

PARTNERRE LTD
 Form 424B2
 April 30, 2003

The information in this prospectus supplement is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

PROSPECTUS SUPPLEMENT
 (Subject to completion, dated April 28, 2003)
 (To Prospectus dated April 9, 2003)

Filed Pursuant to Rule 424(b)(2)
 File No. 333-101486

Shares

PartnerRe Ltd.

**% SERIES C CUMULATIVE REDEEMABLE PREFERRED SHARES
 (Liquidation Preference \$25.00 per share)**

The Series C Cumulative Redeemable Preferred Shares will not be redeemable before May , 2008. Beginning May , 2008, PartnerRe Ltd. may redeem Series C Cumulative Redeemable Preferred Shares at \$25 per share plus accumulated and unpaid dividends without interest. Dividends on the Series C Cumulative Redeemable Preferred Shares will be cumulative from the date of issuance and are payable quarterly, starting September 1, 2003.

PartnerRe Ltd. expects to list the Series C Cumulative Redeemable Preferred Shares on the New York Stock Exchange and expects that trading will commence within 30 days after the initial delivery of the Series C Cumulative Redeemable Preferred Shares.

Investing in the Series C Cumulative Redeemable Preferred Shares involves risks. See Risk Factors on page 3 of the accompanying prospectus and in our Form 8-K filed on March 28, 2003.

PRICE \$25 PER SHARE

	Price to Public(1)	Underwriting Discounts and Commissions	Proceeds to PartnerRe
Per Share	\$25.00	\$	\$
Total	\$	\$	\$

(1) Plus accrued dividends, if any, from the date of original issuance.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the Series C Cumulative Redeemable Preferred Shares to purchasers on or about May , 2003.

Joint Book-Running Managers

Citigroup

Morgan Stanley

Merrill Lynch & Co.

UBS Warburg

Wachovia Securities

, 2003

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate as of any date other than the date on the front cover of this prospectus supplement or the date of the accompanying prospectus, as applicable.

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PROSPECTUS SUPPLEMENT SUMMARY

The following summary contains basic information about us and our Series C preferred shares. It does not contain all the information that is important to you. You should read the summary together with the more detailed information and financial statements and notes to the financial statements contained elsewhere or incorporated by reference in this prospectus supplement or the accompanying prospectus. To fully understand this offering, you should read all of these documents. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus, on the other hand, the information in this prospectus supplement shall control. As used in this prospectus supplement, the terms we, our or us may, depending upon the context, refer to PartnerRe, to one or more of PartnerRe's consolidated subsidiaries or to all of them taken as a whole.

PartnerRe Ltd.

We provide multi-line reinsurance to insurance companies on a worldwide basis through our wholly owned subsidiaries, Partner Reinsurance Company Ltd., PartnerRe SA and Partner Reinsurance Company of the U.S. Risks reinsured include, but are not limited to, property, casualty, motor, agriculture, aviation/space, catastrophe, credit/surety, engineering/energy, marine, special risk, other lines and life/annuity and health. We are a Bermuda company with principal executive offices located at 96 Pitts Bay Road, Pembroke HM 08, Bermuda. Our telephone number is (441) 292-0888.

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The Offering

The description of the terms of the Series C preferred shares in this section is not complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the Certificate of Designation relating to the Series C preferred shares (the Certificate of Designation) and our Bye-Laws. See Description of Series C Cumulative Redeemable Preferred Shares.

Securities Offered	% Series C Cumulative Redeemable Preferred Shares.
Dividends	Dividends on the Series C preferred shares will be cumulative from the date of original issuance and will be payable when, as and if declared by our board of directors, quarterly in arrears on the first day of March, June, September and December of each year (or, if such date is not a business day, on the business day immediately following such date), commencing September 1, 2003, in an amount per share equal to % of the liquidation preference per annum (equivalent to \$ per share). See Description of Series C Cumulative Redeemable Preferred Shares Dividend Rights.
Liquidation Rights	Upon liquidation, holders of the Series C preferred shares will be entitled to receive from our assets legally available for distribution to shareholders a liquidation preference of \$25.00 per share, plus accrued and unpaid dividends, if any, to the date of liquidation. See Description of Series C Cumulative Redeemable Preferred Shares Liquidation Preference.
Conversion	The Series C preferred shares are not convertible into or exchangeable for any other securities of the Company.
Redemption	On or after May , 2008, the Series C preferred shares will be redeemable, in whole or in part, at our option at any time, at a redemption price of \$25.00 per share, plus accrued and unpaid dividends, if any, to the date of redemption, without interest. The Series C preferred shares have no stated maturity and will not be subject to any sinking fund or mandatory redemption. See Description of Series C Cumulative Redeemable Preferred Shares Redemption.
Voting Rights	Generally, the holders of the Series C preferred shares will not have any voting rights. Whenever dividends on the Series C preferred shares or any class or series of capital shares ranking on a parity with the Series C preferred shares with respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, as further described in the Certificate of Designation are in arrears in an amount equivalent to dividends for six full dividend periods (whether or not consecutive), the Certificate of Designation provides that holders of the Series C preferred shares (voting together as a single class with the holders of parity shares) will have the right to elect two directors whose terms of office shall continue until such dividend arrearage is eliminated. In addition, certain transactions that would vary the rights

of holders of the Series C preferred shares cannot be made without the approval of the holders of 75% of the Series C preferred shares. See Description of Series C Cumulative Redeemable Preferred Shares Voting Rights.

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Ranking

The Series C preferred shares will rank senior to our common shares with respect to payment of dividends and amounts upon liquidation, dissolution or winding up. See Description of Series C Cumulative Redeemable Preferred Shares Dividend Rights and Liquidation Preference.

