

RENAISSANCERE HOLDINGS LTD

Form 10-Q

July 30, 2008

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For The Quarterly Period Ended June 30, 2008

OR

.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 001-14428

RENAISSANCERE HOLDINGS LTD.

(Exact name of registrant as specified in its charter)

Bermuda **98-014-1974**
(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) Identification Number)
Renaissance House, 8-20 East Broadway, Pembroke HM 19 Bermuda
(Address of principal executive offices)
(441) 295-4513
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer , Accelerated filer , Non-accelerated filer , Smaller reporting company .

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of outstanding shares of RenaissanceRe Holdings Ltd.'s common shares, par value US \$1.00 per share, as of July 24, 2008 was 61,237,784.

Total number of pages in this report: 59

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RenaissanceRe Holdings Ltd.

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Table of Contents**PART 1 FINANCIAL INFORMATION****Item 1. FINANCIAL STATEMENTS****RenaissanceRe Holdings Ltd. and Subsidiaries****Consolidated Balance Sheets**

(in thousands of United States Dollars)

	June 30, 2008 (Unaudited)	December 31, 2007 (Audited)
Assets		
Fixed maturity investments available for sale, at fair value (Amortized cost \$3,736,403 and \$3,863,902 at June 30, 2008 and December 31, 2007, respectively)	\$ 3,775,345	\$ 3,914,363
Short term investments, at fair value	1,400,884	1,821,549
Other investments, at fair value	927,247	807,864
Investments in other ventures, under equity method	104,438	90,572
Total investments	6,207,914	6,634,348
Cash and cash equivalents	262,951	330,226
Premiums receivable	965,955	475,075
Ceded reinsurance balances	206,888	107,916
Losses recoverable	191,789	183,275
Accrued investment income	32,976	39,084
Deferred acquisition costs	134,319	104,212
Receivable for investments sold	209,320	144,037
Other secured assets	107,025	90,488
Other assets	156,970	171,457
Goodwill and other intangibles	74,169	6,237
Total assets	\$ 8,550,276	\$ 8,286,355
Liabilities, Minority Interest and Shareholders Equity		
Liabilities		
Reserve for claims and claim expenses	\$ 2,009,803	\$ 2,028,496
Reserve for unearned premiums	993,959	563,336
Debt	450,000	451,951
Reinsurance balances payable	408,775	275,430
Payable for investments purchased	247,482	422,974
Other secured liabilities	106,420	88,920
Other liabilities	165,905	162,294
Total liabilities	4,382,344	3,993,401
Commitments and Contingencies		
Minority Interest - DaVinciRe	794,499	815,451
Shareholders Equity		
Preference shares	650,000	650,000
Common shares	62,862	68,920
Additional paid-in capital		107,867

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Accumulated other comprehensive income	35,562	44,719
Retained earnings	2,625,009	2,605,997
Total shareholders equity	3,373,433	3,477,503
Total liabilities, minority interest and shareholders equity	\$ 8,550,276	\$ 8,286,355

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**RenaissanceRe Holdings Ltd. and Subsidiaries****Consolidated Statements of Operations****For the three and six months ended June 30, 2008 and 2007**

(in thousands of United States Dollars, except per share amounts)

(Unaudited)

	Three months ended		Six months ended	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Revenues				
Gross premiums written	\$ 807,575	\$ 845,860	\$ 1,334,613	\$ 1,478,589
Net premiums written	\$ 614,022	\$ 609,842	\$ 1,017,138	\$ 1,180,869
Increase in unearned premiums	(237,449)	(251,388)	(331,651)	(459,797)
Net premiums earned	376,573	358,454	685,487	721,072
Net investment income	38,685	118,140	91,188	226,155
Net foreign exchange (losses) gains	(231)	(373)	4,705	4,794
Equity in earnings of other ventures	4,872	9,675	11,122	20,376
Other (loss) income	(24)	(5,498)	7,988	(7,701)
Net realized losses on investments	(24,161)	(11,566)	(34,831)	(7,481)
Total revenues	395,714	468,832	765,659	957,215
Expenses				
Net claims and claim expenses incurred	114,217	138,854	196,373	284,846
Acquisition expenses	53,613	59,509	100,041	123,238
Operational expenses	33,494	26,527	63,607	55,051
Corporate expenses	7,111	4,927	15,814	11,931
Interest expense	5,937	7,195	12,741	19,174
Total expenses	214,372	237,012	388,576	494,240
Income before minority interests and taxes	181,342	231,820	377,083	462,975
Minority interest - DaVinciRe	(41,341)	(37,399)	(81,656)	(66,506)
Income before taxes	140,001	194,421	295,427	396,469
Income tax benefit (expense)	6,295	(680)	(1,391)	(787)
Net income	146,296	193,741	294,036	395,682
Dividends on preference shares	(10,575)	(10,575)	(21,150)	(21,711)
Net income available to common shareholders	\$ 135,721	\$ 183,166	\$272,886	\$ 373,971
Net income available to common shareholders per common share - basic	\$ 2.16	\$ 2.57	\$ 4.25	\$ 5.25
Net income available to common shareholders per common share - diluted	\$ 2.13	\$ 2.53	\$ 4.18	\$ 5.16
Dividends per common share	\$ 0.23	\$ 0.22	\$ 0.46	\$ 0.44

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**RenaissanceRe Holdings Ltd. and Subsidiaries****Consolidated Statements of Changes in Shareholders' Equity****For the six months ended June 30, 2008 and 2007**

(in thousands of United States Dollars)

(Unaudited)

	Six months ended	
	June 30, 2008	June 30, 2007
Preference shares		
Balance - January 1	\$ 650,000	\$ 800,000
Repurchase of shares		(150,000)
Balance - June 30	650,000	650,000
Common shares		
Balance - January 1	68,920	72,140
Repurchase of shares	(6,435)	(223)
Exercise of options and issuance of restricted stock and awards	377	349
Balance - June 30	62,862	72,266
Additional paid-in capital		
Balance - January 1	107,867	284,123
Repurchase of shares	(121,841)	(10,896)
Exercise of options and issuance of restricted stock and awards	13,974	10,466
Balance - June 30		283,693
Accumulated other comprehensive income		
Balance - January 1	44,719	25,217
Net unrealized losses on securities, net of adjustment (see disclosure below)	(9,157)	(12,278)
Balance - June 30	35,562	12,939
Retained earnings		
Balance - January 1	2,605,997	2,099,017
Net income	294,036	395,682
Repurchase of shares	(224,300)	
Dividends on common shares	(29,574)	(31,848)
Dividends on preference shares	(21,150)	(21,711)
Balance - June 30	2,625,009	2,441,140
Total Shareholders' Equity	\$ 3,373,433	\$ 3,460,038

Comprehensive income (1)

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Net income	\$ 294,036	\$ 395,682
Other comprehensive loss	(9,157)	(12,278)
Comprehensive income	\$ 284,879	\$ 383,404
Disclosure regarding net unrealized losses		
Net unrealized holding losses arising during the year	\$ (43,988)	\$ (19,759)
Net realized losses included in net income	34,831	7,481
Net unrealized losses on securities	\$ (9,157)	\$ (12,278)

- (1) Comprehensive income was \$116.5 million and \$179.3 million for the three months ended June 30, 2008 and 2007, respectively.
The accompanying notes are an integral part of these consolidated financial statements.

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