PARTNERRE LTD
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Prospectus Supplement

November 2, 2006

(To Prospectus dated April 27, 2006)

$250,000,000

PartnerRe Finance II Inc.

6.440% Fixed-to-Floating Rate Junior Subordinated Capital Efficient Notes (CENts) due 2066

The CENts Will Be Fully and Unconditionally Guaranteed on a Subordinated Basis by PartnerRe Ltd.

This is an offering by PartnerRe Finance II Inc., or the issuer, of $250,000,000 of its 6.440% Fixed-to-Floating Rate Junior Subordinated Capital Efficient Notes due 2066, which we refer to as the CENts. Interest on the CENts will accrue from the issue date until December 1, 2016 at a fixed rate equal to 6.440% per year. Such fixed interest rate on the CENts will be payable semi-annually in arrears on June 1 and December 1 of each year, commencing on June 1, 2007, subject to the right of the issuer to defer interest payments as described in this prospectus supplement. From December 1, 2016 until maturity, interest on the CENts will be payable quarterly in arrears on March 1, June 1, September 1 and December 1 of each year, commencing on March 1, 2017, at an annual rate of 3-month LIBOR plus a margin equal to 2.325%, subject to the right of the issuer to defer interest payments as described in this prospectus supplement. The CENts will be fully and unconditionally guaranteed on a subordinated basis by PartnerRe Ltd., or the guarantor, the ultimate parent corporation of the issuer.

The issuer may redeem the CENts (i) prior to December 1, 2016, in whole but not in part, upon the occurrence of a rating agency event or within 90 days following a tax event (each as defined in this prospectus supplement), for cash in an amount equal to the greater of the par redemption amount and the make-whole redemption amount (each as defined in this prospectus supplement) or (ii) on or after December 1, 2016, in whole or in part, for cash in an amount equal to the par redemption amount.

The CENts will be the issuer s junior subordinated unsecured obligations and will rank junior to any other senior indebtedness that the issuer or any of its subsidiaries incurs in the future. The guarantee of the CENts will be an unsecured subordinated obligation of the guarantor and will rank junior to all senior indebtedness of the guarantor from time to time outstanding.

As further described in this prospectus supplement, following the earlier of the fifth anniversary of the commencement of an ongoing interest deferral period or a payment of current interest on the CENts after the commencement of a deferral period, the guarantor will be required to make commercially reasonable efforts to sell qualifying securities (as described in this prospectus supplement) and the issuer will be required to pay interest on the CENts only from the net proceeds of those sales; we call this the alternative payment mechanism. An event of default will occur if non-payment of interest continues for ten consecutive years without all accrued and unpaid interest (including compounded interest) having been paid in full, such non-payment continues for 30 days and the guarantor fails to make the guarantee payments with respect thereto. In the event of the issuer s or the guarantor s bankruptcy, insolvency or reorganization prior to the maturity or redemption of any CENts, whether voluntary or not, a holder of CENts will have no claim for accrued interest that is unpaid (including compounded interest thereon) and that has not been settled through the application of the alternative payment mechanism to the extent the amount of such interest exceeds an amount corresponding to two years of accumulated and unpaid interest (including compounded interest thereon) on such holder s CENts. The CENts will not be subject to redemption at the option of the holder or to any sinking fund payments. The CENts are not listed, and the issuer does not plan to apply to list the CENts on any securities exchange or to include them in any automated quotation system.

Investing in the CENts involves risks. See Risk Factors beginning on page S-13 of this prospectus supplement.

	Per CENt	Total
Price to Public (1)	$ 999.49	$ 249,872,500
Underwriting Commissions	$ 10.00	$ 2,500,000
Proceeds to Issuer (before expenses)	$ 989.49	$ 247,372,500

(1) Plus accrued interest, if any, from November 7, 2006, if settlement occurs after that date.

The Securities and Exchange Commission, state securities regulators, the Minister of Finance and the Registrar of Companies in Bermuda and the Bermuda Monetary Authority have not approved or disapproved of these securities, or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the CENts only in book-entry form through the facilities of The Depository Trust Company (DTC) and its direct participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, société anonyme, on or about November 7, 2006.

Joint Bookrunners

JPMorgan
Sole Structuring Advisor

Lehman Brothers

Deutsche Bank Securities

UBS Investment Bank

Wachovia Securities

Bank of America Securities LLC

Credit Suisse

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ABOUT THIS PROSPECTUS SUPPLEMENT

You should rely only on information contained in this prospectus supplement, the accompanying base prospectus and any free writing prospectus filed by the guarantor with the Securities and Exchange Commission or information to which we have referred you. We have not, and the underwriters have not, authorized anyone to provide you with information that is different. The information in this prospectus supplement and the accompanying base prospectus may be accurate only as of the date of this prospectus supplement.

