

PLATINUM UNDERWRITERS HOLDINGS LTD

Form 424B5

December 02, 2005

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File No. 333-129182

PROSPECTUS SUPPLEMENT**(To prospectus dated November 4, 2005)****5,000,000 Shares****6% Series A Mandatory Convertible Preferred Shares**

Platinum Underwriters Holdings, Ltd. is offering 5,000,000 of our 6% Series A mandatory convertible preferred shares (the Preferred Shares) by this prospectus supplement (the Preferred Shares Offering). The Preferred Shares will not be redeemable.

We will pay annual dividends on each Preferred Share in the amount of \$1.81. Dividends will accrue and cumulate from the date of issuance, and, to the extent we are legally permitted to pay dividends and our board of directors, or an authorized committee of our board of directors, declares a dividend payable, we will pay dividends in cash on February 15, May 15, August 15 and November 15 of each year prior to February 15, 2009, or the following business day if such day is not a business day, and on February 15, 2009. The first quarterly dividend payment will be payable on February 15, 2006 in the amount of \$.35 per Preferred Share, which reflects the time from the date of issuance through February 14, 2006.

Each Preferred Share has a liquidation preference of \$30.15, plus an amount equal to accrued, cumulated and unpaid dividends. Each Preferred Share will automatically convert on February 15, 2009 into between 0.7874 and 1.0000 Common Shares, subject to anti-dilution adjustments, depending on the average market price per Common Share over the 20 trading day period ending on the third trading day prior to such date. At any time prior to February 15, 2009, holders may elect to convert each Preferred Share into 0.7874 Common Shares, subject to anti-dilution adjustments.

Concurrently, we are offering (the Common Shares Offering), by means of a separate prospectus supplement, 3,316,750 of our Common Shares and the selling shareholder identified in that separate prospectus supplement is offering 3,960,000 of our Common Shares. The underwriters have an option to purchase from Platinum Holdings a maximum of 1,091,513 additional Common Shares to cover overallocments. In addition, Platinum Underwriters Finance, Inc., our indirect wholly-owned subsidiary, has concurrently commenced a tender offer in which it is offering to purchase for cash any and all of its outstanding 6.371% Senior Guaranteed Notes due 2007, which are fully and unconditionally guaranteed by Platinum Holdings (the Remarketed Notes), and any and all of its outstanding Series B 6.371% Senior Guaranteed Notes due 2007, which are fully and unconditionally guaranteed by Platinum Holdings (the Series B 6.371% Notes and together with the Remarketed Notes, the 6.371% Notes) and are registered under the Securities Act of 1933, as amended (the Securities Act), by means of an Offer to Purchase dated November 28, 2005, as the same may be amended from time to time (the Offer to Purchase). We refer to this tender offer for the 6.371% Notes as the Debt Tender Offer. None of these transactions is conditioned upon the consummation of any of the other transactions.

Prior to this Preferred Shares Offering, there has been no public market for our Preferred Shares. We have applied to have our Preferred Shares listed on the New York Stock Exchange (NYSE) under the symbol PTP PrA. Our Common Shares are listed on the NYSE under the symbol PTP. The last reported sale price of our Common Shares on the NYSE on November 30, 2005 was \$30.46.

Investing in our Preferred Shares involves risks. See Risk Factors beginning on page S-13 of this prospectus supplement and page 4 of the prospectus dated November 4, 2005.

	Per Share	Total
Public offering price	\$30.15	\$150,750,000
Underwriting discounts and commissions	\$.90	\$4,522,500
Proceeds, before expenses, to us	\$29.25	\$146,227,500

We have granted the underwriters an option to purchase up to 750,000 additional Preferred Shares from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement to cover over-allotments.

Neither the Securities and Exchange Commission (the SEC), any state securities commission, the Registrar of Companies in Bermuda, the Bermuda Monetary Authority nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement. Any representation to the contrary is a criminal offense.

