RENAISSANCERE HOLDINGS LTD
Form 10-Q
November 06, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q
Q QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2015
OR
o 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 Incorporation or Organization)	(I.R.S. Employer Identification Number)

Renaissance House, 12 Crow Lane, Pembroke HM 19 Bermuda
(Address of Principal Executive Offices)
(441) 295-4513
(Registrant’s telephone number)

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 Q No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes Q No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, as defined in Rule 12b-2 of the Act. Large accelerated filer Q, Accelerated filer o, Non-accelerated filer o, Smaller reporting company o

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

The number of Common Shares, par value US $1.00 per share, outstanding at November 3, 2015 was 43,848,922.

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NOTE ON FORWARD-LOOKING STATEMENTS

This Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which, with respect to future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, us.

In particular, statements using words such as "may", "should", "estimate", "expect", "anticipate", "intend", "believe", "predict" "potential", or words of similar import generally involve forward-looking statements. For example, we may include certain forward-looking statements in "Management's Discussion and Analysis of Financial Condition and Results of Operations" with regard to trends in results, prices, volumes, operations, investment results, margins, combined ratios, fees, reserves, market conditions, risk management and exchange rates. This Form 10-Q also contains forward-looking statements with respect to our business and industry, such as those relating to our strategy and management objectives, market standing and product volumes, competition and new entrants in our industry, industry capital, insured losses from loss events, government initiatives and regulatory matters affecting the reinsurance and insurance industries.

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

- our exposure to significant losses from catastrophic events and other exposures that we cover, which we expect to cause significant volatility in our financial results from time to time;
- the frequency and severity of catastrophic and other events which we cover could exceed our estimates and cause losses greater than we expect;
- the inherent uncertainties in our reserving process, particularly in regards to large catastrophic events and longer tail casualty lines, which we expect to increase as our product and geographical diversity increases;
- the risk of the lowering or loss of any of the financial strength, claims-paying or enterprise-wide risk management ratings of RenaissanceRe Holdings Ltd. ("RenaissanceRe") or of one or more of our subsidiaries or joint ventures or changes in the policies or practices of the rating agencies;
- risks associated with appropriately modeling, pricing for, and contractually addressing new or potential factors in loss emergence, such as global warming and other aspects of climate change which have the potential to adversely affect our business, any of which could cause us to underestimate our exposures and potentially adversely impact our financial results;
- the risk that we might be bound to policyholder obligations beyond our underwriting intent, or unable to enforce our own intent in respect of retrocessional arrangements, including in each case due to emerging claims and coverage issues;
- risks relating to our ability to recognize the benefits of the acquisition of Platinum Underwriters Holdings, Ltd. ("Platinum"), including risks that our future financial performance may differ from projections, risks relating to integration challenges and costs, and other risks that we may not be able to effectively manage our expanded operations;
- risks due to our increasing reliance on a small and decreasing number of reinsurance brokers and other distribution services for the preponderance of our revenue;
- risks relating to operating in a highly competitive environment, which we expect to continue to increase over time due to new competition from traditional and non-traditional participants, particularly as capital markets products provide alternatives and replacements for more traditional reinsurance and insurance products, as new entrants or existing competitors attempt to replicate our business model, and as a result of consolidation in the (re)insurance industry;
- risks relating to deteriorating market conditions, including the risks of decreasing revenues, margins, capital efficiency and returns;

- the risk that our customers may fail to make premium payments due to us, as well as the risk of failures of our reinsurers, brokers or other counterparties to honor their obligations to us, including in regards to large catastrophic events, and also including their obligations to make third party payments for which we might be liable;
- a contention by the Internal Revenue Service ("IRS") that Renaissance Reinsurance Ltd. ("Renaissance Reinsurance"), Platinum Underwriters Bermuda, Ltd. ("Platinum Bermuda"), or any of our other Bermuda or non-U.S. subsidiaries, is subject to U.S. taxation;
- other risks relating to potential adverse tax developments, including potential changes to the taxation of inter-company or related party transactions, the risk that our operating subsidiaries could be deemed to be passive foreign investment companies under future rules, regulations or laws, or potential changes to the tax treatment of investors in RenaissanceRe or our joint ventures or other entities we manage;
- risks relating to adverse legislative developments that could reduce the size of the private markets we serve, or impede their future growth, including proposals to shift United States ("U.S.") catastrophe risks to federal mechanisms; similar proposals at the state level in the U.S., including the risk of legislation in Florida to expand the reinsurance coverage offered by the Florida Hurricane Catastrophe Fund ("FHCF") and the insurance policies written by Citizens Property Insurance Corporation ("Citizens"), or failing to implement reforms to reduce such coverage; risks of adverse legislation in relation to U.S. flood insurance or the failure to implement reform legislation; and the risk that new legislation will be enacted in the international markets we serve which might reduce market opportunities in the private sector, weaken our customers or otherwise adversely impact us;
- risks associated with our investment portfolio, including the risk that our investment assets may fail to yield attractive or even positive results; and the risk that investment managers may breach our investment guidelines, or the inability of such guidelines to mitigate investment risks;
- risks associated with implementing our business strategies and initiatives, including risks related to strategic transactions, developing or enhancing the operations, controls and other infrastructure necessary in respect of our more recent, new or proposed initiatives, and the risk that we may fail to succeed in our business or financing plans for these initiatives;
- risks that certain of our new or potentially expanding business lines could have a significant negative impact on our financial results or cause significant volatility in our results for any particular period;
- risks associated with potential for loss of services of any one of our key senior officers, the risk that we fail to attract or retain the executives and employees necessary to manage our business, and difficulties associated with the transition of members of our senior management team for new or expanded roles necessary to execute our strategic and tactical plans;
- risks relating to the inability, or delay, in the claims-paying ability of Citizens, FHCF or of private market participants in Florida, particularly following a large windstorm or multiple smaller storms, which we believe would weaken or destabilize the Florida market and give rise to an unpredictable range of impacts which might be adverse to us, perhaps materially so;
- risks associated with the management of our operations as our product and geographical diversity increases, including the potential inability to allocate sufficient resources to our strategic and tactical plans or to address additional industry or regulatory developments and requirements;
- changes in economic conditions, including interest rate, currency, equity and credit conditions which could affect our investment portfolio or declines in our investment returns for other reasons which could reduce our profitability and hinder our ability to pay claims promptly in accordance with our strategy, especially in light of the current macroeconomic uncertainty, both globally, particularly in respect of Eurozone countries and companies, and in the U.S.;
- risks associated with highly subjective judgments, such as valuing our more illiquid assets, and determining the impairments taken on our investments, all of which impact our reported financial position and operating results;
- risks associated with our retrocessional reinsurance protection, including the risks that the coverages and protections we seek may become unavailable or only available on unfavorable terms, that the forms of retrocessional protection available in the market on acceptable terms may give rise to more

risk in our net portfolio than we find desirable or that we correctly identify, or that we are otherwise unable to cede our own assumed risk to third parties; and the risk that providers of protection may not meet their obligations to us or may not do so on a timely basis;

- risks associated with inflation, which could cause loss costs to increase, and impact the performance of our investment portfolio, thereby adversely impacting our financial position or operating results;
- operational risks, including system or human failures, which risks could result in our incurring material losses;
- risks in connection with our management of capital on behalf of investors in joint ventures or other entities we manage, such as failing to comply with complex laws and regulations relating to the management of such capital or the potential rights of third party investors, which failure could result in our incurring significant liabilities, penalties or other losses;
- risks that we may require additional capital in the future, particularly after a catastrophic event or to support potential growth opportunities in our business, which may not be available or may be available only on unfavorable terms;
- risks relating to our potential failure to comply with covenants in our debt agreements, which failure could provide our lenders the right to accelerate our debt;
- the risk of potential challenges to the claim of exemption from insurance regulation of RenaissanceRe and certain of our subsidiaries in certain jurisdictions under current laws and the risk of increased global regulation of the insurance and reinsurance industry;
- risks relating to the inability of our operating subsidiaries to declare and pay dividends, which could cause us to be unable to pay dividends to our shareholders or to repay our indebtedness;
- the risk of regulatory or legislative changes adversely impacting us, as a Bermuda-based company, relative to our competitors, or actions taken by multinational organizations having such an impact;
- risks arising out of possible changes in the distribution or placement of risks due to increased consolidation of customers or insurance and reinsurance brokers; and
- risks relating to changes in regulatory regimes and/or accounting rules, including but not limited to, the European Union (“EU”) directive concerning capital adequacy, risk management and regulatory reporting for insurers.

The factors listed above should not be construed as exhaustive. Certain of these risk factors and others are described in more detail in our filings with the U.S. Securities and Exchange Commission (“SEC”), including our Annual Report on Form 10-K (“Form 10-K”) for the year ended December 31, 2014. We undertake no obligation to release publicly the results of any future revisions we may make to forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

PART I - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Balance Sheets
(in thousands of United States Dollars, except per share amounts)

Assets	September 30, 2015 (Unaudited)	December 31, 2014 (Audited)
Fixed maturity investments trading, at fair value (Amortized cost $6,915,503 and $4,749,613 at September 30, 2015 and December 31, 2014, respectively)	$6,905,302	$4,756,685
Fixed maturity investments available for sale, at fair value (Amortized cost $17,778 and $23,772 at September 30, 2015 and December 31, 2014, respectively)	19,905	26,885
Short term investments, at fair value	998,906	1,013,222
Equity investments trading, at fair value	462,198	322,098
Other investments, at fair value	483,958	504,147
Investments in other ventures, under equity method	129,495	120,713
Total investments	8,999,764	6,743,750
Cash and cash equivalents	524,546	525,584
Premiums receivable	864,198	440,007
Prepaid reinsurance premiums	258,445	94,810
Reinsurance recoverable	141,416	66,694
Accrued investment income	40,855	26,509
Deferred acquisition costs	213,599	110,059
Receivable for investments sold	321,756	52,390
Other assets	271,929	135,845
Goodwill and other intangible assets	270,213	7,902
Total assets	$11,906,721	$8,203,550
Liabilities, Noncontrolling Interests and Shareholders’ Equity		
Liabilities		
Reserve for claims and claim expenses	$2,796,062	$1,412,510
Unearned premiums	1,042,012	512,386
Debt	969,221	249,522
Reinsurance balances payable	533,174	454,580
Payable for investments purchased	602,576	203,021
Other liabilities	244,005	374,108
Total liabilities	6,187,050	3,206,127
Commitments and Contingencies		
Redeemable noncontrolling interest	1,022,028	1,131,708
Shareholders’ Equity		
Preference shares: $1.00 par value – 16,000,000 shares issued and outstanding at September 30, 2015 (December 31, 2014 – 16,000,000)	400,000	400,000
Common shares: $1.00 par value – 44,121,489 shares issued and outstanding at September 30, 2015 (December 31, 2014 – 38,441,972)	44,121	38,442
Additional paid-in capital	551,683	—
Accumulated other comprehensive income	2,260	3,416
Retained earnings	3,699,579	3,423,857
Total shareholders’ equity attributable to RenaissanceRe	4,697,643	3,865,715
Total liabilities, noncontrolling interests and shareholders’ equity	$11,906,721	$8,203,550

See accompanying notes to the consolidated financial statements

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Operations
For the three and nine months ended September 30, 2015 and 2014
(in thousands of United States Dollars, except per share amounts) (Unaudited)

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Revenues				
Gross premiums written	$369,642	$200,992	$1,675,217	$1,417,792
Net premiums written	$266,820	$159,713	$1,179,532	$956,467
Decrease (increase) in unearned premiums	95,568	99,266	(140,556)	(150,538)
Net premiums earned	362,388	258,979	1,038,976	805,929
Net investment income	28,338	24,941	106,649	98,430
Net foreign exchange gains (losses)	616	5,036	(4,254)	6,367
Equity in earnings of other ventures	5,730	9,806	17,185	21,237
Other income (loss)	2,306	(1,169)	5,272	(1,642)
Net realized and unrealized (losses) gains on investments	(41,138)	(31,097)	(26,101)	10,958
Total revenues	358,240	266,496	1,137,727	941,279
Expenses				
Net claims and claim expenses incurred	100,028	69,647	346,225	209,950
Acquisition expenses	78,126	37,550	183,193	104,727
Operational expenses	54,518	46,972	154,812	135,437
Corporate expenses	7,502	3,905	66,132	12,404
Interest expense	10,362	4,290	25,311	12,875
Total expenses	250,536	162,364	775,673	475,393
Income before taxes	107,704	104,132	362,054	465,886
Income tax benefit (expense)	4,573	(245)	54,319	(207)
Net income	112,277	103,887	416,373	465,679
Net income attributable to noncontrolling interests	(31,153)	(30,477)	(82,982)	(109,323)
Net income attributable to RenaissanceRe	81,124	73,410	333,391	356,356
Dividends on preference shares	(5,595)	(5,595)	(16,786)	(16,786)
Net income available to RenaissanceRe common shareholders	$75,529	$67,815	$316,605	$339,570
Net income available to RenaissanceRe common shareholders per common share – basic	$1.68	$1.72	$7.25	$8.38
Net income available to RenaissanceRe common shareholders per common share – diluted	$1.66	$1.70	$7.19	$8.26
Dividends per common share	$0.30	$0.29	$0.90	$0.87

See accompanying notes to the consolidated financial statements

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three and nine months ended September 30, 2015 and 2014
(in thousands of United States Dollars) (Unaudited)

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Comprehensive income				
Net income	$112,277	$103,887	$416,373	$465,679
Change in net unrealized gains on investments	(733)	(89)	(1,156)	(302)
Comprehensive income	111,544	103,798	415,217	465,377
Net income attributable to noncontrolling interests	(31,153)	(30,477)	(82,982)	(109,323)
Comprehensive income attributable to noncontrolling interests	(31,153)	(30,477)	(82,982)	(109,323)
Comprehensive income attributable to RenaissanceRe	$80,391	$73,321	$332,235	$356,054
Disclosure regarding net unrealized gains				
Total net realized and unrealized holding gains on investments and net other-than-temporary impairments	$(733)	$(89)	$(818)	$(302)
Net realized gains on fixed maturity investments available for sale	—	—	(338)	—
Change in net unrealized gains on investments	$(733)	$(89)	$(1,156)	$(302)

See accompanying notes to the consolidated financial statements

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Changes in Shareholders' Equity
For the nine months ended September 30, 2015 and 2014
(in thousands of United States Dollars) (Unaudited)

	Nine months ended	
	September 30, 2015	September 30, 2014
Preference shares		
Balance – January 1	$400,000	$400,000
Balance – September 30	400,000	400,000
Common shares		
Balance – January 1	38,442	43,646
Issuance of shares	7,435	—
Repurchase of shares	(2,026)	(4,996)
Exercise of options and issuance of restricted stock awards	270	238
Balance – September 30	44,121	38,888
Additional paid-in capital		
Balance – January 1	—	—
Issuance of shares	754,384	—
Repurchase of shares	(209,462)	(5,359)
Change in noncontrolling interests	(403)	1,118
Exercise of options and issuance of restricted stock awards	7,164	4,241
Balance – September 30	551,683	—
Accumulated other comprehensive income		
Balance – January 1	3,416	4,131
Change in net unrealized gains on investments	(1,156)	(302)
Balance – September 30	2,260	3,829
Retained earnings		
Balance – January 1	3,423,857	3,456,607
Net income	416,373	465,679
Net income attributable to noncontrolling interests	(82,982)	(109,323)
Repurchase of shares	—	(468,200)
Dividends on common shares	(40,883)	(34,834)
Dividends on preference shares	(16,786)	(16,786)
Balance – September 30	3,699,579	3,293,143
Total shareholders' equity	$4,697,643	$3,735,860

See accompanying notes to the consolidated financial statements

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the nine months ended September 30, 2015 and 2014
(in thousands of United States Dollars) (Unaudited)

	Nine months ended	
	September 30, 2015	September 30, 2014
Cash flows provided by operating activities		
Net income	$416,373	$465,679
Adjustments to reconcile net income to net cash provided by operating activities		
Amortization, accretion and depreciation	3,837	30,270
Equity in undistributed earnings of other ventures	(11,303)	(16,519)
Net realized and unrealized losses (gains) on investments	26,101	(10,958)
Net unrealized losses (gains) included in net investment income	10,690	(2,908)
Net unrealized losses (gains) included in other income (loss)	426	(264)
Change in:		
Premiums receivable	(191,470)	(156,631)
Prepaid reinsurance premiums	(156,184)	(129,846)
Reinsurance recoverable	(70,994)	21,982
Deferred acquisition costs	(103,460)	(48,424)
Reserve for claims and claim expenses	(14,293)	(30,950)
Unearned premiums	296,950	280,384
Reinsurance balances payable	74,124	208,133
Other	(118,650)	(216,559)
Net cash provided by operating activities	162,147	393,389
Cash flows (used in) provided by investing activities		
Proceeds from sales and maturities of fixed maturity investments trading	6,956,729	5,896,330
Purchases of fixed maturity investments trading	(7,194,793)	(5,843,501)
Proceeds from sales and maturities of fixed maturity investments available for sale	6,741	6,076
Net purchases of equity investments trading	(153,452)	(33,925)
Net sales of short term investments	896,027	21,578
Net sales of other investments	7,033	74,706
Net (purchases) sales of investments in other ventures	(45)	1,030
Net sales of other assets	4,500	6,000
Net purchase of Platinum	(678,152)	—
Net cash (used in) provided by investing activities	(155,412)	128,294
Cash flows provided by (used in) financing activities		
Dividends paid – RenaissanceRe common shares	(40,883)	(34,834)
Dividends paid – preference shares	(16,786)	(16,786)
RenaissanceRe common share repurchases	(197,350)	(475,343)
Issuance of debt, net of expenses	445,589	—
Net third party redeemable noncontrolling interest share transactions	(187,339)	(107,091)
Net cash provided by (used in) financing activities	3,231	(634,054)
Effect of exchange rate changes on foreign currency cash	(11,004)	4,886
Net decrease in cash and cash equivalents	(1,038)	(107,485)
Cash and cash equivalents, beginning of period	525,584	408,032
Cash and cash equivalents, end of period	$524,546	$300,547

See accompanying notes to the consolidated financial statements

RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2015
(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars,
except shares, per share amounts and percentages) (Unaudited)
NOTE 1. ORGANIZATION
This report on Form 10-Q should be read in conjunction with the Company's Annual Report on Form 10-K ("Form 10-K") for the fiscal year ended December 31, 2014.
RenaissanceRe was formed under the laws of Bermuda on June 7, 1993. Together with its wholly owned and majority-owned subsidiaries and DaVinciRe (as defined below), which are collectively referred to herein as the "Company", RenaissanceRe provides reinsurance and insurance coverages and related services to a broad range of customers.