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of CENts and also adds to and updates information contained in the accompanying base prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying base prospectus. The second part, the accompanying base prospectus, gives more general information, some of which may not apply to this offering. If the description of the offering varies between this prospectus supplement and the accompanying base prospectus, you should rely on the information contained in this prospectus supplement.

References in this prospectus supplement and the accompanying base prospectus to PartnerRe, we, us, our or the Company, refer to PartnerRe Ltd., the ultimate parent company of PartnerRe Finance, and, unless the context otherwise requires or unless otherwise stated, its subsidiaries. References in this prospectus supplement to PartnerRe Finance or the issuer refer to PartnerRe Finance II Inc., the issuer of the CENts and an indirect wholly owned subsidiary of PartnerRe Ltd. References in this prospectus supplement and the accompanying base prospectus to PartnerRe Ltd. or the guarantor refer to PartnerRe Ltd. (excluding its subsidiaries).

PartnerRe Finance is offering to sell the CENts, and is seeking offers to buy the CENts, only in jurisdictions where offers and sales are permitted. The distribution of this prospectus supplement and the accompanying base prospectus and the offering of the CENts in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus supplement and the accompanying base prospectus must inform themselves about and observe any restrictions relating to the offering of the CENts and the distribution of this prospectus supplement and the accompanying base prospectus outside the United States. This prospectus supplement and the accompanying base prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

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FORWARD-LOOKING STATEMENTS CAUTIONARY LANGUAGE

Certain statements contained in this prospectus supplement or the accompanying base prospectus may be considered forward-looking statements as defined in Section 27A of the United States Securities Act of 1933 and Section 21E of the United States Securities Exchange Act of 1934. Forward-looking statements are made based upon our assumptions and expectations concerning the potential effect of future events on our financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements are subject to significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those reflected in such forward-looking statements. Our forward-looking statements could be affected by numerous foreseeable and unforeseeable events and developments. The following review of important factors should not be construed as exhaustive and should be read in conjunction with other cautionary statements that are included herein or elsewhere:

(1) the occurrence of catastrophic events or other reinsured events with a frequency or severity exceeding our expectations;

(2) a decrease in the level of demand for reinsurance and/or increase in the supply of reinsurance capacity;

(3) increased competitive pressures, including the consolidation and increased globalization of reinsurance providers;

(4) actual losses and loss expenses exceeding our estimated loss reserves, which are necessarily based on actuarial and statistical projections of ultimate losses;

(5) uncertainty related to estimated losses and unanticipated losses from catastrophic events;

(6) acts of terrorism, acts of war and man-made or other unanticipated perils;

(7) changes in the cost, availability and performance of retrocessional reinsurance, including the ability to collect reinsurance recoverables;

(8) concentration risk in dealing with a limited number of brokers;

(9) credit risk relating to our brokers, cedants and other counterparties;

(10) developments in and risks associated with global financial markets that could affect our investment portfolio;

(11) changing rates of inflation and other economic conditions;

(12) availability of borrowings and letters of credit under our credit facilities;

(13) impact of fluctuations in foreign currency exchange rates;

(14) actions by rating agencies that might impact our ability to continue to write existing business or write new business;

(15) changes in accounting policies, their application or interpretation;

(16) changes in the legal or regulatory environments in which we operate, including the passage of federal or state legislation subjecting our non-U.S. operations to supervision or regulation, including additional tax regulation, in the United States or other jurisdictions in which we operate;

(17) potential industry impact of investigations into market practices in the U.S. property and casualty industry;

(18) legal decisions and rulings and new theories of liability;

(19) amount of dividends received from our subsidiaries; and

(20) our ability to access the capital markets.

The words believe, anticipate, estimate, project, plan, expect, intend, hope, will likely result or will continue, or words of sim generally involve forward-looking statements. We caution readers not to place undue reliance on these forward-looking statements, which speak only as of their dates. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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SUMMARY

This summary contains basic information about PartnerRe and this offering. Because it is a summary, it does not contain all of the information that you should consider before investing in the CENts. You should read this entire prospectus supplement carefully, including the section entitled   Risk Factors,   our financial statements and the notes thereto incorporated by reference into this prospectus supplement, and the accompanying base prospectus, before making an investment decision.

THE COMPANY

PartnerRe Ltd.

