

IPC HOLDINGS LTD  
Form PRRN14A  
June 29, 2009

**PRELIMINARY COPY, DATED JUNE 29, 2009 SUBJECT TO COMPLETION**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549**

**Amendment No. 4  
to  
SCHEDULE 14A  
Proxy Statement Pursuant to Section 14(a)  
of the Securities Exchange Act of 1934**

Filed by the Registrant   
Filed by a Party other than the Registrant   
Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

**IPC HOLDINGS, LTD.**  
(Name of Registrant as Specified in its Charter)

**VALIDUS HOLDINGS, LTD.**  
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

Common Shares, \$0.175 par value per share

(2) Aggregate number of securities to which transaction applies:

68,520,737

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

N/A

(4) Proposed maximum aggregate value of transaction:

\$1,482,329,499.84

(5) Total fee paid:

\$82,713.99 (based upon the product of \$1,482,329,499.84 and the fee rate of \$55.80 per million dollars set forth in the Fee Rate Advisory #5 for Fiscal Year 2009)

o Fee paid previously with preliminary materials.

p Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid: \$84,262.55

(2) Form, schedule or registration statement no.: Schedule 14A

(3) Filing party: Validus Holdings, Ltd.

(4) Date filed: April 16, 2009

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**PRELIMINARY COPY, DATED JUNE 29, 2009 SUBJECT TO COMPLETION**

**NOTICE OF COURT MEETING**

IN THE SUPREME COURT OF BERMUDA

No. [ ] of 2009

CIVIL JURISDICTION  
(COMMERCIAL COURT)

**IN THE MATTER OF IPC HOLDINGS, LTD  
and  
IN THE MATTER OF THE COMPANIES ACT 1981**

NOTICE IS HEREBY GIVEN that by an Order dated [ ] 2009 made in the above matters the Court has directed a meeting (including any adjournments or postponements thereof, the court-ordered IPC meeting ) to be convened of the holders of the common shares, par value \$0.01 per share (the IPC Shares ), of IPC Holdings, Ltd., a Bermuda exempted company ( IPC ) (other than any IPC Shares that are registered in the name of, or beneficially owned by, Validus, IPC or any of their respective subsidiaries or which Validus, IPC or any of their respective subsidiaries acquires or becomes the beneficial owner of) for the purpose of considering and, if the IPC shareholders so determine, approving a scheme of arrangement (the Scheme of Arrangement ) to be made between IPC and the holders of such IPC Shares, in the form attached as Annex A hereto, and that the court-ordered IPC meeting will be held at [ ] on [ ] 2009, at [ ] a.m., Atlantic time.

The proxy statement that accompanies this notice constitutes the explanatory statement required to be furnished pursuant to Part VII of The Companies Act of 1981 of Bermuda, as amended.

If you are a 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. If you own your IPC Shares through a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or other nominee when voting your IPC Shares.

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of IPC in respect of the joint holding.

Entitlement to attend and vote at the court-ordered IPC meeting and the number of votes which may be cast thereat will be determined by reference to the register of members of IPC as of [ ], 2009. Notwithstanding the foregoing, the holders of any IPC Shares owned by Validus, IPC or their respective subsidiaries will not be entitled to vote these IPC Shares at the court-ordered IPC meeting.

Voting at the court-ordered IPC meeting will be conducted on a poll rather than a show of hands.

By the said Order, the Court has appointed [ ] or, failing him, [ ] or, failing him, [ ] to act as Chairman of the court-ordered IPC meeting and has directed the Chairman to report the result thereof to the Court.

The Scheme of Arrangement will be subject to the subsequent sanction of the Supreme Court of Bermuda and the satisfaction or, where relevant, waiver of the other conditions thereto.

Dated [ ] 2009



**COURT-ORDERED MEETING OF THE SHAREHOLDERS  
OF  
IPC HOLDINGS, LTD.**

**TO BE HELD ON [ ], 2009**

**PROXY STATEMENT  
OF  
VALIDUS HOLDINGS, LTD.**

This proxy statement (the proxy statement ) and the enclosed BLUE proxy card are furnished by Validus Holdings, Ltd., a Bermuda exempted company ( Validus ), in connection with Validus solicitation of proxies to be used at the court-ordered meeting (including any adjournments or postponements thereof, the court-ordered IPC meeting ) of holders of common shares, par value \$0.01 per share (the IPC Shares ), of IPC Holdings, Ltd., a Bermuda exempted company ( IPC ) (other than any IPC Shares owned by Validus, IPC or their respective subsidiaries) to be held on [ ], 2009, at [ ] at [ ] Atlantic Time, for the purpose of giving such holders of IPC Shares the opportunity to consider and, if the IPC shareholders so determine, approve a scheme of arrangement (the Scheme of Arrangement ) under Bermuda law to effect the acquisition of IPC by Validus (the Acquisition ) pursuant to the Scheme of Arrangement set forth in Annex A attached hereto.

