

J.P. Morgan Insurance Conference

March 29, 2011

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Chief Executive Officer



Forward looking statements & regulation G disclaimer

Safe Harbor for Forward Looking Statements

Some of the statements in this presentation include forward-looking statements which reflect our current views with respect to future events and financial performance. Such statements include forward-looking statements both with respect to us in general and the insurance and reinsurance sectors specifically, both as to underwriting and investment matters. Statements which include the words "expect," "intend," "plan," "believe," "project," "anticipate," "seek," "will," and similar statements of a future or forward-looking nature identify forward-looking statements in this presentation for purposes of the U.S. federal securities laws or otherwise. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the Private Securities Litigation Reform Act of 1995.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or may be important factors that could cause actual results to differ from those indicated in the forward-looking statements. These factors include, but are not limited to, the effects of competitors' pricing policies, greater frequency or severity of claims and loss activity, changes in market conditions in the agriculture insurance industry, termination of or changes in the terms of the U.S. multiple peril crop insurance program, a decreased demand for property and casualty insurance or reinsurance, changes in the availability, cost or quality of reinsurance or retrocessional coverage, our inability to renew business previously underwritten or acquired, our inability to maintain our applicable financial strength ratings, our inability to effectively integrate acquired operations, uncertainties in our reserving process, changes to our tax status, changes in insurance regulations, reduced acceptance of our existing or new products and services, a loss of business from and credit risk related to our broker counterparties, assessments for high risk or otherwise uninsured individuals, possible terrorism or the outbreak of war, a loss of key personnel, political conditions, changes in insurance regulation, changes in accounting policies, our investment performance, the valuation of our invested assets, a breach of our investment guidelines, the unavailability of capital in the future, developments in the world's financial and capital markets and our access to such markets, government intervention in the insurance and reinsurance industry, illiquidity in the credit markets, changes in general economic conditions and other factors described in our most recently filed Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

Forward-looking statements speak only as of the date on which they are made, and we undertake no obligation publicly to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

Regulation G Disclaimer

In presenting the Company's results, management has included and discussed certain non-GAAP measures. Management believes that these non-GAAP measures, which may be defined differently by other companies, better explain the Company's results of operations in a manner that allows for a more complete understanding of the underlying trends in the Company's business. However, these measures should not be viewed as a substitute for those determined in accordance with GAAP. For a complete description of non-GAAP measures and reconciliations, please review the Investor Financial Supplement on our web site at www.endurance.bm.

The combined ratio is the sum of the loss, acquisition expense and general and administrative expense ratios. Endurance presents the combined ratio as a measure that is commonly recognized as a standard of performance by investors, analysts, rating agencies and other users of its financial information. The combined ratio, excluding prior year net loss reserve development, enables investors, analysts, rating agencies and other users of its financial information to more easily analyze Endurance's results of underwriting activities in a manner similar to how management analyzes Endurance's underlying business performance. The combined ratio, excluding prior year net loss reserve development, should not be viewed as a substitute for the combined ratio.

Net premiums written (prior to deposit accounting adjustments) is a non-GAAP internal performance measure used by Endurance in the management of its operations. Net premiums written (prior to deposit accounting adjustments) represents net premiums written and deposit premiums, which are premiums on contracts that are deemed as either transferring only significant timing risk or transferring only significant underwriting risk and thus are required to be accounted for under GAAP as deposits. Endurance believes these amounts are significant to its business and underwriting process and excluding them distorts the analysis of its premium trends. In addition to presenting gross premiums written determined in accordance with GAAP, Endurance believes that net premiums written (prior to deposit accounting adjustments) enables investors, analysts, rating agencies and other users of its financial information to more easily analyze Endurance's results of underwriting activities in a manner similar to how management analyzes Endurance's underlying business performance. Net premiums written (prior to deposit accounting adjustments) should not be viewed as a substitute for gross premiums written determined in accordance with GAAP.

Return on Average Equity (ROAE) is comprised using the average common equity calculated as the arithmetic average of the beginning and ending common equity balances for stated periods. Return on Beginning Equity (ROBE) is comprised using the beginning common equity for stated periods. The Company presents various measures of Return on Equity that are commonly recognized as a standard of performance by investors, analysts, rating agencies and other users of its financial information.

Investor Value Proposition

Endurance offers investors a proven franchise at an attractive valuation

Successfully executed our strategy to develop a diversified portfolio of specialized business

- ◆ Specialty focus and strong diversification has the potential to generate industry leading returns for shareholders, with lower volatility over time
- ◆ Established a team of experienced specialized underwriters with deep industry knowledge across business units
- ◆ Strong balance sheet supported by conservative investment portfolio and prudent reserving practices
- ◆ Recognized industry leader in Enterprise Risk Management – Excellent rating for ERM by Standard & Poor's for the past three years
- ◆ Management team has successfully generated superior returns for shareholders

Total Return Since Endurance IPO (March 3, 2003)*

Chubb Corp.	CB	200.3%
Arch Capital Group Ltd.	ACGL	191.5%
RLI Corp.	RLI	177.0%
ACE Ltd.	ACE	171.8%
W.R. Berkley Corp.	WRB	156.8%
Endurance Specialty Holdings Ltd.	ENH	155.4%
Alterra Capital Holdings Ltd.	ALTE	145.8%
Travelers Cos. Inc.	TRV	133.5%
RenaissanceRe Holdings Ltd.	RNR	110.4%
Platinum Underwriters Holdings Ltd.	PTP	104.0%
PartnerRe Ltd.	PRE	98.1%
Progressive Corp.	PGR	86.2%
Everest Re Group Ltd.	RE	81.0%
CNA Financial Corp.	CNA	33.6%
Allstate Corp.	ALL	22.9%
TransAtlantic Holdings Inc.	TRH	9.4%
Montpelier Re Holdings Ltd.	MRH	5.6%
Hartford Financial Services Group Inc.	HIG	-3.3%
XL Group PLC	XL	-57.7%
American International Group Inc.	AIG	-94.7%