PartnerRe Ltd. is incorporated under the laws of Bermuda, with its principal executive offices located at 90 Pitts Bay Road, Pembroke HM 08, Bermuda. Its telephone number is (441) 292-0888.

PartnerRe is a leading global reinsurer, providing multi-line reinsurance to insurance companies. Risks reinsured include, but are not limited to, property, casualty, motor, agriculture, aviation/space, catastrophe, credit/surety, engineering, energy, marine, specialty property, specialty casualty, other lines, and life/annuity and health. PartnerRe also offers alternative risk products that include weather and credit protection to financial, industrial and service companies.

PartnerRe Finance II Inc.

PartnerRe Finance II Inc., also referred to as PartnerRe Finance or the issuer, is a Delaware corporation, with its principal executive offices located at c/o PartnerRe U.S. Corporation, One Greenwich Plaza, Greenwich, Connecticut 06830-6352. The telephone number for PartnerRe Finance is (203) 485-4200. PartnerRe Finance is an indirect, wholly owned subsidiary of PartnerRe that was created solely for the purpose of issuing, from time to time, senior and subordinated debt securities.

Recent Developments

On October 23, 2006, PartnerRe reported operating results for the third quarter of 2006. This included net income of $235.8 million, or $3.93 per share on a fully diluted basis, for the third quarter of 2006. This net income includes net after-tax realized gains on investments of $22.2 million or $0.38 per share. The net loss for the third quarter of 2005, including net after-tax realized gains on investments of $47.8 million or $0.88 per share, was $288.7 million or $5.48 per share, reflecting the record catastrophe activity in that period. Operating earnings for the third quarter of 2006 were $205.1 million or $3.55 per share on a fully diluted basis. This compares to an operating loss of $345.2 million, or $6.36 per share, for the third quarter of 2005. Operating earnings or losses exclude net after-tax realized investment gains and losses and are calculated after payment of preferred dividends. All references to per share amounts are on a fully diluted basis.

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Summary unaudited consolidated financial data for the period is set out below.

	Nine Months Ended September 30, 2005	2006
	(in thousands except per share data and ratios)	
Net Premiums Written	$ 2,949,533	$ 2,968,285
Net Premiums Earned	$ 2,692,158	$ 2,665,387
Non-life Combined Ratio	114.6%	86.2%
Net (Loss) Income	$ (17,424)	$ 506,614
Net (Loss) Income per share (a)	$ (0.79)	$ 8.33
Net Operating (Loss) Earnings (a)	$ (163,319)	$ 454,729
Net Operating (Loss) Earnings per share (a)	$ (2.99)	$ 7.88

(a) Net (loss) income per share is defined as net (loss) income available to common shareholders divided by the weighted average number of fully diluted shares outstanding for the period. Net (loss) income available to common shareholders is defined as net (loss) income less preferred dividends. Net operating (loss) earnings is net (loss) income available to common shareholders less after-tax net realized gains/losses on investments. Net operating (loss) earnings per share is defined as net operating (loss) earnings divided by the weighted average number of fully diluted shares outstanding for the period. Per share results are on a fully diluted basis. As the effect of dilutive securities would have been antidilutive in the nine months of 2005, the fully diluted per share figures for these periods were compiled using the basic weighted average number of common shares outstanding.

Net premiums written for the third quarter of 2006 were $807.8 million, a 5% increase from the third quarter of 2005, which included $40.3 million of catastrophe reinstatement premiums related to Hurricane Katrina. Total revenues for the quarter increased 4% as compared to the third quarter of 2005 to $1.12 billion, including $973.6 million of net premiums earned, net investment income of $115.1 million, and net realized investment gains of $23.0 million. Total revenues increased 8% after adjusting for reinstatement premiums earned in the third quarter of 2005.

For the first nine months of 2006, net premiums written were $3.0 billion, representing a marginal increase from the same period in 2005. Net income was $506.6 million or $8.33 per share. Net income for the period includes net after-tax realized gains on investments of $26.0 million or $0.45 per share. Operating earnings were $454.7 million, or $7.88 per share. The net loss for the first nine months of 2005 was $17.4 million or $0.79 per share including net after-tax realized gains of $120.0 million, or $2.20 per share. The operating loss for the same period in 2005 was $163.3 million or $2.99 per share. Total revenues for the first nine months of 2006 were $3.04 billion, including $2.7 billion of net premiums earned, net investment income of $323.4 million, and net realized investment gains of $19.2 million. Total revenues for the same period in 2005 were $3.13 billion.

