

XL GROUP PLC
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March 07, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

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Public Limited Company
(Name of Registrant as Specified in Its Charter)
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XL GROUP PLC

**NOTICE OF ANNUAL GENERAL MEETING OF HOLDERS OF ORDINARY
SHARES TO BE HELD ON FRIDAY, MAY 6, 2011**

Dublin, Ireland

March 7, 2011

To the Holders of Ordinary Shares of XL Group plc:

Notice is hereby given that the Annual General Meeting of Holders (the Shareholders) of ordinary shares of XL Group plc (the Company) will be held at The Merrion Hotel, located at Upper Merrion Street, Dublin 2, Ireland, on Friday, May 6, 2011 at 8:30 a.m. local time for the following purposes:

1. To elect four Class I Directors to hold office until 2014;
2. To ratify the appointment of PricewaterhouseCoopers LLP, New York, New York, to act as the independent registered public accounting firm of the Company for the year ending December 31, 2011;
3. To provide a non-binding, advisory vote approving the Company's executive compensation;
4. To provide a non-binding, advisory vote on the frequency of future executive compensation votes;
5. To approve the increase in the number of shares available for issuance under the Company's 1991 Performance Incentive Program; and

6. To transact such other business as may properly come before the meeting or any adjournments thereof.

Only shareholders of the Company at the close of business on March 3, 2011 are entitled to notice of, and to vote at, the annual meeting. For instructions on voting, please refer to the instructions on the enclosed proxy card.

By Order of The Board of Directors,

Kirstin Romann Gould

Secretary

Important Notice Regarding the Availability of Proxy Materials for the Annual General Meeting of Shareholders to be held on May 6, 2011. Our Proxy Statement for the 2011 Annual General Meeting of Shareholders and the Annual Report to Shareholders for the fiscal year ended December 31, 2010 are available at www.envisionreports.com/XL if you are a shareholder of record, and www.edocumentview.com/XL if you are a beneficial owner.

Your vote is important. Whether or not you plan to attend the 2011 Annual General Meeting of Shareholders, please vote as promptly as possible by telephone, through the Internet or by requesting a paper proxy card to complete, sign and return by mail.

XL GROUP PLC

**PROXY STATEMENT FOR THE ANNUAL GENERAL MEETING OF HOLDERS OF
ORDINARY SHARES TO BE HELD ON MAY 6, 2011**

GENERAL INFORMATION

The accompanying proxy is solicited by the Board of Directors of XL Group plc to be voted at the Annual General Meeting of holders (the Shareholders) of the Company s ordinary shares (the Shares) to be held on May 6, 2011 and any adjournments thereof. Pursuant to the rules of the U.S. Securities and Exchange Commission (the SEC), the Company has elected to provide access to its proxy materials over the Internet, except that hard copy versions of such materials will be provided to Shareholders pursuant to their previous request. Accordingly, the Company is sending the Notice of Internet Availability of Proxy Materials (the Notice) to Shareholders. The Notice, the Proxy Statement, the Notice of Annual General Meeting and the proxy card are first being made available to Shareholders on or about March 7, 2011. The Company has made available with this Proxy Statement the Company s Annual Report on Form 10-K (the Annual Report to Shareholders), although the Annual Report to Shareholders should not be deemed to be part of this Proxy Statement. All Shareholders will have the ability to access the proxy materials on a website referred to in the Notice. Shareholders may also request to receive a printed set of the proxy materials. In addition, Shareholders may specify how they would prefer to receive proxy materials in the future, including receiving proxy materials by e-mail or in hard copy format. By sending you the proxy materials over the Internet or by e-mail, the Company saves the cost of printing and mailing documents to you and reduces the impact of the Company s Annual Meetings on the environment. If you elect to receive future proxy materials by e-mail, you will receive an e-mail with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by e-mail will remain in effect until you terminate it. Additionally, if you choose to receive future proxy materials by mail, your election to receive proxy materials by mail will remain in effect until you terminate it.

When such proxy is properly executed, the Shares it represents will be voted at the meeting on the following proposals: (1) the election of the four nominees for Class I Directors identified herein, (2) the ratification of the appointment of PricewaterhouseCoopers LLP, New York, New York (the Independent Auditor), to act as the independent registered public accounting firm of the Company for the year ending December 31, 2011; (3) approval of the Company s executive compensation through a non-binding (advisory) vote; (4) the frequency of future executive compensation votes through a non-binding (advisory) vote; and (5) the increase in the number of Shares available for issuance under the Company s 1991 Performance Incentive Program.

Any Shareholder giving a proxy has the power to revoke it prior to its exercise by giving notice of such revocation to the Secretary of the Company in writing to XL House, One Bermudiana Road, Hamilton HM 08, Bermuda, by attending and voting in person at the Annual General Meeting or by executing a subsequent proxy, provided that such action is taken in sufficient time to permit the necessary examination and tabulation of the subsequent proxy or revocation before the votes are taken.

Shareholders of record as of the close of business on March 3, 2011 will be entitled to vote at the Annual General Meeting. As of March 3, 2011, there were 309,127,160 outstanding Shares entitled to vote at the Annual General Meeting, with each Share entitling the holder of record thereof to one vote at the Annual General Meeting (subject to certain limitations set forth in the Company s Articles of Association see footnote 1 under the heading Security Ownership of Certain Beneficial Owners, Management and Directors).