- On March 2, 2015, RenaissanceRe completed its acquisition of Platinum. As a result of the acquisition, Platinum and its subsidiaries became wholly owned subsidiaries of RenaissanceRe, including Platinum Bermuda and Renaissance Reinsurance U.S. Inc., formerly known as Platinum Underwriters Reinsurance, Inc. ("Renaissance Reinsurance U.S."). The Company accounted for the acquisition of Platinum under the acquisition method of accounting in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic Business Combinations and the Company's consolidated results of operations include those of Platinum from March 2, 2015.
- Renaissance Reinsurance, the Company's principal reinsurance subsidiary, provides property catastrophe and specialty reinsurance coverages to insurers and reinsurers on a worldwide basis.
- Renaissance Reinsurance U.S. is a reinsurance company domiciled in the State of Maryland that provides property and casualty reinsurance coverages to insurers and reinsurers, primarily in the Americas.
- RenaissanceRe Specialty Risks Ltd. ("RenaissanceRe Specialty Risks") is a Bermuda-domiciled excess and surplus lines insurance company listed on the National Association of Insurance Commissioners' International Insurance Department's Quarterly List of Alien Insurers as an eligible surplus lines insurer. RenaissanceRe Underwriting Managers U.S. LLC, a specialty reinsurance agency domiciled in the State of Connecticut, provides specialty treaty reinsurance solutions on both a quota share and excess of loss basis; and writes business on behalf of RenaissanceRe Specialty U.S. Ltd. ("RenaissanceRe Specialty U.S."), a Bermuda-domiciled reinsurer launched in June 2013 which operates subject to U.S. federal income tax, and RenaissanceRe Syndicate 1458 ("Syndicate 1458").
- Syndicate 1458 is the Company's Lloyd's syndicate. RenaissanceRe Corporate Capital (UK) Limited ("RenaissanceRe CCL"), a wholly owned subsidiary of RenaissanceRe, is Syndicate 1458's sole corporate member and RenaissanceRe Syndicate Management Ltd. ("RSML"), a wholly owned subsidiary of RenaissanceRe, is the managing agent for Syndicate 1458.
- The Company also manages property catastrophe and specialty reinsurance business written on behalf of joint ventures, which principally include Top Layer Reinsurance Ltd. ("Top Layer Re"), recorded under the equity method of accounting, and DaVinci Reinsurance Ltd. ("DaVinci"). Because the Company owns a noncontrolling equity interest in, but controls a majority of the outstanding voting power of, DaVinci's parent, DaVinciRe Holdings Ltd. ("DaVinciRe"), the results of DaVinci and DaVinciRe are consolidated in the Company's financial statements. Redeemable noncontrolling interest - DaVinciRe represents the interests of external parties with respect to the net income and shareholders' equity of DaVinciRe. Renaissance Underwriting Managers, Ltd. ("RUM"), a wholly owned subsidiary of RenaissanceRe, acts as exclusive underwriting manager for these joint ventures in return for fee-based income and profit participation.
- Effective January 1, 2013, the Company formed and launched a managed joint venture, Upsilon RFO Re Ltd., formerly known as Upsilon Reinsurance II Ltd. ("Upsilon RFO"), a Bermuda domiciled special purpose insurer ("SPI"), to provide additional capacity to the worldwide aggregate and per-occurrence primary and retrocessional property catastrophe excess of loss market. Upsilon RFO is considered a

variable interest entity (“VIE”) and the Company is considered the primary beneficiary. As a result, Upsilon RFO is consolidated by the Company and all significant inter-company transactions have been eliminated.

- Effective November 13, 2014, the Company incorporated RenaissanceRe Upsilon Fund Ltd. (“Upsilon Fund”), an exempted Bermuda limited segregated accounts company. Upsilon Fund was formed to provide a fund structure through which third party investors can invest in reinsurance risk managed by the Company. As a segregated accounts company, Upsilon Fund is permitted to establish segregated accounts to invest in and hold identified pools of assets and liabilities. Each pool of assets and liabilities in each segregated account is structured to be ring-fenced from any claims from the creditors of Upsilon Fund’s general account and from the creditors of other segregated accounts within Upsilon Fund. Third party investors purchase redeemable, non-voting preference shares linked to specific segregated accounts of Upsilon Fund and own 100% of these shares. Upsilon Fund is an investment company and is considered a VIE. The Company is not considered the primary beneficiary of Upsilon Fund and as a result Upsilon Fund is not consolidated by the Company.
- RenaissanceRe Medici Fund Ltd. (“Medici”) is an exempted fund, incorporated under the laws of Bermuda. Medici’s objective is to seek to invest substantially all of its assets in various insurance-based investment instruments that have returns primarily tied to property catastrophe risk. Third-party investors have subscribed for a portion of the participating, non-voting common shares of Medici. Because the Company owns a noncontrolling equity interest in, but controls a majority of the outstanding voting power of, Medici’s parent, RenaissanceRe Fund Holdings Ltd. (“Fund Holdings”), the results of Medici and Fund Holdings are consolidated in the Company’s financial statements. Redeemable noncontrolling interest - Medici represents the interests of external parties with respect to the net income and shareholders’ equity of Medici.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

There have been no material changes to the Company’s significant accounting policies as described in its Form 10-K for the year ended December 31, 2014, except as noted below.

BASIS OF PRESENTATION

These consolidated financial statements have been prepared on the basis of accounting principles generally accepted in the United States (“GAAP”) for interim financial information and in conformity with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete consolidated financial statements. In the opinion of management, these unaudited consolidated financial statements reflect all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the Company’s financial position and results of operations as at the end of and for the periods presented. All significant intercompany accounts and transactions have been eliminated from these statements. Certain comparative information has been reclassified to conform to the current presentation. Because of the seasonality of the Company’s business, the results of operations and cash flows for any interim period will not necessarily be indicative of the results of operations and cash flows for the full fiscal year or subsequent quarters.

USE OF ESTIMATES IN FINANCIAL STATEMENTS

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates. The major estimates reflected in the Company’s consolidated financial statements include, but are not limited to, the reserve for claims and claim expenses; reinsurance recoverables, including allowances for reinsurance recoverables deemed uncollectible; estimates of written and earned premiums; fair value, including the fair value of investments, financial instruments and derivatives; impairment charges and the Company’s deferred tax valuation allowance.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

Revenue from Contracts with Customers

In May 2014, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers ("ASU 2014-09"). ASU 2014-09 provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 also provides guidance on accounting for certain contract costs and will also require new disclosures. ASU 2014-09 was to be effective for public business entities in annual and interim periods beginning after December 15, 2016, however in July 2015, the FASB decided to defer by one year the effective dates of ASU 2014-09, and as a result, ASU 2014-09 will be effective for public business entities in annual and interim period beginning after December 15, 2017. Early adoption is permitted. The Company is currently evaluating the impact of this guidance; however, it is not expected to have a material impact on the Company's consolidated statements of operations and financial position.

Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period

In June 2014, the FASB issued ASU No. 2014-12, Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period ("ASU 2014-12"). The objective of ASU 2014-12 is to resolve the diverse accounting treatment of share-based payment awards in situations where an employee would be eligible to vest in the award regardless of whether the employee is rendering service on the date the performance target is achieved. For example, if an employee is eligible to retire or otherwise terminate employment before the end of the period in which a performance target could be achieved and still be eligible to vest in the award, ASU 2014-12 will resolve if and when the performance target is achieved. ASU 2014-12 is effective for all entities in annual and interim periods beginning after December 15, 2015. Entities may apply the amendments in ASU 2014-12 either (a) prospectively to all awards granted or modified after the effective date or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. The Company is currently evaluating the impact of this guidance; however, it is not expected to have a material impact on the Company's consolidated statements of operations and financial position.

Amendments to the Consolidation Analysis

In February 2015, the FASB issued ASU No. 2015-02, Amendments to the Consolidation Analysis ("ASU 2015-02"). ASU 2015-02 will affect reporting entities that are required to evaluate whether they should consolidate certain legal entities. All legal entities are subject to reevaluation under ASU 2015-02. ASU 2015-02 set forth amendments: modifying the evaluation of whether limited partnerships and similar legal entities are VIEs; eliminating the presumption that a general partner should consolidate a limited partnership; affecting the consolidation analysis of reporting entities that are involved with VIEs, particularly those that have fee arrangement and related party relationships; and providing a scope exception from consolidation guidance for reporting entities with interests in certain investment funds. ASU 2015-02 is effective for public business entities for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted. The Company is currently evaluating the impact of this guidance; however, it is not expected to have a material impact on the Company's consolidated statements of operations and financial position.

Simplifying the Presentation of Debt Issuance Costs

In April 2015, the FASB issued ASU No. 2015-03, Simplifying the Presentation of Debt Issuance Costs ("ASU 2015-03"). The objective of ASU 2015-03 is to simplify the presentation of debt issuance costs by requiring debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in ASU 2015-03. ASU 2015-03 is effective for public business entities in annual and interim periods beginning after

December 15, 2015. Early adoption is permitted. ASU 2015-03 provides for retroactive application, and upon transition, applicable disclosures for a change in an accounting principle would be provided, including the transition method, a description of the prior period information that has been retroactively adjusted, and the effect of the change on the applicable financial statement line items. The Company is currently evaluating the impact of this guidance; however, it is not expected to have a material impact on the Company's consolidated statements of operations and financial position.

Disclosures about Short-Duration Contracts

In May 2015, the FASB issued ASU No. 2015-09, Disclosures about Short-Duration Contracts ("ASU 2015-09"). ASU 2015-09 requires insurance entities to disclose for annual reporting periods additional information about the liability for unpaid claims and claim adjustment expenses, including: (1) incurred and paid claims development information by accident year, on a net basis, for the number of years for which claims incurred typically remain outstanding, not exceeding 10 years; (2) a reconciliation of incurred and paid claims development information to the aggregate carry amount of the liability for claims and claim adjustment expenses, with separate disclosure of reinsurance recoverable on unpaid claims for each period presented in the statement of financial position; (3) for each accident year presented of incurred claims development information, the total of incurred but not reported liabilities plus expected development on reported claims including in the liability for unpaid claims and claim adjustment expenses, accompanied by a description of the reserving methodologies; (4) for each accident year presented of incurred claims development information, quantitative information about claim frequency accompanied by a qualitative description of methodologies used for determining claim frequency information; and (5) for all claims, the average annual percentage payout of incurred claims by age for the same number of accident years presented in (3) and (4) above. ASU 2015-09 also requires insurance entities to disclose information about significant changes in methodologies and assumptions used to calculate the liability for unpaid claims and claim adjustment expenses, including the reasons for the change and the effects on the financial statements. In addition, ASU 2015-09 requires insurance entities to disclose for annual and interim reporting periods a rollforward of the liability for unpaid claims and claim adjustment expenses. ASU 2015-09 is effective for public business entities in annual periods beginning after December 31, 2015, and interim periods within annual periods beginning after December 31, 2016. Early adoption is permitted. ASU 2015-09 should be applied retrospectively by providing comparative disclosures for each period presented, except for those requirements that apply only to the current period. As this guidance is disclosure-related only, the adoption of this guidance is not expected to have a material impact on the Company's consolidated statements of operations and financial position.

Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)

In May 2015, the FASB issued ASU No. 2015-07, Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent) ("ASU 2015-07"). ASU 2015-07 removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. ASU 2015-07 also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. Rather, those disclosures are limited to investments for which the entity has elected to measure the fair value using that practical expedient. ASU 2015-07 is effective for public business entities for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. A reporting entity should apply the amendments retrospectively to all periods presented. The retrospective approach requires that an investment for which fair value is measured using the net asset value per share practical expedient be removed from the fair value hierarchy in all periods presented in an entity's financial statements. Earlier application is permitted. As this guidance is disclosure-related only, the adoption of this guidance is not expected to have a material impact on the Company's statements of operations and financial position.

Simplifying the Accounting for Measurement-Period Adjustments

In September 2015, the FASB issued ASU No. 2015-16, Simplifying the Accounting for Measurement-Period Adjustments ("ASU 2015-16"). ASU 2015-16 removes the requirement to retrospectively account for adjustments made to provisional amounts recognized in a business combination. Rather, those adjustments are to be recognized by the acquirer in the reporting period in which the adjustment amounts

are determined. A reporting entity is also required to disclose, in the reporting period in which the adjustment amounts are recorded, the effect on earnings of changes in depreciation, amortization, or other income effects, as a result of the change to provisional amounts, calculated as if the accounting had been completed at the acquisition date. In addition, the reporting entity would present on the face of the income statement or disclose in the notes the amounts that would have been recorded in previous reporting periods if the adjustment to provisional amounts had been recognized as of the acquisition date. ASU 2015-16 is effective for public business entities in annual and interim periods beginning after December 15, 2015. ASU 2015-16 should be applied prospectively to adjustments for provisional amounts that occur after the effective date, with earlier application permitted for financial statements that have not been issued. The Company is currently evaluating the impact of this guidance; however, it is not expected to have a material impact on the Company's consolidated statements of operations and financial position.

NOTE 3. ACQUISITION OF PLATINUM

Overview

On March 2, 2015, RenaissanceRe acquired 100% of the outstanding common shares of Platinum for $76 per Platinum common share, or aggregate consideration of $1.93 billion. In connection with an intercompany restructuring, effective July 1, 2015, Platinum was merged with RenaissanceRe, with RenaissanceRe continuing as the surviving company.

Prior to the closing of the acquisition of Platinum, Platinum was a publicly traded company listed on the New York Stock Exchange and headquartered in Bermuda. Platinum, through its wholly owned subsidiaries, provided property and casualty reinsurance coverage through reinsurance brokers to insurers and select reinsurers on a worldwide basis. The Company believes the acquisition of Platinum has benefited the combined companies' clients through an expanded product offering and enhanced broker relationships and it has also accelerated the growth of the Company's U.S. specialty and casualty reinsurance platform.

The aggregate consideration for the transaction consisted of the issuance of 7.435 million RenaissanceRe common shares valued at $761.8 million (based on the share price as of March 2, 2015) and $1.16 billion of cash. The cash consideration was partially funded through a pre-closing dividend from Platinum of $10.00 per share, or $253.2 million (the "Special Dividend"), RenaissanceRe available funds of $604.4 million and a short term bridge loan of $300.0 million. On March 24, 2015, RenaissanceRe Finance Inc. ("RenaissanceRe Finance"), a wholly owned subsidiary of RenaissanceRe, issued $300.0 million of its 3.700% Senior Notes due 2025 (together with cash on hand) to replace the short term bridge loan used to fund part of the cash consideration. Refer to "Note 7. Debt and Credit Facilities" for additional information related to the 3.700% Senior Notes due 2025.

In connection with the acquisition of Platinum, RenaissanceRe incurred transaction and other-related expenses of $51.9 million in the nine months ended September 30, 2015, which includes $12.6 million related to transaction costs, including due diligence, legal, accounting and investment banking fees and expenses, $4.5 million of costs related to the integration of Platinum within the RenaissanceRe organization, and $34.8 million of compensation-related costs associated with terminating employees of Platinum. In the fourth quarter of 2014, RenaissanceRe also incurred $6.7 million of transaction-related expenses. These expenses have all been reported as a component of corporate expenses.

Purchase Price

The Company's total purchase price for Platinum at March 2, 2015 was calculated as follows:

Special Dividend		
Number of Platinum common shares and Platinum equity awards canceled in the acquisition of Platinum	25,320,312	
Special Dividend per outstanding common share of Platinum and Platinum equity award	$10.00	
Special Dividend paid to common shareholders of Platinum and holders of Platinum equity awards		$253,203
RenaissanceRe common shares		
Common shares issued by RenaissanceRe	7,434,561	
Common share price of RenaissanceRe as of March 2, 2015	$102.47	
Market value of RenaissanceRe common shares issued by RenaissanceRe to common shareholders of Platinum and holders of Platinum equity awards		761,819
Platinum common shares		
Fair value of Platinum common shares owned by RenaissanceRe and canceled in connection with the acquisition of Platinum		12,950
Cash consideration		
Number of Platinum common shares and Platinum equity awards canceled in the acquisition of Platinum	25,320,312	
Platinum common shares owned by RenaissanceRe and canceled in connection with the acquisition of Platinum	(169,220)	
Number of Platinum common shares and Platinum equity awards canceled in the acquisition of Platinum excluding those owned by RenaissanceRe and canceled in connection with the acquisition of Platinum	25,151,092	
Agreed cash price paid to common shareholders of Platinum and holders of Platinum equity awards	$35.96	
Cash consideration paid by RenaissanceRe to common shareholders of Platinum and holders of Platinum equity awards		904,433
Total purchase price		1,932,405
Less: Special Dividend paid by Platinum		(253,203)
Net purchase price		$1,679,202

Fair Value of Net Assets Acquired and Liabilities Assumed

The purchase price was allocated to the acquired assets and liabilities of Platinum based on estimated fair values on March 2, 2015, the date the transaction closed, as detailed below. The Company recognized goodwill of $191.7 million primarily attributable to Platinum’s assembled workforce and synergies expected to result upon integration of Platinum into the Company’s operations. There were no other adjustments to carried goodwill during the period ended September 30, 2015 reflected on the Company’s consolidated balance sheet at September 30, 2015. The Company recognized identifiable finite lived intangible assets of $75.2 million, which will be amortized over a weighted average period of 8 years, identifiable indefinite lived intangible assets of $8.4 million, and certain other adjustments to the fair values of the assets acquired, liabilities assumed and shareholders’ equity of Platinum at March 2, 2015 as summarized in the table below:

Shareholders’ equity of Platinum prior to Special Dividend	$1,737,278
Cash and cash equivalents (Special Dividend on Platinum common shares and Platinum equity awards)	(253,203)
Adjusted shareholders’ equity of Platinum at March 2, 2015	1,484,075
Adjustments for fair value, by applicable balance sheet caption:	
Deferred acquisition costs	(44,486)
Debt	(28,899)
Reserve for claims and claim expenses	(21,725)
Other assets - deferred debt issuance costs	(1,046)
Total adjustments for fair value by applicable balance sheet caption before tax impact	(96,156)
Other assets - net deferred tax asset related to fair value adjustments	29,069
Total adjustments for fair value by applicable balance sheet caption	(67,087)
Adjustments for fair value of the identifiable intangible assets:	
Identifiable indefinite lived intangible assets (insurance licenses)	8,400
Identifiable finite lived intangible assets (non-contractual relationships, renewal rights, value of business acquired, trade name, internally developed and used computer software and covenants not to compete)	75,200
Identifiable intangible assets before tax impact	83,600
Other liabilities - deferred tax liability on identifiable intangible assets	(13,115)
Total adjustments for fair value of the identifiable intangible assets	70,485
Total adjustments for fair value by applicable balance sheet caption and identifiable intangible assets	3,398
Shareholders’ equity of Platinum at fair value	1,487,473
Total net purchase price paid by RenaissanceRe	1,679,202
Excess purchase price over the fair value of net assets acquired assigned to goodwill	$191,729

An explanation of the significant fair value adjustments is as follows:

- Deferred acquisition costs - to eliminate Platinum’s deferred acquisition costs;
- Debt - to reflect Platinum’s existing senior notes at fair value using indicative market pricing obtained from third-party service providers;
- Reserve for claims and claim expenses - to reflect an increase in net claims and claim expenses due to the addition of a market based risk margin which represents the cost of capital required by a market participant to assume the net claims and claim expenses of Platinum, partially offset by a deduction which represents the discount due to the present value calculation of the unpaid claims and claim expenses based on the expected payout of the net unpaid claims and claim expenses;
- Other assets - to eliminate deferred debt issuance costs related to Platinum’s existing senior notes and to reflect net deferred tax assets related to fair value adjustments;
- Identifiable indefinite lived and finite lived intangible assets - to establish the fair value of identifiable intangible assets related to the acquisition of Platinum described in detail below; and
- Other liabilities - to reflect the deferred tax liability on identifiable intangible assets.

