

VALIDUS HOLDINGS LTD
Form 424B3
August 22, 2011

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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-175774

Offer to Exchange

**Each Outstanding Share of Common Stock
(together with the associated preferred stock purchase rights)
of**

TRANSATLANTIC HOLDINGS, INC.

**for
1.5564 Validus Holdings, Ltd. Voting Common Shares
and
\$8.00 in Cash
by**

VALIDUS HOLDINGS, LTD.

Validus Holdings, Ltd., which we refer to as "Validus" or "we," "us" or "our," is offering, upon the terms and subject to the conditions set forth in this prospectus/offer to exchange and in the accompanying letter of transmittal, to exchange 1.5564 voting common shares, par value \$0.175 per share, of Validus, which we refer to as "Validus common shares," and \$8.00 in cash (less applicable withholding taxes and without interest) for each outstanding share of common stock of Transatlantic Holdings, Inc., which we refer to as "Transatlantic," par value \$1.00 per share (together with the associated preferred stock purchase rights), which we refer to as "shares of Transatlantic common stock," you validly tender and do not properly withdraw before the expiration time of the exchange offer described below. In addition, you will receive cash in lieu of any fractional Validus common share to which you may be entitled, as described herein. We refer to this offer as the "exchange offer."

THE EXCHANGE OFFER AND THE WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., EASTERN TIME, ON FRIDAY, SEPTEMBER 30, 2011, OR THE "EXPIRATION TIME OF THE EXCHANGE OFFER," UNLESS EXTENDED. SHARES OF TRANSATLANTIC COMMON STOCK TENDERED PURSUANT TO THE EXCHANGE OFFER MAY BE WITHDRAWN AT ANY TIME PRIOR TO THE EXPIRATION TIME OF THE EXCHANGE OFFER, BUT NOT DURING ANY SUBSEQUENT OFFERING PERIOD.

Validus common shares are listed on the New York Stock Exchange under the ticker symbol "VR." Shares of Transatlantic common stock are listed on the New York Stock Exchange under the ticker symbol "TRH."

FOR A DISCUSSION OF RISKS AND OTHER FACTORS THAT YOU SHOULD CONSIDER IN CONNECTION WITH THE EXCHANGE OFFER, PLEASE CAREFULLY READ THE SECTION OF THIS PROSPECTUS/OFFER TO EXCHANGE TITLED "RISK FACTORS" BEGINNING ON PAGE 36.

Validus' obligation to accept shares of Transatlantic common stock for exchange and to exchange any shares of Transatlantic common stock for Validus common shares is subject to conditions, including a condition that Transatlantic stockholders shall have validly tendered and not withdrawn prior to the expiration time of the exchange offer at least that number of shares of Transatlantic common stock that, when added to the shares of Transatlantic common stock then owned by Validus or any of its subsidiaries, shall constitute a majority of the then-outstanding number of shares of Transatlantic common stock on a fully-diluted basis, and a condition that the Agreement and Plan of Merger, dated as of June 12, 2011, by and among Transatlantic, Allied World Assurance Company Holdings, AG, a corporation limited by shares organized under the laws of Switzerland, which we refer to as "Allied World," and GO Sub, LLC, a Delaware limited liability

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company and a wholly-owned subsidiary of Allied World, which we refer to as the "Allied World acquisition agreement," has been terminated. We refer to the proposed acquisition of Transatlantic by Allied World pursuant to the Allied World acquisition agreement as the "proposed Allied World acquisition." The conditions to the exchange offer are described in the section of this prospectus/offer to exchange titled "The Exchange Offer Conditions of the Exchange Offer."

On July 12, 2011, Validus publicly announced that it had delivered a written proposal to the Transatlantic board of directors to combine the businesses of Validus and Transatlantic through a merger transaction in which Validus would acquire all of the issued and outstanding shares of Transatlantic common stock. The proposal contemplates that Transatlantic stockholders would receive 1.5564 Validus common shares in the merger and \$8.00 per share in cash pursuant to a one-time special dividend from Transatlantic immediately prior to closing of the merger for each share of Transatlantic common stock they own. We refer to this proposal and the proposed transaction as the "Validus merger offer." In light of the uncertainty of entering into a consensual transaction with Transatlantic, Validus is making the exchange offer directly to Transatlantic stockholders on the terms and conditions set forth in this prospectus/offer to exchange as an alternative to the Validus merger offer.

Validus has not authorized any person to provide any information or to make any representation in connection with the exchange offer other than the information contained or incorporated by reference in this prospectus/offer to exchange and the accompanying letter of transmittal, and if any person provides any of this information or makes any representation of this kind, that information or representation must not be relied upon as having been authorized by Validus.

VALIDUS IS NOT ASKING YOU FOR A PROXY AS PART OF TENDERING INTO THE EXCHANGE OFFER AND YOU ARE REQUESTED NOT TO SEND A PROXY TO VALIDUS. As described in this prospectus/offer to exchange, Validus is soliciting proxies against the adoption of the Allied World acquisition agreement at the special meeting of Transatlantic stockholders, called for the purpose of considering the adoption of the Allied World acquisition agreement, which we refer to as the "Transatlantic special stockholder meeting," and intends to solicit proxies through separate proxy solicitation materials in connection with various other matters that are described in the section of this prospectus/offer to exchange titled "Solicitation of Proxies."

Neither the Securities and Exchange Commission, which we refer to as the "SEC," nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus/offer to exchange. Any representation to the contrary is a criminal offense.

The dealer manager for the exchange offer is:

The date of this prospectus/offer to exchange is August 19, 2011.

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THIS PROSPECTUS/OFFER TO EXCHANGE INCORPORATES IMPORTANT BUSINESS AND FINANCIAL INFORMATION ABOUT VALIDUS AND TRANSATLANTIC FROM DOCUMENTS FILED WITH THE SEC THAT HAVE NOT BEEN INCLUDED IN OR DELIVERED WITH THIS PROSPECTUS/OFFER TO EXCHANGE.

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THIS INFORMATION IS AVAILABLE AT THE INTERNET WEBSITE THE SEC MAINTAINS AT <http://www.sec.gov>, AS WELL AS FROM OTHER SOURCES. PLEASE SEE THE SECTION OF THIS PROSPECTUS/OFFER TO EXCHANGE TITLED "WHERE YOU CAN FIND MORE INFORMATION." YOU ALSO MAY REQUEST COPIES OF THESE DOCUMENTS FROM VALIDUS, WITHOUT CHARGE, UPON WRITTEN OR ORAL REQUEST TO VALIDUS' INFORMATION AGENT AT ITS ADDRESS OR TELEPHONE NUMBER SET FORTH BELOW AND ON THE BACK COVER OF THIS PROSPECTUS/OFFER TO EXCHANGE. IN ORDER TO RECEIVE TIMELY DELIVERY OF THE DOCUMENTS, YOU MUST MAKE YOUR REQUEST NO LATER THAN SEPTEMBER 23, 2011, OR FIVE BUSINESS DAYS PRIOR TO THE EXPIRATION TIME OF THE EXCHANGE OFFER, WHICHEVER IS LATER.

As described in the section of this prospectus/offer to exchange titled "Risk Factors" on page 40, Validus has only conducted a review of Transatlantic's publicly available information and has not had access to Transatlantic's non-public information. As a result, Transatlantic stockholders should be aware that statements in this prospectus/offer to exchange regarding synergies that could arise as a result of the proposed transaction, Transatlantic's strategic fit with Validus, the structural flexibility of a combined company and similar statements reflecting the potential results of a combination of Validus and Transatlantic are based exclusively on publicly available information.

On August 12, 2011, Validus filed proxy solicitation materials complying with the requirements of Section 14(a) of the Securities Exchange Act of 1934, as amended, which we refer to as the "Exchange Act." As described in this prospectus/offer to exchange, Validus is soliciting proxies to vote against the adoption of the Allied World acquisition agreement at a special meeting of Transatlantic stockholders and intends to solicit proxies through separate proxy solicitation materials in connection with various other matters which are described in the section of this prospectus/offer to exchange titled "Solicitation of Proxies." Each stockholder is urged to read each proxy statement regarding the business to be conducted at the applicable meeting, if and when it becomes available, because it contains, or will contain, important information. Any such proxy statement has been, or will be, filed with the SEC. When completed, each definitive proxy statement of Validus and an accompanying proxy card of Validus will be made available to applicable stockholders and such stockholders will be able to obtain a free copy of any proxy statement, as well as other filings containing information about the parties (including information regarding the participants in any proxy solicitation (which may include Validus' officers and directors and other persons) and a description of their direct and indirect interests, by security holdings or otherwise), from the SEC's web site at <http://www.sec.gov>. Each such proxy statement and these other documents, if and when available, may also be obtained for free from Validus' web site at <http://www.validusholdings.com> or upon written or oral request to the information agent at Innisfree M&A Inc., 501 Madison Avenue, 20th Floor, New York, New York 10022, banks and brokerage firms please call (212) 750-5833, all others call toll-free at (877) 717-3929.

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QUESTIONS AND ANSWERS ABOUT THE EXCHANGE OFFER

Below are some of the questions that you as a holder of shares of Transatlantic common stock may have regarding the exchange offer and answers to those questions. The answers to these questions do not contain all the information relevant to your decision whether to tender your shares of Transatlantic common stock in the exchange offer, and Validus urges you to read carefully the remainder of this prospectus/offer to exchange and the letter of transmittal circulated with this prospectus/offer to exchange.