Separately, PartnerRe announced that its Board of Directors declared a regular quarterly dividend of $0.40 per common share. The dividend will be payable on December 1, 2006, to common shareholders of record on November 21, 2006, with the stock trading ex-dividend commencing November 17, 2006.

Results by Segment

The Non-Life segment reported net premiums written of $694 million for the third quarter of 2006, up 5% as compared to the total net premium written for the third quarter of 2005, and up 11% after adjusting for reinstatement premiums. The combined ratio was 81.4% for the third quarter of 2006, compared to 156.3% for the same period in 2005. The Non-Life technical result was a gain of $211 million for the third quarter of 2006, compared to a loss of $407 million in 2005. The third quarter of 2005 included $615 million of pre-tax losses net of reinstatement premiums, or 78 points on the combined ratio related to Hurricanes Katrina and Rita, and the Central European floods. For the first nine months of 2006, Non-Life net premiums written were $2.6 billion, essentially flat with the same period in 2005. The nine month technical result was a gain of $466 million,

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compared to a loss of $201 million for the same period in 2005. The combined ratio for the nine month period was 86.2% compared to 114.6% in 2005. European winterstorm Erwin, the Central European floods, and Hurricanes Katrina and Rita contributed pre-tax losses of $676 million net of reinstatement premiums, or 29 points to the nine month 2005 combined ratio, while there have been no major catastrophes in the same period in 2006.

The U.S. Property and Casualty business, which represents approximately 24% of total net premiums written for the quarter, reported net premiums written of $194 million, up 3% over the prior year s third quarter. Net premiums earned increased 9% to $219 million during the quarter when compared to the same period in 2005. The technical ratio for this sub-segment was 94.5%, compared to 155.5% in the third quarter of 2005. For the first nine months of 2006, net premiums written were $659 million, up 2% from the first nine months of 2005. The nine-month technical ratio was 99.3%, compared to 115.0% in 2005. The technical result for the first nine months of 2006 was $4 million compared to a loss of $94 million in 2005.

The Global (Non-U.S.) Property and Casualty business, which represents approximately 19% of total net premiums written for the quarter, reported net premiums written of $154 million for the third quarter of 2006, an increase of 12% as compared to $137 million for the same period in 2005. Net premiums earned during the quarter were $202 million, up 6% from $191 million in the same period last year. The technical ratio for this sub-segment was 95.5% compared to 88.1% for the same period in 2005. For the nine months, net premiums written were down 11% to $645 million. The nine-month technical ratio for 2006 was 92.4%, compared to 91.0% in 2005. The technical result for the first nine months of 2006 was $43 million compared to $58 million in 2005 due to lower favorable reserve releases this year as well as a higher *a priori* loss ratio in 2006 reflecting compressed margins as pricing is not keeping up with loss cost trends.

The Worldwide Specialty business, which represents approximately 43% of total net premiums written for the quarter, reported net premiums written of $346 million for the third quarter, up 3% over the prior year quarter. Net premiums earned increased 6% to $430 million during the quarter. This sub-segment s technical ratio was 55.8%, compared to 178.4% for the third quarter of 2005. For the nine month period, net premiums written were up 4% to $1.3 billion. The nine-month technical ratio was 62.3%, compared to 115.2% in 2005. The technical result for the first nine months of 2006 was a gain of $419 million compared to a loss of $165 million in 2005.

The Life segment, which markets coverages primarily in Europe, Canada and Latin America, and represents approximately 13% of total net premiums written for the quarter, reported net premiums written of $110 million for the quarter, up 6% over the prior year quarter. The allocated underwriting result for the quarter was a gain of $3 million, flat with the comparable period in 2005. For the nine-month period, net premiums written increased 8% to $351 million, with an allocated underwriting gain of $6 million, compared to $9 million for the comparable period in 2005.

The ART (Alternative Risk Transfer) segment comprises structured risk transfer, principal finance, weather related products, and the results of the Company s investment in Channel Re. The pre-tax contribution to net income, including the Company s interest in the earnings of Channel Re, was $9 million for the third quarter of 2006 compared to $4 million for the third quarter of 2005. For the first nine months of 2006, the pre-tax contribution to net income was $31 million compared to $17 million for the same period in 2005. The 2006 period benefited from the early termination of a number of longer-term contracts which led to accelerated profit recognition from those contracts, which accounts for a large part of the growth in segment income.