We are soliciting proxies to be used at the court-ordered IPC meeting to allow IPC shareholders, if they so determine, to approve the Scheme of Arrangement in connection with Validus offer to acquire all of the IPC Shares for \$3.75 in cash (less any applicable withholding taxes and without interest) and 1.1234 Validus voting common shares, par value \$0.175 per share (the Validus Shares ) for each IPC Share (together, the Validus Transaction Consideration ). Validus is simultaneously pursuing three alternatives to consummate the Acquisition: its pending amalgamation offer (the Validus Amalgamation Offer ); its pending exchange offer (the Exchange Offer ); and the previously announced Scheme of Arrangement as set forth in Annex A hereto under Part VII of The Companies Act of 1981 of Bermuda, as amended (the Companies Act ). Validus will determine which method is most effective and efficient to consummate the Acquisition. If the IPC board of directors cooperates with Validus and executes an amalgamation agreement with Validus, the court-ordered IPC meeting may be unnecessary. While Validus continues to seek a consensual amalgamation transaction with IPC, we will continue to pursue the Scheme of Arrangement and Exchange Offer in order to complete the Acquisition and will seek to replace the IPC board of directors if an agreement with the IPC board of directors is not reached in a timely fashion.

In order to implement the Scheme of Arrangement, IPC shareholders must approve the Scheme of Arrangement at the court-ordered IPC meeting, IPC must separately approve the Scheme of Arrangement (including by IPC shareholder approval at the IPC special general meeting, as described below), certain of the proposals at the IPC special general meeting as described on page [ ] (the Validus Proposals ) must be approved by the IPC shareholders, and the Scheme of Arrangement must be sanctioned by the Supreme Court of Bermuda. If the IPC shareholders approve the Scheme of Arrangement at the court-ordered IPC meeting, the separate approval of IPC of the Scheme of Arrangement can be provided by either (i) the IPC board of directors voluntarily complying with the will of the IPC shareholders as expressed at the court-ordered IPC meeting, or (ii) the shareholders of IPC approving resolutions at a subsequent requisitioned special general meeting of IPC shareholders (the IPC special general meeting ). On June 16, 2009, Validus filed with the Securities and Exchange Commission (the SEC ) a definitive proxy statement which is being used to solicit written requisitions from the IPC shareholders to compel the IPC board of directors to call the IPC special general meeting. Following IPC shareholder approval at both the court-ordered IPC meeting and the IPC special general meeting, the satisfaction or, where relevant, waiver of the other conditions to the effectiveness of the Scheme of Arrangement, and the granting of a court order from the Supreme Court of Bermuda sanctioning the

Scheme of Arrangement, a copy of the court order sanctioning the Scheme of Arrangement will be delivered to the Bermuda Registrar of Companies, at which time (the closing or the effective time ) the Scheme of Arrangement will be effective.

**VALIDUS IS DISTRIBUTING THIS PROXY STATEMENT IN ORDER TO URGE IPC S SHAREHOLDERS TO VOTE FOR THE SCHEME OF ARRANGEMENT AT THE COURT-ORDERED IPC MEETING.**

The court-ordered IPC meeting is being held in accordance with an order of the Supreme Court of Bermuda issued on [ ], 2009, at the request of Validus in accordance with Bermuda law. The record date for determining the IPC shareholders who will be entitled to vote at the court-ordered IPC meeting is [ ], 2009. The Scheme of

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Arrangement must be approved by a majority in number of the holders of IPC Shares voting at the court-ordered IPC meeting, whether in person or by proxy, representing 75% or more in value of the IPC Shares voting at the court-ordered IPC meeting, whether in person or by proxy. The presence at the court-ordered IPC meeting of two or more persons present in person and representing in person or by proxy in excess of 50% of the total issued and outstanding IPC Shares throughout the meeting is required to constitute a quorum thereat.

Based on Validus and IPC's respective capitalizations as of March 31, 2009 and the exchange ratio of 1.1234, Validus estimates that former IPC shareholders would own, in the aggregate, approximately 41.3% of the Validus Shares on a fully-diluted basis following closing of the Acquisition.

