer, which Validus continued to believe provided full and fair value for IPC Shares.

Also on June 22, 2009, IPC s board of directors met to discuss the status of IPC s negotiations with various potential counterparties.

Also on June 22, 2009, Party M submitted a revised offer to acquire IPC.

On June 23, 2009, Validus filed with the SEC an amendment to its proxy statement to solicit proxies for the proposed court-ordered IPC meeting in connection with the proposed Scheme of Arrangement.

Also on June 23, 2009, IPC announced that while it was negotiating with and engaging in mutual due diligence on Validus, IPC had also received expressions of interest from other parties and was engaged in discussions and negotiations regarding the terms of potential business combination transactions with Validus and such parties. IPC also stated that it would continue its review of strategic alternatives after the hurricane season if an appropriate transaction could not be reached in the near future.

Also on June 23, 2009, IPC delivered a draft amalgamation agreement to Flagstone.

Also on June 23, 2009, IPC and an additional party (Party L), a large private equity firm, entered into a confidentiality agreement and IPC began to provide Party L with non-public information about IPC.

On June 23, 2009 and June 24, 2009, Validus and its advisors and representatives of management of IPC and its financial and legal advisors discussed the terms of the revised proposed Validus amalgamation agreement. During these discussions, IPC and its management reiterated IPC s request that Validus increase its offer consideration and fund IPC s payment of the termination fee pursuant to the Max Amalgamation Agreement.

Also on June 24, 2009, IPC received an all-cash offer from Party L to acquire IPC. Party L s offer required that an amalgamation agreement with IPC contain a financing condition and give Party L the ability to terminate in the event of a decline in IPC s book value or a hurricane resulting in a material adverse effect on IPC.

Also on June 24, 2009, IPC delivered draft amalgamation agreements to Party L and Party M and entered into negotiations with Party L and Party M regarding a potential transaction. On this same date, IPC entered into a confidentiality agreement with, and provided access to due diligence materials to, an additional party (Party N). Party N was a strategic bidder, and larger than IPC, as measured by market capitalization. IPC entered into discussions with Party N while continuing its ongoing discussions with Party L, Party M, Flagstone and Validus.

On June 25, 2009, RiskMetrics Group announced that, after conducting a review of the proxy statement to solicit requisitions from IPC shareholders to compel the board of directors of IPC to call an IPC special general meeting, it recommended that the IPC shareholders submit requisitions to compel the board of directors of IPC to call an IPC special general meeting.

Also on June 25, 2009, Validus filed an amendment to its preliminary proxy statement with the SEC seeking to solicit votes from IPC shareholders to approve certain Validus proposals at an IPC special general meeting.

Further, on June 25, 2009, Validus shareholders approved the issuance of Validus Shares in connection with the Further Revised Validus Offer with the support of 98% of the shares voted at the Validus special general meeting.

On June 26, 2009, IPC s board of directors met to discuss the status of IPC s negotiations with Validus and the other interested parties.

Also on June 26, 2009, Messrs. Hammond and Noonan met to discuss the status of the negotiations between IPC and Validus and the terms of the Further Revised Validus Offer, including the amount of the offer consideration and the payment of a termination fee. Mr. Noonan also asked Mr. Hammond whether he would be interested in being a member of the board of directors of the combined entity following an amalgamation between IPC and Validus; Mr. Hammond declined on July 8, 2009.

On June 28, 2009, Flagstone submitted a revised offer to IPC s board of directors.

On June 29, 2009, Validus announced that it had extended its Exchange Offer for all of the outstanding IPC Shares to 5:00 p.m., New York City time, on Monday, July 6, 2009, unless further extended.

Also on June 29, 2009, Validus also announced that it had submitted to IPC requisitions from shareholders with aggregate ownership of approximately 54% of the outstanding IPC Shares and that, because Validus had submitted requisitions to IPC from shareholders representing 10% or more of the issued and

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outstanding IPC Shares, IPC s board of directors would be required by Bermuda law to call a special general meeting of IPC shareholders. Validus also announced that, at the special general meeting, among other proposals to be considered, Validus would seek to replace the board of directors of IPC.

Also on June 29, 2009, Validus filed with the SEC an amendment to its proxy statement to solicit proxies for the proposed court-ordered IPC meeting.

Further, on June 29, 2009, Sullivan & Cromwell LLP delivered to Skadden, Arps a revised draft of the proposed Validus amalgamation agreement. During the period from June 29, 2009 through July 8, 2009, IPC and Validus and their advisors negotiated and reached agreement on definitive transaction documentation.

On June 30, 2009, Party N submitted an offer to IPC s board of directors to acquire IPC, pursuant to which the consideration would have consisted 50% of cash and 50% of Party N stock. Party N s offer required that an amalgamation agreement with IPC contain a financing condition and give Party N the ability to terminate in the event of a decline in IPC s book value or a hurricane resulting in a material adverse effect on IPC.

On July 1, 2009, IPC announced that it had received notice of the requisitions of a special general meeting of IPC shareholders from Validus and that IPC would set a date for the special meeting after consulting with its advisors.

Also on July 1, 2009, Flagstone announced that it had made an offer to the board of directors of IPC to acquire all of the outstanding IPC Shares, pursuant to which Flagstone would exchange $5.50 in cash and 2.6380 Flagstone common shares for each IPC Share. The implied value of the Flagstone Offer was $33.62 per IPC Share and represented a 21.1% premium to the trading price of IPC Shares (calculated based on the closing price of Flagstone shares times the number of Flagstone shares exchanged for each IPC Share, plus the cash component of the proposed consideration), based on closing prices of Flagstone shares and IPC Shares on July 1, 2009.

Also on July 1, 2009, Party M delivered a revised offer to IPC s board of directors. Party M s revised offer contemplated consideration of $30.00 in cash in exchange for each IPC Share, with no financing condition, but would have required IPC to pay a $50 million inducement fee upon entering into the amalgamation agreement and, among other things, would have restricted IPC from paying a dividend in the third quarter of 2009.

On July 2, 2009, Party M delivered an executed confidentiality agreement to IPC.

Also on July 2, 2009, Validus announced that it remained committed to the economic terms of its outstanding offer to acquire IPC, which Validus believed represented a full and fair value for IPC Shares, and that Validus had proposed changes to other terms of its offer in order to be responsive to concerns expressed by the board of directors of IPC. Validus also restated its belief that a combination with IPC would create significant long-term value for the shareholders of both Validus and IPC by creating a well-diversified, market-leading carrier in Bermuda s short-tail reinsurance and insurance markets.

Also on July 2, 2009, IPC announced that the board of directors of IPC, together with its financial and legal advisors, was reviewing Flagstone s offer and would issue a response in due course. IPC additionally stated that the board of directors of IPC was working diligently towards its goal of maximizing value for IPC s shareholders and that IPC was continuing to negotiate with other parties, including Flagstone and Validus, to obtain the best outcome for IPC shareholders.

Also on July 2, 2009, IPC contacted Wachovia to begin discussions regarding amending IPC s credit facility to permit IPC to enter into and consummate an amalgamation agreement with Validus or another party without potentially causing any default under the credit facility. Between July 2 and July 8, 2009, IPC negotiated the terms of the amendment to IPC s credit facility.

On July 3, 2009, IPC s board of directors met to discuss the status of IPC s negotiations with Validus and the other interested parties. At this meeting, JPMorgan provided IPC s board of directors with certain analyses of the financial terms of the offers from Validus and the other interested parties that had submitted offers.

Also on July 3, 2009, JPMorgan contacted Greenhill to request certain revisions to the proposed Validus amalgamation agreement, including that Validus fund IPC s payment of the termination fee under the Max Amalgamation Agreement upon the execution by IPC of an amalgamation agreement with Validus. JPMorgan reiterated IPC s board of directors request that Validus increase the consideration to be paid in connection with the proposed amalgamation. During this discussion, JPMorgan reported to Greenhill that the board of directors of IPC intended to meet to reach a decision regarding Validus and other offers for IPC on the afternoon of July 6, 2009 with the intention of announcing a transaction no later than July 8, 2009.

On July 4, 2009, Validus management met with its legal and financial advisors to discuss the outstanding issues with IPC, including IPC s request that Validus fund IPC s payment of the termination fee under the Max Amalgamation Agreement. Thereafter, Validus management authorized Greenhill to offer to JPMorgan that Validus would be willing to agree to such a provision so long as such amount would be repaid to Validus in the event that the proposed Validus amalgamation agreement was terminated for a reason other than a material breach by Validus of the amalgamation agreement, the issuance of a permanent injunction or order prohibiting an amalgamation or if the amalgamation had failed to have been consummated by March 31, 2010, so long as no competing acquisition proposal for IPC had been made. Later that day, Greenhill reported to JPMorgan the terms of Validus proposal and reiterated that Validus was unwilling to increase the consideration that it would pay in connection with the amalgamation.

From July 4 to July 6, 2009, JPMorgan contacted Validus, Flagstone and Party M to request that they submit their best and final offers by close of business on July 6, 2009, and it engaged in discussions with the various parties.

On July 5, 2009, Validus board of directors met to consider revisions to the terms of Validus offer regarding outstanding issues that had been identified by Validus and IPC. Following discussions among Validus directors, Validus board of directors authorized and directed Greenhill to discuss with JPMorgan revised terms regarding Validus offer.

Also on July 5, 2009, Greenhill engaged in additional discussions with JPMorgan regarding outstanding issues that had been identified by Validus and IPC and Greenhill reported to JPMorgan the revised terms that had been authorized by Validus board of directors earlier that day.

On July 6, 2009, Mr. Noonan sent a letter to the board of directors of IPC reiterating the terms of Validus offer, including the accommodations and price increases that had been offered to IPC since March 31, 2009 and discussing the combined company s short- and long-term prospects.

Also on July 6, 2009, Validus announced that it had confirmed to the board of directors of IPC that its offer for IPC was its best and final offer. Validus also stated that Validus and IPC had been in discussions on a range of issues in the hopes of reaching a consensual transaction and that Validus believed that its offer represented a full and fair value for IPC Shares. Validus further stated that it had made a number of changes to the terms of its offer to respond to concerns expressed by the board of directors of IPC, including providing IPC shareholders with the certainty of a transaction that was not subject to termination in the event of major catastrophe losses. In this press release, Validus also announced that it had extended its Exchange Offer for all of the outstanding IPC Shares to 5:00 p.m., New York City time, on Monday, July 13, 2009, unless further extended.

Also on July 6, 2009, Skadden, Arps sent a revised proposed Validus amalgamation agreement to Sullivan & Cromwell LLP.

Also on July 6, 2009, Validus continued to analyze the Flagstone offer and discussed a potential reconstitution of the Validus offer with the rating agencies, including A.M. Best. Validus continued these conversations with the rating agencies, including A.M. Best, on July 7, 2009. Based on these conversations, Validus management concluded that a reconstitution of the Further Improved Validus offer was feasible within the capital requirements of its current ratings categories.

Also on July 6, 2009, assisted by its financial advisor and legal counsel, the business development committee of IPC s board of directors met to discuss Validus and Flagstone s offers.

On the same day, IPC performed further due diligence with respect to Flagstone s financing arrangements for the proposed transaction.

On July 7, 2009, JPMorgan had further discussions with Greenhill regarding the terms of Validus offer. During these discussions, JPMorgan indicated that IPC s board would likely not accept Validus offer if Validus was unwilling to improve the financial terms of its offer. JPMorgan also reiterated IPC s board of directors previous request that Validus qualified sponsor shareholders enter into voting agreements, and the further request that such shareholders enter into lockup agreements, in connection with the amalgamation. Additionally, IPC s and Validus legal advisors engaged in negotiations regarding the circumstances under which IPC would be required to reimburse Validus advancement of the $50 million termination fee payable by IPC under the Max Amalgamation Agreement in the event of termination of the proposed Validus amalgamation agreement, and the date after which either party would be entitled to terminate the agreement, for which Validus had proposed March 31, 2010.

Also on July 7, 2009, Validus management and board of directors and legal and financial advisors met to discuss Validus offer for IPC and how it could be modified to address certain of the concerns that had been identified by IPC s board of directors. Following these discussions, Validus board of directors authorized and approved, and directed Greenhill to discuss with JPMorgan, a potential reconstitution of Validus offer to reflect an exchange ratio of 0.9727 Validus Shares per IPC Share and $7.50 in cash, reflecting a value of $31.73 as of March 30, 2009, the last day trading prior to Validus announcement of its initial offer for IPC and reflecting the same value, based on share prices as of such date, as its offer of 1.1234 Validus Shares and $3.75 in cash per IPC Share. The reconstituted offer represented a total value per IPC Share of $30.09, based on closing prices as of July 6, 2009, the last trading day prior to this offer being considered. In addition, Validus board of directors authorized Greenhill to convey to JPMorgan that certain of Validus shareholders would be willing to enter into voting agreements as appropriate and would consider lock up agreements. At this meeting, Validus board of directors met to review and approve the final terms of the proposed Validus amalgamation agreement. At that meeting Validus board of directors also received updates from Validus management and advisors on due diligence regarding IPC and the shareholder and regulatory notifications and approvals that would be required in connection with the transaction and the possible timeframe for obtaining such approvals. Following these discussions, and extensive review and discussion among Validus directors, including consideration of the factors described under *Reasons Why Validus Board of Directors Recommends Approval of the Share Issuance*, Validus board of directors unanimously approved the proposed Validus amalgamation agreement with IPC and the transactions contemplated thereby and declared the amalgamation and other transactions contemplated by the proposed Validus amalgamation agreement to be fair to, advisable and in the best interests of Validus. Validus board of directors authorized and directed management to sign the definitive Amalgamation Agreement and resolved that a meeting of the Validus voting common shareholders be convened to consider and approve the Amalgamation and the transactions contemplated thereby.