* Source: FACTSET: Total return equals stock appreciation plus dividends from March 3, 2003 through February 10, 2011

Introduction to Endurance Specialty Holdings

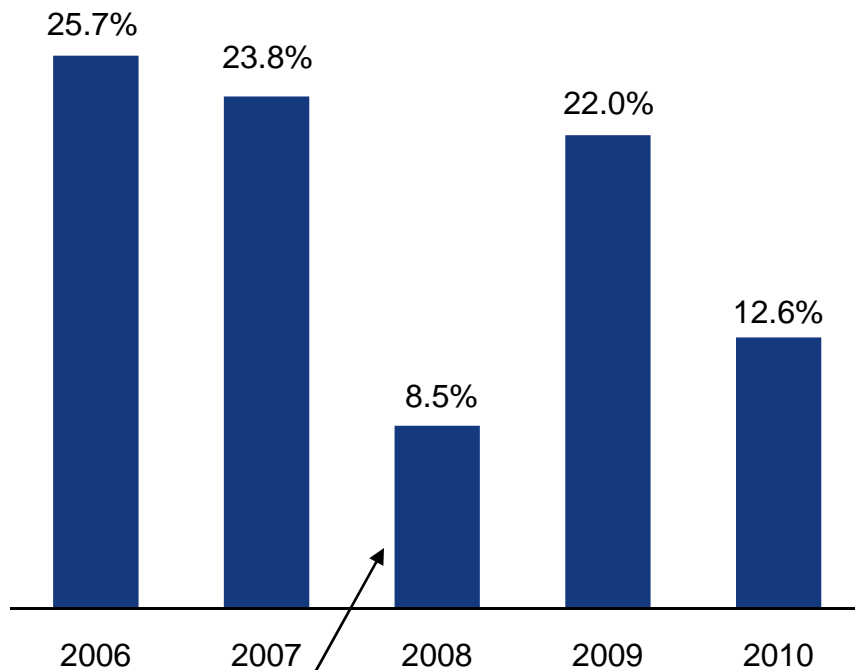
1. Currently in our tenth year operating as a specialty reinsurance/insurance company
 - Focus on specialty lines of business
 - Active portfolio management
 - Maintain a strong balance sheet and efficiently managed capital base
2. Strong Market Positioning
 - Widely diversified, global specialty insurance and reinsurance provider
 - Over 820 employees in offices across the United States, Bermuda, Europe, and Asia
3. Solid Financial Foundation
 - Excellent financial strength with \$8.0 BN in assets, \$3.4 BN in total capital and \$2.8 BN in shareholders' equity as of December 31, 2010
 - High quality (average rating of AA), short duration (2.39 years), liquid investment portfolio
 - Prudent loss reserves (69.1% of reserves are IBNR)
 - Rated "A" by A.M. Best and Standard & Poor's and A2 by Moody's with stable outlooks
 - Received the highest Enterprise Risk Management ranking of "Excellent" from Standard & Poor's in 2008 and reaffirmed in 2009 and 2010
4. Excellent historical financial results
 - Inception to date annualized operating ROE of 14.6%
 - 23.2% average annualized growth in book value per share plus dividends since inception

Endurance Has Generated Superb Financial Results

Growth in key metrics generates significant shareholder value

Operating ROE

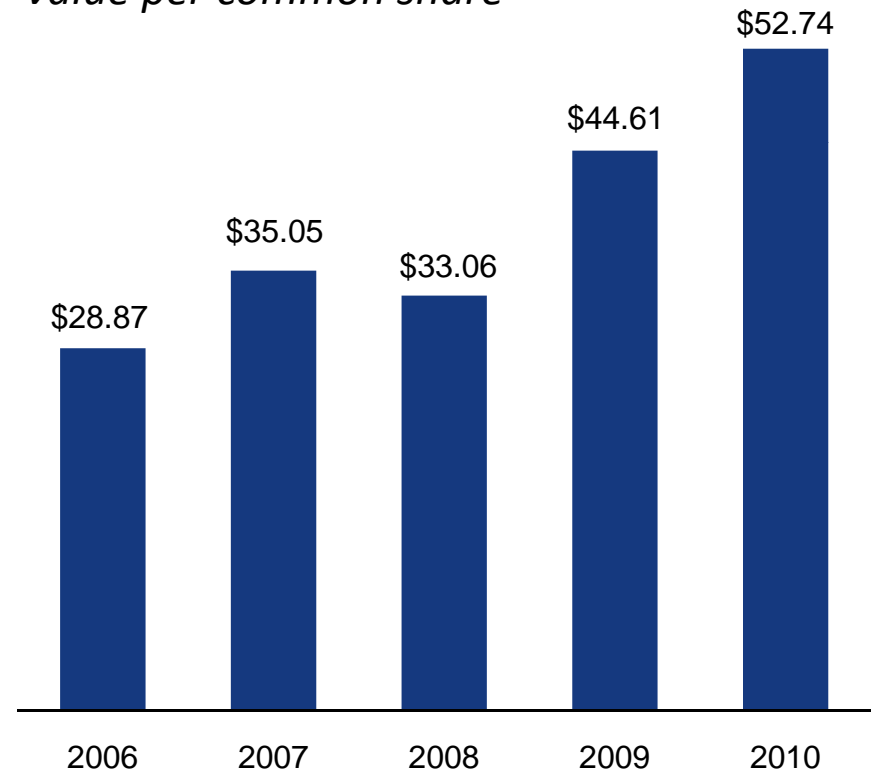
18.5% average operating ROE*



Impact of Hurricanes Gustav and Ike and mark to market accounting impact from investment portfolio

Diluted Book Value Per Common Share

18.7% average annual growth in diluted book value per common share*



Note: Diluted Book Value Per Share calculated on weighted number of average diluted shares outstanding.