Validus Shares are quoted on the New York Stock Exchange (the NYSE) under the symbol VR. The closing price of a Validus common share on the NYSE on June 26, 2009, the last practicable date prior to the filing of this proxy statement, was \$21.80. 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 Acquisition. The closing price of an IPC Share on NASDAQ on June 26, 2009, the last practicable date prior to the filing of this proxy statement, was \$27.39. All references to dollars and \$ in this proxy statement refer to U.S. dollars.

This proxy statement provides IPC shareholders with detailed information about the court-ordered IPC meeting and the Scheme of Arrangement and is intended to satisfy the requirement, under Section 100 of the Companies Act, of a statement explaining the effect of the proposed Scheme of Arrangement. You can also obtain information from publicly available documents filed by Validus and IPC with the SEC. **Validus encourages you to read this entire document carefully, including the section entitled *Risk Factors* beginning on page 40.**

Your vote is very important. Whether or not you plan to attend the court-ordered IPC meeting, please take time to vote by completing and mailing your enclosed BLUE 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. If you have any questions or need additional copies of the proxy materials, please call Georgeson Inc. at the phone numbers listed below.

199 Water Street  
26th Floor  
New York, New York 10038  
Banks and Brokers should call: (212) 440-9800  
or  
Toll Free: at (888) 274-5119  
Email: validusIPC@georgeson.com

**Neither the SEC nor any state securities regulatory agency has approved or disapproved the Scheme of Arrangement, passed upon the merits or fairness thereof or passed upon the adequacy or accuracy of the disclosure in this proxy statement. Any representation to the contrary is a criminal offense.**

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

**Important Notice Regarding the Availability of Proxy Materials for the court-ordered IPC meeting to be held on [ ], 2009.**

This proxy statement and the related proxy materials are available free of charge on Validus website at [www.validustransaction.com](http://www.validustransaction.com).

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## SOURCES OF ADDITIONAL INFORMATION

This proxy statement includes information, including important business and financial information, also set forth in documents filed by Validus and IPC with the SEC, and those documents include information about Validus and IPC that is not included in or delivered with this proxy statement. 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>. IPC shareholders also may obtain documents filed by IPC or Validus with the SEC or documents incorporated by reference in this proxy statement free of cost, by directing a written or oral request to Validus at:

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

**If you would like to request documents, in order to ensure timely delivery, you must do so at least five business days before the date of the meeting. This means you must request this information no later than [ ], 2009.** Validus 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.

On June 14, 2009, IPC and Validus entered into a mutual confidentiality agreement. Therefore, prior to that date, Validus has only conducted a due diligence review of IPC's publicly available information. Since June 14, 2009 to the date of filing of this proxy statement, Validus has conducted a limited review of IPC's non-public information. In respect of all information relating to IPC presented in, incorporated by reference into or omitted from, this proxy statement, Validus has relied upon publicly available information, including information publicly filed by IPC with the SEC. Although Validus has no knowledge that would indicate that any statements contained herein regarding IPC's condition, including its financial or operating condition (based upon such publicly filed reports and documents) are inaccurate, incomplete or untrue, Validus was not involved in the preparation of such information and statements.

The consolidated financial statements of IPC appearing in its annual report on Form 10-K for the year ended December 31, 2008 (including schedules appearing therein), and IPC management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2008 included therein, have been audited by an independent registered public accounting firm, as set forth in their reports thereon, included therein, and included and/or incorporated herein by reference. Validus has not obtained the authorization of IPC's independent auditors to incorporate by reference the audit reports relating to this information.

Pursuant to Rule 12b-21 under the Securities Exchange Act of 1934, as amended (the Exchange Act), Validus requested that IPC provide Validus with information required for complete disclosure regarding the businesses, operations, financial condition and management of IPC. Validus will amend or supplement this proxy statement to provide any and all information Validus receives from IPC, if Validus receives the information before the court-ordered IPC meeting and Validus considers it to be material, reliable and appropriate.

See *Where You Can Find More Information* on page [ ].

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**QUESTIONS AND ANSWERS ABOUT THE ACQUISITION  
AND THE COURT-ORDERED IPC MEETING**

*The following questions and answers highlight selected information from this proxy statement and may not contain all the information that is important to you. Validus encourages you to read this entire document carefully.*

**Q: When and where is the court-ordered IPC meeting?**

A: The court-ordered IPC meeting is scheduled to take place at [ ], Atlantic Time, on [ ], 2009, at [ ].

