



QUARTERLY FINANCIAL UPDATE
Q3 | 2011



Endurance Worldwide
Reinsurance

Conditions remain extremely challenging for our industry. Losses have been catastrophic, unprecedented, and worldwide in scope. Economic conditions are volatile and investment yields remain low. However, our well diversified portfolio, strong underwriting focus and prudent risk and capital management techniques have enabled us to maintain a solid balance sheet while focusing on your needs.

Our fundamentals remain strong allowing us to effectively navigate through this challenging market while seeking new opportunities and expanding our business. With talented and proven leadership and a history of disciplined underwriting, Endurance's reinsurance operations remain committed to strengthening our long standing relationships with you, our brokers and clients.

The significant capacity, solid balance sheet and innovative risk management solutions we offer make Endurance an attractive business partner now and for the future.

Sincerely,



William M. Jewett
President

FINANCIAL HIGHLIGHTS (in millions of U.S. dollars, except percentages)

	Quarter Ended Sep 30, 2011 (Unaudited)	9 Months Ended Sep 30, 2011 (Unaudited)	Year Ended Dec 31, 2010 (Audited)	Year Ended Dec 31, 2009 (Audited)
Endurance Specialty Holdings Ltd.				
Gross premiums written	\$700.9	\$2,204.1	\$2,053.2	\$2,021.5
Net premiums written	551.3	1,792.0	1,763.7	1,606.1
Net (loss) income before preferred dividends	(20.0)	(66.4)	364.7	536.1
Loss ratio	81.3%	85.3%	59.6%	53.1%
Combined ratio	104.6%	113.0%	88.7%	84.0%
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Total assets	\$8,834.2	\$8,834.2	\$7,979.4	\$7,666.7
Total shareholders' equity*	2,636.0	2,636.0	2,848.2	2,787.3
Debt to total capitalization	16.7%	16.7%	15.6%	13.8%
ROAE, Operating (loss) income	-5.9%	-6.2%	12.6%	22.0%

Worldwide Reinsurance Segment

Gross premiums written	\$250.4	\$902.1	\$941.0	\$869.3
Net premiums written	248.1	882.9	933.9	865.7
Underwriting (loss) income	(35.6)	(211.8)	117.9	195.6
Loss ratio	81.0%	95.6%	52.2%	38.8%
Combined ratio	115.0%	130.3%	86.9%	75.9%

* Reduction in total shareholders' equity during the first nine months of 2011 primarily driven by the repurchase of ordinary shares and share equivalents totaling \$341 million and net loss for the period, partially offset by proceeds from the issuance of preference shares of \$224 million.

Trailing Twelve Months Ending September 30, 2011 Reinsurance Net Premiums Written = \$959.4 Million

REINSURANCE SPECIALTY LINES

Catastrophe

Reinsurance for catastrophic perils on a treaty basis for events such as hurricanes, typhoons, earthquakes, floods, tornados, hail, fire, and certain workers' compensation coverages

Casualty

Reinsurance of general liability, auto/motor liability, professional liability, directors' and officers' liability, umbrella liability and workers' compensation insurance

Property

Proportional and excess of loss reinsurance of personal lines and commercial exposures

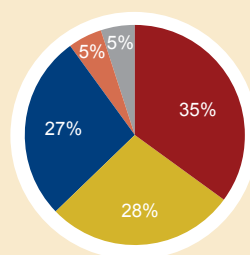
Surety and Other Specialty

Contract and commercial surety reinsurance, on both a proportional and excess of loss basis, as well as personal accident, agriculture and terrorism

Aerospace and Marine

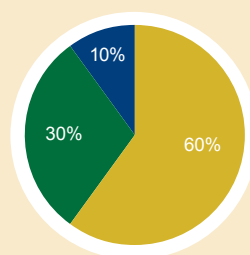
Reinsurance of aviation and space insurance, including aviation hull, aircraft liability and aircraft products coverages, as well as satellite launch and in-orbit coverage

Proportional and non-proportional reinsurance of bluewater hull, brownwater hull and cargo insurance



Reinsurance Net Premiums Written (NPW) by Business Lines

- Catastrophe
- Casualty
- Property
- Surety and Other Specialty
- Aerospace and Marine



Reinsurance Risk Exposures (NPW)

- Property
- Casualty
- Other Specialty

ENDURANCE SPECIALTY HOLDINGS LTD.

Endurance Specialty Holdings Ltd. (NYSE:ENH) is an insurance and reinsurance provider focused on underwriting specialty lines on a global basis through our operating subsidiaries. Our clients are serviced by approximately 860 employees located in Bermuda, Europe, Asia and throughout the United States.

At Endurance, specialization is at the core of our strategy, culture and values. We believe that this specialty focus best positions us to weather market cycles and to identify and develop opportunities to further enhance our business.