Under Irish companies law, we are required to provide you with our Irish Statutory Accounts for our 2010 fiscal year, including the reports of our Directors and auditors thereon, which accounts have been prepared in accordance with Irish law. The Irish Statutory Accounts will be made

available on the Company's website at www.xlgroup.com/financialreports/irish2010 and will be laid before the Annual General Meeting. Other than the presentation of the Company's 2010 financial statements and the minutes of the 2010 Annual General Meeting, the Company knows of no specific matter to be brought before the Annual General Meeting that is not referred to in the Notice of Annual General Meeting. If any such matter comes before the Annual General Meeting, including any Shareholder proposal properly made, the proxy holders intend to vote proxies in accordance with their judgment.

The election of each nominee for Director and the ratification of the appointment of the Independent Auditor require the affirmative vote of a majority of the votes cast on such proposals at the Annual General Meeting, provided there is a quorum (consisting of two or more Shareholders present in person or by proxy and holding Shares representing at least fifty percent (50%) of the issued Shares carrying the right to vote at the Annual General Meeting). For purposes of determining a quorum, abstentions and broker non-votes present in person or by proxy are counted as represented. The increase in the number of Shares available for issuance under the Company's 1991 Performance Incentive Program requires the affirmative vote of a majority of votes cast provided that the total vote cast on the proposal represents over 50% in interest of all securities entitled to vote on the proposal.

Although the non-binding (advisory) vote approving the Company's executive compensation is non-binding, approval of a majority of the votes cast on this proposal is required, and to the extent there is any significant negative vote, the Board intends to consult directly with Shareholders as necessary to better understand the concerns that influenced the vote.

Although the non-binding (advisory) vote on the frequency of future executive compensation votes is non-binding, approval of a majority of the votes cast on this proposal is required. The Board intends to carefully consider the results of this proposal in determining the frequency of future executive compensation advisory votes.

With respect to proposal I, the election of directors; proposal III, a non-binding (advisory) vote approving the Company's executive compensation; and proposal IV, a non-binding (advisory) vote on the frequency of future executive compensation votes, abstentions and broker non-votes with respect to such proposals will not be considered votes cast with respect to such proposals. Therefore, abstentions and broker non-votes will have no effect on the outcome of proposals.

With respect to proposal II, the ratification of the appointment of the Independent Auditor, Shares owned by Shareholders electing to abstain from voting on a proposal will not be considered votes cast with respect to such proposal and, therefore, will have no effect on the outcome of the proposal.

With respect to proposal V, approval of the increase in the number of shares available for issuance under the Company's 1991 Performance Incentive Program, in accordance with the rules of the New York Stock Exchange, abstentions will be considered votes cast and therefore will have the effect of a vote against the proposal. Broker non-votes will not be considered votes cast and therefore will have no effect on the outcome of proposal.

On July 1, XL Group plc and XL Group Ltd. (formerly known as XL Capital Ltd) completed a redomestication transaction in which all of the ordinary shares of XL Group Ltd. were exchanged for all of the Shares of XL Group plc. For periods prior to July 1, 2010, references herein to the Company are to XL Group Ltd. For periods on and subsequent to July 1, 2010, references herein to the Company are to XL Group plc.

**XL GROUP PLC
PROXY STATEMENT**

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PROPOSALS UNDER VOTE

I. ELECTION OF DIRECTORS

At the Annual General Meeting, four Class I Directors are to be elected to hold office until the 2014 Annual General Meeting of Shareholders. All of the nominees are currently serving as Directors and were appointed or elected in accordance with the Company's Articles of Association. The persons designated as proxies will vote FOR the election of each of the nominees, unless otherwise directed. All of the nominees have consented to serve if elected, but if anyone becomes unavailable to serve, the persons named as proxies may exercise their discretion to vote for a substitute nominee.

The name, principal occupation and other information concerning each nominee and each continuing Director, including the reasons for the view of the Board of Directors (sometimes hereinafter referred to as the Board) that each of the nominees for election, and each of the continuing directors, should serve as directors at this time, are set forth below.

Nominees for Whom Proxies will be Voted

Class I Directors whose terms will expire in 2014:

Herbert N. Haag, age 64, has been a Director of the Company since June 2006. Mr. Haag was the founding President and Chief Executive Officer (CEO) of Bermuda-based reinsurer PartnerRe Ltd. from 1993 until his retirement in December 2000. From December 2000 to 2002, Mr. Haag served as Senior Advisor of PartnerRe Ltd. Mr. Haag's insurance industry career spans approximately 40 years, including 24 years with Swiss Reinsurance Company where he held various senior positions, lastly as Executive Vice President responsible for Swiss Re Zurich's reinsurance business for the Americas, Asia, Africa and Southern Europe. Mr. Haag is the President of the Swiss-Japanese Society in Switzerland.

Having served as the President and CEO of PartnerRe Ltd., Mr. Haag brings to the Board a wealth of management experience with focus on the opportunities and challenges facing the insurance and reinsurance industry on a worldwide basis. Mr. Haag's approximately 40 years of global reinsurance operations experience contributes to the Board's risk oversight role, particularly relating to oversight of Company policies and procedures in the area of enterprise risk management.