The Preferred Shares will be ready for delivery on or about December 6, 2005.

**Merrill Lynch & Co.
Goldman, Sachs & Co.**

The date of this prospectus supplement is November 30, 2005.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. We have not and the underwriters have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we nor the underwriters are making an offer to sell these securities in a jurisdiction where the offer or sale is not permitted.

The information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate only as of the dates of this prospectus supplement and the accompanying prospectus, respectively, or, in the case of the documents incorporated by reference, the dates of such documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement is a supplement to the accompanying prospectus that is also a part of this document. This prospectus supplement and the accompanying prospectus are part of a Registration Statement on Form S-3 (File No. 333-129182) that we filed with the Securities and Exchange Commission (the SEC) using a shelf registration process (the 2005 Shelf Registration Statement). In this prospectus supplement, we provide you with specific information about the terms of this Preferred Shares Offering and certain other information. Both this prospectus supplement and the accompanying prospectus include important information about us, our Preferred Shares and other information you should know before investing in our Preferred Shares. This prospectus supplement and the accompanying prospectus also incorporate by reference important business and financial information about Platinum Holdings and its subsidiaries that is not included in or delivered with these documents. You should read both this prospectus supplement and the accompanying prospectus as well as the additional information described under the heading Where You Can Find More Information on page S-69 of this prospectus supplement and page 40 of the accompanying prospectus before investing in our Preferred Shares. This prospectus supplement adds, updates and changes information contained in the accompanying prospectus and the information incorporated by reference. To the extent that any statement that we make or incorporate by reference in this prospectus supplement is inconsistent with the statements made in the accompanying prospectus or the information incorporated by reference herein or therein, the statements made or incorporated by reference in the accompanying prospectus are deemed modified or superseded by the statements made or incorporated by reference in this prospectus supplement.

We own or have rights to trademarks or trade names that we use in conjunction with the operation of our business. In addition, our name, logo and web site name and address are our service marks or trademarks. Each trademark, trade name or service mark of any other company appearing in this prospectus supplement belongs to its holder.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus, and the documents we incorporate by reference herein and therein, may contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), with respect to our beliefs, plans, goals, expectations, and estimates. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, us.

In particular, statements using words such as may, should, estimate, expect, anticipate, intend, believe, potential, or words of similar import generally involve forward-looking statements. This prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein also contain forward-looking statements with respect to our business and

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industry, such as those relating to our strategy and management objectives and trends in market conditions, market standing, product volumes, investment results and pricing conditions.

In light of the risks and uncertainties inherent in all future projections, the inclusion of forward-looking statements in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein should not be considered as a representation by us or any other person that our objectives or plans will be achieved. Numerous factors could cause our actual results to differ materially from those in forward-looking statements, including the following:

- (1) conducting operations in a competitive environment;
- (2) our ability to maintain our A.M. Best Company rating;
- (3) significant weather-related or other natural or man-made disasters over which the Company has no control;
- (4) the effectiveness of our loss limitation methods and pricing models;
- (5) the adequacy of the Company's liability for unpaid losses and loss adjustment expenses;
- (6) the availability of retrocessional reinsurance on acceptable terms;
- (7) our ability to maintain our business relationships with reinsurance brokers;
- (8) general political and economic conditions, including the effects of civil unrest, war or a prolonged U.S. or global economic downturn or recession;
- (9) the cyclicity of the property and casualty reinsurance business;
- (10) market volatility and interest rate and currency exchange rate fluctuation;
- (11) tax, regulatory or legal restrictions or limitations applicable to the Company or the property and casualty reinsurance business generally;
- (12) changes in the Company's plans, strategies, objectives, expectations or intentions, which may happen at any time at the Company's discretion; and
- (13) the uncertainty as to the ultimate magnitude of our losses pursuant to Hurricanes Katrina, Rita and Wilma.