Identifiable intangible assets at March 2, 2015 and at September 30, 2015, consisted of the following, and are included in goodwill and other intangible assets on the Company's consolidated balance sheet:

	Amount	Economic Useful Life
Key non-contractual relationships	$30,400	10 years
Value of business acquired	20,200	2 years
Renewal rights	15,800	15 years
Insurance licenses	8,400	Indefinite
Internally developed and used computer software	3,500	2 years
Other non-contractual relationships	2,300	3 years
Non-compete agreements	1,900	2.5 years
Trade name	1,100	6 months
Identifiable intangible assets, before amortization, at March 2, 2015	83,600	
Amortization (from March 2, 2015 through September 30, 2015)	(12,864)	
Net identifiable intangible assets at September 30, 2015 related to the acquisition of Platinum	$70,736	

An explanation of the identifiable intangible assets is as follows:

- Key non-contractual relationships - these relationships included Platinum's top four brokers (Aon plc, Marsh & McLennan Companies, Inc., Willis Group Holdings plc. and Jardine Lloyd Thompson Group plc.) and consideration was given to the expectation of the renewal of these relationships and the associated expenses;
- Value of business acquired ("VOBA") - the expected future losses and expenses associated with the policies that were in-force as of the closing date of the transaction were estimated and compared to the future premium remaining expected to be earned. The difference between the risk-adjusted future loss and expenses, discounted to present value and the unearned premium reserve, was estimated to be the VOBA;
- Renewal rights - the value of policy renewal rights taking into consideration written premium on assumed retention ratios and the insurance cash flows and the associated equity cash flows from these renewal policies over the expected life of the renewals;
- Insurance licenses - the value of insurance licenses acquired providing the ability to write reinsurance in all 50 states of the U.S. and the District of Columbia;
- Internally developed and used computer software - represents the value of internally developed and used computer software to be utilized by the Company;
- Other non-contractual relationships - these relationships consisted of Platinum's brokers with the exception of those previously listed above as key non-contractual relationships and consideration was given to the expectation of the renewal of these relationships and the associated expenses;
- Non-compete agreements - represent non-compete agreements with key employees of Platinum; and
- Trade name - represents the value of the Platinum brand acquired.

As part of the allocation of the purchase price, included in the adjustment to other assets in the table above is a deferred tax asset of $29.1 million related to certain other adjustments to the fair values of the assets acquired, liabilities assumed and shareholders' equity, summarized in the table above, which was partially offset by a deferred tax liability of $13.1 million related to the estimated fair value of the intangible assets recorded. Other net deferred tax assets recorded primarily relate to differences between financial reporting and tax bases of the acquired assets and liabilities as of the acquisition date, March 2, 2015. The Company estimates that none of the goodwill that was recorded will be deductible for income tax purposes.

Financial Results
FASB Accounting Standards Codification ("ASC") Topic Business Combinations prescribes disclosure of the amounts of revenue and earnings of the acquiree since the acquisition date included in the consolidated statement of operations for the reporting period. However, the Company believes this disclosure has become impracticable given the Company's current facts and circumstances. The Platinum subsidiaries acquired have been fully integrated into the Company's organizational structure through an internal reorganization, resulting in capital and assets being reallocated throughout the organization. In addition, reinsurance contracts have been renewed using both previously existing and acquired subsidiaries and the Company does not discretely manage the Platinum subsidiaries acquired, thereby rendering it impracticable to determine the amounts of revenue and earnings of Platinum since March 2, 2015 included in the consolidated statement of operations for the reporting period.
Taxation
During the nine months ended September 30, 2015, the income tax benefit recorded by the Company was primarily the result of a reduction in the Company's U.S. deferred tax asset valuation allowance of $47.4 million. A valuation allowance was previously provided against the Company's U.S. deferred tax assets as in the opinion of management, it was then more likely than not that a portion of the deferred tax asset would not be realized. However, with the acquisition of Platinum and the expected profits in its U.S.-based operations, the Company believes that it is more likely than not that the U.S. deferred tax asset will be realized and has reduced its valuation allowance against such asset.
A valuation allowance continues to be provided against deferred tax assets in Ireland, the U.K., and Singapore. These deferred tax assets relate primarily to net operating loss carryforwards and deferred underwriting results.
Supplemental Pro Forma Information
Platinum's results have been included in the Company's consolidated financial statements from March 2, 2015 to September 30, 2015. The following table presents unaudited pro forma consolidated financial information for the three and nine months ended September 30, 2015 and 2014 and assumes the acquisition of Platinum occurred on January 1, 2014. The unaudited pro forma consolidated financial information is provided for informational purposes only and is not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the transaction been completed as of January 1, 2014 or that may be achieved in the future. The unaudited pro forma consolidated financial information does not give consideration to the impact of possible revenue enhancements, expense efficiencies, synergies or asset dispositions that may result from the acquisition of Platinum. In addition, unaudited pro forma consolidated financial information does not include the effects of costs associated with any restructuring or integration activities resulting from the acquisition of Platinum, as they are nonrecurring.

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Total revenues	$358,240	$407,176	$1,216,360	$1,410,192
Net income available to RenaissanceRe common shareholders	75,529	92,004	331,568	465,776

Among other adjustments, and in addition to the fair value adjustments and recognition of goodwill and identifiable intangible assets noted above, other material nonrecurring pro forma adjustments directly attributable to the acquisition of Platinum principally included certain adjustments to recognize transaction related costs, align accounting policies, amortize fair value adjustments, amortize identifiable indefinite lived intangible assets and recognize related tax impacts.

NOTE 4. INVESTMENTS

Fixed Maturity Investments Trading

The following table summarizes the fair value of fixed maturity investments trading:

	September 30, 2015	December 31, 2014
U.S. treasuries	$1,984,841	$1,671,471
Agencies	131,524	96,208
Municipal	675,349	—
Non-U.S. government (Sovereign debt)	393,320	280,651
Non-U.S. government-backed corporate	172,548	146,467
Corporate	2,141,859	1,610,442
Agency mortgage-backed	496,213	312,333
Non-agency mortgage-backed	259,193	241,590
Commercial mortgage-backed	545,424	373,117
Asset-backed	105,031	24,406
Total fixed maturity investments trading	$6,905,302	$4,756,685

Fixed Maturity Investments Available For Sale

The following table summarizes the amortized cost, fair value and related unrealized gains and losses and non-credit other-than-temporary impairments of fixed maturity investments available for sale:

		Included in Accumulated Other Comprehensive Income			
September 30, 2015	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Non-Credit Other-Than-Temporary Impairments (1)
Agency mortgage-backed	$876	$11	$(8)	$879	$—
Non-agency mortgage-backed	7,533	1,666	(3)	9,196	580
Commercial mortgage-backed	6,796	397	—	7,193	—
Asset-backed	2,573	64	—	2,637	—
Total fixed maturity investments available for sale	$17,778	$2,138	$(11)	$19,905	$580

		Included in Accumulated Other Comprehensive Income			
December 31, 2014	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Non-Credit Other-Than-Temporary Impairments (1)
Agency mortgage-backed	$3,928	$359	$—	$4,287	$—
Non-agency mortgage-backed	9,478	1,985	(3)	11,460	656
Commercial mortgage-backed	7,291	643	—	7,934	—
Asset-backed	3,075	129	—	3,204	—
	$23,772	$3,116	$(3)	$26,885	$656

Total fixed maturity investments available for sale

(1) Represents the non-credit component of other-than-temporary impairments recognized in accumulated other comprehensive income adjusted for subsequent sales of securities. It does not include the change in fair value subsequent to the impairment measurement date.

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Contractual maturities of fixed maturity investments are described in the following table. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Trading		Available for Sale		Total Fixed Maturity Investments	
September 30, 2015	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in less than one year	$267,608	$265,366	$—	$—	$267,608	$265,366
Due after one through five years	3,882,884	3,876,482	—	—	3,882,884	3,876,482
Due after five through ten years	1,045,139	1,028,728	—	—	1,045,139	1,028,728
Due after ten years	329,869	328,865	—	—	329,869	328,865
Mortgage-backed	1,285,202	1,300,830	15,205	17,268	1,300,407	1,318,098
Asset-backed	104,801	105,031	2,573	2,637	107,374	107,668
Total	$6,915,503	$6,905,302	$17,778	$19,905	$6,933,281	$6,925,207

Equity Investments Trading

The following table summarizes the fair value of equity investments trading:

	September 30, 2015	December 31, 2014
Financials	$217,150	$222,190
Communications and technology	79,478	31,376
Industrial, utilities and energy	64,547	28,859
Consumer	50,540	19,522
Healthcare	42,904	16,582
Basic materials	7,579	3,569
Total	$462,198	$322,098

Pledged Investments

At September 30, 2015, $2,445.0 million of cash and investments at fair value were on deposit with, or in trust accounts for the benefit of various counterparties, including with respect to the Company's standby letter of credit facility and bilateral letter of credit facility (December 31, 2014 - $2,379.4 million). Of this amount, $667.8 million is on deposit with, or in trust accounts for the benefit of, U.S. state regulatory authorities (December 31, 2014 - $691.9 million).

Reverse Repurchase Agreements

At September 30, 2015, the Company held $55.4 million (December 31, 2014 - $49.3 million) of reverse repurchase agreements. These loans are fully collateralized, are generally outstanding for a short period of time and are presented on a gross basis as part of short term investments on the Company's consolidated balance sheets. The required collateral for these loans typically include high-quality, readily marketable instruments at a minimum amount of 102% of the loan principal. Upon maturity, the Company receives principal and interest income.

Net Investment Income and Net Realized and Unrealized Gains on Investments
The components of net investment income are as follows:

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Fixed maturity investments	$37,023	$24,519	$96,753	$74,751
Short term investments	267	251	761	727
Equity investments	1,791	736	6,308	2,311
Other investments				
Hedge funds and private equity investments	(14,505)	(3,320)	1,333	17,337
Other	7,261	5,547	11,443	11,558
Cash and cash equivalents	80	116	355	300
	31,917	27,849	116,953	106,984
Investment expenses	(3,579)	(2,908)	(10,304)	(8,554)
Net investment income	$28,338	$24,941	$106,649	$98,430

Net realized and unrealized (losses) gains on investments are as follows:

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Gross realized gains	$9,160	$7,962	$39,364	$33,595
Gross realized losses	(13,720)	(2,720)	(40,143)	(10,871)
Net realized (losses) gains on fixed maturity investments	(4,560)	5,242	(779)	22,724
Net unrealized gains (losses) on fixed maturity investments trading	10,208	(36,600)	(11,924)	21,200
Net realized and unrealized losses on investments-related derivatives	(16,612)	(1,868)	(1,004)	(19,651)
Net realized (losses) gains on equity investments trading	(114)	3,523	16,199	8,578
Net unrealized losses on equity investments trading	(30,060)	(1,394)	(28,593)	(21,893)
Net realized and unrealized (losses) gains on investments	$(41,138)	$(31,097)	$(26,101)	$10,958

The following tables provide an analysis of the components of other comprehensive income and reclassifications out of accumulated other comprehensive income.

	Three months ended September 30, 2015		
	Investments in other ventures	Fixed maturity investments available for sale	Total
Beginning balance	$623	$2,370	$2,993
Other comprehensive loss before reclassifications	(490)	(243)	(733)
Ending balance	$133	$2,127	$2,260

	Nine months ended September 30, 2015		
	Investments in other ventures	Fixed maturity investments available for sale	Total
Beginning balance	$303	$3,113	$3,416
Other comprehensive loss before reclassifications	(170)	(648)	(818)
Amounts reclassified from accumulated other comprehensive income by statement of operations line item:			
Realized gains reclassified from accumulated other comprehensive income to net realized and unrealized gains on investments	—	(338)	(338)
Net current-period other comprehensive loss	(170)	(986)	(1,156)
Ending balance	$133	$2,127	$2,260

	Three months ended September 30, 2014		
	Investments in other ventures	Fixed maturity investments available for sale	Total
Beginning balance	$211	$3,707	$3,918
Other comprehensive income (loss) before reclassifications	213	(302)	(89)
Ending balance	$424	$3,405	$3,829

	Nine months ended September 30, 2014		
	Investments in other ventures	Fixed maturity investments available for sale	Total
Beginning balance	$163	$3,968	$4,131
Other comprehensive income (loss) before reclassifications	261	(563)	(302)
Ending balance	$424	$3,405	$3,829

The following tables provide an analysis of the length of time the Company's fixed maturity investments available for sale in an unrealized loss have been in a continual unrealized loss position.

	Less than 12 Months		12 Months or Greater		Total	
At September 30, 2015	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Agency mortgage-backed	$550	$(8)	$—	$—	$550	$(8)
Non-agency mortgage-backed	—	—	60	(3)	60	(3)
Total	$550	$(8)	$60	$(3)	$610	$(11)

	Less than 12 Months		12 Months or Greater		Total	
December 31, 2014	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Non-agency mortgage-backed	$—	$—	$69	$(3)	$69	$(3)
Total	$—	$—	$69	$(3)	$69	$(3)

At September 30, 2015, the Company held three fixed maturity investments available for sale securities that were in an unrealized loss position (December 31, 2014 - two), including two fixed maturity investments available for sale securities that were in an unrealized loss position for twelve months or greater (December 31, 2014 - two). The Company does not intend to sell these securities and it is not more likely than not that the Company will be required to sell these securities before the anticipated recovery of the remaining amortized cost basis. The Company performed reviews of its fixed maturity investments available for sale for the nine months ended September 30, 2015 and 2014, respectively, in order to determine whether declines in the fair value below the amortized cost basis were considered other-than-temporary in accordance with the applicable guidance, as discussed below.

Other-Than-Temporary Impairment Process

The Company's process for assessing whether declines in the fair value of its fixed maturity investments available for sale represent impairments that are other-than-temporary includes reviewing each fixed maturity investment available for sale that is impaired and determining: (i) if the Company has the intent to sell the debt security or (ii) if it is more likely than not that the Company will be required to sell the debt security before its anticipated recovery; and (iii) whether a credit loss exists, that is, where the Company expects that the present value of the cash flows expected to be collected from the security is less than the amortized cost basis of the security.

For the nine months ended September 30, 2015, the Company recognized $Nil of other-than-temporary impairments which were recognized in earnings and $Nil related to other factors which were recognized in other comprehensive income (2014 – $Nil and $Nil, respectively).

The following table provides a rollforward of the amount of other-than-temporary impairments related to credit losses recognized in earnings for which a portion of an other-than-temporary impairment was recognized in accumulated other comprehensive income:

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Beginning balance	$466	$529	$498	$561
Reductions:				
Securities sold during the period	(26)	(15)	(58)	(47)
Ending balance	$440	$514	$440	$514

NOTE 5. FAIR VALUE MEASUREMENTS

The use of fair value to measure certain assets and liabilities with resulting unrealized gains or losses is pervasive within the Company's consolidated financial statements. Fair value is defined under accounting guidance currently applicable to the Company to be the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between open market participants at the measurement date. The Company recognizes the change in unrealized gains and losses arising from changes in fair value in its consolidated statements of operations, with the exception of changes in unrealized gains and losses on its fixed maturity investments available for sale, which are recognized as a component of accumulated other comprehensive income in shareholders' equity.

FASB ASC Topic Fair Value Measurements and Disclosures prescribes a fair value hierarchy that prioritizes the inputs to the respective valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to valuation techniques that use at least one significant input that is unobservable (Level 3). The three levels of the fair value hierarchy are described below:

- Fair values determined by Level 1 inputs utilize unadjusted quoted prices obtained from active markets for identical assets or liabilities for which the Company has access. The fair value is determined by multiplying the quoted price by the quantity held by the Company;
- Fair values determined by Level 2 inputs utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals, broker quotes and certain pricing indices; and
- Level 3 inputs are based all or in part on significant unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. In these cases, significant management assumptions can be used to establish management's best estimate of the assumptions used by other market participants in determining the fair value of the asset or liability.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement of the asset or liability. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and the Company considers factors specific to the asset or liability.

In order to determine if a market is active or inactive for a security, the Company considers a number of factors, including, but not limited to, the spread between what a seller is asking for a security and what a buyer is bidding for the same security, the volume of trading activity for the security in question, the price of the security compared to its par value (for fixed maturity investments), and other factors that may be indicative of market activity.

There have been no material changes in the Company's valuation techniques, nor have there been any transfers between Level 1 and Level 2, or Level 2 and 3 during the period represented by these consolidated financial statements.

Below is a summary of the assets and liabilities that are measured at fair value on a recurring basis and also represents the carrying amount on the Company's consolidated balance sheets:

At September 30, 2015	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed maturity investments				
U.S. treasuries	$1,984,841	$1,984,841	$—	$—
Agencies	131,524	—	131,524	—
Municipal	675,349	—	675,349	—
Non-U.S. government (Sovereign debt)	393,320	—	393,320	—
Non-U.S. government-backed corporate	172,548	—	172,548	—
Corporate	2,141,859	—	2,134,264	7,595
Agency mortgage-backed	497,092	—	497,092	—
Non-agency mortgage-backed	268,389	—	268,389	—
Commercial mortgage-backed	552,617	—	552,617	—
Asset-backed	107,668	—	107,668	—
Total fixed maturity investments	6,925,207	1,984,841	4,932,771	7,595
Short term investments	998,906	—	998,906	—
Equity investments trading	462,198	462,198	—	—
Other investments				
Private equity partnerships	226,000	—	—	226,000
Catastrophe bonds	233,223	—	233,223	—
Senior secured bank loan fund	22,345	—	—	22,345
Hedge funds	2,390	—	—	2,390
Total other investments	483,958	—	233,223	250,735
Other assets and (liabilities)				
Assumed and ceded (re)insurance contracts	76,952	—	—	76,952
Derivatives (1)	(3,357)	576	(3,930)	(3)
Other	(8,523)	—	(8,523)	—
Total other assets and (liabilities)	65,072	576	(12,453)	76,949
	$8,935,341	$2,447,615	$6,152,447	$335,279

(1) See "Note 13. Derivative Instruments" for additional information related to the fair value by type of contract, of derivatives entered into by the Company.