On the evening of July 7, 2009, Greenhill advised JPMorgan that, under the revised terms, Validus was considering reconstituting its offer to increase the cash component in order to be responsive to other potential offers that IPC may have received and with a higher cash component than the Further Revised Validus Offer and to decrease the stock component, while maintaining the same overall value based on share prices as of March 30, 2009, the last trading day prior to Validus announcement of the Initial Validus Offer. Greenhill advised JPMorgan that, under the reconstituted terms Validus was considering, the holders of IPC Shares would receive 0.9727 Validus Shares and $7.50 in cash, less any applicable withholding tax and without interest, and cash in lieu of fractional shares, in exchange for each IPC

Share they hold, unless they exercise appraisal rights pursuant to Bermuda law. In addition, Greenhill advised JPMorgan regarding the voting agreements and potential lock up agreements as directed by Validus board of directors.

Also on the evening of July 7, 2009, IPC s board of directors met to discuss the offers from interested parties to acquire or amalgamate with IPC.

Early in the morning of July 8, 2009 JPMorgan advised Greenhill that the board of directors of IPC was willing to work toward a definitive amalgamation agreement with Validus, subject to the approval of the board of directors of IPC, based on Validus revised proposal of 0.9727 Validus Shares and $7.50 in cash in exchange for each IPC share, and subject to resolving remaining open issues in the proposed Validus amalgamation agreement.

On July 8, 2009, Validus and IPC s legal advisors exchanged a draft shareholder voting agreement and shareholder lockup agreement, in each case for certain of Validus shareholders. During that day, Validus received feedback from those shareholders indicating a willingness to enter into voting agreements, but they expressed concern regarding certain terms, including the duration, of the proposed lockups. Additionally, during that day the respective managements and representatives of Validus and IPC continued discussions regarding outstanding issues. Skadden, Arps and Sullivan & Cromwell LLP exchanged drafts of the transaction documents during the course of that day reflecting their clients respective positions. During the course of these negotiations, the parties agreed that lockup agreements from Validus shareholders would not be required as part of the transaction.

Also on July 8, 2009, Greenhill delivered its oral opinion to the board of directors of Validus, subsequently confirmed in writing, that, based upon and subject to the various limitations and assumptions described in the written opinion, as of such date, the exchange ratio of 0.9727 Validus Shares and $7.50 in cash for each IPC Share pursuant to the proposed Validus amalgamation agreement was fair, from a financial point of view, to Validus.

IPC s board of directors met on July 8, 2009. JPMorgan presented certain analyses of the financial terms of the reconstituted Validus proposal. IPC s management also updated IPC s directors on the results of negotiations with the banks in IPC s credit facility and described the terms of the amendment that would need to be entered into if IPC intended to execute an amalgamation agreement with Validus. JPMorgan delivered to IPC s board of directors its oral opinion, subsequently confirmed in writing, that as of such date and based upon and subject to the factors and assumptions stated in that opinion, the amalgamation consideration to be paid to the holders of IPC Shares in the proposed Amalgamation was fair, from a financial point of view, to such holders (other than Validus and its affiliates), as described in *Opinion of J.P. Morgan Securities Inc., Financial Advisor to IPC s Board.* Following these discussions and extensive review and discussion among IPC s directors, including consideration of the factors described under *Reasons Why IPC s Board of Directors Recommends Approval of the Amalgamation and the IPC Bye-law Amendment*, IPC s board of directors unanimously approved the proposed Validus amalgamation agreement with Validus and the transactions contemplated thereby and declared the amalgamation and other transactions contemplated in the proposed Validus amalgamation agreement, including the amendments proposed to IPC s credit facility, to be advisable and in the best interests of IPC. IPC s board of directors resolved that a special general meeting of the IPC shareholders be convened to consider approving the bye-law amendments and the proposed Validus amalgamation agreement and that IPC s management sign the proposed Validus amalgamation agreement.

Also on July 8, 2009, Flagstone submitted a revised offer to acquire IPC (the Revised Flagstone Offer). The Revised Flagstone Offer did not provide for an increase in the implied value of Flagstone s previous offer, but proposed an increase in the cash component of the consideration by $1.00 per share and a corresponding reduction in the exchange ratio. Specifically, under the Revised Flagstone Offer, each IPC Share would have been converted into the right to receive (1) $6.50 in cash and (2) 2.535 Flagstone common shares. IPC s board of directors met a second time on July 8, 2009, to discuss the revised Validus proposal, the Revised Flagstone Offer and the other interested parties offers. At this meeting, IPC s board of directors received a presentation from JPMorgan regarding certain financial terms of the Revised Flagstone Offer and, for the reasons described under *Reasons Why IPC s Board of Directors Recommends Approval of the Amalgamation*, determined that the Revised Flagstone Offer did not change IPC s board of directors previous decisions regarding the revised Validus proposal and the proposed Validus amalgamation agreement.

During the evening of July 8, 2009, IPC entered into an amendment to its credit facility and received the written consent of its lenders under the credit facility to enter into and consummate an amalgamation with Validus.

In the early morning of July 9, 2009, the parties executed the Amalgamation Agreement. On July 9, 2009, Validus and IPC each issued a press release announcing that they had entered into the Amalgamation Agreement. Promptly following the execution of the Amalgamation Agreement, IPC discontinued its discussions with all other parties. Also that morning, Validus announced that it would terminate the Exchange Offer and promptly return all IPC Shares previously tendered to Validus and that it would terminate its solicitation efforts in connection with its other previously announced alternative steps to complete a transaction with IPC, including the Scheme of Arrangement and the calling of a special meeting of IPC shareholders. Later that morning, Validus and IPC held a joint conference call for investors to discuss the Amalgamation Agreement.

Also on July 9, 2009, IPC paid Max the $50 million termination fee pursuant to the Max Amalgamation Agreement, and Validus advanced to IPC $50 million, pursuant to the Amalgamation Agreement between Validus and IPC.

Also on July 9, 2009, Flagstone announced that, following the execution of the Amalgamation Agreement, it was ending its proposal to acquire IPC.

Reasons Why Validus Board of Directors Recommends Approval of the Share Issuance

By approving the Share Issuance, you will be enabling Validus to issue the Validus Shares necessary to effect the Amalgamation. Validus board of directors believes that the Amalgamation represents a compelling combination and excellent strategic fit that will enable Validus to capitalize on opportunities in the global reinsurance market. Successful completion of the Amalgamation would allow Validus shareholders to benefit from the superior growth potential of a combined company that would be a leading carrier in Bermuda s short-tail reinsurance and insurance markets, with a strong balance sheet and quality diversification in profitable business lines. In reaching these conclusions and in determining that the Amalgamation Agreement, the Amalgamation and the Share Issuance are fair, advisable and in the best interests of Validus, and in recommending the approval of the Share Issuance, Validus board of directors consulted with Validus management as well as legal and financial advisors and considered a number of factors. The factors included, but were not limited to, the following:

- Validus board of directors analysis and understanding of the business, operations, financial performance, financial condition, earnings and future prospects of Validus and its assessment, based on such analysis and understanding, that Validus will have:
  - lines of business concentrated in short-tail lines where pricing momentum is strongest;
  - enhanced market position and client penetration that will make Validus a more significant player in short-tail reinsurance placements globally;
  - ability to add a significant amount of short-tail reinsurance premium to Validus existing Bermuda infrastructure;
  - global and diversified operating platforms, with offices and underwriting facilities in Bermuda, at Lloyd s in London, Dublin, Singapore, New York and Miami;
  - enhanced size and scope, with approximately $3.7 billion in GAAP capitalization and approximately $3.4 billion in GAAP shareholders equity, enabling the company to capture highly attractive market opportunities in the global insurance and reinsurance markets;

continuing financial flexibility, with total leverage including hybrid securities of only 8.3%; and

the opportunity to reduce costs associated with running two separate public companies, including IPC s NASDAQ listing fees, transfer agent fees, legal and accounting fees related to SEC filings and shareholder mailings, printing and mailing expenses for periodic reports and proxy statements, annual meeting expenses and other investor relations related expenses, which expenses Validus believes are

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duplicative and can be eliminated if Validus and IPC combine resulting in these expenses for the combined company representing a smaller portion of combined revenues;

the fact that Validus will experience accretion to its book value and tangible book value per share as a result of the transaction;

the fact that Validus would remain within its stated limitations of reinsurance aggregates by exposure zone;

Validus board of directors understanding of the business, operations, and financial condition of IPC;

the ongoing representation by all of Validus existing directors on Validus board of directors after the Amalgamation, and the fact that Validus senior management will continue to manage Validus;

the opinion of Greenhill, delivered to Validus board of directors on July 8, 2009, subsequently confirmed in writing, to the effect that, based upon and subject to the various limitations and assumptions described in the written opinion, as of the date thereof, the consideration pursuant to the proposed Amalgamation was fair, from a financial point of view, to Validus, as described in *Opinion of Greenhill & Co., LLC, Financial Advisor to Validus Board*;

Validus board of directors belief, based on discussion with Validus management and reports of discussions with A.M. Best, that Validus had sufficient surplus capital available to pay a significant portion of the consideration in cash;

the fact that no external financing is required for the transaction; as well as the fact that IPC had already secured an amendment to its existing syndicated credit facility that permits IPC to effect the Amalgamation;

the fact that IPC s board of directors was willing to agree to a consensual transaction on the basis of the terms set forth in the Amalgamation Agreement, therefore providing for the benefits of a consensual transaction, including greater certainty and the possibility of an expedited consummation of the Amalgamation;

the fact that the transaction will only occur if it is approved by a majority of the votes cast on the relevant proposal at the IPC special meeting or, if the amendment to the IPC bye-laws permitting the shareholders of IPC to approve an amalgamation by a majority vote is not approved and adopted by the shareholders of IPC, a vote of three-fourths of the votes cast on the relevant proposal at the IPC special meeting; and

the terms of the Amalgamation Agreement, including that the amalgamation consideration consisting of 0.9727 Validus Shares and $7.50 in cash, and the other terms and conditions of the Amalgamation Agreement, including the termination provisions, resulted from extensive arms-length negotiations between Validus and its advisors, on the one hand, and IPC and its advisors, on the other hand;

the requirement that the Share Issuance be approved by holders of a majority of the outstanding Validus Shares casting votes at the Validus special meeting, as described in *The Amalgamation Agreement Conditions to the Amalgamation*;

the requirement that Validus advance to IPC $50.0 million following execution of the Amalgamation Agreement in respect of the Max Termination Fee, and that IPC would only be required to reimburse such amount following termination of the Amalgamation Agreement under certain specified circumstances, as described under *The Amalgamation Agreement Repayment or Retention of the Reimbursement Amount*;

the fact that the Amalgamation Agreement allows Validus board of directors to change or withdraw its recommendation of the Amalgamation and the Share Issuance, provided that following such a change, IPC may terminate the Amalgamation Agreement and receive a termination fee;

the fact that, subject to compliance with certain obligations under the Amalgamation Agreement, IPC s board of directors may change or withdraw its recommendation of the Amalgamation, provided that following such a change, Validus may terminate the Amalgamation Agreement and receive a termination fee and reimbursement of the $50 million paid by Validus to IPC at signing of the Amalgamation Agreement in respect of the Max Termination Fee;

the fact that consummation of the Amalgamation is conditioned upon Validus securing an amendment to its existing syndicated credit facility, or that Validus otherwise obtain replacement financing;

the fact that Validus may be required to pay IPC a termination fee of $16 million, as described in *The Amalgamation Agreement Termination of the Amalgamation Agreement Effects of Termination; Remedies* in certain circumstances; and

the fact that neither Validus nor IPC has the right to terminate the Amalgamation Agreement based on a significant decline in book value of the other between signing and closing of the Amalgamation Agreement.

