



VALIDUS

**CAS Fall Meeting
November 19, 2008**

Market Overview

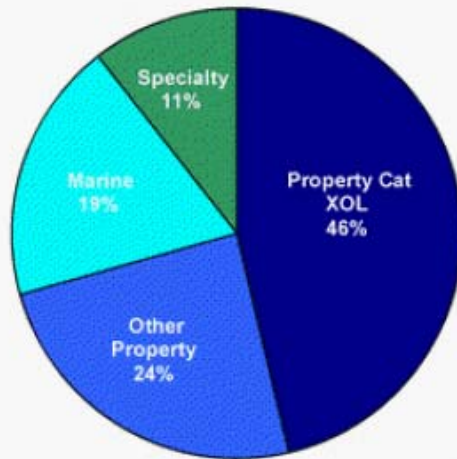
Current Market Dynamics

- Reinsurance industry capital has been materially depleted
 - Hurricane Ike is likely third most costly hurricane on record
 - Financial market turmoil reducing investment values and therefore capital
- Limited access to replacement capital and new capacity
 - Disrupted capital markets prevent reloading by incumbents
 - Hedge fund stresses limiting collateralized capacity and sidecar activity
 - Cat bond market is inactive
 - Further challenges in new company formations
- Demand for reinsurance is increasing
 - Primary companies also facing capital depletion with constricted capital alternatives
 - Need to manage risk leaves reinsurance as one of the few capital surrogates available
- Highly public issues with large company balance sheets leading buyers to rethink counterparty risk
- Rate changes will be manifested first in capital-intensive, demand-driven products
 - Catastrophe and energy lines

Business Mix and Strategy

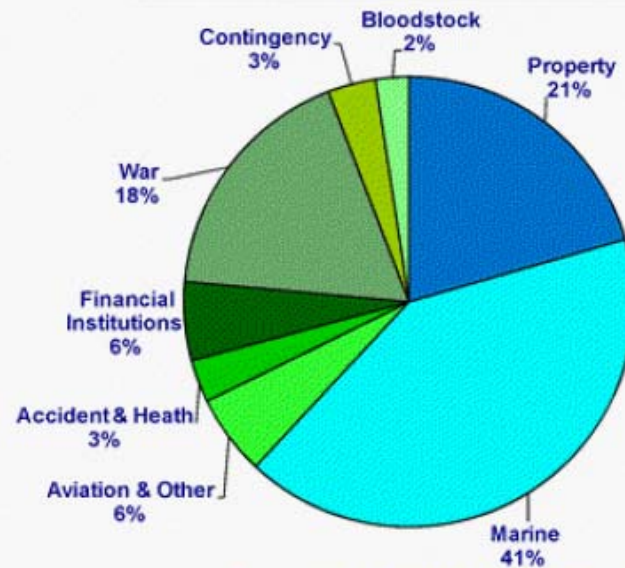
Diversified Global Business Focused on Short-Tail Specialty