Balance Sheet Items

At September 30, 2006, total assets were $14.8 billion as compared to $13.7 billion at December 31, 2005. Total investments and cash were $10.3 billion. Total investments and cash increased 15% compared to September 30, 2005. Gross Non-Life reserves were $6.8 billion, reflecting growth of 5% since September 30,

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2005. During the third quarter, the Company s estimate of Non-Life reserves for prior accident years developed favorably by $73 million. The overall third quarter prior year reserve development in the Non-Life segment includes net favorable development in all sub-segments with $3 million in the U.S. P&C sub-segment, $15 million in the Global (Non-U.S.) P&C sub-segment, and $55 million in the Worldwide Specialty sub-segment. In the third quarter of 2005, Non-Life reserves for prior years developed favorably by $90 million.

At September 30, 2006, total capitalization was $4.4 billion, and total shareholders equity was $3.5 billion. This compares to total capitalization of $3.9 billion, and total shareholders equity of $3.1 billion at December 31, 2005. Book value per common share at September 30, 2006 was $52.32 on a fully diluted basis, compared to $44.57 per share at December 31, 2005.

Below is a reconciliation of certain GAAP and non-GAAP measures.

	Nine Months Ended September 30,	
	2005	2006
	(in thousands except per share data and ratios)	
Annualized return on beginning common shareholders equity calculated with net (loss) income available to common shareholders	(2.0)%	24.9%
Less:		
Net realized investment gains, net of tax	5.7	1.3
Annualized operating return on beginning common shareholders equity	(7.7)%	23.6%
Net (loss) income	$ (17,424)	$ 506,614
Less:		
Net realized investment gains, net of tax	120,001	25,991
Dividends to preferred shareholders	25,894	25,894
Operating (loss) earnings available to common shareholders	$ (163,319)	$ 454,729
Per diluted share:		
Net (loss) income	$ (0.79)	$ 8.33
Less:		
Net realized investment gains, net of tax	2.20	0.45
Diluted operated (loss) earnings	$ (2.99)	$ 7.88

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	As of December 31, 2005	As of September 30, 2006
	(in thousands except per share data)	
Shareholders equity	$ 3,092,787	$ 3,545,157
Less:		
6.75% Series C cumulative preferred shares, aggregate liquidation	290,000	290,000
6.5% Series D cumulative preferred shares, aggregate liquidation	230,000	230,000
Common shareholders equity	$ 2,572,787	$ 3,025,157
Less:		
Net unrealized gains (losses) on fixed income securities, net of tax	4,382	(6,402)
Book value excluding net unrealized gains or losses on fixed income securities	$ 2,568,405	$ 3,031,559
Divided by:		
Number of common and common share equivalents outstanding	57,724.1	57,819.3
Equals:		
Diluted book value per common and common share equivalents outstanding excluding net unrealized gains or losses on fixed income securities	$ 44.49	$ 52.43

PartnerRe uses operating earnings, diluted operating earnings per share and operating return on beginning common shareholders equity to measure performance, as these measures focus on the underlying fundamentals of our operations without the influence of realized gains and losses from the sale of investments, which are driven by the timing of the disposition of investments and not by PartnerRe s operating performance. For planning purposes, PartnerRe does not anticipate realized investment gains or losses. PartnerRe also uses technical ratio and technical result as measures of underwriting performance. These metrics exclude other operating expenses.

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THE OFFERING

Issuer	PartnerRe Finance II Inc.
Guarantor	PartnerRe Ltd.
Securities	6.440% Fixed-to-Floating Junior Subordinated Capital Efficient Notes due 2066 (CENTs).
	The CENTs will be junior subordinated debentures that will be issued under a subordinated indenture among PartnerRe Finance II Inc., as issuer, PartnerRe Ltd., as guarantor, and The Bank of New York, as subordinated indenture trustee. The CENTs will be issued in denominations of $1,000 principal amount and integral multiples of $1,000 in excess thereof.
Aggregate Principal Amount	$250,000,000
Maturity Date	December 1, 2066.
Interest	Subject to certain requirements during any deferral period, as described below:
	interest on the CENTs will accrue from the issue date up to but not including December 1, 2016 at a fixed rate equal to 6.440% per year, payable semi-annually in arrears on June 1 and December 1 of each year, commencing on June 1, 2007; and
	from December 1, 2016 up to but not including the maturity date or earlier redemption, interest on the CENTs will accrue at an annual rate of 3-month LIBOR plus a margin equal to 2.325%, payable quarterly in arrears on March 1, June 1, September 1 and December 1 of each year, commencing on March 1, 2017.
Deferral of Interest	So long as no event of default with respect to the CENTs, as described below, has occurred and is continuing, the issuer may elect to defer one or more interest payments on the CENTs at any time and from time to time for up to ten years. Deferred interest will continue to accrue and compound semi-annually or quarterly, as applicable, to the extent permitted by applicable law, at the rate of interest applicable to the CENTs. Following the earlier of (i) the fifth anniversary of the commencement of an ongoing deferral period or (ii) a payment of current interest on the CENTs after the commencement of a deferral period, the alternative payment mechanism described below in this summary under Alternative Payment Mechanism will apply, with the consequence, among others, that the guarantor must (except upon an event of default with respect to the CENTs) make commercially reasonable efforts to sell qualifying securities (as described in this prospectus supplement). If such sale is successful, the issuer must provide for the payment of deferred interest out of the net proceeds from the sale of such qualifying securities on the next succeeding interest payment date following such five-year period or on such current