**Q: What is the purpose of the court-ordered IPC meeting?**

A: The purpose of the meeting is to seek IPC shareholder approval of the Scheme of Arrangement. IPC shareholder approval is a necessary step toward consummation of the Acquisition without the cooperation of the IPC board of directors.

**Q: What am I being asked to vote on at the court-ordered IPC meeting?**

A: At the court-ordered IPC meeting, IPC shareholders will be asked to consider and vote upon a proposal to approve the Scheme of Arrangement.

**Q: What would happen under the Scheme of Arrangement?**

A: If the Scheme of Arrangement becomes effective, Validus will effect the Acquisition by the transfer of all outstanding IPC Shares (excluding any IPC Shares owned by Validus, IPC or their respective subsidiaries) to Validus in exchange for the Validus Transaction Consideration. IPC would thereby become a wholly-owned subsidiary of Validus.

**Q: Why is Validus proposing the Acquisition?**

A: Based on a number of factors described below under *The Acquisition Reasons to Vote FOR the Scheme of Arrangement*, Validus believes that the Acquisition 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 Acquisition would allow IPC 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.

**Q: Why should IPC shareholders vote FOR the Scheme of Arrangement?**

A: Validus believes that the combination of Validus and IPC offers a number of benefits to holders of IPC Shares, including the following:

The Scheme of Arrangement provides a premium to IPC shareholders.

The Validus Shares to be issued to IPC shareholders as a portion of the Validus Transaction Consideration pursuant to the Scheme of Arrangement represent what we believe is an attractive investment.

A Validus/IPC combination will have a strong balance sheet with minimal exposure to risky asset classes.

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

The Scheme of Arrangement provides IPC shareholders with an opportunity for stable, profitable diversification into attractive business lines and further growth.

See *The Acquisition Reasons to Vote FOR the Scheme of Arrangement* below.

**Q: Is Validus pursuing multiple acquisition strategies?**

A: Yes, in addition to proposing the Scheme of Arrangement, Validus has made the Validus Amalgamation Offer and has commenced the Exchange Offer. The Validus Amalgamation Offer, the Scheme of Arrangement and the Exchange Offer are alternative methods for Validus to acquire all of the issued and outstanding IPC Shares on the same economic terms. Ultimately, only one of these transaction structures can be pursued to completion.

Validus intends to seek to acquire all IPC Shares by whichever method Validus determines is most effective and efficient to consummate the Acquisition.

**Q: How will the Scheme of Arrangement become effective?**

A: A Scheme of Arrangement under Bermuda law is an arrangement between a company and its shareholders. In order to implement the Scheme of Arrangement, the IPC shareholders must approve the Scheme of Arrangement at the court-ordered IPC meeting, IPC must separately approve the Scheme of Arrangement, the IPC shareholders must approve certain of the Validus Proposals and the Scheme of Arrangement must be sanctioned by the Supreme Court of Bermuda. If the IPC shareholders approve the Scheme of Arrangement at the court-ordered IPC meeting, the separate approval of IPC of the Scheme of Arrangement can be provided by either (i) the IPC board of directors voluntarily complying with the will of the IPC shareholders as expressed at the court-ordered IPC meeting, or (ii) the shareholders of IPC approving resolutions at the IPC special general meeting. On June 16, 2009, Validus filed with the SEC a definitive proxy statement which is being used to solicit written requisitions from the IPC shareholders to compel the IPC board of directors to call the IPC special general meeting. In order to compel the IPC board of directors to call the IPC special general meeting, written requisitions from the holders of 10% of the IPC Shares must be deposited with IPC. Following IPC shareholder approval at both the court-ordered IPC meeting and the IPC special general meeting, the satisfaction or, where relevant, waiver of the other conditions to the effectiveness of the Scheme of Arrangement, and the granting of a court order from the Supreme Court of Bermuda sanctioning the Scheme of Arrangement, a copy of the court order sanctioning the Scheme of Arrangement will be delivered to the Bermuda Registrar of Companies, at which time the Scheme of Arrangement will be effective.

**Q: How would the Scheme of Arrangement work?**

A: Procedurally, the Scheme of Arrangement can be divided into the following stages:

(1) Applying to the Supreme Court of Bermuda for an order giving directions for the holding and conduct of the court-ordered IPC meeting.

(2) Requisitioning the IPC special general meeting. On June 16, 2009, Validus filed with the SEC a definitive proxy statement which is being used to solicit written requisitions from the IPC shareholders to compel the IPC board of directors to call the IPC special general meeting.