Validus Re GPW



September 30, 2008 LTM GPW Total:
\$691.4 million

Talbot GPW



September 30, 2008 LTM GPW Total:
\$699.8 million

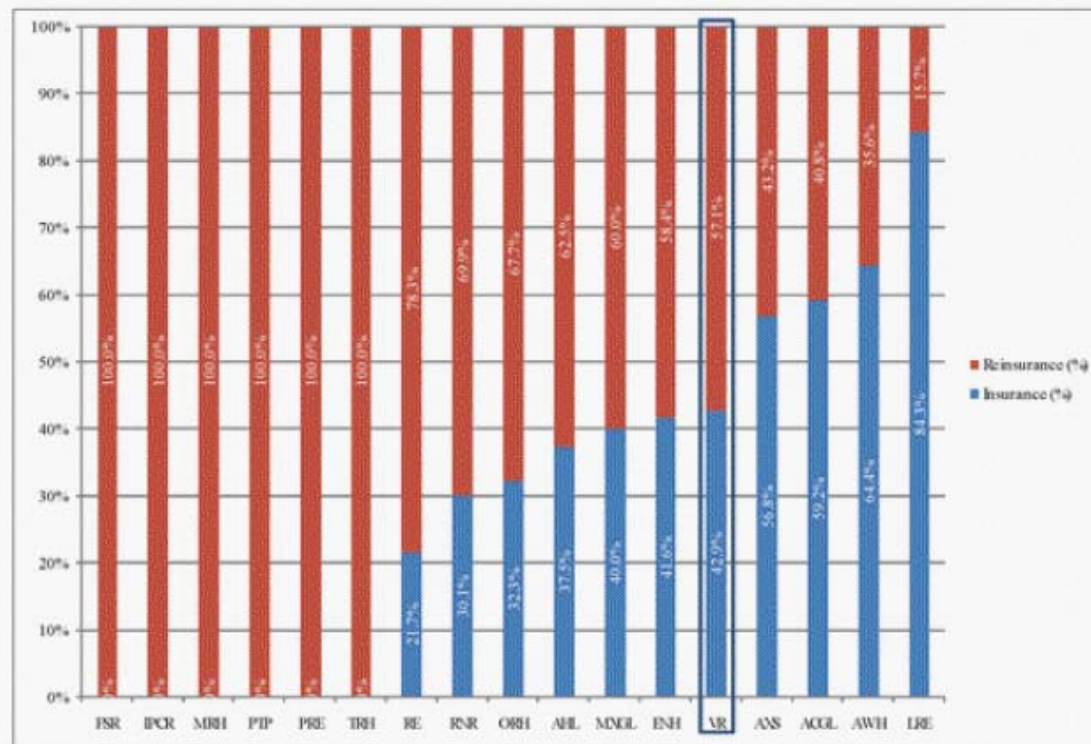
\$1,361.7 million LTM GPW Balanced by Class: 45% Property, 30% Marine, 25% Specialty

Note: \$1,361.7mm reflects \$29.5mm intersegment eliminations; \$691.4mm and \$699.8mm do not. LTM = last twelve months. **VALIDUS**

Business Mix and Strategy

Diversified Global Business Focused on Short-Tail Specialty

VR is balanced between insurance and reinsurance



Based on 2007 GPW other than ACGL which is NPW. Source: SEC filings and other public disclosures.

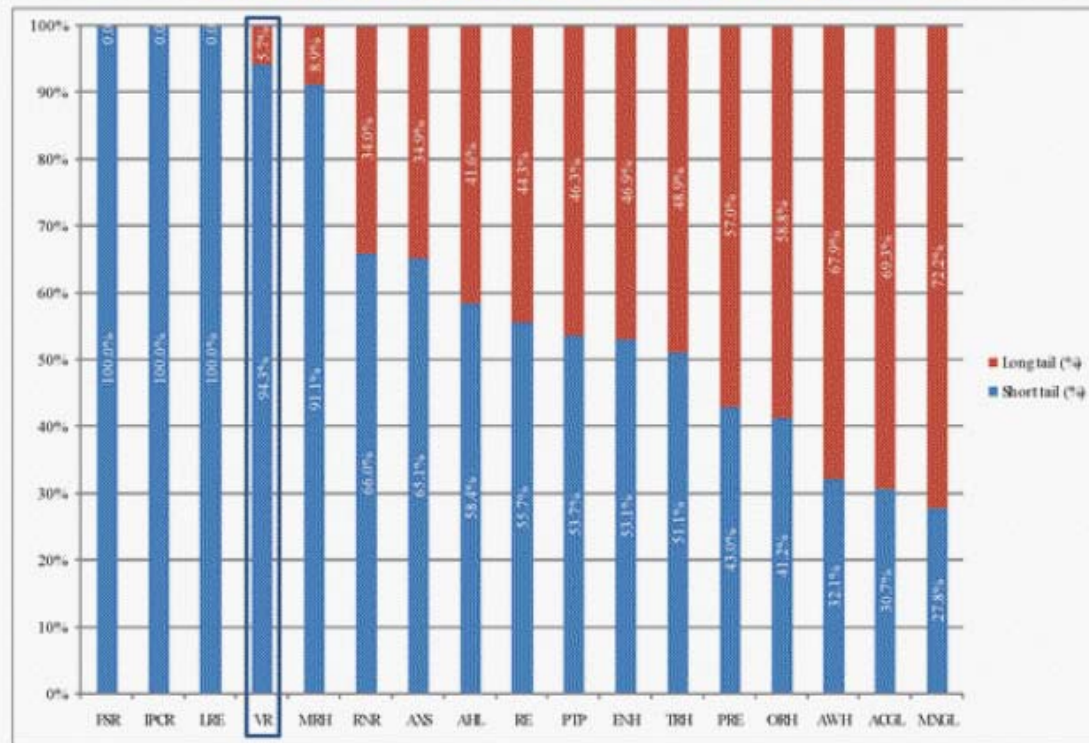
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Business Mix and Strategy

Diversified Global Business Focused on Short-Tail Specialty

VR is focused on short-tail lines of business...