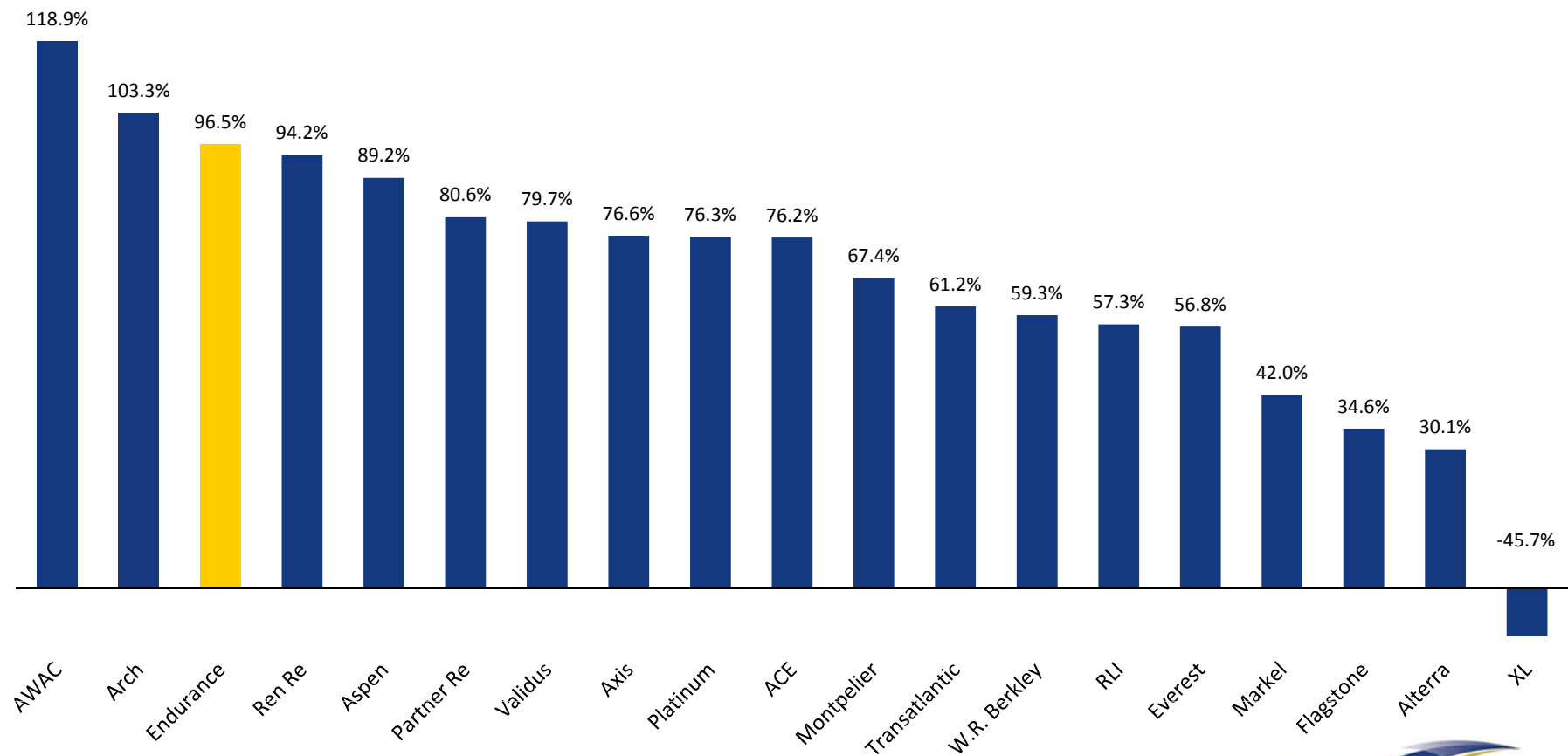
* Calculated on a simple (non-compounded) average from December 31, 2005 through December 31, 2010.