Michael S. McGavick, age 53, was appointed as a Director of the Company in April 2008, shortly prior to his commencement as the Company's CEO on May 1, 2008. Previously, Mr. McGavick was President & CEO of Seattle-based insurer Safeco Corporation from January 2001 to December 2005, and was Chairman of Safeco's board of directors from January 2002 to December 2005. Prior to joining Safeco, Mr. McGavick spent six years with Chicago-based CNA Financial Corporation, where he held various senior executive positions before becoming President and Chief Operating Officer of the Company's largest commercial insurance operating unit. Mr. McGavick's insurance industry experience also includes two years as Director of the American Insurance Association's Superfund Improvement Project in Washington D.C. where he became the Association's lead strategist in working to transform U.S. Superfund environmental laws. Mr. McGavick is a member of the boards of the American Insurance Association and the Insurance Information Institute, and the Second Deputy Chair of the board of the Association of Bermuda Insurers and Reinsurers.

Upon joining the Company in 2008, Mr. McGavick pioneered and has led the successful implementation of the Company's strategy to simplify its organizational structure, focus on its core property, casualty and specialty insurance and reinsurance businesses and enhance its enterprise risk management capabilities. Mr. McGavick provides innovative leadership and knowledge of all aspects of the Company's business, and has a proven track record in the insurance industry, especially relating to turnaround management. The Company's ongoing strategy initiatives,

including the creation of the new Office of Strategic Growth, are examples of Mr. McGavick's innovative leadership in action. In addition, Mr. McGavick's previous political and public affairs experience augments the range of knowledge and experience he brings to the Company and the Board.

Ellen E. Thrower, age 64, has been a Director of the Company since 1995. Dr. Thrower is a Professor of Risk Management and Insurance at St. John's University in New York, and was Executive Director of St. John's School of Risk Management, Insurance, and Actuarial Science from June 2001 to December 2010. She is President *Emeritus* of the College of Insurance, where she served as President from June 1988 to June 2001 (when the College merged with St. John's University). Previously she was a Professor of Insurance at Drake University in Des Moines, Iowa, where she also served as Director of The Insurance Center. Dr. Thrower has been a director of The Risk Foundation since 2003, and currently serves as chair of its board. She has also served as a director of United Educators Insurance since 1996.

With extensive academic experience in the area of insurance and risk management, Dr. Thrower is a noted specialist in insurance and risk management. She is of significant assistance in the Board's oversight and development of sound policies, procedures and practices for the Company's insurance and reinsurance operations. In addition, the Board benefits from Dr. Thrower's current and previous experience from serving on the boards of other insurance companies, including SBLI USA Mutual Life Insurance Company, Inc. (2003-2010) and SCOR, U. S. (1995-2004).

Sir John M. Vereker, age 66, has been a Director of the Company since November 2007. Sir John Vereker was the Governor and Commander-in-Chief of Bermuda from April 2002 to October 2007. Prior to that, he was the U.K.'s Permanent Secretary of the Department for International Development and of its predecessor, the Overseas Development Administration, from 1994 to 2002. Over the years, Sir John Vereker's career has included working at the World Bank, serving as Private Secretary to three U.K. Ministers of Overseas Development, working on public sector issues in the Policy Unit of the British Prime Minister's Office and serving as Deputy Secretary for the Department of Education and Science. He has been a Board Member of the British Council, the Institute of Development Studies and the Institute of Manpower Studies and Voluntary Service Overseas. He has served on the Advisory Councils for the Centre for Global Ethics and for the British Consultancy and Construction Bureau. He has also been an adviser to the U.N. Secretary-General's Millennium Development Project and a member of the Volcker panel, which investigated the World Bank's institutional integrity. Sir John Vereker is an independent director of MWH Global, whose principal business is wet infrastructure engineering, and a Trustee of the Ditchley Foundation.

As a result of his extensive career in the public sector, Sir John Vereker provides valuable insights to the Board in the areas of government relations and external affairs. In particular, Sir John Vereker's significant public sector experience and previous leadership positions in Bermuda and the U.K., brings depth to the Board's oversight of public policy matters on a global basis.

Your Board of Directors recommends that Shareholders vote FOR the nominees for Class I Directors for terms to expire in 2014.

Directors Whose Terms of Office Do Not Expire at This Meeting

Class II Directors whose terms will expire in 2012:

Ramani Ayer, age 63, was appointed as a Director of the Company in February 2011. Previously, Mr. Ayer served as the Chairman of the board and CEO of Hartford Financial Services Group Inc. from February 1997 to October 2009. In addition, Mr. Ayer is the former Chairman of the American Insurance Association, the Property & Casualty CEO Roundtable and the Insurance Services Office. He is currently a member of the board and past chairman of the Hartford Hospital, as well as a board member of the Maharishi University of Management and the David Lynch Foundation.

During his 36 year career with The Hartford, Mr. Ayer held progressively senior roles until 2009. Mr. Ayer's long tenure as the chairman of the board and CEO of The Hartford, during which time he built the company into a recognized leader in Property and Casualty Insurance, provides him a wealth of experience with respect to the varied and complex issues that confront large (re)insurers such as the Company. In particular, the Board expects that Mr.

Ayer's vast knowledge and experience in the Property & Casualty space will complement the existing expertise of the Board and will benefit the Company as it continues to build on its solid foundation, global platform

and depth of underwriting talent. In accordance with the Company's Articles of Association, which provide for a newly appointed director to constitute a member of the class represented by the person that he replaces and for each class of directors to consist as nearly as possible of one-third of the total number of directors, Mr. Ayer replaces Mr. Hutton as a Class II director.