As a consequence, current plans, anticipated actions and future financial conditions and results may differ from those expressed in any forward-looking statements made by or on behalf of the Company. The foregoing factors should not be construed as exhaustive. Additionally, forward-looking statements speak only as of the date they are made, and we undertake no obligation to release publicly the results of any future revisions or updates we may make to forward-looking statements to reflect new information or circumstances after the date hereof or to reflect the occurrence of future events.

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This summary highlights information contained elsewhere in this prospectus supplement. We urge you to read this entire prospectus supplement and the accompanying prospectus carefully, including the Risk Factors sections. In this prospectus supplement and the accompanying prospectus, references to the Company, Platinum, we, us and o refer to Platinum Underwriters Holdings, Ltd. and its consolidated subsidiaries, including Platinum Underwriters Finance, Inc., unless the context otherwise indicates. Platinum Holdings refers solely to Platinum Underwriters Holdings, Ltd. Platinum US refers to Platinum Underwriters Reinsurance, Inc. Platinum UK refers to Platinum Re (UK) Limited. Platinum Bermuda refers to Platinum Underwriters Bermuda, Ltd. Platinum Ireland refers to Platinum Regency Holdings. Platinum Finance refers to Platinum Underwriters Finance, Inc. Platinum Services refers to Platinum Administrative Services, Inc. Common Shares refers to the common shares of Platinum Holdings, par value \$0.01 per share. Preferred Shares refers to the 6.00% Series A mandatory convertible preferred shares we are offering pursuant to this prospectus supplement and the accompanying prospectus.

Platinum Underwriters Holdings, Ltd.

We are a leading provider of property and marine, casualty and finite risk reinsurance coverages, through reinsurance intermediaries, to a diverse clientele of insurers and select reinsurers on a worldwide basis. We are a Bermuda holding company organized in 2002 and operate through three licensed reinsurance subsidiaries: Platinum US, Platinum Bermuda and Platinum UK.

We have organized our worldwide reinsurance business around the following three operating segments: Property and Marine, Casualty and Finite Risk. In each of our operating segments, we offer our reinsurance products to providers of commercial and personal lines of insurance. The following table sets forth the net premiums written by the Company for the nine months ended September 30, 2005 and 2004, the years ended December 31, 2004 and 2003, and the period from November 1, 2002 through December 31, 2002 (the 2002 Period) by operating segment and by type of reinsurance (\$ in thousands):

	Nine Months Ended September 30,		Years Ended December 31,						
	2005	2004	2004		2003		2002 Period		
Property and Marine									
Excess-of-loss	\$ 300,394	\$ 288,279	\$ 366,184	22%	\$ 224,715	19%	\$ 56,549	19%	
Proportional	152,958	105,485	138,255	8%	128,193	11%	32,792	11%	
Total Property and Marine	453,352	393,764	504,439	30%	352,908	30%	89,341	30%	
Casualty									
Excess-of-loss	511,280	447,907	593,752	37%	389,992	33%	155,377	52%	
Proportional	109,938	60,786	83,647	5%	84,008	7%	9,552	3%	
Total Casualty	621,218	508,693	677,399	42%	474,000	40%	164,929	55%	
Finite Risk									
Excess-of-loss	51,511	163,672	270,629	16%	250,634	22%	43,844	15%	
Proportional	200,863	184,999	193,546	12%	94,600	8%		0%	

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Total Finite Risk	252,374	348,671	464,175	28%	345,234	30%	43,844	15%
Total								
Excess-of-loss	863,185	899,858	1,230,565	75%	865,341	74%	255,770	86%
Proportional	463,759	351,270	415,448	25%	306,801	26%	42,344	14%
Total	\$ 1,326,944	\$ 1,251,128	\$ 1,646,013	100%	\$ 1,172,142	100%	\$ 298,114	100%

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The Property and Marine operating segment includes principally property and marine reinsurance coverages that are written in the United States and international markets. This business includes catastrophe excess-of-loss reinsurance treaties, per-risk excess-of-loss treaties and proportional treaties. We write a limited amount of other types of reinsurance on an opportunistic basis.