Who is offering to buy my shares of Transatlantic common stock?

The exchange offer is being made by Validus Holdings, Ltd., a Bermuda exempted company. Validus is a provider of reinsurance and insurance, conducting its operations worldwide through two wholly-owned subsidiaries, Validus Reinsurance, Ltd., which we refer to as "Validus Re," and Talbot Holdings Ltd., which we refer to as "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.

What classes and amounts of Transatlantic securities is Validus seeking for exchange in the exchange offer?

Validus seeks to acquire all of the issued and outstanding shares of Transatlantic common stock.

What will I receive for my shares of Transatlantic common stock in the exchange offer?

Validus is offering, upon the terms and subject to the conditions set forth in this prospectus/offer to exchange and in the accompanying letter of transmittal, to exchange 1.5564 Validus common shares and \$8.00 in cash (less applicable withholding taxes and without interest) for each outstanding share of Transatlantic common stock you validly tender and do not properly withdraw before the expiration time of the exchange offer. Because no fractional Validus common shares will be issued in the exchange offer, to the extent that you would be entitled to receive fractional Validus common shares in the exchange offer, you will receive cash in lieu of the fractional share interest to which you would otherwise be entitled.

Please also see the section of this prospectus/offer to exchange titled "Risk Factors" for a discussion, among other things, of the effect of fluctuations in the market price of Validus common shares.

What has Validus proposed to the Transatlantic board of directors?

On July 12, 2011, Validus publicly announced that it had delivered the Validus merger offer to the Transatlantic board of directors, pursuant to which the businesses of Validus and Transatlantic would be combined through a merger transaction in which Validus would acquire all of the issued and outstanding shares of Transatlantic common stock. In the Validus merger offer, Transatlantic stockholders would receive 1.5564 Validus voting common shares and \$8.00 per share in cash pursuant to a one-time special dividend from Transatlantic immediately prior to closing of the merger for each share of Transatlantic common stock they own.

When it made the Validus merger offer to Transatlantic, Validus stated that it is prepared to enter into a merger agreement with Transatlantic that includes substantially similar non-price terms and conditions to the Allied World acquisition agreement and delivered to the Transatlantic board of directors a merger agreement reflecting such terms and conditions. Although the stock and cash consideration received in the exchange offer will be taxable to Transatlantic stockholders, Validus remains willing to discuss the Validus merger offer, which is structured to provide Transatlantic stockholders tax-free treatment on their receipt of Validus common shares, with the Transatlantic board of directors.

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Have you discussed the exchange offer with the Transatlantic board of directors?

No, we have not. Transatlantic announced on July 19, 2011 that its board of directors had determined that the Validus merger offer is reasonably likely to lead to a "superior proposal" and that the failure to enter into discussions regarding the Validus merger offer would result in a breach of the Transatlantic board of directors' fiduciary duties under applicable law. On July 23, 2011, Transatlantic delivered a form of confidentiality agreement for Validus' execution as a precondition to the commencement of discussions and exchange of confidential information. However, the form of confidentiality agreement included standstill provisions that would have prevented Validus from making the exchange offer directly to Transatlantic stockholders. Transatlantic would not agree to the removal of such restrictive provisions. Later that evening, Validus delivered a form of confidentiality agreement to Transatlantic that it would be prepared to execute, but has not received any response from Transatlantic as of the date of this prospectus/offer to exchange. While Validus continues to hope that it is possible to reach a consensual transaction with Transatlantic, Validus does not believe that it is in Transatlantic stockholders' best interests to give the Transatlantic board of directors unilateral control over whether the exchange offer is made available to Transatlantic stockholders.

Validus commenced the exchange offer on July 25, 2011. On July 28, 2011, Transatlantic filed a Solicitation/Recommendation Statement on Schedule 14D-9 reporting that the Transatlantic board of directors had met on July 26, 2011 and reaffirmed its support of the proposed Allied World acquisition, and determined to recommend that Transatlantic stockholders reject the exchange offer and not tender their shares of Transatlantic common stock pursuant to the exchange offer.

What is the purpose of the exchange offer?

The exchange offer is intended to allow Validus to acquire all of the issued and outstanding shares of Transatlantic common stock. We intend to, promptly after completion of the exchange offer, consummate a second-step merger of Transatlantic with a wholly-owned subsidiary of Validus, which we refer to as the "second-step merger," pursuant to the General Corporation Law of the State of Delaware, as amended, which we refer to as the "DGCL." The purpose of the second-step merger is for Validus to acquire all outstanding shares of Transatlantic common stock that are not acquired in the exchange offer. In this second-step merger, each remaining share of Transatlantic common stock (other than shares held in treasury by Transatlantic and other than shares held by Transatlantic stockholders who properly exercise applicable dissenters' rights under Delaware law) will be cancelled and converted into the right to receive the same number of Validus common shares and the same amount of cash (without interest) as are received by Transatlantic stockholders pursuant to the exchange offer. After this second-step merger, Validus will own all of the issued and outstanding shares of Transatlantic common stock. Please see the sections of this prospectus/offer to exchange titled "The Exchange Offer Purpose and Structure of the Exchange Offer"; "The Exchange Offer Second-Step Merger"; and "The Exchange Offer Plans for Transatlantic."

Why is Validus proposing the exchange offer?

Validus is seeking to acquire Transatlantic. The Validus common shares to be issued and cash to be paid to Transatlantic stockholders in exchange for shares of Transatlantic common stock in the exchange offer will provide Transatlantic stockholders with a compelling opportunity to participate in the growth and opportunities of the combined company. Validus believes that the acquisition of Transatlantic represents a compelling combination and excellent strategic fit that will create a unique, global leader in reinsurance that will:

deploy capital effectively to maximize underwriting profitability and achieve superior growth in book value per share,

continue to aggressively manage capital, consistent with Validus' past practice, and

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be a recognized leader in multiple classes, emphasizing short-tail lines while being well-positioned for cycle management.

Why is the exchange offer superior to the proposed Allied World acquisition?

Validus believes that the combination of Validus and Transatlantic offers a number of benefits to holders of shares of Transatlantic common stock, including the following:

The exchange offer provides a premium to Transatlantic stockholders compared to the proposed Allied World acquisition.

Based upon closing prices as of August 19, 2011, the last practicable date prior to the filing of this prospectus/offer to exchange, the exchange offer had a value of \$47.80 per share of Transatlantic common stock, which represented 6.6% premium to the consideration to be received by Transatlantic stockholders in the proposed Allied World acquisition.

Information with respect to the range of closing prices for shares of Transatlantic common stock for certain dates and periods is set forth in the section of this prospectus/offer to exchange titled "Comparative Market Price and Dividend Information." Validus urges Transatlantic stockholders to obtain a current market quotation for shares of Transatlantic common stock and Validus common shares. Please also see the section of this prospectus/offer to exchange titled "Risk Factors" for a discussion, among other things, of the effect of fluctuations in the market price of Validus common shares.

The Validus common shares to be issued to Transatlantic stockholders in exchange for shares of Transatlantic common stock pursuant to the exchange offer represent what we believe is a superior currency to Allied World's common shares.*Superior Currency*

Validus common shares have superior performance and liquidity characteristics to Allied World's common shares:

	Validus	Allied World
Total Shareholder Return Since Validus IPO ^(a)	+55%	+24%
Market Cap as of 6/10/11 ^(b)	\$ 3.0 billion	\$ 2.2 billion
Average Daily Trading Volume (3 month) ^(c)	\$ 27.6 million	\$ 14.6 million
Average Daily Trading Volume (6 month) ^(d)	\$ 22.4 million	\$ 13.4 million
Price / As-Reported Diluted Book (Unaffected) ^(e)	0.97x	0.78x
Price / As-Reported Diluted Book (as of 7/12/11) ^(e)	0.98x	0.76x
Dividend Yield as of 6/10/11 (Unaffected)	3.3% ^(f)	2.6% ^(g)

(a) Including dividends. Based on the closing prices on June 10, 2011 and July 24, 2007. Source: SNL.

(b) "Market Cap as of 6/10/11" reflects Validus' and Allied World's unaffected market capitalization based on market prices of Validus and Allied World prior to the announcement of the proposed Allied World acquisition on June 12, 2011. As of August 19, 2011, Validus' market capitalization was \$2.5 billion and Allied World's market capitalization was \$1.9 billion.

(c) Three months prior to June 12, 2011, date of announcement of proposed Allied World acquisition of Transatlantic. Source: Bloomberg.

(d) Six months prior to June 12, 2011, date of announcement of proposed Allied World acquisition of Transatlantic. Source: Bloomberg.

(e) Based on March 31, 2011 GAAP diluted book value per share. Unaffected price / as-reported diluted book value measured prior to June 12, 2011 announcement of proposed Allied World acquisition of Transatlantic. Current is as of closing prices of Validus and Allied World stock on July 12, 2011.

(f)

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Based on \$0.25 per share quarterly dividend, as announced May 5, 2011.

(g)

Based on \$0.375 per share quarterly dividend, as disclosed in Allied World Form 8-K dated June 15, 2011.

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Moreover, Validus has maintained a premium valuation on a diluted book value per share multiple basis relative to its peers over the past two years, including Allied World.⁽¹⁾ Our commitment to transparency and shareholder value creation has allowed Validus to build a long-term institutional shareholder base.