Limitations on Transfer and Ownership

Our Bye-Laws and the Certificate of Designation provide that, subject to waiver by the board of directors, no person (other than Swiss Reinsurance Company (Swiss Re) or its affiliates) may acquire ownership of our shares (including preferred shares) if such purchase would result in such person owning or controlling more than 9.9% of the voting power of our outstanding shares. In addition, in the event we become aware of such ownership, we may reduce the voting rights with respect to any of our shares (including any preferred shares) owned or controlled by such person (except Swiss Re or its affiliates) to the extent necessary to limit the voting power owned or controlled by such person to 9.9% in the aggregate. For these purposes, references to ownership or control of our shares mean ownership within the meaning of Section 958 of the Internal Revenue Code and Section 13(d)(3) of the Exchange Act. Our Bye-Laws provide for additional limitations on transfer and ownership of our capital stock.

New York Stock Exchange Listing

We expect to list the Series C preferred shares on the New York Stock Exchange and expect that trading will commence within 30 days after initial delivery of the Series C preferred shares. While the underwriters have advised us that they intend to make a market in the Series C preferred shares prior to commencement of trading on the New York Stock Exchange, they are under no obligation to do so. This is the initial offering of the Series C preferred shares and there is no existing market for them. We cannot assure you that a market for the Series C preferred shares will develop upon commencement of trading.

Use of Proceeds

We intend to use the net proceeds from the sale of the Series C preferred shares to redeem all of our outstanding 8% Series A Cumulative Preferred Shares, which have an aggregate liquidation value of \$250 million. The 8% Series A Cumulative Preferred Shares have no stated maturity and are currently redeemable at any time at our option on 30 days notice.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following table sets forth summary historical consolidated financial and other data of PartnerRe. The year-end financial data has been derived from our audited financial statements, which have been audited by Deloitte & Touche. You should read the following information in conjunction with our financial statements and the related notes and the other financial and statistical information that is included or incorporated by reference in this prospectus.

	Year Ended December 31,		
	2002	2001	2000(1)
	(in millions of U.S. dollars or common shares, except per share data and ratios)		
Operating data:			
Gross premiums written	\$ 2,705.7	\$ 1,878.3	\$ 1,439.5
Net premiums written	2,655.4	1,825.1	1,380.3
Net premiums earned	2,425.7	1,633.5	1,314.3
Net investment income	245.2	239.6	273.6
Net realized investment (losses) gains	(6.8)	20.2	(62.7)
Other income	5.7	1.7	0.4
Total revenues	2,669.9	1,895.0	1,525.6
Losses and loss expenses including life policy benefits	1,715.8	1,631.8	975.7
Total expenses	2,449.7	2,149.6	1,427.0
Income (loss) before distributions related to Trust Preferred and Mandatorily Redeemable Preferred Securities and taxes	220.2	(254.6)	98.6
Distributions related to Trust Preferred and Mandatorily Redeemable Preferred Securities	27.3	3.0	
Income tax expenses (benefit)	2.7	(69.3)	(43.7)
Net income (loss) before cumulative effect of adopting new accounting standard, net of tax	190.3	(188.3)	142.3
Cumulative effect of adopting new accounting standard, net of tax		27.8	
Net income (loss)	\$ 190.3	\$ (160.5)	\$ 142.3
Diluted net income (loss) per common share	\$ 3.28	\$ (3.60)	\$ 2.41
Weighted average number of common and common equivalent shares outstanding	51.9	50.1	50.7
Number of common shares outstanding	52.4	50.2	50.1
Non-Life ratios:			
Loss ratio(2)	69.3%	100.4%	70.2%
Expense ratio(3)	28.6%	29.8%	32.3%
Combined ratio(4)	97.9%	130.2%	102.5%

	2002	2001	2000
	(in millions of U.S. dollars or common shares, except per share data and ratios)		
Balance sheet data:			
Total investments, cash and cash equivalents	\$ 5,412.1	\$ 4,410.7	\$ 3,882.1
Total assets	8,738.0	7,173.0	6,177.4
Unpaid losses and loss expenses and policy benefits for life and annuity contracts	4,474.4	3,698.9	3,059.1
Long-term debt	220.0	220.0	220.0
Trust Preferred and Mandatorily Redeemable Preferred Securities	400.0	400.0	
Total shareholders' equity	2,077.2	1,748.1	2,086.0
Diluted book value per common and common equivalent share	\$ 34.02	\$ 29.05	\$ 35.54

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- (1) Includes the results of operations of PartnerRe Life U.S. for the six-month period ended June 30, 2000, after which date PartnerRe Life U.S. was sold.
- (2) The loss ratio is calculated by dividing non-life loss and loss adjustment expenses by non-life net premiums earned.
- (3) The expense ratio is calculated by dividing non-life acquisition costs and other operating expenses by non-life net premiums earned.
- (4) The combined ratio is the sum of the non-life loss ratio and the non-life expense ratio.

DESCRIPTION OF SERIES C CUMULATIVE REDEEMABLE PREFERRED SHARES

The description of the terms and provisions of the Series C preferred shares in this prospectus supplement is not complete and is subject to, and qualified in its entirety by reference to the terms and provisions of the Bye-Laws and the Certificate of Designation. A copy of the Bye-Laws is filed as an exhibit to the registration statement of which this prospectus supplement is a part. The Certificate of Designation will be filed with the Securities and Exchange Commission as an exhibit to a Current Report of the Company on Form 8-K and incorporated into that registration statement. See *Material Bermuda and United States Federal Income Tax Consequences* for a summary of the taxation of the holders of the Series C preferred shares under current law.