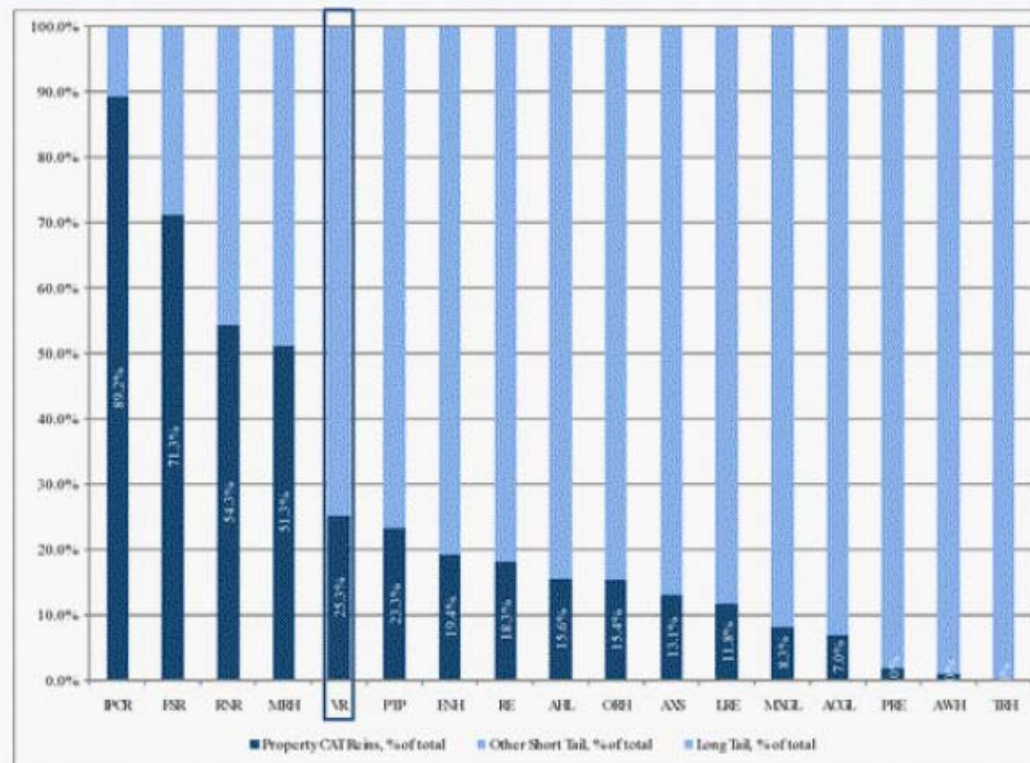


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Business Mix and Strategy

Diversified Global Business Focused on Short-Tail Specialty

...but is not a "monoline" CAT reinsurer.

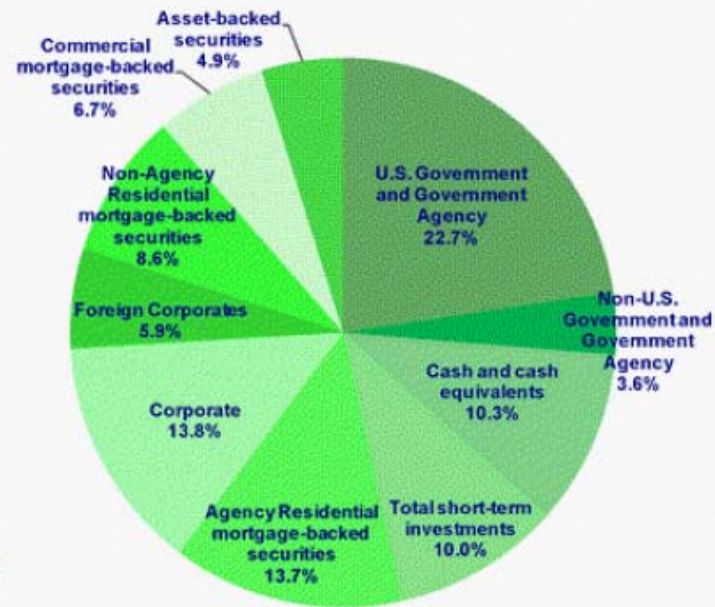


•Based on 2007 GPW other than ACGL which is NPW. Source: SEC filings and other public disclosures.

