

VALIDUS HOLDINGS LTD

Form S-4/A

August 05, 2009

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As filed with the Securities and Exchange Commission on August 5, 2009

Registration Number 333-159148

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

Amendment No. 7
to
Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

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

BERMUDA
*(State or Other Jurisdiction of
Incorporation or Organization)*

6331
*(Primary Standard Industrial
Classification Code Number)*

98-0501001
*(I.R.S. Employer
Identification Number)*

19 Par-La-Ville Road, Hamilton, HM 11 Bermuda
(441) 278-9000
*(Address, including zip code, and telephone number, including area code,
of registrant's principal executive offices)*

CT Corporation System
111 Eighth Avenue
New York, New York 10011
(212) 590-9200
*(Name, address, including zip code, and telephone number, including area code,
of agent for service)*

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IPC Holdings, Ltd.

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General Counsel

Melissa Sawyer, Esq.

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

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

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

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

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

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

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

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

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

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

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

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PRELIMINARY COPY SUBJECT TO COMPLETION, DATED AUGUST 5, 2009

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

AN AMALGAMATION PROPOSAL YOUR VOTE IS VERY IMPORTANT

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

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

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

The Validus Special Meeting. Validus will hold a special meeting of its shareholders (the Validus special meeting), on [1], 2009, at [1], Atlantic Time, at the registered office of Validus, located at 19 Par-La-Ville Road, Hamilton, HM11, Bermuda. Validus shareholders will be asked at the Validus special meeting:

to approve the issuance of Validus Shares pursuant to the Amalgamation Agreement (the Share Issuance);

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

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

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

Shareholders of record as of the close of business on July 27, 2009 will be entitled to vote at the Validus special meeting. As of July 27, 2009, there were 59,253,652 outstanding Validus Shares entitled to vote at the Validus special meeting, and 19,771,422 Validus non-voting common shares. Each Validus Share entitles the holder of record thereof to one vote at the Validus special meeting; however, if, and for so long as, the Validus Shares of a shareholder,

including any votes conferred by controlled shares (as defined below), would otherwise represent more than 9.09% of the aggregate voting power of all Validus Shares entitled to vote on a matter, the votes conferred by such Validus Shares will be reduced by whatever amount is necessary such that, after giving effect to any such reduction (and any other reductions in voting power required by Validus bye-

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

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

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

The IPC Special Meeting. IPC will hold a special general meeting of its shareholders (the IPC special meeting) on [1], 2009, at [1], Atlantic Time, at the registered office of IPC located at the American International Building, 29 Richmond Road, Pembroke HM 08, Bermuda. IPC shareholders will be asked at the IPC special meeting:

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

to adopt the Amalgamation Agreement and approve the Amalgamation;

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

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

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

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

* * *

Based on Validus and IPC's respective capitalizations as of August 4, 2009 and the exchange ratio of 0.9727, Validus estimates that former IPC shareholders would own, in the aggregate, approximately 38% of the issued and outstanding Validus Shares on a fully-diluted basis following closing of the Amalgamation. Validus will issue approximately 54,959,648 Validus Shares in connection with the Amalgamation. Validus will apply to list these Validus Shares on the New York Stock Exchange (NYSE), subject to official notice of issuance.

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

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Validus Shares are quoted on the NYSE under the symbol VR. The closing price of a Validus Share on the NYSE on August 4, 2009, the last practicable date prior to the filing of this joint proxy statement/prospectus, was \$23.61. IPC Shares, which are currently quoted on the NASDAQ Global Select Market (NASDAQ) under the symbol IPCR and the Bermuda Stock Exchange under the symbol IPCR BH , would be delisted upon completion of the Amalgamation. The closing price of an IPC Share on NASDAQ on August 4, 2009, the last practicable date prior to the filing of this joint proxy statement/prospectus, was \$29.98. All references to dollars and \$ in this joint proxy statement/prospectus refer to U.S. dollars.

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

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

This joint proxy statement/prospectus provides Validus and IPC shareholders with detailed information about the Validus special meeting, the IPC special meeting and the Amalgamation. You can also obtain information from publicly available documents filed by Validus and IPC with the SEC. **Validus and IPC encourage you to read this entire document carefully, including the section entitled *Risk Factors* beginning on page 34.**

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

Sincerely,

Edward J. Noonan
Chairman and Chief Executive Officer
Validus Holdings, Ltd.

John R. Weale
Interim President and Chief Executive Officer
IPC Holdings, Ltd.