- (1) Comparison of Validus and selected peer median quarterly Price / Diluted Book Value Per Share based on share price on day immediately following release of relevant quarter's earnings. Selected peer group consists of Allied World, Transatlantic, XL Group plc, Everest Re Group, Ltd., Arch Capital Group Ltd., Axis Capital Holdings Limited, Alterra Capital Holdings Ltd., Aspen Insurance Holdings Limited, Endurance Specialty Holdings Ltd., Argo Group International Holdings, Ltd., PartnerRe Ltd., RenaissanceRe Holdings Ltd., Platinum Underwriters Holdings, Ltd., Montpelier Re Holdings Ltd., Greenlight Capital Re, Ltd. and Flagstone Reinsurance Holdings SA. Source: FactSet, company filings, SNL.

We believe that a combined Validus and Transatlantic would be a superior company to Allied World following its acquisition of Transatlantic.

Strategic Fit

The combination of Validus' strong positions in Bermuda and London and Transatlantic's operations in the United States, continental Europe and Asia would produce a complementary business fit and a well-diversified company that will be a global leader in reinsurance. Validus intends that, following the acquisition of Transatlantic, Validus' and Transatlantic's respective brands will continue to be utilized in their respective markets in order to preserve each company's brand equity.⁽²⁾

- (2) Allied World has also stated an intent to preserve the Transatlantic brand.

This combination will solidify Validus' leadership in property catastrophe, with pro forma managed catastrophe premiums of over \$1 billion,⁽³⁾ while remaining within Validus' historical risk appetite. Validus has significant experience assimilating catastrophe portfolios, most recently its acquisition of IPC Holdings, Ltd., which we refer to as "IPC," in 2009.

- (3) Based on property catastrophe gross premiums written for Validus and net premiums written for Transatlantic in 2010. Pro forma for Validus (\$572 million), Transatlantic (\$431 million) and AlphaCat Re 2011 (\$43 million).

Size and Market Position

This combination will create a geographically diversified company with a top six reinsurance industry position on a pro forma basis,⁽⁴⁾ and will make the combined company meaningfully larger than many of the companies considered to be in the mutual peer group of Validus and Transatlantic. The combined company would have gross premiums written over the last twelve months of approximately \$6.3 billion as of June 30, 2011, which is comparable in amount to the pro forma combination of Transatlantic and Allied World.

- (4) Ranked by 2009 net premiums written and excluding the Lloyd's market per Standard & Poor's Global Reinsurance Highlights 2010.

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As the level of capital required to support risk will continue to rise globally, we believe that size will become an even more important competitive advantage in the reinsurance market. The recent renewals at June 1 and July 1, 2011 reinforced this belief as Validus was able to significantly outperform market rate levels which Validus believes was a result of our size, superior analytics and Validus' ability to structure private transactions at better than market terms, while not increasing Validus' overall risk levels.

Significant Structural Flexibility

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Given jurisdiction, size and market position benefits, we believe a combined Validus and Transatlantic would have significant structural flexibility, including its ability to optimally deploy capital globally in different jurisdictions, e.g., through targeted growth initiatives and/or capital management.

Global, Committed Leader in Reinsurance

Validus believes that its business plan for the combined company will drive earnings by capturing the best priced segments of the reinsurance market. A combined Validus / Transatlantic would derive a majority of its premiums from short-tail lines and 17% of premiums written from property catastrophe (compared to 10% for Allied World / Transatlantic).⁽⁵⁾ Validus believes this business mix allows for optimal cycle management as the attractive pricing in short tail reinsurance will allow the combined company to better position itself for the eventual upturn in long tail lines. Validus also intends to fortify Transatlantic's reserve position through a planned \$500 million pre-tax reserve strengthening.

(5) Based on gross premiums written for Validus and net premiums written for Transatlantic in 2010.

Following a combination of Validus and Transatlantic, we believe the combined company would have significant capital availability that could be actively managed to the benefit of the combined company's shareholders.

Active capital management is a core element of Validus' strategy which Validus believes has contributed to its premium valuation.⁽⁶⁾ From the inception of its repurchase program on November 11, 2009 through May 6, 2011, Validus repurchased 35 million Validus common shares for approximately \$947.2 million (approximately 26.7% of all Validus common shares outstanding since the inception of the repurchase program).

(6) Comparison of Validus and selected peer median quarterly Price / Diluted Book Value Per Share based on share price on day immediately following release of relevant quarter's earnings. Selected peer group consists of Allied World, Transatlantic, XL Group plc, Everest Re Group, Ltd., Arch Capital Group Ltd., Axis Capital Holdings Limited, Alterra Capital Holdings Ltd., Aspen Insurance Holdings Limited, Endurance Specialty Holdings Ltd., Argo Group International Holdings, Ltd., PartnerRe Ltd., RenaissanceRe Holdings Ltd., Platinum Underwriters Holdings, Ltd., Montpelier Re Holdings Ltd., Greenlight Capital Re, Ltd. and Flagstone Reinsurance Holdings SA. Source: FactSet, company filings, SNL.

The combination of Validus and Transatlantic would create a company with an estimated \$1.1 billion of pre-synergy, pre-catastrophe earnings,⁽⁷⁾ which could be available for expanded share repurchase activity.⁽⁸⁾ Validus intends to manage its capital following the acquisition of Transatlantic in a manner consistent with its past practices in order to benefit the combined company's shareholders.

(7) Based upon combined last twelve months pre-catastrophe accident year earnings as of June 30, 2011.

(8) The timing, form and amount of the share repurchases under any program would depend on a variety of factors, including market conditions, Validus' capital position relative to internal and rating agency targets, legal and regulatory requirements, contractual compliance and other factors. The repurchase program may be modified, extended or terminated by Validus' board of directors at any time.

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We believe that the combination of Validus and Transatlantic would yield significant synergies.

In addition to the aggregate earnings power of the combined company, Validus believes there will be significant opportunities to expand the combined company's earnings and return on equity through combination synergies. Once Validus and Transatlantic have combined, Validus believes potential synergies will arise from (1) the elimination of Transatlantic's public company costs, (2) the restructuring of the combined company's legal organization, including restructuring Transatlantic's non-U.S. subsidiaries, (3) the optimization of the combined company's catastrophe portfolio and harmonization of Validus' and Transatlantic's respective risk appetites, and (4) the maximization of after-tax returns on the combined company's investment portfolio. Please see the section of this prospectus/offer to exchange titled "Risk Factors Risk Factors Relating to the Exchange Offer and the Second-Step Merger."

Validus offers Transatlantic a highly experienced, first class management team.

As reflected in Schedule I to this prospectus/offer to exchange, Validus offers Transatlantic a highly experienced, first-class management team. Validus' management team has demonstrated the ability to execute growth strategies successfully, carefully manage risk and deliver enhanced shareholder value. Under the stewardship of its current management, Validus has completed the acquisitions of Talbot and IPC and established a meaningful presence in the property casualty, specialty, energy and aviation markets. The excellent performance of the leadership of the Validus management team is evidenced by the fact that Validus common shares traded at 0.98x and 1.02x, respectively, to Validus' as-reported diluted book value and diluted tangible book value based on the closing price of Validus common shares on July 12, 2011, the last trading day prior to the announcement of the Validus merger offer. Validus will also seek to retain the Transatlantic management team for the benefit of the combined company.

When do you expect the exchange offer to be completed?

We believe that we would be able to complete the exchange offer in the fourth quarter of 2011, which is consistent with the publicly announced timing of the proposed Allied World acquisition (subject to the satisfaction or waiver of the conditions to the exchange offer).

What are the conditions of the exchange offer?

The exchange offer is conditioned upon, among other things, the following:

Transatlantic stockholders shall have validly tendered and not withdrawn prior to the expiration time of the exchange offer at least that number of shares of Transatlantic common stock that, when added to the shares of Transatlantic common stock then owned by Validus or any of its subsidiaries, shall constitute a majority of the then-outstanding number of shares of Transatlantic common stock on a fully-diluted basis. We refer to this condition as the "minimum tender condition."

The Allied World acquisition agreement shall have been validly terminated, and Validus shall reasonably believe that Transatlantic has no liability, and Allied World shall not have asserted any claim of liability or breach against Transatlantic in connection with the Allied World acquisition agreement, other than with respect to the possible payment of a maximum of \$115 million in the aggregate in termination fees and reimbursement of permitted Allied World expenses thereunder, which we refer to in the aggregate as the "Allied World termination fee."

The registration statement of which this prospectus/offer to exchange is a part shall have become effective under the Securities Act of 1933, as amended, which we refer to as the "Securities Act," no stop order suspending the effectiveness of the registration statement shall have been

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issued and no proceedings for that purpose shall have been initiated or threatened by the SEC, and Validus shall have received all necessary state securities law or "blue sky" authorizations.

The Transatlantic board of directors shall have approved the acquisition of the shares of Transatlantic common stock pursuant to the exchange offer and second-step merger under Section 203 of the DGCL, or Validus shall be satisfied that Section 203 of the DGCL does not apply to or otherwise restrict such acquisition.

The Transatlantic board of directors shall have redeemed the preferred stock purchase rights, which we refer to as the "rights," issued pursuant to the Rights Agreement, dated as of July 27, 2011, between Transatlantic and American Stock Transfer & Trust Company, LLC, as Rights Agent, which we refer to as the "Transatlantic rights plan," or the rights shall have been redeemed or otherwise rendered inapplicable to the exchange offer and the second-step merger.