(3) Holding the court-ordered IPC meeting to which this proxy statement relates to consider and, if the IPC shareholders so determine, approve the Scheme of Arrangement. The Scheme of Arrangement must be approved by a majority in number of the holders of IPC Shares voting at the court-ordered IPC meeting, whether in person or by proxy, representing 75% or more in value of the IPC Shares voting at the court-ordered IPC meeting, whether in person or by proxy.

(4) Holding the IPC special general meeting to approve resolutions which will facilitate the implementation of the Scheme of Arrangement. Approval of each resolution at the IPC special general meeting requires the affirmative vote of the holders of a majority of the IPC Shares voting at the meeting, whether in person or by proxy.

(5) Applying to the Supreme Court of Bermuda to sanction the Scheme of Arrangement.

(6) Delivering a copy of the order of the Supreme Court of Bermuda sanctioning the Scheme of Arrangement to the Bermuda Registrar of Companies.

**Q: When do you expect the Scheme of Arrangement to become effective?**

A: Validus continues to pursue the Scheme of Arrangement; however, it is possible that IPC will continue to seek to take measures that could have the effect of delaying or impeding the consummation of the Scheme of Arrangement. Even if the Scheme of Arrangement has been approved by the IPC shareholders, Validus may terminate the Scheme of Arrangement at any time prior to the commencement of the hearing of the Supreme Court of Bermuda to sanction the Scheme of Arrangement without obtaining the approval of the IPC shareholders, if any event or condition occurs which would cause any of the conditions to the effectiveness

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of the Scheme of Arrangement not to be satisfied by November 30, 2009 (or such later date, if any, as Validus may agree and the Supreme Court of Bermuda may allow).

**Q: What would IPC shareholders receive in the Scheme of Arrangement?**

A: Under the terms of the Scheme of Arrangement, each outstanding IPC Share (excluding any IPC Shares owned by Validus, IPC or their respective subsidiaries), would be transferred to Validus in exchange for the Validus Transaction Consideration upon the effectiveness of the Scheme of Arrangement. IPC shareholders would not receive any fractional Validus Shares in the Scheme of Arrangement. Instead, IPC shareholders would be paid cash in lieu of the fractional share interest to which such shareholders would otherwise be entitled as described under *Summary The Scheme of Arrangement Validus Transaction Consideration* on page [ ].

**Q: What percentage of Validus Shares will the former holders of IPC Shares own after the Acquisition?**

A: Based on Validus and IPC's respective capitalizations as of March 31, 2009 and the exchange ratio of 1.1234, Validus estimates that former IPC shareholders would own, in the aggregate, approximately 41.3% of the Validus Shares on a fully-diluted basis following closing of the Acquisition.

**Q: If the Scheme of Arrangement becomes effective, do I have to take any action to exchange my IPC Shares for Validus Transaction Consideration?**

A: Validus will appoint BNY Mellon Shareowner Services as exchange agent to transfer and pay the Validus Transaction Consideration to persons holding IPC Shares outstanding immediately prior to the effective time (other than Validus, IPC or their respective subsidiaries) in exchange for share certificates representing IPC Shares or for non-certificated shares represented by book-entry ( book-entry shares ). At or about the effective time, Validus will deposit with the exchange agent the cash payable and the Validus Shares issuable as Validus Transaction Consideration and will provide for the cash issuable in lieu of fractional shares. Promptly after the effective time, the exchange agent will mail each holder of IPC Shares outstanding immediately prior to the effective time (other than Validus, IPC or their respective subsidiaries) instructions for surrendering share certificates and book-entry shares. The exchange agent will transfer and pay the Validus Transaction Consideration and cash in lieu of fractional shares, less any applicable withholding taxes, to the persons holding IPC Shares outstanding immediately prior to the effective time (other than Validus, IPC or their respective subsidiaries) promptly following the exchange agent's receipt of the share certificates (or book-entry shares). No interest will be paid or accrued on the cash payable upon the surrender of any share certificate (or book-entry shares). Until so surrendered, each such IPC Share certificate (or book-entry share) will represent after the effective time for all purposes only evidence of the right to receive such Validus Transaction Consideration and cash in lieu of fractional shares.