At December 31, 2014	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed maturity investments				
U.S. treasuries	$1,671,471	$1,671,471	$—	$—
Agencies	96,208	—	96,208	—
Non-U.S. government (Sovereign debt)	280,651	—	280,651	—
Non-U.S. government-backed corporate	146,467	—	146,467	—
Corporate	1,610,442	—	1,594,782	15,660
Agency mortgage-backed	316,620	—	316,620	—
Non-agency mortgage-backed	253,050	—	253,050	—
Commercial mortgage-backed	381,051	—	381,051	—
Asset-backed	27,610	—	27,610	—
Total fixed maturity investments	4,783,570	1,671,471	3,096,439	15,660
Short term investments	1,013,222	—	1,013,222	—
Equity investments trading	322,098	322,098	—	—
Other investments				
Private equity partnerships	281,932	—	—	281,932
Catastrophe bonds	200,329	—	200,329	—
Senior secured bank loan funds	19,316	—	—	19,316
Hedge funds	2,570	—	—	2,570
Total other investments	504,147	—	200,329	303,818
Other assets and (liabilities)				
Assumed and ceded (re)insurance contracts	(8,744)	—	—	(8,744)
Derivatives (1)	6,345	(569)	7,104	(190)
Other	(11,509)	—	(11,509)	—
Total other assets and (liabilities)	(13,908)	(569)	(4,405)	(8,934)
	$6,609,129	$1,993,000	$4,305,585	$310,544

(1) See “Note 13. Derivative Instruments” for additional information related to the fair value by type of contract, of derivatives entered into by the Company.

Level 1 and Level 2 Assets and Liabilities Measured at Fair Value

Fixed Maturity Investments

Fixed maturity investments included in Level 1 consist of the Company’s investments in U.S. treasuries. Fixed maturity investments included in Level 2 are agencies, municipal, non-U.S. government, non-U.S. government-backed corporate, corporate, agency mortgage-backed, non-agency mortgage-backed, commercial mortgage-backed and asset-backed.

The Company’s fixed maturity investments are primarily priced using pricing services, such as index providers and pricing vendors, as well as broker quotations. In general, the pricing vendors provide pricing for a high volume of liquid securities that are actively traded. For securities that do not trade on an exchange, the pricing services generally utilize market data and other observable inputs in matrix pricing models to determine month end prices. Observable inputs include benchmark yields, reported trades, broker-dealer quotes, issuer spreads, bids, offers, reference data and industry and economic events. Index pricing generally relies on market traders as the primary source for pricing, however models are also utilized to provide prices for all index eligible securities. The models use a variety of

observable inputs such as

benchmark yields, transactional data, dealer runs, broker-dealer quotes and corporate actions. Prices are generally verified using third party data. Securities which are priced by an index provider are generally included in the index.
In general, broker-dealers value securities through their trading desks based on observable inputs. The methodologies include mapping securities based on trade data, bids or offers, observed spreads, and performance on newly issued securities. Broker-dealers also determine valuations by observing secondary trading of similar securities. Prices obtained from broker quotations are considered non-binding, however they are based on observable inputs and by observing secondary trading of similar securities obtained from active, non-distressed markets.
The Company considers these Level 2 inputs as they are corroborated with other market observable inputs. The techniques generally used to determine the fair value of the Company’s fixed maturity investments are detailed below by asset class.
U.S. treasuries
Level 1 - At September 30, 2015, the Company’s U.S. treasuries fixed maturity investments were primarily priced by pricing services and had a weighted average effective yield of 0.9% and a weighted average credit quality of AA (December 31, 2014 - 1.0% and AA, respectively). When pricing these securities, the pricing services utilize daily data from many real time market sources, including active broker dealers. Certain data sources are regularly reviewed for accuracy to attempt to ensure the most reliable price source is used for each issue and maturity date.
Agencies
Level 2 - At September 30, 2015, the Company’s agency fixed maturity investments had a weighted average effective yield of 1.3% and a weighted average credit quality of AA (December 31, 2014 - 1.2% and AA, respectively). The issuers of the Company’s agency fixed maturity investments primarily consist of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and other agencies. Fixed maturity investments included in agencies are primarily priced by pricing services. When evaluating these securities, the pricing services gather information from market sources and integrate other observations from markets and sector news. Evaluations are updated by obtaining broker dealer quotes and other market information including actual trade volumes, when available. The fair value of each security is individually computed using analytical models which incorporate option adjusted spreads and other daily interest rate data.
Municipal
Level 2 - In connection with the acquisition of Platinum, the Company acquired a portfolio of municipal fixed maturity investments. At September 30, 2015, the Company’s municipal fixed maturity investments had a weighted average effective yield of 2.3% and a weighted average credit quality of AA. The Company’s municipal fixed maturity investments are primarily priced by pricing services. When evaluating these securities, the pricing services gather information regarding the security from third party sources such as trustees, paying agents or issuers. Evaluations are updated by obtaining broker dealer quotes and other market information including actual trade volumes, when available. The pricing services also consider the specific terms and conditions of the securities, including any specific features which may influence risk. In certain instances, securities are individually evaluated using a spread over widely accepted market benchmarks.
Non-U.S. government (Sovereign debt)
Level 2 - Non-U.S. government fixed maturity investments held by the Company at September 30, 2015 had a weighted average effective yield of 1.1% and a weighted average credit quality of AA (December 31, 2014 - 1.1% and AA, respectively). The issuers of securities in this sector are non-U.S. governments and their respective agencies as well as supranational organizations. Securities held in these sectors are primarily priced by pricing services that employ proprietary discounted cash flow models to value the securities. Key quantitative inputs for these models are daily observed benchmark curves for treasury, swap and high issuance credits. The pricing services then apply a credit spread for each security which is developed by in-depth and real time market analysis. For securities in which trade volume is low, the

pricing services utilize data from more frequently traded securities with similar attributes. These models may also be supplemented by daily market and credit research for international markets.

Non-U.S. government-backed corporate

Level 2 - Non-U.S. government-backed corporate fixed maturity investments had a weighted average effective yield of 1.0% and a weighted average credit quality of AA at September 30, 2015 (December 31, 2014 - 1.1% and AAA, respectively). Non-U.S. government-backed fixed maturity investments are primarily priced by pricing services that employ proprietary discounted cash flow models to value the securities. Key quantitative inputs for these models are daily observed benchmark curves for treasury, swap and high issuance credits. The pricing services then apply a credit spread to the respective curve for each security which is developed by in-depth and real time market analysis. For securities in which trade volume is low, the pricing services utilize data from more frequently traded securities with similar attributes. These models may also be supplemented by daily market and credit research for international markets.

Corporate

Level 2 - At September 30, 2015, the Company’s corporate fixed maturity investments principally consisted of U.S. and international corporations and had a weighted average effective yield of 3.4% and a weighted average credit quality of BBB (December 31, 2014 - 3.2% and BBB, respectively). The Company’s corporate fixed maturity investments are primarily priced by pricing services. When evaluating these securities, the pricing services gather information from market sources regarding the issuer of the security and obtain credit data, as well as other observations, from markets and sector news. Evaluations are updated by obtaining broker dealer quotes and other market information including actual trade volumes, when available. The pricing services also consider the specific terms and conditions of the securities, including any specific features which may influence risk. In certain instances, securities are individually evaluated using a spread which is added to the U.S. treasury curve or a security specific swap curve as appropriate.

Agency mortgage-backed

Level 2 - At September 30, 2015, the Company’s agency mortgage-backed fixed maturity investments included agency residential mortgage-backed securities with a weighted average effective yield of 2.4%, a weighted average credit quality of AA and a weighted average life of 5.6 years (December 31, 2014 - 2.3%, AA and 5.6 years, respectively). The Company’s agency mortgage-backed fixed maturity investments are primarily priced by pricing services using a mortgage pool specific model which utilizes daily inputs from the active to be announced market which is very liquid, as well as the U.S. treasury market. The model also utilizes additional information, such as the weighted average maturity, weighted average coupon and other available pool level data which is provided by the sponsoring agency. Valuations are also corroborated with daily active market quotes.

Non-agency mortgage-backed

Level 2 - The Company’s non-agency mortgage-backed fixed maturity investments include non-agency prime residential mortgage-backed and non-agency Alt-A fixed maturity investments. The Company has no fixed maturity investments classified as sub-prime held in its fixed maturity investments portfolio. At September 30, 2015, the Company’s non-agency prime residential mortgage-backed fixed maturity investments had a weighted average effective yield of 3.4%, a weighted average credit quality of BBB, and a weighted average life of 4.0 years (December 31, 2014 - 3.4%, non-investment grade and 4.1 years, respectively). The Company’s non-agency Alt-A fixed maturity investments held at September 30, 2015 had a weighted average effective yield of 4.5%, a weighted average credit quality of BBB and a weighted average life of 5.1 years (December 31, 2014 - 4.3%, BBB and 5.0 years, respectively). Securities held in these sectors are primarily priced by pricing services using an option adjusted spread model or other relevant models, which principally utilize inputs including benchmark yields, available trade information or broker quotes, and issuer spreads. The pricing services also review collateral prepayment speeds, loss severity and delinquencies among other collateral performance indicators for the securities valuation, when applicable.

Commercial mortgage-backed

Level 2 - The Company’s commercial mortgage-backed fixed maturity investments held at September 30, 2015 had a weighted average effective yield of 2.4%, a weighted average credit quality of AAA, and a weighted average life of 3.5 years (December 31, 2014 - 2.1%, AAA and 3.5 years, respectively). Securities held in these sectors are primarily priced by pricing services. The pricing services apply dealer quotes and other available trade information such as bids and offers, prepayment speeds which may be adjusted for the underlying collateral or current price data, the U.S. treasury curve and swap curve as well as cash settlement. The pricing services discount the expected cash flows for each security held in this sector using a spread adjusted benchmark yield based on the characteristics of the security.

Asset-backed

Level 2 - At September 30, 2015, the Company’s asset-backed fixed maturity investments had a weighted average effective yield of 1.6%, a weighted average credit quality of AAA and a weighted average life of 2.6 years (December 31, 2014 - 1.5%, AAA and 2.5 years, respectively). The underlying collateral for the Company’s asset-backed fixed maturity investments primarily consists of student loans, credit card receivables, auto loans and other receivables. Securities held in these sectors are primarily priced by pricing services. The pricing services apply dealer quotes and other available trade information such as bids and offers, prepayment speeds which may be adjusted for the underlying collateral or current price data, the U.S. treasury curve and swap curve as well as cash settlement. The pricing services determine the expected cash flows for each security held in this sector using historical prepayment and default projections for the underlying collateral and current market data. In addition, a spread is applied to the relevant benchmark and used to discount the cash flows noted above to determine the fair value of the securities held in this sector.

Short Term Investments

Level 2 - The fair value of the Company’s portfolio of short term investments is generally determined using amortized cost which approximates fair value and, in certain cases, in a manner similar to the Company’s fixed maturity investments noted above.

Equity Investments, Classified as Trading

Level 1 - The fair value of the Company’s portfolio of equity investments, classified as trading is primarily priced by pricing services, reflecting the closing price quoted for the final trading day of the period. When pricing these securities, the pricing services utilize daily data from many real time market sources, including applicable securities exchanges. All data sources are regularly reviewed for accuracy to attempt to ensure the most reliable price source was used for each security.

Other investments

Catastrophe bonds

Level 2 - The Company’s other investments include investments in catastrophe bonds which are recorded at fair value based on broker or underwriter bid indications.

Other assets and liabilities

Derivatives

Level 1 and Level 2 - Other assets and liabilities include certain derivatives entered into by the Company. The fair value of these transactions includes certain exchange traded foreign currency forward contracts which are considered Level 1, and certain credit derivatives, determined using standard industry valuation models and considered Level 2, as the inputs to the valuation model are based on observable market inputs, including credit spreads, credit ratings of the underlying referenced security, the risk free rate and the contract term.

Other

Level 2 - The liabilities measured at fair value and included in Level 2 at September 30, 2015 of $8.5 million are comprised of cash settled restricted stock units ("CSRSU") that form part of the Company's compensation program. The fair value of the Company's CSRSUs is determined using observable exchange traded prices for the Company's common shares.

Level 3 Assets and Liabilities Measured at Fair Value

Below is a summary of quantitative information regarding the significant observable and unobservable inputs (Level 3) used in determining the fair value of assets and liabilities measured at fair value on a recurring basis:

At September 30, 2015	Fair Value (Level 3)	Valuation Technique	Unobservable (U) and Observable (O) Inputs	Low	High	Weighted Average or Actual
Fixed maturity investments						
Corporate	$7,595	Discounted cash flow ("DCF")	Credit spread (U)	n/a	n/a	4.3 %
			Liquidity discount (U)	n/a	n/a	1.0 %
			Risk-free rate (O)	n/a	n/a	0.3 %
			Dividend rate (O)	n/a	n/a	6.5 %
Total fixed maturity investments	7,595					
Other investments						
Private equity partnerships	226,000	Net asset valuation	Estimated performance (U)	(25.1)%	12.0 %	(5.3)%
Senior secured bank loan fund	22,345	Net asset valuation	Estimated performance (U)	n/a	n/a	0.1 %
Hedge funds	2,390	Net asset valuation	Estimated performance (U)	0.0 %	0.0 %	0.0 %
Total other investments	250,735					
Other assets and (liabilities)						
Assumed and ceded (re)insurance contracts	83,517	Internal valuation model	Estimated performance (U)	n/a	n/a	3.0 %
Assumed and ceded (re)insurance contracts	(1,179)	Internal valuation model	Bond price (U)	$93.91	$99.91	$97.20
			Liquidity discount (U)	n/a	n/a	1.3 %
Assumed and ceded (re)insurance contracts	(5,386)	Internal valuation model	Net undiscounted cash flows (U)	n/a	n/a	$(9,727)
			Expected loss ratio (U)	n/a	n/a	23.0 %
			Net acquisition expense ratio (O)	n/a	n/a	15.0 %

			Contract period (O)	0.5 years	3.0 years	2.3 years	
			Discount rate (U)	n/a	n/a	0.9	%
Total assumed and ceded (re)insurance contracts	76,952						
Weather contract	(3)	Internal valuation model	See below	n/a	n/a	See below	
Total other assets and (liabilities)	76,949						
	$335,279						

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Fixed Maturity Investments

Corporate

Level 3 - Included in the Company's corporate fixed maturity investments is an investment in the preferred equity of an insurance holding company which had a fair value of $7.6 million at September 30, 2015. The Company measures the fair value of this investment using a DCF model and seeks to incorporate all relevant information reasonably available. The Company considers the contractual agreement which stipulates the methodology for calculating a dividend rate to be paid upon liquidation, conversion or redemption. At September 30, 2015, the dividend rate was 6.5%. In addition, the Company has estimated a liquidity discount of 1.0%, a risk-free rate of 0.3% and a credit spread of 4.3%. To ensure the estimate for fair value determined using the DCF model is reasonable, the Company reviews private market comparables of similar investments, if available, and in particular, credit ratings of other private market comparables for similar investments to determine the appropriateness of its estimate of fair value using a DCF model. The fair value of the Company's investment in this corporate fixed maturity investment determined by a DCF model is positively correlated to the dividend rate, and inversely correlated to the credit spread, liquidity discount and the risk-free rate.

Other investments

Private equity partnerships

Level 3 - Included in the Company's $226.0 million of investments in private equity partnerships at September 30, 2015 were alternative asset limited partnerships (or similar corporate structures) that invest in certain private equity asset classes including U.S. and global leveraged buyouts; mezzanine investments; distressed securities; real estate; and oil, gas and power. The fair value of private equity partnership investments is based on current estimated net asset values established in accordance with the governing documents of such investments and is obtained from the investment manager or general partner of the respective entity. The type of underlying investments held by the investee which form the basis of the net asset valuation include assets such as private business ventures, for which the Company does not have access to financial information. As a result, the Company is unable to corroborate the fair value measurement of the underlying investments of the private equity partnership and therefore requires significant management judgment to determine the fair value of the private equity partnership. In circumstances where there is a reporting lag between the current period end reporting date and the reporting date of the latest fund valuation, the Company estimates the fair value of these funds by starting with the prior quarter-end fund valuations, adjusting these valuations for actual capital calls, redemptions or distributions, as well as the impact of changes in foreign currency exchange rates, and then estimating the return for the current period. In circumstances in which the Company estimates the return for the current period, all relevant information reasonably available to the Company is utilized. This principally includes preliminary estimates reported to the Company by its fund managers, obtaining the valuation of underlying portfolio investments where such underlying investments are publicly traded and therefore have a readily observable price, using information that is available to the Company with respect to the underlying investments, reviewing various indices for similar investments or asset classes, as well as estimating returns based on the results of similar types of investments for which the Company has obtained reported results, or other valuation methods, where possible. The range of such current estimated periodic returns for the three months ended September 30, 2015 was negative 25.1% to positive 12.0% with a weighted average of negative 5.3%. The fair value of the Company's investment in private equity partnerships is positively correlated to the estimated periodic rate of return. The Company also considers factors such as recent financial information, the value of capital transactions with the partnership and management's judgment regarding whether any adjustments should be made to the net asset value. For each respective private equity partnership, the Company obtains and reviews the valuation methodology used by the investment manager or general partner and the latest audited annual financial statements to attempt to ensure that the investment partnership is following fair value principles consistent with GAAP in determining the net asset value of each limited partner's interest.

Senior secured bank loan fund

Level 3 - At September 30, 2015 the Company had $22.3 million invested in a closed end fund which invests primarily in loans. The Company has no right to redeem its investment in this fund. The Company's investment in this fund is valued using the estimated monthly net asset valuation received from the investment manager. The lock up provisions in this fund result in a lack of current observable market transactions between the fund participants and the fund, and therefore the Company considers the fair value of its investment in this fund to be determined using Level 3 inputs. The Company obtains and reviews the latest audited annual financial statements to attempt to ensure that the fund is following fair value principles consistent with GAAP in determining the net asset value. The fair value of the Company's investment in the senior secured bank loan fund is positively correlated to the estimated monthly net asset valuations received from the investment manager.

Hedge funds

Level 3 - At September 30, 2015 the Company had $2.4 million of hedge fund investments that are invested in so called "side pockets" or illiquid investments. In these instances, the Company generally does not have the right to redeem its interest, and as such, the Company classifies this portion of its investment as Level 3. The fair value of these illiquid investments is determined by adjusting the previous periods' reported net asset value (generally one month in arrears) for an estimated periodic rate of return obtained from the respective investment manager.

For each hedge fund investment, the Company obtains and reviews the valuation methodology used by the investment manager and the latest audited annual financial statements to attempt to ensure that the hedge fund investment is following fair value principles consistent with GAAP in determining the net asset value.

Other assets and liabilities

Assumed and ceded (re)insurance contracts

Level 3 - At September 30, 2015 the Company had an $83.5 million asset related to a reinsurance deposit asset accounted for at fair value with the fair value obtained through the use of an internal model. The inputs to the internal valuation model are principally based on proprietary data as observable market inputs are generally not available. The most significant unobservable inputs include the estimated periodic return of the reinsurance deposit asset, which is currently estimated to be 3.0%. The fair value of this reinsurance deposit asset is positively correlated to the estimated periodic rate of return.