The shareholders of Validus shall have approved the issuance of the Validus common shares pursuant to the exchange offer and the second-step merger as required under the rules of the New York Stock Exchange, which we refer to as the "NYSE."

The Validus common shares to be issued to Transatlantic stockholders as a portion of the exchange offer consideration in exchange for shares of Transatlantic common stock in the exchange offer and the second-step merger shall have been authorized for listing on the NYSE, subject to official notice of issuance.

There shall be no pending litigation, suit, claim, action, proceeding or investigation by or before any governmental authority (and Validus shall not have disclosed the receipt of written notice from any person stating that such person intends to commence any litigation, suit, claim, action, proceeding or investigation against Validus) that, in the judgment of Validus, is reasonably expected to, directly or indirectly, restrain or prohibit (or which alleges a violation of law in connection with) the exchange offer or is reasonably expected to prohibit or limit the full rights of ownership of shares of Transatlantic common stock by Validus or any of its affiliates.

Since December 31, 2010, there shall not have been any material adverse effect on Transatlantic and its subsidiaries, taken as a whole, subject to certain exceptions and limitations.

Each of Transatlantic and its subsidiaries shall have carried on their respective businesses in the ordinary course consistent with past practice at all times on or after the date of this prospectus/offer to exchange and prior to the expiration time of the exchange offer.

All amendments or waivers under Validus' and its subsidiaries' credit facilities necessary to consummate the exchange offer, the second-step merger and the other transactions contemplated by this prospectus/offer to exchange shall have been obtained and be in full force and effect.

The New York State Insurance Department shall have approved Validus' application for acquisition of control of Transatlantic Reinsurance Company and Putnam Reinsurance Company, New York domiciled insurance companies and wholly-owned subsidiaries of Transatlantic, pursuant to Section 1506 of the New York Insurance Code and such approval shall be in full force and effect.

Any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which we refer to as the "HSR Act," and, if applicable, any agreement with the Federal Trade Commission, which we refer to as the "FTC," or Antitrust Division of the U.S. Department of Justice, which we refer to as the "Antitrust Division," not to accept shares of Transatlantic common stock for exchange in the exchange offer, shall have expired or shall have been terminated prior to the expiration time of the exchange offer.

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Any clearance, approval, permit, authorization, waiver, determination, favorable review or consent of any governmental authority, other than in connection with the matters set forth in the two foregoing bullet points, shall have been obtained and such approvals shall be in full force and effect, or any applicable waiting periods for such clearances or approvals shall have expired.

The exchange offer is subject to additional conditions referred to in the section of this prospectus/offer to exchange titled "The Exchange Offer Conditions of the Exchange Offer," including that Transatlantic stockholders shall not have adopted the Allied World acquisition agreement and that there shall have been no business combination consummated between Transatlantic and Allied World.

On August 17, 2011 at 11:59 p.m. Eastern time, the applicable waiting period under the HSR Act for the acquisition by Validus of shares of Transatlantic common stock pursuant to the exchange offer expired and the related condition to the exchange offer was satisfied.

Validus has obtained amendments to its applicable credit facilities, satisfying the condition relating to its and its subsidiaries' credit facilities described above. Please see the section of this prospectus/offer to exchange titled "The Exchange Offer Source and Amount of Funds."

What actions do you propose to take with respect to the proposed Allied World acquisition?

Validus has filed a preliminary proxy statement in connection with the solicitation of proxies from Transatlantic stockholders to vote against the adoption of the Allied World acquisition agreement and vote against other proposals brought before the Transatlantic special stockholder meeting.

How does the exchange offer relate to the Validus merger offer?

On July 12, 2011, Validus publicly announced that it had delivered a written proposal to the Transatlantic board of directors to combine the businesses of Validus and Transatlantic through a merger transaction in which Validus would acquire all of the issued and outstanding shares of Transatlantic common stock. The exchange offer is intended to allow Validus to acquire all of the issued and outstanding shares of Transatlantic common stock. The Validus merger offer and the exchange offer are alternative methods for Validus to acquire all of the issued and outstanding shares of Transatlantic common stock. Ultimately, only one of these transactions can be pursued to completion. Validus intends to seek to combine with Transatlantic by whichever method Validus determines is most likely to be completed.

Validus has filed a preliminary proxy statement in connection with the solicitation against the adoption of the Allied World acquisition agreement and vote against other proposals brought before any Transatlantic special stockholder meeting as discussed in more detail in such preliminary proxy statement. If the Allied World acquisition agreement is not adopted by Transatlantic stockholders after a vote thereon, the Transatlantic board of directors will be able to terminate the Allied World acquisition agreement and enter into a merger agreement with Validus. If the Transatlantic board of directors were to enter into a merger agreement with Validus promptly following the termination of the Allied World acquisition agreement, Validus believes the merger contemplated by the Validus merger offer could be completed in the fourth quarter of 2011.

Validus commenced the exchange offer on July 25, 2011. In light of the uncertainty of entering into a consensual transaction with Transatlantic, Validus is making the exchange offer directly to Transatlantic stockholders on the terms and conditions set forth in this prospectus/offer to exchange as an alternative to the Validus merger offer. In the event that Validus accepts shares of Transatlantic common stock for exchange in the exchange offer, Validus intends to acquire any additional outstanding shares of Transatlantic common stock pursuant to the second-step merger. If Validus accepts shares of Transatlantic common stock for exchange and owns 90% or more of the outstanding shares of Transatlantic common stock after the exchange offer is completed, the second-step merger can be effected as a "short form" merger under Delaware law without the consent of any stockholder

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(other than Validus) and without the approval of the Transatlantic board of directors. However, if Validus does not acquire at least 90% of the outstanding shares of Transatlantic common stock in the exchange offer or otherwise, then both Transatlantic board approval and Transatlantic stockholder approval will be required to effect the second-step merger. In connection with consummation of the exchange offer or the second-step merger, and subject to applicable law, Validus currently expects to replace Transatlantic's existing board of directors.

Do I need to grant proxies to Validus in connection with the proxy solicitation described above if I wish to accept the exchange offer? Do I have to vote against the proposed Allied World acquisition?

No. Your ability to tender your shares of Transatlantic common stock in the exchange offer is not conditioned on your granting proxies to Validus in connection with any of the proxy solicitations described above. However, a tendering stockholder will irrevocably appoint designees of Validus as such stockholder's agents, attorneys-in-fact and proxies, effective as of the time and only to the extent that Validus accepts such tendered shares of Transatlantic common stock for exchange. Until such time as Validus accepts tendered shares of Transatlantic common stock for exchange from a Transatlantic stockholder, each such stockholder will be able to vote in connection with any proxy solicitation.

You may validly tender your shares of Transatlantic common stock in the exchange offer, regardless of whether or how you vote on the proposed Allied World acquisition. However, at least a majority of Transatlantic stockholders must either vote against the proposed Allied World acquisition or abstain from voting at the Transatlantic special stockholder meeting in order to ensure that the Allied World acquisition agreement will not be adopted. If the Allied World acquisition agreement is not adopted by Transatlantic stockholders after a vote thereon, this will permit the Transatlantic board of directors to terminate the Allied World acquisition agreement, which is one of the conditions to the exchange offer. We do not intend to waive this condition.

Do I have to vote at any meeting to approve the exchange offer or the second-step merger?

Your vote is not required in connection with the exchange offer. You simply need to tender your shares of Transatlantic common stock if you choose to do so. However, Validus intends to complete the exchange offer only if a sufficient number of shares of Transatlantic common stock are tendered in the exchange offer such that the minimum tender condition is satisfied.

In the event that Validus accepts shares of Transatlantic common stock for exchange in the exchange offer, Validus intends to acquire any additional outstanding shares of Transatlantic common stock pursuant to the second-step merger. If Validus accepts shares of Transatlantic common stock for exchange and owns 90% or more of the outstanding shares of Transatlantic common stock after the exchange offer is completed, the second-step merger can be effected as a "short-form merger" under Delaware law without the consent of any stockholder (other than Validus) and without the approval of the Transatlantic board of directors. However, if Validus does not acquire at least 90% of the outstanding shares of Transatlantic common stock in the exchange offer or otherwise, then both Transatlantic board approval and Transatlantic stockholder approval will be required to effect the second-step merger.

If Validus owned more than a majority but less than 90% of outstanding shares of Transatlantic common stock following the consummation of the exchange offer, it would have the voting power to approve the second-step merger, either through a written consent or at a stockholder meeting called for such purposes, without the vote of any other Transatlantic stockholder. In such a case, if Validus determines to seek approval of the second-step merger pursuant to a special meeting of stockholders, proxy solicitation materials will be delivered to Transatlantic stockholders at the appropriate time. We are not asking for your vote at this time.

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What will the composition of the Transatlantic board of directors and Validus board of directors be following the exchange offer and the second-step merger?

In connection with consummation of the exchange offer or the second-step merger, subject to applicable law, Validus currently expects to replace Transatlantic's existing board of directors. Upon consummation of the exchange offer, Validus' board of directors would be composed of the same directors as those serving on the board of directors of Validus before the completion of the exchange offer.

Will I be taxed on the Validus common shares I receive in the exchange offer and the second-step merger?