**Q: What is the market value of my IPC Shares as of a recent date?**

A: On March 30, 2009, the last trading day before Validus made its initial offer (the Initial Validus Offer ) to acquire IPC in a transaction whereby each IPC Share would have been exchanged for 1.2037 Validus Shares under the proposed agreement and plan of amalgamation (the Validus Amalgamation Agreement ), the closing price of an IPC Share was \$25.41. On June 26, 2009, the last practicable date prior to the filing of this proxy statement, the closing price of an IPC Share was \$27.39. IPC shareholders are encouraged to obtain a recent quotation for IPC Shares before deciding how to vote at the court-ordered IPC meeting.

**Q: Are IPC shareholders able to dissent?**

A: IPC shareholders will be entitled to be present and be heard at the Supreme Court of Bermuda hearing to sanction the Scheme of Arrangement. Any IPC shareholder who wishes to may oppose the sanctioning of the Scheme of Arrangement and may make presentations to the court on the hearing of the petition. IPC shareholders will be notified of the date of the Supreme Court of Bermuda hearing to sanction the Scheme of Arrangement once it is set. IPC shareholders may also vote against the Scheme of Arrangement at the court-ordered IPC meeting.

**Q: Are IPC shareholders able to exercise appraisal rights in connection with the Scheme of Arrangement?**

A: No. If the Scheme of Arrangement becomes effective, it will be binding on all IPC shareholders whether or not they voted in favor of the Scheme of Arrangement at the court-ordered IPC meeting or of the resolutions proposed at the IPC special general meeting, and IPC shareholders will not be entitled to exercise any appraisal rights. Please see *The Scheme of Arrangement Dissenters and Appraisal Rights of IPC Shareholders* on page [ ].

**Q: What are the closing conditions set forth in the Scheme of Arrangement?**

A: In addition to the requisite approval by IPC shareholders at the court-ordered IPC meeting, the approval by IPC shareholders at the IPC special general meeting of resolutions which will facilitate the implementation of the Scheme of Arrangement, the sanction of the Scheme of Arrangement by the Supreme Court of Bermuda and the filing of a copy of the court sanction order with the Bermuda Registrar of Companies (collectively, the Procedural Conditions ), the effectiveness of the Scheme of Arrangement is subject to the satisfaction or, where relevant, waiver of certain other conditions, including the following:

Validus shall reasonably believe that IPC could not have any liability with respect to the termination of the Agreement and Plan of Amalgamation, as amended on March 5, 2009, among Max Capital Group Ltd. ( Max ), IPC and IPC Limited (the Max Amalgamation Agreement ), and Max shall not have asserted any claim of liability or breach against IPC in connection with the Max Amalgamation Agreement, in each case, other than with respect to the possible payment of the \$50 million termination fee thereunder (the Max Termination Fee ).

The shareholders of Validus shall have approved the issuance of the Validus Shares pursuant to the Scheme of Arrangement as required under the rules of the NYSE. All of the Validus officers, directors and those shareholders which Validus refers to as its qualified sponsors (as defined in this proxy statement), in each case who own Validus Shares, have indicated that they intend to vote the Validus Shares beneficially owned by them in favor of such approval. As of April 30, 2009, these persons and entities beneficially owned 42.4% of the voting interests relating to the Validus Shares.

The Validus Shares to be issued to IPC shareholders pursuant to the Scheme of Arrangement shall have been authorized for listing on the NYSE, subject to official notice of issuance.

There shall be no threatened or pending litigation, suit, claim, action, proceeding or investigation before any governmental authority that, in the judgment of Validus, is reasonably likely to, directly or indirectly, restrain or prohibit (or which alleges a violation of law in connection with) the Scheme of Arrangement or is reasonably likely to prohibit or limit the full rights of ownership of IPC Shares by Validus or any of its affiliates.

Since December 31, 2008, there shall not have been any material adverse effect on IPC and its subsidiaries, taken as a whole. A more than 50% decline in IPC's book value or a more than 20% decline in IPC's book value relative to Validus' book value shall be deemed to have a material adverse effect on IPC.

Each of IPC and its subsidiaries shall have carried on their respective businesses in the ordinary course consistent with past practice at all times on or after the date of this proxy statement and prior to the commencement of the hearing of the Supreme Court of Bermuda to sanction the Scheme of Arrangement.

All amendments or waivers under Validus' credit facilities necessary to consummate the Scheme of Arrangement and the other transactions contemplated by this proxy statement shall be in full force and effect.