Endurance's Financial Results

Book value per common share has grown on a relative basis

Book Value Per Share Plus Dividend Growth

From December 31, 2006 – December 31, 2010



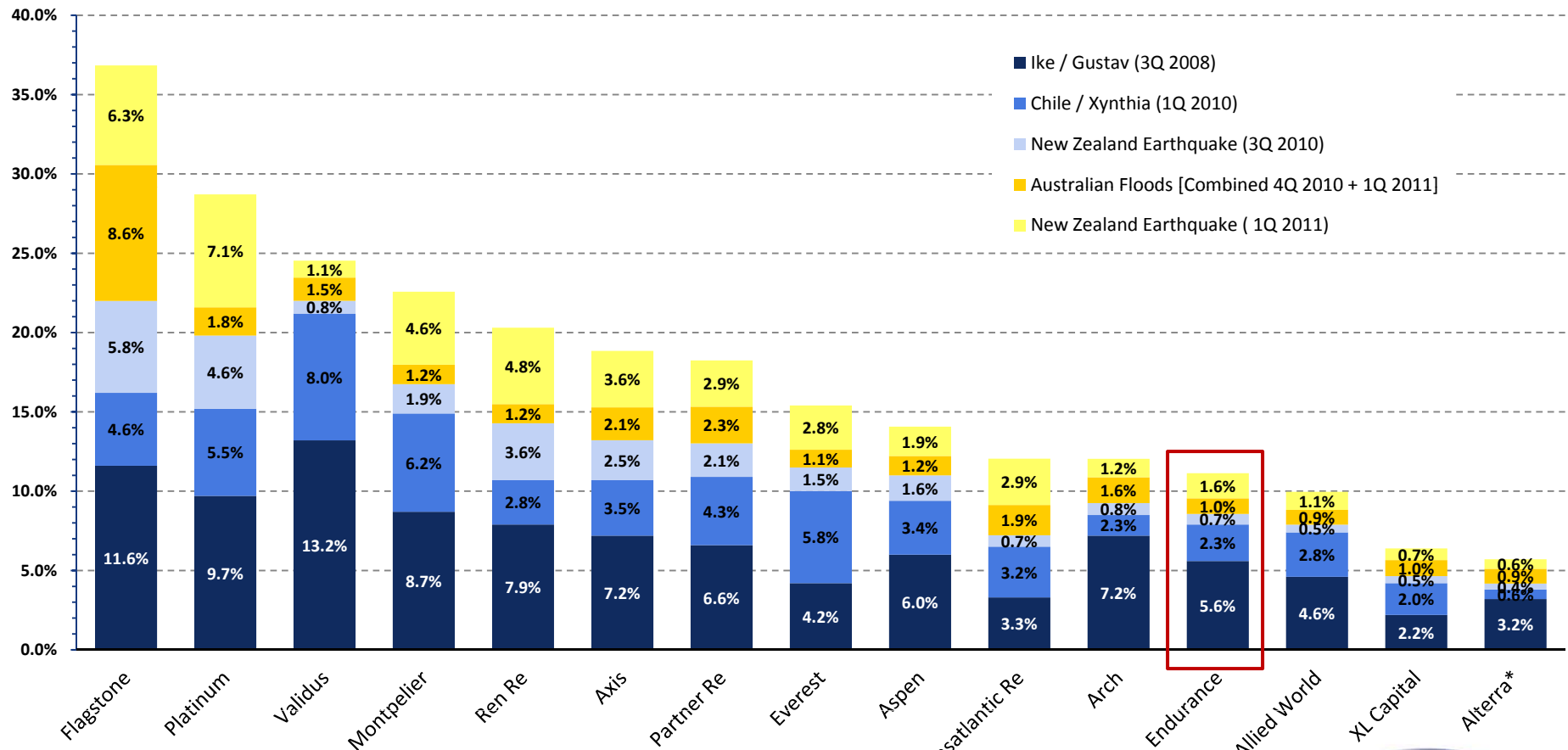
Note: Book value per share and dividend data provided by company press releases and filings

Endurance is World Class at Risk Management

Endurance has outperformed other catastrophe writers in recent large events

Industry Participant's Catastrophe Losses versus Shareholders Equity⁽¹⁾

Large named events since 2007



Source: SNL, Dowling and company filings

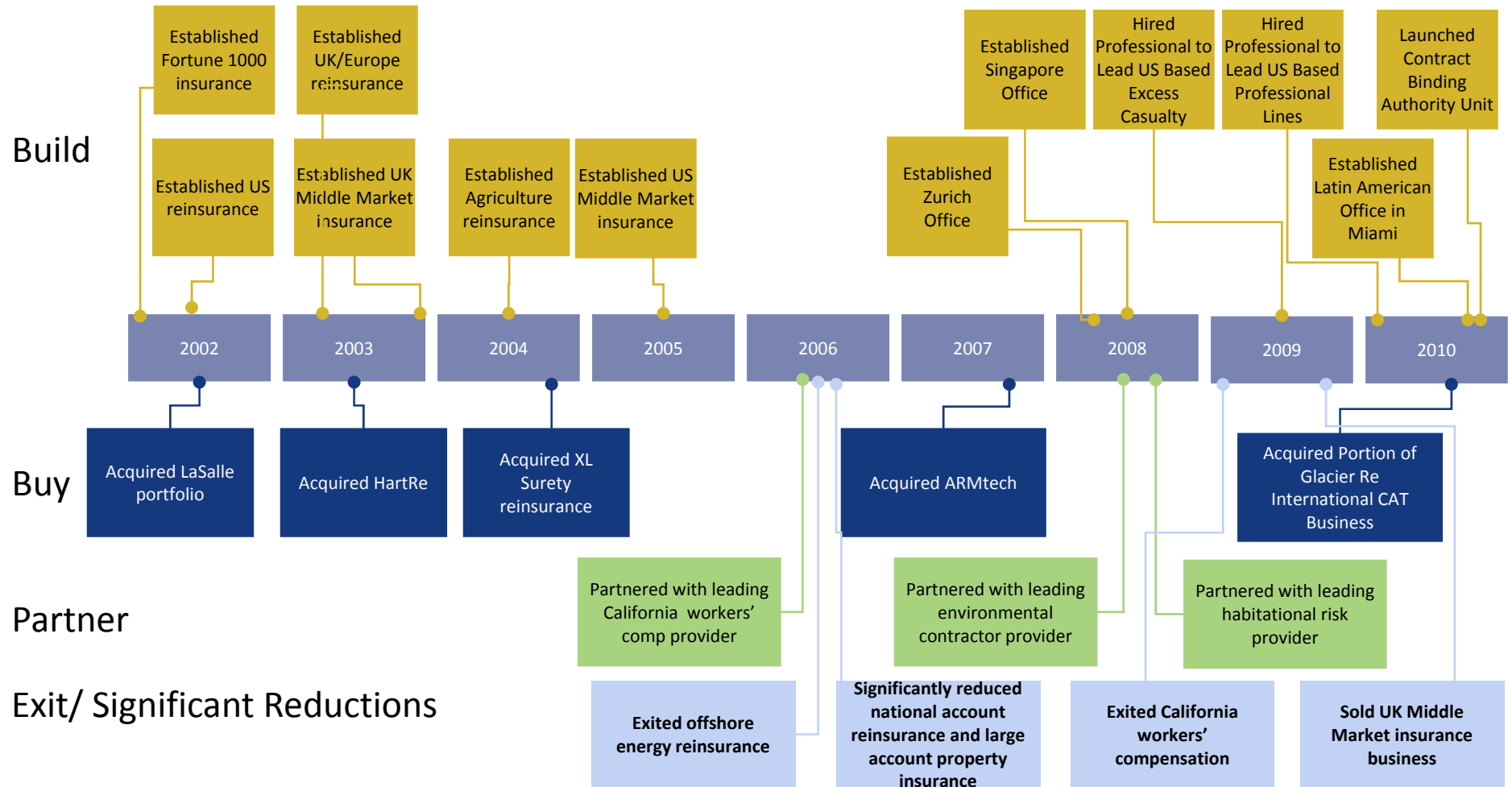
(1) Based on the previous period's ending shareholders equity before the event occurred