The exchange offer and second-step merger will be a taxable transaction for U.S. federal income tax purposes. U.S. holders of shares of Transatlantic common stock generally will recognize gain or loss equal to the difference, if any, between (1) the sum of the cash and fair market value of the Validus common shares received by such U.S. holder in the exchange offer and second-step merger (including cash received in lieu of fractional shares) and (2) such U.S. holder's adjusted tax basis in the shares of Transatlantic common stock surrendered in exchange therefor. Any gain or loss recognized upon the exchange offer or second-step merger generally will be treated as capital gain or loss. For more information, please see the section of this prospectus/offer to exchange titled "The Exchange Offer Certain Material U.S. Federal Income Tax Consequences."

Tax matters are complicated and the tax consequences of the exchange offer and the second-step merger 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 exchange offer and second-step merger to you, including the applicability of U.S. federal, state, local, non-U.S. and other tax laws.

Will I have to pay any fee or commission to exchange shares of Transatlantic common stock?

If you are the record owner of your shares of Transatlantic common stock and you tender your shares of Transatlantic common stock in the exchange offer, you will not have to pay any brokerage fees, commissions or similar expenses. If you own your shares of Transatlantic common stock through a broker, dealer, commercial bank, trust company or other nominee and your broker, dealer, commercial bank, trust company or other nominee tenders your shares of Transatlantic common stock on your behalf, your broker, dealer, commercial bank, trust company or other nominee may charge a fee for doing so. You should consult your broker, dealer, commercial bank, trust company or other nominee to determine whether any charges will apply.

Is Validus' financial condition relevant to my decision to tender shares of Transatlantic common stock in the exchange offer?

Yes. Validus' financial condition is relevant to your decision to tender your shares of Transatlantic common stock because the consideration you will receive if your shares of Transatlantic common stock are exchanged in the exchange offer will consist of a combination of Validus common shares and cash. You should therefore consider Validus' financial condition before you decide to become one of Validus' shareholders through the exchange offer. You should also consider the likely effect that Validus' acquisition of Transatlantic will have on Validus' financial condition. This prospectus/offer to exchange contains financial information regarding Validus and Transatlantic, as well as pro forma financial information (which does not reflect any of our expected synergies) for the acquisition of all of the issued and outstanding shares of Transatlantic common stock by Validus, all of which we encourage you to review.

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Does Validus have the financial resources to complete the exchange offer and the second-step merger?

The exchange offer consideration will consist of Validus common shares and cash (including, cash paid in lieu of any fractional Validus common shares to which any Transatlantic stockholder may be entitled). The exchange offer is not subject to a financing condition.

Validus has received commitment letters from J.P. Morgan Securities LLC and JPMorgan Chase Bank, N.A. to provide, subject to certain conditions, \$200 million for the purpose of financing a portion of the cash component of the consideration to be paid for each share of Transatlantic common stock, as well as for other payments made in connection with the exchange offer. Validus plans to fund the remaining cash component of the consideration and payments through the drawdown of existing credit facilities. Validus has obtained amendments to its applicable credit facilities, satisfying a condition to the exchange offer. Please see the section of this prospectus/offer to exchange titled "The Exchange Offer Source and Amount of Funds." Please see the section of this prospectus/offer to exchange titled "The Exchange Offer Source and Amount of Funds."

The estimated amount of cash required is based on Validus' due diligence review of Transatlantic's publicly available information to date and is subject to change. For a further discussion of the risks relating to Validus' limited due diligence review, please see the section of this prospectus/offer to exchange titled "Risk Factors Risk Factors Relating to the Exchange Offer and the Second-Step Merger."

What percentage of Validus common shares will former holders of shares of Transatlantic common stock own after the exchange offer?

Based on Validus' and Transatlantic's respective capitalizations as of June 30, 2011, the exchange ratio of 1.5564, and assuming dissenters' rights are not properly exercised under Delaware law in connection with the second-step merger, Validus estimates that if all shares of Transatlantic common stock are exchanged pursuant to the exchange offer and/or the second-step merger, former Transatlantic stockholders would own, in the aggregate, approximately 48% of the aggregate Validus common shares and non-voting common shares, par value \$0.175 per share of Validus, which we refer to as "Validus non-voting common shares," on a fully-diluted basis. For a detailed discussion of the assumptions on which this estimate is based, please see the section of this prospectus/offer to exchange titled "The Exchange Offer Ownership of Validus After the Exchange Offer."

When does the exchange offer expire?

The exchange offer is scheduled to expire at 5:00 p.m., Eastern time, on Friday, September 30, 2011, which is the expiration time of the exchange offer, unless further extended by Validus. When we make reference to the "expiration time of the exchange offer" anywhere in this prospectus/offer to exchange, this is the time to which we are referring, including when applicable, any extension period that may apply. For more information, please see the section of this prospectus/offer to exchange titled "The Exchange Offer Extension, Termination and Amendment."

Can the exchange offer be extended and, if so, under what circumstances?

Validus may, in its sole discretion, extend the exchange offer at any time or from time to time until 9:00 a.m., Eastern time, on the first business day after the previously scheduled expiration time of the exchange offer. For instance, the exchange offer may be extended if any of the conditions specified in "The Exchange Offer Conditions of the Exchange Offer" are not satisfied prior to the scheduled expiration time of the exchange offer. The expiration time of the exchange offer may also be subject to multiple extensions and any decision to extend the exchange offer, and if so, for how long, will be made by Validus. **Any decision by Validus to extend the exchange offer will be made public by an announcement regarding such extension as described in the section of this prospectus/offer to exchange titled "The Exchange Offer Extension, Termination and Amendment."**

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Validus may also elect to provide a "subsequent offering period" for the exchange offer. A subsequent offering period would not be an extension of the exchange offer. Rather, a subsequent offering period would be an additional period of time, beginning after Validus has accepted for exchange all shares of Transatlantic common stock tendered during the exchange offer, during which Transatlantic stockholders who did not tender their shares of Transatlantic common stock in the exchange offer may tender their shares of Transatlantic common stock and receive the same consideration provided in the exchange offer. Validus does not currently intend to include a subsequent offering period, although it reserves the right to do so.

How do I tender my shares of Transatlantic common stock?

To tender your shares of Transatlantic common stock represented by physical certificates into the exchange offer, you must deliver the certificates representing your shares of Transatlantic common stock, together with a completed letter of transmittal and any other documents required by the letter of transmittal, to BNY Mellon Shareowner Services, the exchange agent for the exchange offer, not later than the expiration time of the exchange offer. The letter of transmittal is enclosed with this prospectus/offer to exchange.

If your shares of Transatlantic common stock are held in "street name" (i.e., through a broker, dealer, commercial bank, trust company or other nominee), your shares of Transatlantic common stock can be tendered by your nominee by book-entry transfer through The Depository Trust Company.

If you are unable to deliver any required document or instrument to the exchange agent by the expiration time of the exchange offer, you may have a limited amount of additional time by having a broker, a bank or other fiduciary that is an eligible guarantor institution guarantee that the missing items will be received by the exchange agent by using the enclosed notice of guaranteed delivery circulated with this prospectus/offer to exchange, which we refer to as the "notice of guaranteed delivery." For the tender to be valid, however, the exchange agent must receive the missing items within three NYSE trading days after the date of execution of such notice of guaranteed delivery. In all cases, an exchange of tendered shares of Transatlantic common stock will be made only after timely receipt by the exchange agent of certificates for such shares of Transatlantic common stock (or of a confirmation of a book-entry transfer of such shares) and a properly completed and duly executed letter of transmittal and any other required documents.

For a complete discussion on the procedures for tendering your shares of Transatlantic common stock, please see the section of this prospectus/offer to exchange titled "The Exchange Offer Procedure for Tendering."

Until what time can I withdraw tendered shares of Transatlantic common stock?

You may withdraw previously tendered shares of Transatlantic common stock any time prior to the expiration time of the exchange offer, and, if Validus has not accepted your shares of Transatlantic common stock for exchange by the expiration time of the exchange offer, at any time following 60 days from commencement of the exchange offer. Shares of Transatlantic common stock tendered during the subsequent offering period, if one is provided, may not be withdrawn. For a complete discussion on the procedures for withdrawing your shares of Transatlantic common stock, please see the section of this prospectus/offer to exchange titled "The Exchange Offer Withdrawal Rights."

How do I withdraw previously tendered shares of Transatlantic common stock?

To withdraw previously tendered shares of Transatlantic common stock, you must deliver a written or facsimile notice of withdrawal with the required information to the exchange agent while you still have the right to withdraw. If you tendered shares of Transatlantic common stock by giving instructions to a broker, dealer, commercial bank, trust company or other nominee, you must instruct the broker, dealer, commercial bank, trust company or other nominee to arrange for the withdrawal of your shares

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of Transatlantic common stock. For a complete discussion on the procedures for withdrawing your shares of Transatlantic common stock, please see the section of this prospectus/offer to exchange titled "The Exchange Offer Withdrawal Rights."

When and how will I receive the exchange offer consideration in exchange for my tendered shares of Transatlantic common stock?

Validus will exchange all validly tendered and not properly withdrawn shares of Transatlantic common stock promptly after the expiration time of the exchange offer, subject to the terms thereof and the satisfaction or waiver of the conditions to the exchange offer, as set forth in the section of this prospectus/offer to exchange titled "The Exchange Offer Conditions of the Exchange Offer." Validus will deliver the consideration for your validly tendered and not properly withdrawn shares of Transatlantic common stock by depositing the consideration therefor with the exchange agent, which will act as your agent for the purpose of receiving the exchange offer consideration from Validus and transmitting such consideration to you. In all cases, an exchange of tendered shares of Transatlantic common stock will be made only after timely receipt by the exchange agent of certificates for such shares of Transatlantic common stock (or of a confirmation of a book-entry transfer of such shares of Transatlantic common stock as set forth in the section of this prospectus/offer to exchange titled "The Exchange Offer Procedure for Tendering") and a properly completed and duly executed letter of transmittal (or Agent's Message (as defined below)) and any other required documents.