Dale R. Comey, age 69, has been a Director of the Company since 2001. Mr. Comey served as alternate lead director of the Board from February 2008 to April 2009. Mr. Comey was a director of St. Francis Hospital and Medical Center, Hartford, Connecticut from 1988 to 2006. Prior to his retirement, Mr. Comey was Executive Vice President at the corporate headquarters of the ITT Corporation from 1990 to 1996, where he was responsible for directing the operations of several ITT business units, including ITT Hartford and ITT Financial Corporation. From 1988 to 1990, Mr. Comey was President of ITT Hartford's Property & Casualty Insurance Business.

Mr. Comey brings an actuarial background and extensive operational and business leadership skills to the Board. Through his experience serving in various senior leadership positions with ITT Corporation, he has first-hand knowledge of the varied and complex financial, operational and governance issues that confront large (re)insurers such as the Company. This experience makes him well-suited to serve as Chair of the Nominating, Governance and External Affairs Committee. In addition, Mr. Comey's experience gained from serving as a director of a non-profit institution adds to the depth and breadth of his knowledge of operational, strategic and governance issues that may confront the Company.

Robert R. Glauber, age 71, has been the non-executive Chairman of the Board since April 2009 and a Director of the Company since September 2006, having originally served on the Company's Board from 1998 to May 2005. Mr. Glauber served as lead director of the Board from February 2008 to April 2009. Mr. Glauber is presently a Lecturer at the Harvard Kennedy School of Government and a Visiting Professor at the Harvard Law School. Most recently, Mr. Glauber served as CEO of the National Association of Securities Dealers, Inc. from November 2000 to August 2006 and, in addition, as Chairman from September 2001 to August 2006. Mr. Glauber is currently a director of Northeast Bancorp, Moody's Corporation and the Federal Home Loan Mortgage Corp. (Freddie Mac) and a trustee of the International Accounting Standards Committee Foundation. He previously served on the boards of Quadra Realty Trust, the Federal Reserve Bank of Boston, a number of Dreyfus mutual funds and the Investment Company Institute. From 1989 to 1992, he served as Under Secretary of the Treasury for Finance and, prior to that, was a Professor of Finance at the Harvard Business School. He is a Senior Advisor to Peter J. Solomon Company.

Mr. Glauber's strong management background in both the public and private sectors, and his expertise in financial services regulation, public policy and corporate governance provides him the consensus-building and leadership skills necessary to chair the Board. In addition, Mr. Glauber's variety of experience serving as a director of several large financial companies adds to the depth and range of his contribution to the Board.

Class III Directors whose terms will expire in 2013:

Joseph Mauriello, age 66, has been a Director of the Company since 2006. Mr. Mauriello was formerly Deputy Chairman and Chief Operating Officer of KPMG LLP (United States) and KPMG Americas Region from 2004 to 2005 and a director of KPMG LLP (United States) and KPMG Americas Region from 2004 to 2005. During his 40 years at KPMG, Mr. Mauriello held numerous leadership positions, including Vice Chairman of Financial Services from 2002 to 2004. He is a Certified Public Accountant (Retired) in New York and is a member of the American Institute of Certified Public Accountants. He has also been a member of the board of overseers of the School of Risk Management, Insurance and Actuarial Science of the Peter J. Tobin College of Business at St. John's University since 2002, a trustee of the St. Barnabas Medical Center in New Jersey since 2003 and the St. Barnabas Health Care System since 2008, a member of the board of directors of the Alliance for Lupus Research since 2006, a member of the board of directors of Arcadia Resources, Inc. since March 2007, and a member of the board of trustees of Fidelity Funds since July 2007. From July 2006 to July 2007, he served as a member of the board of directors of the Hamilton Funds of the Bank of New York.

Mr. Mauriello's significant experience in the independent public accounting and financial services industries, including a 40 year tenure in senior positions with the leading international accounting firm of KPMG, makes him well-qualified to serve in his current position as Chair of the Audit Committee. He has in-depth familiarity with financial accounting practices and reporting responsibilities, including those unique to property, casualty and specialty insurance and reinsurance companies. In addition, the Board benefits from Mr. Mauriello's breadth of experience serving on the boards of directors of other publicly traded companies.

Eugene M. McQuade, age 62, has been a Director of the Company since 2004. Mr. McQuade is the CEO of Citibank, N.A., a role he assumed in August 2009. He is also a member of Citigroup's Executive Committee and serves on the board of directors of Citibank, N.A. From February 2008 to February 2009, Mr. McQuade was Vice Chairman and President of Merrill Lynch Banks (U.S.). Mr. McQuade was President and Chief Operating Officer of Freddie Mac from September 2004 to September 2007 and a director of Freddie Mac from November 2004 to August 2007. Mr. McQuade was President and a director of Bank of America Corporation from April 2004 to June 2004. He previously had been President and Chief Operating Officer at FleetBoston Financial Corporation from 2002 to March 2004. Mr. McQuade served as Vice Chairman and Chief Financial Officer of FleetBoston Financial Corporation from 1997 to 2002. He also served as a director of FleetBoston Financial Corporation from 2003 until April 2004 (when FleetBoston Financial Corporation merged into Bank of America Corporation). Mr. McQuade is a Certified Public Accountant.