The Casualty operating segment includes principally reinsurance treaties that cover umbrella liability, general and product liability, professional liability, workers' compensation, casualty clash, automobile liability, surety and trade credit. This segment also includes accident and health reinsurance treaties, which are predominantly reinsurance of health insurance products. We generally write casualty reinsurance on an excess-of-loss basis. Most frequently, we respond to claims on an individual risk basis, providing coverage when a claim for a single original insured reaches our attachment point. We write some excess-of-loss treaties on an occurrence basis that respond when all of a ceding company's claims from multiple original insureds arising from a single claims event exceed our attachment point. On an opportunistic basis, we may write proportional treaties in this segment.

The Finite Risk operating segment includes principally structured reinsurance contracts with ceding companies whose needs may not be met efficiently through traditional reinsurance products. The classes of risks underwritten through finite risk contracts are fundamentally the same as the classes covered by traditional products. Typically, the potential amount of losses paid is finite or capped. In return for this limit on losses, there is typically a cap on the potential profit margin specified in the treaty. Profits above this margin are returned to the ceding company. Thus, this type of coverage typically is less expensive to the ceding company. The finite risk contracts that we underwrite generally provide prospective protection, meaning coverage is provided for losses that are incurred after inception of the contract, as contrasted with retrospective coverage which covers losses that are incurred prior to inception of the contract. The three main categories of finite risk contracts are quota share, multi-year excess-of-loss and whole account aggregate stop loss.

Our Strategy

Our goal is to achieve attractive long-term returns for our shareholders, while establishing Platinum as a disciplined risk manager and market leader in selected classes of property and casualty reinsurance, through the following strategies:

Operate as a Multi-Class Reinsurer. We seek to offer a broad range of reinsurance coverage to our ceding companies. We believe that this approach enables us to more effectively serve our clients, diversify our risk and leverage our capital.

Focus on profitability, not market share. Our management team pursues a strategy that emphasizes profitability rather than market share. Key elements of this strategy are prudent risk selection, appropriate pricing and adjustment of our business mix to respond to changing market conditions.

Exercise disciplined underwriting and risk management. We exercise underwriting and risk management discipline by (i) maintaining a diverse spread of risk in our book of business across product lines and geographic zones, (ii) emphasizing excess-of-loss contracts over proportional contracts, (iii) managing our aggregate catastrophe exposure through the application of sophisticated property catastrophe modeling tools and (iv) monitoring our accumulating exposures on our non-property catastrophe exposed coverages.

Operate from a position of financial strength. As of September 30, 2005, we had a total capitalization of \$1,615,317,000. Our capital position is unencumbered by any potential adverse development of unpaid losses for business written prior to January 1, 2002. Our investment strategy focuses on security and stability in our investment portfolio by maintaining a diversified portfolio that consists primarily of investment grade fixed-income securities. We believe these factors, combined with our strict underwriting discipline, allow

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us to maintain our strong financial position and to be opportunistic when market conditions are most attractive.

We have applied to have the Preferred Shares listed on the NYSE under the symbol PTP PrA. Platinum Holdings Common Shares are traded under the symbol PTP on the NYSE.

Platinum Holdings corporate headquarters are located at The Belvedere Building, 69 Pitts Bay Road, Pembroke, HM 08, Bermuda, and our telephone number is (441) 295-7195. Our website address is *www.platinumre.com*. The information contained on our website is not a part of this prospectus supplement or the accompanying prospectus.