Level 3 - At September 30, 2015 the Company had a $1.2 million liability related to an assumed reinsurance contract accounted for at fair value, with the fair value obtained through the use of an internal valuation model. The inputs to the internal valuation model are principally based on indicative pricing obtained from independent brokers and pricing vendors for similarly structured marketable securities. The most significant unobservable inputs include prices for similar marketable securities and a liquidity premium. The Company considers the prices for similar securities to be unobservable, as there is little, if any market activity for these similar assets. In addition, the Company has estimated a liquidity premium that would be required if the Company attempted to effectively exit its position by executing a short sale of these securities. Generally, an increase in the prices for similar marketable securities or a decrease in the liquidity premium would result in an increase in the expected profit and ultimate fair value of this assumed reinsurance contract.

Level 3 - At September 30, 2015 the Company had a $5.4 million net liability related to assumed and ceded (re)insurance contracts accounted for at fair value, with the fair value obtained through the use of an internal valuation model. The inputs to the internal valuation model are principally based on proprietary data as observable market inputs are generally not available. The most significant unobservable inputs include the assumed and ceded expected net cash flows related to the contracts, including the expected premium, acquisition expenses and losses; the expected loss ratio and the relevant discount rate used to present value the net cash flows. The contract period and acquisition expense ratio are considered observable input as each is defined in the contract. Generally, an increase in the net expected cash flows and expected term of the contract and a decrease in the discount rate, expected loss ratio or acquisition

expense ratio, would result in an increase in the expected profit and ultimate fair value of these assumed and ceded (re)insurance contracts.

Weather Contract

Level 3 - At September 30, 2015 the Company had a $3 thousand liability related to a weather contract entered into with an insurance company, with the fair value determined through the use of an internal valuation model. Inputs to the internal valuation model are based on proprietary data as observable market inputs are not available. The most significant unobservable input is the potential payment that would become due to a counterparty following the occurrence of a triggering event as reported by an external agency. Generally, an increase (decrease) in the potential payment would result in an increase (decrease) to the fair value of the Company's weather contract liability.

Below is a reconciliation of the beginning and ending balances, for the periods shown, of assets and liabilities measured at fair value on a recurring basis using Level 3 inputs. Interest and dividend income are included in net investment income and are excluded from the reconciliation.

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			
	Fixed maturity investments trading	Other investments	Other assets and (liabilities)	Total
Balance - July 1, 2015	$7,660	$275,695	$75,687	$359,042
Total unrealized (losses) gains				
Included in net investment income	(65)	(17,610)	4	(17,671)
Included in other income (loss)	—	—	(78)	(78)
Total realized gains				
Included in other income (loss)	—	—	1,827	1,827
Total foreign exchange gains (losses)	—	33	7	40
Purchases	—	4,853	(498)	4,355
Settlements	—	(12,236)	—	(12,236)
Balance - September 30, 2015	$7,595	$250,735	$76,949	$335,279
Change in unrealized gains for the period included in earnings for assets held at the end of the period included in net investment income	$(65)	$(17,610)	$4	$(17,671)
Change in unrealized gains for the period included in earnings for assets held at the end of the period included in other income (loss)	$—	$—	$(78)	$(78)

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			
	Fixed maturity investments trading	Other investments	Other assets and (liabilities)	Total
Balance - January 1, 2015	$15,660	$303,818	$(8,934)	$310,544
Total unrealized (losses) gains				
Included in net investment income	(565)	(12,702)	180	(13,087)
Included in other income (loss)	—	—	(426)	(426)
Total realized gains				
Included in other income (loss)	—	—	4,655	4,655
Total foreign exchange losses	—	(1,811)	7	(1,804)
Purchases	—	15,728	81,467	97,195
Settlements	(7,500)	(54,298)	—	(61,798)
Balance - September 30, 2015	$7,595	$250,735	$76,949	$335,279
Change in unrealized gains for the period included in earnings for assets held at the end of the period included in net investment income	$(383)	$(12,702)	$180	$(12,905)
Change in unrealized gains for the period included in earnings for assets held at the end of the period included in other income (loss)	$—	$—	$(426)	$(426)

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			
	Fixed maturity investments trading	Other investments	Other assets and (liabilities)	Total
Balance - July 1, 2014	$46,176	$334,149	$1,071	$381,396
Total unrealized (losses) gains				
Included in net investment income	(5,596)	(8,054)	9	(13,641)
Included in other income (loss)	—	—	(1,956)	(1,956)
Total realized gains				
Included in other income (loss)	—	—	225	225
Total foreign exchange (losses) gains	—	(2,074)	20	(2,054)
Purchases	—	12,425	(6,640)	5,785
Settlements	—	(14,205)	—	(14,205)
Net transfers out of Level 3	(24,644)	—	—	(24,644)
Balance - September 30, 2014	$15,936	$322,241	$(7,271)	$330,906
Change in unrealized gains for the period included in earnings for assets held at the end of the period included in net investment income	$(2)	$(8,054)	$9	$(8,047)
Change in unrealized gains for the period included in earnings for assets held at the end of the period included in other income (loss)	$—	$—	$(1,956)	$(1,956)

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			
	Fixed maturity investments trading	Other investments	Other assets and (liabilities)	Total
Balance - January 1, 2014	$27,580	$344,248	$(2,490)	$369,338
Total unrealized gains				
Included in net investment income	13,000	1,401	1,404	15,805
Included in other income (loss)	—	—	264	264
Total realized gains				
Included in other income (loss)	—	—	225	225
Total foreign exchange losses	—	(2,273)	(34)	(2,307)
Purchases	—	37,817	(6,640)	31,177
Settlements	—	(58,952)	—	(58,952)
Net transfers out of Level 3	(24,644)	—	—	(24,644)
Balance - September 30, 2014	$15,936	$322,241	$(7,271)	$330,906
Change in unrealized gains for the period included in earnings for assets held at the end of the period included in net investment income	$210	$1,401	$1,404	$3,015
Change in unrealized gains for the period included in earnings for assets held at the end of the period included in other income (loss)	$—	$—	$264	$264

Financial Instruments Disclosed, But Not Carried, at Fair Value
The Company uses various financial instruments in the normal course of its business. The Company's insurance contracts are excluded from the fair value of financial instruments accounting guidance, unless the Company elects the fair value option, and therefore, are not included in the amounts discussed herein. The carrying values of cash and cash equivalents, accrued investment income, receivables for investments sold, certain other assets, payables for investments purchased, certain other liabilities, and other financial instruments not included herein approximated their fair values.
Debt
Included on the Company's consolidated balance sheet at September 30, 2015 were debt obligations of $969.2 million (December 31, 2014 - $249.5 million). At September 30, 2015, the fair value of the Company's debt obligations was $988.9 million (December 31, 2014 – $279.0 million).
The fair value of the Company's debt obligations is determined using indicative market pricing obtained from third-party service providers, which the Company considers Level 2 in the fair value hierarchy. There have been no changes during the period in the Company's valuation technique used to determine the fair value of the Company's debt obligations. Refer to "Note 7. Debt and Credit Facilities" for additional information related to the Company's debt obligations.
The Fair Value Option for Financial Assets and Financial Liabilities
The Company has elected to account for certain financial assets and financial liabilities at fair value using the guidance under FASB ASC Topic Financial Instruments as the Company believes it represents the most meaningful measurement basis for these assets and liabilities. Below is a summary of the balances the Company has elected to account for at fair value:

	September 30, 2015	December 31, 2014
Other investments	$483,958	$504,147
Other assets	$87,839	$5,664
Other liabilities	$10,887	$14,408

Included in net investment income for the three and nine months ended September 30, 2015 was net unrealized losses of $13.9 million and net unrealized losses of $10.7 million, respectively, related to the changes in fair value of other investments (2014 – losses of $6.0 million and gains of $2.9 million, respectively). Net unrealized losses related to the changes in the fair value of other assets and liabilities recorded in other income (loss) for the three and nine months ended September 30, 2015 was $0.1 million and $0.4 million, respectively.
Measuring the Fair Value of Other Investments Using Net Asset Valuations
The table below shows the Company's portfolio of other investments measured using net asset valuations:

At September 30, 2015	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period (Minimum Days)	Redemption Notice Period (Maximum Days)
Private equity partnerships	$226,000	$178,496	See below	See below	See below
Senior secured bank loan fund	22,345	3,182	See below	See below	See below
Hedge funds	2,390	—	See below	See below	See below
Total other investments measured using net asset valuations	$250,735	$181,678			

Private equity partnerships – Included in the Company's investments in private equity partnerships were alternative asset limited partnerships (or similar corporate structures) that invest in certain private equity asset classes including U.S. and global leveraged buyouts; mezzanine investments; distressed securities;

real estate; and oil, gas and power. The fair values of the investments in this category have been estimated in respect of the net asset value of the investments, as discussed in detail above. The Company generally has no right to redeem its interest in any of these private equity partnerships in advance of dissolution of the applicable private equity partnership. Instead, the nature of these investments is that distributions are received by the Company in connection with the liquidation of the underlying assets of the respective private equity partnership. It is estimated that the majority of the underlying assets of the limited partnerships would liquidate over 7 to 10 years from inception of the respective limited partnership.

Senior secured bank loan fund – At September 30, 2015, the Company had $22.3 million invested in a closed end fund which invests primarily in loans. The Company has no right to redeem its investment in this fund. The Company's investment in this fund is valued using the estimated monthly net asset valuation received from the investment manager, as discussed in detail above. It is estimated that the majority of the underlying assets in this closed end fund would liquidate over 4 to 5 years from inception of the fund.

Hedge funds – The Company invests in hedge funds that pursue multiple strategies. The fair values of the investments in this category are estimated using the net asset value per share of the funds, as discussed in detail above. The Company's investments in hedge funds at September 30, 2015 were $2.4 million of so called "side pocket" investments which are not redeemable at the option of the shareholder. The Company will retain its interest in the side pocket investments referred to above, until the underlying investments attributable to such side pockets are liquidated, realized or deemed realized at the discretion of the fund manager.

NOTE 6. REINSURANCE

The Company purchases reinsurance and other protection to manage its risk portfolio and to reduce its exposure to large losses. The Company currently has in place contracts that provide for recovery of a portion of certain claims and claim expenses, generally in excess of various retentions or on a proportional basis. In addition to loss recoveries, certain of the Company's ceded reinsurance contracts provide for recoveries of additional premiums, for reinstatement premiums and for lost no-claims bonuses, which are incurred when losses are ceded to other reinsurance contracts. The Company remains liable to the extent that any reinsurance company fails to meet its obligations.

The following table sets forth the effect of reinsurance and retrocessional activity on premiums written and earned and on net claims and claim expenses incurred:

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Premiums written				
Direct	$31,781	$20,481	$96,934	$54,043
Assumed	337,861	180,511	1,578,283	1,363,749
Ceded	(102,822)	(41,279)	(495,685)	(461,325)
Net premiums written	$266,820	$159,713	$1,179,532	$956,467
Premiums earned				
Direct	$26,040	$18,101	$70,547	$47,279
Assumed	456,957	354,142	1,307,932	1,090,129
Ceded	(120,609)	(113,264)	(339,503)	(331,479)
Net premiums earned	$362,388	$258,979	$1,038,976	$805,929
Claims and claim expenses				
Gross claims and claim expenses incurred	$121,744	$76,973	$433,558	$242,187
Claims and claim expenses recovered	(21,716)	(7,326)	(87,333)	(32,237)
Net claims and claim expenses incurred	$100,028	$69,647	$346,225	$209,950

NOTE 7. DEBT AND CREDIT FACILITIES

Debt Obligations

A summary of the Company's debt obligations on its consolidated balance sheets is set forth below:

	September 30, 2015		December 31, 2014	
	Fair Value	Carrying Value	Fair Value	Carrying Value
3.700% Senior Notes due 2025	$293,148	$299,430	$—	$—
5.75% Senior Notes due 2020	275,000	249,591	279,000	249,522
Series B 7.50% Senior Notes due 2017	272,033	271,407	—	—
4.750% Senior Notes due 2025 (DaVinciRe)	148,742	148,793	—	—
	$988,923	$969,221	$279,000	$249,522

3.700% Senior Notes due 2025 of RenaissanceRe Finance

On March 24, 2015, RenaissanceRe Finance issued $300.0 million of its 3.700% Senior Notes due April 1, 2025, with interest on the notes payable on April 1 and October 1 of each year. The notes are fully and unconditionally guaranteed by RenaissanceRe and may be redeemed by RenaissanceRe Finance prior to maturity, subject to the payment of a "make-whole" premium if the notes are redeemed prior to January 1, 2025. The notes contain various covenants, including limitations on mergers and consolidations, and restrictions as to the disposition of, and the placing of liens on, stock of designated subsidiaries.

The net proceeds from the offering of the notes (together with cash on hand) were applied by RenaissanceRe to repay in full a $300.0 million bridge loan that Barclays Bank PLC provided to RenaissanceRe on February 25, 2015 in order to finance a portion of the cash consideration paid by RenaissanceRe in connection with the acquisition of Platinum. Refer to "Note 3. Acquisition of Platinum" for additional information related to the cash consideration paid by RenaissanceRe in connection with the acquisition of Platinum.

5.75% Senior Notes due 2020 of RenRe North America Holdings Inc. ("RRNAH") and RenaissanceRe Finance

On March 17, 2010, RenRe North America Holdings Inc. ("RRNAH") issued $250.0 million of its 5.75% Senior Notes due March 15, 2020 (the "RRNAH Notes"), with interest on the notes payable on March 15 and September 15 of each year. RenaissanceRe Finance became a co-obligor of the notes as of July 3, 2015. The notes, which are senior obligations, are fully and unconditionally guaranteed by RenaissanceRe and may be redeemed prior to maturity, subject to the payment of a "make-whole" premium. The notes contain various covenants, including limitations on mergers and consolidations, and restrictions as to the disposition of, and the placing of liens on, stock of designated subsidiaries.

Series B 7.50% Notes due 2017 of Platinum Underwriters Finance, Inc.

On November 2, 2005, Platinum Underwriters Finance, Inc. ("Platinum Finance") issued $250.0 million in aggregate principal amount of its Series B 7.50% Notes due June 1, 2017 (the "Platinum Finance Notes").

Interest on the Platinum Finance Notes is payable on June 1 and December 1 of each year. The Platinum Finance Notes, which are senior obligations, are fully and unconditionally guaranteed by RenaissanceRe, and may be redeemed by Platinum Finance prior to maturity, subject to the payment of a "make-whole" premium. The Platinum Finance Notes contain various covenants, including limitations on mergers and consolidations, and restrictions as to the disposition of, and the placing of liens on, the stock of designated subsidiaries.

DaVinciRe Senior Notes

On May 4, 2015, DaVinciRe issued $150.0 million of its 4.750% Senior Notes due May 1, 2025, with interest on the notes payable on May 1 and November 1, commencing with November 1, 2015 (the "DaVinciRe Senior Notes"). The DaVinciRe Senior Notes, which are senior obligations, may be redeemed

prior to maturity, subject to the payment of a “make-whole” premium if the notes are redeemed before February 1, 2025. The DaVinciRe Senior Notes contain various covenants including restrictions as to the disposition of, and the placing of liens on, the stock of designated subsidiaries, limitations on mergers, amalgamations and consolidations, limitations on third party investor redemptions, a leverage covenant and a covenant to maintain certain ratings. The net proceeds from this offering were used to repay, in full, $100.0 million outstanding under the loan agreement, dated as of March 30, 2011, between DaVinciRe and RenaissanceRe, and the remainder of the net proceeds may be used to repurchase DaVinciRe shares or for general corporate purposes.

Credit Facilities

A summary of the Company’s credit facilities is set forth below:

At September 30, 2015	Issued or Drawn
RenaissanceRe Revolving Credit Facility	$—
Uncommitted Standby Letter of Credit Facility with Wells Fargo	160,341
Uncommitted Standby Letter of Credit Facility with NAB	—
Bilateral Letter of Credit Facility with Citibank Europe	150,680
Funds at Lloyd’s Letter of Credit Facilities with Citibank Europe	
Renaissance Reinsurance	300,000
RenaissanceRe Specialty Risks	8,789
Total credit facilities in U.S. dollars	$619,810
Funds at Lloyd’s Letter of Credit Facilities	
Renaissance Reinsurance Master Reimbursement Agreement	£70,000
Total credit facilities in pound sterling	£70,000

RenaissanceRe Revolving Credit Facility

On May 15, 2015, RenaissanceRe entered into an amended and restated credit agreement with various banks and financial institutions (the “Revolving Credit Agreement”), which amended and restated the credit agreement, dated as of May 17, 2012, as amended. The Revolving Credit Agreement provides for a revolving commitment to RenaissanceRe of $250.0 million. RenaissanceRe has the right, subject to satisfying certain conditions, to increase the size of the facility to $350.0 million. Amounts borrowed under the Revolving Credit Agreement bear interest at a rate selected by RenaissanceRe equal to the Base Rate or LIBOR (each as defined in the Revolving Credit Agreement) plus a margin, as more fully set forth in the Revolving Credit Agreement. At September 30, 2015, RenaissanceRe had $Nil outstanding under the Revolving Credit Agreement.

The Revolving Credit Agreement contains representations, warranties and covenants customary for bank loan facilities of this type, including limits on the ability of RenaissanceRe and its subsidiaries to merge, consolidate, sell a substantial amount of assets, incur liens and declare or pay dividends under certain circumstances. The Revolving Credit Agreement also contains certain financial covenants which generally provide that the ratio of consolidated debt to capital shall not exceed 0.35:1 and that the consolidated net worth of RenaissanceRe shall equal or exceed approximately $2.9 billion. The net worth requirement is recalculated effective as of the end of each fiscal year.

In case of certain events of default, in certain circumstances the lenders’ obligations to make loans may be terminated and the outstanding obligations of RenaissanceRe under the Revolving Credit Agreement may be accelerated. The scheduled commitment maturity date of the Revolving Credit Agreement is May 15, 2020.

RRNAH, RenaissanceRe Finance, and Platinum Finance guarantee RenaissanceRe’s obligations under the Revolving Credit Agreement. Subject to certain exceptions, additional subsidiaries of RenaissanceRe are required to become guarantors if such subsidiaries issue or incur certain types of indebtedness.

Uncommitted Standby Letter of Credit Facility with Wells Fargo Bank, National Association

Renaissance Reinsurance, RenaissanceRe Specialty Risks, DaVinci, Platinum Bermuda and Renaissance Reinsurance U.S. (collectively, the “Applicants”) and RenaissanceRe are parties to a Standby Letter of Credit Agreement, as amended (the “Standby Letter of Credit Agreement”) with Wells Fargo Bank National Association (“Wells Fargo”) which provides for a secured, uncommitted facility under which letters of credit may be issued from time to time for the respective accounts of the Applicants. RenaissanceRe has unconditionally guaranteed the payment obligations of the Applicants, other than DaVinci.

The Standby Letter of Credit Agreement contains representations, warranties and covenants that are customary for facilities of this type. At all times during which it is a party to the Standby Letter of Credit Agreement, each Applicant is required to pledge to Wells Fargo eligible collateral having a value (determined as provided in such agreement) that equals or exceeds the aggregate face amount of the outstanding letters of credit issued for its account plus all of such Applicant’s payment and reimbursement obligations in respect of such letters of credit. In the case of an event of default, Wells Fargo may exercise certain remedies, including conversion of collateral of a defaulting Applicant into cash.