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

Important notice regarding the availability of proxy materials for the Validus special meeting to be held on [1], 2009 and the IPC special meeting to be held on [1], 2009

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

**This joint proxy statement/prospectus is dated [1], 2009
and is first being mailed to Validus and IPC shareholders on or about [1], 2009**

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SOURCES OF ADDITIONAL INFORMATION

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

Validus Holdings, Ltd.
19 Par-La-Ville Road
Hamilton HM11
Bermuda
Attention: Jon Levenson
(441) 278-9000

IPC Holdings, Ltd.
American International Building
29 Richmond Road
Pembroke HM 08
Bermuda
Attention: Melanie J. Saunders
(441) 298-5100

If you would like to request documents, in order to ensure timely delivery, you must do so at least ten business days before the date of the relevant meeting. This means you must request this information no later than [1], 2009. Validus or IPC, as the case may be, will mail properly requested documents to requesting shareholders by first class mail, or another equally prompt means, within one business day after receipt of such request.

See *Where You Can Find More Information* on page 158.

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**19 Par-La-Ville Road
Hamilton HM11
Bermuda**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON [1], 2009**

[1], 2009

NOTICE IS HEREBY GIVEN that a Special Meeting of Shareholders of Validus Holdings, Ltd. (Validus) will be held at 19 Par-La-Ville Road, Hamilton HM11, Bermuda, on [1], 2009, at [1], Atlantic Time, for the following purposes:

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

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

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

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

If you are a Validus shareholder of record, please complete, sign, date and return the enclosed proxy in the return envelope furnished for that purpose, as promptly as possible, whether or not you plan to attend the meeting, or follow the instructions on the Validus proxy card to complete your proxy card on the Internet at the website indicated or by telephone. If you own your shares through a bank, broker, or other nominee, you will receive instructions from that institution on how to instruct them to vote your shares, including by completing a voting instruction form, or providing instructions by Internet or telephone. If you do not receive such instructions, you may contact that institution to request them. If you later desire to revoke your proxy for any reason, you may do so in the manner described in the attached joint proxy statement/prospectus. Only shareholders of record as shown on the transfer books of Validus at the close of business on July 27, 2009 will be entitled to notice of, and to vote at, the Validus special meeting or any adjournments thereof. See *The Validus Special Meeting* beginning on page 112 in the joint proxy statement/prospectus for more information.

By Order of the Board of Directors,

/s/ Lorraine Dean
Lorraine Dean
Secretary

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**American International Building
29 Richmond Road
Pembroke HM 08, Bermuda**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD [1], 2009**

[1], 2009

Notice is hereby given that a Special Meeting of Shareholders of IPC Holdings, Ltd. (IPC) will be held at the registered office of IPC, located at the American International Building, 29 Richmond Road, Pembroke HM 08, Bermuda, commencing at [1], Atlantic Time, on [1], 2009, for the following purposes:

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

to adopt the Amalgamation Agreement and approve the resulting amalgamation;

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

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

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

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

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

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

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

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If you are an IPC shareholder of record, please sign, date and return the enclosed proxy in the return envelope furnished for that purpose, as promptly as possible, whether or not you plan to attend the IPC special meeting. If you own your shares through a bank, broker or other nominee, you will receive instructions from that institution on how to instruct them to vote your shares, including by completing a proxy card, or providing instructions by Internet or telephone. If you later desire to revoke your proxy for any reason, you may do so in the manner described in the attached joint proxy statement/prospectus. See *The IPC Special Meeting* on page 115 in the accompanying joint proxy statement/prospectus for more information.

By order of the Board of Directors,

Melanie J. Saunders
Secretary

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QUESTIONS AND ANSWERS ABOUT THE AMALGAMATION AND THE MEETINGS

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

Q: When and where are the shareholder meetings?

A1: The Validus special meeting will take place at [1], Atlantic Time, on [1], 2009, at 19 Par-La-Ville Road, Hamilton, HM11, Bermuda.

A2: The IPC special meeting will take place at [1], Atlantic Time, on [1], 2009, at the American International Building, 29 Richmond Road, Pembroke HM 08, Bermuda.

Q: What is happening at the shareholder meetings?

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

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

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

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

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

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

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

to adopt the Amalgamation Agreement and approve the Amalgamation;

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

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

Q: What will happen in the Amalgamation?

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

and subsidiary of Validus and the name of the combined entity shall be Validus Ltd.

Q: Why are Validus and IPC proposing the Amalgamation?