General

When issued and paid for as contemplated by this prospectus supplement, the Series C preferred shares will be duly authorized, validly issued and fully paid. The holders of the Series C preferred shares will have no preemptive rights with respect to any of our common shares or any of our other securities convertible into or carrying rights or options to purchase any such shares. The Series C preferred shares will not be subject to any sinking fund or other obligation on our part to redeem or retire the Series C preferred shares. Unless we redeem them, the Series C preferred shares will have a perpetual term with no maturity.

Our board of directors may from time to time create and issue additional preferred shares without the approval of our shareholders and fix their relative rights, preferences and limitations. The alteration of the special rights attached to the Series C preferred shares requires the approval of their holders. See *Voting Rights*. At present, we have issued \$250 million of Series A Cumulative Preferred Shares and \$200 million of Series B Cumulative Redeemable Preferred Shares, which are in parity with respect to payment of dividends and distribution of assets in liquidation with the Series C preferred shares. We intend to use the proceeds of this offering to redeem all of the Series A Cumulative Preferred Shares. See *Prospectus Supplement Summary The Offering Use of Proceeds*. We have not issued shares that are senior to the Series C preferred shares with respect to payment of dividends and distribution of assets in liquidation.

Dividend Rights

Holders of the Series C preferred shares will be entitled to receive, when, as and if declared by our board of directors out of funds legally available for the payment of dividends, cumulative preferential cash dividends in an amount per share equal to % of the liquidation preference per annum (equivalent to \$ per share). Such dividends shall begin to accrue and shall be cumulative from the date of original issuance and shall be payable quarterly, when, as and if declared by the board of directors, in arrears on the first day of March, June, September and December of each year or, if such date is not a business day, on the business day immediately after such date (each, a Dividend Payment Date). The first dividend, which will be payable on September 1, 2003, will represent the period from the original issue date up to August 31, 2003. The dividend for such dividend period and any other dividend payable on the Series C preferred shares for any partial dividend period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends will be payable to holders of record as they appear in our register of members at the close of business on the applicable record date, which shall be on the tenth calendar day immediately preceding such Dividend Payment Date (each, a Dividend Record Date).

Our board of directors shall not declare any dividends on the Series C preferred shares nor shall we pay or set apart for payment any dividends at such time as the terms and provisions of any of our agreements, including any agreement relating to our indebtedness, prohibit such declaration, payment or setting apart for payment or provide that such action would constitute a breach of or default under such agreement, or if such action is restricted or prohibited by law. Notwithstanding the foregoing, dividends on the Series C preferred shares will accrue and shall be fully cumulative, whether or not there are funds legally available for the payment of such dividends and whether or not

such dividends are declared. Holders of our Series C preferred shares will not be entitled to any dividends in excess of full cumulative dividends as described above. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on our Series C preferred shares which may be in arrears.

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If there is any change in the law, regulation or official directive (whether or not having the force of law) or in the interpretation by any Bermuda governmental authority or court of competent jurisdiction which imposes on us any condition with respect to our Series C preferred shares as a result of which any dividend payment is reduced, we shall give notice to the holders of our Series C preferred shares of such event and all reductions shall be borne in full by the holders of our Series C preferred shares (but only to the extent permitted by law).

Parity shares are any class or series of our shares whose holders are entitled to receive dividends and amounts distributable upon liquidation, dissolution or winding up along with the Series C preferred shares, each in proportion to their respective amounts of accrued and unpaid dividends per share or liquidation preferences, without preference or priority of one over the other. If any of the Series C preferred shares are outstanding, no dividends or other distributions shall be declared or paid or set apart for payment on any class or series of parity shares for any period unless either (i) full cumulative dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payments on the Series C preferred shares for all dividend periods terminating on or prior to the dividend payment date on such parity shares, or (ii) all dividends declared upon the Series C preferred shares and any class or series of parity shares are declared pro rata so that the amount of dividends declared per share on the Series C preferred shares and any class or series of parity shares shall in all cases bear to each other the same ratio that accrued and unpaid dividends per share on the Series C preferred shares and such class or series of parity shares bear to each other.

Fully junior shares are common shares or other shares ranking junior to the Series C preferred shares both as to dividends and as to the distribution of assets upon any liquidation, dissolution or winding up of the Company. Junior shares are common shares or any other capital shares ranking junior to the Series C preferred shares either as to dividends or as to the distribution of assets upon any liquidation, dissolution or winding up of the Company. If any of the Series C preferred shares are outstanding, unless full cumulative dividends on the Series C preferred shares and any parity shares have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all past dividend periods and the then current dividend period, no dividends (other than those paid in fully junior shares) shall be declared or paid or set apart for payment and no other distribution shall be declared or paid or set apart for payment on the junior shares, nor shall any common shares or any other junior shares be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of common shares made for purposes of any employee incentive or benefit plan of the Company or any subsidiary) for any consideration (or any moneys be paid to or made available for a sinking fund or the redemption of any common shares or any other junior shares) by us (except by conversion into or exchange for fully junior shares).

Any dividend payment made on the Series C preferred shares shall first be credited against the earliest accrued but unpaid dividend due with respect to the Series C preferred shares which remains payable.

Certain Restrictions on Payment of Dividends and Redemption of Shares

Under Bermuda law, we may not lawfully declare or pay a dividend unless there are reasonable grounds for believing that we are, or will after payment of the dividend be, able to pay our liabilities as they become due, and that the realizable value of the our assets will, after payment of the dividend, be greater than the aggregate value of our liabilities, issued share capital and share premium accounts.