* Based on losses and equity reported prior to their merger



Actively Managing our Portfolio of Businesses

We have a strong track record of entering/exiting businesses to meet our strategic aims



Specialty Focused, Diversified Portfolio of Businesses

Portfolio diversified by product, distribution source and geography

Full Year 2010 Net Premiums Written: \$1.76 BN

Insurance - by Distribution Source

Independent Agents

- ◆ ARMtech Agriculture | Small Risk 23%

Brokers

- ◆ Healthcare
 - ◆ Excess Casualty
 - ◆ Professional Lines
- | E R S Fortune 1000 12%

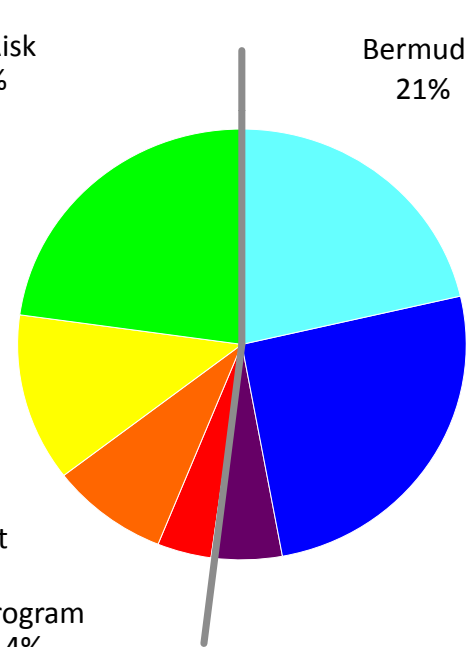
Wholesale

- ◆ US Property
 - ◆ US Casualty
 - ◆ US Miscellaneous E&O
- | Middle Market 9%

Managing General Agents

- ◆ Habitational
 - ◆ Environmental
- | Program 4%

Reinsurance – by Geographic Market



- Bermuda 21%
- ◆ Aerospace
 - ◆ Casualty Clash
 - ◆ International Property Catastrophe
 - ◆ US Property Catastrophe
 - ◆ Workers' Compensation Catastrophe

- US 26%
- ◆ Agriculture
 - ◆ Personal Accident
 - ◆ Surety
 - ◆ Casualty & Workers' Compensation
 - ◆ Professional Liability
 - ◆ Property Per Risk
 - ◆ Small Business
 - ◆ Direct Treaty

- International 5%
- ◆ Casualty
 - ◆ Marine
 - ◆ Motor
 - ◆ Personal Accident
 - ◆ Professional Indemnity
 - ◆ Property
 - ◆ Surety
 - ◆ Trade Credit

Specialty Focused, Diversified Portfolio of Businesses

Adjusted product growth and capital deployment based on market conditions

Full Year 2010 Net Premiums Written: \$1.76 BN

Casualty (37%)

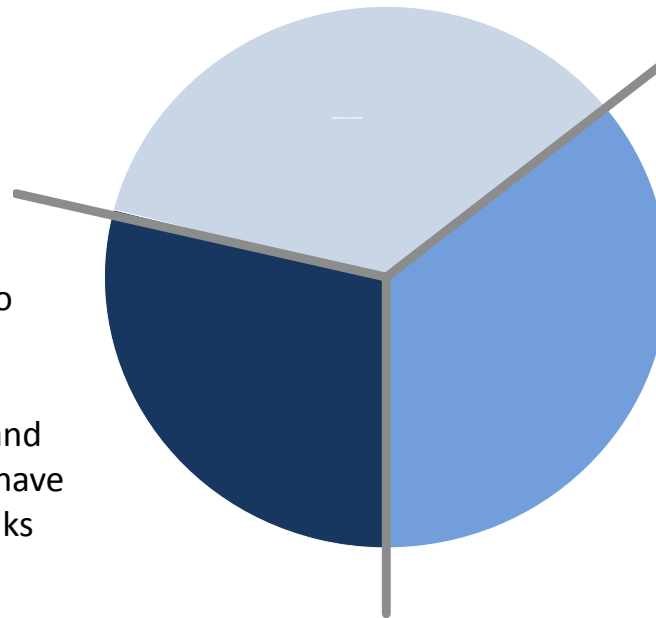
- ◆ Casualty reinsurance reduced 26.3% since its peak in 2006
- ◆ Casualty insurance lines of business have increased modestly since 2005 as growth in middle market U.S. based business has been partially offset by declines in Bermuda based large account business

Property (34%)

- ◆ Property reinsurance has declined 37.7% since 2005 as we largely exited the national account business
- ◆ Catastrophe reinsurance has remained flat as competition has remained disciplined
- ◆ Property insurance premiums have remained flat since 2005