Will Transatlantic continue as a public company following the exchange offer?

If the second-step merger occurs, Transatlantic will become a wholly-owned subsidiary of Validus and will no longer be publicly owned. Even if the second-step merger does not occur, if Validus exchanges all shares of Transatlantic common stock which have been tendered, there may be so few remaining stockholders and publicly-held shares that shares of Transatlantic common stock will no longer be eligible to be traded on the NYSE or any other securities market, there may not be a public trading market for such shares, and Transatlantic may cease making filings with the SEC or otherwise cease being required to comply with applicable law and SEC rules relating to publicly-held companies. Please see the section of this prospectus/offer to exchange titled "The Exchange Offer Plans for Transatlantic" and "The Exchange Offer Effect of the Exchange Offer on the Market for Shares of Transatlantic Common Stock; New York Stock Exchange Listing; Registration Under the Exchange Act; Margin Regulations."

Are dissenters' or appraisal rights available in either the exchange offer and/or the second-step merger?

No dissenters' or appraisal rights are available in connection with the exchange offer. However, upon consummation of the second-step merger, Transatlantic stockholders who have not tendered their shares of Transatlantic common stock in the exchange offer and who, if a stockholder vote is required, vote against approval of the second-step merger will have rights under Delaware law to dissent from the second-step merger and demand appraisal of their shares of Transatlantic common stock. Stockholders at the time of a "short form" merger under Delaware law would also be entitled to exercise dissenters' rights pursuant to such a "short form" merger. Stockholders who perfect dissenters' rights by complying with the procedures set forth in Section 262 of the DGCL will be entitled to receive a cash payment equal to the "fair value" of their shares of Transatlantic common stock, as determined by a Delaware court. Please see the section of this prospectus/offer to exchange titled "The Exchange Offer Appraisal/Dissenters' Rights."

What is the market value of my shares of Transatlantic common stock as of a recent date?

On July 12, 2011, the last trading day before Validus made the Validus merger offer, the closing price of a share of Transatlantic common stock was \$49.02. On August 19, 2011, the last practicable date prior to the filing of this prospectus/offer to exchange, the closing price of a share of Transatlantic common stock was \$50.00. Transatlantic stockholders are encouraged to obtain a recent quotation for shares of Transatlantic common stock before deciding whether or not to tender such shares.

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Where can I find more information on Validus and Transatlantic?

You can find more information about Validus and Transatlantic from various sources described in the section of this prospectus/offer to exchange titled "Where You Can Find More Information."

Who can I contact with any additional questions about the exchange offer?

You can call the information agent or the dealer manager for the exchange offer.

The information agent for the exchange offer is:

501 Madison Avenue, 20th Floor
New York, New York 10022

Banks and Brokerage Firms, Please Call: (212) 750-5833

All Others Call Toll-Free: at (877) 717-3929
The dealer manager for the exchange offer is:

Greenhill & Co., LLC
300 Park Avenue
New York, New York 10022
Call Toll-Free: (888) 504-7336

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SUMMARY OF THE EXCHANGE OFFER

This summary highlights the material information in this prospectus/offer to exchange. To more fully understand the exchange offer to holders of shares of Transatlantic common stock, and for a more complete description of the terms of the exchange offer and the second-step merger, you should read carefully this entire document, including the exhibits, schedules 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 prospectus/offer to exchange titled "Where You Can Find More Information."

The Companies (See page 42)

Validus

Validus is a Bermuda exempted company with its principal executive offices located at 29 Richmond Road, Pembroke, Bermuda HM 08. 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 June 30, 2011, Validus had total shareholders' equity of approximately \$3.5 billion and total assets of approximately \$8.3 billion. Validus common shares are listed on the NYSE under the ticker symbol "VR" and, as of August 19, 2011, the last practicable date prior to the filing of this prospectus/offer to exchange, Validus had a market capitalization of approximately \$2.5 billion. Validus has approximately 460 employees.

As of the date of the filing of this prospectus/offer to exchange with the SEC, Validus was the holder of 200 shares of Transatlantic common stock, or less than 1% of the amount outstanding.

Transatlantic

The following description of Transatlantic is taken from the registration statement on Form S-4 filed by Allied World on July 7, 2011, as amended, which we refer to as the "Allied World/Transatlantic S-4." Please see the section of this prospectus/offer to exchange titled "Note on Transatlantic Information."

Transatlantic is a holding company incorporated in the State of Delaware. Transatlantic, through its wholly-owned subsidiaries, Transatlantic Reinsurance Company® ("TRC"), Trans Re Zurich Reinsurance Company Ltd., acquired by TRC in 1996, and Putnam Reinsurance Company ("Putnam") (contributed by Transatlantic to TRC in 1995), offers reinsurance capacity for a full range of property and casualty products, directly and through brokers, to insurance and reinsurance companies, in both the domestic and international markets on both a treaty and facultative basis. One or both of TRC and Putnam is licensed, accredited, authorized or can serve as a reinsurer in 50 states and the District of Columbia in the United States and in Puerto Rico and Guam. Through its international locations, Transatlantic has operations worldwide, including Bermuda, Canada, seven locations in Europe, three locations in Central and South America, two locations in Asia (excluding Japan), and one location in each of Japan, Australia and Africa. TRC is licensed in Bermuda, Canada, Japan, the United Kingdom, the Dominican Republic, the Hong Kong Special Administrative Region, the People's Republic of China and Australia. Transatlantic was originally formed in 1986 under the name PREINCO Holdings, Inc. as a holding company for Putnam. Transatlantic's name was changed to Transatlantic Holdings, Inc. on April 18, 1990 following the acquisition on April 17, 1990 of all of the common stock of TRC in exchange for shares of common stock of Transatlantic.

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Shares of Transatlantic common stock are listed on the NYSE under the ticker symbol "TRH." Transatlantic's principal executive offices are located at 80 Pine Street, New York, New York 10005 and its telephone number is 212-365-2200.

The Exchange Offer (See page 57)

Validus is offering to exchange for each outstanding share of Transatlantic common stock that is validly tendered and not properly withdrawn prior to the expiration time of the exchange offer, 1.5564 Validus common shares and \$8.00 in cash (less applicable withholding taxes and without interest) upon the terms and subject to the conditions contained in this prospectus/offer to exchange and the accompanying letter of transmittal. In addition, you will receive cash in lieu of any fractional Validus common share to which you may be entitled.

Reasons for the Exchange Offer (See page 53)

The Validus common shares to be issued and cash to be paid to Transatlantic stockholders in exchange for shares of Transatlantic common stock in the exchange offer will provide Transatlantic stockholders with a compelling opportunity to participate in the growth and opportunities of the combined company. Validus believes that the acquisition of Transatlantic represents a compelling combination and excellent strategic fit that will create a unique, global leader in reinsurance that will

deploy capital effectively to maximize underwriting profitability and achieve superior growth in book value per share,

continue to aggressively manage capital, consistent with Validus' past practice, and

be a recognized leader in multiple classes, emphasizing short-tail lines while being well-positioned for cycle management.

Conditions of the Exchange Offer (See page 79)

The exchange offer is conditioned upon, among other things, the following:

Transatlantic stockholders shall have validly tendered and not withdrawn prior to the expiration time of the exchange offer at least that number of shares of Transatlantic common stock that, when added to the shares of Transatlantic common stock then owned by Validus or any of its subsidiaries, shall constitute a majority of the then-outstanding number of shares of Transatlantic common stock on a fully-diluted basis.

The Allied World acquisition agreement shall have been validly terminated, and Validus shall reasonably believe that Transatlantic has no liability, and Allied World shall not have asserted any claim of liability or breach against Transatlantic in connection with the Allied World acquisition agreement, other than with respect to the possible payment of a maximum of \$115 million in the aggregate in termination fees and reimbursement of permitted Allied World expenses thereunder in respect of the Allied World termination fee.

The registration statement of which this prospectus/offer to exchange is a part shall have become effective under the Securities Act, no stop order suspending the effectiveness of the registration statement shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the SEC, and Validus shall have received all necessary state securities law or "blue sky" authorizations.

The Transatlantic board of directors shall have approved the acquisition of the shares of Transatlantic common stock pursuant to the exchange offer and second-step merger under Section 203 of the DGCL, or Validus shall be satisfied that Section 203 of the DGCL does not apply to or otherwise restrict such acquisition.

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The Transatlantic board of directors shall have redeemed the rights issued pursuant to the Transatlantic rights plan, or the rights shall have been redeemed or otherwise rendered inapplicable to the exchange offer and the second-step merger.

The shareholders of Validus shall have approved the issuance of the Validus common shares pursuant to the exchange offer and the second-step merger as required under the rules of the NYSE.

The Validus common shares to be issued to Transatlantic stockholders as a portion of the exchange offer consideration in exchange for shares of Transatlantic common stock in the exchange offer and the second-step merger shall have been authorized for listing on the NYSE, subject to official notice of issuance.