Liquidation Preference

Upon any voluntary or involuntary liquidation, dissolution or winding-up of the affairs of the Company, the holders of the Series C preferred shares will be entitled to receive from our assets legally available for distribution to shareholders, \$25.00 per share plus all dividends accrued and unpaid to the date fixed for distribution before any distribution is made to holders of our common shares and any other class or series of junior shares.

After payment of the full amount of the liquidating distributions to which they are entitled, the holders of our Series C preferred shares will have no right or claim to any of our remaining assets. In the event that, upon any such voluntary or involuntary liquidation, dissolution or winding up, our available assets are insufficient to pay the

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amount of the liquidating distributions on all outstanding Series C preferred shares and the corresponding amounts payable on all classes or series of parity shares, then the holders of the Series C preferred shares and all such classes or series of parity shares shall share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

If liquidating distributions shall have been made in full to all holders of the Series C preferred shares and all classes or series of parity shares, our remaining assets shall be distributed among the holders of our common shares or any other classes or series of our junior shares, according to their respective rights and preferences and in each case according to their respective number of shares. For such purposes, our consolidation, amalgamation or merger with or into any other entity, the sale, lease or conveyance of all or substantially all of our shares or property or business or a statutory share exchange shall not be deemed to constitute a liquidation, dissolution or winding up of the Company.

Redemption

The Series C preferred shares are not redeemable prior to May , 2008. On or after such date, we, at our option upon not less than 30 nor more than 90 days written notice, may redeem the Series C preferred shares, in whole at any time or in part from time to time, for cash at a redemption price of \$25.00 per share, plus all accrued and unpaid dividends, if any, thereon to the date fixed for redemption, without interest. Holders of shares to be redeemed shall surrender certificates for such shares at the place designated in such notice and shall be entitled to the redemption price and any accrued and unpaid dividends payable upon such redemption following such surrender.

If fewer than all of the outstanding Series C preferred shares are to be redeemed, we will determine the number of shares to be redeemed and such shares may be redeemed pro rata from the holders of record of such shares in proportion to the number of such shares held by such holders (with adjustments to avoid redemption of fractional shares), by lot or by any other method that we may deem equitable in our sole discretion.

Unless full cumulative dividends on all the Series C preferred shares and all parity shares shall have been declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all past dividends periods and the then current dividend period, we shall not redeem, purchase, or otherwise acquire any Series C preferred shares or any parity shares unless all outstanding Series C preferred shares and any of our parity shares are redeemed; provided, however, that the foregoing shall not prevent our purchase or acquisition of fewer than all outstanding Series C preferred shares or parity shares pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding Series C preferred shares and parity shares.

Notice of any redemption will be mailed at least 30 days but not more than 90 days before the redemption date to each holder of record of the Series C preferred shares to be redeemed at the address shown in our register of members. Each notice shall state, as appropriate: (i) the redemption date; (ii) the number of Series C preferred shares to be redeemed; (iii) the redemption price; (iv) the place or places where certificates for the Series C preferred shares are to be surrendered for payment of the redemption price; and (v) that, where applicable, dividends on the Series C preferred shares to be redeemed will cease to accrue on such redemption date. If fewer than all of the Series C

preferred shares are to be redeemed, the notice mailed to each such holder thereof shall also specify the number of the Series C preferred shares to be redeemed from such holder. If we have given notice of redemption of any of the Series C preferred shares and set apart the funds necessary for such redemption in trust for the benefit of the holders of the Series C preferred shares so called for redemption, then from and after the redemption date, dividends will cease to accrue on the Series C preferred shares being redeemed, such Series C preferred shares shall no longer be deemed to be outstanding and all rights of the holders of such shares will terminate, except the right to receive the redemption price plus all accrued and unpaid dividends, if any.

The holders of the Series C preferred shares at the close of business on a Dividend Record Date will be entitled to receive the dividend payable with respect to such Series C preferred shares on the corresponding Dividend Payment Date notwithstanding the redemption thereof between such Dividend Record Date and the corresponding Dividend Payment Date or our default in the payment of the dividend due. Except as provided above, we will make

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no payment or allowance for unpaid dividends, whether or not in arrears, on Series C preferred shares which have been called for redemption.

Voting Rights

Generally, the Series C preferred shares shall have no voting rights. Whenever dividends payable on the Series C preferred shares or any class or series of parity shares shall be in arrears (whether or not such dividends have been earned or declared) in an amount equivalent to dividends for six full dividend periods (whether or not consecutive), then, immediately upon the happening of such event, the holders of the Series C preferred shares, together with the holders of shares of every class or series of parity shares, voting as a single class regardless of class or series, shall have the right to elect two directors to our board of directors (which is composed of nine members as of the date hereof). Whenever all arrearages in dividends on the Series C preferred shares and the parity shares then outstanding shall have been paid and dividends thereon for the current quarterly dividend period shall have been paid or declared and set apart for payment, then the right of holders of the Series C preferred shares and the parity shares to be represented by directors shall cease (but subject always to the same provision for the vesting of such rights in the case of any future arrearages in an amount equivalent to dividends for six full dividend periods), and the terms of office of the additional directors elected to our board shall forthwith terminate.