Mr. McQuade has extensive experience and financial expertise through his service in management positions such as CEO, president, vice chairman, chief financial officer and chief operating officer of several global, publicly traded financial institutions. This expertise makes him well-qualified to serve as Chair of the Risk and Finance Committee. In addition, the Board derives valuable insight and benefit from Mr. McQuade's judgment and experience as a current or former member of the board of directors of several financial institutions.

Clayton S. Rose, age 52, was appointed a Director of the Company in December 2009 after review of a number of candidates recommended by the Board's search consultant. Dr. Rose is a Professor of Management Practice at the Harvard Business School, and has been a member of its faculty since July 2007. Previously, he was an adjunct professor at the Stern School of Business at New York University (2002-2004) and at the Graduate School of Business at Columbia University (2002-2006). In addition to his responsibilities at Harvard, Dr. Rose is currently a director of Freddie Mac and a member of its Business and Risk and Compensation Committees. He is a trustee of the Howard Hughes Medical Institute and the National Opinion Research Center at the University of Chicago, and is a director of Public/Private Ventures. Dr. Rose previously chaired the Board of Managers of Highbridge Capital Management, a hedge fund owned by JP Morgan Chase (2007-2010), and served as a director of Mercantile Bancshares (2001-2007) and Lexicon Pharmaceuticals (2003-2007).

Dr. Rose is a former executive of J.P. Morgan & Co., where he headed each of the Global Investment Banking and the Global Equities Divisions, and served as a member of the firm's executive committee. During his career at J.P. Morgan, he held management roles in various securities, derivatives and corporate finance businesses. This range of experience in the financial services industry, together with his academic role at three leading U.S. business schools, where he teaches or has taught courses on financial services, managerial responsibility, ethics and strategy provides expertise in the areas of finance, investments, management, corporate governance and strategy. In addition, the Board derives benefit from Dr. Rose's experience as a current or former director of three publicly traded companies.

II. RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITOR

The Audit Committee of the Board is required by law and applicable NYSE rules to be directly responsible for the appointment, compensation and retention of the Company's Independent Auditor. The Audit Committee has appointed PricewaterhouseCoopers LLP, New York, New York as the Company's Independent Auditor for the year ending December 31, 2011. While Shareholder ratification is not required by the Company's Articles of Association or otherwise, the Board of Directors is submitting the appointment of PricewaterhouseCoopers LLP to the Shareholders

for

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ratification as part of good corporate governance practices. If the Shareholders fail to ratify the appointment, the Audit Committee may, but is not required to, reconsider whether to retain PricewaterhouseCoopers LLP. Even if the appointment is ratified, the Audit Committee in its discretion may direct the appointment of a different independent auditor at any time during the fiscal year if it determines that such a change would be in the best interest of the Company and its Shareholders.

The Board recommends a vote FOR the proposal to ratify the appointment of PricewaterhouseCoopers LLP as the Company's Independent Auditor to audit the Company's consolidated financial statements for the year ending December 31, 2011. The persons designated as proxies will vote FOR the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's Independent Auditor, unless otherwise directed. Representatives of PricewaterhouseCoopers LLP are expected to be present at the Annual General Meeting, with the opportunity to make a statement should they choose to do so and are expected to be available to respond to questions, as appropriate.

Your Board of Directors recommends that Shareholders vote FOR the proposal to ratify the appointment of PricewaterhouseCoopers LLP.

III. NON-BINDING (ADVISORY) VOTE APPROVING EXECUTIVE COMPENSATION

This proposal gives Shareholders the opportunity to express their views on the compensation paid to our named executive officers by voting for or against the following resolution. This resolution is required pursuant to Section 14A of the Securities Exchange Act of 1934, as amended (the Exchange Act). While the affirmative vote of a majority of the votes cast on this proposal is required and the vote is non-binding and advisory in nature, the Board and intends to carefully consider any significant negative shareholder vote resulting from the proposal to better understand the concerns that influenced the vote.

The Board has developed the executive compensation program that is described more fully in the Executive Compensation section of this proxy statement, including the Compensation Discussion and Analysis and the related tables and narrative. The program promotes a performance-based culture and aligns executives' interests with those of shareholders by linking a substantial portion of compensation to the Company's performance and by requiring executives to hold 50% of equity grants made on or after February 28, 2010 for five years. It balances short- and long-term compensation features to encourage the achievement of annual goals and objectives while also rewarding executives for production of value for the Company's shareholders over the long term. The program is also designed to attract and retain highly talented executives who are critical to the successful implementation of the Company's strategy.

More specifically:

Incentive-based pay on average represents approximately 85% of Total Direct Compensation, as defined under Executive Compensation Compensation Discussion and Analysis Role of Compensation Benchmarking, for those named executive officers still serving in such capacity as of March 7, 2011;

Salary on average represents only approximately 15% of such named executive officers' Total Direct Compensation;

For our Chief Executive Officer specifically, incentive based pay represents 89% of his Total Direct Compensation, with approximately 67% tied to the creation of long-term shareholder value and approximately 22% tied to achievement of challenging

annual performance goals;
and

The Management
Development and
Compensation Committee
(the Compensation
Committee) carefully
reviews executive
compensation practices and
has implemented a
compensation program that:

Helps the
Company reach
its short-term
and long-term
strategic
objectives;

Bases annual
compensation
decisions
primarily on an
assessment of
each executive's
achievement of
qualitative and
quantitative
goals that are
critical for the
creation of
long-term
shareholder
value;

Requires
executive
officers to
maintain certain
equity
ownership
levels;

Claws back
incentive
payments paid
to an executive
who engages in
willful
misconduct that

results in a
financial
restatement due
to material
non-compliance
with financial
reporting
requirements;
and

Avoids
perquisites that
exceed levels
customary to the
markets in
which
executives
reside.