The Scheme of Arrangement is subject to additional conditions referred to below in *The Scheme of Arrangement Conditions to the Scheme of Arrangement*. The Scheme of Arrangement is not conditioned on the receipt of regulatory approvals or the elimination of the Max Termination Fee. The conditions to the effectiveness of the Scheme of Arrangement are for the sole benefit of Validus and, other than the Procedural Conditions, the Registration Condition, the Shareholder Approval Condition and the NYSE Listing Condition described below in *The Scheme of Arrangement Conditions to the Scheme of Arrangement*, may be waived by Validus prior to the commencement of the hearing of the Supreme Court of Bermuda to sanction the Scheme of Arrangement in its discretion.

**Q: What will be the composition of the board of directors of Validus following the effectiveness of the Scheme of Arrangement?**

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

**Q: How will Validus be managed following the effectiveness of the Scheme of Arrangement?**

A: Upon the effectiveness of the Scheme of Arrangement, the officers of Validus will be the officers serving Validus before the Acquisition.

**Q: What shareholder vote is required to approve the Scheme of Arrangement at the court-ordered IPC meeting and how many votes must be present to hold the meeting?**

A: The Scheme of Arrangement must be approved by a majority in number of the holders of IPC Shares voting at the court-ordered IPC meeting, whether in person or by proxy, representing 75% or more in value of the IPC Shares voting at the court-ordered IPC meeting, whether in person or by proxy. Therefore, abstentions and broker non-votes will not have the effect of a vote for or against the Scheme of Arrangement, but will reduce the number of votes cast and therefore increase the relative influence of those shareholders voting. The presence at the court-ordered IPC meeting of two or more persons present in person and representing in person or by proxy in excess of 50% of the total issued and outstanding IPC Shares throughout the meeting is required to constitute a quorum thereat.

**Q: What is the record date for the court-ordered IPC meeting?**

A: Only shareholders of record, as shown by the transfer books of IPC at the close of business on [ ], 2009 (the record date ) are entitled to receive notice of and to vote at the court-ordered IPC meeting.

**Q: How many votes do I have and how many votes can be cast by all IPC shareholders?**

A: As of [ ], 2009, there were [ ] outstanding IPC Shares entitled to vote. Each IPC Share (other than any IPC Shares owned by Validus, IPC or their respective subsidiaries) entitles the holder of record thereof to one vote at the court-ordered IPC meeting.

**Q: What do I need to do now?**

A: Validus urges you to read carefully this proxy statement, 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* on page [ ] and consult with your accounting, legal and tax advisors. Once you have considered all relevant information, Validus encourages you to fill in and return the attached 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 IPC Shares in street name).

**Q: How can I vote my shares in person at the court-ordered IPC meeting?**

A: If your IPC Shares are registered directly in your name as of the record date with the transfer agent, Computershare Investor Services, 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 meeting. If you choose to do so, you can bring the enclosed proxy card. Most shareholders of IPC hold their shares through a bank, broker or other nominee (that is, 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 previously either arranged for the IPC Shares beneficially owned by you to be transferred of record into your name by the record date for the court-ordered IPC 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 court-ordered IPC 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). Even if you plan to attend the court-ordered IPC 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 court-ordered IPC meeting.

**Q: How can I vote my shares without attending the court-ordered IPC meeting?**

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

**Q: What do I need for admission to the court-ordered IPC meeting?**

A: You are entitled to attend the court-ordered IPC meeting only if you are (i) a shareholder of record or (ii) a beneficial owner or other person holding a valid proxy or power of attorney from the bank, broker or other nominee that holds your shares (and who has received a valid proxy or power of attorney from the shareholder of record pursuant to a legal proxy with 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 court-ordered IPC 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 valid proxy or power of attorney from the shareholder of record pursuant to a legal proxy with power of subdelegation from the shareholder of record as of the record date) and proof of beneficial ownership on the record date, such as a brokerage account statement showing that you owned IPC Shares as of the 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 court-ordered IPC meeting.

**Q: If my IPC 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. If you do not receive such instructions, you may contact that institution to request them. In accordance with NYSE rules, brokers and nominees who hold IPC Shares in street name for customers may not exercise their voting discretion with respect to the Scheme of Arrangement. 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 court-ordered IPC meeting, possibly resulting in a broker non-vote.

A broker non-vote with respect to the court-ordered IPC meeting will not be considered as a vote cast with respect to any matter presented at the court-ordered IPC 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. A broker non-vote with respect to any proposal to be voted on at the court-ordered IPC meeting will not have the effect of a vote for or against the proposal, but will reduce the number of votes cast and therefore increase the relative influence of those shareholders voting.