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

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

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

Q: What would IPC shareholders receive in the Amalgamation?

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

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

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

A: Based on Validus and IPC's respective capitalizations as of August 4, 2009, and the exchange ratio of 0.9727, Validus estimates that former IPC shareholders would own, in the aggregate, approximately 38% of the issued and outstanding Validus Shares on a fully-diluted basis following closing of the Amalgamation.

Q: Are shareholders able to exercise appraisal rights?

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

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

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

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

Q: How will Validus be managed after the Amalgamation?

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

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

A: The parties expect to complete the Amalgamation in the third quarter of 2009, although there can be no assurance that the parties will be able to do so. The closing of the Amalgamation is subject to customary closing conditions, including shareholder and bank approvals and receipt of certain other regulatory approvals. Please see *The Amalgamation Agreement - Conditions to the Amalgamation* on page 106.

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

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

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

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

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

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

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

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

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

A1: Yes. Validus's board of directors, taking into consideration the reasons discussed under *The Amalgamation Reasons Why Validus's Board of Directors Recommends Approval of the Share Issuance*, adopted the Amalgamation Agreement and authorized and approved the Share Issuance. Validus's board of directors deems it

fair, advisable and in the best interests of Validus to enter into the Amalgamation Agreement and to acquire all of the outstanding IPC Shares and to consummate the Share Issuance. **Validus board of directors recommends that Validus shareholders vote FOR each matter submitted on the Validus proxy card.**

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

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

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

- A1: The record date for the Validus special meeting is July 27, 2009 (the Validus record date). Only Validus shareholders at the close of business on the Validus record date will be entitled to notice of, and to vote at, the Validus special meeting or any adjournment or postponement thereof.
- A2: The record date for the IPC special meeting is July 27, 2009 (the IPC record date). Only IPC shareholders at the close of business on the IPC record date will be entitled to notice of, and to vote at, the IPC special meeting or any adjournment or postponement thereof.

Q: What do I need to do now?

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

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

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

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

- A: If you are the shareholder of record, you may direct your vote without attending the Validus special meeting or the IPC special meeting by completing and mailing your proxy card in the enclosed pre-paid envelope. If you

hold your shares in street name you should complete and return the voting instruction form you receive from your bank, broker or other nominee in accordance with the instructions you receive from your bank, broker or other nominee. Your voting instruction form may contain instructions from your bank, broker or other nominee that allow you to vote your shares using the Internet or by telephone. Please consult with your bank, broker or other nominee if you have any questions regarding the voting of shares held in street name.

In addition, if you are a Validus shareholder of record, you may grant a proxy to vote your shares at the Validus special meeting by telephone by calling **866-367-5524** and following the simple recorded instructions, twenty-four hours a day, seven days a week, at any time prior to 11:59 p.m., Eastern Time, on the

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day prior to the Validus special meeting. Alternatively, as a Validus shareholder of record, you may vote via the Internet at any time prior to 11:59 p.m., Eastern Time, on the day prior to the Validus special meeting by going to <http://proxy.georgeson.com>, entering the company number and control number on your proxy card and following the instructions to submit an electronic proxy. If you vote by telephone or the Internet, you will be required to provide the control number contained on your proxy card.

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

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

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

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

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

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

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

A: Abstentions and broker non-votes will be counted toward the presence of a quorum at, but will not be considered votes cast on any proposal brought before, the Validus special meeting or IPC special meeting. Because the vote required to approve the proposals is the affirmative vote of the required percentage of the votes cast assuming a

quorum is present, a broker non-vote with respect to any proposal to be voted on at the Validus or IPC special meeting will not have the effect of a vote for or against the relevant proposal, but will reduce the number of votes cast and therefore increase the relative influence of those shareholders voting. See also *The Validus Special Meeting Record Date and Shares Entitled to Vote* and *The IPC Special Meeting Record Date and Shares Entitled to Vote*.

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

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

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

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

Q: Who can I contact with any additional questions?