For the reasons discussed above, the Board recommends that Shareholders approve the executives' compensation by approving the following resolution:

RESOLVED, that the shareholders approve the compensation of the Company's named executive officers, as disclosed in the Compensation Discussion and Analysis, the compensation tables and the related disclosure contained in this proxy statement.

Your Board of Directors recommends that Shareholders vote FOR the approval of the resolution set forth above.

IV. NON-BINDING (ADVISORY) VOTE ON THE FREQUENCY OF FUTURE EXECUTIVE COMPENSATION VOTES

The Company is presenting the following proposal to give Shareholders the opportunity to inform the Company as to how often you wish the Company to include the resolution set forth in Proposal III above in our proxy statement. This resolution is required pursuant to Section 14A of the Exchange Act. While our Board intends to carefully consider the frequency approved by the shareholders, the final vote will not be binding on us and is advisory in nature.

RESOLVED, that the shareholders identify in an advisory, non-binding vote, whether a non-binding vote on the compensation of the Company's named executive officers pursuant to Section 14A of the Securities Exchange Act should occur every:

year;

two
years;
or

three
years.

After careful consideration of the frequency alternatives, the Board believes that conducting an advisory vote on executive compensation on an annual basis is appropriate for the Company and its Shareholders at this time.

Your Board of Directors recommends that Shareholders vote to hold an advisory, non-binding vote on executive compensation on an annual basis.

V. APPROVAL OF INCREASE IN THE NUMBER OF SHARES AVAILABLE FOR ISSUANCE UNDER THE 1991 PERFORMANCE INCENTIVE PROGRAM

The Board of Directors of the Company has amended and restated the XL Group plc 1991 Performance Incentive Program (the Program), subject to Shareholder approval, to increase the number of Shares available for issuance under the Program.

Without taking into account the amendment of the Program, 6,274,767 Shares are available for grants of new awards under the Program after February 28, 2011. (See Equity Compensation Plan Information below for further information regarding Shares available for issuance under the Company's compensation plans at December 31, 2010.) The Company believes that it will be at a competitive disadvantage in its efforts to attract and retain its employees if it does not have the flexibility to issue equity-based compensation awards to targeted individuals. Accordingly, the Program has been amended, subject to shareholder approval, to increase the number of shares that may be issued by 13 million Shares. The Program provides for grants of stock options, restricted stock, restricted stock units, stock appreciation rights (SARs), performance share awards and performance unit awards. The Company recognizes that restricted stock, restricted stock units, SARs and performance share awards generally have a greater cost to the Company than stock options. Accordingly, the number of available shares under the Program is reduced by two for each restricted stock, restricted stock unit, SAR, performance share award or performance unit award issued. Any restricted stock, restricted stock unit, performance share award or performance unit award granted to executive officers of the Company as a regular annual grant vests only if the criteria specified in the award are met. The Program has provided for a maximum number of shares that can be granted to any individual during a calendar year in the form of performance shares, performance units or shares of restricted stock and restricted stock units intended to qualify as qualified performance-based compensation under applicable provisions of the United States Internal Revenue Code (the Code) as well as stock options and SARs of 300,000 shares (or in the case of performance units, an amount of

cash equal to the value of 300,000 Shares), and of one million with respect to options and SARs that may be granted to any individual participant during any calendar year.

The Shareholders are requested to approve the increase in the number of Shares available for issuance under the Program. The following summary of the amended and restated Program is qualified in its entirety by express reference to the Program, which is attached as Appendix A to this proxy statement.

General

The Program is intended to provide incentives to attract, retain and motivate employees of the Company and its subsidiaries and affiliates in order to achieve the Company's long-term growth and profitability objectives. The Program provides for the grant to eligible employees of stock options, SARs, restricted stock, restricted stock units, performance shares, and performance units (the Awards). After amendment of the Program, 19,274,767 Shares will be available for issuance under the Program after February 28, 2011, plus Shares that subsequently become available as a result of forfeitures, cancellations or expiration of Awards under the Program. However, for each restricted stock, restricted stock unit, SAR or performance share or unit award issued, the number of Shares available under the Program is reduced by two Shares. In the event that an award issued under the Program expires or is terminated unexercised as to any Shares covered thereby, or Shares are forfeited for any reason under the Program, such Shares shall thereafter be again available for issuance under the Program. Forfeited awards will result in the addition to Shares available for issuance under the Program. In addition, the Program provides that the maximum number of Shares with respect to which options and SARs may be granted to any individual participant during any calendar year is 1,000,000, and the number of performance shares, performance units and shares of restricted stock and restricted stock units intended to qualify as qualified performance-based compensation under applicable provisions of the Code that can be granted to any individual during a calendar year is 300,000 Shares (or in the case of performance units, an amount of cash equal to the value of 300,000 Shares). Any benefits payable under a performance unit award are payable in cash. Each of the share limits referred to above is subject to anti-dilution adjustments in the event of certain changes in the Company's capital structure.