Capital Markets Transactions

In November 2002, we completed an initial public offering of 33,044,000 Common Shares (the Public Offering). Concurrently with the completion of the Public Offering, we completed an offering of 5,500,000 equity security units (the ESUs) at a price of \$25 per unit. Each ESU consisted of a contract to purchase our Common Shares on November 16, 2005, and an ownership interest in a 5.25% Senior Guaranteed Note due 2007 (the Senior Guaranteed Notes) issued by Platinum Finance, our indirect wholly-owned subsidiary, and fully and unconditionally guaranteed by Platinum Holdings. Also, concurrently with the Public Offering, we and The St. Paul Travelers Companies, Inc., formerly The St. Paul Companies, Inc. (St. Paul), entered into several agreements for the transfer of the continuing reinsurance business and certain related assets of St. Paul to the Company.

In May 2005, Platinum Finance issued \$250,000,000 aggregate principal amount of Series A 7.50% Notes due June 1, 2017 fully and unconditionally guaranteed by Platinum Holdings (the Series A 7.50% Notes), all of which have been exchanged for \$250,000,000 aggregate principal amount of Series B 7.50% Notes due June 1, 2017 fully and unconditionally guaranteed by Platinum Holdings (the Series B 7.50% Notes) that have been registered under the Securities Act. The proceeds of the Series A 7.50% Notes were used primarily to increase the capital of Platinum Bermuda and Platinum US. We received no proceeds from the issuance of Series B 7.50% Notes.

On August 16, 2005, pursuant to the terms of the ESUs, we successfully completed the remarketing of \$137.5 million aggregate principal amount of the Senior Guaranteed Notes at a price of 100.7738%. The Remarketed Notes were issued by Platinum Finance and fully and unconditionally guaranteed by Platinum Holdings and, pursuant to their terms, were not part of the ESUs. Interest on the Remarketed Notes was reset to a rate of 6.371% per annum, accrues from August 16, 2005 and is payable on May 16 and November 16 of each year, commencing November 16, 2005.

On September 22, 2005, we announced that we had sold 5,839,286 of our Common Shares. The net proceeds to us were approximately \$161,865,000 at a price of \$28.00 per share. All Common Shares were offered by us and sold pursuant to the universal shelf registration statement filed in 2004. Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated (Merrill Lynch) acted as the underwriter of that offering.

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RECENT DEVELOPMENTS

Hurricane Wilma

On November 9, 2005, we issued a press release announcing our initial loss estimate of approximately \$135 million, net of reinstatement premiums, tax benefits and retrocessional recoveries, from Hurricane Wilma, which made landfall in Mexico and Southern Florida in late October. Our initial loss estimate from Hurricane Wilma is preliminary and based on portfolio modeling, a review of individual contracts and preliminary indications from clients and brokers and therefore the actual impact on our results arising from Hurricane Wilma may differ materially from our initial loss estimate.

Settlement of the Purchase Contract Component of the ESUs

On November 16, 2005, we announced the settlement of the purchase contract component of our ESUs. Each purchase contract provided for the sale by us of 0.9107 Common Shares at a price of \$25.00. The settlement of the purchase contracts resulted in our sale of an aggregate of 5,008,850 Common Shares. We received \$137.5 million in proceeds from the sale. As a result of this settlement, the ESUs (formerly NYSE: PTP PrM) ceased to exist and are no longer traded on the NYSE.

Closing of 6.371% Notes Exchange Offer

On November 30, 2005, Platinum Finance closed an exchange offer through which it had offered to exchange up to \$137,500,000 aggregate principal amount of its outstanding Remarketed Notes for up to \$137,500,000 aggregate principal amount of its Series B 6.371% Notes, which have been registered under the Securities Act, pursuant to a separate prospectus. The exchange offer period expired on November 29, 2005, at which time \$118,500,000 aggregate principal amount of outstanding Remarketed Notes had been tendered and accepted for exchange. In the concurrent Debt Tender Offer, Platinum Finance has offered to purchase any and all outstanding Remarketed Notes and Series B 6.371% Notes.