Without the written consent, or the sanction of a resolution passed at a separate meeting, of the holders of at least 75% of the Series C preferred shares at the time outstanding, we may not (i) make any amendment or alteration to, or repeal, any of the provisions of our Memorandum of Association, Bye-Laws or the Certificate of Designation that would vary the rights, preferences or voting powers of the holders of the Series C preferred shares; (ii) authorize any amalgamation, consolidation, merger or statutory share exchange that affects the Series C preferred shares, unless in each such case each Series C preferred share shall remain outstanding with no variation in its rights, preferences or voting powers or shall be converted into or exchanged for preferred shares of the surviving entity having rights, preferences and voting powers identical to that of a Series C preferred share; or (iii) authorize any creation or increase in the authorized amount of, any shares of any class or series or any security convertible into shares of any class or series ranking prior to the Series C preferred shares in payment of dividends or the distribution of assets on any liquidation, dissolution or winding up of the Company. However, no such vote of the holders of the Series C preferred shares shall be required if, prior to the time when any of the foregoing actions is to take effect, all the outstanding Series C preferred shares shall have been redeemed. We may create and issue additional classes or series of parity shares and fully junior shares without the consent of any holder of the Series C preferred shares. The holders of the Series C preferred shares are not entitled to vote on any sale of all or substantially all of our assets.

Conversion

Our Series C preferred shares are not convertible or exchangeable for any of our other securities.

Limitations on Transfer and Ownership

Our Bye-Laws and the Certificate of Designation provide that, subject to waiver by our board of directors, no person (other than Swiss Re or its affiliates) may acquire ownership of our shares, including Series C preferred shares, if such purchase would result in such person owning or controlling more than 9.9% of the voting power of our outstanding shares. A transferee will be permitted to dispose of any shares purchased which violate the restriction and as to the transfer of which registration is refused. In addition, in the event we become aware of such ownership, we may reduce the voting rights with respect to any of our shares (including any Series C preferred shares) owned or controlled by such person (except Swiss Re or its affiliates) to the extent necessary to limit the voting power held by such person to 9.9% in the aggregate. Our Bye-Laws provide for additional limitations on transfer and ownership of our capital stock. The voting rights with respect to all shares held by such person in excess of the 9.9% limitation will be allocated to the other holders of shares, pro rata based on the number of shares held by all such other holders of shares, subject only to the further limitation that no shareholder allocated such voting rights may exceed the 9.9% limitation as a result of such allocation. For these purposes, references to ownership or control of our shares mean ownership within the meaning of Section 958 of the Internal Revenue Code and Section 13(d)(3) of the Exchange Act.

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Other Matters

We have agreed to submit ourselves to the jurisdiction of the Supreme Court of the State of New York, New York County, and to the jurisdiction of the United States District Court for the Southern District of New York, for purposes of any suit, action or other proceeding brought by holders of the Series C preferred shares arising out of, or relating to, the enforcement of any designation, preferences or other special rights of the Series C preferred shares as set forth in the Certificate of Designation. Bermuda substantive law will be applied in any such proceeding.

MATERIAL BERMUDA AND UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

Statements made below as to Bermuda law are based on the opinion of Ms. Christine Patton, our general counsel. Statements made below as to United States federal income tax law are based on the opinion of Davis Polk & Wardwell, United States counsel to PartnerRe Ltd.

Bermuda Taxation

There will be no Bermuda withholding tax on our dividend payments made with respect to the Series C preferred shares.

United States Taxation

In this section, we summarize certain material United States federal income tax consequences of purchasing, holding and disposing of the Series C preferred shares. Except where we state otherwise, this summary deals only with Series C preferred shares held as capital assets as defined in the Internal Revenue Code of 1986, as amended (the Code), by a U.S. Holder (as defined below) who purchases Series C preferred shares for cash at the stated offering price.

A U.S. Holder is a beneficial owner of Series C preferred shares who or which is:

- a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States or any political subdivision thereof; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

We do not address all of the tax consequences that may be relevant to a U.S. Holder. We also do not address the tax consequences to holders other than U.S. Holders or to holders that may be subject to special tax treatment (such as financial institutions, real estate investment trusts, personal holding companies, regulated investment companies, insurance companies, entities classified as partnerships for U.S. federal income tax purposes, S corporations, traders and dealers in securities or currencies and certain U.S. expatriates). Further, we do not address:

- the United States federal income tax consequences to shareholders in, or partners or beneficiaries of, an entity that is a holder of Series C preferred shares;
- the United States federal estate, gift or alternative minimum tax consequences of the purchase, ownership or disposition of Series C preferred shares;
- consequences to persons who hold Series C preferred shares as a position in a straddle or synthetic security or as part of a hedging, conversion, constructive sale or other integrated transaction or whose functional currency is not the United States dollar;
- except as stated explicitly below, consequences to persons that own or are deemed to own 10% or more of our capital stock;

- except as stated explicitly below, consequences to tax-exempt organizations; or
- any state, local or non-U.S. tax consequences of the purchase, ownership or disposition of Series C preferred shares.

Accordingly, you should consult your own tax advisor regarding the tax consequences of purchasing, owning and disposing of Series C preferred shares in light of your own circumstances.

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This summary is based on the Code, U.S. Treasury regulations (proposed and final) issued under the Code, and administrative and judicial interpretations thereof, all as they currently exist as of the date of this prospectus supplement. These income tax laws and regulations, however, may change at any time, possibly on a retroactive basis. Any such changes may affect the matters discussed in this summary.

PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SERIES C PREFERRED SHARES IN LIGHT OF THEIR OWN PARTICULAR CIRCUMSTANCES, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, AND NON-U.S. LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN UNITED STATES FEDERAL OR OTHER TAX LAWS.

Taxation of Distributions

Subject to the discussion below relating to the potential application of the controlled foreign corporation, related person insurance income, passive foreign investment company and foreign personal holding company rules, cash distributions made with respect to the Series C preferred shares will constitute dividends taxable as ordinary income for U.S. federal income tax purposes to the extent paid out of our current or accumulated earnings and profits. U.S. Holders of the Series C preferred shares generally will be subject to U.S. federal income tax on the receipt of such dividends. Such dividends will not be eligible for the dividends received deduction provided by Section 243 of the Code. To the extent that a distribution exceeds earnings and profits, it will first be treated as a return of the U.S. Holder's basis to the extent thereof, and then as gain from the sale of a capital asset, subject to the discussion below related to the potential application of the controlled foreign corporation, related person insurance income and passive foreign investment company rules.

Sales, Exchanges or Other Dispositions of Series C preferred shares

In general, a U.S. Holder will recognize gain or loss on a sale, exchange, or other taxable disposition (collectively, a disposition) of a Series C preferred share in an amount equal to the difference between the amount realized and the adjusted tax basis for that Series C preferred share. Selling expenses incurred by a U.S. Holder will reduce the amount of gain or increase the amount of loss recognized by such U.S. Holder upon the disposition of the Series C preferred shares. Subject to the discussion below relating to the potential application of the controlled foreign corporation, related person insurance income and passive foreign investment company rules, gain or loss on the disposition of a Series C preferred share generally will be a capital gain or loss, and generally will be a long-term capital gain or loss if, at the time of the disposition, the U.S. Holder has a holding period for the Series C preferred share of more than one year. Capital gains of individuals in respect of capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Redemption of Series C preferred shares

A redemption of the Series C preferred shares for cash will be treated under Section 302 of the Code as a dividend if we have sufficient earnings and profits, unless the redemption satisfies one of the tests set forth in Section

302(b) enabling the redemption to be treated as a sale or exchange. If the redemption is treated as a sale or exchange of the U.S. Holder's Series C preferred shares, the U.S. Holder's treatment will be as discussed above in Sales, Exchanges or Other Dispositions of Series C preferred shares. The redemption will be treated as a sale or exchange only if it (i) is substantially disproportionate, (ii) constitutes a complete termination of the holder's stock interest in us or (iii) is not essentially equivalent to a dividend, each within the meaning of Section 302(b). In determining whether any of these tests is met, shares of our capital stock actually owned, as well as shares considered to be owned by the U.S. Holder by reason of certain constructive ownership rules, must be taken into account. Because the determination as to whether any of the alternative tests of Section 302(b) is satisfied with respect to a particular holder of the Series C preferred shares will depend on that holder's particular facts and circumstances as of the time the determination is made, U.S. Holders are advised to consult their own tax advisors to determine their tax treatment in light of their own particular investment circumstances.

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Application of Controlled Foreign Corporation Rules

Generally, each 10% U.S. Shareholder (as defined below), including in certain circumstances one that is generally tax exempt, that owns, directly or indirectly through one or more foreign entities, shares of a foreign corporation that is a controlled foreign corporation (CFC) for an uninterrupted period of 30 days or more during any taxable year must include in its gross income its pro rata share of certain types of income, including insurance income and passive income such as interest and dividends, realized by the CFC for such year, even if that income is not distributed.

A 10% U.S. Shareholder of a foreign corporation is any U.S. person that owns, directly or indirectly through one or more foreign entities, or is considered to own (by application of certain constructive ownership rules) 10% or more of the total combined voting power of all classes of stock of the foreign corporation. In general, a foreign corporation will be treated as a CFC only if its 10% U.S. Shareholders collectively own (directly, indirectly through foreign entities or by attribution) more than 50% (or 25%, in the case of an insurance company with respect to certain insurance income) of its total combined voting power or value. In particular, our subsidiaries Partner Reinsurance Company and PartnerRe SA (each, an Insurance Subsidiary) generally will be treated as CFCs if 10% U.S. Shareholders collectively own (directly, indirectly through foreign entities or by attribution) more than 25% of the relevant Insurance Subsidiary's total combined voting power or value.

As discussed above under Description of Series C Cumulative Redeemable Preferred Shares Limitations on Transfer and Ownership, certain provisions in our Bye-Laws (i) limit the transfer of our capital stock in the event such transfer would result in any person owning or controlling more than 9.9% of our capital stock and (ii) restrict the voting power of our capital stock beneficially owned or controlled by any person to 9.9%. Because of the restrictions in our Bye-Laws and the fact that we are currently not aware of any 10% U.S. Shareholder, we believe that neither we nor any of our subsidiaries is a CFC, although there can be no assurance that we or one or more of our subsidiaries will not be a CFC.

Each prospective investor should consult its own tax advisor to determine whether its ownership interest would cause it to become a 10% U.S. Shareholder of us or any of our subsidiaries and to determine the impact of such a classification of such investor.

Application of Related Person Insurance Income Rules

Potential Inclusion of Related Person Insurance Income

The related person insurance income (RPII) rules of the Code will apply to U.S. persons (including tax-exempt persons) who, through their ownership of our capital stock (including Series C preferred shares), are indirect

shareholders of an Insurance Subsidiary if both (A) the Insurance Subsidiary is a CFC for RPII purposes (a RPII CFC) (which will be the case if, as is anticipated, 25% or more of the value or voting power of such Insurance Subsidiary s capital stock is owned (directly, indirectly through foreign entities or by attribution) by U.S. persons), and (B)(i) such Insurance Subsidiary has gross RPII equal to 20% or more of its gross insurance income and (ii) 20% or more of either the voting power or the value of such Insurance Subsidiary s capital stock is owned directly or indirectly through entities by persons (directly or indirectly) insured or reinsured by such Insurance Subsidiary or persons related to such insureds or reinsureds. RPII is Section 953(a) insurance income (investment income and premium income) from the direct or indirect insurance or reinsurance of any U.S. person who holds capital stock of the applicable Insurance Subsidiary (directly or indirectly through foreign entities) or of a person related to such a U.S. holder of capital stock. An Insurance Subsidiary may be considered to indirectly reinsure the risk of a direct or indirect holder of shares that is a U.S. person, and thus generate RPII, if an unrelated company that insured such risk in the first instance reinsures the risk with such Insurance Subsidiary.

While there can be no assurance, it is not anticipated that 20% or more of the gross insurance income of either Insurance Subsidiary for any taxable year will constitute RPII. If 20% or more of the gross insurance income of an Insurance Subsidiary for any taxable year were to constitute RPII and 20% or more of the voting power or the value of the capital stock of such Insurance Subsidiary were held directly or indirectly by insureds or reinsureds or persons

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related thereto, each direct and indirect (including by reason of ownership of our Series C preferred shares) U.S. Holder of capital stock of such Insurance Subsidiary (a RPII Holder) on the last day of such Insurance Subsidiary s taxable year would be taxable currently with respect to its allocable share of the RPII for the entire year (whether distributed or not). For this purpose, all of such Insurance Subsidiary s RPII would be allocated solely to RPII Holders to the extent of their ratable share of such Insurance Subsidiary s income. A RPII Holder who owns our capital stock (including Series C preferred shares) during a taxable year but not on the last day of the taxable year, which would normally be December 31, is generally not required to include in gross income any part of an Insurance Subsidiary s RPII.

Computation of RPII

In an effort to determine how much RPII each Insurance Subsidiary has earned in each taxable year, we intend to obtain information concerning its insureds to determine whether they or persons related to them own our capital stock and are U.S. persons. We will take reasonable steps to secure such information, for example, by seeking representations as to the ownership of our capital stock by insureds or their affiliates, but there can be no assurance that our procedures will enable us to identify all of the Insurance Subsidiaries RPII. For any year that we determine that an Insurance Subsidiary s gross RPII is 20% or more of that entity s gross insurance income for the year, we may also seek information from our shareholders as to whether beneficial owners of our capital stock at the end of the year are U.S. persons so that RPII may be apportioned among such persons. To the extent we are unable to determine whether a beneficial owner of our capital stock is a U.S. person, we may assume that such owner is not a U.S. person for purposes of apportioning RPII, thereby increasing the per share RPII amount for all RPII Holders.

Basis Adjustments

Under proposed regulations, a RPII Holder s tax basis in our capital stock (including Series C preferred shares) will be increased by the amount of any RPII that the shareholder includes in income. The RPII Holder may exclude from income the amount of any distribution by us to the extent of the RPII included in income for the year in which the distribution was paid or for any prior year. The RPII Holder s tax basis in our capital stock will be reduced by the amount of such distributions that are excluded from income.

Dispositions of Series C preferred shares

Section 1248 of the Code generally provides that if a U.S. person sells or exchanges stock in a foreign corporation and such person is a 10% U.S. Shareholder at any time during the 5-year period ending on the date of the sale or exchange when such foreign corporation was a CFC, any gain from such sale or exchange may be treated as ordinary income to the extent of the CFC's earnings and profits during the period that the shareholder held the shares (with certain adjustments). A 10% U.S. Shareholder will be required to report a disposition of shares of a CFC by attaching IRS Form 5471 to the U.S. income tax or information return that it would normally file for the taxable year in which the disposition occurs.

Section 953(c)(7) of the Code generally provides that Section 1248 also will apply to gain recognized by a RPII Holder with respect to the sale or exchange of shares in a foreign corporation that earns RPII and is characterized as a RPII CFC if the foreign corporation would be taxed as an insurance company if it were a domestic corporation, regardless of whether the RPII Holder is a 10% U.S. Shareholder or whether the corporation qualifies for either the RPII 20% ownership exception or the RPII 20% gross income exception. Existing Treasury Department regulations do not clarify whether Section 1248 and the requirement to file IRS Form 5471 would apply with respect to the disposition of shares in a foreign corporation (such as PartnerRe Ltd.) that is not itself a RPII CFC but has a foreign insurance subsidiary that is a RPII CFC and that would be taxed as an insurance company if it were a domestic corporation, nor do proposed regulations issued by the Treasury Department. Accordingly, it is possible that Section 1248 and the requirement to file IRS Form 5471 do not apply to a less than 10% U.S. Shareholder of our capital stock because we are not directly engaged in the insurance business. There can be no assurance, however, that the Internal Revenue Service will interpret the regulations in this manner or that the Treasury Department will not amend the regulations to provide that Section 1248 and the requirement to file IRS Form 5471 will apply to dispositions of our capital stock (including Series C preferred shares) in respect of our ownership of the Insurance

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Subsidiaries. If the Internal Revenue Service or U.S. Treasury Department were to make Section 1248 and the IRS Form 5471 filing requirement applicable to the sale of our capital stock, we intend to notify shareholders of such developments and provide to them information necessary to comply with Section 1248 and the filing requirement.

Application of Passive Foreign Investment Company Rules

Sections 1291 through 1298 of the Code contain special rules applicable with respect to foreign corporations that are passive foreign investment companies (PFICs). In general, a foreign corporation will be a PFIC if 75% or more of its income constitutes passive income or 50% or more of its assets produce passive income. If we were to be characterized as a PFIC, certain adverse consequences could apply to U.S. Holders of our capital stock (including Series C preferred shares). If we were to be treated as a PFIC for any taxable year, gain recognized by a U.S. Holder on a disposition of our capital stock would be allocated ratably over the U.S. Holder's holding period for the capital stock. The amounts allocated to the taxable year of the disposition and to any year before we became a PFIC would be taxed as ordinary income. The amounts allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, and an interest charge would be imposed on the amount allocated to such taxable year. Further, any distribution in respect of our capital stock in excess of 125 percent of the average of the annual distributions on our capital stock received by the U.S. Holder during the preceding three years or the U.S. Holder's holding period, whichever is shorter, would be subject to taxation as described above. In addition, if we and one of our subsidiaries were treated as PFICs, U.S. Holders of our capital stock could, under proposed Treasury Department regulations, be subject to taxation as described above upon our sale of the subsidiary stock or our receipt of a distribution paid from such subsidiary. If we were to be characterized as a PFIC, for an investor in Series C preferred shares, the adverse tax consequences described above would generally apply to gain on a sale, exchange or other disposition, but would not apply to the receipt of dividends if paid on a regular, quarterly basis. Certain elections may be available (including a mark to market election) to U.S. persons that may mitigate the adverse consequences resulting from PFIC status.

In determining whether a foreign corporation has the requisite passive income so as to be considered a PFIC, the Code contains an express exception for income derived in the active conduct of an insurance business by a corporation which is predominantly engaged in an insurance business. This exception is intended to ensure that income derived by a bona fide insurance company is not treated as passive income, except to the extent such income is attributable to financial reserves in excess of the reasonable needs of the insurance business. The Code contains a look-through rule stating that, for purposes of determining whether a foreign corporation is a PFIC, such foreign corporation shall be treated as if it received directly its proportionate share of the income and as if it held its proportionate share of the assets of any other corporation in which it owns at least 25% of the stock. Under the look-through rule, we would be deemed to own the assets and to have received any income of the Insurance Subsidiaries directly for the purposes of determining whether we qualify for the insurance exception described above. We believe that we (through our subsidiaries) and each of the Insurance Subsidiaries are predominantly engaged in an insurance business and do not have financial reserves in excess of the reasonable needs of our insurance businesses, so that neither we nor either of the Insurance Subsidiaries should be considered to be a PFIC.

No regulations interpreting these specific issues under the PFIC provisions have yet been issued. Therefore, substantial uncertainty exists with respect to their application or their possible retroactivity. Each U.S. person who is considering an investment in the Series C preferred shares should consult its tax advisor as to the effects of these rules.

Application of Foreign Personal Holding Company Rules

A non-U.S. corporation will be classified as a foreign personal holding company (FPHC) for U.S federal income tax purposes if both of the two following tests are satisfied: (i) five or fewer individuals who are U.S. citizens or residents own or are deemed to own (under certain attribution rules) more than 50% of all classes of the corporation's stock measured by voting power or value and (ii) the corporation receives at least 60% (50% in later years) of its gross income (regardless of source) from certain passive sources. If we or any of our non-U.S. subsidiaries were classified as a FPHC, U.S. Holders of our capital stock (including Series C preferred shares) would be required to recognize certain gross income inclusions in respect of the FPHC's undistributed foreign

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personal holding company income. We believe that because of the wide dispersion of our share ownership and the restrictions in our Bye-Laws (described above under Application of Controlled Foreign Corporation Rules) neither we nor any of our subsidiaries is a FPHC, although there can be no assurance that we or one or more of our subsidiaries will not be classified as a FPHC.

Foreign Tax Credit

In the event, as expected, that U.S. persons own at least 50% of our shares, only a portion of the dividends paid by us will be treated as foreign source income for purposes of computing a shareholder's U.S. foreign tax credit limitation. It is likely that substantially all of any RPII and dividends that are foreign source income will constitute either passive or financial services income for foreign tax credit limitation purposes. Thus, it may not be possible for most U.S. Holders to utilize excess foreign tax credits to reduce U.S. tax on such income.

Backup Withholding Tax and Information Reporting

Payments of dividends, sales proceeds and the redemption price of the Series C preferred shares that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting and to backup withholding at the applicable rate unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) the U.S. Holder provides a correct taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred.

The amount of any backup withholding from a payment to the U.S. Holder will be allowed as a credit against such holder's United States federal income tax liability and may entitle the holder to a refund, provided that the required information is furnished to the Internal Revenue Service.

Potential Legislative Developments

Legislation has been introduced in the U.S. Congress intended to eliminate certain perceived tax advantages of companies (including insurance companies) that have legal domiciles outside the United States but have certain U.S. connections. While there is currently no pending legislative proposal which, if enacted, would have a material adverse effect on us, our subsidiaries or our shareholders, it is possible that broader-based legislative proposals could emerge in the future that would have an adverse impact.

In addition, President Bush has proposed legislation that would exempt from U.S. federal income tax certain dividends paid by U.S. corporations (or non-U.S. corporations to the extent subject to U.S. income tax) to U.S. shareholders. Dividends paid by PartnerRe would generally not be exempt under this proposed legislation. As a result, if this legislation were adopted in the form proposed, holders of our Series C preferred shares, like holders of shares of stock in any non-U.S. corporation not subject to U.S. income tax, would generally incur higher taxes on the dividends we plan to pay than would be the case with comparable dividends from U.S. corporations.

UNDERWRITING

Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated are acting as joint book-running managers and are acting together with Merrill Lynch, Pierce, Fenner & Smith Incorporated, UBS Warburg LLC and Wachovia Securities, Inc. as representatives of the underwriters named below. Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement, each underwriter named below has agreed to purchase, and we have agreed to sell to that underwriter, the number of Series C preferred shares set forth opposite the underwriter's name.

Underwriter	Number of Preferred Shares
Citigroup Global Markets Inc.	
Morgan Stanley & Co. Incorporated	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	