EXCELLENT FINANCIAL STRENGTH AND LIQUIDITY AT SEPTEMBER 30, 2011

Endurance's total capital was \$3.17 billion as of September 30, 2011 and includes \$2.64 billion of shareholders' equity.

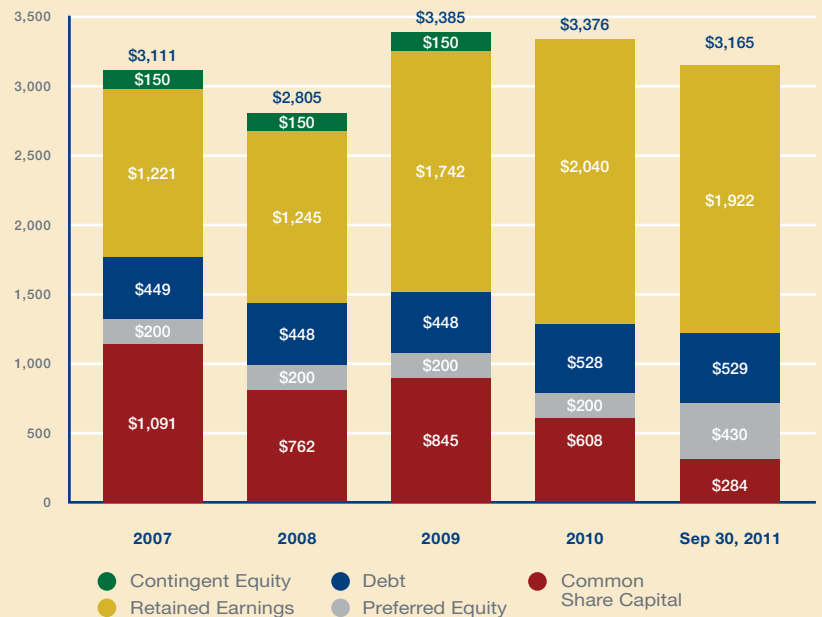
At September 30, 2011, Endurance had access to additional capital in the form of a credit facility maturing in 2012 with approximately \$772 million in remaining capacity.

Endurance maintains significant levels of liquidity with approximately 56.6% of investments in cash, short-term investments, U.S. Government, and U.S. Government-backed securities at September 30, 2011.

Endurance's investment portfolio is comprised of high quality assets with an average rating of AA for our fixed income investments at September 30, 2011. We hold no sub-prime mortgage-backed securities.

Endurance's investment portfolio has been managed to an average duration of 2.48 years at September 30, 2011 to minimize interest rate risk. We carefully manage our asset-liability exposure and ensure that more than sufficient liquidity is available.

Strong and Flexible Capital Structure (in millions of U.S. dollars)



* Reduction in capital during the first half of 2011 primarily driven by repurchase of ordinary shares and share equivalents totaling \$341 million.

Endurance Group Financial Strength Ratings

A.M. Best
XV Financial Strength
Stable Outlook
Standard & Poor's
Stable Outlook

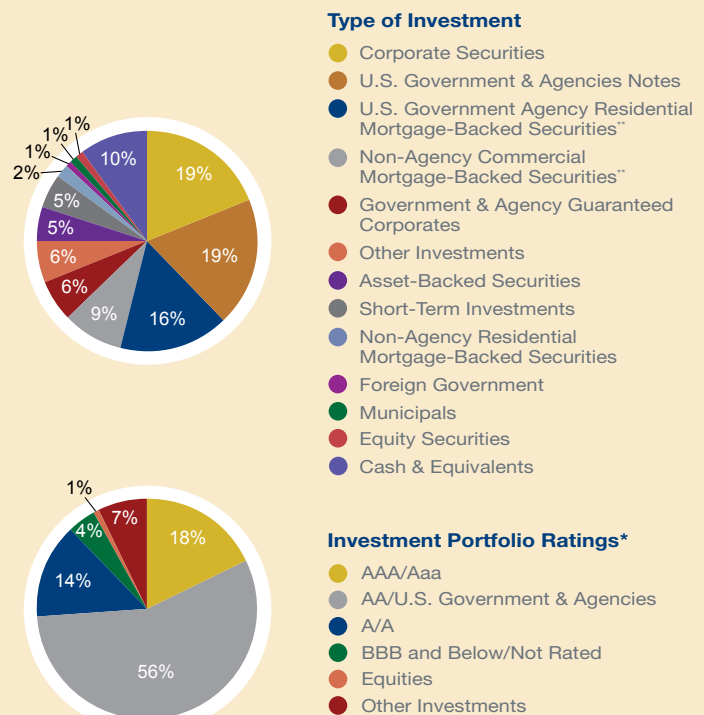
Enterprise Risk Management Rating

Standard & Poor's
Excellent

NYSE: ENH

Investment Portfolio as of September 30, 2011

Fair Value = \$6.4 Billion*



* Investment totals net of investments pending settlement

WORLDWIDE REINSURANCE LOCATIONS

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