A1: Validus shareholders:

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

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

A2: IPC shareholders:

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

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

Toll-Free for Shareholders: (877) 825-8621

Banks and Brokers Call Collect: (212) 750-5834

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

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

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SUMMARY

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

The Companies (page 33)

Validus

Validus is a Bermuda exempted company with its principal executive offices located at 19 Par-La-Ville Road, Hamilton HM11, Bermuda. The telephone number of Validus is (441) 278-9000. Validus is a provider of reinsurance and insurance, conducting its operations worldwide through two wholly owned subsidiaries, Validus Reinsurance Ltd. (Validus Re) and Talbot. Validus Re is a Bermuda-based reinsurer focused on short-tail lines of reinsurance. Talbot is the Bermuda parent of the specialty insurance group primarily operating within the Lloyd's insurance market through Syndicate 1183. As of March 31, 2009, Validus had total shareholders' equity of \$2.023 billion and total assets of \$4.763 billion. Validus Shares are traded on the NYSE under the symbol "VR" and, as of August 4, 2009, the last practicable date prior to the filing of this joint proxy statement/prospectus, Validus had a market capitalization of approximately \$1.797 billion. Validus has approximately 280 employees.

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

IPC

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

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

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The Validus Special Meeting (page 112)

The Validus special meeting will be held on [1], at [1], Atlantic Time, at the registered office of Validus, located at 19 Par-La-Ville Road, Hamilton HM11, Bermuda. Validus shareholders will be asked at the Validus special meeting:

to approve the Share Issuance;

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

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

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

The IPC Special Meeting (page 115)

The IPC special meeting will be held on [1], 2009, at [1], Atlantic Time, at the registered office of IPC, located at the American International Building, 29 Richmond Road, Pembroke, HM 08, Bermuda. IPC shareholders will be asked at the IPC special meeting:

to approve the IPC bye-law amendment;

to adopt the Amalgamation Agreement and approve the Amalgamation;

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

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

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

The Amalgamation (page 38)

General Description (page 38)

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

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

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

Recommendation of Validus Board of Directors (page 118)

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

Recommendation of IPC s Board of Directors (page 119)

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

Reasons Why Validus Board of Directors Recommends Approval of the Share Issuance (page 59)

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

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

Reasons Why IPC s Board of Directors Recommends Approval of the Amalgamation and the IPC Bye-Law Amendment (page 62)

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

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

Approval of the Amalgamation and the IPC Bye-law Amendment.

Opinion of Greenhill & Co., LLC, Financial Advisor to Validus Board (page 67)

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

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

Opinion of J.P. Morgan Securities Inc., Financial Advisor to IPC's Board (page 74)

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

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

Interests of IPC Directors and Executive Officers in the Amalgamation (page 86)

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

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

Dividends and Distributions (page 90)

Each of Validus and IPC regularly pays a quarterly cash dividend, *i.e.*, \$0.20 per common share in Validus' case and \$0.22 per common share in IPC's case. Validus expects to continue to pay its regular quarterly dividends consistent with past practice. Under the terms of the Amalgamation Agreement, before the Amalgamation closes, Validus and IPC would both be permitted to declare and pay ordinary course quarterly dividends on their common shares with record and payment dates consistent with past practice; *provided that*

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any such dividend is at a rate no greater than the rate it paid during the fiscal quarter immediately preceding the date of the Amalgamation Agreement, *i.e.*, \$0.20 per common share in Validus case and \$0.22 per common share in IPC case.

Anticipated Accounting Treatment (page 90)

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

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

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

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

The Amalgamation Agreement (page 94)

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

Amalgamation Consideration (page 94)

Under the Amalgamation Agreement, each outstanding IPC Share (including any shares held by IPC shareholders that do not vote in favor of the Amalgamation, but excluding any dissenting shares as to which appraisal rights have been exercised pursuant to Bermuda law, and excluding any shares held by Validus, IPC

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or any of their respective subsidiaries) will be cancelled and converted into the right to receive (i) 0.9727 Validus Shares, (ii) \$7.50 in cash, less any applicable withholding taxes and without interest, and (iii) cash in lieu of fractional shares.

Validus will not issue any fractional Validus Shares in connection with the Amalgamation. Instead, any IPC shareholder who would otherwise have been entitled to a fraction of a Validus Share in connection with the Amalgamation will be paid an amount in cash determined by multiplying such fraction by the average price of Validus Shares (such average price is determined by valuing Validus Shares based on the volume weighted average price per Validus Share on the NYSE for the five consecutive trading days immediately preceding the second trading day prior to the closing of the Amalgamation).

Restrictions on Change in Recommendation by the Boards of Directors of IPC or Validus (page 102)

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

Restrictions on Solicitation of Acquisition Proposals by IPC (page 102)

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

Conditions to the Amalgamation (page 106)

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

receipt of the required Validus shareholder approval of the Share Issuance and the required IPC vote to adopt the Amalgamation Agreement and approve the Amalgamation;

authorization for listing on the NYSE of the Validus Shares to be issued or reserved for issuance in connection with the Amalgamation, subject to official notice of issuance;

certain regulatory filings, approvals or exemptions will have been made or obtained, or will have occurred;

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a registration statement registering the Validus Shares to be issued in the Amalgamation will have become effective under the Securities Act of 1933, and will not be the subject of any stop order or proceedings seeking a stop order;

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

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

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

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

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

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

Termination of the Amalgamation Agreement (page 107)

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

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

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

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

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

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

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Effects of Termination, Remedies (page 107)

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

Voting Agreements (page 88)

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

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF VALIDUS**

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

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

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

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

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

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

NM Not meaningful

- (1) General and administrative expenses for the years ended December 31, 2007 and 2006 include \$4,000,000 and \$1,000,000 respectively, related to Validus advisory agreement with Aquiline Capital Partners, LLC, which, together with its related companies, we refer to as Aquiline. Validus advisory agreement with Aquiline terminated upon completion of Validus initial public offering, in connection with which Validus recorded general and administrative expense of \$3,000,000 in the year ended December 31, 2007.
- (2) Validus adopted FAS 157 and FAS 159 as of January 1, 2007 and elected the fair value option on all securities previously accounted for as available-for-sale. Unrealized gains and losses on available-for-sale investments at December 31, 2006 of \$875,000, previously included in accumulated other comprehensive income, were treated as a cumulative-effect adjustment as of January 1, 2007. The cumulative-effect adjustment transferred the balance of unrealized gains and losses from accumulated other comprehensive income to retained earnings and had no impact on the results of operations for the annual or interim periods beginning January 1, 2007. Validus investments were accounted for as trading for the annual or interim periods beginning January 1, 2007 and as such all unrealized gains and losses are included in net income.
- (3) FAS 123(R) requires that any unrecognized stock-based compensation expense that will be recorded in future periods be included as proceeds for purposes of treasury stock repurchases, which is applied against the unvested restricted shares balance. On March 1, 2007 we effected a 1.75 for 1 reverse stock split of Validus outstanding common shares. The stock split does not affect Validus financial statements other than to the extent it decreases the number of outstanding shares and correspondingly increases per share information for all periods presented.

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

- (4) The losses and loss expense ratio is calculated by dividing losses and loss expenses by net premiums earned.
- (5) The policy acquisition cost ratio is calculated by dividing policy acquisition costs by net premiums earned.
- (6) The general and administrative expense ratio is calculated by dividing the sum of general and administrative expenses and share compensation expenses by net premiums earned. The general and administrative expense ratio for the year ended December 31, 2007 is calculated by dividing the total of general and

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

- (7) The expense ratio is calculated by combining the policy acquisition cost ratio and the general and administrative expense ratio.
- (8) The combined ratio is calculated by combining the losses and loss expense ratio, the policy acquisition cost ratio and the general and administrative expense ratio.
- (9) Annualized return on average equity is calculated by dividing the net income for the period by the average shareholders' equity during the period. Annual average shareholders' equity is the average of the beginning, ending and intervening quarter-end shareholders' equity balances.
- (10) Book value per common share is defined as total shareholders' equity divided by the number of common shares outstanding as at the end of the period, giving no effect to dilutive securities.
- (11) Diluted book value per common share is calculated based on total shareholders' equity plus the assumed proceeds from the exercise of outstanding options and warrants, divided by the sum of common shares, unvested restricted shares, options and warrants outstanding (assuming their exercise). Diluted book value per common share is a Non-GAAP financial measure as described under Item 7, Management's Discussion and Analysis of Financial condition and Results of Operations Financial Measures, in the Validus 10-K.

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF IPC**

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

	Three months ended March 31,		Year Ended December 31,					
	2009	2008	2008	2007	2006	2005	2004	
	(Dollars in thousands, except share and per share amounts)							
nt of (Loss)								
Premiums	\$ 234,610	\$ 197,875	\$ 403,395	\$ 404,096	\$ 429,851	\$ 472,387	\$ 37,000	
Premiums	98,708	89,697	387,367	391,385	397,132	452,522	35,000	
Investment	21,866	23,874	94,105	121,842	109,659	71,757	5,000	
(Losses) gains on	(35,572)	(6,020)	(168,208)	67,555	12,085	(10,556)		
Investments	7	26	65	1,086	3,557	5,234		
Operating expenses	39,109	5,324	155,632	124,923	58,505	1,072,662	21,000	
Acquisition costs	9,838	8,674	36,429	39,856	37,542	39,249	3,000	
Administrative	24,281	7,079	26,314	30,510	34,436	27,466	2,000	
Other expense	383		2,659					
Foreign	3,146	(303)	1,848	1,167	(2,635)	2,979		
Income (loss)	\$ 8,252	\$ 86,803	\$ 90,447	\$ 385,412	\$ 394,585	\$ (623,399)	\$ 13,000	
Dividend		4,234	14,939	17,128	17,176	2,664		
Income (loss), attributable to common shareholders	\$ 8,252	\$ 82,569	\$ 75,508	\$ 368,284	\$ 377,409	\$ (626,063)	\$ 13,000	