Validus board of directors considered other factors in making its determination and recommendation, including the following:

the restrictions on the conduct of Validus business imposed by the Amalgamation Agreement prior to the consummation of the Amalgamation, requiring Validus to conduct its business in the ordinary course, subject to specific limitations, which may delay or prevent Validus from undertaking business opportunities that may arise pending completion of the Amalgamation;

the possibility that the IPC shareholders and the Validus shareholders may not react favorably to the Amalgamation, and the execution risk and additional costs that would be required to complete the Amalgamation as a result of any legal actions brought by Validus shareholders or legal actions and appraisal actions brought by IPC shareholders;

the effect of the announcement of the Amalgamation on Validus share price if Validus shareholders do not view the Amalgamation positively or if the Amalgamation is not completed;

the potential disruption to Validus business that could result from the announcement and pursuit of the Amalgamation, including the diversion of management and employee attention;

that Validus may wish to purchase retrocessional protection for the 2009 wind season and the cost and availability of that protection;

the possibility that the Amalgamation might not be completed due to the failure to obtain required shareholder approvals, the occurrence of a material adverse effect on either company s business, or the inability to obtain required credit facility consents;

the risk that A.M. Best, S&P or Moody s might lower the ratings of Validus or any of its reinsurance subsidiaries following the Amalgamation;

the fact that certain of Validus shareholders who own in the aggregate approximately 38% of the outstanding Validus Shares have agreed to vote their shares in favor of the Share Issuance; and

the risks described in this joint proxy statement/prospectus under the section entitled *Risk Factors.*

The foregoing discussion of the information and factors considered by Validus board of directors is not intended to be exhaustive, but is believed to include material positive and potentially material adverse factors considered by Validus board of directors. In view of the variety of factors considered in connection with its evaluation of the Amalgamation Agreement, the Share Issuance and the other transactions contemplated by the Amalgamation, Validus board of directors did not find it practicable to, and did not, quantify or otherwise assign specific weights to the factors considered in reaching its determination and recommendation. In addition, each of the members of Validus board of directors may have given differing weights to different factors. Validus board of directors believed that the positive factors discussed above outweighed the negative factors discussed above, especially after giving weight to the likelihood of occurrence.

Reasons Why IPC s Board of Directors Recommends Approval of the Amalgamation and the IPC Bye-law Amendment

In reaching its decision to approve the Amalgamation Agreement and the transactions contemplated thereby and the IPC bye-law amendment, and its determination that each of the Amalgamation and the IPC bye-law amendment is in the best interests of IPC and represents the best available alternative for IPC s shareholders, IPC s board of directors consulted with IPC s management and legal and financial advisors and considered a number of factors. These included, but were not limited to, the factors described below.

Changed circumstances of Validus offer. IPC s board of directors reached its determination to recommend Validus final offer in the light of the changed circumstances following the termination of the Max Amalgamation Agreement including, but not limited to, the following:

Validus had previously increased the overall value of its offer, from 1.2037 Validus Shares for each IPC Share in the Initial Validus Offer on March 31, 2009, to 1.1234 Validus shares plus $3.00 in cash for each IPC Share in the Revised Validus Offer made on May 18, 2009, followed by 1.1234 Validus Shares and $3.75 in cash for each IPC Share under the Further Revised Validus Offer made on June 8, 2009;

Validus final offer doubled the cash component of the consideration, from $3.75 to $7.50 (with no financing condition, as was the case with Validus previous offers with a cash component) and reduced the stock component from 1.1234 Validus Shares to 0.9727 Validus Shares, decreasing the risk for IPC s shareholders related to any decrease in Validus share price between signing and closing of the Amalgamation;

the Amalgamation Agreement provides greater certainty and more favorable terms and conditions for IPC s shareholders than did the Initial Validus Offer as a result of changes to the terms and conditions originally proposed by Validus following extensive negotiations between IPC and Validus, including:

the elimination of provisions that would have increased the risk that the Amalgamation would not be consummated, including a provision that would have permitted Validus to terminate the Amalgamation Agreement upon the occurrence of certain changes in IPC s book value, such as charges arising from hurricanes;

an agreement by Validus to advance to IPC at the time of entering into the Amalgamation Agreement an amount equal to the $50 million termination fee payable by IPC to Max under the Max Amalgamation Agreement (subject to reimbursement by IPC in certain circumstances, as described under *The Amalgamation Agreement Max Termination Fee* and *The Amalgamation Agreement Repayment or Retention of the Reimbursement Amount*);

the elimination of provisions that otherwise would have permitted Validus (if it chose to do so) to (1) issue an amount of additional equity prior to the consummation of the Amalgamation in a manner that would reasonably be expected to be adverse in a material respect to IPC shareholders or (2) amend its organizational documents in a manner that would reasonably be expected to be adverse in a material respect to IPC shareholders;

the agreement by Aquiline Capital Partners LLC, Vestar Capital Partners, and New Mountain Capital, LLC, which collectively owned approximately 38% of Validus outstanding voting common shares as of July 27, 2009, to vote in favor of the issuance of Validus shares in connection with the transaction, thereby further increasing certainty of the consummation of the Amalgamation;

whereas the objective of IPC s board of directors previously was to achieve a strategic combination that would provide and protect long-term value by diversifying IPC beyond its monoline property catastrophe business model, following the termination of the Max Amalgamation Agreement the board of directors of IPC placed an increased emphasis on obtaining a transaction with the best available value for IPC s shareholders, with due regard to certainty, the expeditious consummation of a transaction and other terms and conditions; and

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the opinion received by IPC s board of directors from JPMorgan, delivered to IPC s board of directors orally on July 8, 2009 (and later confirmed in writing), to the effect that, as of such date and based upon and subject to the factors and assumptions stated in that opinion, the amalgamation consideration to be paid to the holders of IPC Shares in the proposed Amalgamation was fair, from a financial point of view, to such holders (other than Validus and its affiliates), as described in *Opinion of J.P. Morgan Securities Inc., Financial Advisor to IPC s Board.*

Alternatives to the Amalgamation. Following the failure by IPC s shareholders to approve the Max Amalgamation Agreement, IPC s board of directors again engaged in an extensive and thorough analysis of alternatives, including maintaining IPC on a stand-alone basis (either as a monoline property catastrophe business or as an organically diversified business), pursuing an amalgamation or acquisition transaction with another party (either for cash, stock or a combination thereof), and effecting a run-off. IPC s board of directors determined, based on its analysis, that the Amalgamation with Validus (on the final, agreed-upon transaction terms) was the best alternative available to IPC, in consideration of each alternative s potential to provide value to IPC s shareholders, with due regard to certainty, the expeditious consummation of a transaction and other terms and conditions.

IPC s board of directors concluded that maintaining IPC on a stand-alone basis was not the most desirable alternative based on factors including the following:

the belief of IPC s board of directors that continuing on a stand-alone basis until the end of the hurricane season would increase risk and uncertainty for IPC due to the possibility that, as a result of the strategic uncertainty regarding IPC, a significant hurricane could cause IPC to be unable to replenish its capital, potentially impeding IPC s ability to maintain its business and its credit ratings, which could also have a negative impact on the obtainable value in any future sale process;

the belief of IPC s board of directors that IPC s limited management resources and lack of a permanent chief executive officer after June 30, 2009 as a result of the Proposed Max Amalgamation not being consummated, made IPC s stand-alone prospects more challenging, particularly in implementing an organic growth strategy;

the fact that a run-off of IPC during the hurricane season carried high risk, because IPC would continue to have significant exposure to catastrophe losses during the first year of run-off, as well as uncertainty regarding the impact on IPC s share price and the potential reaction of rating agencies, clients and employees, and the resulting uncertain timing of dividend payments due to concerns of regulators;

the risk that a future easing of the capital markets could cause new competitors to enter the property catastrophe insurance market; and

the fact that the uncertainty arising from Validus unsolicited offers over time could have an adverse impact on IPC s business operations, and Validus had indicated that it did not intend to terminate its offers.

IPC s board of directors determined that the Amalgamation with Validus (on the final, agreed-upon transaction terms) was more desirable than the transactions proposed by the other parties with which IPC engaged in negotiations following the termination of the Max Amalgamation Agreement, based on factors including the following:

the fact that IPC s board of directors conducted a thorough and intensive process that included negotiations with, due diligence on, and offers from multiple parties, in order to determine whether another transaction could offer better value (with due regard to certainty, the expeditious consummation of a transaction and other important terms and conditions) (see *The Amalgamation Background*), and IPC s board of directors made a determination that Validus offer represented the best available value (with due regard to certainty, the expeditious consummation of a transaction and other important terms and conditions);

the belief of IPC s board of directors that the aggregate consideration offered by Validus, including the amount and type of consideration, the future value creation potential, the anticipated timing of signing and closing, the likelihood of consummating the transaction, and the other terms and conditions of its offer, were superior, taken as a whole, to the offers of IPC s other potential counterparties;

the consideration to be paid by Validus for each IPC common share represented a 24.9% premium based on the closing prices of IPC and Validus on March 30, 2009, the last trading day before the announcement of the Initial Validus Offer, and a 6.8% premium based on the closing prices of IPC and Validus on July 8, 2009, the last trading day before the announcement of the Amalgamation Agreement;

IPC s board of directors assessment of the potential for future value creation to shareholders of the combined entity;

IPC s board of directors assessment, based on their analysis and understanding of the financial performance, financial condition, earnings and future prospects of the combined entity, that the combined entity will have enhanced size and scope, with shareholders equity of approximately $3.4 billion (as of March 31, 2009), which is expected to lead to improved financial strength and enable the combined entity to capture highly attractive market opportunities in the global insurance and reinsurance markets;

the fact that IPC shareholders will own approximately 38% of the combined entity (based on fully diluted shares as of March 31, 2009), enabling IPC shareholders to participate in the upside of owning shares in a larger, stronger and better capitalized underwriting platform;

the belief of IPC s board of directors that the Validus transaction offered a high level of certainty, in consideration of factors including:

IPC s board of directors belief that the conditions to closing the Amalgamation as described in *The Amalgamation Agreement Conditions to the Amalgamation* are capable of being satisfied, thus increasing the likelihood the Amalgamation will be consummated;

the fact that no external financing is required for the Amalgamation, thus increasing the likelihood that the Amalgamation will be consummated, and the fact that IPC has already secured an amendment to its existing credit facility that permits it to effect the Amalgamation;

IPC s board of directors belief, based on advice from outside legal counsel, that no required regulatory approvals were likely to delay or impair the parties ability to consummate the Amalgamation;

the reduction in uncertainty and risk to IPC resulting from entering into a transaction before the height of the hurricane season, combined with the fact that Validus does not have the right to terminate the Amalgamation in connection with any catastrophe losses suffered by IPC; and

the understanding of IPC s board of directors that the Amalgamation could close sooner than a transaction with any other potential counterparty could have, because Validus had already made significant progress in its filings with the SEC in relation to its proposed acquisition of IPC;

the overwhelming approval by Validus shareholders of the proposal to approve the issuance of Validus shares in connection with Validus unsolicited offer to acquire IPC and the existence of the voting agreements described above with respect to approximately 38% of Validus outstanding voting common shares as of July 27, 2009;

the risk that a future easing of the capital markets could reduce the interest of potential acquirers that viewed IPC as a source of capital;

the fact that the Amalgamation Agreement permits IPC to continue to declare and pay regular quarterly cash dividends at historical levels, whereas the transaction proposed by Party M would not have permitted a dividend;

the fact that the Amalgamation Agreement allows IPC s board of directors to change or withdraw its recommendation of the Amalgamation Agreement in the event that IPC receives a superior proposal from a third party, provided that following such a change Validus may terminate the Amalgamation Agreement and receive a termination fee and reimbursement of the Max Termination Fee from IPC, as described in *The Amalgamation Agreement Termination of the Amalgamation Agreement*; and

in determining that Validus offer represented the best available alternative, notwithstanding that the terms of the Revised Flagstone Offer represented a higher implied value for IPC s Shares based on share prices immediately prior to the announcement of each offer, IPC s board of directors also considered factors including the following:

the belief of IPC s board of directors, based on its assessment of various business, operational and financial factors, that an amalgamation with Flagstone would offer less future value creation potential with higher risk for IPC s shareholders than the Amalgamation with Validus; among the factors assessed by the IPC board of directors in coming to this view was an illustrative analysis of the values of the Validus offer and the Revised Flagstone Offer that was prepared by JPMorgan using a dividend discount model and was based on IPC s management projections, Validus management projections (as adjusted as directed by IPC management), Flagstone s management projections (as adjusted as directed by IPC management), a combined business plan prepared by Validus management (as adjusted as directed by IPC management), a combined business plan prepared by Flagstone management (as adjusted as directed by IPC management) and certain other assumptions;

the fact that the Revised Flagstone Offer delivered on July 8, 2009 did not increase the total amount of consideration payable to IPC shareholders over Flagstone s previous offer, as measured, for each Flagstone offer, as the market price of Flagstone s shares on the date of the Revised Flagstone Offer times the number of Flagstone shares to be exchanged for each IPC Share, plus the cash component of the proposed consideration;

the belief of IPC s board of directors, based on the advice of IPC management, that there could be some financing risk associated with the cash component of the Revised Flagstone Offer; specifically, IPC s board of directors considered that, due to the correlation of IPC s and Flagstone s property catastrophe reinsurance businesses, a combination of IPC and Flagstone might not result in the creation of excess capital of an amount sufficient to finance the cash portion of the Revised Flagstone Offer, thereby exposing the combined company to the possibility that it might need to obtain additional capital during the hurricane season, which capital could be costly or difficult to obtain;

IPC s board of directors understanding (1) based on publicly available information and the advice of its proxy solicitor, that IPC s shareholder base includes a large number of arbitrageurs that would be likely to sell the Flagstone common shares or Validus Shares they receive in a business combination transaction shortly after consummation of the transaction, and (2) that, because IPC shareholders would represent a larger percentage of the combined Flagstone/IPC shareholder base than the combined Validus/IPC shareholder base, the selling pressure on Flagstone s common shares resulting from such sales by arbitrageurs in a Flagstone/IPC combination would have been likely to be greater than the selling pressure on Validus Shares in a Validus/IPC combination, resulting in a greater risk of a relative post-closing decline in the market value of Flagstone common shares as compared to the Validus Shares;

the belief of IPC s board of directors, based on the advice of IPC management, that upon the announcement of any agreement between IPC and Flagstone, there was a significant risk that Flagstone s share price would decrease, thus decreasing the value of the consideration to be received by IPC s shareholders in any transaction with Flagstone, by a greater percentage than the price of Validus Shares would decrease upon the announcement of an agreement between IPC and Validus, due to the fact that Flagstone would have to issue a greater number of shares to consummate an amalgamation, relative to the number of Flagstone s currently outstanding shares, compared to the number of Validus Shares to be issued in the Amalgamation, relative to the number of Validus currently outstanding shares.

the belief of IPC s board of directors that the combined IPC/Validus strategic plan constituted a stronger model than the proposed IPC/Flagstone business model, in consideration of the fact that a combined Validus/IPC would have a larger capital base than a combined Flagstone/IPC and IPC s board of directors believed that a combined Validus/IPC would therefore have less costly access to capital from the equity markets if the need arose in the future;

the belief of IPC s board of directors that the share consideration offered by Validus was superior to that offered by Flagstone; and

the potential risk associated with Flagstone s ability to finance the cash portion of the Revised Flagstone Offer, and the impact that such payment could have on the combined company s ratings and access to future financing.

Other factors relating to the Amalgamation. IPC s board of directors also considered the following factors in making its determination and recommendation, including the following:

the possibility that delaying a transaction could allow IPC to obtain greater value, if the hurricane season is mild;

the concerns of IPC s board of directors expressed previously with respect to Validus unsolicited offer to acquire IPC and the Max Amalgamation Agreement, including the substantially correlated catastrophe exposure that would result from the Amalgamation with Validus; the volatility of Validus share price; the risk of the rating agencies giving the combined entity lower-than-anticipated ratings following the Amalgamation due to the correlated catastrophe exposure or if, for example, a material, unanticipated catastrophe occurs; the risks and costs to IPC if the Amalgamation is not completed, including the potential effect on the market price for IPC common shares, its operating results, and its ability to attract and retain key personnel; and the possibility that the IPC shareholders may not react favorably to the Amalgamation;

the concern expressed by ratings agencies, including A.M. Best, that the Amalgamation with Validus may result in a combined entity with a heightened risk profile due to its significant property catastrophe business, exacerbated by the anticipated timing of the closing of the Amalgamation during the hurricane season;

the fact that the Amalgamation Agreement does not restrict Validus from soliciting, considering or responding to third-party acquisition proposals and changing or withdrawing its recommendation of the Amalgamation Agreement, provided that following such a change IPC may terminate the Amalgamation Agreement and receive a termination fee, as described in *The Amalgamation Agreement Termination of the Amalgamation Agreement*;

the risk, particularly in light of IPC s and Validus overlapping risk concentration, that the increased cash component of the consideration offered by Validus could deplete the combined entity s capital;

the fact that IPC may become required in certain circumstances to pay Validus a termination fee of $16 million, and potentially to reimburse Validus for the $50 million advanced in respect of the Max Termination Fee, as described under *The Amalgamation Agreement Termination of the Amalgamation Agreement*, whereas if IPC had entered into a transaction with a different counterparty, IPC would not be required to pay or reimburse Validus, Max or any other party for the Max Termination Fee;

the fact that certain IPC shareholders may be required to pay taxes on the $7.50 per share cash consideration pursuant to the Amalgamation, as described under *Material U.S. Federal Income Tax Consequences*;

the risk that Validus may fail to satisfy the requirement that Validus obtain consents from its lenders, or enter into replacement financing arrangements, before consummating the Amalgamation; and

the fact that Validus has made no commitment to retain IPC s employees, which may negatively impact IPC s ability to retain employees prior to the consummation of the Amalgamation.

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The foregoing discussion is not intended to be exhaustive, but is believed to include material positive and potentially material adverse factors considered by IPC s board of directors. In view of the variety of factors considered in connection with its evaluation of the Amalgamation Agreement and the bye-law amendments and the other transactions contemplated by the Amalgamation Agreement, IPC s board of directors did not find it practicable to, and did not, quantify or otherwise assign specific weights to the factors considered in reaching its determination and recommendation. In addition, each of the members of IPC s board of directors may have given differing weights to different factors. IPC s board of directors believed that the positive factors discussed above outweighed the negative factors discussed above, especially after giving weight to the likelihood of their occurrence.

Opinion of Greenhill & Co., LLC, Financial Advisor to Validus Board

Validus board of directors received an oral opinion, subsequently confirmed in writing, from Greenhill that, based upon and subject to the various limitations and assumptions described in the written opinion, as of July 8, 2009, the consideration to be paid by Validus pursuant to the proposed Amalgamation was fair, from a financial point of view, to Validus.

The full text of the written opinion of Greenhill, dated July 8, 2009, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limits on the opinion and the review undertaken in connection with rendering the opinion, is attached as Annex C to this joint proxy statement/prospectus and is incorporated herein by reference. Greenhill s opinion is not a recommendation as to how Validus shareholders should vote with respect to the issuance of Validus Shares pursuant to the proposed Amalgamation or any other matter. The summary of Greenhill s opinion that is set forth below is qualified in its entirety by reference to the full text of the opinion. Validus shareholders are urged to read the opinion in its entirety.

In connection with rendering its opinion, Greenhill, among other things:

- reviewed a draft, dated July 8, 2009, of the Agreement and Plan of Amalgamation (the Draft Amalgamation Agreement);
- reviewed certain publicly available financial statements of IPC and Validus;
- reviewed certain other publicly available business and financial information relating to IPC and Validus that Greenhill deemed relevant;
- reviewed certain information, including financial forecasts and projections and other financial and operating data concerning Validus and IPC prepared by the management of Validus and IPC;
- discussed the past and present operations and financial condition and the prospects of Validus with senior executives of Validus;
- discussed the past and present operations and financial condition and the prospects of IPC with senior executives of IPC;
- reviewed the historical market prices and trading activity for IPC Shares and Validus Shares and analyzed their implied valuation multiples;

- compared the value of the amalgamation consideration with that received in certain publicly available transactions that Greenhill deemed relevant;
- compared the value of the amalgamation consideration with the trading valuations of certain publicly traded companies that Greenhill deemed relevant;
- compared the value of the amalgamation consideration with the relative contribution of IPC to the pro forma combined company based on a number of metrics that Greenhill deemed relevant;
- participated in discussions and negotiations among representatives of Validus and its legal advisors and representatives of IPC and its legal and financial advisors; and
- performed such other analyses and considered such other factors as Greenhill deemed appropriate.

In giving its opinion, Greenhill assumed and relied upon, without independent verification, the accuracy and completeness of the information publicly available, supplied or otherwise made available to it by representatives and management of Validus and IPC for the purposes of its opinion. Greenhill further relied upon the assurances of the representatives and management of Validus and IPC, as applicable, that they were not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to the financial forecasts and projections and other data that were furnished or otherwise provided to it, including the forecasts concerning IPC prepared by IPC management that Validus board of directors directed Greenhill to utilize for purposes of its analysis, Greenhill assumed that such financial forecasts and projections and other data were reasonably prepared on a basis reflecting the best currently available estimates and good faith judgments of the management of Validus and IPC, as applicable, as to those matters, and Greenhill relied upon such financial forecasts and projections and other data in arriving at its opinion. Greenhill expressed no opinion with respect to such financial forecasts and projections and other data or the assumptions upon which they were based. Greenhill did not make any independent valuation or appraisal of the assets or liabilities of IPC or Validus, nor was Greenhill furnished with any such appraisals. Greenhill assumed, with the consent of Validus board of directors, that the Amalgamation will be treated as a reorganization for United States federal income tax purposes. Greenhill assumed that the Amalgamation will be consummated in accordance with the terms set forth in the Amalgamation Agreement, which Greenhill further assumed will be identical in all material respects to the Draft Amalgamation Agreement that Greenhill reviewed, and without amendment or waiver of any material terms or conditions set forth in the Amalgamation Agreement. Greenhill further assumed that all material governmental, regulatory and other consents, approvals and waivers necessary for the consummation of the Amalgamation will be obtained without any adverse effect on IPC, Validus, the Amalgamation or the contemplated benefits of the Amalgamation meaningful to Greenhill s analysis. Greenhill s opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to it as of, July 8, 2009. It should be understood that subsequent developments may affect Greenhill s opinion, and Greenhill does not have any obligation to update, revise, or reaffirm its opinion.

Greenhill s opinion was for the information of Validus board of directors and was not intended to be and is not a recommendation as to how Validus shareholders should vote with respect to the issuance of Validus common shares pursuant to the Amalgamation or as to whether the Validus shareholders should take any other action at any meeting of the Validus shareholders convened in connection with the Amalgamation or any other matter. Greenhill s opinion did not address the underlying business decision of Validus to engage in the Amalgamation or the relative merits of the Amalgamation as compared to any other alternative strategies that might exist for Validus, and as such was not intended to be and did not constitute a recommendation to Validus board of directors as to whether they should approve the proposed Amalgamation, the documents in connection therewith or any related matters. Greenhill did not express an opinion as to any aspect of the proposed Amalgamation, other than the fairness, from a financial point of view, to Validus of the consideration to be paid by Validus pursuant to the Amalgamation. In particular, Greenhill did not express any opinion as to the prices at which Validus Shares will trade at any future time. Greenhill further did not express any opinion with respect to the amount or nature of any compensation to any officers, directors or employees of Validus, or any class of such persons relative to the consideration pursuant to the Amalgamation or with respect to the fairness of any such compensation.

Summary of Greenhill s Financial Analyses

The following is a summary of the material financial analyses provided by Greenhill to Validus board of directors in connection with rendering its opinion described above. The summary set forth below does not purport to be a complete description of the analyses performed by Greenhill, nor does the order of analyses as set forth below represent the relative importance or weight given to those analyses by Greenhill. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are not alone a complete description of Greenhill s financial analyses.

Exchange Ratio Analysis

Greenhill calculated the historical range and average of exchange ratios (the price of an IPC Share divided by the price of a Validus Share). Using the daily closing prices of Validus Shares and IPC Shares, the low, high and average exchange ratios for the three-month, six-month and twelve-month periods ending on July 7, 2009 are set forth in the table below. The percent premium that the consideration pursuant to the Amalgamation represents over the average exchange ratios for each period is set forth in the table below.

	Low	Average	High	Premium(1)
July 7, 2009				5.7%
Previous 3 Months	1.080x	1.160x	1.280x	12.2%
Previous 6 Months	0.930x	1.136x	1.280x	14.1%
Previous 12 Months	0.930x	1.219x	1.560x	7.5%

(1) Calculated as the premium of $7.50 plus 0.9727 times the average daily closing price of Validus Shares in the period over the average daily closing price of IPC Shares in the period.

Transaction Multiple Analysis

Greenhill calculated the multiple of the assumed offer value per IPC Share to several operating metrics for calendar years 2009 and 2010, including estimated earnings per share based upon mean estimates obtained from Institutional Brokers Estimate System (IBES). The calculations were based upon IPC Shares outstanding as of March 31, 2009 on a fully diluted basis. This analysis indicated the following multiples:

Assumed Value per IPC Share(1)	2009E P/E IBES Estimate	2010E P/E IBES Estimate	Price/Book Value(2)	Price/Tangible Book Value(1)
$29.73	6.1x	6.2x	0.91x	0.91x

(1) Calculated as $7.50 plus 0.9727 times the closing price of Validus common shares on July 7, 2009.

(2) Book value per IPC Share is calculated as of March 31, 2009 and is based upon 55,948,821 IPC Shares outstanding, 526,000 options outstanding and 493,415 unvested restricted stock units, restricted common shares and performance share units.

Dividend Discount Analysis

Greenhill performed a dividend discount analysis of IPC to determine a range of implied present values per IPC Share assuming that IPC continues to operate as a stand-alone company. This range was determined by adding the present value of the estimated future excess capital of IPC available to be dividended in each period and the present value of the estimated terminal value of IPC Shares. To estimate present values, Greenhill discounted the estimated future excess capital of IPC available to be dividended in each period through 2013 and the estimated terminal value of IPC Shares by a range of discount rates that take into account risk, the opportunity cost of capital, expected returns and other appropriate factors.

In connection with this analysis, Greenhill utilized 5-year net income and revenue projections based on IBES estimates for 2009 and 2010, extrapolated by Greenhill to 2013 (the IBES Case). In calculating the extrapolations, Greenhill assumed, among other things, a 4.0% return on total assets, with projections based on an assumed total assets to total equity ratio of 1.30x, and a net premiums written to total equity ratio of 0.20x. In addition, with respect to the IBES Case, Greenhill assumed that 493,000 unvested restricted shares of IPC would vest at the end of 2009, and that IPC would continue to pay an aggregate annual dividend equal to $0.88 per IPC Share throughout the 5-year projection period. Greenhill also utilized, at the direction of Validus board of directors, 5-year financial projections prepared by IPC management presenting the IPC organic growth case for 2009 through 2013 (the IPC Case) and assumed a net premiums written to total equity ratio of 0.20x.

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Greenhill then, with respect to each of the IBES Case and the IPC Case, calculated a range of implied present values per IPC Share by applying:

- a range of terminal multiples of 0.70x to 0.90x to year 2013 estimated book value of IPC Shares; and
- a range of discount rates of 9.0% to 11.0% to each of the estimated future excess capital of IPC available to be dividended in each period through 2013 and the estimated terminal value of IPC Shares.

This analysis resulted in a range of implied present values per IPC Share from $26.67 to $36.09 in the IBES Case and from $23.35 to $33.27 in the IPC Case.

Comparable Company Analysis

Greenhill reviewed and compared specific financial multiples, ratios and operating statistics of IPC to corresponding financial multiples, ratios and operating statistics for selected publicly traded reinsurance companies and compared the trading value of IPC to the trading values of the selected companies. The companies chosen by Greenhill were:

- ACE Limited
- Allied World Assurance Company Holdings Ltd
- Arch Capital Group Ltd.
- Aspen Insurance Holdings Limited
- Axis Capital Holdings Limited
- Endurance Specialty Holdings Ltd.
- Everest Re Group, Ltd.
- Flagstone Reinsurance Holdings Limited
- Greenlight Capital Re, Ltd.
- IPC Holdings, Ltd.
- Max Capital Group Ltd.
- Montpelier Re Holdings, Ltd.
- Munich Re Group
- Odyssey Re Holdings Corp.
- PartnerRe Ltd.
- Platinum Underwriters Holdings, Ltd.

RenaissanceRe Holdings Ltd.

Swiss Reinsurance Company Ltd.

TransAtlantic Holdings, Inc.

XL Capital Ltd

For each of the companies identified above, Greenhill calculated and compared various financial multiples, ratios and operating statistics based on publicly available financial data and closing share prices as of July 7, 2009.

Although none of the companies are directly comparable to IPC (other than IPC), Greenhill selected these companies because they had publicly traded equity securities and were deemed to be similar to IPC in one or more respects including the nature of their business, size, diversification, financial performance and geographic concentration. This analysis indicated the following mean and median trading multiples for the selected companies:

	Price/ Book Value	Price/ Tangible Book Value	Price/EPS 2009E	Price/EPS 2010E
Mean	0.89x	0.98x	6.6x	6.3x
Median	0.87x	0.95x	6.1x	5.9x

Greenhill then applied a range of selected multiples derived from the selected companies to corresponding financial data of IPC for the corresponding periods. This analysis indicated the following ranges of implied equity value and per share value for IPC:

Statistic	Implied Per Share Value(2)
2009E Net Income(1)	$ 26.79 - $34.09
2010E Net Income(1)	$ 26.30 - $33.47
Book Value	$ 27.85 - $31.13
Tangible Book Value	$ 27.85 - $31.13

(1) Estimates are mean IBES.

(2) Based upon 55,948,821 IPC Shares outstanding, 526,000 options outstanding and 493,000 unvested restricted stock units, restricted common shares and performance share units.

Precedent Transaction Analysis

Global Reinsurance Transactions. Using publicly available information, Greenhill analyzed selected merger and acquisition transactions with transaction values over $100 million in the global reinsurance industry beginning in February 1999. The following table identifies the global reinsurance transactions reviewed by Greenhill in this analysis:

Announcement Date	Target	Acquiror
July 5, 2009	PARIS RE Holdings Limited	PartnerRe Ltd.
August 4, 2008	CastlePoint Holdings, Ltd.	Tower Group, Inc.
January 7, 2008	Helicon Re Holdings, Ltd.	White Mountains Insurance Group, Ltd.
November 5, 2007	PXRE Reinsurance Company	TAWA plc
December 9, 2003	ABB Insurance Holding Sweden AB (Sirius International Group)	White Mountains Insurance Group, Ltd.
October 24, 2003	ERC Life Reinsurance Corporation	Scottish Re Group Limited
December 19, 1999	LaSalle Re Holdings Limited	Trenwick Group Inc.
August 15, 1999	Terra Nova (Bermuda) Holdings Ltd.	Markel Corporation
June 21, 1999	Chartwell Re Corporation	Trenwick Group Inc.
May 27, 1999	Capital Re Corporation	ACE Limited

February 15, 1999	NAC Re Corp.	XL Capital Ltd.

For the selected global reinsurance transactions, to the extent this information was available, Greenhill calculated the multiples implied by each transaction relative to a number of metrics, including the target company s book value and tangible book value at the time of such transaction. This analysis indicated the following mean and median multiples for the selected global reinsurance transactions:

	GAAP Multiples	
	Book Value	**Tangible Book Value**
Mean	0.98x	1.03x
Median	0.96x	1.01x

Greenhill then applied a range of selected multiples derived from the selected global reinsurance transactions to corresponding financial data of IPC for the corresponding date. This analysis indicated the following ranges of implied equity value and per share value for IPC:

Statistic	Implied Per Share Value(1)
Book Value	$ 29.49 - $39.32
Tangible Book Value	$ 29.49 - $39.32

(1) Based upon 55,948,821 IPC Shares outstanding, 526,000 options outstanding and 493,000 unvested restricted stock units, restricted common shares and performance share units.

Premiums Paid Analysis. Greenhill analyzed the premiums paid in stock-for-stock and part-cash, part-stock acquisition transactions since May 2004 with a transaction value of between $500 million and $5 billion. Greenhill calculated, for each of these transactions, the premium of the transaction consideration over the historical closing prices for each of the one-day, one-week and one-month periods prior to announcement of such transaction. Greenhill then applied the medians and ranges of such premiums, shown in the table below, to corresponding closing prices per IPC Share, using the day immediately prior to the announcement of IPC s proposed merger with Max as the corresponding announcement date. This analysis indicated a range of implied values per IPC Share shown below:

Timing	Premium Range	Implied Per Share Value
One Day Prior	14.0% - 25.0%	$28.97 - $31.76
One Week Prior	16.0% - 25.0%	$32.48 - $35.00
One Month Prior	18.0% - 25.0%	$30.28 - $32.08

It should be noted that no transaction utilized in the analyses above is identical to the proposed Amalgamation. A complete analysis involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved in these transactions and other factors that could affect the premiums and multiples in these transactions to which the proposed Amalgamation is being compared.

Book Value Growth Analysis

Using IPC book value as of March 31, 2009, based on IPC s public filings, and mean Bloomberg estimates of IPC book value through the end of year 2009, Greenhill calculated the implied price to book value multiple that the assumed offer value per IPC Share would represent at the end of each quarter set forth in the table below. This analysis indicated that due to IPC s projected book value growth, the implied price to book value multiple would decrease over time, as illustrated below:

Assumed Per Share Value(1)	March 31, 2009	June 30, 2009	September 30, 2009	December 31, 2009
$29.73	0.907x	0.871x	0.859x	0.832x

(1) Calculated as $7.50 plus 0.9727 times the closing price of Validus common shares on July 7, 2009.

Pro Forma Combined Company Analysis

Greenhill analyzed certain financial data on a pro forma basis for IPC and Validus as a combined company following the Amalgamation. Greenhill based its analyses on publicly available information and information and projections provided by Validus as described above.

Greenhill compared, among other things, the book value per share, tangible book value per share and projected earnings per share for Validus on a standalone basis and for the pro forma combined company. Greenhill then analyzed the accretive or dilutive effects of the Amalgamation to Validus shareholders for the assumed level of total amalgamation consideration per IPC Share. This analysis indicated the following accretive or dilutive effects:

Assumed Total Consideration Per IPC Share(1)	Accretion/(Dilution) 2009E EPS	2010E EPS	Book Value Per Share	Tangible Book Value Per Share
$29.73	0.9%	(3.6)%	0.0%	2.7%

(1) Calculated as $7.50 plus 0.9727 times the closing price of Validus common shares on July 7, 2009.

In addition, Greenhill analyzed the pro forma combined company s business lines, balance sheet and capital base relative to each of Validus and IPC on a standalone basis. Further, Greenhill conducted a comparison regarding the pro forma combined company s equity as of March 31, 2009 relative to certain of its peers and each of Validus and IPC on a standalone basis. Greenhill also performed a contribution analysis of the relative contributions of each of Validus and IPC with respect to the pro forma combined company s balance sheet, gross premiums written and other items.

The summary set forth above does not purport to be a complete description of the analyses performed by Greenhill, but describes, in summary form, the material analyses that Greenhill conducted in connection with rendering its opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. In arriving at its opinion, Greenhill did not attribute any particular weight to any analyses or factors it considered and did not form an opinion as to whether any individual analysis or factor, considered in isolation, supported or failed to support its opinion. Rather, Greenhill considered the totality of the factors and analyses performed in determining its opinion. Accordingly, the summary set forth above and the analyses of Greenhill must be considered as a whole and selecting portions thereof, without considering all of its analyses, could create an incomplete view of the processes underlying Greenhill s analyses and opinion. Greenhill based its analyses on assumptions that it deemed reasonable, including assumptions concerning general business and economic conditions and industry-specific factors. Analyses based on forecasts or projections of future results are inherently uncertain, as they are subject to numerous factors or events beyond the control of the parties or their advisors. Accordingly, Greenhill s analyses are not necessarily indicative of actual values or actual future results that might be achieved, which values may be higher or lower than those indicated. Moreover, Greenhill s analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be bought or sold. In addition, no company (other than IPC) or transaction used in Greenhill s analysis as a comparison is directly comparable to IPC, Validus or the contemplated transaction. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Validus or Greenhill or any other person assumes responsibility if future results are materially different from those forecasts or projections.

Greenhill s opinion and analyses were provided to Validus board of directors in connection with its consideration of the proposed Amalgamation and were among many factors considered by Validus board of directors in evaluating the proposed Amalgamation. See *The Amalgamation Reasons Why Validus Board of Directors Recommends Approval of the Share Issuance*. While Greenhill provided advice to Validus during this process, it did not recommend any specific amount of consideration to Validus or Validus board of directors or that any specific amount of consideration would constitute the only appropriate consideration for the proposed Amalgamation. Neither Greenhill s opinion nor its analyses should be viewed as determinative of the consideration or the views of Validus board of directors with respect to the proposed Amalgamation.

Engagement of Greenhill

Validus selected Greenhill as its financial advisor in connection with the proposed Amalgamation based on its qualifications and expertise in providing financial advice to acquirors, target companies and their respective boards of directors in merger and acquisition transactions. Greenhill will receive an aggregate fee of $10.0 million for its services rendered in connection with the Amalgamation, $2.75 million of which has already been paid and $7.25 million of which is contingent on the consummation of the Amalgamation or

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entry into a definitive agreement that subsequently results in a transaction. In addition, Validus will reimburse Greenhill for its reasonable out-of-pocket expenses, including the reasonable fees and expenses of its legal counsel. Validus has also agreed to indemnify Greenhill and its affiliates for certain liabilities arising out of its engagement, including liabilities under the U.S. federal securities laws.

During the two years preceding the date of its opinion, Greenhill was not previously engaged by, did not perform any services for, and did not receive any compensation from, Validus or any other parties to the Amalgamation Agreement (other than any amounts that were paid to Greenhill under its engagement as financial advisor in connection with the proposed Amalgamation). As of the date of Greenhill s opinion, four merchant banking funds affiliated with Greenhill owned an aggregate of 2,571,427 Validus Shares, and certain employees of Greenhill and its affiliates had interests in one or more of such funds.

Opinion of J.P. Morgan Securities Inc., Financial Advisor to IPC s Board

Pursuant to an engagement letter dated February 29, 2008, IPC retained JPMorgan as its financial advisor in connection with IPC s analysis and consideration of various strategic alternatives. Pursuant to an engagement letter dated January 15, 2009, IPC retained JPMorgan as its financial advisor to, among other things, evaluate whether the amalgamation consideration to be paid to the holders of IPC Shares was fair, from a financial point of view, to such holders (other than Validus and its affiliates).

At the meeting of IPC s board of directors on July 8, 2009, JPMorgan rendered its oral opinion, subsequently confirmed in writing on the same day, to IPC s board of directors that, as of such date and based upon and subject to the factors and assumptions set forth in its opinion, the amalgamation consideration to be paid to the holders of the IPC Shares in the proposed Amalgamation was fair, from a financial point of view, to such holders (other than Validus and its affiliates). No limitations were imposed by IPC s board of directors upon JPMorgan with respect to the investigations made or procedures followed by it in rendering its opinions. The issuance of JPMorgan s opinion was approved by a fairness opinion committee of JPMorgan on July 8, 2009.

The full text of the written opinion of JPMorgan dated July 8, 2009, which sets forth the assumptions made, matters considered and limits on the review undertaken, is attached as Annex D to this joint proxy statement/prospectus and is incorporated herein by reference. IPC s shareholders are urged to read the opinion in its entirety. JPMorgan s written opinion is addressed to IPC s board of directors, addresses only the fairness, from a financial point of view, to the holders of the IPC Shares (other than Validus and its affiliates) of the amalgamation consideration to be paid to such holders in the Amalgamation and does not constitute a recommendation to any shareholder of IPC as to how such shareholder should vote at the IPC special meeting. The summary of the opinion of JPMorgan set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of such opinion.

In arriving at its opinion, JPMorgan, among other things:

- reviewed a draft dated July 8, 2009, of the Amalgamation Agreement;
- reviewed certain publicly available business and financial information concerning IPC and Validus and the industries in which they operate;
- compared the proposed financial terms of the Amalgamation with the publicly available financial terms of certain transactions involving companies JPMorgan deemed relevant and the consideration paid for such companies

compared the financial and operating performance of IPC and Validus with publicly available information concerning certain other companies JPMorgan deemed relevant and reviewed the current and historical market prices of IPC Shares and Validus Shares and certain publicly traded securities of such other companies;

- reviewed certain financial analyses and forecasts provided by the management of IPC and/or Validus, or prepared as directed by the management of IPC, including (a) certain internal financial analyses and forecasts prepared by the management of IPC, or as directed by the management of IPC, relating to IPC s business, (b) certain internal financial analyses and forecasts prepared by the management of Validus relating to Validus business as adjusted as directed by the management of IPC and (c) certain internal financial analyses and forecasts relating to the combined business of IPC and Validus prepared by the management of Validus and adjusted as directed by the management of IPC; and

- performed such other financial studies and analyses and considered such other information as JPMorgan deemed appropriate for the purposes of its opinion.

JPMorgan also held discussions with certain members of the management of IPC and Validus with respect to certain aspects of the Amalgamation, and the past and current business operations of IPC and Validus, the financial condition and future prospects and operations of IPC and Validus, the effects of the Amalgamation on the financial condition and future prospects of IPC and Validus, and certain other matters JPMorgan believed necessary or appropriate to its inquiry.

JPMorgan relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with JPMorgan by IPC or Validus or otherwise reviewed by or for JPMorgan and JPMorgan has not independently verified (nor has it assumed responsibility or liability for independently verifying) any such information or its accuracy or completeness. JPMorgan did not conduct any valuation or appraisal of any assets or liabilities, nor did JPMorgan evaluate the solvency of IPC or Validus under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. JPMorgan was not provided with any valuation or appraisal of any assets or liabilities on which it was permitted to or did rely. In relying on financial analyses and forecasts provided to it or prepared as directed by the management of IPC or derived from any of the foregoing, JPMorgan assumed that they were reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of IPC, Validus and the combined entity. JPMorgan expressed no view as to analyses or forecasts referred to herein or the assumptions on which they were based. JPMorgan also assumed that the Amalgamation and the other transactions contemplated by the Amalgamation Agreement will qualify as a tax-free reorganization for U.S. federal income tax purposes, will have the purchase accounting consequences described in discussions with, and materials furnished to JPMorgan by, representatives of IPC and Validus and will be consummated as described in the Amalgamation Agreement, and that the definitive Amalgamation Agreement would not differ in any material respect from the draft thereof provided to JPMorgan. JPMorgan also assumed that the representations and warranties made by IPC and Validus in the Amalgamation Agreement and the related agreements are and will be true and correct in all ways material to its analysis. JPMorgan is not a legal, regulatory, actuarial or tax expert and relied on the assessments made by advisors to IPC with respect to such issues. Except as would not be material to its analysis, JPMorgan further assumed that all governmental, regulatory or other consents and approvals necessary for the closing of the Amalgamation will be obtained without any adverse effect on IPC or Validus or on the contemplated benefits of the Amalgamation.

JPMorgan s opinion is based on economic, market and other conditions as in effect on, and the information made available to JPMorgan as of, the date of such opinion. Subsequent developments may affect JPMorgan s opinion, and JPMorgan does not have any obligation to update, revise, or reaffirm such opinion. JPMorgan s opinion is limited to the fairness, from a financial point of view, to the holders of the IPC Shares (other than Validus and its affiliates) of the amalgamation consideration to be paid to such holders in the proposed Amalgamation, and JPMorgan has expressed no opinion as to the fairness of the Amalgamation to, or any consideration to be paid in connection therewith to, the holders of any other class of securities, creditors or other constituencies of IPC or as to the underlying decision by IPC to engage in the Amalgamation. Furthermore, JPMorgan expressed no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the Amalgamation, or any class of such persons relative to the amalgamation consideration to be paid to the holders of the IPC Shares in the Amalgamation or with respect to the fairness of any such compensation. JPMorgan expressed no opinion as to the price at which IPC s common shares or Validus common shares will trade at any future time.

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The terms of the Amalgamation Agreement, including the consideration payable, were determined through negotiations between IPC and Validus and were approved by both boards of directors. The decision to enter into the Amalgamation Agreement was solely that of IPC s board of directors. The JPMorgan opinion and financial analyses were only one of the many factors considered by IPC in its evaluation of the Amalgamation and should not be viewed as determinative of the views of IPC s board of directors or IPC s management with respect to the Amalgamation or the amalgamation consideration.

In accordance with customary investment banking practice, JPMorgan employed generally accepted valuation methods in reaching its opinion. The following is a summary of the material financial analyses utilized by JPMorgan in connection with providing its opinion and does not purport to be a complete description of the analysis underlying JPMorgan s opinion. Some of the summaries of financial analyses are presented in tabular format. To fully understand the financial analyses, the tables should be read together with the text of each summary. Considering the data set forth in the table without considering the narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses.

Projections

In performing its analysis of IPC, JPMorgan relied on (1) certain financial analyses and forecasts prepared by the management of IPC, or as directed by the management of IPC, reflecting IPC continuing as a monoline property catastrophe company, which were prepared in connection with the proposed Amalgamation for the period 2009 to 2018 and are referred to in this joint proxy statement/prospectus as the monoline case, (2) certain financial analyses and forecasts prepared by the management of IPC, or as directed by the management of IPC, reflecting IPC s expansion into additional lines of business and geographic locations including a Lloyd s platform, a crop reinsurance quota share business and certain specialty reinsurance areas, which were prepared in connection with the proposed Amalgamation for the period 2009 to 2018 and are referred to in this joint proxy statement/prospectus as the organic growth case, and (3) certain internal analyses and forecasts prepared by the management of IPC, or as directed by the management of IPC, reflecting a run-off of IPC s business, which were prepared in connection with the proposed Amalgamation for the period 2009 to 2012 and are referred to in this joint proxy statement/prospectus as the run-off case.

In performing its analysis of Validus, JPMorgan relied on certain internal financial analyses and forecasts for Validus prepared by the management of Validus and adjusted as directed by the management of IPC, which analyses and forecasts were prepared in connection with the proposed Amalgamation for the period 2009 to 2018 and are referred to in this joint proxy statement/prospectus as the adjusted Validus standalone case .

In performing its analysis of the combined entity, JPMorgan relied on certain internal financial analyses and forecasts relating to the combined entity prepared by the management of Validus, and adjusted as directed by the management of IPC, which analyses and forecasts were prepared in connection with the proposed Amalgamation for the period 2009 to 2018 and are referred to in this joint proxy statement/prospectus as the adjusted Validus combined case .

The projections relied upon by JPMorgan for IPC, Validus and the combined entity were provided by the management of IPC and/or Validus in connection with the proposed Amalgamation, or prepared as directed by the management of IPC in connection with the proposed Amalgamation. Neither IPC nor Validus publicly discloses internal management projections of the type relied upon by JPMorgan in connection with JPMorgan s analysis of the Amalgamation, and such projections were not prepared with a view toward public disclosure. These projections were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of management, including, without limitation, factors related to general economic and competitive conditions, prevailing interest rates and catastrophic events. Accordingly, actual results could vary significantly from those set forth in such projections.

Summary of JPMorgan s Financial Analyses

Historical Exchange Ratio Analysis. JPMorgan reviewed the per share daily closing market price of IPC Shares and Validus Shares over the previous year and calculated the implied historical exchange ratios during

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this period by dividing the daily closing prices per share of IPC Shares by those of Validus Shares. JPMorgan compared the maximum and minimum implied exchange ratio over the period to 1.3009x, the exchange ratio for a theoretical all-stock transaction with implied value equal to the aggregate consideration in the proposed Amalgamation as of July 7, 2009 (the equivalent all-stock exchange ratio), which was calculated as the price implied by Validus offer as of July 7, 2009 ($29.73) divided by Validus share price as of the same date ($22.85). The analysis resulted in an historical high implied exchange ratio of 1.556x and an historical low implied exchange ratio of 0.930x, in each case for the period from Validus initial public offering on July 25, 2007 to July 7, 2009.

Public Trading Multiples. Using publicly available information, JPMorgan compared selected financial data of IPC and Validus with similar data for selected publicly traded companies engaged in businesses which JPMorgan judged to be analogous to IPC and Validus. The companies selected by JPMorgan were as follows:

Aspen Insurance Holdings;

Flagstone Reinsurance Holdings Limited

IPC Holdings, Ltd.;

Max Capital Group Ltd.;

Montpelier Re Holdings;

Platinum Underwriters Holdings Ltd.;

RenaissanceRe Holdings Ltd.; and

Validus Holdings, Ltd.

These companies were selected, among other reasons, because they are Bermuda-based insurers/reinsurers with significant reinsurance businesses, have similar competitive dynamics and have a capital base within a range encompassing IPC and Validus.

JPMorgan reviewed, among other information, (1) the price per share of the particular company compared to calendar year 2010 earnings per share as estimated by Wall Street analysts to determine a range of multiples of the ratio of the price per share to 2010 estimated earnings per share, and (2) the market value of the particular company s equity compared to actual book value of equity as of March 31, 2009, to determine a range of multiples of the ratio of the market value of equity to actual book value of equity as of March 31, 2009, for the selected companies.

The analysis indicated that the range of the ratio of the price per share to 2010 estimated earnings per share was from 4.4x to 6.2x. JPMorgan applied the range to IPC and Validus and calculated the following implied equity values per share for each using projected 2010 net income for each of the cases set forth below.

Implied Equity Value per Share	**Price to 2010 Earnings per Share**		
	IPC		**Validus**
			Adjusted
	Monoline	**Organic**	**Validus**
		Growth	**Standalone**
	Case	**Case**	**Case**

High	$ 24	$ 25	$ 22
Low	17	18	16

JPMorgan then calculated (1) the ratio of the lowest implied equity value per share for IPC to the highest implied equity value per share for Validus, and (2) the ratio of the highest implied equity value per share for IPC to the lowest implied equity value per share for Validus to derive an implied exchange ratio range for a theoretical all-stock transaction as shown below. This range was compared to the equivalent all-stock exchange ratio of 1.3009x. In addition, JPMorgan calculated (1) the ratio of the lowest implied equity value per share for IPC less the approximately $424mm of aggregate cash consideration to be paid to the holders of the IPC Shares in the Amalgamation (the aggregate cash consideration) to the highest implied equity value per share for Validus, and (2) the ratio of the highest implied equity value per share for IPC less the aggregate cash consideration to the lowest implied equity value per share for Validus to derive an implied exchange ratio range adjusted for the aggregate cash consideration as shown below. This range was compared to the exchange ratio in the proposed Amalgamation of 0.9727x. Both analyses were repeated for the following combinations of projections for IPC and Validus: (1) the monoline case to the adjusted Validus standalone case and (2) the organic growth case to the adjusted Validus standalone case.

Implied Exchange Ratio Analysis Assuming Theoretical 100% Stock Transaction	Price to 2010 Earnings per Share
	Exchange ratio
Monoline Case to Adjusted Validus Standalone Case	
Highest IPC equity value per share to lowest Validus equity value per share	1.562x
Lowest IPC equity value per share to highest Validus equity value per share	0.787
Organic Growth Case to Adjusted Validus Standalone Case	
Highest IPC equity value per share to lowest Validus equity value per share	1.635x
Lowest IPC equity value per share to highest Validus equity value per share	0.824

Implied Exchange Ratio Analysis Adjusted for Aggregate Cash Consideration	Price to 2010 Earnings per Share
	Exchange ratio
Monoline Case to Adjusted Validus Standalone Case	
Highest IPC adjusted equity value per share to lowest Validus equity value per share	1.082x
Lowest IPC adjusted equity value per share to highest Validus equity value per share	0.446
Organic Growth Case to Adjusted Validus Standalone Case	
Highest IPC adjusted equity value per share to lowest Validus equity value per share	1.156x
Lowest IPC adjusted equity value per share to highest Validus equity value per share	0.483

Additionally, the analysis indicated that the range of the ratio of the market value of equity to actual book value of equity as of March 31, 2009 was from 0.69x to 0.95x. JPMorgan rounded the 0.69x to 0.70x and then applied a range from 0.70x to 0.95x to IPC and Validus and calculated the following implied equity values per share for each using the actual book value of equity as of March 31, 2009.

Implied Equity Value per Share	Market Value of Equity to Book Value as of March 31, 2009	
	IPC	**Validus**
High	$ 31	$ 21
Low	23	16

JPMorgan then calculated (1) the ratio of the lowest implied equity value per share for IPC to the highest implied equity value per share for Validus, and (2) the ratio of the highest implied equity value per share for IPC to the lowest implied equity value per share for Validus to derive an implied exchange ratio range for a theoretical all-stock transaction of 1.073x to 1.977x, as compared to the equivalent all-stock exchange ratio of 1.3009x. In addition, JPMorgan calculated (1) the ratio of the lowest implied equity value per share for IPC less the aggregate cash consideration to the highest implied equity value per share for Validus, and (2) the ratio of the highest implied equity value per share for IPC less the aggregate cash consideration to the lowest implied equity value per share for Validus to derive an implied exchange ratio range adjusted for the aggregate cash consideration of 0.722x to 1.500x. This range was compared to the exchange ratio in the proposed Amalgamation of 0.9727x.

Selected Transaction Analysis. Using publicly available information, JPMorgan examined selected transactions with respect to the Bermuda reinsurance sector. Specifically, JPMorgan reviewed the following transactions:

PartnerRe Ltd. s acquisition of PARIS RE Holdings Limited for a multiple of 0.97x of PARIS RE Holdings Limited s last publicly-reported book value, which was used as the high end of the multiple range; and

IPC Holdings, Ltd. s previously proposed combination with Max Capital Group Ltd. at a multiple of 0.72x of Max Capital Group Ltd. s last publicly-reported book value, which was used as the low end of the multiple range.

JPMorgan applied the 0.72x-0.97x multiple range to IPC s actual book value of equity as of March 31, 2009 and arrived at an estimated range of equity values for IPC Shares of between $23 and $32 per share.

Implied Equity Value per Share	Market Value of Equity to Book Value as of Mar. 31, 2009
	IPC
High	$ 32
Low	23

Dividend Discount Model Analysis. JPMorgan conducted a dividend discount model analysis for each of IPC, Validus and the combined entity for the purpose of determining the fully diluted implied equity value per share of each of IPC and Validus on a standalone basis as well as the combined entity. A dividend discount model analysis is a method of evaluating the equity value of a company using estimates of the future dividends to shareholders generated by the company and taking into consideration the time value of money with respect to those future dividends by calculating their present value. Present value refers to the current value of future dividends to shareholders paid by the company and is obtained by discounting those future dividends back to the present using a discount rate that takes into account macro-economic assumptions, estimates of risk, the opportunity cost of capital, and other appropriate factors.

Based on the net income that IPC, Validus and the combined entity are projected to generate during fiscal years 2009 through 2018 and JPMorgan calculated the maximum possible dividends that can be paid out in each year subject to an operating leverage (net premiums written divided by shareholders equity) constraint and statutory constraints, assuming no capital is returned through share repurchases. The dividend stream for the years 2009 through 2018 was then discounted to present values using a range of discount rates from 11.0% to 14.0%, which was chosen by JPMorgan based upon an analysis of the cost of equity of IPC and Validus. JPMorgan also calculated a range of terminal values for IPC, Validus and the combined entity at the end of the 10-year period ending 2018 by applying a perpetual dividend growth rate ranging from 1.5% to 2.5% and discounted the terminal value using a range of discount rates from 11.0% to 14.0. Terminal value refers to the capitalized value of all future dividends to shareholders paid by the company for periods beyond the final forecast period.

JPMorgan carried out the foregoing analysis based upon the monoline case and organic growth case for IPC, the adjusted Validus standalone case for Validus and the adjusted Validus combined case for the combined entity.

JPMorgan also conducted a dividend discount model analysis for the run-off case. The run-off case assumes no new premiums are written beginning in 2010, with the majority of capital returned as dividends as reserves are paid out, and the remaining value recovered through the sale of IPC at the end of 2012. JPMorgan calculated the maximum possible dividends that can be paid out during fiscal years 2009 through 2012, and discounted the resulting dividend stream to present values using a range of discount rates from 11.0% to 14.0%. As directed by IPC management, JPMorgan assumed a September 30 discounting date to discount annual dividends for the dividend discount model valuation of the run-off case. JPMorgan also calculated a range of terminal values for the run-off case at the end of the four-year period ending 2012 by applying an exit multiple range of 0.80x to 1.00x to projected December 31, 2012 book value and discounted the terminal value using a range of discount rates from 11.0% to 14.0%.

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The analysis yielded the following implied equity value per share of IPC and Validus in the cases set forth below:

Implied Equity Value per Share	Dividend Discount Model IPC Monoline Case	IPC Organic Growth Case	IPC Run-off Case	Validus Adjusted Validus Standalone Case
High	$ 36	$ 41	$ 30	$ 36
Mid-point(1)	30	34	29	29
Low	25	29	28	25

(1) Mid-point calculated using the mid-point of the discount rate range (12.5%) and the mid-point of the perpetuity growth rate range (2.0%).

JPMorgan then calculated (1) the ratio of the lowest implied equity value per share for IPC to the highest implied equity value per share for Validus, and (2) the ratio of the highest implied equity value per share for IPC to the lowest implied equity value per share for Validus to derive an implied exchange ratio range for a theoretical all-stock transaction as shown below, as compared to the equivalent all-stock exchange ratio of 1.3009x. In addition, JPMorgan calculated (1) the ratio of the lowest implied equity value per share for IPC less the aggregate cash consideration to the highest implied equity value per share for Validus, and (2) the ratio of the highest implied equity value per share for IPC less the aggregate cash consideration to the lowest implied equity value per share for Validus to derive an implied exchange ratio range adjusted for the aggregate cash consideration as shown below. This range was compared to the exchange ratio in the proposed Amalgamation of 0.9727x. Both analyses were repeated for the following combinations of projections for IPC and Validus: (1) the monoline case to the adjusted Validus standalone case and (2) the organic growth case to the adjusted Validus standalone case.

Implied Exchange Ratio Analysis Assuming Theoretical 100% Stock Transaction	Dividend Discount Model Exchange ratio
Monoline Case to Adjusted Validus Standalone Case	
Highest IPC equity value per share to lowest Validus equity value per share	1.444x
Lowest IPC equity value per share to highest Validus equity value per share	0.700
Organic Growth Case to Adjusted Validus Standalone Case	
Highest IPC equity value per share to lowest Validus equity value per share	1.670x
Lowest IPC equity value per share to highest Validus equity value per share	0.792

Implied Exchange Ratio Analysis Adjusted for Aggregate Cash Consideration	Dividend Discount Model Exchange ratio
Monoline Case to Adjusted Validus Standalone Case	
Highest IPC adjusted equity value per share to lowest Validus equity value per share	1.141x

Lowest IPC adjusted equity value per share to highest Validus equity value per share	0.494
Organic Growth Case to Adjusted Validus Standalone Case	
Highest IPC adjusted equity value per share to lowest Validus equity value per share	1.367x
Lowest IPC adjusted equity value per share to highest Validus equity value per share	0.586

Illustrative Value Creation Analysis. JPMorgan also performed an illustrative value creation analysis with and without synergies. The equity value of the combined entity assuming no synergies is equal to the sum of the equity value of IPC standalone and Validus standalone based on the mid-point valuation derived from the dividend discount model analysis, less an aggregate of $500mm representing the total of the following amounts: (1) the aggregate cash consideration, (2) the $50mm Max break up fee and (3) an estimated $26.2mm of transaction expenses incurred after March 31, 2009. The implied equity value and equity value per share paid to the holders of the IPC Shares in the transaction is calculated as IPC

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shareholders pro rata share, as implied by the exchange ratio of 0.9727x, of the implied equity value and equity value per share of the combined entity plus the cash consideration of $7.50 per share. This analysis, assuming no synergies, was performed using the following combinations of projections for IPC and Validus to calculate the implied equity value of the combined entity:

For comparison to the monoline case for IPC stand-alone: sum of the monoline case and the adjusted Validus standalone case.

For comparison to the organic growth case for IPC stand-alone: sum of the organic growth case and the adjusted Validus standalone case.

For comparison to the run-off case for IPC stand-alone: sum of the run-off case and the adjusted Validus standalone case.

This analysis yielded the following:

Illustrative Value Creation Analysis Assuming No Synergies	**% Increase**
Sum of Adjusted Validus Standalone Case and respective IPC standalone case, compared to	
Organic Growth Case	3%
Monoline Case	12
Run-off Case	14

The value creation analysis was then repeated to include synergies. The equity value of the combined entity with synergies reflects the adjusted Validus combined case based on the mid-point valuation derived from the dividend discount model analysis. Implied value creation with respect to IPC was calculated by comparing (1) the implied equity value and equity value per share of IPC standalone for each of (a) the monoline case, (b) the organic growth case and (c) the run-off case to (2) IPC shareholders pro rata share, as implied by the exchange ratio of 0.9727x, of the implied equity value and equity value per share of the combined entity plus the cash consideration of $7.50 per share. This analysis yielded the following:

Illustrative Value Creation Analysis Assuming Synergies	**% Increase**
Adjusted Validus Combined Case compared to	
Organic Growth Case	17%
Monoline Case	34
Run-off Case	38

Certain Considerations. The foregoing summary of certain material financial analyses does not purport to be a complete description of the analyses or data presented by JPMorgan. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. JPMorgan believes that the foregoing summary and its analyses must be considered as a whole and that selecting portions of the foregoing summary and these analyses, without considering all of its analyses as a whole, could create an incomplete view of the processes underlying the analyses and its opinion. In arriving at its opinion, JPMorgan did not attribute any particular weight to any analyses or factors considered by it and did not form an opinion as to whether any individual analysis or factor (positive or negative), considered in isolation, supported or failed to support its opinion. Rather, JPMorgan considered the totality of the factors and analyses performed in determining its opinion and made its determination as to fairness based on its professional judgment and after considering the results of all its analyses. Analyses based upon forecasts of future results are inherently uncertain, as they are subject to numerous factors or events beyond the control of the parties and their advisors. Accordingly, forecasts and analyses used or made by JPMorgan are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by those analyses. Moreover, JPMorgan s analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be bought or sold. None of the selected companies reviewed as described in the above summary is identical to IPC or Validus (other than IPC or Validus, as applicable) and none of the selected transactions reviewed was identical to the Amalgamation. However, the companies selected were chosen because they are publicly traded companies with operations and businesses that, for purposes of JPMorgan s analyses, may be considered similar to those of IPC. The transactions selected were similarly chosen because their participants, size and other factors, for purposes of JPMorgan s analyses, may be considered similar to the Amalgamation. The analyses necessarily involve complex considerations and judgments concerning differences in financial and operational characteristics of the companies involved and other factors that could affect the companies compared to IPC or Validus and the transactions compared to the Amalgamation.

Engagement of JPMorgan

As a part of its investment banking business, JPMorgan and its affiliates are continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements, and valuations for estate, corporate and other purposes. JPMorgan was selected to advise IPC with respect to the Amalgamation and deliver an opinion to IPC s board of directors with respect to the Amalgamation on the basis of such experience and its familiarity with IPC.

For services rendered in connection with the Amalgamation (including the delivery of its opinion), IPC has agreed to pay JPMorgan customary compensation in respect thereof, a substantial portion of which will become payable only if the proposed Amalgamation is consummated. Specifically, IPC agreed to pay JPMorgan an aggregate fee equal to 1.0% of the consideration in the transaction including the amount of IPC s outstanding indebtedness immediately prior to the closing of the transaction. Based on the closing price of Validus Shares on July 31, 2009, the fee would be approximately $16.7 million. As of the date of this joint proxy statement/prospectus, $3.7 million of the fee has been paid. The remaining portion of the fee is payable upon the closing of a significant business combination transaction, including the Amalgamation with Validus. See *The Amalgamation Sources of Funds, Fees and Expenses*. In addition, IPC has agreed to reimburse JPMorgan for its expenses incurred in connection with its services, including the fees and disbursements of counsel, and will indemnify JPMorgan against certain liabilities arising out of JPMorgan s engagement by IPC, including liabilities arising under the federal securities laws. In certain circumstances, if the Amalgamation Agreement is terminated and IPC receives the termination fee as described in *The Amalgamation Agreement Termination of the Amalgamation Agreement*, JPMorgan will be entitled to a portion of the termination fee IPC receives.

JPMorgan and its affiliates have had commercial or investment banking relationships with IPC and Validus in the past for which it and such affiliates have received customary compensation. For the two years preceding the date of JPMorgan s opinion, such services have included an engagement to act as financial advisor to IPC in connection with its analysis and consideration of various potential strategic alternatives. That engagement resulted in JPMorgan s engagement to act as IPC s financial advisor in connection with the Amalgamation. In addition, JPMorgan s commercial banking affiliate is a lender under the outstanding $500,000,000 senior credit facilities of IPC (the IPC credit facility), for which it receives customary compensation or other financial benefits. The IPC credit facility was amended in connection with the Amalgamation and such amendment resulted in the payment of customary compensation to JPMorgan s affiliate and in certain of the terms under the IPC credit facility being amended to be more favorable to the lenders thereunder. JPMorgan s commercial banking affiliate is lead arranger of Validus syndicated credit facility (the Validus credit facility), which includes a $200,000,000 three-year unsecured facility and a $500,000,000 five-year secured letter of credit facility, and such affiliate receives customary compensation and other financial benefits in connection with the Validus credit facility. The parties have entered into an amendment to the Validus credit facility in connection with the Amalgamation. Such amendment resulted in the payment of customary compensation to JPMorgan s affiliate and, if the Amalgamation closes and the amendment becomes effective, will result in certain of the terms under the Validus credit facility being amended to be more favorable to the lenders thereunder. See *The Amalgamation Modification of Validus Credit Facilities Validus Re Credit Facility*. JPMorgan acted as one of the underwriters for Validus initial public offering in July 2007, and it received customary compensation in connection therewith. JPMorgan s services also include treasury and security services provided to Validus, for which JPMorgan receives customary compensation. In the ordinary course of their businesses, JPMorgan and its affiliates may actively trade the debt and equity securities of IPC or Validus or certain of their affiliates for JPMorgan s and/or such affiliates s own accounts or for the accounts of their customers and, accordingly, they may at any time hold long or short positions in such securities.

Projected Financial Information

Certain financial projections prepared by, or as directed by, IPC s management were considered by IPC s board of directors in connection with its approval of and entry into the Amalgamation Agreement. Certain financial projections prepared by, or as directed by, Validus management were delivered to IPC and its advisors, were adjusted by, or as directed by, IPC s management and as so adjusted were considered by IPC s board of directors in connection with the Amalgamation. Summaries of the foregoing financial projections (the financial projections) are being provided herein solely because they were considered by, or used to prepare projections that were considered by, IPC s board of directors in connection with the proposed Amalgamation.

The financial projections reflect numerous judgments, estimates and assumptions with respect to industry performance, general business, economic, regulatory, market and financial conditions and other future events, as well as matters specific to Validus and IPC s respective businesses, all of which are difficult to predict and many of which are beyond control. The financial projections are subjective in many respects and thus are susceptible to multiple interpretations and periodic revisions based on actual experience and business developments. As such, the financial projections constitute forward-looking information and are subject to risks and uncertainties that could cause actual results to differ materially from the results forecasted in such projections, including the various risks set forth in IPC s and Validus periodic reports and in the *Risk Factors* section of this joint proxy statement/prospectus. See also *Forward-Looking Statements*. There can be no assurance that the projected results will be realized or that actual results will not be significantly higher or lower than projected. The projections cannot be considered a reliable predictor of future results and should not be relied upon as such. The financial projections cover multiple years and such information by its nature becomes less reliable with each successive year.

The financial projections do not take into account any circumstances or events occurring after the date they were prepared, including the announcement of the proposed Amalgamation. The financial projections also do not take into account the effect of any failure to occur of the proposed Amalgamation and should not be viewed as accurate or continuing in that context. See *Risk Factors The Amalgamation remains subject to conditions and failure to complete the Amalgamation could negatively impact Validus and IPC*.

The financial projections were prepared solely for use in connection with evaluating the potential transaction and not with a view toward public disclosure or toward complying with generally accepted accounting principles, the published guidelines of the SEC regarding projections or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Neither Validus nor IPC s independent registered public accounting firm, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the financial projections included below, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and they assume no responsibility for, and deny any association with, the financial projections. The PricewaterhouseCoopers report included in this joint proxy statement/prospectus refers to Validus historical financial information. The PricewaterhouseCoopers report does not cover any other information in this joint proxy statement/prospectus and should not be read to do so.

The inclusion of the financial projections herein will not be deemed an admission or representation by Validus or IPC that they are viewed by Validus or IPC as material information of Validus or IPC or the combined entity. These projections are not included in this document in order to induce any holder of IPC Shares or Validus Shares to vote in favor of the proposals submitted to Validus and IPC s respective shareholders as described in this joint proxy statement/prospectus. Neither Validus nor IPC intends to update or otherwise revise these projections to reflect circumstances existing since their preparation, to reflect the occurrence of unanticipated events even in the event that any or all of the underlying assumptions are shown to be in error, or to reflect changes in general economic or industry conditions.

Projections Prepared by Validus. Subject to the foregoing qualifications, the gross premiums written, net premiums written, loss ratio, combined ratio, net income and shareholders equity reflected below by fiscal year through the year 2013 were prepared by, or as directed by, Validus management and were delivered to IPC and its advisors. Each of the foregoing is set forth as projected based on the following cases: Validus standalone case and the Validus and IPC combined case.

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Certain Projected Financial Information: Validus Standalone Case

Fiscal year ending December 31 ($ in millions):

	2009E	2010E	2011E	2012E	2013E
Gross premiums written	$ 1,584	$ 1,799	$ 1,914	$ 1,961	$ 2,009
Net premiums written	$ 1,415	$ 1,595	$ 1,683	$ 1,728	$ 1,775
Loss ratio	47.7%	48.9%	49.1%	49.2%	49.1%
Combined ratio	81.0%	81.6%	81.0%	80.5%	80.2%
Net income(1)	$ 486	$ 402	$ 448	$ 475	$ 497
Shareholders equity(1)	$ 2,269	$ 2,623	$ 3,023	$ 3,450	$ 3,899

(1) Includes impact of assumed continuation of historical dividends.

Certain Projected Financial Information: Validus and IPC Combined Case

Fiscal year ending December 31 ($ in millions):

	2009E	2010E	2011E	2012E	2013E
Gross premiums written	$ 1,794	$ 2,463	$ 2,779	$ 2,915	$ 3,030
Net premiums written	$ 1,622	$ 2,232	$ 2,512	$ 2,637	$ 2,747
Loss ratio	45.1%	45.9%	45.9%	45.9%	45.8%
Combined ratio	74.8%	74.8%	73.6%	73.4%	72.9%
Net income(1)	$ 677	$ 766	$ 901	$ 964	$ 1,026
Shareholders equity(1)(2)	$ 4,077	$ 4,722	$ 5,501	$ 6,344	$ 7,250

(1) Includes impact of assumed continuation of historical dividends.

(2) Prepared on the basis of the Further Improved Validus Offer ($3.75 in cash and 1.1234 Validus Shares per IPC Share); not updated for the final amalgamation consideration of $7.50 in cash and 0.9727 Validus Shares per IPC Share.

Projections Reviewed by IPC s Board of Directors. Subject to the foregoing qualifications, the gross premiums written, net premiums written, loss ratio, combined ratio, net income and shareholders equity reflected below by fiscal year through the year 2013 and also for the year 2018 were reviewed by IPC s board of directors. Each of the foregoing is set forth as projected based on the following cases (as each of the following cases is described in *Opinion of J.P. Morgan Securities Inc., Financial Advisor to IPC s Board*): IPC s monoline case, IPC s organic growth case, IPC s run-off case (except that IPC s run-off case shows projections only until 2012), the adjusted Validus standalone case and the adjusted Validus combined case. The adjusted Validus standalone case and the adjusted Validus combined case set forth below reflect (1) assumptions made to make the corresponding Validus projections comparable with those of IPC, specifically with respect to projected loss ratios for lines of business that are similar for the two companies and yield assumptions on investment portfolios and (2) other adjustments to loss ratio projections determined to be appropriate by IPC s management.

Certain Projected Financial Information: IPC Monoline Case

Fiscal year ending December 31 ($ in millions):

	2009E	2010E	2011E	2012E	2013E	2018E
Gross premiums written	$ 395	$ 413	$ 413	$ 433	$ 455	$ 517
Net premiums written	$ 389	$ 399	$ 399	$ 419	$ 440	$ 500
Loss ratio	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%
Combined ratio	74.1%	73.3%	73.5%	73.3%	73.1%	73.1%
Net income(1)	$ 242	$ 223	$ 222	$ 226	$ 232	$ 254
Shareholders equity(1)	$ 2,046	$ 2,103	$ 2,118	$ 2,124	$ 2,131	$ 2,313

(1) Includes impact of capital management (share repurchases and assumed continuation of historical dividends)

Certain Projected Financial Information: IPC Organic Growth Case

Fiscal year ending December 31 ($ in millions):

	2009E	2010E	2011E	2012E	2013E	2018E
Gross premiums written	$ 453	$ 539	$ 587	$ 657	$ 706	$ 802
Net premiums written	$ 446	$ 514	$ 556	$ 618	$ 662	$ 752
Loss ratio	55.8%	56.1%	56.4%	56.3%	56.3%	56.3%
Combined ratio	75.1%	76.8%	78.0%	78.5%	78.2%	78.2%
Net income(1)	$ 245	$ 233	$ 246	$ 262	$ 281	$ 311
Shareholders equity(1)	$ 2,050	$ 2,192	$ 2,241	$ 2,323	$ 2,353	$ 2,643

(1) Includes impact of capital management (share repurchases and assumed continuation of historical dividends)

Certain Projected Financial Information: IPC Run-Off Case

Fiscal year ending December 31 ($ in millions):

	2009E	2010E	2011E	2012E	2013E	2018E
Gross premiums written	$ 395	$ 0	$ 0	$ 0		
Net premiums written	$ 389	$ 0	$ 0	$ 0		
Loss ratio	55.0%	0.0%	0.0%	0.0%		
Combined ratio	74.1%	0.0%	0.0%	0.0%		
Net income	$ 196	$ 27	$ 2	$ (1)		
Shareholders equity	$ 2,037	$ 756	$ 241	$ 100		

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Certain Projected Financial Information: Adjusted Validus Standalone Case

Fiscal year ending December 31 ($ in millions):

	2009E	2010E	2011E	2012E	2013E	2018E
Gross premiums written	$ 1,584	$ 1,799	$ 1,914	$ 1,961	$ 2,009	$ 2,234
Net premiums written	$ 1,415	$ 1,595	$ 1,683	$ 1,728	$ 1,775	$ 1,978
Loss ratio	53.6%	55.7%	56.0%	56.0%	56.0%	56.0%
Combined ratio	86.6%	88.3%	87.8%	87.4%	87.1%	86.7%
Net income(1)	$ 293	$ 320	$ 359	$ 387	$ 412	$ 537
Shareholders equity(1)	$ 2,175	$ 2,428	$ 2,718	$ 3,032	$ 3,368	$ 5,382

(1) Includes impact of capital management (assumed constant dividend per share growth rate).

Certain Projected Financial Information: Adjusted Validus Combined Case

Fiscal year ending December 31 ($ in millions):

	2009E	2010E	2011E	2012E	2013E	2018E
Gross premiums written	$ 2,037	$ 2,419	$ 2,684	$ 2,830	$ 2,956	$ 3,310
Net premiums written	$ 1,862	$ 2,190	$ 2,421	$ 2,555	$ 2,675	$ 3,001
Loss ratio	54.1%	55.4%	55.6%	55.5%	55.4%	55.4%
Combined ratio	83.9%	84.9%	84.2%	83.6%	83.0%	82.6%
Net income(1)	$ 490	$ 544	$ 627	$ 695	$ 755	$ 956
Shareholders equity(1)(2)	$ 3,678	$ 4,066	$ 4,427	$ 4,869	$ 5,296	$ 8,049

(1) Includes impact of capital management (share repurchases and assumed constant dividend per share growth rate).

(2) Prepared on the basis of Validus final offer ($7.50 in cash and 0.9727 Validus Shares per IPC Share).

Interests of Validus Directors and Executive Officers in the Amalgamation

The consummation of the Amalgamation will not be deemed to be a change in control impacting grants under any of Validus long-term incentive or stock option plans, or a change in control under any employment agreement between Validus and any of its employees. As a result, no options or other equity grants held by such persons will vest as a result of the Amalgamation.

Interests of IPC Directors and Executive Officers in the Amalgamation

Executive Officers and Directors

In considering the recommendations of IPC s board of directors that IPC shareholders vote FOR the proposals regarding the Amalgamation, the IPC shareholders should be aware that executive officers, individually, and all the members of IPC s board of directors as a group, have interests in the proposed Amalgamation that are different from, and/or in addition to, the interests of IPC shareholders generally. IPC s board of directors was aware of and considered these differing interests and potential conflicts in recommending that the IPC shareholders vote FOR the proposals at the IPC special meeting.

Treatment of Outstanding IPC Equity Awards

Based on the number of outstanding options held by IPC officers as of July 31, 2009, the table below provides the number of IPC options Messrs. Bryce, Weale, Fallon and Cozens would surrender and the pro

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forma number of Validus options they would receive based on the closing price of Validus stock ($22.60) on July 8, 2009.

	Date of Grant	Number of Securities underlying Outstanding IPC Options		Exercise Price of IPC Option	Number of Securities underlying New Validus Options		Exercise Price per Validus Share purchasable upon exercise of New Validus Option
Mr. Bryce	January 2, 2002	35,000	$	27.85	45,660	$	21.35
	January 2,2003	30,000	$	31.54	39,137	$	24.18
	January 2, 2004	40,000	$	38.90	52,182	$	29.82
	January 3, 2005	40,000	$	43.03	52,182	$	32.98
	March 17, 2006	40,000	$	28.00	52,182	$	21.46
Mr. Weale	January 3, 2000	6,000	$	15.38	7,827	$	11.79
	January 2, 2001	6,000	$	21.00	7,827	$	16.10
	January 2, 2002	20,000	$	27.85	26,091	$	21.35
	January 2, 2003	15,000	$	31.54	19,568	$	24.18
	January 2, 2004	25,000	$	38.90	32,614	$	29.82
	January 3, 2005	25,000	$	43.03	32,614	$	32.98
	March 17, 2006	25,000	$	28.00	32,614	$	21.46
Mr. Fallon	January 2, 2002	6,250	$	27.85	8,153	$	21.35
	January 2, 2003	10,000	$	31.54	13,046	$	24.18
	January 2, 2004	18,750	$	38.90	24,460	$	29.82
	January 3, 2005	25,000	$	43.03	32,614	$	32.98
	March 17, 2006	25,000	$	28.00	32,614	$	21.46

Mr. Cozens	January 2, 2002	5,000	$	27.85	6,523	$	21.35
	January 2, 2003	7,500	$	31.54	9,784	$	24.18
	January 2, 2004	25,000	$	38.90	32,614	$	29.82
	January 3, 2005	25,000	$	43.03	32,614	$	32.98