Eligibility and Administration

Officers and other employees of the Company and its subsidiaries and affiliates are eligible to be granted Awards under the Program. The Program is administered by the Compensation Committee or such other Board committee or subcommittee (or the entire Board) as may be designated by the Board. The Compensation Committee determines which eligible employees receive Awards, the types of Awards received and the terms and conditions thereof. The Compensation Committee has authority to waive conditions relating to an Award or accelerate vesting of Awards. Historically, approximately 160 employees have received awards under the Program. Since selection for participation in the Program is in the sole discretion of the Compensation Committee, it is not possible to determine the number of employees who will receive awards under the Program in the future.

Awards

Incentive stock options (ISOs) intended to qualify for special tax treatment in accordance with the Code, nonqualified stock options not intended to qualify for special tax treatment under the Code and SARs may be granted for such number of Shares as the Compensation Committee determines. The Compensation Committee is authorized to set the terms relating to an option or SAR, including the exercise price and the time and method of exercise. The exercise price of stock options and SARs cannot be less than the fair market value per share on the date of grant. The terms of ISOs comply with the provisions of Section 422 of the Code. Options and SARs may not be repriced or exchanged for another Program Award without Shareholder approval.

Awards of restricted stock and restricted stock units are subject to such restrictions on transferability and other restrictions, if any, as the Compensation Committee may impose. Such restrictions lapse under circumstances as the Compensation Committee may determine in each Award Agreement. Except as otherwise determined by the Compensation Committee, eligible employees granted restricted stock have all of the rights of a stockholder, including the right to vote restricted stock and receive dividends thereon. Restricted stock units provide for the delivery of a number of Shares equivalent to the number of restricted stock units at the time and subject to the terms and conditions set forth in the applicable award agreement.

Awards of restricted stock, restricted stock units, performance shares and performance units may not be exchanged for other Program Awards without Shareholder approval.

Performance shares and performance units provide for future issuance of Shares or payment of cash to the recipient upon the attainment of corporate performance goals established by the Compensation Committee over specified performance periods. Prior to payment of performance shares or performance units, the Compensation Committee will certify that the performance objectives were satisfied. Performance objectives may vary from employee to employee.

If the Compensation Committee determines that an award of performance shares, performance units, shares of restricted stock or restricted stock units should qualify under the performance-based compensation exception to the \$1 million cap on deductibility under Section 162(m) of the Code, the grant, vesting and/or settlement of such awards shall be contingent upon achievement of pre-established performance goals based on one or more of the following business criteria for the Company, on a consolidated basis, and/or for specified subsidiaries or business units of the Company (except with respect to the total stockholder return and earnings per share criteria): earnings per share; revenues; cash flow; cash flow return on investment; return on assets; return on investment; return on capital; return on equity; economic value added; operating margin; net income; pretax earnings; pretax earnings before interest, depreciation and amortization; pretax operating earnings after interest expense and before incentives, service fee, and extraordinary or special items; operating earnings; total stockholder return; and any of the above goals as compared to the performance of a published or special index deemed applicable by the Compensation Committee including, but not limited to, the Standard & Poor's 500 Stock Index.

Amendment and Termination

The Board of Directors may, at any time and from time to time, suspend or terminate the Program in whole or amend it from time to time in such respects as the Board of Directors may deem appropriate, but any such amendment will be subject to the approval of Shareholders if required by applicable law or the rules of any stock exchange on which the Shares may then be listed. In addition, without the consent of an affected participant, no amendment, suspension, or termination of the Program may adversely affect the rights of such participant under any Award theretofore granted to him or her.

Market Value

The per share closing price of the Company's Shares on March 4, 2011 was \$22.95.

EQUITY COMPENSATION PLAN INFORMATION

As required by Item 10 of Schedule 14A, the following table summarizes the Company's equity compensation plan information as of December 31, 2010:

| (a) | (b) | (c) |
|---|---|---|
| Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of securities remaining available for future issuance under equity compensation plans (excluding |

**securities
reflected in column
a)**

| Plan Category | | | | |
|--|-------------------|-----------|--------------|-------------------|
| Equity compensation plans approved by security holders (1) | 13,783,813 | \$ | 50.72 | 11,828,515 (2) |
| Equity compensation plans not approved by security holders (3) | 0 | \$ | 0 | 169,407 |
| Total | 13,783,813 | \$ | 50.72 | 11,997,922 |

(1) Pertains to the Company's 1991 Performance Incentive Program, the Company's Directors Stock & Option Plan, and the Company's NAC Re Corp. 1989 Stock Option Plan. Includes for the Company's 1991 Performance Incentive Program, 13,629,376 securities to be issued upon exercise of outstanding options, warrants and rights, a \$51.02 weighted average exercise

price of
outstanding
options,
warrants and
rights, and
11,563,471
securities
remaining
available for
future
issuance

under equity
compensation
plans
(excluding
securities
reflected in
column a).
Includes for
the Company's
Directors
Stock &
Option Plan,
150,000
securities to
be issued
upon exercise
of outstanding
options,
warrants and
rights, a
\$23.56
weighted
average
exercise price
of outstanding
options,
warrants and
rights, and
265,044
securities
remaining
available for
future
issuance
under equity
compensation
plans
(excluding
securities
reflected in
column a).
Includes for
the Company's
NAC Re
Corp. 1989
Stock Option
Plan, 4,437
securities to
be issued
upon exercise
of outstanding

options,
warrants and
rights, a
\$36.78
weighted
average
exercise price
of outstanding
options,
warrants and
rights, and no
securities
remaining
available for
future
issuance
under equity
compensation
plans
(excluding
securities
reflected in
column a).