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Net income (loss)									
per common share(1)	\$ 0.15	\$ 1.31	\$ 1.45	\$ 5.53	\$ 5.54	\$ (12.30)	\$		
Weighted average									
Shares outstanding(1)	55,916,256	66,182,883	59,301,939	69,728,229	71,212,287	50,901,296		48,37	
Dividend per share	\$ 0.22	\$ 0.22	\$ 0.88	\$ 0.80	\$ 0.64	\$ 0.88	\$		
Balance Sheet Data:									
Net loss									
Operating expense									
	39.6%	5.9%	40.2%	31.9%	14.7%	237.0%			
Debt to equity ratio(2)	34.6%	17.6%	16.2%	18.0%	18.1%	14.8%			
Debt to capital ratio(2)	74.2%	23.5%	56.4%	49.9%	32.8%	251.8%			
Return on average									
(3)	1.8%	15.5%	4.2%	20.1%	24.0%	(38.0)%			
Balance Sheet Data of period:									
Accounts and									
receivables	\$ 2,189,966	\$ 2,475,860	\$ 2,235,187	\$ 2,473,244	\$ 2,485,525	\$ 2,560,146	\$	1,90	
Accounts payable									
Accounts receivable	199,241	161,474	108,033	91,393	113,811	180,798		8	
Accounts payable	2,453,085	2,712,037	2,388,688	2,627,691	2,645,429	2,778,281		2,02	
Provision for losses									
Adjustment									
Insurance	354,467	355,276	355,893	395,245	548,627	1,072,056		27	
Interest premiums	219,641	181,889	85,473	75,980	80,043	66,311		6	
Liabilities	603,611	563,904	537,741	501,946	654,474	1,161,881		35	
Shareholders									
Equity	\$ 1,849,474	\$ 2,148,133	\$ 1,850,947	\$ 2,125,745	\$ 1,990,955	\$ 1,616,400	\$	1,66	
Book value									
per common share(4)	\$ 33.05	\$ 33.26	\$ 32.85	\$ 32.42	\$ 27.94	\$ 22.26	\$		

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

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

- (2) The loss and loss adjustment expense ratio is calculated by dividing the net losses and loss expenses incurred by the net premiums earned. The expense ratio is calculated by dividing the sum of acquisition costs and general and administrative expenses by net premiums earned. The combined ratio is the sum of the loss and loss expense ratio and the expense ratio.
- (3) Return on average equity is calculated as the annual net income (loss), available to common shareholders divided by the average of the common shareholders' equity, which is total shareholders' equity, excluding convertible preferred shares, on the first and last day of the respective year.
- (4) Diluted book value per common share is calculated as shareholders' equity divided by the number of common shares outstanding on the balance sheet date, after considering the dilutive effects of stock-based compensation, calculated using the treasury stock method. At December 31, 2008 the average weighted number of shares outstanding, including the dilutive effect of employee stock-based compensation and convertible preferred shares (which were converted on November 15, 2008) using the treasury stock method was 59,301,939.

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UNAUDITED CONDENSED CONSOLIDATED PRO FORMA FINANCIAL INFORMATION

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

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

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

	Historical		Historical		Pro Forma		Pro Forma
	Validus		IPC		Purchase		Pro Forma
	Holdings,		Holdings,		adjustments	Notes	Consolidated
	Ltd.		Ltd.				
Assets							
Fixed maturities, at fair value	\$ 2,644,496	\$	1,772,805	\$			\$ 4,417,301
Short-term investments, at fair value	282,363						282,363
Equity investments, at fair value			295,091				295,091
Cash and cash equivalents	535,798		122,070	(527,109)		3(a) 3(b), 4	130,759
Total investments and cash	3,462,657		2,189,966	(527,109)			5,125,514
Premiums receivable	600,943		199,241	(160)		3(e)	800,024
Deferred acquisition costs	143,510		23,302				166,812