

Via Facsimile and U.S. Mail  
Mail Stop 4720

September 1, 2009

Mr. Brian W. Nocco  
Executive Vice President and Chief Financial Officer  
XL Capital Ltd.  
XL House,  
One Bermudiana Road  
Hamilton, Bermuda HM 11

**Re: XL Capital Ltd.**  
**Form 10-K for the Year Ended December 31, 2008**  
**Filed on March 2, 2009**  
**Schedule 14A**  
**Filed on March 9, 2009**  
**File No. 001-10804**

Dear Mr. Nocco:

We have reviewed your supplemental response and have the following comments. In our comments, we ask you to provide us with information to better understand your disclosure. Where a comment requests you to revise disclosure, the information you provide should show us what the revised disclosure will look like and identify the annual or quarterly filing, as applicable, in which you intend to first include it. If you do not believe that revised disclosure is necessary, explain the reason in your response. After reviewing the information provided, we may raise additional comments and/or request that you amend your filings.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filings. We look forward to working with you in these respects. We welcome any questions you may have about our comments or on any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.

**Form 10-K for the Year Ended December 31, 2008**

Item 15. Exhibits, Financial Statement Schedules

1. We note your response to Comment 8. Please confirm that you will file your Master Commutation, Release and Restructuring Agreement with Syncora and certain counterparties in its entirety, as opposed to just the exhibit schedules and disclosure schedules to the agreement.

**DEF 14A**

Compensation Discussion and Analysis  
Annual Incentives, page 21

2. We note that your response to Comment 9 indicates that you will provide enhanced disclosure in relation to your annual incentive plan compensation in future filings, if applicable. Please provide us with proposed disclosure to be included in your 2010 proxy statement which provides the following with regard to your annual incentive compensation plan:
  - The criteria upon which each named executive is evaluated;
  - Performance objectives or metrics; and,
  - Discussion of how the level of achievement will affect the actual incentive compensation to be paid.

Additionally, confirm that you will discuss the achievement of objectives. To the extent that objectives are quantified, the discussion in your proxy statement should also be quantified.

2009 Long-Term Cash Incentive Plan, page 25

3. We note that your response to Comment 10 indicates that you will provide additional disclosure on your long-term cash incentive plan in your discussion of compensation decisions for the 2009 calendar year. Please provide us with proposed disclosure to be included in your 2010 proxy statement which provides the following:
  - The combined ratio performance criteria; and,
  - Discussion of how the level of achievement affects the actual payments made under your LTP.

Additionally, confirm that you will disclose the achievement of the performance criteria.

Related Person Transactions, page 49

4. We note your response to Comment 12. Please provide proposed disclosure to be included in your 2010 proxy statement which includes the information about your arrangement with Mr. O'Hara that is required to be disclosed under Item 404 of Regulation S-K.

\* \* \* \*

Please respond to these comments within 10 business days or tell us when you will provide us with a response. Please furnish a letter that keys your responses to our comments and provide the requested information. Detailed letters greatly facilitate our review. Please furnish your letter on EDGAR under the form type label CORRESP.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filing to be certain that the filing includes all information required under the Securities Exchange Act of 1934 and that they have provided all information investors require for an informed investment decision. Since the company and its management are in possession of all facts relating to a company's disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

In connection with responding to our comments, please provide, in your letter, a statement from the company acknowledging that:

- the company is responsible for the adequacy and accuracy of the disclosure in the filing;
- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filing; and
- the company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

In addition, please be advised that the Division of Enforcement has access to all information you provide to the staff of the Division of Corporation Finance in our review of your filing or in response to our comment on your filing.

Please contact Bryan Pitko at (202) 551-3203 if you have any questions. In this regard, do not hesitate to contact me, at (202) 551-3715.

Sincerely,

Jeffrey P. Riedler  
Assistant Director