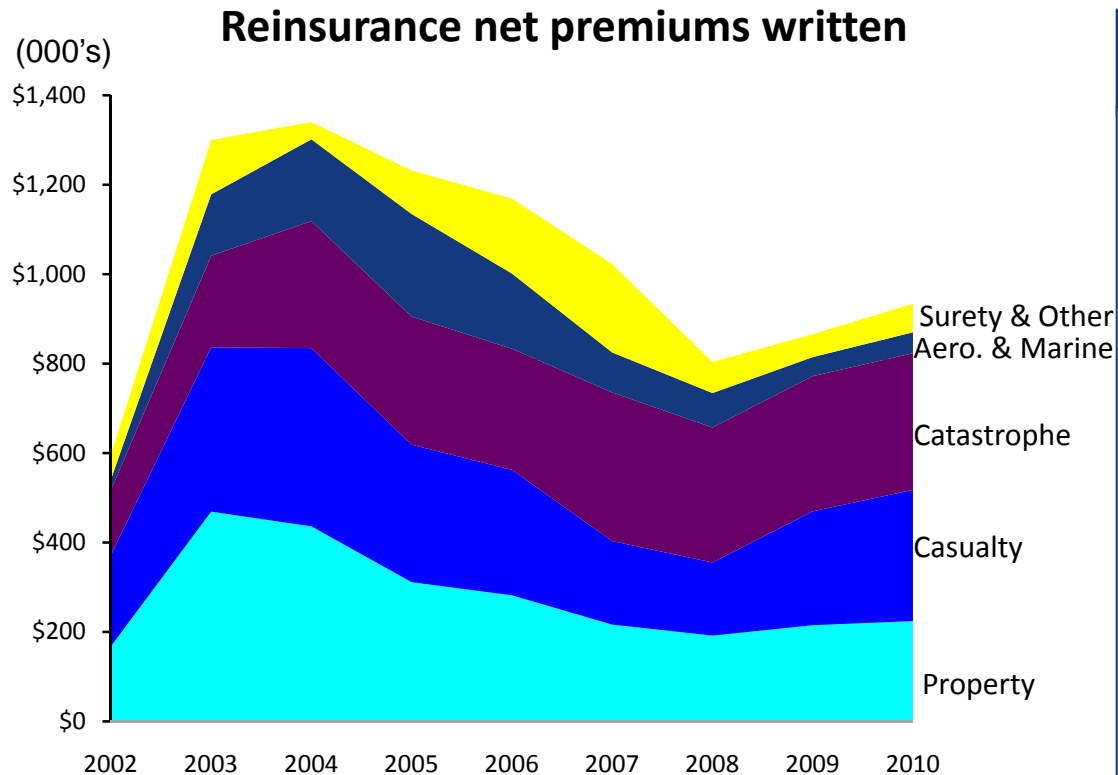
Specialty (29%)

- ◆ Agriculture insurance is not linked to property-casualty pricing cycle
 - Growing policy count 5-7%/year
- ◆ Aerospace and marine, and surety and other reinsurance lines of business have declined significantly from their peaks