Concurrent Transactions

Concurrently with this offering, we are, by means of a separate prospectus supplement, conducting the Common Shares Offering, in which we are offering 3,316,750 Common Shares for net proceeds of approximately \$96 million, plus net proceeds of up to approximately an additional \$31 million if the underwriters' overallotment option to purchase an additional 1,091,513 Common Shares from us is exercised in full (based on a public offering price of \$30.15 per share and after deducting underwriting discounts and commissions and expenses payable by us). Pursuant to that same separate prospectus supplement, the selling shareholder identified therein is also offering 3,960,000 Common Shares. Also concurrently with this offering and the Common Shares Offering, Platinum Finance has commenced the Debt Tender Offer by means of an Offer to Purchase through which it is offering to purchase for cash any and all of its 6.371% Notes. None of the transactions is conditioned upon the consummation of any of the other transactions.

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The following table sets forth our cash and cash equivalents and our capitalization as of September 30, 2005 on an actual basis and as adjusted to reflect (i) the concurrent issuance of the Common Shares offered by us pursuant to a separate prospectus supplement for net proceeds of approximately \$127 million based on a public offering price of \$30.15 per share after deducting underwriting discounts and commissions and expenses payable by us and assuming the exercise in full of the underwriters' overallotment option; (ii) the issuance of the Preferred Shares being offered hereby for net proceeds of approximately \$168 million and based on a public offering price of \$30.15 per Preferred Share, after deducting underwriting discounts and commissions and expenses payable by us and assuming the exercise in full of the underwriters' overallotment option; (iii) the repurchase by us of all the outstanding 6.371% Notes pursuant to the concurrent Debt Tender Offer at an assumed price of \$1,019.5 per \$1000 principal amount of 6.371% Notes, the price at which such 6.371% Notes would be repurchased if the concurrent Debt Tender Offer were consummated on November 23, 2005; and (iv) the settlement of the purchase contracts which had formed a part of our ESUs. None of these transactions is conditioned upon the consummation of any of the other transactions. This presentation should be read in conjunction with our condensed consolidated financial statements and related notes included in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2005 which is incorporated herein by reference.

As of September 30, 2005

	Actual	Adjustment for the Common Shares Offered by Us	Adjustment for the Preferred Shares Offered Hereby	Adjustment for the Debt Tender Offer	Adjustment for the Settlement of the Purchase Contracts	Adjustment for all Four Transactions Described Above
(\$ in thousands)						
Cash and cash equivalents	\$ 391,637	126,703	168,032	(139,324)	137,500	684,548
Debt obligations						
Remarketed Notes(1)	137,500			(137,500)		
Series A 7.50% Notes(2)	250,000					250,000
Total debt obligations	387,500			(137,500)		250,000
Common shares	496	44			50	590
Preferred shares			58			58
Additional paid-in capital	1,092,029	126,659	167,974		137,450	1,524,112
Unearned share grant compensation	(2,108)					(2,108)
Accumulated other comprehensive	(25,718)					(25,718)

income						
Retained earnings	163,118			(1,824)		161,294
Total shareholders equity	1,227,817	126,703	168,032	(1,824)	137,500	1,658,228
Total capitalization(3)	1,615,317	126,703	168,032	(139,324)	137,500	1,908,228
Book Value Per Common Share	\$ 24.75					25.25

- (1) Represents the Remarketed Notes which, prior to the remarketing thereof, had formed a part of our ESUs. On November 30, 2005, we closed an exchange offer pursuant to which \$118,500,000 aggregate principal amount of Remarketed Notes was tendered and accepted in exchange for \$118,500,000 aggregate principal amount of Series B 6.371% Notes registered under the Securities Act.
- (2) Represents the issuance by Platinum Finance of \$250,000,000 aggregate principal amount of Series A 7.50% Notes fully and unconditionally guaranteed by Platinum Holdings, which notes were exchanged on November 2, 2005 for Series B 7.50% Notes registered under the Securities Act.
- (3) Total capitalization is comprised of shareholders equity and total debt.

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SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA