

Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name Montpelier Re Holdings Ltd.		2 Issuer's employer identification number (EIN) 99-0428969	
3 Name of contact for additional information Investor Relations	4 Telephone No. of contact (441) 278-0999	5 Email address of contact investorrelations@endurance.ltd	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact Waterloo House, 100 Pitts Bay Road		7 City, town, or post office, state, and Zip code of contact Pembroke SQ HM09	
8 Date of action July 31, 2015	9 Classification and description Common Shares		
10 CUSIP number	11 Serial number(s)	12 Ticker symbol MRM	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ►

See Attached.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ►

See Attached.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ►

See Attached.

Part III Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

Section 368(a)

Section 364(e)

Sections 358(a) & (b)

Section 302

18 Can any resulting loss be recognized? ▶

No loss may be recognized as a result of the transaction except for possible loss recognized in connection with cash received in lieu of a fractional Acquiror Share.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶

This transaction will be effective as of the tax year of the shareholder that includes the transaction date of July 31, 2015.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ *Michael J. McGuire*

Date ▶ 9/14/15

Michael J. McGuire

Print your name ▶ by Emurance Specialty Holdings Ltd.

Title ▶ CFO

Paid Preparer Use Only

Print/Type preparer's name

M. Hurston

Preparer's signature

M. Hurston

Date

9/11/15

Check if self-employed

PTIN

P0034200

Firm's name ▶ Deloitte Tax LLP

Firm's EIN ▶ 06-1085772

Firm's address ▶ 111 South Wacker Drive, Chicago, IL 60601

Phone no. 312-482-1200

Montpelier RE Holdings Ltd.
Form 8937 – Report of Organizational Actions Affecting Basis of Securities
Additional Statement

Item 14

On July 31, 2015, Montpelier Re Holdings Ltd. (the “Company”) merged (the “Merger”) with and into Millhill Holdings Ltd. (“Millhill”), a wholly-owned subsidiary of Endurance Specialty Holdings Ltd. (the “Acquiror”). Millhill is disregarded for US federal tax purposes. As a result of the Merger, holders of record of Company common stock (“Company Shares”) on July 31, 2015 received 0.472 shares of Acquiror ordinary shares (“Acquiror Shares”) in exchange for each Company Share held. No fractional Acquiror Shares were issued. Shareholders who would have received a fractional Acquiror Share instead received cash in lieu of that fractional share based upon the “Average Parent Share Price” as defined in the Agreement and Plan of Merger dated as of March 31, 2015 by and among the Company, the Acquiror, and Millhill. Receipt of 0.472 Acquiror Shares in exchange for one Company Share is equal to receiving 1 Acquiror Share for approximately 2.119 Company Shares (1 Company Share divided by 0.472 Acquiror Shares).

Box 15:

The Merger is intended to qualify as a tax-free reorganization under Section 368(a) of the U.S Internal Revenue Code. Accordingly, each Company shareholder’s basis in each Acquiror Share received in the Merger will be equal to the basis in the approximately 2.119 Company Shares surrendered in exchange for each Acquiror Share. Each Company shareholder’s aggregate basis in the Acquiror Shares received in the Merger (including fractional Acquiror Shares deemed received and exchanged for cash) will be equal to that Company shareholder’s aggregate basis in the Company Shares surrendered.

Since each holder of Company Shares received fewer Acquiror Shares than Company Shares surrendered, the basis in the surrendered Company Shares must be allocated in a manner that reflects, to the greatest extent possible, that Acquiror Shares received are in respect of Company Shares that were acquired on the same date and at the same price. To the extent it is not possible to allocate in this manner, the basis of the Company Shares surrendered must be allocated to the Acquiror Shares received in a manner that minimizes the disparity in the holding periods of the surrendered Company Shares whose basis is allocated to any particular Acquiror Share received. This could result in a particular Acquiror Share having a split basis and a split holding period. Each holder of Company Shares should consult with his or her tax advisor with respect to the computation of gain or loss and basis as a result of the Merger based on his or her specific facts.

Box 16

The basis in each Acquiror Share received in the Merger will generally be equal to the 2.119 Company Shares surrendered for that Acquiror Share. The remaining basis in the fractional shares that were deemed received and exchanged for cash will be compared to the cash received and gain or loss will be recognized accordingly. See the discussion in Box 15 above for further description of the specific allocation of basis when certain Company Shares have a different basis per share and/or holding period.

Signature

This form is signed by Michael J. McGuire, Chief Financial Officer of Endurance Specialty Holding Ltd., successor in interest to Montpelier Re Holdings Ltd.