Disciplined Reinsurance Portfolio Management

Reinsurance book has been selectively reduced during a softening market



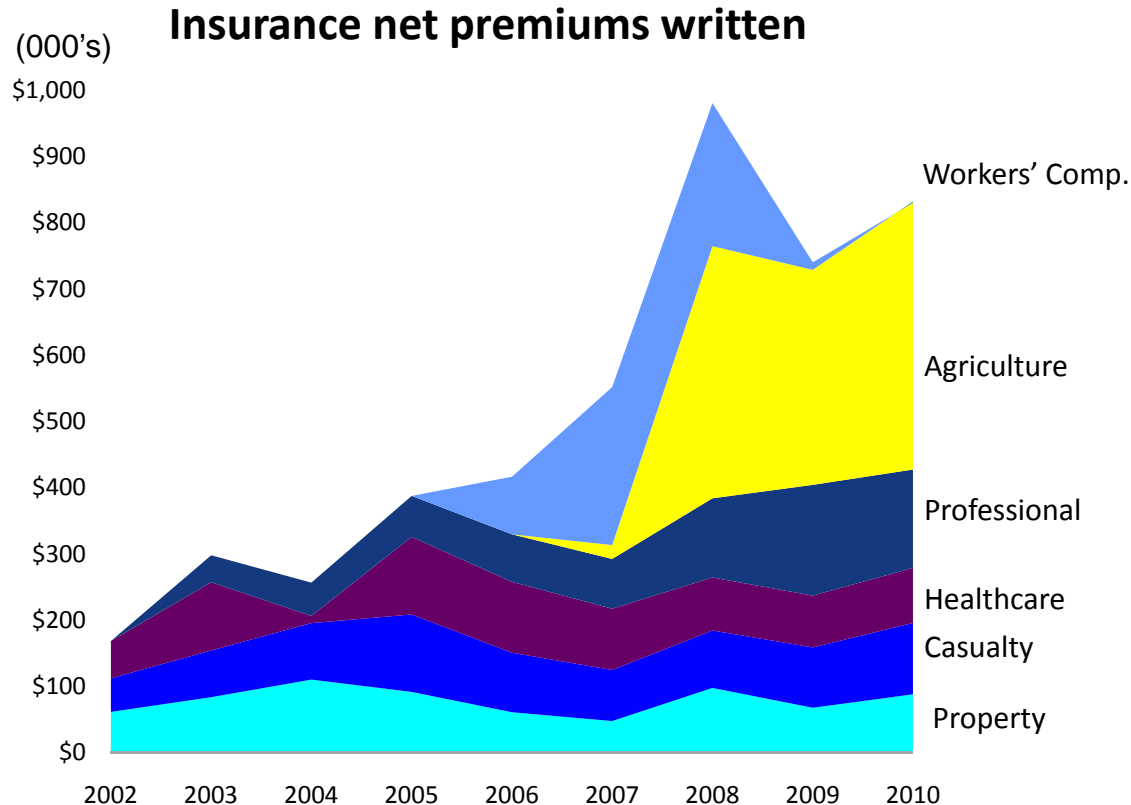
Managing the reinsurance portfolio

- ◆ Active portfolio management has enhanced reinsurance portfolio:
 - Lines of business have been actively reduced where pricing, terms or data quality have not met our requirements
 - ◆ Casualty has declined 26.3% from its peak
 - ◆ Property has declined 37.7% since its peak
 - ◆ Aerospace and Marine has declined 79.7% from its peak
- ◆ Catastrophe premiums have remained flat as the market has been disciplined and margins are acceptable
- ◆ We have maintained our underwriting expertise and are well positioned to grow as opportunities arise

We have demonstrated discipline in writing reinsurance business as evidenced by the overall portfolio shrinking 30.3% since our peak in 2004. We have maintained our higher margin catastrophe premiums while shrinking our longer tail lines of business and retained our ability to grow when the market turns.

Diversified Insurance Portfolio

Continue to expand insurance capabilities while maintaining discipline



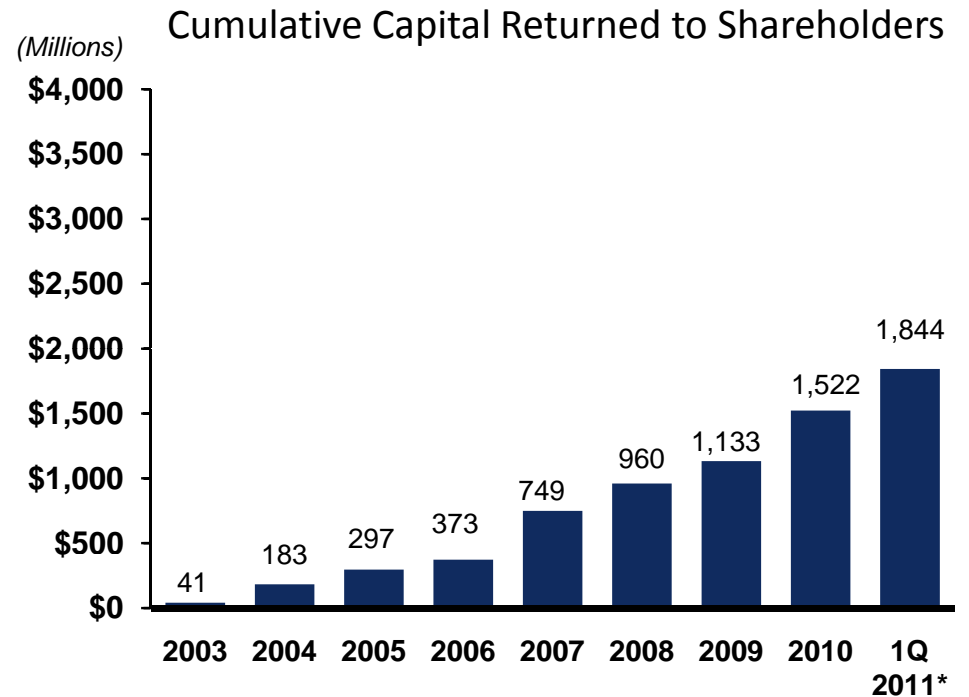
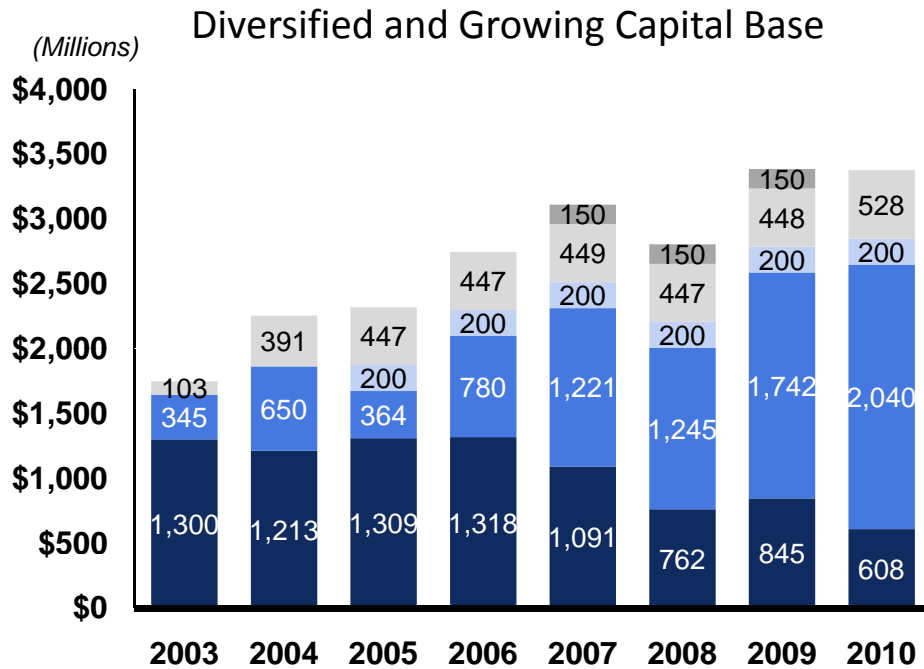
Managing the insurance portfolio