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interest payment date, but the issuer cannot pay such deferred interest from sources other than the net proceeds from the sale of such qualifying securities. Prior to the tenth anniversary of the commencement of an ongoing deferral period, the guarantor s failure to sell qualifying securities, and the resulting failure to make payments on the CENts, will constitute a breach of contract but not an event of default allowing acceleration of the CENts. During any deferral period the restrictions on payment by the issuer and the guarantor of dividends and other distributions on certain securities, described below in this summary under Payment Restrictions, will apply.

Upon the termination of any deferral period and the payment of all amounts then due, the issuer may commence a new deferral period, subject to the above requirements. There is no limit to the number of such new deferral periods that the issuer may begin. However, the issuer may not defer interest past the maturity date or the redemption of the CENts. See Description of the CENts Deferral of Interest.

If the issuer defers interest for a period of ten consecutive years from the commencement of a deferral period, the issuer will be required to pay all accrued and unpaid interest (including compounded interest) at the conclusion of the ten-year period, and to the extent it does not do so, the guarantor will be required to make guarantee payments in accordance with the subordinated guarantee with respect thereto. If the issuer fails to pay in full all accrued and unpaid interest (including compounded interest) at the conclusion of the ten-year period, such failure continues for 30 days and the guarantor fails to make guarantee payments with respect thereto, an event of default will occur.

Payment Restrictions

On any date on which (i) accrued interest (including compounded interest, if any) through the most recent interest payment date has not been paid in full or (ii) an event of default under the CENts or the subordinated guarantee has occurred and is continuing, the guarantor will not, and will not permit any subsidiary to, declare or pay any dividends or any distributions on, or make any payments of interest, principal or premium, or any guarantee payments on, or redeem, purchase, acquire or make a liquidation payment on, any of the guarantor s or its subsidiaries capital stock, common shares, debt securities that rank equal or junior to the CENts or the subordinated guarantee or guarantees that rank equal or junior to the CENts or the subordinated guarantee, other than *pro rata* payments on debt securities that rank equally with the CENts and the subordinated guarantee, certain inter-company payments and certain exceptions detailed in Description of the CENts Certain Restrictions during Deferral Periods. In addition, in the event that any deferral period lasts longer than one year, the restrictions on the guarantor s and its subsidiaries ability to redeem or repurchase securities that rank equally with or junior to the CENts or the subordinated guarantee will continue until the first anniversary of the date on which all deferred interest on the CENts has been paid.

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Alternative Payment Mechanism	As described above, following the commencement of a deferral period, the issuer may pay accrued but unpaid interest, together with any compounded interest, only through the alternative payment mechanism, until the issuer has paid in full all unpaid interest (including compounded interest). The guarantor s obligation to make commercially reasonable efforts to sell qualifying securities to satisfy the alternative payment mechanism is subject to market disruption events and other limitations (as described under Description of the CENts Alternative Payment Mechanism), and does not apply if an event of default with respect to the CENts has occurred and is continuing. The net proceeds received by the guarantor from the issuance of qualifying securities (i) during the 180 days prior to any interest payment date on which the alternative payment mechanism applies and (ii) designated by the guarantor at or before the time of such issuance as available to pay interest on the CENts, will be delivered to the subordinated indenture trustee to satisfy the relevant interest payment, and will at such time be deemed to satisfy the issuer s obligations to pay interest on the CENts pursuant to the alternative payment mechanism.
Subordination	The payment of principal of and interest on the CENts, to the extent provided in the subordinated indenture, will be subordinated to the prior payment in full of all present and future senior and subordinated indebtedness of the issuer, as described in Description of the CENts Subordination.
	The subordinated guarantee will be an unsecured subordinated obligation of the guarantor and will rank junior to all senior indebtedness of the guarantor from time to time outstanding. The subordinated guarantee will be subordinated to the guarantees provided by the guarantor in connection with the issuance of trust preferred securities in 2001 and will rank *pari passu* with trade accounts payable and certain liabilities for taxes and senior to the guarantor s common shares and preference shares. The subordinated indenture places no limitation on the amount of additional senior indebtedness that the issuer or the guarantor may incur. The guarantor expects from time to time to incur additional indebtedness constituting senior indebtedness.
	Because PartnerRe Ltd., the guarantor, is a holding company, the guarantor s rights and the rights of its creditors, including the holders of CENts who would be creditors of the guarantor by virtue of the subordinated guarantee, and shareholders to participate in any distribution of the assets of any subsidiary upon the subsidiary s liquidation or reorganization or otherwise would be subject to prior claims of the subsidiary s creditors and policyholders, except in some cases to the extent that the guarantor may be a creditor of the subsidiary. The right of the guarantor s creditors, including the holders of CENts under the subordinated guarantee, to participate in the distribution of the stock or shares owned by the guarantor in some of its subsidiaries, including its insurance subsidiaries, may also be subject to