Investment Mix and Strategy

Investment Portfolio

- Conservative investment strategy
 - Emphasize the preservation of invested assets
 - Provide sufficient liquidity for the prompt payment of claims
 - No exposure to alternative asset classes, equities, derivatives
- Comprehensive portfolio disclosure
- Average portfolio rating of AAA
- Minimum average credit quality of AA-
- Short duration (2.2 years as of 09/30/2008)
- Investment yield: 4.49% ⁽¹⁾



¹ Annualized effective investment yield is calculated by dividing net investment income by the average balance of the assets managed by our portfolio managers and our other investments.

Risk Profile

Transparent Risk Disclosure - October 1, 2008 Portfolio

Zones	Perils	Group Estimated Net Loss				Validus Re Net Zonal Aggregate
		20 Year Return Period	50 Year Return Period	100 Year Return Period	250 Year Return Period	
United States	Hurricane	\$ 185,052	\$ 307,190	\$ 420,126	\$ 536,693	\$ 1,443,000
California	Earthquake	64,842	130,502	179,254	255,139	1,195,000
Europe	Windstorm	92,571	200,575	298,193	409,608	919,000
Japan	Earthquake	42,306	89,179	103,914	134,004	515,000
Japan	Typhoon	21,290	55,278	79,322	98,093	461,000

**1:100 year PML equal to 18.9% of September 30, 2008 capital,
21.9% of shareholders' equity**

The Company has developed the estimates of losses expected from certain catastrophes for its portfolio of property, marine, aviation, terrorism, workers' compensation and personal accident contracts using commercially available catastrophe models, which are applied and adjusted by the Company. These estimates include assumptions regarding the location, size and magnitude of an event, the frequency of events, the construction type and damageability of property in a zone, and the cost of rebuilding property in a zone, among other assumptions. Return period refers to the frequency with which losses of a given amount or greater are expected to occur.

Net loss estimates are before income tax, net of reinstatement premiums, and net of retrocessional recoveries. The estimates set forth above are based on assumptions that are inherently subject to significant uncertainties and contingencies. These uncertainties and contingencies can affect actual losses and could cause actual losses to differ materially from those expressed above. In particular, modeled loss estimates do not necessarily accurately predict actual losses, and may significantly misestimate actual losses. Such estimates, therefore, should not be considered as a representation of actual losses. Investors should not rely on the foregoing information when considering investment in the Company. The Company undertakes no duty to update or revise such information to reflect the occurrence of future events.

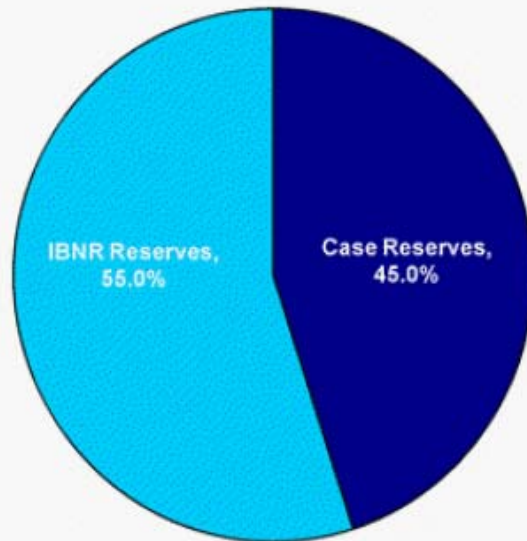
Group Estimated Net Loss includes exposures in the Company's Validus Re and Talbot segments.

Validus Re Net Zonal Aggregate reflects aggregate exposures for the Validus Re segment only.

Reserving

Loss Reserves

Validus Gross Reserve Mix
As of September 30, 2008



Observations

- Gross reserves for losses and loss expenses of \$1.27 billion
- IBNR represents 55.0% of reserves
- No exposures pre-dating 2002
- Talbot has a history of favorable reserve development:
 - \$174.6mm in the 2004 through 2007 period
 - \$41.1mm year to date 2008
- Favorable reserve development in the quarter of \$26.1mm
 - Talbot reserve release of \$22.6mm
 - Validus reserve release of \$3.5mm