**Q: What effect do abstentions and broker non-votes have on the Scheme of Arrangement?**

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 court-ordered IPC meeting. Because the vote required to approve the Scheme of Arrangement is the affirmative vote of a majority in number of the holders of IPC Shares voting at the court-ordered IPC meeting, whether in person or by proxy, representing 75% or more in value of the IPC Shares voting at the court-ordered IPC meeting, whether in person or by proxy, a broker non-vote with respect to any proposal to be voted on at the court-ordered IPC 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 Court-Ordered IPC 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?**

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 Scheme of Arrangement 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 court-ordered IPC 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 court-ordered IPC meeting. If you are a shareholder of record, you may change your vote or revoke your proxy by: (1) delivering to IPC (Attention: Secretary) at American International Building, 29 Richmond Road, Pembroke HM 08, Bermuda a written notice of revocation of your proxy; (2) delivering to IPC an authorized proxy bearing a later date; or (3) attending the court-ordered IPC meeting and voting in person as described above under *How can I vote my shares in person at the court-ordered IPC meeting?* Attendance at the court-ordered IPC meeting in and of itself, without voting in person at the court-ordered IPC 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 valid proxy or power of attorney from the shareholder of record pursuant to a legal proxy with power of subdelegation from the shareholder of record as of the record date) giving you the right to vote your shares at the court-ordered IPC meeting, by attending the court-ordered IPC meeting and voting in person.

**Q: What are the material U.S. federal income tax consequences of the Scheme of Arrangement?**

A: Following the Scheme of Arrangement, as part of an overall plan, Validus intends to complete a short-form amalgamation between IPC and another wholly-owned subsidiary of Validus pursuant to Section 107 of the Companies Act. The Scheme of Arrangement and subsequent short-form amalgamation are intended to constitute a single integrated transaction that qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code). Assuming it does so qualify, U.S. holders of IPC Shares will generally recognize gain (but not loss) in an amount equal to the lesser of (i) the amount of the cash received by such U.S. holder (excluding any cash received in lieu of a fractional 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 any fractional shares deemed received by such U.S. holder), over (b) the U.S. holder's tax basis in the IPC Shares exchanged pursuant to the Scheme of Arrangement. Subject to the passive foreign investment company rules or the potential application of Section 1248 of the Code, any gain recognized upon the Scheme of Arrangement generally will be capital gain, unless the receipt of cash by a U.S. holder has the effect of a distribution of a dividend for U.S. federal income tax purposes. For more information, please see the section of this proxy statement under the caption Material U.S. Federal Income Tax Consequences.

**Tax matters are complicated and the tax consequences of the transaction 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 Scheme of Arrangement and short-form amalgamation to you, including the applicability of U.S. federal, state, local, non-U.S. and other tax laws.**



**Q: Who can I contact with any additional questions?**

If you have additional questions about the Acquisition, if you would like additional copies of this proxy statement, or if you need assistance voting your IPC Shares, you should contact Georgeson Inc. at:

Georgeson Inc.  
199 Water Street  
26th Floor  
New York, New York 10038  
Banks and Brokers should call: (212) 440-9800  
All Others Call Toll Free: at (888) 274-5119  
Email: validusIPC@georgeson.com

**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* on page [    ].

## SUMMARY

*This summary highlights the material information in this proxy statement. To fully understand the Scheme of Arrangement, and for a more complete description of the terms of the Acquisition, you should read carefully this entire document, including the annexes 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, see Where You Can Find More Information on page [ ].*

### **Validus (page [ ])**

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 Holdings Ltd. ( Talbot ). Validus Re is a Bermuda-based reinsurer focused on short-tail lines of reinsurance. Talbot is the Bermuda parent of the specialty insurance group primarily operating within the Lloyd's Insurance market through Syndicate 1183. At 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 June 26, 2009, the last practicable date prior to the filing of this proxy statement, Validus had a market capitalization of approximately \$1.66 billion. Validus has approximately 280 employees.

As of the date this proxy statement was first mailed to IPC shareholders, Validus was the registered holder of 100 IPC Shares, or less than 1% of the outstanding IPC Shares, and Validus was entitled to vote as to all of the IPC Shares it owns.

Information for the director and executive officers of Validus and its subsidiaries who are considered to be participants in this proxy solicitation and certain other information is set forth in Schedule I hereto. Other than as set forth herein, none of Validus, or any of the participants set forth on Schedule I hereto have any interest, direct or indirect, by security holdings or otherwise, in the Acquisition.

### **IPC (page [ ])**

The following description of IPC is taken from the Registration Statement on