There shall be no pending litigation, suit, claim, action, proceeding or investigation by or before any governmental authority (and Validus shall not have disclosed the receipt of written notice from any person stating that such person intends to commence any litigation, suit, claim, action, proceeding or investigation against Validus) that, in the judgment of Validus, is reasonably expected to, directly or indirectly, restrain or prohibit (or which alleges a violation of law in connection with) the exchange offer or is reasonably expected to prohibit or limit the full rights of ownership of shares of Transatlantic common stock by Validus or any of its affiliates.

Since December 31, 2010, there shall not have been any material adverse effect on Transatlantic and its subsidiaries, taken as a whole, subject to certain expectations and limitations.

Each of Transatlantic and its subsidiaries shall have carried on their respective businesses in the ordinary course consistent with past practice at all times on or after the date of this prospectus/offer to exchange and prior to the expiration time of the exchange offer.

All amendments or waivers under Validus' and its subsidiaries' credit facilities necessary to consummate the exchange offer, the second-step merger and the other transactions contemplated by this prospectus/offer to exchange shall have been obtained and be in full force and effect.

The New York State Insurance Department shall have approved Validus' application for acquisition of control of Transatlantic Reinsurance Company and Putnam Reinsurance Company, New York domiciled insurance companies and wholly-owned subsidiaries of Transatlantic, pursuant to Section 1506 of the New York Insurance Code and such approval shall be in full force and effect.

Any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which we refer to as the "HSR Act," and, if applicable, any agreement with the Federal Trade Commission, which we refer to as the "FTC," or Antitrust Division of the U.S. Department of Justice, which we refer to as the "Antitrust Division," not to accept shares of Transatlantic common stock for exchange in the exchange offer, shall have expired or shall have been terminated prior to the expiration time of the exchange offer.

Any clearance, approval, permit, authorization, waiver, determination, favorable review or consent of any governmental authority, other than in connection with the matters set forth in the two foregoing bullet points, shall have been obtained and such approvals shall be in full force and effect, or any applicable waiting periods for such clearances or approvals shall have expired.

The exchange offer is subject to additional conditions referred to in the section of this prospectus/offer to exchange titled "The Exchange Offer Conditions of the Exchange Offer," including that Transatlantic stockholders shall not have adopted the Allied World acquisition agreement and that there shall have been no business combination consummated between Transatlantic and Allied World.

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On August 17, 2011 at 11:59 p.m. Eastern time, the applicable waiting period under the HSR Act for the acquisition by Validus of shares of Transatlantic common stock pursuant to the exchange offer expired and the related condition to the exchange offer was satisfied.

Validus has obtained amendments to its applicable credit facilities, satisfying the condition relating to its and its subsidiaries' credit facilities described above. Please see the section of this prospectus/offer to exchange titled "The Exchange Offer Source and Amount of Funds."

Ownership of Validus After the Exchange Offer (See page 66)

Based on Validus' and Transatlantic's respective capitalizations as of June 30, 2011, the exchange ratio of 1.5564, and assuming dissenters' rights are not properly exercised under Delaware law in connection with the second-step merger, Validus estimates that if all shares of Transatlantic common stock are exchanged pursuant to the exchange offer and/or the second-step merger, former Transatlantic stockholders would own, in the aggregate, approximately 48% of the aggregate Validus common shares and Validus non-voting common shares, on a fully-diluted basis. For a detailed discussion of the assumptions on which this estimate is based, please see the section of this prospectus/offer to exchange titled "The Exchange Offer Ownership of Validus After the Exchange Offer."

Comparative Market Price and Dividend Information (See page 34)

Validus common shares are listed on the NYSE under the ticker symbol "VR." Shares of Transatlantic common stock are listed on the NYSE under the ticker symbol "TRH." The following table sets forth the closing prices of Validus and Transatlantic as reported on July 12, 2011, the last trading day of trading before Validus' public announcement of delivery of the Validus merger offer to the Transatlantic board of directors, and August 19, 2011, the last practicable trading day prior to the filing of this prospectus/offer to exchange. The table also shows the equivalent value of one share of Transatlantic common stock in the exchange offer, which was calculated by multiplying the July 12, 2011 and August 19, 2011 closing prices for one Validus common share by the exchange ratio of 1.5564 and adding \$8.00 in cash.

	Validus Share close	Transatlantic Stock close	Equivalent Validus Per Share Amount
July 12, 2011	\$ 30.81	\$ 49.02	\$ 55.95
August 19, 2011	\$ 25.57	\$ 50.00	\$ 47.80

The value of the exchange offer consideration will change as the market prices of Validus common shares and shares of Transatlantic common stock fluctuate during the exchange offer period and thereafter, and may therefore be different from the prices set forth above at the expiration time of the exchange offer and at the time you receive your Validus common shares. Please see the section of this prospectus/offer to exchange titled "Risk Factors." Transatlantic stockholders are encouraged to obtain current market quotations for Validus common shares and shares of Transatlantic common stock prior to making any decision with respect to the exchange offer.

Interest of Executive Officers and Directors of Validus in the Exchange Offer (See page 94)

Except as set forth in this prospectus/offer to exchange, neither we nor, after due inquiry and to the best of our knowledge and belief, any of our directors, executive officers or other affiliates has any contract, arrangement, understanding or relationship with any other person with respect to any securities of Transatlantic, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of any securities, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or the giving or withholding of proxies.

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Validus does not believe that the exchange offer and the second-step merger will result in a change in control under any of Validus' stock option plans or 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 exchange offer and the second-step merger. Please see the section of this prospectus/offer to exchange titled "The Exchange Offer Certain Relationships With Transatlantic and Interests of Validus in the Exchange Offer."

Appraisal/Dissenters' Rights (See page 76)

No dissenters' or appraisal rights are available in connection with the exchange offer. However, upon consummation of the second-step merger, Transatlantic stockholders who have not tendered their shares of Transatlantic common stock in the exchange offer and who, if a stockholder vote is required, vote against approval of the second-step merger will have rights under Delaware law to dissent from the second-step merger and demand appraisal of their shares of Transatlantic common stock. Stockholders at the time of a "short form" merger under Delaware law would also be entitled to exercise dissenters' rights pursuant to such a "short form" merger. Stockholders who perfect dissenters' rights by complying with the procedures set forth in Section 262 of the DGCL will be entitled to receive a cash payment equal to the "fair value" of their shares of Transatlantic common stock, as determined by a Delaware court.

Certain Material U.S. Federal Income Tax Consequences (See page 67)

The exchange offer and second-step merger will be a taxable transaction for U.S. federal income tax purposes. U.S. holders of shares of Transatlantic common stock generally will recognize gain or loss equal to the difference, if any, between (1) the sum of the cash and fair market value of the Validus common shares received by such U.S. holder in the exchange offer and second-step merger (including cash received in lieu of fractional shares) and (2) such U.S. holder's adjusted tax basis in the shares of Transatlantic common stock surrendered in exchange therefor. Any gain or loss recognized upon the exchange offer or second-step merger generally will be treated as capital gain or loss.

For more information, please see the section of this prospectus/offer to exchange titled "The Exchange Offer Certain Material U.S. Federal Income Tax Consequences."

This prospectus/offer to exchange contains a general description of certain material U.S. federal income tax consequences of the exchange offer and second-step merger. Tax matters are complicated and the tax consequences of the exchange offer and the second-step merger 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 exchange offer and second-step merger to you, including the applicability of U.S. federal, state, local, non-U.S. and other tax laws.

Accounting Treatment (See page 96)

Validus will account for the acquisition of shares of Transatlantic common stock under the acquisition method of accounting in accordance with Accounting Standards Codification Topic 805, "Business Combinations," which we refer to as "ASC 805," under which the total consideration paid in the exchange offer will be allocated among acquired assets and assumed liabilities based on the fair values of the assets acquired and liabilities assumed. In the event there is an excess of the total consideration paid in the exchange offer 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 exchange offer 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

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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 exchange offer, the excess will be accounted for as a gain to be recognized through the income statement at the close of the transaction, in accordance with ASC 805. Validus anticipates the acquisition will result in an excess of the fair values of the acquired assets and liabilities assumed over the total consideration paid.

Regulatory Approval and Status (See page 91)

U.S. Antitrust Clearance

The exchange offer is subject to review by the FTC, and the Antitrust Division. Under the HSR Act, the exchange offer may not be completed until certain information has been provided to the FTC and the Antitrust Division and a required waiting period has expired or has been terminated.

Validus filed the required Notification and Report Form with respect to the exchange offer with the Antitrust Division and the FTC on July 18, 2011. On August 17, 2011 at 11:59 p.m. Eastern time, the applicable waiting period under the HSR Act for the acquisition by Validus of shares of Transatlantic common stock pursuant to the exchange offer expired and the related condition to the exchange offer was satisfied.

U.S. Insurance Regulatory Approvals

The insurance laws and regulations of all 50 U.S. states and the District of Columbia generally require that, prior to the acquisition of an insurance company, either through the acquisition of or merger with the insurance company or a holding company of that insurance company, the acquiring company must obtain approval from the insurance commissioner of the insurance company's state of domicile or, in certain jurisdictions, where such insurance company is commercially domiciled.

Transatlantic owns Transatlantic Reinsurance Company and Putnam Reinsurance Company, each of which are insurance companies domiciled in New York. Accordingly, before it can acquire indirect control of each of Transatlantic Reinsurance Company and Putnam Reinsurance Company through its acquisition of Transatlantic, Validus will be required to obtain approval for acquisition of control under Section 1506 of the New York Insurance Code. Validus does not believe based on publicly available information that Transatlantic Reinsurance Company or Putnam Reinsurance Company is commercially domiciled in any U.S. State.