On May 15, 2015, all amounts outstanding under the Third Amended and Restated Credit Agreement, dated as of April 9, 2014, among Platinum, the subsidiaries of Platinum party thereto, the lenders party thereto, and Wells Fargo, as administrative agent were repaid and satisfied in full, the facility was terminated and all letters of credit that were issued and outstanding under the facility were transferred over to, and are now governed by the terms and conditions of, the Standby Letter of Credit Agreement.

At September 30, 2015, the Applicants had $160.3 million of letters of credit outstanding under the Standby Letter of Credit Agreement.

National Australia Bank Limited Standby Letter of Credit Agreement

Effective as of May 19, 2015, Renaissance Reinsurance, RenaissanceRe Specialty Risks, DaVinci and Platinum Bermuda (collectively, the “NAB Facility Applicants”) and RenaissanceRe entered into a Standby Letter of Credit Agreement (the “NAB Standby Letter of Credit Agreement”) with National Australia Bank Limited (“NAB”). The NAB Standby Letter of Credit Agreement provides for a secured, uncommitted facility under which letters of credit may be issued from time to time for the respective accounts of the NAB Facility Applicants in multiple currencies. RenaissanceRe has unconditionally guaranteed the payment obligations of the NAB Facility Applicants, other than DaVinci.

The NAB Standby Letter of Credit Agreement contains representations, warranties and covenants that are customary for facilities of this type. At all times during which it is a party to the NAB Standby Letter of Credit Agreement, each NAB Facility Applicant is required to pledge to NAB eligible collateral having a value (determined as provided in such agreement) that equals or exceeds the aggregate stated amount of the letters of credit issued thereunder for its account, plus all of its reimbursement and payment obligations under the NAB Standby Letter of Credit Agreement. In the case of an event of default under the NAB Standby Letter of Credit Agreement, NAB may exercise certain remedies, including conversion of collateral of a defaulting NAB Facility Applicant into cash.

Concurrently with the effectiveness of the NAB Standby Letter of Credit Agreement, all amounts outstanding under the Facility Agreement, dated as of July 31, 2012, among Platinum Bermuda, Platinum, the lenders party thereto and NAB, as agent for the finance parties were repaid and satisfied in full, the facility was terminated and all letters of credit that were issued and outstanding under the facility were transferred over to, and are now governed by the terms and conditions of, the NAB Standby Letter of Credit Agreement.

At September 30, 2015, the NAB Facility Applicants had $Nil outstanding under the NAB Standby Letter of Credit Agreement.

Bilateral Letter of Credit Facility with Citibank Europe

Pursuant to the facility letter, dated September 17, 2010, as amended, among Citibank Europe plc (“CEP”) and certain subsidiaries and affiliates of RenaissanceRe (the “Facility Letter”), CEP has established a letter of credit facility (the “Bilateral Facility”) under which CEP provides a commitment to issue letters of credit for the account of one or more of the Bilateral Facility Participants (as defined below) and their respective subsidiaries in multiple currencies. The “Bilateral Facility Participants” include Renaissance Reinsurance,

DaVinci, RenaissanceRe Specialty Risks, Renaissance Reinsurance of Europe, RenaissanceRe Specialty U.S., Platinum Bermuda and Renaissance Reinsurance U.S. The aggregate commitment amount is $300.0 million, subject to (i) a sublimit of $50.0 million for letters of credit issued for the account of RenaissanceRe Specialty U.S. and (ii) a combined sublimit of $25.0 million for letters of credit issued for the accounts of Platinum Bermuda and Renaissance Reinsurance U.S.

Effective March 31, 2015, the principal agreements evidencing the bilateral letter of credit facility that had previously been in place among CEP, Platinum Bermuda and Renaissance Reinsurance U.S. (the "Platinum/CEP Bilateral Facility") were terminated. In addition, effective March 31, 2015, certain letters of credit issued on behalf of Platinum Bermuda and Renaissance Reinsurance U.S. under the Platinum/CEP Bilateral Facility are deemed to be letters of credit issued under, and governed by the terms of, the Bilateral Facility.

The Bilateral Facility is scheduled to expire on December 31, 2015. At all times during which it is a party to the Bilateral Facility, each Bilateral Facility Participant is obligated to pledge to CEP securities with a value (determined as provided in such facility) that equals or exceeds the aggregate face amount of its then-outstanding letters of credit. In the case of an event of default under the Bilateral Facility with respect to a Bilateral Facility Participant, CEP may exercise certain remedies, including terminating its commitment to such Bilateral Facility Participant and taking certain actions with respect to the collateral pledged by such Bilateral Facility Participant (including the sale thereof). In the Facility Letter, each Bilateral Facility Participant makes representations and warranties that are customary for facilities of this type and agrees that it will comply with certain informational and other undertakings, including those regarding the delivery of quarterly and annual financial statements.

At September 30, 2015, $150.7 million aggregate face amount of letters of credit was outstanding and, subject to the sublimits described above, $149.3 million remained unused and available to the Bilateral Facility Participants under the Bilateral Facility.

Funds at Lloyd's Letter of Credit Facilities

Effective November 24, 2014, Renaissance Reinsurance and CEP entered into a Second Amended and Restated Pledge Agreement (the "Renaissance Reinsurance Pledge Agreement") in respect of its letter of credit facility with CEP which is evidenced by the Master Agreement, dated as of April 29, 2009 (the "Renaissance Reinsurance Master Agreement"), and which provides for the issuance and renewal of letters of credit that are used to support business written by Syndicate 1458. During the term of the Renaissance Reinsurance Master Agreement, Renaissance Reinsurance has agreed to pledge to CEP certain qualifying securities with a value (determined as provided in the Renaissance Reinsurance Pledge Agreement) that equals or exceeds the aggregate face amount of the then-outstanding letters of credit issued under the Renaissance Reinsurance Master Agreement. At September 30, 2015, letters of credit issued by CEP under the Renaissance Reinsurance Master Reimbursement Agreement were outstanding in the face amount of $300.0 million and £70.0 million, respectively.

Effective November 24, 2014, RenaissanceRe Specialty Risks and CEP entered into the Master Agreement (the "Specialty Risks Master Agreement" and, together with the Renaissance Reinsurance Master Agreement, the "Master Agreements"), which provides for the issuance and renewal by CEP for the account of RenaissanceRe Specialty Risks of letters of credit that are used to support business written by Syndicate 1458, and a related Pledge Agreement (the "Specialty Risks Pledge Agreement" and, together with the Renaissance Reinsurance Pledge Agreement, the "Pledge Agreements"). During the term of the Specialty Risks Master Agreement, RenaissanceRe Specialty Risks has agreed to pledge to CEP certain qualifying securities with a value (determined as provided in the Specialty Risks Pledge Agreement) equal to the aggregate face amount of the then-outstanding letters of credit issued under the Specialty Risks Master Agreement. At September 30, 2015, letters of credit issued by CEP under the Specialty Risks Master Agreement were outstanding in the face amount of $8.8 million.

Each of the Master Agreements and the Pledge Agreements contains representations, warranties and covenants that are customary for facilities of this type.

Top Layer Re

Renaissance Reinsurance is party to a collateralized letter of credit and reimbursement agreement in the amount of $37.5 million that supports the Company's Top Layer Re joint venture. Renaissance Reinsurance is obligated to make a mandatory capital contribution of up to $50.0 million in the event that a loss reduces Top Layer Re's capital below a specified level.

NOTE 8. NONCONTROLLING INTERESTS

A summary of the Company's noncontrolling interests on its consolidated balance sheets is set forth below:

	September 30, 2015	December 31, 2014
Redeemable noncontrolling interest - DaVinciRe	$906,010	$1,037,306
Redeemable noncontrolling interest - Medici	116,018	94,402
Redeemable noncontrolling interest	$1,022,028	$1,131,708

A summary of the Company's noncontrolling interests on its consolidated statements of operations set forth below:

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Redeemable noncontrolling interest - DaVinciRe	$27,751	$28,136	$78,422	$105,022
Redeemable noncontrolling interest - Medici	3,402	2,341	4,560	4,301
Net income attributable to noncontrolling interests	$31,153	$30,477	$82,982	$109,323

Redeemable Noncontrolling Interest – DaVinciRe

In October 2001, the Company formed DaVinciRe and DaVinci with other equity investors. RenaissanceRe owns a noncontrolling economic interest in DaVinciRe; however, because RenaissanceRe controls a majority of DaVinciRe's outstanding voting rights, the consolidated financial statements of DaVinciRe are included in the consolidated financial statements of the Company. The portion of DaVinciRe's earnings owned by third parties is recorded in the consolidated statements of operations as net income attributable to noncontrolling interests. The Company's noncontrolling economic ownership in DaVinciRe was 26.3% at September 30, 2015 (December 31, 2014 - 23.4%).

DaVinciRe shareholders are party to a shareholders agreement (the "Shareholders Agreement") which provides DaVinciRe shareholders, excluding RenaissanceRe, with certain redemption rights that enable each shareholder to notify DaVinciRe of such shareholder's desire for DaVinciRe to repurchase up to half of such shareholder's initial aggregate number of shares held, subject to certain limitations, such as limiting the aggregate of all share repurchase requests to 25% of DaVinciRe's capital in any given year and satisfying all applicable regulatory requirements. If total shareholder requests exceed 25% of DaVinciRe's capital, the number of shares repurchased will be reduced among the requesting shareholders pro-rata, based on the amounts desired to be repurchased. Shareholders desiring to have DaVinci repurchase their shares must notify DaVinciRe before March 1 of each year. The repurchase price will be based on GAAP book value as of the end of the year in which the shareholder notice is given, and the repurchase will be effective as of January 1 of the following year. Payment will be made by April 1, following delivery of the audited financial statements for the year in which the repurchase was effective. The repurchase price is subject to a true-up for development on outstanding loss reserves after settlement of all claims relating to the applicable years.

2014

During January 2014, DaVinciRe redeemed a portion of its outstanding shares from all existing DaVinciRe shareholders, including RenaissanceRe, while a new DaVinciRe shareholder purchased shares in DaVinciRe. The net redemption as a result of this transaction was $300.0 million. In connection with the redemption, DaVinciRe retained a $30.0 million holdback. The Company's noncontrolling economic ownership in DaVinciRe subsequent to this transaction was 26.5%, effective January 1, 2014.

Effective July 1, 2014, RenaissanceRe sold a portion of its shares of DaVinciRe to an existing third party shareholder for $38.9 million. The Company's ownership in DaVinciRe was 26.5% at June 30, 2014 and subsequent to the above transaction, its ownership interest in DaVinciRe decreased to 23.4% effective July 1, 2014.

2015

During January 2015, DaVinciRe redeemed a portion of its outstanding shares from certain existing DaVinciRe shareholders, including the Company. The net redemption as a result of these transactions was $225.0 million. In connection with the redemption, DaVinciRe retained a $22.5 million holdback. The Company's noncontrolling economic ownership in DaVinciRe subsequent to these transactions was 26.3%, effective January 1, 2015.

The Company expects its noncontrolling economic ownership in DaVinciRe to fluctuate over time.

The activity in redeemable noncontrolling interest – DaVinciRe is detailed in the table below:

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Beginning balance	$879,266	$930,231	$1,037,306	$1,063,368
Redemption of shares from redeemable noncontrolling interest	(1,007)	(857)	(209,718)	(220,602)
Sale of shares to redeemable noncontrolling interests	—	38,854	—	48,576
Net income attributable to redeemable noncontrolling interest	27,751	28,136	78,422	105,022
Ending balance	$906,010	$996,364	$906,010	$996,364

Redeemable Noncontrolling Interest - RenaissanceRe Medici Fund Ltd. ("Medici")

Medici is an exempted company incorporated under the laws of Bermuda and its objective is to seek to invest substantially all of its assets in various insurance-based investment instruments that have returns primarily tied to property catastrophe risk. RenaissanceRe owns a noncontrolling economic interest in Medici; however, because RenaissanceRe controls all of Medici's outstanding voting rights, the financial statements of Medici are included in the consolidated financial statements of the Company. The portion of Medici's earnings owned by third parties is recorded in the consolidated statements of operations as net income attributable to noncontrolling interests. Any shareholder may redeem all or any portion of its shares as of the last day of any calendar month, upon at least 30 calendar days' prior irrevocable written notice to Medici. As the participating, non-voting common shares of Medici have redemption features which are outside the control of the issuer, the portion related to the redeemable noncontrolling interest in Medici is recorded in the mezzanine section of the consolidated balance sheets of the Company.

2014

During 2014, third-party investors subscribed for and redeemed an aggregate of $57.3 million and $3.1 million, respectively, of the participating, non-voting common shares of Medici. As a result of these net subscriptions, the Company's economic ownership in Medici was 53.2%, effective December 31, 2014.

2015

During the nine months ended September 30, 2015, third-party investors subscribed for and redeemed an aggregate of $36.1 million and $19.0 million, respectively, of the participating, non-voting common shares of Medici. As a result of these net subscriptions, the Company’s economic ownership in Medici was 45.8%, effective September 30, 2015. The Company expects its ownership in Medici to fluctuate over time.

The activity in redeemable noncontrolling interest – Medici is detailed in the table below:

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Beginning balance	$109,546	$93,661	$94,402	$36,492
Redemption of shares from redeemable noncontrolling interest	(1,910)	(1,200)	(19,017)	(3,075)
Sale of shares to redeemable noncontrolling interests	4,980	—	36,073	57,084
Net income attributable to redeemable noncontrolling interest	3,402	2,341	4,560	4,301
Ending balance	$116,018	$94,802	$116,018	$94,802

NOTE 9. VARIABLE INTEREST ENTITIES

Upsilon Fund

Effective November 13, 2014, the Company incorporated Upsilon Fund, an exempted Bermuda limited segregated accounts company. Upsilon Fund was formed to provide a fund structure through which third party investors can invest in reinsurance risk managed by the Company. As a segregated accounts company, Upsilon Fund is permitted to establish segregated accounts to invest in and hold identified pools of assets and liabilities. Each pool of assets and liabilities in each segregated account is structured to be ring-fenced from any claims from the creditors of Upsilon Fund’s general account and from the creditors of other segregated accounts within Upsilon Fund. Third party investors purchase redeemable, non-voting preference shares linked to specific segregated accounts of Upsilon Fund and own 100% of these shares. Upsilon Fund is managed by RenaissanceRe Fund Management Ltd. in return for an expense override and profit commission.

Upsilon Fund is considered a VIE as the voting rights of the equity investors are not proportionate with the respective obligation to absorb expected losses or the right to receive expected residual returns. The Company does not have the obligation to absorb the losses, nor the right to receive the benefits, in accordance with the accounting guidance, that could be significant to Upsilon Fund. However, the Company does have the power over the activities that most significantly impact the economic performance of Upsilon Fund. Since the Company does not meet both criteria noted above, the Company is not the primary beneficiary of Upsilon Fund, and accordingly, does not consolidate Upsilon Fund. The Company has not provided any financial or other support to Upsilon Fund that was not contractually required to be provided.

Upsilon RFO

Effective January 1, 2013, the Company formed and launched Upsilon RFO, a managed joint venture, and a Bermuda domiciled SPI, to provide additional capacity to the worldwide aggregate and per-occurrence retrocessional property catastrophe excess of loss market.

The shareholders (other than the Class A shareholder) participate in substantially all of the profits or losses of Upsilon RFO while their shares remain outstanding. The shareholders (other than the Class A shareholder) indemnify Upsilon RFO against losses relating to insurance risk and therefore these shares have been accounted for as prospective reinsurance under FASB ASC Topic Financial Services - Insurance.

Upsilon RFO is considered a VIE as it has insufficient equity capital to finance its activities without additional financial support. The Company is the primary beneficiary of Upsilon RFO as it: (i) has the power over the activities that most significantly impact the economic performance of Upsilon RFO and (ii) has the obligation to absorb losses and the right to receive benefits, in accordance with the accounting guidance, that could be significant to Upsilon RFO. As a result, the Company consolidates Upsilon RFO and all significant inter-company transactions have been eliminated. The Company has not provided financial or other support to Upsilon RFO that was not contractually required to be provided.

2014

In conjunction with risks incepting during the first quarter of 2014, $172.4 million of Upsilon RFO non-voting preference shares were sold to unaffiliated third-party investors. Additionally, $109.7 million of the non-voting preference shares were acquired by the Company, representing a 38.9% participation in the risks assumed by Upsilon RFO incepting during the first quarter of 2014. In addition, another third party investor supplied $15.0 million of capital through an insurance contract with the Company related to Upsilon RFO's reinsurance portfolio. Inclusive of the insurance contract, the Company had a 33.6% participation in the original risks assumed by Upsilon RFO in conjunction with risks incepting during the first quarter of 2014.

In conjunction with risks incepting during the second quarter of 2014, $43.1 million of Upsilon RFO non-voting preference shares were sold to unaffiliated third-party investors. Additionally, $13.5 million of the non-voting preference shares were acquired by the Company, representing a 23.9% participation in the risks assumed by Upsilon RFO incepting during the second quarter of 2014. In addition, another third party investor supplied $5.0 million of capital through an insurance contract with the Company related to Upsilon RFO's reinsurance portfolio. Inclusive of the insurance contract, the Company had a 15.0% participation in the original risks assumed by Upsilon RFO in conjunction with risks incepting during the second quarter of 2014.

2015

During the first nine months of 2015, Upsilon RFO returned capital to all of the investors who participated in risks incepting during 2014, including the Company. The total amount of capital agreed to be returned was $419.4 million, including $131.4 million related to the Company, with $418.5 million of this having been repaid to date, including $131.1 million related to the Company.

In conjunction with risks incepting during the first nine months of 2015, $155.4 million of Upsilon RFO non-voting preference shares were sold to unaffiliated third-party investors through their investment in Upsilon Fund. Additionally, $42.2 million of the non-voting preference shares were acquired by the Company, representing a 20.5% participation in the risks assumed by Upsilon RFO incepting during the first nine months of 2015.

At September 30, 2015, the Company's consolidated balance sheet included total assets and total liabilities of Upsilon RFO of $250.3 million and $250.2 million, respectively (December 31, 2014 - $621.3 million and $621.3 million, respectively, including $135.7 million of capital raised from third party investors and received by Upsilon RFO prior to December 31, 2014 for risks incepted during the first quarter of 2015).

Mona Lisa Re Ltd. ("Mona Lisa Re")

On March 14, 2013, Mona Lisa Re was licensed as a Bermuda domiciled SPI to provide reinsurance capacity to subsidiaries of RenaissanceRe, namely Renaissance Reinsurance and DaVinci, through reinsurance agreements which will be collateralized and funded by Mona Lisa Re through the issuance of one or more series of principal-at-risk variable rate notes to third-party investors.

Upon issuance of a series of notes by Mona Lisa Re, all of the proceeds from the issuance are expected to be deposited into collateral accounts, separated by series, to fund any potential obligation under the reinsurance agreements entered into with Renaissance Reinsurance and/or DaVinci underlying such series of notes. The outstanding principal amount of each series of notes generally will be returned to holders of such notes upon the expiration of the risk period underlying such notes, unless an event occurs which causes a loss under the applicable series of notes, in which case the amount returned will be reduced by such noteholder's pro rata share of such loss, as specified in the applicable governing documents of such

notes. In addition, holders of such notes are generally entitled to interest payments, payable quarterly, as determined by the applicable governing documents of each series of notes.