approval by insurance regulatory authorities having jurisdiction over the subsidiaries.

Limitation on Claims in the Event of Bankruptcy, Insolvency or Reorganization

In the event of the issuer s or the guarantor s bankruptcy, insolvency or reorganization prior to the maturity or redemption of any CENts, whether voluntary or not, a holder of CENts will have no claim for, and thus no right to receive, accrued interest that is unpaid (including compounded interest thereon) and has not been settled through the application of the alternative payment mechanism, to the extent the amount of such interest exceeds an amount corresponding to two years of accumulated and unpaid interest (including compounded interest thereon) on such holder s CENts (the bankruptcy claim cap).

Redemption

The issuer may redeem the CENts (i) prior to December 1, 2016, in whole but not in part, upon the occurrence of a rating agency event or within 90 days following a tax event (each as defined in this prospectus supplement), for cash in an amount equal to the greater of the par redemption amount and the make-whole redemption amount (each as defined in this prospectus supplement) or (ii) on or after December 1, 2016, in whole or in part, for cash in an amount equal to the par redemption amount. See Description of the CENts Redemption.

Replacement Capital Intent

The issuer and the guarantor intend, to the extent that the CENts provide the guarantor with rating agency equity credit at the time of any redemption, repurchase or defeasance, to redeem, repurchase or defease (or to cause such action with respect to) the principal amount of the CENts with amounts that include net proceeds received by the issuer or the guarantor from the sale or issuance, during the 180-day period prior to the notice date for such action, to third-party purchasers, of securities that would provide at least as much equity credit as the CENts at that time, and which have features similar to the CENts in terms of maturity, subordination, deferral and settlement of distributions. The determination of the equity credit of the CENts may result in the issuance of an amount of new securities that may be less than the principal amount of the CENts, depending upon, among other things, the nature of the new securities issued and the equity credit attributed by a rating agency to the CENts and the new securities.

Events of Default

The subordinated indenture will provide the following events of default with respect to the CENts:

default in the payment of the principal of, and premium, if any, on the CENts when due;

any non-payment of interest that continues for ten consecutive years without all accrued and unpaid interest (including

compounded interest) having been paid in full, such non-payment continues for 30 days and the guarantor fails to make guarantee payments with respect thereto; or

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	an event of bankruptcy, insolvency or reorganization relating to the issuer or the guarantor, whether voluntary or not.
	The subordinated indenture does not include as an event of default, failure to comply with covenants, including the alternative payment mechanism.
Use of Proceeds	It is anticipated that a portion of the proceeds will be used for the redemption of all of the $200 million liquidation amount of the 7.90% trust preferred securities issued in 2001 by PartnerRe Capital Trust I. Any remaining proceeds will be used for general corporate purposes.
Material U.S. Federal Income Tax Consequences	
	Our counsel, Davis Polk & Wardwell, will render its opinion that, while the matter is not free from doubt, the CENts will be characterized as indebtedness for U.S. federal income tax purposes. By investing in the CENts, each beneficial owner of a CENt agrees to this characterization.
	Under such characterization, interest payments on the CENts will be taxable to U.S. holders (as defined below) as ordinary interest income at the time that such payments are accrued or received (in accordance with such holders method of tax accounting). If PartnerRe Finance defers interest on the CENts, such holders will be required to accrue income for U.S. federal income tax purposes in an amount equal to the accumulated interest on the CENts, in the form of original issue discount, even though cash distributions are deferred and even though such holders may be cash basis taxpayers. See Material U.S. Federal Income Tax Consequences.
Trustee and Principal Paying Agent	The Bank of New York
Governing Law	New York

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RISK FACTORS

You should carefully consider the risks described below before investing in the CENts. The risks and uncertainties described below are not the only ones relevant to an investment in the CENts. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of these risks actually occurs, our business, financial condition and results of operations could be materially affected. In that case, the value of the CENts could decline substantially. For additional risks relevant to an investment in the CENts, see Risk Factors in PartnerRe s annual report on Form 10-K/A for the year ended December 31, 2005.