Other Regulatory Approvals

The exchange offer and the second-step merger will also be subject to review by antitrust, insurance and other authorities in jurisdictions outside the U.S. Validus has filed and is in the process of filing as soon as practicable all applications and notifications determined by Validus to be necessary or advisable under the laws of the respective jurisdictions for the consummation of the exchange offer and the second-step merger.

For more information, please see the section of this prospectus/offer to exchange titled "The Exchange Offer Certain Legal Matters; Regulatory Approvals."

Listing of Validus Common Shares to be Issued Pursuant to the Exchange Offer and the Second-Step Merger (See page 78)

Validus will submit the necessary applications to cause the Validus common shares to be issued as a portion of the exchange offer consideration and the consideration in the second-step merger to be authorized for listing on the NYSE. Approval of this listing is a condition to the exchange offer.

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Comparison of Shareholders' and Stockholders' Rights (See page 98)

You will receive Validus common shares as a portion of the exchange offer consideration if you tender your shares of Transatlantic common stock in the exchange offer. Because Validus is incorporated under Bermuda law and Transatlantic is incorporated under the laws of the State of Delaware, there are a number of differences between the rights of a stockholder of Transatlantic and the rights of a shareholder of Validus. Validus urges you to review the discussion in the section of this prospectus/offer to exchange titled "Comparison of Shareholders' Rights."

Expiration Time of the Exchange Offer (See page 58)

The exchange offer is scheduled to expire at 5:00 p.m., Eastern time, on Friday, September 30, 2011, which is the expiration time of the exchange offer, unless further extended by Validus. For more information, you should read the discussion in the section of this prospectus/offer to exchange titled "The Exchange Offer Extension, Termination and Amendment."

Extension, Termination and Amendment (See page 58)

To the extent legally permissible, Validus also reserves the right, in its sole discretion, at any time or from time to time (except as expressly limited below) until the expiration time of the exchange offer:

to extend, for any reason, the period of time during which the exchange offer is open;

to delay acceptance for exchange of, or exchange of, any shares of Transatlantic common stock in order to comply in whole or in part with applicable law;

to terminate the exchange offer without accepting for exchange, or exchanging, any shares of Transatlantic common stock if any of the individually subheaded conditions referred to in the section of this prospectus/offer to exchange titled "The Exchange Offer Conditions of the Exchange Offer" have not been satisfied immediately prior to the expiration time of the exchange offer or if any event specified in the section of this prospectus/offer to exchange titled "The Exchange Offer Conditions of the Exchange Offer" under the subheading "Other Conditions" has occurred;

to amend or terminate the exchange offer without accepting for exchange, or exchanging, any shares of Transatlantic common stock if Validus or any of its affiliates enters into a definitive agreement or announces an agreement in principle with Transatlantic providing for a merger, acquisition or other business combination or transaction with or involving Transatlantic or any of its subsidiaries, or the purchase or exchange of securities or assets of Transatlantic or any of its subsidiaries, or Validus and Transatlantic reach any other agreement or understanding, in either case, pursuant to which it is agreed or provided that the exchange offer will be terminated; and

to amend the exchange offer or waive any conditions to the exchange offer;

in each case, by giving oral or written notice of such delay, termination, waiver or amendment to the exchange agent and by making public announcement thereof.

The expiration time of the exchange offer may be subject to multiple extensions and any decision to extend the exchange offer will be made prior to the expiration time of the exchange offer. Additionally, Validus may elect to provide a subsequent offering period of at least three business days following the expiration time of the exchange offer.

For more information, please see the section of this prospectus/offer to exchange titled "The Exchange Offer Extension, Termination and Amendment."

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Procedure for Tendering Shares (See page 62)

The procedure for tendering shares of Transatlantic common stock varies depending on whether you possess physical certificates, a nominee holds your certificates for you, or whether you or a nominee hold your shares of Transatlantic common stock in book-entry form. Validus urges you to read the section of this prospectus/offer to exchange titled "The Exchange Offer Procedure for Tendering" as well as the transmittal materials, including the letter of transmittal.

Withdrawal Rights (See page 65)

You can withdraw tendered shares of Transatlantic common stock at any time until the exchange offer has expired and, if Validus has not accepted your shares of Transatlantic common stock for exchange by the expiration time of the exchange offer, at any time following 60 days from commencement of the exchange offer. If Validus decides to provide a subsequent offering period, it will accept shares of Transatlantic common stock validly tendered during that period immediately and you will not be able to withdraw shares tendered in the exchange offer during any subsequent offering period. Please see the section of this prospectus/offer to exchange titled "The Exchange Offer Withdrawal Rights."

Exchange of Shares of Transatlantic Common Stock; Delivery of Exchange Offer Consideration (See page 60)

Upon the terms and subject to the conditions of the exchange offer (including, if the exchange offer is extended or amended, the terms and conditions of any such extension or amendment), Validus will accept for exchange, and will exchange for Validus common shares and cash promptly after the expiration time of the exchange offer, all shares of Transatlantic common stock validly tendered and not properly withdrawn. If Validus elects to provide a subsequent offering period following the expiration time of the exchange offer, shares of Transatlantic common stock validly tendered during such subsequent offering period will be accepted for exchange immediately upon tender and will be promptly exchanged for the exchange offer consideration. For more information, please see the section of this prospectus/offer to exchange under the caption titled "The Exchange Offer Acceptance for Exchange, and Exchange, of Shares of Transatlantic Common Stock; Delivery of Exchange Offer Consideration."

Risk Factors (See page 36)

The exchange offer and the second-step merger are, and if the exchange offer and the second-step merger are consummated, the combined company will be, subject to several risks which you should carefully consider prior to participating in the exchange offer.

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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 six months ended June 30, 2011, which is incorporated by reference into this prospectus/offer to exchange, and which we refer to as the "Validus 10-Q," and Validus' Annual Report on Form 10-K for the year ended December 31, 2010, which is incorporated into this prospectus/offer to exchange, and which we refer to as the "Validus 10-K." You should not take historical results as necessarily indicative of the results that may be expected for the remainder of this fiscal year or any other 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 the prospectus/offer to exchange titled "Where You Can Find More Information."

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The following table sets forth summarized operational data for the periods ended December 31, 2010, 2009, 2008, 2007 and 2006 and June 30, 2011 and 2010:

	Six Months Ended June 30,		Year Ended December 31,				2006
	2011	2010	2010	2009 ⁽¹²⁾	2008	2007	
(Dollars in thousands, except share and per share amounts)							
Revenues							
Gross premiums written	\$ 1,455,283	\$ 1,387,795	\$ 1,990,566	\$ 1,621,241	\$ 1,362,484	\$ 988,637	\$ 540,789
Reinsurance premiums ceded	(242,166)	(158,465)	(229,482)	(232,883)	(124,160)	(70,210)	(63,696)
Net premiums written	1,213,117	1,229,330	1,761,084	1,388,358	1,238,324	918,427	477,093
Change in unearned premiums	(357,944)	(333,692)	39	61,219	18,194	(60,348)	(170,579)
Net premiums earned	855,173	895,638	1,761,123	1,449,577	1,256,518	858,079	306,514
Gain on bargain purchase, net of expenses ⁽¹³⁾				287,099			
Net investment income	56,469	69,108	134,103	118,773	139,528	112,324	58,021
Realized gain on repurchase of debentures				4,444	8,752		
Net realized gains (losses) on investments	17,931	23,839	32,498	(11,543)	(1,591)	1,608	(1,102)
Net unrealized (losses) gains on investments	5,698	57,053	45,952	84,796	(79,707)	12,364	
Other income	2,201	3,585	5,219	4,634	5,264	3,301	
Foreign exchange (losses) gains	(2,458)	(12,863)	1,351	(674)	(49,397)	6,696	2,157
Total revenues	935,014	1,036,360	1,980,246	1,937,106	1,279,367	994,372	365,590
Expenses							
Losses and loss expenses	683,505	673,425	987,586	523,757	772,154	283,993	91,323
Policy acquisition costs	155,526	150,302	292,899	262,966	234,951	134,277	36,072
General and administrative expenses ⁽¹⁾	109,318	105,948	209,290	185,568	123,948	100,765	38,354
Share compensation expenses	19,677	13,422	28,911	27,037	27,097	16,189	7,878
Finance expenses	30,362	28,369	55,870	44,130	57,318	51,754	8,789
Fair value of warrants issued						2,893	77
Total expenses	998,388	971,466	1,574,556	1,043,458	1,215,468	589,871	182,493
Net (loss) income before taxes	(63,374)	64,894	405,690	893,648	63,899	404,501	183,097
Taxes	1,488	(3,490)	(3,126)	3,759	(10,788)	(1,505)	
Net (loss) income	(61,886)	61,404	402,564	897,407	53,111	402,996	183,097
Net income attributable to non controlling interest	(594)						
Net income (loss) available (attributable) to Validus	\$ (62,480)	\$ 61,404	\$ 402,564	\$ 897,407	\$ 53,111	\$ 402,996	\$ 183,097
Comprehensive (loss) income							
Unrealized gains arising during the period ⁽²⁾							(332)
Foreign currency translation adjustments	936	(1,875)	(604)	3,007	(7,809)	(49)	
Adjustment for reclassification of losses realized in income							