The Company concluded that Mona Lisa Re meets the definition of a VIE as it does not have sufficient equity capital to finance its activities. Therefore, the Company evaluated its relationship with Mona Lisa Re and concluded it does not have a variable interest in Mona Lisa Re. As a result, the financial position and results of operations of Mona Lisa Re are not consolidated by the Company. At September 30, 2015, the total assets and total liabilities of Mona Lisa Re were $187.1 million and $187.1 million, respectively (December 31, 2014 - $184.0 million and $184.0 million, respectively).

The only transactions related to Mona Lisa Re that are recorded in the Company's consolidated financial statements are the ceded reinsurance agreements entered into by Renaissance Reinsurance and DaVinci which are accounted for as prospective reinsurance under FASB ASC Topic Financial Services - Insurance. Renaissance Reinsurance and DaVinci have together entered into ceded reinsurance contracts with Mona Lisa Re with gross premiums ceded of $7.3 million and $5.0 million, respectively, during the nine months ended September 30, 2015 (2014 - $8.6 million and $6.3 million, respectively). In addition, Renaissance Reinsurance and DaVinci recognized ceded premiums earned related to the ceded reinsurance contracts with Mona Lisa Re of $5.4 million and $3.7 million, respectively, during the nine months ended September 30, 2015 (2014 - $6.9 million and $4.9 million, respectively).

NOTE 10. SHAREHOLDERS' EQUITY

Dividends

The Board of Directors of RenaissanceRe declared a dividend of $0.30 per common share to common shareholders of record on March 13, 2015, June 15, 2015, and September 15, 2015, respectively, and RenaissanceRe paid a dividend of $0.30 per common share to common shareholders on March 31, 2015, June 30, 2015, and September 30, 2015, respectively. During the nine months ended September 30, 2015, the Company declared and paid $16.8 million in preference share dividends (2014 - $16.8 million) and $40.9 million in common share dividends (2014 - $34.8 million).

Share Repurchases

The Company's share repurchase program may be effected from time to time, depending on market conditions and other factors, through open market purchases and privately negotiated transactions. On August 6, 2015, RenaissanceRe's Board of Directors approved a renewal of its authorized share repurchase program for an aggregate amount of $500.0 million. Unless terminated earlier by resolution of RenaissanceRe's Board of Directors, the program will expire when the Company has repurchased the full value of the shares authorized. The Company's decision to repurchase common shares will depend on, among other matters, the market price of the common shares and the capital requirements of the Company. During the nine months ended September 30, 2015, the Company repurchased an aggregate of 2.0 million shares in open market transactions at an aggregate cost of $211.5 million, and at an average share price of $104.39. At September 30, 2015, $313.2 million remained available for repurchase under the Board authorized share repurchase program. See "Part II, Item 2 - Unregistered Sales of Equity Securities and use of Proceeds" and "Note 16. Subsequent Events" for additional information related to share repurchases.

NOTE 11. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per common share:

(thousands of shares)	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Numerator:				
Net income available to RenaissanceRe common shareholders	$75,529	$67,815	$316,605	$339,570
Amount allocated to participating common shareholders (1)	(867)	(904)	(3,642)	(4,466)
Net income allocated to RenaissanceRe common shareholders	$74,662	$66,911	$312,963	$335,104
Denominator:				
Denominator for basic income per RenaissanceRe common share - weighted average common shares	44,564	38,975	43,166	39,983
Per common share equivalents of employee stock options and restricted shares	349	458	365	595
Denominator for diluted income per RenaissanceRe common share - adjusted weighted average common shares and assumed conversions	44,913	39,433	43,531	40,578
Net income available to RenaissanceRe common shareholders per common share – basic	$1.68	$1.72	$7.25	$8.38
Net income available to RenaissanceRe common shareholders per common share – diluted	$1.66	$1.70	$7.19	$8.26

(1) Represents earnings attributable to holders of unvested restricted shares issued under the Company’s 2001 Stock Incentive Plan and Non-Employee Director Stock Incentive Plan.

NOTE 12. SEGMENT REPORTING

The Company has the following reportable segments: (1) Catastrophe Reinsurance, which includes catastrophe reinsurance and certain property catastrophe joint ventures managed by the Company’s ventures unit; (2) Specialty Reinsurance, which includes specialty reinsurance and certain specialty joint ventures managed by the Company’s ventures unit; and (3) Lloyd’s, which includes reinsurance and insurance business written through Syndicate 1458. RenaissanceRe CCL, an indirect wholly owned subsidiary of RenaissanceRe, is the sole corporate member of Syndicate 1458.

The underwriting results of Platinum are included in the Company’s Catastrophe Reinsurance and Specialty Reinsurance segments from March 2, 2015.

The financial results of the Company’s strategic investments, former Insurance segment and current noncontrolling interests are included in the Other category of the Company’s segment results. Also included in the Other category of the Company’s segment results are the Company’s investments in other ventures, investments unit, corporate expenses, capital servicing costs and certain acquisition related expenses.

The Company does not manage its assets by segment; accordingly, net investment income and total assets are not allocated to the segments.

A summary of the significant components of the Company's revenues and expenses is as follows:

Three months ended September 30, 2015	Catastrophe Reinsurance	Specialty Reinsurance	Lloyd's	Other	Total
Gross premiums written	$81,692	$214,372	$73,578	$—	$369,642
Net premiums written	$55,182	$155,987	$55,651	$—	$266,820
Net premiums earned	$159,641	$146,213	$56,534	$—	$362,388
Net claims and claim expenses incurred	22,319	41,005	36,425	279	100,028
Acquisition expenses	14,048	50,432	13,654	(8)	78,126
Operational expenses	23,513	17,542	13,427	36	54,518
Underwriting income (loss)	$99,761	$37,234	$(6,972)	$(307)	129,716
Net investment income				28,338	28,338
Net foreign exchange gains				616	616
Equity in earnings of other ventures				5,730	5,730
Other income				2,306	2,306
Net realized and unrealized losses on investments				(41,138)	(41,138)
Corporate expenses				(7,502)	(7,502)
Interest expense				(10,362)	(10,362)
Income before taxes and noncontrolling interests					107,704
Income tax expense				4,573	4,573
Net income attributable to noncontrolling interests				(31,153)	(31,153)
Dividends on preference shares				(5,595)	(5,595)
Net income available to RenaissanceRe common shareholders					$75,529
Net claims and claim expenses incurred – current accident year	$36,244	$96,737	$37,397	$—	$170,378
Net claims and claim expenses incurred – prior accident years	(13,925)	(55,732)	(972)	279	(70,350)
Net claims and claim expenses incurred – total	$22,319	$41,005	$36,425	$279	$100,028
Net claims and claim expense ratio – current accident year	22.7%	66.2%	66.1%		47.0%
Net claims and claim expense ratio – prior accident years	(8.7)%	(38.2)%	(1.7)%		(19.4)%
Net claims and claim expense ratio – calendar year	14.0%	28.0%	64.4%		27.6%
Underwriting expense ratio	23.5%	46.5%	47.9%		36.6%
Combined ratio	37.5%	74.5%	112.3%		64.2%

Nine months ended September 30, 2015	Catastrophe Reinsurance	Specialty Reinsurance	Lloyd's	Other	Total
Gross premiums written (1)	$856,305	$498,676	$320,326	$(90)	$1,675,217
Net premiums written	$548,312	$399,769	$231,540	$(89)	$1,179,532
Net premiums earned	$466,113	$396,673	$176,279	$(89)	$1,038,976
Net claims and claim expenses incurred	85,289	166,655	93,951	330	346,225
Acquisition expenses	41,016	99,372	42,557	248	183,193
Operational expenses	65,966	49,579	39,086	181	154,812
Underwriting income (loss)	$273,842	$81,067	$685	$(848)	354,746
Net investment income				106,649	106,649
Net foreign exchange losses				(4,254)	(4,254)
Equity in earnings of other ventures				17,185	17,185
Other income				5,272	5,272
Net realized and unrealized losses on investments				(26,101)	(26,101)
Corporate expenses				(66,132)	(66,132)
Interest expense				(25,311)	(25,311)
Income before taxes and noncontrolling interests					362,054
Income tax benefit				54,319	54,319
Net income attributable to noncontrolling interests				(82,982)	(82,982)
Dividends on preference shares				(16,786)	(16,786)
Net income available to RenaissanceRe common shareholders					$316,605
Net claims and claim expenses incurred – current accident year	$127,702	$250,316	$93,778	$—	$471,796
Net claims and claim expenses incurred – prior accident years	(42,413)	(83,661)	173	330	(125,571)
Net claims and claim expenses incurred – total	$85,289	$166,655	$93,951	$330	$346,225
Net claims and claim expense ratio – current accident year	27.4%	63.1%	53.2%		45.4%
Net claims and claim expense ratio – prior accident years	(9.1)%	(21.1)%	0.1%		(12.1)%
Net claims and claim expense ratio – calendar year	18.3%	42.0%	53.3%		33.3%
Underwriting expense ratio	22.9%	37.6%	46.3%		32.6%
Combined ratio	41.2%	79.6%	99.6%		65.9%

(1) Included in gross premiums written in the Other category is the elimination of inter-segment gross premiums written of $0.1 million for the nine months ended September 30, 2015.

Three months ended September 30, 2014	Catastrophe Reinsurance	Specialty Reinsurance	Lloyd's	Other	Total
Gross premiums written	$68,252	$68,883	$63,857	$—	$200,992
Net premiums written	$41,807	$61,879	$56,027	$—	$159,713
Net premiums earned	$136,719	$63,473	$58,788	$(1)	$258,979
Net claims and claim expenses incurred	(666)	31,759	39,027	(473)	69,647
Acquisition expenses	9,131	15,806	12,614	(1)	37,550
Operational expenses	24,154	10,234	12,475	109	46,972
Underwriting income (loss)	$104,100	$5,674	$(5,328)	$364	104,810
Net investment income				24,941	24,941
Net foreign exchange gains				5,036	5,036
Equity in earnings of other ventures				9,806	9,806
Other loss				(1,169)	(1,169)
Net realized and unrealized losses on investments				(31,097)	(31,097)
Corporate expenses				(3,905)	(3,905)
Interest expense				(4,290)	(4,290)
Income before taxes and noncontrolling interests					104,132
Income tax expense				(245)	(245)
Net income attributable to noncontrolling interests				(30,477)	(30,477)
Dividends on preference shares				(5,595)	(5,595)
Net income available to RenaissanceRe common shareholders					$67,815
Net claims and claim expenses incurred – current accident year	$9,661	$46,444	$38,882	$—	$94,987
Net claims and claim expenses incurred – prior accident years	(10,327)	(14,685)	145	(473)	(25,340)
Net claims and claim expenses incurred – total	$(666)	$31,759	$39,027	$(473)	$69,647
Net claims and claim expense ratio – current accident year	7.1%	73.2%	66.1%		36.7%
Net claims and claim expense ratio – prior accident years	(7.6)%	(23.2)%	0.3%		(9.8)%
Net claims and claim expense ratio – calendar year	(0.5)%	50.0%	66.4%		26.9%
Underwriting expense ratio	24.4%	41.1%	42.7%		32.6%
Combined ratio	23.9%	91.1%	109.1%		59.5%

Nine months ended September 30, 2014	Catastrophe Reinsurance	Specialty Reinsurance	Lloyd's	Other	Total
Gross premiums written	$924,046	$274,727	$219,019	$—	$1,417,792
Net premiums written	$534,994	$233,622	$187,848	$3	$956,467
Net premiums earned	$460,455	$186,691	$158,757	$26	$805,929
Net claims and claim expenses incurred	42,519	77,915	90,419	(903)	209,950
Acquisition expenses	34,063	44,052	33,303	(6,691)	104,727
Operational expenses	66,773	30,854	37,566	244	135,437
Underwriting income (loss)	$317,100	$33,870	$(2,531)	$7,376	355,815
Net investment income				98,430	98,430
Net foreign exchange gains				6,367	6,367
Equity in earnings of other ventures				21,237	21,237
Other loss				(1,642)	(1,642)
Net realized and unrealized gains on investments				10,958	10,958
Corporate expenses				(12,404)	(12,404)
Interest expense				(12,875)	(12,875)
Income before taxes and noncontrolling interests					465,886
Income tax expense				(207)	(207)
Net income attributable to noncontrolling interests				(109,323)	(109,323)
Dividends on preference shares				(16,786)	(16,786)
Net income available to RenaissanceRe common shareholders					$339,570
Net claims and claim expenses incurred – current accident year	$60,663	$113,809	$94,594	$—	$269,066
Net claims and claim expenses incurred – prior accident years	(18,144)	(35,894)	(4,175)	(903)	(59,116)
Net claims and claim expenses incurred – total	$42,519	$77,915	$90,419	$(903)	$209,950
Net claims and claim expense ratio – current accident year	13.2%	61.0%	59.6%		33.4%
Net claims and claim expense ratio – prior accident years	(4.0)%	(19.3)%	(2.6)%		(7.3)%
Net claims and claim expense ratio – calendar year	9.2%	41.7%	57.0%		26.1%
Underwriting expense ratio	21.9%	40.2%	44.6%		29.8%
Combined ratio	31.1%	81.9%	101.6%		55.9%

NOTE 13. DERIVATIVE INSTRUMENTS

The Company enters into derivative instruments such as futures, options, swaps, forward contracts and other derivative contracts primarily to manage its foreign currency exposure, obtain exposure to a particular financial market, for yield enhancement, or for trading and speculation. The Company accounts for its derivatives in accordance

with FASB ASC Topic Derivatives and Hedging, which requires all derivatives to be recorded at fair value on the Company’s balance sheet as either assets or liabilities, depending on the rights or obligations of the derivatives, with changes in fair value reflected in current earnings. The Company does not currently apply hedge accounting in respect of any positions reflected in its consolidated financial statements. The Company’s derivative instruments are generally traded under International Swaps and Derivatives Association master agreements, which establish the terms of the transactions entered into with the Company’s derivative counterparties. In the event one party becomes insolvent or otherwise defaults on its obligations, a master agreement generally permits the non-defaulting party to accelerate and terminate all outstanding transactions and net the transactions’ marked-to-market values so that a single sum in a single currency will be owed by, or owed to, the non-defaulting party. Effectively, this contractual close-out netting reduces credit exposure from gross to net exposure. Where the Company has

entered into master netting agreements with counterparties, or the Company has the legal and contractual right to offset positions, the derivative positions are generally netted by counterparty and are reported accordingly in other assets and other liabilities.
The tables below show the gross and net amounts of recognized derivative assets and liabilities, including the location on the consolidated balance sheets and fair value of the Company's principal derivative instruments:

	Derivative Assets					
At September 30, 2015	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Balance Sheet	Net Amounts of Assets Presented in the Balance Sheet	Balance Sheet Location	Collateral	Net Amount
Interest rate futures	$1,092	478	$614	Other assets	$—	$614
Foreign currency forward contracts (1)	1,647	37	1,610	Other assets	—	1,610
Foreign currency forward contracts (2)	1,042	179	863	Other assets	—	863
Credit default swaps	549	47	502	Other assets	—	502
Total	$4,330	$741	$3,589		$—	$3,589

	Derivative Liabilities					
At September 30, 2015	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Balance Sheet	Net Amounts of Liabilities Presented in the Balance Sheet	Balance Sheet Location	Collateral Pledged	Net Amount
Interest rate futures	$516	478	$38	Other liabilities	$38	$—
Foreign currency forward contracts (1)	9,101	2,965	6,136	Other liabilities	—	6,136
Foreign currency forward contracts (2)	202	179	23	Other liabilities	—	23
Credit default swaps	793	47	746	Other liabilities	363	383
Weather contract	3	—	3	Other liabilities	—	3
Total	$10,615	$3,669	$6,946		$401	$6,545

(1) Contracts used to manage foreign currency risks in underwriting and non-investment operations.
(2) Contracts used to manage foreign currency risks in investment operations.

	Derivative Assets					
At December 31, 2014	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Balance Sheet	Net Amounts of Assets Presented in the Balance Sheet	Balance Sheet Location	Collateral	Net Amount
Interest rate futures	$468	468	$—	Other assets	$—	$—
Foreign currency forward contracts (1)	5,740	1,737	4,003	Other assets	—	4,003
Foreign currency forward contracts (2)	3,959	648	3,311	Other assets	—	3,311
Credit default swaps	468	88	380	Other assets	310	70
Total	$10,635	$2,941	$7,694		$310	$7,384

	Derivative Liabilities					
At December 31, 2014	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Balance Sheet	Net Amounts of Liabilities Presented in the Balance Sheet	Balance Sheet Location	Collateral Pledged	Net Amount
Interest rate futures	$1,037	468	$569	Other liabilities	$569	$—
Foreign currency forward contracts (1)	1,319	967	352	Other liabilities	—	352
Foreign currency forward contracts (2)	724	649	75	Other liabilities	—	75
Credit default swaps	251	88	163	Other liabilities	—	163
Weather contract	190	—	190	Other liabilities	190	—
Total	$3,521	$2,172	$1,349		$759	$590

(1) Contracts used to manage foreign currency risks in underwriting and non-investment operations.
(2) Contracts used to manage foreign currency risks in investment operations.
Refer to “Note 4. Investments” for information on reverse repurchase agreements.

The location and amount of the gain (loss) recognized in the Company's consolidated statements of operations related to its principal derivative instruments are shown in the following table:

	Location of gain (loss) recognized on derivatives	Amount of gain (loss) recognized on derivatives	
Three months ended September 30,		2015	2014
Interest rate futures	Net realized and unrealized (losses) gains on investments	$(16,817)	$(1,805)
Foreign currency forward contracts (1)	Net foreign exchange gains (losses)	817	(1,340)
Foreign currency forward contracts (2)	Net foreign exchange gains (losses)	2,185	8,827
Credit default swaps	Net realized and unrealized (losses) gains on investments	195	(72)
Weather contract	Net realized and unrealized (losses) gains on investments	10	9
Call rights	Other income (loss)	—	(1,956)
Total		$(13,610)	$3,663

	Location of gain (loss) recognized on derivatives	Amount of gain (loss) recognized on derivatives	
Nine months ended September 30,		2015	2014
Interest rate futures	Net realized and unrealized (losses) gains on investments	$(1,441)	$(21,441)
Foreign currency forward contracts (1)	Net foreign exchange gains (losses)	(5,782)	769
Foreign currency forward contracts (2)	Net foreign exchange gains (losses)	7,978	7,486
Credit default swaps	Net realized and unrealized (losses) gains on investments	257	386
Weather contract	Net realized and unrealized (losses) gains on investments	180	1,404
Call rights	Other income (loss)	—	264
Total		$1,192	$(11,132)

(1) Contracts used to manage foreign currency risks in underwriting and non-investment operations.
(2) Contracts used to manage foreign currency risks in investment operations.