- (2) In relation to
the 1991
Performance
Incentive
Program, of
such
maximum
number of
Shares at
December 31,
2010,
1,000,000 can
be issued as
any form of
Award, except
that the
number of
Shares
available
under the
Program will
be reduced by
two Shares for
each share of
restricted
stock that
vests and each

share issued upon the vesting of restricted stock units, SARs or performance shares.

- (3) The Company's 1999 Performance Incentive Program for Employees provided for grants of non-statutory stock options, restricted stock, performance shares and performance units to employees of the Company and its subsidiaries who were not subject to the reporting requirements of Section 16(a) of the Exchange Act. The Company does not intend to make any further grants pursuant to this plan.

Federal Income Tax Consequences

The following is a summary of the U.S. federal income tax consequences of the Program, based upon current provisions of the Code, the Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, and does not address the consequences under any state, local or foreign tax laws. Many of the Company's officers and employees are not subject to U.S. personal income taxation and may be subject to taxation under the laws of jurisdictions other than the United States.

Stock Options. In general, the grant of an option will not be a taxable event to the recipient and will not result in a deduction to the Company or its subsidiaries. The tax consequences associated with the exercise of an option and the subsequent disposition of Shares acquired on the exercise of such option depend on whether the option is a nonqualified stock option or an ISO.

Upon the exercise of a nonqualified stock option, the participant will recognize ordinary taxable income equal to the excess of the fair market value of the Shares received upon exercise over the exercise price, and the participant's employer will generally be able to claim a deduction in an equivalent amount (this is generally relevant only if the employer is a U.S. subsidiary of the Company). Any gain or loss upon a subsequent sale or exchange of the Shares will be capital gain or loss, long-term or short-term, depending on the holding period for the Shares.

Generally, a participant will not recognize ordinary taxable income at the time of exercise of an ISO and no deduction will be available to the participant's employer, provided the option is exercised while the participant is an employee or within three months following termination of employment (longer, in the case of disability or death). If an ISO granted under the Program is exercised after this period, the exercise will be treated for United States federal income tax purposes as the exercise of a nonqualified stock option. Also, an ISO granted under the Program will be treated as a nonqualified stock option to the extent it (together with other ISOs granted to the participant by the Company) first becomes exercisable in any calendar year for Shares having a fair market value, determined as of the date of grant, in excess of \$100,000.

If Shares acquired upon exercise of an ISO are sold or exchanged more than one year after the date of exercise and more than two years after the date of grant of the option, any gain or loss will be long-term capital gain or loss. If Shares acquired upon exercise of an ISO are disposed of prior to the expiration of these one-year or two-year holding periods, the participant will recognize ordinary income at the time of disposition, and the participant's employer will generally be entitled to a deduction, in an amount equal to the excess of the fair market value of the Shares at the date of exercise over the exercise price. Any additional gain will be treated as capital gain, long-term or short-term, depending on how long the Shares have been held.

Although the exercise of an ISO as described above would not produce ordinary taxable income to the participant, it would result in an increase in the participant's alternative minimum taxable income and may result in an alternative minimum tax liability.

If an option is exercised through the use of Company Shares previously owned by the participant, such exercise generally will not be considered a taxable disposition of the previously

owned Shares and, thus, no gain or loss will be recognized with respect to such previously owned Shares upon such exercise. The amount of any built-in gain on the previously owned Shares generally will not be recognized until the new Shares acquired on the option exercise are disposed of in a sale or other taxable transaction.

Restricted Stock. A participant who receives shares of restricted stock will generally recognize ordinary income at the time that they vest, i.e., when they are not subject to a substantial risk of forfeiture. The amount of ordinary income so recognized will be the fair market value of the Shares at the time the income is recognized (determined without regard to any restrictions other than restrictions which by their terms will never lapse), less the amount, if any, paid for the Shares. This amount is generally deductible for federal income tax purposes by the participant's employer. Dividends paid with respect to shares that are not vested will be ordinary compensation income to the participant (and generally deductible by the employer). Any gain or loss upon a subsequent sale or exchange of the shares measured by the difference between the sale price and the fair market value on the date restrictions lapse will be capital gain or loss, long-term or short-term, depending on the holding period for the shares. The holding period for this purpose will begin on the date following the date restrictions lapse.

In lieu of the treatment described above, a participant may elect immediate recognition of income under Section 83(b) of the Code. In such event, the participant will recognize as ordinary income the fair market value of the restricted stock at the time of grant (determined without regard to any restrictions other than restrictions that by their terms will never lapse), and the participant's employer will generally be entitled to a corresponding deduction. Dividends paid with respect to shares as to which a proper Section 83(b) election has been made will not be deductible. If a Section 83(b) election is made and the restricted stock is subsequently forfeited, the participant will not be entitled to any offsetting tax deduction.

SARs and Other Awards.