- ◆ We have significantly broadened our insurance capabilities
 - Added agriculture line of business through the acquisition of ARMtech
 - Expanded professional lines through addition of underwriting teams and new relationships
 - Careful expansion of our U.S. Based middle market insurance operations
- ◆ Maintained pricing and relationships in large risk insurance in an increasingly competitive environment

Since 2005 we have meaningfully invested in new capabilities and expanded our distribution relationships within our insurance franchise which should position us for strong growth when market conditions become more favorable

Growing Capital Base While Returning Significant Capital to Investors

From 1/2/2007 through 1/31/2011, diluted shares outstanding have declined 40.7%



- Common Share Capital
- Retained Earnings
- Preferred Equity
- Debt
- Contingent Equity

Over time, Endurance has thoughtfully built its capital base, diversifying the sources and duration of capital, reducing cost of capital, while at the same time aggressively returning over \$1.8 billion of capital to shareholders



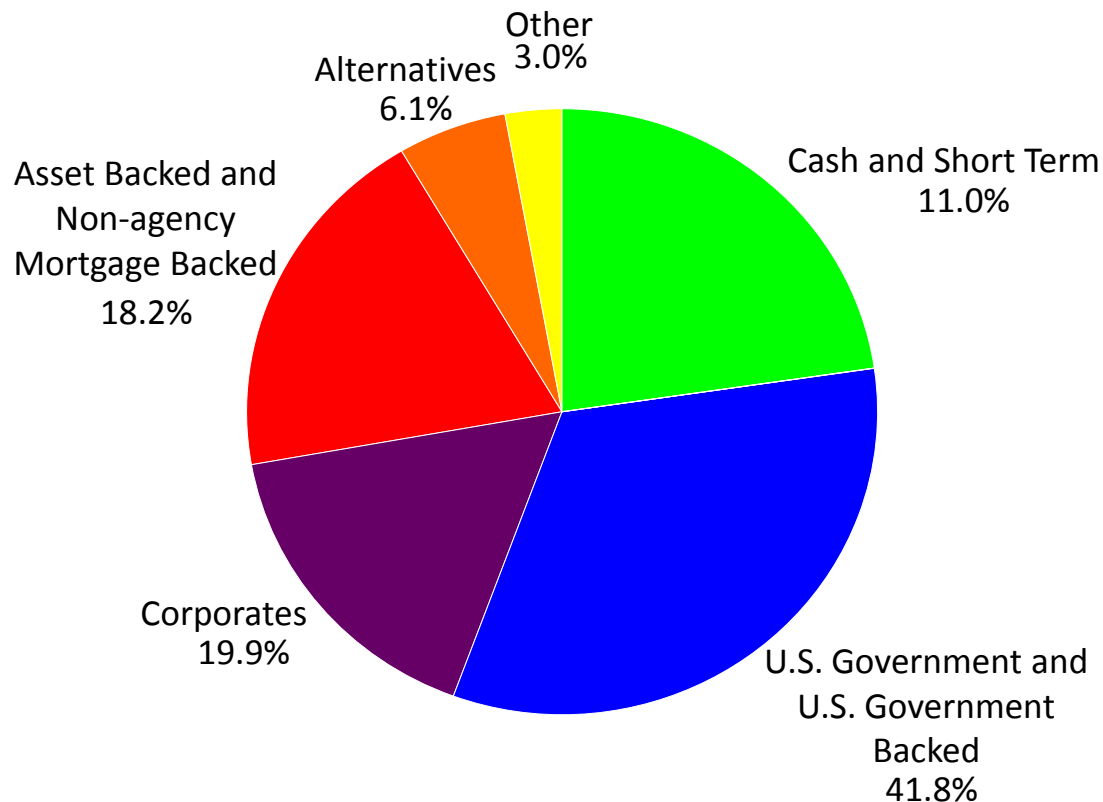
* Q1 to 1/31/2011 includes 7.1 million shares repurchased from Perry Corp. announced on January 24, 2011.

Strong Balance Sheet

Endurance maintains a high quality, short duration investment portfolio

\$6.2 Billion Investment Portfolio as of December 31, 2010

52.8% of investments are either cash and short term or are U.S. issued or backed



Average Credit Quality of AA

Investment Portfolio Highlights

- ◆ We have actively reduced the duration of the investment portfolio to 2.39 years from 3.17 years in third quarter 2008
- ◆ Investment quality has remained high as the portfolio is conservatively managed
 - Alternative portfolio is approximately 6% of total investment portfolio
- ◆ Alternative assets of \$376.7 million comprised of direct investments in hedge funds (70% of portfolio) and high yield loan funds (30% of portfolio)
 - Modest leverage used by hedge fund managers
 - Hedge fund strategies split between event driven/opportunistic and credit/distressed

Conclusion

Endurance is a compelling investment opportunity

1. Strategically managing our business through the soft market
 - Selectively reduced reinsurance premiums, especially in competitive longer tail lines
 - Invested in agriculture insurance business which is not linked to the property-casualty market cycle
 - Accounts for 23% of net premiums written
 - Active capital deployment to return excess capital to shareholders
 - Reduced diluted shares outstanding by 40.7% since 1/1/2007 (includes share repurchase announced and completed in January 2011)
 - Maintain a short duration, highly liquid investment portfolio
 - Positioned to reduce potential impact of rising interest rates
2. Excellent balance sheet strength and liquidity
 - High quality short duration investment portfolio has an average credit quality of AA
 - Prudent reserving philosophy and strong reserve position; strong history of favorable development
 - Industry leading Enterprise Risk Management
3. The outlook for Endurance's key areas of specialization remain attractive
 - Agriculture business provides diversification from the property-casualty markets
 - Catastrophe lines have remained disciplined and profitable
 - Profitable niches within specialty lines exist
4. Endurance is currently trading at a discount to book, despite strong absolute and relative performance and strong market positioning