The Company is not aware of the existence of any credit-risk related contingent features that it believes would be triggered in its derivative instruments that are in a net liability position at September 30, 2015.

Interest Rate Futures

The Company uses interest rate futures within its portfolio of fixed maturity investments to manage its exposure to interest rate risk, which can include increasing or decreasing its exposure to this risk. At September 30, 2015, the Company had $1,048.7 million of notional long positions and $1,429.5 million of notional short positions of primarily Eurodollar, U.S. treasury and non-U.S. dollar futures contracts (December 31, 2014 - $587.0 million and $617.4 million, respectively). The fair value of these derivatives is determined using exchange traded prices.

Foreign Currency Derivatives

The Company's functional currency is the U.S. dollar. The Company writes a portion of its business in currencies other than U.S. dollars and may, from time to time, experience foreign exchange gains and losses in the Company's consolidated financial statements. All changes in exchange rates, with the exception of non-monetary assets and liabilities, are recognized currently in the Company's consolidated statements of operations.

Underwriting Operations Related Foreign Currency Contracts

The Company’s foreign currency policy with regard to its underwriting operations is generally to hold foreign currency assets, including cash, investments and receivables that approximate the foreign currency liabilities, including claims and claim expense reserves and reinsurance balances payable. When necessary, the Company may use foreign currency forward and option contracts to minimize the effect of fluctuating foreign currencies on the value of non-U.S. dollar denominated assets and liabilities associated with its underwriting operations. The fair value of the Company’s underwriting operations related foreign currency contracts is determined using indicative pricing obtained from counterparties or broker quotes. At September 30, 2015, the Company had outstanding underwriting related foreign currency contracts of $271.2 million in notional long positions and $257.1 million in notional short positions, denominated in U.S. dollars (December 31, 2014 - $144.8 million and $121.6 million, respectively).

Investment Portfolio Related Foreign Currency Forward Contracts

The Company’s investment operations are exposed to currency fluctuations through its investments in non-U.S. dollar fixed maturity investments, short term investments and other investments. From time to time, the Company may employ foreign currency forward contracts in its investment portfolio to either assume foreign currency risk or to economically hedge its exposure to currency fluctuations from these investments. The fair value of the Company’s investment portfolio related foreign currency forward contracts is determined using an interpolated rate based on closing forward market rates. At September 30, 2015, the Company had outstanding investment portfolio related foreign currency contracts of $34.1 million in notional long positions and $152.3 million in notional short positions, denominated in U.S. dollars (December 31, 2014 - $35.8 million and $150.1 million, respectively).

Credit Derivatives

The Company’s exposure to credit risk is primarily due to its fixed maturity investments, short term investments, premiums receivable and reinsurance recoverable. From time to time, the Company purchases credit derivatives to hedge its exposures in the insurance industry, and to assist in managing the credit risk associated with ceded reinsurance. The Company also employs credit derivatives in its investment portfolio to either assume credit risk or hedge its credit exposure. The fair value of the credit derivatives is determined using industry valuation models, broker bid indications or internal pricing valuation techniques. The fair value of these credit derivatives can change based on a variety of factors including changes in credit spreads, default rates and recovery rates, the correlation of credit risk between the referenced credit and the counterparty, and market rate inputs such as interest rates. At September 30, 2015, the Company had outstanding credit derivatives of $2.2 million in notional long positions and $39.9 million in notional short positions, denominated in U.S. dollars (December 31, 2014 - $4.6 million and $19.4 million, respectively).

Weather Contract

The Company, from time to time, transacts in certain derivative-based risk management products that address weather-related risks. The fair value of these contracts is determined through the use of an internal valuation model with the inputs to the internal valuation model based on proprietary data as observable market inputs are not available. The most significant unobservable input is the potential payment that would become due to a counterparty following the occurrence of a triggering event as reported by an external agency. Generally, the Company’s portfolio of such derivatives is relatively small and such derivatives are frequently seasonal in nature. At September 30, 2015, the Company had an outstanding weather contract with an insurance company of $1.9 million in a notional short position (December 31, 2014 - $2.2 million).

Call Rights

At September 30, 2014, the Company had an agreement with a counterparty that gave the counterparty the right to purchase shares the Company has in certain of its equity method investees at a price above the Company’s then carrying value for those investments. The agreement was considered a derivative for accounting purposes and the Company’s estimated fair value of the agreement was $0.3 million at September 30, 2014. The fair value was based on an internal valuation model which incorporated the

estimated intrinsic value of the agreement, the time value of money, and the likelihood of the agreement being exercised and ultimately settled.

NOTE 14. COMMITMENTS, CONTINGENCIES AND OTHER ITEMS

There are no material changes from the commitments and contingencies previously disclosed in the Company's Form 10-K for the year ended December 31, 2014, other than those discussed below and in "Note 7. Debt and Credit Facilities."

Contingent Gain

During the second quarter of 2015, a decision was reached by the U.S. Court of Appeals for the District of Columbia Circuit in a case between the IRS and a Bermuda-based reinsurance company (the "Plaintiff") in favor of the Plaintiff. In deciding the case, the U.S. Court of Appeals concluded that federal excise tax does not apply to foreign to foreign retrocessions. As a result of this decision by the U.S. Court of Appeals, it is possible the Company may recognize a gain in a future period, currently estimated to be a maximum of $8.5 million ($3.6 million relates to refunds governed by the District of Columbia Circuit). The realization and recognition of the gain would be subject to the ultimate outcome of any future cases brought forth in other circuits, the application of the current decision by the IRS to the insurance industry and the Company's specific facts and circumstances.

Legal Proceedings

The Company and its subsidiaries are subject to lawsuits and regulatory actions in the normal course of business that do not arise from or directly relate to claims on reinsurance treaties or contracts or direct surplus lines insurance policies. This category of business litigation may involve allegations of underwriting or claims-handling errors or misconduct, employment claims, regulatory actions or disputes arising from the Company's business ventures. The Company's operating subsidiaries are subject to claims litigation involving, among other things, disputed interpretations of policy coverages. Generally, the Company's direct surplus lines insurance operations are subject to greater frequency and diversity of claims and claims-related litigation than its reinsurance operations and, in some jurisdictions, may be subject to direct actions by allegedly injured persons or entities seeking damages from policyholders. These lawsuits, involving claims on policies issued by the Company's subsidiaries which are typical to the insurance industry in general and in the normal course of business, are considered in its loss and loss expense reserves. In addition, the Company may from time to time engage in litigation or arbitration related to its claims for payment in respect of ceded reinsurance, including disputes that challenge the Company's ability to enforce its underwriting intent. Such matters could result, directly or indirectly, in providers of protection not meeting their obligations to the Company or not doing so on a timely basis. The Company may also be subject to other disputes from time to time, relating to operational or other matters distinct from insurance or reinsurance claims. Any litigation or arbitration, or regulatory process, contains an element of uncertainty, and the value of an exposure or a gain contingency related to a dispute is difficult to estimate accordingly. Currently, the Company believes that no individual litigation or arbitration to which it is presently a party is likely to have a material adverse effect on its financial condition, business or operations.

NOTE 15. CONDENSED CONSOLIDATING FINANCIAL INFORMATION PROVIDED IN CONNECTION WITH OUTSTANDING DEBT OF SUBSIDIARIES

The following tables present condensed consolidating balance sheets at September 30, 2015 and December 31, 2014, condensed consolidating statements of operations and condensed consolidating statements of comprehensive income for the three and nine months ended September 30, 2015 and 2014, and condensed consolidating statements of cash flow for the nine months ended September 30, 2015 and 2014. Each of RRNAH, Platinum Finance and RenaissanceRe Finance is a 100% owned subsidiary of RenaissanceRe. Refer to “Note 7. Debt and Credit Facilities” for information related to the Company’s debt obligations.

In the third quarter of 2015, and in connection with the Company’s acquisition of Platinum, the Company undertook a corporate reorganization of its entities under common control in order to optimize its operations. Under FASB ASC Topic Business Combinations, a reorganization of entities under common control, where the entity is considered a business, is required to be accounted for as a transfer of net assets at book value and reflected retroactively, with retrospective adjustment to prior period financial statements. As such, the comparative information included in “Note 15. Condensed Consolidating Financial Information Provided in Connection with Outstanding Debt of Subsidiaries” has been reclassified to conform to the current organizational structure from the earliest period presented.

There was no impact to the Company’s consolidated balance sheets, statements of operations, statements of changes in shareholders’ equity and statements of cash flows presented herein.

Condensed Consolidating Balance Sheet at September 30, 2015	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Platinum Underwriters Finance, Inc. (Subsidiary Issuer)	RenaissanceRe Finance, Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Assets							
Total investments	$ 201,274	$ 64,645	$ 264,262	$ —	$ 8,469,583	$ —	$ 8,999,764
Cash and cash equivalents	12,748	1,797	1,061	6,735	502,205	—	524,546
Investments in subsidiaries	4,142,941	45,473	928,866	1,238,826	—	(6,356,106)	—
Due from subsidiaries and affiliates	127,838	134,755	—	—	—	(262,593)	—
Premiums receivable	—	—	—	—	864,198	—	864,198
Prepaid reinsurance premiums	—	—	—	—	258,445	—	258,445
Reinsurance recoverable	—	—	—	—	141,416	—	141,416
Accrued investment income	815	100	306	—	39,634	—	40,855
Deferred acquisition costs	—	—	—	—	213,599	—	213,599
Receivable for investments sold	198	—	—	—	321,558	—	321,756
Other assets	376,693	35,177	18,694	118,267	(154,428)	(122,474)	271,929
	—	—	—	—	270,213	—	270,213

Goodwill and other intangible assets							
Total assets	$ 4,862,507	$ 281,947	$ 1,213,189	$ 1,363,828	$ 10,926,423	$ (6,741,173)	$ 11,906,721
Liabilities, Noncontrolling Interests and Shareholders' Equity							
Liabilities							
Reserve for claims and claim expenses	$ —	$ —	$ —	$ —	$ 2,796,062	$ —	$ 2,796,062
Unearned premiums	—	—	—	—	1,042,012	—	1,042,012
Debt	117,000	—	271,407	549,021	148,793	(117,000)	969,221
Amounts due to subsidiaries and affiliates	2,534	126	95	135,016	—	(137,771)	—
Reinsurance balances payable	—	—	—	—	533,174	—	533,174
Payable for investments purchased	13,171	—	—	—	589,405	—	602,576
Other liabilities	32,159	—	5,055	—	212,265	(5,474)	244,005
Total liabilities	164,864	126	276,557	684,037	5,321,711	(260,245)	6,187,050
Redeemable noncontrolling interest	—	—	—	—	1,022,028	—	1,022,028
Shareholders' Equity							
Total shareholders' equity	4,697,643	281,821	936,632	679,791	4,582,684	(6,480,928)	4,697,643
Total liabilities, noncontrolling interests and shareholders' equity	$ 4,862,507	$ 281,947	$ 1,213,189	$ 1,363,828	$ 10,926,423	$ (6,741,173)	$ 11,906,721

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.
(2) Includes Parent Guarantor, Subsidiary Guarantor and Subsidiary Issuer consolidating adjustments.

Condensed Consolidating Balance Sheet at December 31, 2014	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Assets					
Total investments	$ 137,006	$ 88,150	$ 6,518,594	$ —	$ 6,743,750
Cash and cash equivalents	5,986	1,033	518,565	—	525,584
Investments in subsidiaries	3,509,974	51,812	—	(3,561,786)	—
Due from subsidiaries and affiliates	126,548	23	—	(126,571)	—
Premiums receivable	—	—	440,007	—	440,007
Prepaid reinsurance premiums	—	—	94,810	—	94,810
Reinsurance recoverable	—	—	66,694	—	66,694
Accrued investment income	—	121	26,388	—	26,509
Deferred acquisition costs	—	—	110,059	—	110,059
Receivable for investments sold	10	—	52,380	—	52,390
Other assets	112,400	1,242	123,661	(101,458)	135,845
Goodwill and other intangible assets	—	—	7,902	—	7,902
Total assets	$ 3,891,924	$ 142,381	$ 7,959,060	$ (3,789,815)	$ 8,203,550
Liabilities, Redeemable Noncontrolling Interest and Shareholders' Equity					
Liabilities					
Reserve for claims and claim expenses	$ —	$ —	$ 1,412,510	$ —	$ 1,412,510
Unearned premiums	—	—	512,386	—	512,386
Debt	—	249,522	—	—	249,522
Amounts due to subsidiaries and affiliates	6,000	49,015	—	(55,015)	—
Reinsurance balances payable	—	—	454,580	—	454,580
Payable for investments purchased	—	—	203,021	—	203,021
Other liabilities	20,209	4,013	351,344	(1,458)	374,108
Total liabilities	26,209	302,550	2,933,841	(56,473)	3,206,127
Redeemable noncontrolling interest	—	—	1,131,708	—	1,131,708
Shareholders' Equity					
Total shareholders' equity	3,865,715	(160,169)	3,893,511	(3,733,342)	3,865,715
Total liabilities, redeemable noncontrolling interest and shareholders' equity	$ 3,891,924	$ 142,381	$ 7,959,060	$ (3,789,815)	$ 8,203,550

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.
(2) Includes Parent Guarantor and Subsidiary Issuer consolidating adjustments.

Condensed Consolidating Statement of Operations for the three months ended September 30, 2015	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Platinum Underwriters Finance, Inc. (Subsidiary Issuer)	RenaissanceRe Finance, Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Revenues							
Net premiums earned	$ —	$ —	$ —	$ —	$ 362,388	$ —	$ 362,388
Net investment income	6,051	319	1,428	352	26,283	(6,095)	28,338
Net foreign exchange gains (losses)	(8)	—	—	—	624	—	616
Equity in earnings of other ventures	—	—	—	—	5,730	—	5,730
Other income	—	—	—	—	5,517	(3,211)	2,306
Net realized and unrealized (losses) gains on investments	(1,752)	(3,094)	(19,046)	—	(17,246)	—	(41,138)
Total revenues	4,291	(2,775)	(17,618)	352	383,296	(9,306)	358,240
Expenses							
Net claims and claim expenses incurred	—	—	—	—	100,028	—	100,028
Acquisition expenses	—	—	—	—	78,126	—	78,126
Operational expenses	1,224	227	2	1,253	51,812	—	54,518
Corporate expenses	4,490	11	3	138	2,860	—	7,502
Interest expense	351	—	1,476	6,407	5,691	(3,563)	10,362
Total expenses	6,065	238	1,481	7,798	238,517	(3,563)	250,536
Income (loss) before equity in net income (loss) of subsidiaries and taxes	(1,774)	(3,013)	(19,099)	(7,446)	144,779	(5,743)	107,704
Equity in net income (loss) of subsidiaries	82,898	1,965	19,407	10,747	—	(115,017)	—
Income (loss) before taxes	81,124	(1,048)	308	3,301	144,779	(120,760)	107,704
Income tax (expense) benefit	—	1,264	10,136	2,558	(9,385)	—	4,573
Net income (loss)	81,124	216	10,444	5,859	135,394	(120,760)	112,277
Net income attributable to noncontrolling interests	—	—	—	—	(31,153)	—	(31,153)
Net income (loss) attributable to RenaissanceRe	81,124	216	10,444	5,859	104,241	(120,760)	81,124
Dividends on preference shares	(5,595)	—	—	—	—	—	(5,595)

Net income (loss) attributable to RenaissanceRe common shareholders	$ 75,529	$ 216	$ 10,444	$ 5,859	$ 104,241	$ (120,760)	$ 75,529

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.
(2) Includes Parent Guarantor and Subsidiary Issuer consolidating adjustments.

Condensed Consolidating Statement of Comprehensive Income (Loss) for the three months ended September 30, 2015	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Platinum Underwriters Finance, Inc. (Subsidiary Issuer)	RenaissanceRe Finance, Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Comprehensive income (loss)							
Net income (loss)	$ 81,124	$ 216	$ 10,444	$ 5,859	$ 135,394	$ (120,760)	$ 112,277
Change in net unrealized gains on investments	—	—	—	—	(733)	—	(733)
Comprehensive income (loss)	81,124	216	10,444	5,859	134,661	(120,760)	111,544
Net income attributable to noncontrolling interests	—	—	—	—	(31,153)	—	(31,153)
Comprehensive income attributable to noncontrolling interests	—	—	—	—	(31,153)	—	(31,153)
Comprehensive income (loss) attributable to RenaissanceRe	$ 81,124	$ 216	$ 10,444	$ 5,859	$ 103,508	$ (120,760)	$ 80,391

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.
(2) Includes Parent Guarantor and Subsidiary Issuer consolidating adjustments.

Condensed Consolidating Statement of Operations for the nine months ended September 30, 2015	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Platinum Underwriters Finance, Inc. (Subsidiary Issuer)	RenaissanceRe Finance, Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Revenues							
Net premiums earned	$ —	$ —	$ —	$ —	$ 1,038,976	$ —	$ 1,038,976
Net investment income	8,773	950	2,609	856	101,355	(7,894)	106,649
Net foreign exchange gains (losses)	(6)	—	—	—	(4,248)	—	(4,254)
Equity in earnings of other ventures	—	—	—	—	17,185	—	17,185
Other income	663	—	—	—	12,764	(8,155)	5,272
Net realized and unrealized (losses) gains on investments	(2,248)	(2,079)	(20,434)	—	(1,340)	—	(26,101)
Total revenues	7,182	(1,129)	(17,825)	856	1,164,692	(16,049)	1,137,727
Expenses							
Net claims and claim expenses incurred	—	—	—	—	346,225	—	346,225
Acquisition expenses	—	—	—	—	183,193	—	183,193
Operational expenses	4,665	3,705	3	1,253	145,192	(6)	154,812
Corporate expenses	36,327	262	3	222	29,318	—	66,132
Interest expense	1,114	7,233	3,445	9,413	12,454	(8,348)	25,311
Total expenses	42,106	11,200	3,451	10,888	716,382	(8,354)	775,673
Income (loss) before equity in net income (loss) of subsidiaries and taxes	(34,924)	(12,329)	(21,276)	(10,032)	448,310	(7,695)	362,054
Equity in net income (loss) of subsidiaries	368,315	7,513	29,533	59,262	—	(464,623)	—
Income (loss) before taxes	333,391	(4,816)	8,257	49,230	448,310	(472,318)	362,054
Income tax (expense) benefit	—	34,012	7,990	3,511	8,806	—	54,319
Net income (loss)	333,391	29,196	16,247	52,741	457,116	(472,318)	416,373
Net income attributable to noncontrolling interests	—	—	—	—	(82,982)	—	(82,982)
Net income (loss) attributable to RenaissanceRe	333,391	29,196	16,247	52,741	374,134	(472,318)	333,391
	(16,786)	—	—	—	—	—	(16,786)

Dividends on preference shares							
Net income (loss) attributable to RenaissanceRe common shareholders	$ 316,605	$ 29,196	$ 16,247	$ 52,741	$ 374,134	$ (472,318)	$ 316,605

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.
(2) Includes Parent Guarantor, Subsidiary Guarantor and Subsidiary Issuer consolidating adjustments.