Risks Related to the Ownership of the CENts

The issuer may elect to defer interest payments on the CENts and will face restrictions on its ability to resume payments after a deferral period.

So long as no event of default with respect to the CENts has occurred and is continuing, the issuer may elect to defer one or more interest payments on the CENts at any time and from time to time for up to ten years. Following the earlier of (i) the fifth anniversary of the commencement of an ongoing deferral period or (ii) a payment of current interest on the CENts after the commencement of a deferral period, the alternative payment mechanism will apply, with the consequences, among others, that the issuer may pay deferred interest only out of the net proceeds of qualifying securities issued pursuant to the alternative payment mechanism. Upon termination of any deferral period and the payment of all amounts then due, the issuer may commence a new deferral period, subject to certain requirements. There is no limit to the number of such new deferral periods that the issuer may begin.

The guarantor s ability to raise proceeds in connection with the alternative payment mechanism will depend on, among other things, market conditions at the time, the acceptability to prospective investors of the terms of the qualifying securities issued, PartnerRe s financial performance and a variety of other factors beyond our control, including our ability to obtain any required consents or approvals, such as any corporate, stockholder, governmental or regulatory authorization that may be required. Accordingly, there could be circumstances where the issuer would wish to or be required to pay interest on the CENts and sufficient cash is available for that purpose, but cannot do so because the guarantor has not been able to obtain proceeds from sales of qualifying securities sufficient for that purpose.

In any event, a failure to pay interest, whether due to an inability to exercise the alternative payment mechanism or otherwise, will not be an event of default giving rise to an ability to accelerate the CENts until ten years have passed since the commencement of an ongoing deferral period.

Holders of the CENts have limited rights to accelerate payments of the amounts due under the CENts.

The holder of the CENts may accelerate payment of the CENts only upon the occurrence of an event of default, which will be limited to:

- default in the payment of the principal of, and premium, if any, on the CENts when due;

- any non-payment of interest that continues for ten consecutive years without all accrued and unpaid interest (including compounded interest) having been paid in full, such non-payment continues for 30 days and the guarantor fails to make guarantee payments with respect thereto; or

- an event of bankruptcy, insolvency or reorganization relating to the issuer or the guarantor, whether voluntary or not.

A failure to comply with or breach of the other covenants in the subordinated indenture with respect to the CENts (an other covenant default), including the covenant to sell qualifying securities through the alternative payment mechanism to meet certain interest payment obligations, will not result in the acceleration of payment of the CENts. Although an other covenant default will not constitute an event of default, it will constitute a

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breach under the subordinated indenture and could give rise to a claim against the issuer relating to the specific breach; however, the remedy of holders of the CENts may be limited to direct monetary damages (if any).

The after-market price of the CENts may be discounted significantly if the issuer defers interest payments or is unable to pay interest.

If the issuer defers interest payments on the CENts or is unable to pay interest as a result of the requirement to implement the alternative payment mechanism, you may be unable to sell your CENts at a price that reflects the value of the deferred amounts. To the extent a trading market develops for the CENts, that market may not continue during such a deferral period, or during periods in which investors perceive that there is a likelihood of a deferral, and you may be unable to sell your CENts at those times, either at a price that reflects the value of required payments under the CENts or at all.

An active after-market for the CENts may not develop.

The CENts constitute a new issue of securities with no established trading market. We cannot assure you that an active after-market for the CENts will develop or be sustained or that holders of the CENts will be able to sell their CENts at favorable prices or at all. Although the underwriters have indicated to us that they intend to make a market in the CENts, as permitted by applicable laws and regulations, they are not obligated to do so and may discontinue any such market-making at any time without notice. Accordingly, we cannot give any assurance as to the liquidity of, or trading markets for, the CENts. The CENts are not listed, and we do not plan to apply to list the CENts on any securities exchange or to include them in any automated quotation system.

Interest payments on the CENts may be deferred and, in such case, U.S. holders of the CENts will be required to recognize income for U.S. federal income tax purposes in advance of the receipt of cash attributable to such income.

If PartnerRe Finance defers payments of interest, the sum of the remainin